

meitu

Stock Code: 1357

2025

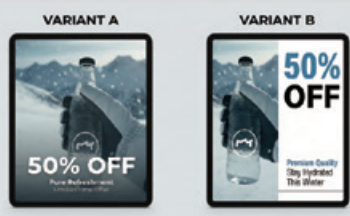
ANNUAL REPORT



(Incorporated in the Cayman Islands with limited liability and carrying on business in Hong Kong as “美圖之家”)

STORYBOARD OUTLINE & INFO (Ep. 3, Sc. A)

- SCENE CONTEXT:**
- Protagonist's resolve arrival at the ancient ruin. Mood is tense, determined. Weather is overcast, clearing.
- PANEL BREAKDOWN (Right Side Sequences):**
- P1. Wide shot, silhouettes of gate, wind effect.
 - P2. Close-up hand clenching weapon hilt.
 - P3. Extreme close-up eyes opening, sharp glare.
 - P4. Medium dynamic shot, dashing forward, dust trail.
 - P5. Reaction shot (antagonist/obstacle), surprised.
 - P6. Final wide stance, confronting glowing artifact.
- KEY ANIMATION NOTES:**
- P1-P3 Cover built-up, hold frames.
 - P4 Rapid acceleration, vico speed lines.
 - P6 Hold for impact, camera slight push-in.
- SFX:** Wind howl (P1), leather creak (P2), sharp "bling" (P3), heavy footsteps (P4).





2025 ANNUAL REPORT

Contents

2	CORPORATE INFORMATION
4	2025 HIGHLIGHTS
6	KEY FINANCIAL DATA
7	KEY OPERATIONAL DATA
8	CHAIRMAN'S STATEMENT
11	MANAGEMENT DISCUSSION AND ANALYSIS
30	DIRECTORS AND SENIOR MANAGEMENT
35	REPORT OF THE DIRECTORS
72	CORPORATE GOVERNANCE REPORT
91	ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT
190	INDEPENDENT AUDITOR'S REPORT
197	CONSOLIDATED INCOME STATEMENT
199	CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
200	CONSOLIDATED BALANCE SHEET
202	CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
204	CONSOLIDATED STATEMENT OF CASH FLOWS
206	NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
296	FIVE YEAR FINANCIAL SUMMARY
297	DEFINITIONS

Corporate Information

BOARD OF DIRECTORS

Executive Director

Mr. WU Zeyuan (*Chairman of the Board and Chief Executive Officer*)
(also known as: Mr. WU Xinhong)

Non-executive Directors

Mr. CHEN Jiarong
Mr. HONG Yupeng

Independent Non-executive Directors

Mr. ZHOU Hao
Mr. LAI Xiaoling
Ms. POON Philana Wai Yin

AUDIT COMMITTEE

Mr. ZHOU Hao (*Chairman*)
Mr. LAI Xiaoling
Mr. HONG Yupeng

REMUNERATION COMMITTEE

Mr. LAI Xiaoling (*Chairman*)
Mr. ZHOU Hao
Ms. POON Philana Wai Yin

NOMINATION COMMITTEE

Mr. WU Zeyuan (*Chairman*)
Mr. ZHOU Hao
Ms. POON Philana Wai Yin

COMPANY SECRETARY

Mr. NGAN King Leung Gary

AUTHORIZED REPRESENTATIVES

Mr. WU Zeyuan
Mr. NGAN King Leung Gary

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor

REGISTERED OFFICE

Cricket Square, Hutchins Drive
PO Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Corporate Information

HEADQUARTERS

Meitu Tower, Building 2
Meifeng Innovation Valley
No. 2557 Binhai West Avenue
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The People's Republic of China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 7702A, Level 77
International Commerce Centre
1 Austin Road West
Kowloon
Hong Kong

LEGAL ADVISORS

As to Hong Kong law
Woo Kwan Lee & Lo

As to PRC law
Jingtian & Gongcheng

As to Cayman Islands law (*in alphabetical order*)
Appleby
Conyers Dill & Pearman

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
PO Box 2681
Grand Cayman, KY1-1111
Cayman Islands

HONG KONG SHARE REGISTRAR

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

PRINCIPAL BANKERS

The Hong Kong and Shanghai Banking Corporation Limited
China Merchants Bank (Offshore Banking)

STOCK CODE

1357

COMPANY WEBSITE

www.meitu.com

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2025 Highlights

2025 Highlights

- Paying subscribers exceeded 16.91 million, including 2.16 million from Productivity tools. Paying subscribers of Productivity tools grew by 67.4% YoY, with paying subscribers from markets outside of Mainland China more than doubling during the year.
- In terms of globalisation, MAU from markets outside of Mainland China surpassed the 100 million milestone in 2025, with international paying subscriber adds accelerating in the second half of the year. More importantly, the majority of new paying subscribers came from high-ARPU regions, including Europe, the Americas and East Asia.
- As of December 31, 2025, we have integrated our AI agent capability across most of our product portfolios. In *Designkit*, the “Agent” function has quickly grown to be the top driver of billings’ growth since December 2025.
- For the year ended December 31, 2025, total revenue⁽¹⁾ increased by 28.8% YoY to RMB3.9 billion, among which our core business of Photo, video and design products grew rapidly at 41.6% YoY. IFRS Net Profit attributable to Owners of the Company⁽¹⁾ decreased by 12.7% YoY to RMB697.6 million, primarily due to a high base resulting from the one-off gain on cryptocurrency disposal in 2024, and a one-off non-cash expense related to the convertible bond issuance to Alibaba Group in 2025. Excluding non-cash and non-operating items, Adjusted Net Profit attributable to Owners of the Company⁽²⁾ grew by 64.7% YoY to RMB965.3 million, reflecting strong growth momentum in the Group’s core business.

(1) From continuing operations.

(2) For better comparability with the corresponding period last year on a consistent basis, Adjusted Net Profit includes results from discontinued operations.

Key Financial Data

	Year ended December 31		YoY change (%)
	2025 RMB'000	2024 RMB'000 (Restated)	
Revenue ⁽¹⁾	3,858,738	2,996,182	28.8%
– Photo, video and design products	2,954,033	2,085,616	41.6%
– Advertising	842,595	853,467	-1.3%
– Others ⁽²⁾	62,110	57,099	8.8%
Gross Profit ⁽¹⁾	2,838,813	2,277,812	24.6%
Gross Margin ⁽¹⁾	73.6%	76.0%	-2.4p.p.
Net Profit Attributable to Owners of the Company ⁽¹⁾	697,563	798,875	-12.7%
Adjusted Net Profit Attributable to Owners of the Company ⁽³⁾	965,347	586,167	64.7%

(1) Unless otherwise specified, all figures presented are from continuing operations only. For details on the discontinued operations, please refer to the section headed "Management Discussion and Analysis – Others".

(2) Includes AI skin analysis business recategorised from Solutions for beauty industry.

(3) For better comparability with the corresponding period last year on a consistent basis, Adjusted Net Profit includes results from discontinued operations. For further details, please refer to the section headed "Management Discussion and Analysis – Profit/(Loss) for the Year and Non-IFRSs Measure: Adjusted Net Profit/(Loss)".

Key Operational Data

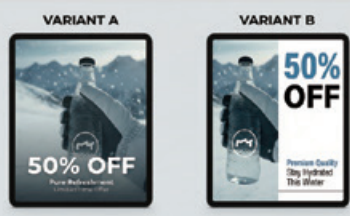
	As of December		YoY
	2025	2024	change
	millions	millions	(%)
MAU	276	266	3.8%
Breakdown by application use case:			
– Products for leisure ⁽¹⁾	252	244	3.3%
– Productivity tools ⁽²⁾	24	22	9.1%
Breakdown by geography:			
– Mainland China	175	171	2.3%
– Markets outside of Mainland China	101	95	6.3%
Paying Subscribers	16.91	12.61	34.1%
Breakdown by application use case:			
– Products for leisure ⁽¹⁾	14.75	11.32	30.3%
– Productivity tools ⁽²⁾	2.16	1.29	67.4%
Subscription Rate	6.1%	4.7%	1.4p.p.
Breakdown by application use case:			
– Products for leisure ⁽¹⁾	5.9%	4.6%	1.3p.p.
– Productivity tools ⁽²⁾	9.0%	5.9%	3.1p.p.

(1) “Products for leisure” refers to users from products focusing on casual use cases such as photography, image and video editing, etc.

(2) “Productivity tools” refers to users from products focusing on productivity use cases such as e-commerce marketing materials, talking videos, etc.

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Chairman's Statement

Chairman's Statement

Dear Shareholders,

2025 marked another year of disciplined execution for Meitu. Despite a rapidly evolving AI landscape, we remained focused on our strategy and once again translated long-term positioning into sustainable operating results.

During the year, our revenue⁽¹⁾ grew by 28.8% YoY to RMB3.9 billion and Adjusted Net Profit attributable to Owners of the Company increased significantly by 64.7% YoY to RMB965.3 million, reflecting our improving monetisation capability and operating leverage. At the same time, within Andreessen Horowitz (a16z)'s "Global Top 50 Gen AI Mobile Apps" list, Meitu ranked first by the number of featured products in the photo, video and design category (with four apps included)⁽²⁾. This external recognition reinforces our position as a leading global AI application company in the image, video and design field.

In the AI era, we remain deeply committed to being a vertical-driven AI application company. We focus on transforming model capabilities into practical, ready-to-use workflows through industry-specific AI agents. These AI agents first analyse users' requests and decompose them into specific components, then leverage a calibrated mix of generative AI ("GenAI"), agentic workflows and traditional editing tools to effectively address users' needs with precision. By integrating industry expert knowledge, collaborative workflows, design asset storage as well as user insights, we are able to accelerate the data flywheel within each vertical and continuously refine outputs and user experience. Our approach can help bridge design skill gap by democratising professional-grade output for beginners, while acting as a high-performance multiplier for experienced users.

Our conviction in this strategy is particularly strong in the image, video and design field. Textual, numerical or logical questions often have objective answers, but visual-related requests are inherently subjective and depend on the context, such as region, use case and time period. For example, what is considered "visually appealing" in one market may not resonate in another; what is suitable for cinematic storytelling may not be appropriate for e-commerce product posters; aesthetic trends that were popular a decade ago may re-emerge in a different form years later. Given this complexity, it is challenging to consistently deliver satisfactory outcomes across all scenarios through technology alone. While foundational models are versatile, similar to a multi-purpose Swiss knife, vertical-specific applications resemble specialised tools, such as a surgical knife, purpose-built to deliver greater efficiency in distinct use cases. Therefore, we believe the key to success in the image, video and design field lies in building industry-expert agents that integrate domain knowledge throughout the workflow, dynamically select the most suitable model for each request, and seamlessly incorporate manual adjustment tools.

In 2025, we continued to operationalise AI capability into scalable productivity workflows by progressively integrating our AI agents across most of our product portfolios. By assigning our AI agents clearly defined roles and responsibilities within each vertical through fine-tuned meta prompts, we transform them into creative assistants and workflow partners to users. Users can focus on ideation and design, while the AI agents intelligently select the most suitable model for each request across our self-developed MiracleVision model, fine-tuned open-source models and third-party API. Users can then seamlessly fine-tune the outputs through intuitive manual adjustments, ensuring the final results are precisely aligned with their specific context. Through this integrated approach, our AI agents enhance consistency, efficiency and output quality across different verticals and user segments.

In terms of vertical prioritisation, we strategically focus on high-value industries where measurable productivity gains can more easily translate into strong growth elasticity. In verticals such as e-commerce design, talking video production and offline retail design, efficiency improvements are more directly and visibly linked to economic value. For example, hiring in-house designers or outsourcing creative work can represent a significant cost for merchants, whereas our products leverage AI agents and individual functions to deliver comparable, and in many cases enhanced, outcomes at a substantially lower cost. By enhancing efficiency, we enable merchants and individual users to drive both revenue growth and cost savings within these industries.

(1) From continuing operations.

(2) Based on a16z list published on March 9, 2026 (ranked by MAU from Sensor Tower). Ranking is based on the number of apps included from the photo, video and design category.

Chairman's Statement

As a result of our sustained commitment to Productivity tools, we recorded 67.4% YoY growth in Productivity tools' paying subscribers, with paying subscribers from markets outside of Mainland China more than doubling during the year. We also observed a significant improvement in the subscription rate of our Productivity tools, reflecting users' growing recognition of the tangible benefits and practical value delivered by our products.

Our globalisation strategy has also delivered solid progress during the year. In the second half of 2025, we observed accelerated growth in paying subscribers from markets outside of Mainland China, with the majority of new additions coming from high-ARPU regions with mature subscription habits, including Europe, the Americas and East Asia. This is particularly meaningful as it enhances the sustainability of our international monetisation. These achievements reflect our accumulated know-how in product localisation and global execution. We are able to quickly identify emerging trends with global viral potential, launch features that resonate across different markets, and iterate rapidly based on user feedback. These capabilities demonstrate our deep understanding of global user preferences and our ability to execute with agility. As a result, the *Meitu app* topped overall charts in 52 countries and regions, and category charts in over 110 countries and regions in 2025. Our AI-native platform, *RoboNeo*, topped global app store rankings across overall and category charts in 26 countries and regions, demonstrating the global potential of our agent technology.

Looking ahead, we remain committed to continuous innovation while maintaining disciplined investment. We will continue to explore new product and vertical opportunities through our internal innovation studios and product hackathons, which encourage broad participation across the organisation. Promising concepts receive incremental resources, while unproven ideas are quickly deprioritised. We believe this structured approach preserves strategic optionality while ensuring financial prudence.

Collectively, these efforts reinforce our confidence in Meitu's long-term strategic direction. Our ambition is not merely to be a creative product provider, but to become a global leading vertical-driven AI application company. We remain open to mutually beneficial partnerships, such as our strategic collaboration with Alibaba, to jointly advance the development and application of AI technologies. We believe the Group is well positioned to sustain innovation and execute globally over the long term.

Finally, the Board has recommended the payment of a final dividend of HK\$0.05 per ordinary share of the Company (the "Final Dividend") in cash out of the Share Premium Account for the year ended December 31, 2025, conditional upon, among others, the approval by the Shareholders at the forthcoming AGM. Such proposed dividend is expected to be paid on or about June 26, 2026 to the Shareholders whose names appear on the register of members of the Company at the close of business on June 15, 2026. Details of the AGM and payment of the Final Dividend are set forth in the section headed "Management Discussion and Analysis – Dividends" in this annual report.

APPRECIATION

On behalf of everyone at Meitu, I would like to express our sincere gratitude to all of our users, Shareholders and stakeholders for their unwavering support and confidence in the Company. I would also like to thank our employees and management team for embodying Meitu's core values in their daily work and for executing the Group's strategy with professionalism, integrity, and dedication. With our market-leading position in uniting art and technology, we invite you to join us as we collectively shape the future of AI-powered design and creativity.

Wu Zeyuan
Chairman

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- KEY ANIMATION NOTES:**
- P1-P3 Slow build-up, held frames.
 - P4 Rapid acceleration, slow speed lines.
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Management Discussion and Analysis

Management Discussion and Analysis

BUSINESS OVERVIEW

Mission

Founded in 2008, we are an AI technology company with the mission to unite art and technology. We are committed to creating world-class creative applications to make the production of photos, videos, and designs easier with the best user experience.

Our Businesses

We have three main revenue lines:

- Photo, Video and Design Products
- Advertising
- Others

Photo, Video and Design Products

With a focus on the photo and video industry, we have created a comprehensive portfolio of products to meet the diverse demands of the creator community, including every-day users, KOLs, professional designers, small businesses and others. We have also accumulated profound insights into users' aesthetic needs and the forefront trend of photo and video development, with which we endeavour to provide top-performance products for a variety of vertical use cases. As a result, we have built up a massive and highly valuable user base, who actively utilises our products for both productivity and leisure purposes. In addition to a suite of free features, our users may choose to pay for a subscription plan, with the flexibility to purchase additional tokens based on usage, or make one-off payments for individual features and functions. As of December 31, 2025, we had 16.91 million paying subscribers, with a paying subscription rate of 6.1%.

Our Photo, video and design products can be grouped under Productivity tools and Products for leisure:

Productivity Tools

For Productivity tools, we focus on building products around "vertical-specific AI workflows in digital content creation." We offer various products to cater to distinctive needs from users in different industries, including e-commerce, talking video, and offline retail. We enable both everyday users and professional designers to efficiently produce high-quality, professional-grade outputs. In 2025, we have observed a significant increase in paying subscribers, with paying subscribers from markets outside of Mainland China more than doubling. The fast growth in paying subscribers demonstrates that our Productivity tools are delivering tangible and practical value to users, thereby driving increased subscription willingness. In the year ended December 31, 2025, Productivity tools revenue accounted for 19% of revenue from Photo, video and design products.

Management Discussion and Analysis

In July 2025, we launched our AI-native platform, *RoboNeo*, a multimodal AI assistant that combines the power of computer vision, natural language processing, and GenAI to function as a smart co-creator for digital visual content. Since July, we have proactively integrated the AI agent capability across most of our product portfolios, including *Designkit*, *Kaipai*, and *Vmake*.

The core value of our AI agents lies in the systematic integration of industry-specific knowledge into programmable workflows. Through structured training, fine-tuned meta prompts and industry-specific workflow, each AI agent is configured to operate as a domain specialist within its respective vertical. Within specific use cases, the AI agents deliver context-aware outputs aligned with industry standards and user intent, while dynamically orchestrating foundational models, agentic workflows and traditional editing tools. This architecture enhances precision, consistency and controllability across the end-to-end design process, improving efficiency and reducing reliance on manual intervention.

Designkit

Designkit focuses on the “AI workflow for e-commerce design,” enabling e-commerce merchants and content creators to efficiently produce complete sets of product images or individual visuals for global e-commerce platforms and social media channels. Users can start by selecting from *Designkit*’s four specialised AI agents (“*E-commerce Agent*”, “*Try-on Agent*”, “*Poster Agent*”, and “*Video Agent*”) or ready-to-use prompts, each tailored to address specific commercial scenarios. Upon selection, users are presented with a structured and pre-configured prompt with key input parameters for users to fill in, such as product category, output dimension, sales platform, and model attributes such as gender. Once users fill in the required information and upload reference images, the AI agent then analyses the content and processes the request accordingly.

Users may further adjust results through text prompts or manual editing tools for precise control. More advanced users can choose to modify the pre-configured detailed prompts to fine-tune the results. In addition, users may save customised prompts and output styles as reusable templates, enabling batch application across multiple images to enhance efficiency and consistency. *Designkit* also offers a team collaboration mode, allowing multiple users to access projects simultaneously and manage shared brand assets through a centralised library for efficient collaboration and future reuse. Since December 2025, the “*Agent*” function within *Designkit* has quickly grown to be the top driver of billings’ growth⁽¹⁾, demonstrating strong commercial traction.

In the meantime, *Designkit* has also established strategic collaborations with leading e-commerce platforms. For example, selected functions have been integrated into Alibaba’s merchant back-end portal for enhanced accessibility; on JD.com’s Jingmai platform, merchants may access *Designkit* via a click-through link to utilise its full functionality; in addition, *Designkit* joined Amazon’s Service Provider Network (SPN) in September 2025, further strengthening its global ecosystem integration.

(1) Based on net billings (after deducting sharing fee to payment channels and refunds) from *Designkit*’s web and mobile app portals in aggregate.

Management Discussion and Analysis

Kaipai and Vmake

Our talking video products, *Kaipai* and *Vmake*, specialise in “AI workflow for video production”, empowering users to easily create professional talking videos either through pre-made templates or their own designs.

We have adopted a vertical-led growth strategy by targeting industry professionals with strong talking video needs but limited video production expertise. *Kaipai* focuses on sectors such as healthcare and wellness, education, beauty products, insurance and real estate. These industries have increasingly transitioned from predominantly offline to online customer acquisition and engagement as social e-commerce continues to expand in China. Many of these users are new to video creation and have limited time and technical capability. Rather than requiring them to master complex editing tools, *Kaipai* simplifies the entire production process through guided workflows, significantly lowering the barrier to entry. As a result, *Kaipai*'s MAU nearly doubled and its paying subscribers tripled in 2025, reflecting strong product-market alignment and sustained user demand.

Meanwhile, *Vmake* further strengthened its product-market fit in the fitness and health market in the United States (the “U.S.”), a vertical characterised by high content frequency and strong demand for personalised video communication. By December 2025, *Vmake*'s MAU in the U.S. had grown rapidly YoY, and its annual recurring revenue (“ARR”) reached approximately US\$3 million, indicating improving user traction and monetisation capability.

During the year, we also integrated our AI agent into both *Kaipai* and *Vmake* to enhance workflow automation and user experience. Our AI agents function as intelligent video co-producers. Users may start by simply selecting a pre-configured prompt or inputting their own instructions, together with reference images or videos. The AI agent then analyses the request, generates structured scene-by-scene concepts, and produces consolidated video segments for users' further refinement via traditional tools where necessary. Through this structured and iterative process, the AI agent supports users across ideation, planning and production, enabling them to focus on creative expression while the AI agent manages technical execution.

Products for Leisure

The *Meitu app*, *BeautyCam* and *Wink* are our core products focusing on image and video editing, as well as camera and photoshooting, for leisure purposes. Leveraging a substantial MAU base, we recorded 30.3% YoY growth in our paying subscribers in the year ended December 31, 2025, with even faster growth from markets outside of Mainland China. As a result, the overall subscription rate reached 5.9%, reflecting continued enhancement in our monetisation capability.

- The *Meitu app* is our flagship product addressing users' needs in photo retouching and portrait beautification. The *Meitu app* has ranked first in terms of MAU within the photo tools market in China for ten consecutive years, according to QuestMobile. With the rapid advancement of GenAI technologies, the *Meitu app* has continuously upgraded its features, particularly paying features, to enhance user experience and drive subscription conversion.
- The *BeautyCam* focuses on the photoshooting functionality and caters to users who prefer taking photos with embedded filters and styles. Users can choose a variety of effects ranging from make-up filters to special camera settings to cater to their preferences.
- *Wink* is our AI video editing tool, enabling users to edit and retouch videos through pre-made templates and in-app functions. *Wink*'s signature “Quality Restoration” feature can automatically detect and improve imperfections in images or videos, such as blurriness, reduced visual clarity, and scratches. In addition to general applications, *Wink* offers specialised enhancements for various vertical-specific scenarios, including concerts, gaming, anime, and text.

Management Discussion and Analysis

In 2025, we achieved significant progress in expanding our global presence and reinforcing our capability to consistently develop viral features that resonate across markets. During the year, we launched several globally trending functions, including “3D Figurine”, “AI Group Photo” and “AI Snow”, demonstrating our repeatable capability to create breakout features with strong user appeal. These functions collectively contributed to the *Meitu app* topping overall charts in 52 countries and regions, and category charts in over 110 countries and regions. Among these, the “AI Group Photo” function drove the *Meitu app*’s MAU to a historical high and attracted over 3 million new active users from European markets, marking a meaningful milestone in our globalisation efforts. Furthermore, the “AI Snow” function contributed to significant new user acquisition and enabled the *Meitu app* to top the category chart in the U.S. for the first time in history.

In addition, we strengthened our intellectual property (“IP”) collaboration strategy by partnering with well-recognised brands to introduce customised stickers and filters, including Disney’s “Zootopia” and Pop Mart’s “Twinkle Twinkle”. These collaborations enhanced our product offerings and drove new subscriber growth, while strengthening our position in the image, video and design field by combining our AI technology with our partners’ established IP stories.

Looking ahead, while continuing to strengthen our core functions and enhance user experience in China, we will place greater emphasis on expanding user mindshare and MAU in international markets. We aim to achieve this through the development of engaging, viral features and ongoing optimisation of our recommendation capabilities, enabling users to discover and utilise more functions, thereby enhancing user stickiness and willingness to pay.

Advertising

For online advertising, we mainly generate revenue from programmatic advertisement and brand advertisement. For programmatic advertisement, we have established long-term partnerships with multiple leading advertising network platforms, enabling efficient bidding process through our independently operated bidding platform. We continuously provide high-quality advertising inventory to our partner network platforms, which in turn bring us diverse advertising demands, resulting in a mutually beneficial partnership.

For brand advertising, we offer a range of creative formats to meet advertisers’ evolving marketing needs. In addition to traditional splash screens and banner advertisements, we have developed AI-enabled formats such as “Creative Effects” and “AI Templates”, enabling advertisers to deliver interactive branded content that enhances user engagement and strengthens brand awareness.

In 2025, we further demonstrated our capability in delivering AI-driven creative advertising solutions through collaborations with leading global brands, such as McDonald’s and Visa. Leveraging our GenAI technology, we launched customised branded campaigns within the *Meitu app* and *RoboNeo*, enabling users to generate interactive content embedded with brand elements through dedicated AI agents and visual effects. These initiatives effectively encouraged user-generated content and social sharing, strengthened brand engagement, and supported global expansion in markets such as France, Japan, and Singapore.

Others

The Others segment primarily comprises legacy products and services that are non-core to our principal business of Photo, video and design products.

On November 1, 2025, we discontinued the cosmetic supply chain management services previously included under the Solutions for beauty industry business. The remaining AI skin analysis solutions business, being non-core to our primary operations, has been recategorised under the Others segment.

Management Discussion and Analysis

YEAR ENDED DECEMBER 31, 2025 COMPARED TO YEAR ENDED DECEMBER 31, 2024

	Year ended December 31	
	2025 RMB'000	2024 RMB'000 (Restated)
Continuing operations		
Revenue	3,858,738	2,996,182
Cost of sales	(1,019,925)	(718,370)
Gross profit	2,838,813	2,277,812
Selling and marketing expenses	(599,571)	(477,856)
Administrative expenses	(451,401)	(396,014)
Research and development expenses	(945,370)	(910,703)
Net impairment losses on financial assets	(11,731)	(2,751)
Share-based non-cash expense from convertible bonds issuance	(511,811)	–
Other income	20,074	23,618
Other gains/(losses), net	532,872	(364,768)
Reversal of impairment losses and disposal gains on cryptocurrencies	–	639,556
Impairment losses on intangible assets	(23,656)	–
Finance income, net	55,274	50,654
Shares of gains/(losses) of investments accounted for using the equity method	1,380	(23,668)
Profit before income tax	904,873	815,880
Income tax expense	(207,861)	(17,233)
Profit from continuing operations	697,012	798,647
Profit/(Loss) from continuing operations attributable to:		
– Owners of the Company	697,563	798,875
– Non-controlling interests	(551)	(228)
(Loss)/Profit from discontinued operations	(149,655)	7,513
Profit for the year	547,357	806,160
Profit/(Loss) attributable to:		
– Owners of the Company	582,900	805,176
– Non-controlling interests	(35,543)	984
Non-IFRSs measure:		
Adjusted Net Profit for the year	937,904	588,521
Adjusted Net Profit/(Loss) attributable to:		
– Owners of the Company ⁽¹⁾	965,347	586,167
– Non-controlling interests	(27,443)	2,354

(1) For details of Adjusted Net Profit attributable to Owners of the Company, please refer to the section headed "Management Discussion and Analysis – Profit/(Loss) for the Year and Non-IFRSs Measure: Adjusted Net Profit/(Loss)".

Management Discussion and Analysis

Revenue

We primarily serve the photo and video industry, offering a comprehensive suite of products and services to our users. Revenue from our Photo, video and design products is mainly generated through subscriptions and in-app purchases, including individual features and tokens. In addition, we can also generate revenue from advertising and marketing services within our applications. Accordingly, our revenue is categorised into (i) Photo, video and design products; (ii) Advertising; and (iii) Others.

The following table presents our revenue lines and the corresponding percentages of total revenue for the periods presented. For the year ended December 31, 2025, total revenue increased by 28.8% to RMB3,858.7 million, compared with RMB2,996.2 million for the year ended December 31, 2024, primarily driven by rapid revenue growth in our core business of Photo, video and design products, supported by significant growth in global paying subscribers.

	Year ended December 31			
	2025		2024	
	Amount RMB'000	% of total revenues	Amount RMB'000 (Restated)	% of total revenues
Photo, video and design products	2,954,033	76.6%	2,085,616	69.6%
Advertising	842,595	21.8%	853,467	28.5%
Others	62,110	1.6%	57,099	1.9%
Total	3,858,738	100.0%	2,996,182	100.0%

Photo, video and design products

Our Photo, video and design products segment maintained strong growth momentum, with revenue increasing by 41.6% YoY to RMB2,954.0 million for the year ended December 31, 2025 (year ended December 31, 2024: revenue of RMB2,085.6 million). The growth in revenue scale was primarily driven by the increase in paying subscribers. As of December 31, 2025, total number of paying subscribers increased by 34.1% YoY to 16.91 million, representing a subscription rate of 6.1%. Notably, paying subscriber growth in international markets outpaced that of Mainland China, further validating the effectiveness of the Group's globalisation strategy.

Advertising

For the year ended December 31, 2025, revenue from Advertising was RMB842.6 million, which was largely in line with RMB853.5 million for the year ended December 31, 2024.

Others

Other businesses are mainly legacy products and services that are non-core to our principal business of Photo, video and design products. On November 1, 2025, we discontinued the cosmetic supply chain management services previously included under the Solutions for beauty industry business. Revenue from discontinued operations was RMB32.5 million in 2025 (year ended December 31, 2024: revenue of RMB344.6 million). Additionally, we recategorised the remaining AI skin analysis solutions business under the Others segment.

For the year ended December 31, 2025, other revenue from the Group increased by 8.8% YoY to RMB62.1 million (year ended December 31, 2024: revenue of RMB57.1 million).

Management Discussion and Analysis

Cost of sales

For the year ended December 31, 2025, our cost of sales increased to RMB1,019.9 million, representing an increase of 42.0% from RMB718.4 million for the year ended December 31, 2024, primarily driven by cost of sales related to our Photo, video and design business. Specifically:

The majority of cost was revenue sharing fee to payment channels, which grew by 43.5% YoY to RMB617.8 million. This portion of cost mainly arose from the revenue sharing fee to payment channels such as Apple and Google for our subscriptions and in-app purchases, which increased in line with the revenue growth of revenue from Photo, video and design products.

The second largest cost was computing power and cloud-related costs, which increased by 16.4% YoY to RMB231.6 million, nearly half of which was attributable to inference-related computing power costs.

Additionally, we maintained third-party API costs at a mid-single-digit percentage of total cost of sales by leveraging our in-house vertical-specific models and fine-tuned open-source models to generate the vast majority of user outputs.

Gross Profit and Margin

Our gross profit for the year ended December 31, 2025 was RMB2,838.8 million, representing a 24.6% increase from RMB2,277.8 million for the year ended December 31, 2024. Our gross margin was 73.6% for the year ended December 31, 2025, compared with 76.0% for the same period last year on a restated basis from our continuing operations. The slight decrease in gross margin was primarily due to two factors: (i) a change in revenue mix, as Advertising business, which has a relatively higher gross margin, accounted for a lower proportion of total revenue; and (ii) an increase in computing and API-related costs in support of the continued expansion of our core Photo, video and design business.

Selling and Marketing Expenses

Selling and marketing expenses were RMB599.6 million for the year ended December 31, 2025, representing a 25.5% increase from RMB477.9 million for the year ended December 31, 2024. The increase was primarily attributable to targeted promotional initiatives to drive growth of Productivity tools in Mainland China and Products for leisure in markets outside of Mainland China. Selling and marketing expenses as a percentage of revenue from Photo, video and design products and Advertising remained stable at around 16% in both 2024 and 2025.

Administrative Expenses

Administrative expenses were RMB451.4 million for the year ended December 31, 2025, representing a 14.0% increase from RMB396.0 million for the same period last year. This was primarily due to an increase in employee-related expenses.

Research and Development (“R&D”) Expenses

R&D expenses were RMB945.4 million for the year ended December 31, 2025, representing a 3.8% increase from RMB910.7 million for the same period last year. The relatively modest increase compared with the 43.3% YoY growth recorded in 2024 was primarily attributable to lower expenses related to foundational model training.

Management Discussion and Analysis

In 2024, we largely completed the training of our self-developed large vision model's foundational capabilities. Consistent with our model-agnostic strategy, we have since shifted our R&D priorities towards vertical-specific model training and application-level optimisation to better address targeted user needs.

Excluding expenses related to foundational model training, R&D expenses would have increased by 14.5% YoY. Going forward, we will continue to optimise the allocation of resources between our self-developed and third-party capabilities to deliver high-quality user experiences, while continuing to increase investment in vertical-specific model training and R&D talent.

Share-based Non-Cash Expense from Convertible Bonds Issuance

On May 20, 2025, the Company entered into a conditional subscription agreement with Alibaba.com China Limited, an indirect wholly-owned subsidiary of Alibaba Group Holding Limited, pursuant to which the Company agreed to issue convertible bonds with an aggregate principal amount of US\$250 million (the "Convertible Bonds"). The Convertible Bonds bear interest at 1% per annum, payable semi-annually, and have a maturity of three years from the date of issuance.

As of December 31, 2025, all conditions precedent under the subscription agreement were fulfilled and the issuance of the Convertible Bonds was completed.

As the fair value of the Convertible Bonds on the closing date exceeded the principal amount, the Group recognised a one-off, non-cash share-based expense of RMB511.8 million in accordance with IFRS 2. This one-off expense does not result in any cash outflow from the Group.

Other Income

Other income for the year ended December 31, 2025 was RMB20.1 million, compared to RMB23.6 million for the year ended December 31, 2024.

Other Gains/(Losses), Net

Other gains, net were RMB532.9 million for the year ended December 31, 2025, compared to a net loss of RMB364.8 million for the year ended December 31, 2024, primarily attributable to the increase in fair value changes of financial assets at fair value through profit or loss⁽¹⁾.

Finance Income, Net

Finance income, net mainly comprised bank interest income and foreign exchange losses. Our finance income, net was RMB55.3 million for the year ended December 31, 2025, representing an increase of 9.1% from RMB50.7 million for the year ended December 31, 2024, primarily due to the increase in bank deposit interest income, partly offset by foreign exchange losses.

Income Tax Expense

Income tax expenses for the year ended December 31, 2025 were RMB207.9 million, compared to RMB17.2 million for the year ended December 31, 2024, mainly due to the increase in relevant deferred tax liabilities recognised related to the fair value increases of financial assets at fair value through profit or loss. Excluding tax impact mainly related to fair value changes in investments, income tax expenses would have increased by 12.5% YoY to RMB82.4 million.

(1) For more details, please refer to Note 7 to the consolidated financial statements.

Management Discussion and Analysis

Profit/(Loss) for the Year and Non-IFRSs Measure: Adjusted Net Profit/(Loss)

Net profit for the year ended December 31, 2025 was RMB547.4 million, compared to RMB806.2 million for the year ended December 31, 2024, primarily due to: (i) a one-off gain of approximately RMB640 million from the disposal of all cryptocurrencies in 2024, resulting in a high base for comparison; and (ii) a one-off and non-cash expense of approximately RMB512 million due to the completion of the issuance of Convertible Bonds to Alibaba.com China Limited in 2025. Such expense was recognised according to IFRS 2 based on the excess of the fair value of the Convertible Bonds as at the closing date over its principal value of US\$250 million. The above two items were both non-operating in nature and were not related to the Group's core business of Photo, video and design products.

To supplement our consolidated financial statements which are presented in accordance with the IFRSs, we also use a non-IFRSs financial measure, "Adjusted Net Profit/(Loss)", as an additional financial measure, which is not required by, or presented in accordance with IFRSs. For the purpose of this annual report, "Adjusted Net Profit/(Loss)" will be used interchangeably with "Non-GAAP Net Profit/(Loss)". We believe that this additional financial measure facilitates comparisons of operating performance from period to period by eliminating potential impacts of items that our management does not consider to be indicative of our operating performance. We believe that this measure provides useful information to the Shareholders and others in understanding and evaluating our consolidated results of operations in a manner as if they were helping our management in doing so. However, our presentation of "Adjusted Net Profit/(Loss)" may not be comparable to a similarly titled measure presented by other companies. The use of this non-IFRSs measure has limitations as an analytical tool, and you should not consider it in isolation from, or as substitute for analysis of, our results of operations or financial condition as reported under IFRSs.

Adjusted Net Profit attributable to Owners of the Company was RMB965.3 million for the year ended December 31, 2025, compared to RMB586.2 million for the year ended December 31, 2024. For better comparability with the corresponding period last year on a consistent basis, Adjusted Net Profit includes results from discontinued operations.

Management Discussion and Analysis

The following table reconciles our Adjusted Net Profit/(Loss) for the years ended December 31, 2025 and 2024 to the most directly comparable financial measure calculated and presented in accordance with IFRSs:

	Year ended December 31					
	Total RMB'000	2025 Owners of the Company RMB'000	Non- controlling interests RMB'000	Total RMB'000	2024 Owners of the Company RMB'000	Non- controlling interests RMB'000
Profit/(Loss) for the year	547,357	582,900	(35,543)	806,160	805,176	984
Excluding:						
Share-based compensation	118,496	118,496	-	84,290	84,290	-
Fair value fluctuations of financial assets at fair value through profit or loss and convertible redeemable preferred shares	(481,106)	(481,106)	-	343,424	343,424	-
Amortisation of intangible assets and other expenses related to acquisition	22,253	20,637	1,616	9,835	8,221	1,614
Reversal of impairment losses and disposal gains on cryptocurrencies	-	-	-	(639,556)	(639,556)	-
Impairment losses on goodwill and intangible assets	104,269	96,352	7,917	-	-	-
Losses on disposal of financial assets at fair value through profit or loss	-	-	-	13,012	13,012	-
Impairment provisions for investments in associates and joint ventures	2,125	2,125	-	35,170	35,170	-
Share-based non-cash expense from issuance of convertible bonds	511,811	511,811	-	-	-	-
Tax effects	121,642	123,075	(1,433)	(56,564)	(56,320)	(244)
Other one-off gains	(8,943)	(8,943)	-	(7,250)	(7,250)	-
Adjusted Net Profit/(Loss) attributable to	937,904	965,347	(27,443)	588,521	586,167	2,354

Non-controlling Interests

Non-controlling interests represent our loss after taxation that is attributable to minority shareholders of our non-wholly owned subsidiaries.

Management Discussion and Analysis

Liquidity and Financial Resources

Our cash and other liquid financial resources as of December 31, 2025 and 2024 were as follows:

	December 31, 2025 RMB'000	December 31, 2024 RMB'000
Cash and cash equivalents	3,514,504	1,301,412
Short-term bank deposits and current portion of long-term bank deposits	467,448	1,398,154
Long-term bank deposits	30,114	42,405
Treasury investments	924,702	256,880
Cash and other liquid financial resources	4,936,768	2,998,851

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less. Long-term bank deposits and short-term bank deposits are bank deposits with original maturities over three months and redeemable on maturity. Treasury investments are held with the primary objective of generating revenue at a yield higher than current bank deposit rates.

Most of our cash and cash equivalents, short-term bank deposits, long-term bank deposits and short-term investments are denominated in United States dollar, Renminbi and Hong Kong dollar.

Treasury Policy

We have adopted a prudent financial management approach towards our treasury policies and thus maintained a healthy liquidity position throughout the year ended December 31, 2025. To manage the liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

Capital Expenditure

Our capital expenditures primarily included expenditures for purchases of property and equipment such as servers and computers, land use rights and intangible assets.

	Year ended December 31, 2025 RMB'000	2024 RMB'000
Purchase of property and equipment	25,968	46,323
Purchase of land use rights	22,660	–
Purchase of intangible assets	1,239	6,650
Total	49,867	52,973

Management Discussion and Analysis

Long-term Investment Activities

We have made minority investments that we believe have technologies or businesses that complement and benefit our businesses. Save as disclosed in the section headed “Significant Investments Held” below, none of these individual investments are regarded as material. Some of the investments we made were early-stage companies that do not generate meaningful revenues and profits. It is therefore difficult to determine the success of these investments at such an early stage, among which, successful investments could generate substantial returns, while unsuccessful ones may need to be impaired or written-off.

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Investment in financial assets at fair value through profit or loss	164,995	244,105
Investment in associates in the form of ordinary shares	–	12,002
Investment in a joint venture	–	10,000
Total	164,995	266,107

Foreign Exchange Risk

Our Group’s subsidiaries are primarily incorporated in the PRC and Hong Kong, which considered RMB and US\$ as their functional currencies, respectively. The Group is primarily exposed to foreign exchange risk arising from foreign currency transactions. Therefore, foreign exchange risk primarily arose from recognised assets and liabilities in our Group’s PRC and Hong Kong subsidiaries when receiving or to receive foreign currencies from, or paying or to pay foreign currencies to business partners outside of Mainland China. As of December 31, 2025, we did not hedge against any fluctuation in foreign currency (as of December 31, 2024: nil).

Pledge of Assets

As of December 31, 2025, the Group held restricted cash of RMB3,129,000 to guarantee certain operating payments (as of December 31, 2024: a restricted deposit of RMB300,000 to guarantee payment of certain operating expenses and term deposits of RMB32,837,000 as collateral for a bank borrowing).

Contingent Liabilities

As of December 31, 2025, we did not have any material contingent liabilities (as of December 31, 2024: nil).

Dividends

The Board has resolved to recommend the payment of a Final Dividend of HK\$0.05 per Share in cash out of the Share Premium Account for the year ended December 31, 2025 to the Shareholders whose names appear on the register of members of the Company at the close of business on June 15, 2026. A circular containing, inter alia, further information about the Final Dividend out of the Share Premium Account will be dispatched as soon as possible.

At the extraordinary general meeting of the Company held on February 11, 2025, the Shareholders approved the payment of a special dividend of HK\$0.109 per Share in cash out of the Share Premium Account, which was recommended by the Board. The special dividend was paid on February 27, 2025.

At the annual general meeting of the Company held on June 5, 2025, the Shareholders approved the payment of the final dividend of HK\$0.0552 per Share in cash out of the Share Premium Account, which was recommended by the Board. The final dividend was paid on June 26, 2025.

Management Discussion and Analysis

At the extraordinary general meeting of the Company held on September 10, 2025, the Shareholders approved the payment of an interim dividend of HK\$0.045 per Share (the “**Interim Dividend**”) in cash out of the Share Premium Account for the six months ended June 30, 2025, which was recommended by the Board. The Interim Dividend was paid on September 26, 2025.

Subject to the approval of the Final Dividend by Shareholders at the AGM, the proposed Final Dividend will amount to HK\$0.05 per Share, and together with the Interim Dividend, the total dividend for the year ended December 31, 2025 will amount to HK\$0.095 per Share (2024: HK\$0.0552 per Share). The aggregate amount of the Interim Dividend and the proposed Final Dividend represent an annual dividend payout ratio of approximately 40% based on the Adjusted Net Profit attributable to Owners of the Company for the year ended December 31, 2025.

As at the Latest Practicable Date, the Company has an aggregate of 4,586,179,280 Shares in issue, of which 30,555,000 are treasury Shares. Based on the number of issued Shares (excluding treasury Shares), being 4,555,624,280 Shares as at the Latest Practicable Date, the Final Dividend, if declared and paid, will amount to an aggregate amount of approximately HK\$227.8 million (equivalent to approximately RMB199.7 million). Subject to the fulfilment of the conditions set out in the paragraph headed “Conditions of the Payment of Final Dividend out of Share Premium Account” below, the Final Dividend will be paid out of the Share Premium Account pursuant to Articles 133 and 134 of the Articles of Association of the Company (the “**Articles**”) and in accordance with the Companies Act (as revised) of the Cayman Islands.

As at December 31, 2025, based on the audited consolidated financial statements of the Group, the amount standing to the credit of the Share Premium Account was approximately RMB6,238.2 million (equivalent to approximately HK\$7,116.1 million). Based on the number of issued Shares (excluding treasury Shares), being 4,555,624,280 Shares as at the Latest Practicable Date and assuming that there will be no further change to the amount standing to the credit of the Share Premium Account immediately before payment of the Final Dividend, following the payment of the Final Dividend, there will be a remaining balance of approximately RMB6,038.5 million (equivalent to approximately HK\$6,888.3 million) standing to the credit of the Share Premium Account.

Conditions of the Payment of Final Dividend out of Share Premium Account

The payment of the Final Dividend out of the Share Premium Account is conditional upon the satisfaction of the following conditions:

- (a) the passing of an ordinary resolution by the Shareholders at the AGM declaring and approving the payment of the Final Dividend out of the Share Premium Account pursuant to Articles 133 and 134 of the Articles; and
- (b) the directors of the Company being satisfied that the Company will, immediately following the date on which the Final Dividend is proposed to be paid, be able to pay its debts as they fall due in the ordinary course of business.

The conditions set out above cannot be waived. If any of the conditions set out above is not satisfied, the Final Dividend will not be paid.

Subject to the fulfilment of the above conditions, it is expected that the Final Dividend will be paid in cash on or about June 26, 2026 to those Shareholders whose names appear on the register of members of the Company at the close of business on June 15, 2026, being the record date for the determination of entitlement to the Final Dividend.

The Final Dividend is not subject to any withholding tax.

As at the Latest Practicable Date, 30,555,000 treasury Shares are held by the Company (including any treasury Shares held or deposited with the Central Clearing and Settlement System (CCASS)). Treasury Shares would not receive the Final Dividend. The Company will withdraw all repurchased Shares (if any) from CCASS, and either re-register them in its own name as treasury Shares or cancel such repurchased Shares, in each case before the record date for the Final Dividend.

Management Discussion and Analysis

Borrowings and Gearing Ratio

As of December 31, 2025, we made bank borrowings of RMB20.0 million at an annualized interest rate of 2.80% (as of December 31, 2024: RMB102.9 million at an annualized interest rate of 2.46%). The bank borrowings are denominated in RMB, unsecured and have a maturity profile of less than 12 months. Therefore, the gearing ratio of the Group was 0.35% as of December 31, 2025 (as of December 31, 2024: 2.04%). The gearing ratio was calculated as the total borrowings divided by the total equity on the respective reporting date. For this purpose, total borrowings is defined as bank loan as shown in the consolidated balance sheet. The Group's gearing ratio remained at a relatively low level as the Group did not place material reliance on borrowings to finance the Group's operation.

Employee and Remuneration Policy

The Group had a total of 2,103⁽¹⁾ full-time employees as of December 31, 2025 (as of December 31, 2024: 2,254⁽¹⁾), a majority of whom were based in various cities in the PRC, including Xiamen (headquarters), Beijing, Shenzhen and Shanghai. Remuneration is determined with reference to market conditions and individual employees' performance, qualification and experience.

In line with the performance of the Group and individual employees, a competitive remuneration package is offered to retain employees, including salaries, discretionary bonuses and contributions to benefit plans (including pensions). Employees of the Group are the eligible participants of the Pre-IPO ESOP, the Post-IPO Share Award Scheme, the 2024 Share Award Scheme, the EveLab Insight Share Award Scheme, the Pixocial Share Option Scheme and the Starii Share Award Scheme. During the year ended December 31, 2025, the relationship between the Group and its employees has been stable. We did not experience any strikes or other labor disputes which materially affected our business activities.

Guarantee Agreements

On September 16, 2025, (i) Meitu Networks, (ii) its subsidiaries, Ruisheng Tianhe (Beijing) Media and Technology Co., Ltd. (睿晟天和(北京)傳媒科技有限公司) ("Ruisheng Tianhe"), and Xiamen Ruisheng Tianhe Media Technology Co., Ltd. (廈門睿晟天和傳媒科技有限公司) ("Ruisheng Xiamen", together with Ruisheng Tianhe, the "Ruisheng (Beijing and Xiamen) Companies"), and (iii) Hainan Zitiao Commercial Factoring Co., Ltd. (海南字跳商業保理有限公司) ("Hainan Zitiao"), entered into a guarantee agreement (the "First Guarantee Agreement"), pursuant to which, Meitu Networks (as guarantor) agreed to guarantee, on a joint and several basis, certain obligations of the Ruisheng (Beijing and Xiamen) Companies (as debtor) to Hainan Zitiao (as creditor) under a factoring business contract entered into between the Ruisheng (Beijing and Xiamen) Companies and Hainan Zitiao (the "Factoring Contract").

The guarantee provided by Meitu Networks under the First Guarantee Agreement covers all unpaid accounts receivable, penalty interest, and other payable amounts owed by the Ruisheng (Beijing and Xiamen) Companies under the Factoring Contract, together with default penalties, damages, handling fees, and other expenses that the Ruisheng (Beijing and Xiamen) Companies are obligated to bear as agreed in the First Guarantee Agreement, and the costs incurred by Hainan Zitiao in enforcing its guarantee rights and claims (including but not limited to litigation fees, enforcement fees, property preservation fees, lawyer fees, appraisal fees, auction fees, announcement fees, delivery fees, travel expenses, etc.), and all other reasonable expenses and amounts that the Ruisheng (Beijing and Xiamen) Companies should pay to Hainan Zitiao pursuant to the Factoring Contract.

The period of guarantee for Meitu Networks is three (3) years after the date when the performance period for the obligations under the Factoring Contract expires.

(1) Total number of full-time employees excludes part-time interns and consultants.

Management Discussion and Analysis

On April 20, 2026, (i) Meitu Networks, (ii) its subsidiaries, Ruisheng Tianhe, Ruisheng Xiamen, Chengdu Ruisheng Tianhe Media Technology Co., Ltd. (成都睿晟天和傳媒科技有限公司) (“**Ruisheng Chengdu**”) together with Ruisheng Tianhe and Ruisheng Xiamen, the “**Ruisheng Companies**”), (iii) Beijing Toutiao Information Technology Co., Ltd. (北京今日頭條信息技術有限公司) (“**Toutiao**”), and (iv) Wuhan Xingtujiahua Technology Co., Ltd. (武漢星圖新視界科技有限公司) (“**Wuhan Star**”, together with Toutiao, “**Creditors**”) entered into a guarantee agreement (the “**Second Guarantee Agreement**”), pursuant to which, Meitu Networks (as guarantor) agreed to guarantee, on a joint and several basis, certain obligations of the Ruisheng Companies (as debtor) to the Creditors (as creditor) under the certain agency business cooperation agreement, E-commerce marketing service provider business cooperation agreement, and agency partner cooperation agreement entered into between the Ruisheng Companies and the Creditors (the “**Master Contracts**”).

The guarantee provided by Meitu Networks under the Second Guarantee Agreement covers all obligations of the Ruisheng Companies under the Master Contracts, including but not limited to all payments owed to the Creditors, late fees, penalty fees, compensation for damages, any costs incurred due to the Ruisheng Companies’ breach of the Master Contracts, and all losses to be compensated. Additionally, the guarantee covers the Creditors’ reasonable and necessary costs incurred in realizing their creditor and guarantee rights (including but not limited to investigation fees, litigation fees, enforcement fees, preservation fees and related guarantees or insurance fees, auction fees, announcement fees, service delivery fees, etc.). The maximum amount guaranteed by Meitu Networks under the Second Guarantee Agreement is RMB200,000,000.

The period of guarantee for Meitu Networks is two (2) years after the date when the performance period for the obligations under the Master Contracts expires.

The First Guarantee Agreement and the Second Guarantee Agreement have been duly approved by the board of directors and shareholders of Meitu Networks in accordance with its constitutional documents and applicable laws.

Significant Investments Held

Minority Investments

Meitu Networks owned approximately RMB1.41 million registered capital, of Shenzhen Hujia Technology Co., Ltd. (深圳市護家科技有限公司) (“**Hujia Technology**”), representing approximately 23.81% equity interest (with preferential rights) on a fully diluted basis in Hujia Technology. Hujia Technology is a private company which principally operates in the skincare products business in the PRC, with business operations still in good condition during the year ended December 31, 2025. Hujia Technology was originally a wholly-owned subsidiary of Shenzhen Hujia Biotechnology Co., Ltd. (深圳市護家生物科技股份有限公司) (“**Hujia Biotech**”), a company which primarily focused on the sale of personal hygiene products in the PRC and in which Meitu Networks previously held approximately 28.21% equity interest until its voluntary liquidation by its shareholders on August 6, 2025. After the Group’s investment in Hujia Biotech in 2018, such skincare products business was restructured to be conducted by Hujia Technology under a similar shareholding structure as Hujia Biotech. Hence, the total acquisition cost of the aforementioned equity interest in Hujia Technology was approximately RMB70.9 million. On the other hand, Hujia Biotech no longer had any substantive business operation, asset or liability since July 2023, and as a result, a resolution was passed by all its shareholders on August 6, 2025 to voluntarily wind up Hujia Biotech.

On August 30, 2025, Hujia Technology’s shareholders (including, among others, Meitu Networks) entered into a preferential rights termination agreement in anticipation of a proposed separate listing of Hujia Technology. Pursuant to such agreement, the redemption rights, liquidation preference rights, and anti-dilution rights of Hujia Technology’s shareholders had been terminated and the investment had been converted to investment in associate accounted for with equity method effective from August 30, 2025.

On November 27, 2025, Hujia Technology was converted from a company with limited liability to a joint stock company now named Shenzhen HBN Technology (Group) Company Limited (深圳護家科技(集團)股份有限公司) (“**HBN**”), as a result of which the RMB1.41 million registered capital originally held by Meitu Networks was converted into 1.41 million ordinary shares with a par value of RMB1.00 each without any change to its shareholding.

Management Discussion and Analysis

As of December 31, 2025, the Group continued to hold a total of approximately 23.81% equity interest in HBN (formerly Hujia Technology). During the year ended December 31, 2025, the Group received dividends from HBN in the aggregate amount of RMB8.94 million (for the year ended December 31, 2024: RMB8.15 million).

The carrying amount of the Group's equity interests in HBN ("HBN Equity Interests") as at December 31, 2025 was approximately RMB1,074.6 million (equivalent to approximately 11.6% of the Group's total assets as at December 31, 2025). During the year ended December 31, 2025, the Group recorded an unrealized gain of approximately RMB376.4 million in relation to its HBN Equity Interests, of which RMB367.4 million was recorded in fair value changes of fair value through profit and loss (with such fair value changes determined with reference to a valuation report issued by a professional valuer on March 20, 2026), and RMB9.0 million was recorded in the share of gains from investment accounted for using the equity method.

As there is potential synergy between HBN and the Group's beauty SaaS business (recategorised under the 'Others' segment) in the future, the Group believes that this investment is in line with the Group's investment strategy, and intends to continue to hold the HBN Equity Interests.

The Board was also informed by the management of HBN that on January 26, 2026, HBN submitted a listing application form (Form A1) to the Stock Exchange for the listing of, and permission to deal in, the shares of HBN on the Main Board of the Stock Exchange (the "**Proposed Separate Listing**"), but the application proof of HBN published on the website of the Stock Exchange did not contain details in respect of the size, structure or the expected timetable of the offering. As the Proposed Separate Listing may or may not proceed subject to, among others, the final decision of the board of directors of HBN and the approval from the Stock Exchange, the Company will closely monitor the progress of the Proposed Separate Listing and keep its Shareholders and potential investors informed.

Further details of the investment and Proposed Separate Listing are set out in the section headed "Management Discussion and Analysis - Significant Investments Held" in the 2022 annual report of the Company published on April 26, 2023, the announcement of the Company dated January 26, 2026 and the application proof of HBN published on the Stock Exchange's website on January 26, 2026.

Save as disclosed above, there were no other significant investments held by the Group with a value of 5% or more of the Group's total assets as at December 31, 2025.

Future Plans for Material Investments and Capital Assets

The Group will continue to explore potential strategic investment opportunities with its existing internal resources and/or other sources of funding with the aim of creating synergies for the Group in relation to aspects such as technological development, product research and development, product portfolio, channel expansion and/or cost control. Appropriate disclosures will be made by the Company when it becomes necessary under the Listing Rules.

Save as disclosed in this annual report, the Group did not have any other plans for material investments and capital assets as of December 31, 2025.

Material Acquisitions and Disposals of Subsidiaries, Associates and/or Joint Ventures

During the year ended December 31, 2025, we did not conduct any material acquisition or disposal of subsidiaries, associates and/or joint ventures.

Management Discussion and Analysis

Issue of Convertible Bonds and Strategic Cooperation

On December 31, 2025 (“**Issue Date**”), the Company had completed the issuance of, and Alibaba.com China Limited (“**Alibaba Subscriber**”), an indirect wholly-owned subsidiary of Alibaba Group Holding Limited (“**Alibaba Group**”), had completed the subscription of, Convertible Bonds with a total principal amount of US\$250,000,000 pursuant to a subscription agreement entered into between the Company and the Alibaba Subscriber (“**Subscription Agreement**”). The Convertible Bonds bear interest at the rate of 1% per annum, payable on 30 June and 31 December of each calendar year, with maturity date falling three (3) years from the Issue Date (“**Maturity Date**”).

Unless previously redeemed or converted in accordance with the terms of the Convertible Bonds instrument, the Company is required to redeem the Convertible Bonds on the Maturity Date at the outstanding principal amount thereof together with all accrued unpaid interest thereon. The bondholder is also entitled to require the Company to redeem all (or any portion) of its Convertible Bonds on the seventh (7th) business day after the date of receipt by the Company of a redemption notice following the occurrence of (i) an event of default, at the principal amount together with unpaid interest accrued to such event of default redemption date, or (ii) a relevant event, at their principal amount together with unpaid interest accrued to such relevant event redemption date. Details on the events of default and the relevant events are contained in the announcement of the Company dated May 20, 2025.

The bondholder is entitled to convert the Convertible Bonds into ordinary shares of the Company (“**Conversion Shares**”) at any time from the Issue Date up to the close of business on the date falling five (5) business days prior to the Maturity Date at an initial conversion price of HK\$6.00 per Conversion Share based on a pre-determined rate of exchange (“**Initial Conversion Price**”), subject to adjustments upon the occurrence of certain specified events. Assuming full conversion at the Initial Conversion Price and including the accrued interest up to maturity, a maximum of 335,513,916 Conversion Shares will be issued, representing (i) an aggregate nominal value of approximately US\$3,355.14 (based on the nominal value of US\$0.00001 per Share); (ii) approximately 7.32% of the total number of Shares in issue (excluding treasury Shares) as at December 31, 2025; and (iii) approximately 6.82% of the total number of Shares in issue (excluding any treasury Shares) as enlarged by the allotment and issue of the Conversion Shares (assuming there is no other change in the total number of Shares in issue except for the allotment and issue of the Conversion Shares).

The Initial Conversion Price of HK\$6.00 per Conversion Share represented a premium of approximately 1.7% over the closing price of the Shares of HK\$5.90 per Share on the date of the Subscription Agreement. It also represented premiums of approximately 4.1%, 16.4%, and 24.0% over the average closing prices of the Shares for the 5 consecutive trading days prior to the date of the Subscription Agreement, the 30 consecutive trading days immediately prior to the date of the Subscription Agreement, and the period from January 1, 2025 up to the date of the Subscription Agreement, respectively. The net proceeds raised (after deduction of relevant expenses) from the issue of the Convertible Bonds was approximately US\$249.6 million, each representing a net issue price per Conversion Share to the Company of approximately HK\$5.82 based on the Initial Conversion Price. The Company intends to utilise the net proceeds for general business purposes. During the year ended December 31, 2025, the Company had not used the net proceeds from the issue of the Convertible Bonds and therefore, the unutilised amount as at December 31, 2025 is US\$249.6 million. The Company expects to use the net proceeds in full within 5 years of the issue of the Convertible Bonds for the intended purposes. There had been no change in the intended purposes for which the net proceeds will be used by the Company.

Management Discussion and Analysis

On December 30, 2025, the Company and the Alibaba Subscriber had also entered into a series of agreements with respect to commercial cooperations and collaborations relating to domestic and international e-commerce, AI models and technologies, computing and cloud services, and other innovative initiatives (collectively the “**Business Cooperation Agreement**”). Pursuant to the terms thereof, specific agreement(s) will further be entered into to implement certain areas of the cooperation in detail, with the previously disclosed committed transaction amounts being calculated from the date of the relevant specific agreement(s) instead.

The issue of Convertible Bonds and the Business Cooperation Agreement together present a compelling financial and business opportunity to the Company and foster a long-term partnership between the Company and the Alibaba Subscriber. The subscription of the Convertible Bonds reflects Alibaba Group’s confidence in the Group’s business fundamentals and growth potential and allows the Company to optimise its capital structure, increase its cash reserve for general working capital purposes as well as increase flexibility for acquisition of businesses related to AI-powered image, video and design products. If the conversion rights attached to the Convertible Bonds are exercised, it will also allow the Company to broaden its Shareholders base by the introduction of a reputable investor.

All the conditions precedent under the Subscription Agreement have been fulfilled on December 30, 2025. Since the fair value of the Convertible Bonds as of December 30, 2025 exceeded the principal value of US\$250,000,000, and no identifiable goods or services had been received or would be received by the Group from the Alibaba Subscriber on December 30, 2025, the Group recognised approximately RMB512 million one-off non-cash expense in the Group’s consolidated income statement which did not impact the cash flow of the Group.

As at December 31, 2025 and the Latest Practicable Date, the total principal amount of the Convertible Bonds remained outstanding and, and none of the Convertible Bonds have been redeemed or converted by the Alibaba Subscriber. The Company will closely monitor its progress and will make appropriate announcements as and when necessary to keep the Shareholders informed.

Further details on the issue of Convertible Bonds and the Business Cooperation Agreement are set out in the announcements of the Company dated May 20, 2025 and December 31, 2025.

Directors and Senior Management

OUR DIRECTORS

The following table presents certain information in respect of the members of our Board as at the Latest Practicable Date.

Members of our Board

Name	Age	Position/Title	Date of Appointment
Mr. WU Zeyuan (<i>also known as Mr. WU Xinhong</i>)	45	Executive Director, Chairman and Chief Executive Officer	July 2013
Mr. CHEN Jiarong	37	Non-executive Director	June 2020
Mr. HONG Yupeng	49	Non-executive Director	June 2023
Mr. ZHOU Hao	49	Independent Non-executive Director	November 2016
Mr. LAI Xiaoling	50	Independent Non-executive Director	January 2019
Ms. POON Philana Wai Yin	58	Independent Non-executive Director	June 2024

The biography of each Director is set out below:

Executive Director

Mr. WU Zeyuan (吳澤源) (also known as: Mr. Wu Xinhong (吳欣鴻)), aged 45, is a founder, executive Director and the Chief Executive Officer and Chairman of our Group. Mr. Wu is responsible for the overall management of the Company. Mr. Wu is also a director of Meitu Investment, Meitu HK, Pixocial Cayman, Pixocial Systems Limited, Pixocial Hong Kong Limited, Pixocial Singapore, Pixocial Internet (Xiamen) Technology Co., Ltd. (像素互聯(廈門)科技有限公司), Starii, Starii Tech Pty Ltd, EveLab Insight, EveLab Insight HK, MeituEve Technology, Meitu Mobile, Meitu Networks, MeituEve Networks and Meitu Home. Mr. Wu has been involved in the Internet industry in the PRC since 2000. Mr. Wu completed his undergraduate studies in business administration at Dongbei University of Finance & Economics (東北財經大學) in January 2019, and received his high school diploma from Quanzhou No. 1 High School (泉州第一中學) in the PRC in July 2001. Mr. Wu began developing and researching photo-editing software in 2008. Mr. Wu has created and launched one popular product after another, from 520.com to Martian Translator (火星文輸入法), a software program for converting ordinary language into netspeak consisting of unconventional Chinese characters.

Directors and Senior Management

Non-executive Directors

Mr. CHEN Jiarong (陳家榮), aged 37, was appointed as a non-executive Director of our Company on June 3, 2020. Mr. Chen was a founder and the chief executive officer of Kingkey Enterprise Holdings Limited between July 2014 and May 2019, and was responsible for managing and overseeing a direct investment portfolio with a size of over HK\$2 billion, and directing all organizational operations, policies, and objectives to maximize productivity and returns. Between July 2012 and June 2014, Mr. Chen was a business manager at Ping An Securities Limited in Shenzhen (the PRC), providing financial advice and support to clients and formulating strategic and long-term business plans.

Mr. Chen graduated from the University of British Columbia with a bachelor of arts degree in economics in 2012.

Mr. Chen served as the chairman and non-executive director of Kingkey Intelligence Culture Holdings Limited (formerly known as KK Culture Holdings Limited) (Stock Exchange Stock Code: 550) between January 2017 and November 2018, a director of Shenzhen Kingkey Smart Agriculture Times Co., Ltd (深圳市京基智農時代股份有限公司) (Shenzhen Stock Exchange Stock Code: 48) since November 2022, and a non-executive director of Clarity Medical Group Holding Limited (a company listed on the Stock Exchange, stock code: 1406) since September 2025.

Mr. HONG Yupeng (洪育鵬), aged 49, was appointed as a non-executive Director and a member of the Audit Committee of our Company on June 1, 2023. Mr. Hong is the chief executive officer and partner of Longling Investment Co., Ltd. (隆領投資股份有限公司) from July 2015, and the executive director and general manager of Xiamen Longling Asset Management Co., Ltd. (廈門隆領資產管理有限公司) from August 2022, each of which principally engages in venture capital investments primarily in technology related start-up companies with the attitude of embracing change and the future.

Between March 2014 and July 2015, Mr. Hong served as the vice president of our indirect wholly-owned subsidiary, Meitu Home. From August 2011 to February 2014, he was the deputy general manager and board secretary of 4399 Net Limited (四三九九網絡股份有限公司), a PRC gaming company headquartered in Xiamen that is principally engaged in the development and distribution of web games, online mobile games and the operation of Internet gaming platforms. Between March 2007 and August 2011, he was a practising lawyer at Beijing Shanggong Law Firm (北京市尚公律師事務所) and from September 2003 to March 2007, he was a practising lawyer at Fujian Shili Lawyer Office (福建世禮律師事務所).

Mr. Hong graduated from Fuzhou University (福州大學) with a bachelor's degree in Industrial Management Engineering in July 1997 and also a Juris Master from Xiamen University (廈門大學) in July 2003.

Mr. Hong served as a non-executive director of Cai Corp (a company listed on the Stock Exchange, stock code: 80) from September 2025 to October 2025 and as an executive director since October 2025. Mr. Hong also served as an independent non-executive director of FinTech Chain Limited (Australian Securities Exchange: FTC) from January 2021 to December 2024.

Directors and Senior Management

Independent Non-executive Directors

Mr. ZHOU Hao (周浩), aged 49, was appointed as an independent non-executive Director, chairman of the Audit Committee and member of the Nomination Committee since Listing and a member of the Remuneration Committee on June 5, 2024. Mr. Zhou is our Director with appropriate professional accounting or related financial management expertise for the purpose of Rule 3.10(2) of the Listing Rules. Mr. Zhou received his bachelor's degree from Shanghai International Studies University (上海外國語大學) in July 1998. Mr. Zhou joined General Electric (China) Co., Ltd. (通用電氣(中國)有限公司) in January 2007 as a financial manager. From May 2009 to September 2010, Mr. Zhou was the vice president of finance and the chief financial officer at Wuxi PharmaTech (Cayman) Inc. (NYSE: WX).

In September 2010, Mr. Zhou joined CITIC Pharmaceutical Co Ltd. (中信醫藥實業有限公司), a pharmaceutical service provider that supplies medicine and related consumables to hospitals, as chief financial officer. From June 2011 to September 2019, Mr. Zhou was the chief financial officer of 58.com Inc., (NYSE: WUBA), a company that operates online marketplace serving local merchants and consumers in the PRC, and was subsequently redesignated as head of international business in September 2019 and its chief strategic officer in April 2020. In November 2020, he was further redesignated as chief strategy officer of Anjuke Group Inc., the housing subsidiary of 58.com Inc., and had served such role until March 2023.

Mr. Zhou has also been an independent non-executive director of (i) Bairong Inc. (Stock Exchange Stock Code: 6608) since March 2021, (ii) Angelalign Technology Inc. (Stock Exchange Stock Code: 6699) since April 2023 and (iii) WuXi XDC Cayman Inc. (藥明合聯生物技術有限公司*) (Stock Exchange Stock Code: 2268) since November 2023.

Mr. LAI Xiaoling (賴曉凌), aged 50, was appointed as an independent non-executive Director, the chairman of the Remuneration Committee and a member of the Audit Committee since January 1, 2019. Mr. Lai has over 15 years of experience in investment and business management. Between January 2018 and May 2021, Mr. Lai has been a partner of Beijing Shunwei Capital Investment and Consulting Company Limited (北京順為資本投資諮詢有限公司), primarily responsible for investment strategy, team formation and management and portfolio management; from June 2013 to December 2017, he was a partner of Innovation Work (Beijing) Investment Management and Consulting Company Limited (創新方舟(北京)投資管理諮詢有限公司), primarily responsible for investment strategy, personnel recruitment and training and portfolio management; from June 2012 to April 2013, he worked as the Investment Director for Chengwei Investment Advisory (Shanghai) Company Limited (成為投資諮詢(上海)有限公司); from October 2007 to February 2012, he worked as the Investment Manager and Vice President for Morningside TMT (Shanghai) Limited (晨創啟興(上海)投資管理諮詢有限公司), primarily responsible for deal sourcing, execution and portfolio management; and Mr. Lai has been a partner at Shanghai Star Investment and Management Company Limited (上海適達投資管理有限公司) since December 1, 2024, responsible for investment strategy and investment management.

Mr. Lai obtained a bachelor's degree in engineering physics from Tsinghua University (清華大學) in July 1999, and a master's degree in business administration from The Chinese University of Hong Kong (香港中文大學) in December 2007.

Mr. Lai has also been an independent non-executive director of Feiyu Technology International Company Ltd. (Stock Exchange Stock Code: 1022) since November 2014.

Directors and Senior Management

Ms. POON Philana Wai Yin (潘慧妍), aged 58, was appointed as an independent non-executive Director on June 5, 2024 and appointed as a member of the Remuneration Committee and Nomination Committee on June 5, 2024. Ms. Poon has been an independent non-executive director of MIXUE Group (a company listed on the Stock Exchange, stock code: 2097) since December 2023 and an independent non-executive director of iQIYI, Inc. (a company listed on NASDAQ: IQ) since December 2025. She was an independent non-executive director of Asia Satellite Telecommunications Holdings Limited (“AsiaSat”, a company then listed on the Stock Exchange, stock code: 1135) from March 2018 to September 2019, and a non-executive director of AsiaSat since its privatization in September 2019 to March 2025. She was also an independent non-executive director of Forgame Holdings Limited (a company listed on the Stock Exchange, stock code: 484) from September 2013 to May 2018, and an independent non-executive director of AZ Electronic Materials S.A. (a company listed on the London Stock Exchange, stock ticker: AZEM) from 2012 to 2014.

With an education background in law, Ms. Poon has around 30 years of post-qualification experience both in-house and in private practice. In 2014, she was named by Asian Legal Business as Hong Kong’s In-House Lawyer of the Year. In 2016, she was named by Asian Legal Business as Hong Kong’s Woman Lawyer of the Year. In 2017, Ms. Poon and her legal and compliance team in The Hong Kong Jockey Club (“HKJC”) was named as In-House Team of the Year (under 50 Lawyers) in Euromoney Legal Media Group’s Asian Women in Business Law Awards.

From 2015 to 2020, Ms. Poon was the executive director of legal and compliance of HKJC. She was a member of HKJC’s board of management as well as the company secretary of HKJC. From 1998 to 2015, Ms. Poon held various senior positions within the PCCW Group including group general counsel and company secretary. She has a wealth of experience in the telecommunications, media and information technology industries, as well as in the areas of mergers and acquisitions, corporate finance, corporate governance and advising on matters relating to the Listing Rules and the SFO. Before joining PCCW Group, Ms. Poon worked in various law firms from 1992 to 1998, including Lovells and Baker & McKenzie.

Ms. Poon obtained a doctor of law degree from Cornell University in May 1992 and a bachelor’s degree in commerce from the University of Toronto in November 1989.

OUR SENIOR MANAGEMENT

The following table presents certain information concerning the senior management personnel of the Group as at the Latest Practicable Date, in addition to the Directors listed above.

Name	Age	Position	Roles and responsibilities	Date of joining our Group
Mr. NGAN King Leung Gary (顏勁良)	42	Chief Financial Officer and Company Secretary	Overall financial strategy, investor relations and company secretarial matters	June 2015

Mr. NGAN King Leung Gary (顏勁良), aged 42, is our Chief Financial Officer and Company Secretary, and joined our Group in June 2015. He is also a director of Starii Tech Pty Ltd, a subsidiary of the Company. Mr. Ngan is primarily responsible for the overall financial strategy, investor relations and company secretarial matters of the Group. Between May 2012 and June 2015, Mr. Ngan held the positions of chief operating officer and chief financial officer at Forgame Holdings Limited (Stock Exchange Stock Code: 484), a mobile game and web game company listed on the Stock Exchange. Prior to that, he was the director and head of Hong Kong and China Internet research at UBS AG, where he worked from July 2006 to April 2012. Mr. Ngan received his bachelor of science degree in economics from the Wharton School, University of Pennsylvania in 2006. He has been a CFA Charterholder since 2010. Mr. Ngan was also the joint company secretary of Forgame Holdings Limited from February 2013 to November 2014, and has been appointed as an independent non-executive director of Pop Mart International Group Limited (Stock Exchange Stock Code: 9992) since its listing on the Stock Exchange in December 2020.

Directors and Senior Management

OUR COMPANY SECRETARY

Mr. NGAN King Leung Gary (顏勁良) was appointed as one of the joint company secretaries of our Company on August 2, 2016, and became the sole company secretary of our Company from December 15, 2019. See disclosure in "Directors and Senior Management – Our Senior Management" for the biography of Mr. Ngan.

OUR GENERAL COUNSEL

Mr. LAW Yat Yang Arthur (羅日陽), aged 42, was appointed as the General Counsel of the Group on September 18, 2017.

Prior to joining the Group, he was a Legal Counsel of Alibaba Group (Stock Exchange Stock Code: 9988; NYSE: BABA) from January 2017 to September 2017, primarily responsible for Alibaba Group's international cloud computing, online travel platform and IT equipment procurement businesses. Between February 2014 and January 2017, Mr. Law worked at Forgame Holdings Limited (Stock Exchange Stock Code: 484), with his last position being General Counsel & Company Secretary from June 2015. Between October 2010 and January 2014, Mr. Law worked as a Solicitor in the Corporate & Commercial Department of Messrs. Woo Kwan Lee & Lo.

Mr. Law was admitted as a solicitor of New South Wales (Australia) by the Supreme Court of New South Wales (Australia) in August 2007 and as a solicitor of Hong Kong by the High Court of Hong Kong in September 2010. He obtained a bachelor of applied finance degree and a bachelor of laws degree from Macquarie University, Sydney (Australia) in April 2007, a graduate diploma in legal practice from The College of Law (New South Wales, Australia) in August 2007, and a Postgraduate Certificate in Laws from the University of Hong Kong in June 2008.

Report of the Directors

The Board of the Company is pleased to present this report of the Directors with the consolidated financial statements of the Group for the year ended December 31, 2025.

GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on July 25, 2013 as an exempted limited liability company under the Companies Act. The Company adopted and carries on business in Hong Kong under the name of “美圖之家”, as approved by and registered with the Registrar of Companies on October 28, 2016 and November 7, 2016, respectively.

The Company's Shares were listed on the Main Board of the Stock Exchange on December 15, 2016.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries and contractually controlled entities and their subsidiaries are (i) the development and provision of AI-empowered products that streamline the production of photo, video and design, and (ii) the provision of online advertising and other IVAS products and services.

The analysis of the Group's revenues and contribution to results by business segments are set out in Note 5 to the consolidated financial statements.

RESULTS

The results of the Group for the year ended December 31, 2025 are set out in the consolidated statement of comprehensive income on page 199 of this annual report.

BUSINESS REVIEW

The business review of the Group for the year ended December 31, 2025 is set out in the sections headed “Chairman's Statement” and “Management Discussion and Analysis” on pages 8 to 10 and pages 11 to 29 of this annual report. Description of principal risks and uncertainties that the Group may be facing can be found in the sections headed “Report of the Directors – Risks relating to the Contractual Arrangements” and “Report of the Directors – Risks relating to the MeituEve Contractual Arrangements” on pages 59 and 64 of this annual report. An account of the Company's environmental policies and performance, its compliance with the relevant laws and regulations that have a significant impact on the Company, and its key relationships with employees, customers and suppliers and others that have a significant impact on the Company and its performance is set out in the “Environmental, Social and Governance Report” on pages 91 to 189 of this annual report. The aforementioned sections form part of this report of the Directors.

Report of the Directors

DIVIDENDS

The Board has resolved to recommend the payment of Final Dividend of HK\$0.05 per Share out of the Share Premium Account, totaling approximately HK\$227.8 million (equivalent to approximately RMB199.7 million) as at the Latest Practicable Date. On February 27, 2025 and September 26, 2025, the Company had respectively paid a special dividend of HK\$0.109 per Share and an interim dividend of HK\$0.045 per Share, out of the Share Premium Account. Subject to the approval of the Final Dividend by Shareholders at the AGM, the total dividend (excluding any special dividend) for the year ended December 31, 2025 will amount to HK\$0.095 per Share (2024: HK\$0.0552 per Share).

For further details, please refer to the section headed “Management Discussion and Analysis – Dividends” on pages 23 to 24 of this annual report.

As at the Latest Practicable Date, the Company had an aggregate of 4,555,624,280 Shares (excluding treasury Shares) in issue. Based on the number of issued Shares (excluding treasury Shares) as at the Latest Practicable Date, the Final Dividend, if declared and paid, will amount to an aggregate amount of HK\$227.8 million (equivalent to approximately RMB199.7 million). Subject to the fulfilment of the conditions set out in the paragraph headed “Conditions of the Payment of Final Dividend out of Share Premium Account” below, the Final Dividend is intended to be paid out of the Share Premium Account pursuant to Articles 133 and 134 of the Articles and in accordance with the Companies Act. As of December 31, 2025, based on the audited consolidated financial statements of the Group, the amount standing to the credit of the Share Premium Account was approximately RMB6,238.2 million (equivalent to approximately HK\$7,116.1 million). Based on the number of issued Shares (excluding treasury Shares) as at the Latest Practicable Date and assuming that there will be no further change to the amount standing to the credit of the Share Premium Account immediately before payment of the Final Dividend, following the payment of the Final Dividend, there will be a remaining balance of approximately RMB6,038.5 million (equivalent to approximately HK\$6,888.3 million) standing to the credit of the Share Premium Account.

Conditions of the Payment of Final Dividend out of Share Premium Account

The payment of the Final Dividend out of the Share Premium Account is conditional upon the satisfaction of the following conditions:

- (a) the passing of an ordinary resolution by the Shareholders at the AGM declaring and approving the payment of the Final Dividend out of the Share Premium Account pursuant to Articles 133 and 134 of the Articles; and
- (b) the Directors being satisfied that the Company will, immediately following the date on which the Final Dividend is proposed to be paid, be able to pay its debts as they fall due in the ordinary course of business.

The conditions set out above cannot be waived. If any of the conditions set out above is not satisfied, the Final Dividend will not be paid.

Subject to the fulfilment of the above conditions, it is expected that the Final Dividend will be paid in cash on or about June 26, 2026 to those Shareholders whose names appear on the register of members of the Company at the close of business on June 15, 2026, being the record date for the determination of entitlement to the Final Dividend.

Report of the Directors

RESERVES

The Company may pay dividends out of the Share Premium Account, retained earnings and any other reserves provided that immediately following the payment of such dividends, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

As at December 31, 2025, the Company had distributable reserves of US\$487,561,000 (equivalent to RMB3,426,969,000) (2024: US\$664,442,000 (equivalent to approximately RMB4,776,276,000)), as calculated in accordance with the provisions of the Companies Act.

Details of movements in the reserves of the Group and the Company during the year ended December 31, 2025 are set out in the consolidated statement of changes in equity on pages 202 to 203 and in Note 39 to the consolidated financial statements, respectively.

PROPERTY AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year ended December 31, 2025 are set out in Note 13 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company for the year ended December 31, 2025 are set out in Note 23 to the consolidated financial statements.

As at December 31, 2025, the Company did not hold any treasury Shares.

SUBSIDIARIES

Particulars of the Company's principal subsidiaries are set out in Note 40 to the consolidated financial statements.

DONATION

During the year ended December 31, 2025, the Group made charitable donations of approximately RMB80,000 (2024: RMB180,000).

FINANCIAL SUMMARY

A summary of the condensed consolidated results and financial positions of the Group is set out on page 296 of this annual report.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Save as otherwise disclosed in this annual report, during the year ended December 31, 2025, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of its listed securities.

DEBENTURE ISSUED

Save for the issuance of the Convertible Bonds by the Company to the Alibaba Subscriber, details of which are set out in the section headed "Management Discussion and Analysis – Issue of Convertible Bonds and Strategic Cooperation" of this annual report, the Group did not issue any debentures during the year ended December 31, 2025.

Report of the Directors

EMOLUMENT POLICY AND DIRECTORS' REMUNERATION

In compliance with the CG Code as set out in Appendix C1 to the Listing Rules, the Company has established the Remuneration Committee to formulate remuneration policies. The remuneration is determined and recommended based on each Director's and senior management personnel's qualification, position and seniority. As for the independent non-executive Directors, their remuneration is determined by the Board upon recommendation from the Remuneration Committee. The Directors and the senior management personnel are eligible participants of the Pre-IPO ESOP, the Post-IPO Share Award Scheme, the 2024 Share Award Scheme, the Pixocial Share Option Scheme, the EveLab Insight Share Award Scheme and the Starii Share Award Scheme. Details of the remuneration of the Directors and the five highest paid individuals are set out in Note 36 and Note 9(a), respectively, to the consolidated financial statements.

Except for Dr. GUO Yihong (resigned as non-executive Director on August 18, 2025) who has voluntarily reduced his remuneration to nil with effect from October 1, 2020, none of the Directors waived or agreed to waive any remuneration and there were no emoluments paid by the Group to any of the Directors as an inducement to join, or upon joining the Group, or as compensation for loss of office.

For the year ended December 31, 2025, Mr. Wu Zeyuan, the executive Director, Chief Executive Officer and Chairman of our Group, was paid discretionary bonuses of a total sum of RMB2,320,000. Save as disclosed above, no discretionary bonuses were paid to, or receivable by, any Directors for the year ended December 31, 2025.

SHARE SCHEMES

1. Pre-IPO ESOP

The Pre-IPO ESOP was approved and adopted by the Company on February 15, 2014 and amended by resolution of the Board on November 18, 2015.

Purpose

The purpose of the Pre-IPO ESOP is to promote the success and enhance the value of the Company, by linking the personal interests of the members of the Board, employees, consultants and other individuals to those of the Shareholders and, by providing such individuals with an incentive for outstanding performance, to generate superior returns to the Shareholders. The Pre-IPO ESOP is further intended to provide flexibility to the Company in its ability to motivate, attract and retain the services of recipients upon whose judgment, interest, and special effort the successful conduct of the Company's operation is largely dependent.

Eligible Participants

Any employees, consultants, all members of the Board, and other individuals, as determined, authorized and approved by the Board or a committee authorized by the Board.

Maximum Number of Shares

The overall limit on the number of options to be granted pursuant to the Pre-IPO ESOP represents 116,959,070 underlying Shares, subject to any adjustments for share subdivision or other dilutive issuances.

As at December 31, 2025, outstanding options representing 1,351,948 underlying Shares were granted to eligible participants pursuant to the Pre-IPO ESOP. Details of the Pre-IPO ESOP are set out in Note 25(a) to the consolidated financial statements.

As at the Latest Practicable Date, options to subscribe for an aggregate of 1,351,948 Shares were outstanding, representing approximately 0.03% of the issued share capital of the Company (excluding treasury Shares) as at the Latest Practicable Date.

No further option is available for grant or could be granted under the Pre-IPO ESOP since the Listing.

Limit for Each Participant

Under the Pre-IPO ESOP, there is no specific limit on the maximum number of Shares which may be granted to a single eligible participant.

Report of the Directors

Remaining Life of the Pre-IPO ESOP

The Pre-IPO ESOP was valid and effective for a period of 10 years from February 15, 2014 and up to February 15, 2024. Since the Pre-IPO ESOP has expired on February 15, 2024, any options that are outstanding on the expiry date of the Pre-IPO ESOP shall remain in force according to the terms of the Pre-IPO ESOP and the relevant grant letters entered into with the grantees.

Consideration

No consideration is required to be paid by the grantees for the grant of options under the Pre-IPO ESOP.

Option Period

The term of any options granted under the Pre-IPO ESOP shall not exceed 10 years, subject to a shareholder approval of extension of the exercise period for an option beyond 10 years from the date of grant. The Board shall also determine any conditions, if any, that must be satisfied before all or part of an option may be exercised.

The Board has the authority to determine the minimum period for which an option must be held before it can vest. The Pre-IPO ESOP does not specify any minimum holding period.

Exercise Price

The exercise price per Share under the Pre-IPO ESOP is US\$0.03 as determined, authorized and approved by the Board based on the fair market value of the Share, after taking into account the subdivision of each ordinary share of US\$0.0001 par value each of the Company into 10 Shares of US\$0.00001 par value each effected immediately prior to Listing.

Details of Options Granted under the Pre-IPO ESOP

Name and/or Category of Participants	Date of Grant	Options Outstanding as at January 1, 2025	Options Granted During the Year	Exercise Period	Vesting Period	Exercise Price	Closing Price of Shares Immediately Before Date of Grant (For Options Granted During the Year)	Fair Value of Options as at the Date of Grant (For Options Granted During the Year)	Options Exercised During the Year	Weighted Average Closing Price of the Shares Immediately before the Date of Exercise (For Options Exercised During the Year)	Options Cancelled During the Year	Options Lapsed During the Year	Options Outstanding as at December 31, 2025
Employees (Excluding Directors and Chief Executive)	During 2016	648,743	-	10 Years from the Date of Grant	See Note ⁽¹⁾	US\$0.03	-	-	637,268	HK\$4.35	-	-	11,475
	During 2015	535,722	-	10 Years from the Date of Grant	See Note ⁽¹⁾	US\$0.03	-	-	526,984	HK\$4.35	-	-	8,738
	During 2014	9,091,004	-	10 Years from the Date of Grant	See Note ⁽¹⁾	US\$0.03	-	-	7,759,269	HK\$4.73	-	-	1,331,735
		10,275,469						8,923,521		-	-	1,351,948	
Other Participant(s)	During 2014	1,776,000	-	10 Years from the Date of Grant	See Note ⁽²⁾	US\$0.03	-	-	1,776,000	HK\$4.73	-	-	-
		1,776,000						1,776,000					-
Total		12,051,469						10,699,521		-	-		1,351,948

Report of the Directors

Notes:

- (1) The options granted shall vest according to the following schedule: (i) 25% of the options shall vest on the first anniversary from the date of grant; and (ii) the remaining 75% shall vest each month thereafter over a period of 36 months from the date of grant in 36 equal tranches.
- (2) The options granted were fully vested on August 1, 2016.

2. Post-IPO Share Award Scheme

The Post-IPO Share Award Scheme was adopted pursuant to the written resolutions of the Shareholders passed on November 25, 2016. No further grant of awards has been or will be made under the Post-IPO Share Award Scheme after the adoption of the 2024 Share Award Scheme being approved by the Shareholders at the annual general meeting of the Company held on June 5, 2024.

Purpose

The purpose of the Post-IPO Share Award Scheme is to align the interests of eligible persons with those of the Group through ownership of Shares, dividends and other distributions paid on Shares and/or the increase in value of the Shares, and to encourage and retain eligible persons to make contributions to the long-term growth and profits of the Group.

Eligible Participants

Any individual, being an employee, Director (including the executive Director, non-executive Directors and independent non-executive Directors), officer, consultant, advisor, distributor, contractor, customer, supplier, agent, business partner, joint venture business partner or service provider of any member of the Group or any affiliate as the Directors may determine.

Awards

An award granted by the Board to eligible participants may vest in the form of Shares or the actual selling price of the Shares in cash.

Granting of Awards

The Board may, from time to time, grant awards to any eligible participant whom the Board considers to have contributed or will contribute to the Group.

Each grant of an award to any Director or the chairman of the Company shall be subject to the prior approval of the independent non-executive Directors of the Company (excluding any independent non-executive Director who is a proposed recipient of the grant of an award). The Company will comply with the relevant requirements under Chapter 14A of the Listing Rules for any grant of Shares to connected persons of the Company.

Maximum Number of Shares to be awarded

The aggregate number of Shares underlying all grants made pursuant to the Post-IPO Share Award Scheme (excluding Shares granted which have lapsed and forfeited in accordance with the Post-IPO Share Award Scheme) will not exceed 5% of the aggregate nominal amount of the issued share capital of the Company as at the adoption date without further Shareholders' approval, being approximately 211,364,727 Shares, subject to an annual limit of 3% of the total number of issued Shares at the relevant time. The awards granted under the Post-IPO Share Award Scheme may be satisfied by new Shares issued by the Company to the professional trustee of the scheme or through on-market acquisitions of existing Shares by the professional trustee at the prevailing market price funded by the Company.

Report of the Directors

Any Shares granted under the Post-IPO Share Award Scheme but not yet vested are personal to the selected participants to whom they are granted and cannot be assigned or transferred. A selected participant shall not in any way sell, transfer, charge, mortgage, encumber or create any interest in favor of any other person over or in relation to any award granted by the Board, or enter into any agreement to do so.

The total number of Shares available for grant under the Post-IPO Share Award Scheme as at January 1, 2025 was 37,875,479 Shares, representing 0.83% of the issued share capital of the Company. As at December 31, 2025, 172,781,152 award Shares had been granted or agreed to be granted under the Post-IPO Share Award Scheme (excluding Shares granted which have lapsed and forfeited in accordance with the Post-IPO Share Award Scheme) but no further grant of awards would be made under such scheme.

As the Shares for satisfying the outstanding awards granted under the scheme have been allotted and issued by the Company to the professional trustee of the scheme, no Shares are available for issue under the scheme as at the Latest Practicable Date.

Assuming (i) the annual limit of 3% of the total number of issued Shares is fully utilized and (ii) options granted under the Pre-IPO ESOP are not exercised, our issued share capital will increase from 4,586,179,280 Shares (being the number of Shares in issue as at December 31, 2025) and 4,555,624,280 Shares (being the number of Shares (excluding treasury Shares) in issue as at the Latest Practicable Date) to 4,723,764,658 Shares and 4,692,293,008 Shares (excluding treasury Shares) respectively.

Limit for Each Participant

Under the Post-IPO Share Award Scheme, there is no specific limit on the maximum number of Shares which may be granted to a single eligible participant but unvested under the Post-IPO Share Award Scheme.

Consideration

No amount is payable on acceptance of an award under the Post-IPO Share Award Scheme.

Vesting Period

The Board has the authority to determine the vesting period of the Shares granted under the Post-IPO Share Award Scheme. The Post-IPO Share Award Scheme does not specify any minimum holding period.

Termination

The Post-IPO Share Award Scheme shall terminate on the earlier of:

- (a) the end of the period of ten years commencing on the Listing Date except in respect of any non-vested Shares granted prior to the expiration of the Post-IPO Share Award Scheme, for the purpose of giving effect to the vesting of such Shares or otherwise as may be required in accordance with the provisions of the Post-IPO Share Award Scheme; and
- (b) such date of early termination as determined by the Board provided that such termination shall not affect any subsisting rights of any selected participant under the rules of the Post-IPO Share Award Scheme, provided further that for the avoidance of doubt, the change in the subsisting rights of a selected participant in this paragraph refers solely to any change in the rights in respect of the Shares already granted to a selected participant.

Although the remaining life of the Post-IPO Share Award Scheme is less than 1 year (i.e. approximately 8 months remaining from the date of this annual report), after the 2024 Share Award Scheme was adopted pursuant to a resolution passed at the annual general meeting of the Company held on June 5, 2024, no further grants of Share awards will be made by the Company under the Post-IPO Share Award Scheme thereafter.

Report of the Directors

Details of Share Awards Granted under the Post-IPO Share Award Scheme

Name and/or Category of Participants	Date of Grant	Unvested Awards Outstanding as at January 1, 2025	Awards Granted During the Year	Vesting Period	Purchase Price	Closing Price of Shares Immediately Before Date of Grant (For Awards Granted During the Year)	Fair Value per Awarded Share as at the Date of Grant (For Awards Granted During the Year) ⁽¹⁾	Awards Vested During the Year	Weighted Average Closing Price of the Shares Immediately before the Date of Vesting (For Awards Vested During the Year)	Awards Cancelled During the Year	Awards Lapsed During the Year	Unvested Awards Outstanding as at December 31, 2025
Employees (Excluding Director and Chief Executive)	Apr 1, 2024	14,895,294	-	Apr 1, 2025 - Apr 1, 2026 ⁽²⁾	Nil	-	-	7,397,649	HK\$5.45	-	378,683	7,118,962
	Apr 1, 2024	10,135,785	-	Apr 1, 2025 ⁽³⁾	Nil	-	-	9,806,372	HK\$5.45	-	329,413	-
	Jan 1, 2024	68,850	-	Jan 1, 2025 - Jan 1, 2026 ⁽²⁾	Nil	-	-	34,425	HK\$2.96	-	-	34,425
	Oct 1, 2023	572,675	-	Oct 1, 2024 - Oct 1, 2025 ⁽²⁾	Nil	-	-	572,675	HK\$9.27	-	-	-
	Jul 1, 2023	100,217	-	Jul 1, 2024 - Jul 1, 2025 ⁽²⁾	Nil	-	-	100,217	HK\$9.03	-	-	-
	Apr 1, 2023	5,491,038	-	Apr 1, 2024 - Apr 1, 2025 ⁽²⁾	Nil	-	-	5,491,038	HK\$5.40	-	-	-
		31,263,859	-					23,402,376		-	708,096	7,153,387
Consultants	Apr 1, 2024	1,310,000	-	Apr 1, 2025 - Apr 1, 2026 ⁽²⁾	Nil	-	-	655,000	HK\$5.45	-	-	655,000
	Apr 1, 2023	235,800	-	Apr 1, 2024 - Apr 1, 2025 ⁽²⁾	Nil	-	-	235,800	HK\$5.45	-	-	-
		1,545,800	-					890,800		-	-	655,000
Total		32,809,659	-					24,293,176		-	708,096	7,808,387

Notes:

- (1) The fair value of the awarded shares as of the date of grant was determined in accordance with IFRS 2, for transactions measured by reference to the fair value of the equity instruments granted, an entity shall measure the fair value of equity instruments granted at the measurement date, based on market prices if available, taking into account the terms and conditions upon which those equity instruments were granted. Further details of the fair value of the awarded shares are set out in Note 25 to the consolidated financial statements.
- (2) The share awards granted shall vest annually in 2 equal tranches on the first and second anniversary from the date of grant.
- (3) The share awards shall vest 12 months from the grant date subject to the achievement of performance targets associated with the performance of certain specific subsidiaries of the Group in terms of operational and financial performance and retention of key employees.

Report of the Directors

3. 2024 Share Award Scheme

The 2024 Share Award Scheme was adopted pursuant to the resolution of the Shareholders passed at the annual general meeting of the Company held on June 5, 2024.

Purpose

The purpose of the 2024 Share Award Scheme is to replace the Post-IPO Share Award Scheme and align the interests of eligible persons, with those of the Group through ownership of Shares, dividends and other distributions paid on Shares and/or the increase in value of the Shares, and to encourage and retain eligible persons to make contributions to the long-term growth and profits of the Group.

Eligible Participants

Eligible participants under the 2024 Share Award Scheme include any Employee Participant, Related Entity Participant, Service Provider and/or their respective Eligible Vehicles.

In determining the eligibility of Employee Participants (for this purpose including their Eligible Vehicles), the Board will consider, among others, their general working performance, contribution to the Group's overall performance, time commitment (full-time or part-time), length of their service within the Group, working experience, responsibilities and/or employment conditions with reference to the prevailing market practice and industry standard.

In determining the eligibility of Related Entity Participants (for this purpose including their Eligible Vehicles), the Board will consider, among others, their participation and contribution to the development of the Group and/or the extent of benefits and synergies brought to the Group.

In determining the eligibility of the Service Providers (for this purpose including their Eligible Vehicles), the Board will consider, among others, (i) their experience and expertise in the industries that the Group operates from time to time, continuity and/or frequency of their services to the Group; (ii) their involvement or significance in promoting the business of the Group, in particular, whether such Service Provider could bring positive impacts to the Group's business with regard to factors such as the actual or expected increase in the Group's revenue or profits or reduction in costs which is or may be attributable to the Service Providers; and (iii) where appropriate, contribution or potential contribution to the long-term growth of the Group. In relation to those which fall within category (i) in the definition of Service Providers, the Board will also take into consideration their background, reputation and track record and the scale of their business dealings with the Group in assessing their eligibility. In assessing whether the Service Provider provides services to the Group on a continuing and recurring basis, the Board shall take into consideration, among others, (a) the mode, length and type of services provided to the Group and the recurrences and regularity of such services; (b) the period of engagement of the Service Provider, and benchmark the metrics used for (a) and (b) against those Employee Participants to whom (or to whose Eligible Vehicles) the Group provides equity incentives. In assessing whether the Service Provider provides services to the Group in the Company's ordinary and usual course of business, the Board or the committee of the Board shall take into consideration the nature and significance of the services provided to the Group by the Service Provider, and whether such services form part of or are directly ancillary to the businesses conducted by the Group, as disclosed in the Company's financial reports from time to time.

Awards

An award granted by the Board or its delegate(s) to eligible participants may vest in the form of Shares or the actual selling price of the Shares in cash as the Board or its delegate(s) may determine in accordance with the terms of the 2024 Share Award Scheme.

Report of the Directors

Maximum Number of Shares to be Awarded

The awards granted under the 2024 Share Award Scheme may be satisfied by new Shares issued by the Company to the professional trustee of the scheme or through on-market acquisitions of existing Shares by the professional trustee at the prevailing market price funded by the Company.

The total number of Shares which may be issued under the 2024 Share Award Scheme is no more than 453,509,608 Shares, representing no more than approximately 10% of the total number of Shares in issue as at the adoption date ("**Scheme Mandate Limit**"), out of which 45,350,960 Shares, representing no more than approximately 1% of the total number of Shares as at the adoption date, will be available for future grants to service providers within the scheme mandate limit ("**Service Provider Sublimit**"). The Scheme Mandate Limit and/or the Service Provider Sublimit may be refreshed by ordinary resolution of the Shareholders in general meeting after three years from the date of the Shareholders' approval for the last refreshment or the adoption date.

Any Shares granted under the 2024 Share Award Scheme but not yet vested are personal to the selected participants to whom they are granted and cannot be assigned or transferred. Without the prior written approval of the Board, a selected participant may not in any way directly or indirectly sell, transfer, charge, mortgage, encumber or create any interest in favor of any other person over or in relation to any award granted by the Board or the Shares or interest in any Eligible Vehicle holding any award pursuant to the 2024 Share Award Scheme, or enter into any agreement to do so.

As at December 31, 2025 and as at the Latest Practicable Date, 44,519,871 and 60,918,766 award Shares had been granted or agreed to be granted respectively under the 2024 Share Award Scheme which will be satisfied by the issue of new Shares (excluding award Shares which have lapsed in accordance with the 2024 Share Award Scheme). The total number of Shares available for issue under the 2024 Share Award Scheme as at January 1, 2025 and December 31, 2025 were 429,036,827 Shares and 408,989,737 Shares respectively, representing 9.42% and 8.92% of the issued share capital of the Company.

As at the Latest Practicable Date, the total number of Shares available for issue under the 2024 Share Award Scheme is 392,590,842 Shares, representing approximately 8.62% of the issued share capital of the Company (excluding treasury Shares).

Limit for Each Participant

The total number of Shares which may be issued in respect of all awards granted or to be granted to any eligible person pursuant to the 2024 Share Award Scheme together with all award shares and options granted under any other share scheme(s) of the Company (excluding any awards granted which have lapsed and forfeited in accordance with the 2024 Share Award Scheme) in any 12-month period shall not exceed 1% of the total number of Shares in issue, unless otherwise such grant has been duly approved by Shareholders in general meeting(s) in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules and complies with other relevant provisions of Chapter 17 of the Listing Rules.

Consideration

No amount is payable on acceptance of an award under the 2024 Share Award Scheme.

Report of the Directors

Vesting Period

Subject to the Listing Rules, the Board or the committee of the Board or person(s) to which the Board delegated its authority may from time to time while the 2024 Share Award Scheme is in force and subject to all applicable laws, determine such vesting criteria and conditions or periods for the award to be vested pursuant to the 2024 Share Award Scheme. The vesting date in respect of any award shall be not less than 12 months from the grant date, provided that for Employee Participants and/or his/her Eligible Vehicle, the vesting date may be less than 12 months from the grant date (including the grant date) in the following circumstances:

- (a) grants of “make whole” awards to new Employee Participants (or to his/her Eligible Vehicle) to replace share awards such Employee Participants forfeited when leaving their previous employers;
- (b) grants to an Employee Participant (or to his/her Eligible Vehicle) whose employment is terminated due to death or disability or event of force majeure;
- (c) grants of awards which are subject to the fulfilment of performance targets or as specified in the award letter in lieu of time-based vesting criteria;
- (d) grants of awards that are made in batches during a year due to administrative or compliance reasons which include awards that should have been granted earlier if not for such administrative or compliance requirements but had to wait for subsequent batch, in which case the vesting periods may be shorter to reflect the time from which the award would have been granted;
- (e) grants of awards with a mixed or accelerated vesting schedule such that the awards vest evenly over a period of 12 months;
- (f) grants of awards with a total vesting and holding period of more than 12 months; or
- (g) grants to Employee Participants of a similar value to replace their equity incentive options and/or awards granted by any member of the Group other than the Company (“**Subsidiary Awards**”) following the completion of a merger and/or acquisition carried out by the Company from time to time, the result of which is that the Subsidiary Awards will be lapsed and the share scheme of such member of the Group will be terminated, provided that the grant of replacement share incentives by the Company to replace the Subsidiary Awards shall generally follow the original vesting schedule of the Subsidiary Awards.

Termination

The 2024 Share Award Scheme shall terminate on the earlier of:

- (a) the end of the period of 10 years commencing on the adoption date except in respect of any unvested award Shares granted prior to the expiration of the 2024 Share Award Scheme, for the purpose of giving effect to the vesting of such award Shares or otherwise as may be required in accordance with the provisions of the 2024 Share Award Scheme; and
- (b) such date of early termination as determined by the Board provided that subject to any other arrangements as may be agreed between the relevant Grantee and the Board with the approval of the Shareholders in general meeting if required under the Listing Rules to the contrary, such termination shall not affect (i) any subsisting rights of any selected participant under the rules of the 2024 Share Award Scheme, provided further that for the avoidance of doubt, the change in the subsisting rights of a selected participant in this paragraph refers solely to any change in the rights in respect of the award Shares already granted to a selected participant; and (ii) the vesting of any unvested award Shares granted prior to the early termination of the 2024 Share Award Scheme, for the purpose of giving effect to the vesting of such award Shares or otherwise as may be required in accordance with the provisions of the 2024 Share Award Scheme.

The remaining life of the 2024 Share Award Scheme is approximately 8 years.

Report of the Directors

Details of Share Awards Granted under the 2024 Share Award Scheme

Name and/or Category of Participants	Date of Grant	Unvested Awards Outstanding as at January 1, 2025	Awards Granted During the Year	Vesting Period	Purchase Price	Closing Price of Shares Immediately Before Date of Grant (For Awards Granted During the Year)	Fair Value per Awarded Share as at the Date of Grant (For Awards Granted During the Year) ⁽¹⁾	Awards Vested During the Year	Weighted Average Closing Price of the Shares Immediately before the Date of Vesting (For Awards Vested During the Year)	Awards Cancelled During the Year	Awards Lapsed During the Year	Unvested Awards
												Outstanding as at December 31, 2025
Director and Chief Executive												
WU Zeyuan	Oct 1, 2025	-	4,500,000	Oct 1, 2026 ⁽²⁾	Nil	HK\$9.27	HK\$9.44	-	-	-	-	4,500,000
	Oct 1, 2024	4,500,000	-	Oct 1, 2025 ⁽²⁾	Nil	-	-	4,500,000	HK\$9.27	-	-	-
	Oct 1, 2024	8,000,000*	-	See Note ⁽³⁾	Nil	-	-	-	-	-	-	8,000,000
		12,500,000	4,500,000					4,500,000	-	-	-	12,500,000
Employees (Excluding Director and Chief Executive)												
Employees (Excluding Director and Chief Executive)	Oct 1, 2025	-	253,065	Oct 1, 2026 - Oct 1, 2027 ⁽⁴⁾	Nil	HK\$9.27	HK\$9.44	-	-	-	33,000	220,065
	Jul 1, 2025	-	786,250	Jul 1, 2026 - Jul 1, 2027 ⁽⁴⁾	Nil	HK\$9.03	HK\$8.89	-	-	-	-	786,250
	Jul 1, 2025	-	423,452	Jul 1, 2026, Apr 1, 2027, Apr 1, 2028 and Apr 1, 2029 ⁽⁵⁾	Nil	HK\$9.03	HK\$8.89	-	-	-	-	423,452
	Apr 1, 2025	-	2,500,000	Apr 1, 2026 - Apr 1, 2028 ⁽⁶⁾	Nil	HK\$5.45	HK\$5.30	-	-	-	-	2,500,000
	Apr 1, 2025	-	1,747,647	Apr 1, 2026 - Apr 1, 2029 ⁽⁷⁾	Nil	HK\$5.45	HK\$5.30	-	-	-	-	1,747,647
	Apr 1, 2025	-	5,763,057	Apr 1, 2026 - Apr 1, 2027 ⁽⁴⁾	Nil	HK\$5.45	HK\$5.30	-	-	-	130,985	5,632,072
	Apr 1, 2025	-	1,600,000	Apr 1, 2027 ⁽⁸⁾	Nil	HK\$5.45	HK\$5.30	-	-	-	-	1,600,000
	Apr 1, 2025	-	1,600,000	Apr 1, 2027 - Apr 1, 2028 ⁽⁹⁾	Nil	HK\$5.45	HK\$5.30	-	-	-	-	1,600,000
	Apr 1, 2025	-	500,000	Apr 1, 2027 - Apr 1, 2028 ⁽¹⁰⁾	Nil	HK\$5.45	HK\$5.30	-	-	-	-	500,000
	Jan 1, 2025	-	1,017,819	Jan 1, 2026 - Jan 1, 2027 ⁽⁴⁾	Nil	HK\$2.96	HK\$2.97	-	-	-	517,200	500,619
	Oct 1, 2024	1,642,519	-	Oct 1, 2025 - Oct 1, 2026 ⁽⁴⁾	Nil	-	-	821,260	HK\$9.27	-	-	821,259
	Oct 1, 2024	6,000,000	-	See Note ⁽³⁾	Nil	-	-	-	-	-	-	6,000,000
	Oct 1, 2024	12,000,000	-	Oct 1, 2025, Apr 1, 2026, Apr 1, 2027 and Apr 1, 2028 ⁽¹¹⁾	Nil	-	-	4,500,000	HK\$9.27	-	-	7,500,000
	Jul 1, 2024	330,262	-	Jul 1, 2025 - Jul 1, 2026 ⁽⁴⁾	Nil	-	-	156,346	HK\$9.03	-	142,635	31,281
		19,972,781	16,191,290					5,477,606	-	-	823,820	29,862,645
Service Providers												
Service Providers	Apr 1, 2025	-	179,620	Apr 1, 2026 - Apr 1, 2027 ⁽⁴⁾	Nil	HK\$5.45	HK\$5.30	-	-	-	-	179,620
			179,620									179,620
Total		32,472,781	20,870,910					9,977,606	-	-	823,820	42,542,265

* The awards granted will be satisfied by way of purchasing existing shares in the open market.

Report of the Directors

Details of Scheme Mandate Limit and Service Provider Sublimit

	Number of Shares available for grant under the Scheme Mandate Limit	Number of Shares available for grant under the Service Provider Sublimit
As at January 1, 2025 (prior to grant made on January 1, 2025)	429,036,827	45,350,960
As at December 31, 2025	408,989,737	45,171,340

Notes:

- (1) The fair value of the awarded shares as of the date of grant was determined in accordance with IFRS 2, for transactions measured by reference to the fair value of the equity instruments granted, an entity shall measure the fair value of equity instruments granted at the measurement date, based on market prices if available, taking into account the terms and conditions upon which those equity instruments were granted. Further details of the fair value of the awarded shares are set out in Note 25 to the consolidated financial statements.
- (2) The share awards granted to Mr. Wu shall vest 12 months from the grant date.
- (3) The share awards granted shall vest on April 1 of the year immediately following the date on which the performance target of the Group achieving an Adjusted Net Profit attributable to Owners of the Company of not less than RMB1.1 billion for the financial year ending December 31, 2025 or December 31, 2026 is met. Subject to the said performance target being achieved, the share awards will be satisfied by way of the Meitu Trust purchasing existing Shares in the open market.
- (4) The share awards granted shall vest on an annual basis equally over a period of 24 months from the date of grant.
- (5) The share awards granted shall vest in accordance with the following vesting schedule: (i) 25% on July 1, 2026; (ii) 25% on April 1, 2027; (iii) 25% on April 1, 2028; and (iv) 25% on April 1, 2029.
- (6) The share awards granted shall vest in accordance with the following vesting schedule: (i) 20% on April 1, 2026; (ii) 40% on April 1, 2027; and (iii) 40% on April 1, 2028.
- (7) The share awards granted shall vest on an annual basis equally over a period of 48 months from the date of grant.
- (8) The share awards granted shall vest on April 1, 2027 if the profit performance target of the Group achieving an Adjusted Net Profit attributable to Owners of the Company of not less than RMB1.1 billion for the financial year ending December 31, 2026 (the "Profit Performance Target") is met.
- (9) (i) 50% of the share awards granted shall vest in accordance with the following vesting schedule if the Profit Performance Target is met: (i) 25% on April 1, 2027; and (ii) 25% on April 1, 2028; and (ii) 50% of the share awards granted shall vest in accordance with the following schedule if the performance targets associated with the gross profits and MAU of specific Photo, video and design products of the Group are met: (i) 25% on April 1, 2027; and (ii) 25% on April 1, 2028.
- (10) The share awards granted shall vest in accordance with the following vesting schedule if the Profit Performance Target is met: (i) 50% on April 1, 2027; and (ii) 50% on April 1, 2028.
- (11) The share awards granted shall vest in accordance with the following vesting schedule for Key Employee Grantee(s): (i) 4,500,000 Shares on October 1, 2025; (ii) 1,500,000 Shares on April 1, 2026; (iii) 3,000,000 Shares on April 1, 2027; and (iv) 3,000,000 Shares on April 1, 2028.

The total number of Shares that may be issued in respect of the options and share awards granted pursuant to the Pre-IPO ESOP, the Post-IPO Share Award Scheme and the 2024 Share Award Scheme during the year ended December 31, 2025 is 43,702,600 Shares and constitutes approximately 0.95% after dividing it by the weighted average number of issued Shares for the year ended December 31, 2025.

Report of the Directors

4. EveLab Insight Share Award Scheme

As disclosed in the Company's announcement dated July 30, 2021, in order to facilitate fundraising activities for the Smart Hardware Business, the Group transferred the Smart Hardware Business to a separate holding structure at the offshore and onshore levels, where EveLab Insight (a subsidiary of the Company) became the holding company of the Group's Smart Hardware Business.

On June 2, 2021, the board of directors of EveLab Insight (the "EveLab Insight Board") and its shareholder (namely, the Company) adopted the EveLab Insight Share Award Scheme under which 20% of EveLab Insight's shares (the "EveLab Insight Shares") has been reserved for granting to employees, consultants, and all other eligible participants of the Group who have contributed or will contribute to the Smart Hardware Business. Certain amendments to the rules of the EveLab Insight Share Award Scheme were approved by the EveLab Insight Board on September 30, 2021.

Purpose

The purpose of the EveLab Insight Share Award Scheme is to align the interests of eligible persons with those of the Group through ownership of the EveLab Insight Shares, dividends and other distributions paid on the EveLab Insight Shares and/or the increase in value of the EveLab Insight Shares, and to encourage and retain eligible persons to make contributions to the long-term growth and profits of the Group.

Eligible Participants

Any individual, being an employee, director (including the executive director, non-executive directors and independent non-executive directors), officer, consultant, advisor, distributor, contractor, customer, supplier, agent, business partner, joint venture business partner or service provider of any member of the Group or any affiliate as the EveLab Insight Board may determine, and for this purpose shall include any trust, company or other entity or form of business vehicle which such individual or his/her family member is a beneficiary of or holds beneficial interest in ("Eligible Holding Vehicle").

Awards

An award granted by the EveLab Insight Board to eligible participants may vest in the form of EveLab Insight Shares or the actual selling price of the EveLab Insight Shares in cash.

Granting of Awards

The EveLab Insight Board may, from time to time, grant awards to any eligible participant whom the EveLab Insight Board considers to have contributed or will contribute to the Group.

Each grant of an award to any Director or the chairman of the Company shall be subject to the prior approval of the independent non-executive Directors of the Company (excluding any independent non-executive Director who is a proposed recipient of the grant of an award). The Company will comply with the relevant requirements under Chapter 14A of the Listing Rules for any grant of EveLab Insight Shares to connected persons of the Company.

Maximum Number of EveLab Insight Shares to be awarded

The aggregate number of EveLab Insight Shares underlying all grants made pursuant to the EveLab Insight Share Award Scheme (excluding EveLab Insight Shares granted which have lapsed and forfeited in accordance with the EveLab Insight Share Award Scheme) will not exceed 20% of the total number of issued shares of EveLab Insight (i.e. approximately 100,000,000 EveLab Insight Shares) without further approval from the Company.

Any EveLab Insight Shares granted under the EveLab Insight Share Award Scheme but not yet vested are personal to the selected participants to whom they are granted and cannot be assigned or transferred other than to an Eligible Holding Vehicle of such selected participant. A selected participant shall not in any way sell, transfer (other than to an Eligible Holding Vehicle of such selected participant), charge, mortgage, encumber or create any interest in favor of any other person over or in relation to any award granted by the EveLab Insight Board, or enter into any agreement to do so.

Report of the Directors

Number of EveLab Insight Shares awarded

As at December 31, 2025 and as at the Latest Practicable Date, a total of 69,150,000 and 51,650,000 EveLab Insight Shares respectively had been granted or agreed to be granted under the EveLab Insight Share Award Scheme (excluding EveLab Insight Shares granted which have lapsed and forfeited in accordance with the EveLab Insight Share Award Scheme), representing approximately 8.58% and 10.33% of the issued share capital of EveLab Insight as at December 31, 2025 and as at the Latest Practicable Date respectively.

Limit for Each Participant

Under the EveLab Insight Share Award Scheme, there is no specific limit on the maximum number of EveLab Insight Shares which may be granted to a single eligible participant but unvested under the EveLab Insight Share Award Scheme.

Vesting Period

The EveLab Insight Board has the authority to determine the vesting period of the EveLab Insight Shares granted under the EveLab Insight Share Award Scheme. The EveLab Insight Share Award Scheme does not specify any minimum holding period.

Termination

The EveLab Insight Share Award Scheme shall terminate on the earlier of:

- (a) the end of the period of ten years commencing from the date the EveLab Insight Share Award Scheme was adopted except in respect of any non-vested EveLab Insight Shares granted prior to the expiration of the EveLab Insight Share Award Scheme, for the purpose of giving effect to the vesting of such EveLab Insight Shares or otherwise as may be required in accordance with the provisions of the EveLab Insight Share Award Scheme; and
- (b) such date of early termination as determined by the EveLab Insight Board provided that such termination shall not affect any subsisting rights of any selected participant under the rules of the EveLab Insight Share Award Scheme, provided further that for the avoidance of doubt, the change in the subsisting rights of a selected participant in this paragraph refers solely to any change in the rights in respect of the EveLab Insight Shares already granted to a selected participant.

The remaining life of the EveLab Insight Share Award Scheme is approximately 5 years.

EveLab Insight is neither a listed company nor a principal subsidiary of the Company under the definition of Chapter 17 of the Listing Rules, and therefore the EveLab Insight Share Award Scheme is not subject to disclosure obligations under Chapter 17 of the Listing Rules.

Report of the Directors

5. Pixocial Share Option Scheme

As disclosed in the Company's announcement dated October 12, 2023, Pixocial Cayman shall adopt the Pixocial Share Option Scheme, pursuant to which 7,642,626 ordinary shares of Pixocial Cayman shall be reserved for issuance to certain employees, directors and consultants of Pixocial Cayman and its subsidiaries.

On December 1, 2023, the board of directors of Pixocial Cayman (the "**Pixocial Board**") and its shareholder (namely, the Company) adopted the Pixocial Share Option Scheme.

Purpose

The purpose of the Pixocial Share Option Scheme is to align the interests of eligible persons with those of Pixocial Cayman and its subsidiaries through ownership of ordinary shares of Pixocial Cayman ("**Pixocial Shares**"), dividends and other distributions paid on the Pixocial Shares and/or the increase in value of the Pixocial Shares, and to encourage and retain eligible persons to make contributions to the long-term growth and profits of Pixocial Cayman and its subsidiaries.

Eligible Participants

Any employee, consultant, officer, director, distributor, contractor, customer, supplier, agent, business partner, joint venture business partner or other service provider of any member of Pixocial Cayman and its subsidiaries or any of their affiliate (including but not limited to (i) nominees and/or trustees of any employee benefit trust established for them, (ii) any Eligible Holding Vehicle) whom the Pixocial Board considers, in its sole and absolute discretion, to have contributed or will contribute to Pixocial Cayman and its subsidiaries; provided, however, that options under the Pixocial Share Option Scheme shall not be granted to any consultant or director in any jurisdiction in which, pursuant to applicable laws, grants to non-employees are not permitted.

Maximum Number of Pixocial Shares

The maximum number of Pixocial Shares which may be allotted and issued upon exercise of all outstanding options granted and yet to be exercised under the Pixocial Share Option Scheme must not exceed 7,642,626 Pixocial Shares without further approval from the shareholders of Pixocial Cayman.

As at December 31, 2025 and the Latest Practicable Date, a total of 5,212,635 and 5,189,630 options had been granted or agreed to be granted pursuant to the Pixocial Share Option Scheme respectively (excluding any options that were lapsed, forfeited or cancelled in accordance with the Pixocial Share Option Scheme) and therefore the total number of options available for grant under the Pixocial Share Option Scheme as at December 31, 2025 and the Latest Practicable Date are 2,429,991 and 2,452,996 options, respectively.

Any options granted under the Pixocial Share Option Scheme but not yet vested are personal to the selected participants to whom they are granted and cannot be assigned or transferred other than to an Eligible Holding Vehicle of such selected participant. A selected participant shall not in any way sell, transfer (other than to an Eligible Holding Vehicle of such selected participant), charge, mortgage, encumber or create any interest in favor of any other person over or in relation to any option granted by the Pixocial Board, or enter into any agreement to do so.

Report of the Directors

Limit for Each Participant

Under the Pixocial Share Option Scheme, there is no specific limit on the maximum number of options which may be granted to a single eligible participant but unvested under the Pixocial Share Option Scheme.

Vesting Period

The Pixocial Board has the authority to determine the vesting period of the options granted under the Pixocial Share Option Scheme. The Pixocial Share Option Scheme does not specify any minimum holding period.

Termination

The Pixocial Share Option Scheme shall terminate on the earlier of:

- (a) the end of the period of ten years commencing from the date the Pixocial Share Option Scheme was adopted; and
- (b) such date of early termination as determined by the Pixocial Board.

The remaining life of the Pixocial Share Option Scheme is approximately 8 years.

Pixocial Cayman is neither a listed company nor a principal subsidiary of the Company under the definition of Chapter 17 of the Listing Rules, and therefore the Pixocial Share Option Scheme is not subject to disclosure obligations under Chapter 17 of the Listing Rules.

6. Starii Share Award Scheme

On June 3, 2025, the board of directors of Starii (the “**Starii Board**”) and its sole shareholder (namely, the Company) adopted the Starii Share Award Scheme under which 200,000,000 Starii shares (representing 20% of Starii’s total issued share capital as of June 3, 2025) (the “**Starii Shares**”) have been reserved for granting to employees, consultants, and all other eligible participants of the Group who have contributed or will contribute to the Starii Group.

Purpose

The purpose of the Starii Share Award Scheme is to align the interests of eligible persons with those of the Group through ownership of the Starii Shares, dividends and other distributions paid on the Starii Shares and/or the increase in value of the Starii Shares, and to encourage and retain eligible persons to make contributions to the long-term growth and profits of the Starii Group.

Eligible Participants

Any employee, director (including executive directors, non-executive directors and independent non-executive directors), officer, consultant, advisor, distributor, contractor, customer, supplier, agent, business partner, joint venture business partner or service provider of any member of the Starii Group or any related entity as the Starii Board may determine, and for this purpose shall include any Eligible Vehicle which such individual or his/her family member is a beneficiary of or holds beneficial interest in.

Report of the Directors

Awards

An award granted by the Starii Board to eligible participants may vest in the form of Starii Shares or the actual selling price of the Starii Shares in cash.

Granting of Awards

The Starii Board may, from time to time, grant awards to any eligible participant whom the Starii Board considers to have contributed or will contribute to the Group.

Each grant of an award to any Director or the chairman of the Company shall be subject to the prior approval of the independent non-executive Directors of the Company (excluding any independent non-executive Director who is a proposed recipient of the grant of an award). The Company will comply with the relevant requirements under Chapter 14A of the Listing Rules for any grant of Starii Shares to connected persons of the Company.

Maximum Number of Starii Shares to be awarded

The aggregate number of Starii Shares underlying all grants made pursuant to the Starii Share Award Scheme (excluding Starii Shares granted which have lapsed and forfeited in accordance with the Starii Share Award Scheme) will not exceed 20% of the total number of issued shares of Starii as of June 3, 2025 without further approval from the Company.

Any Starii Shares granted under the Starii Share Award Scheme but not yet vested are personal to the selected participants to whom they are granted and cannot be assigned or transferred other than to an Eligible Holding Vehicle of such selected participant. A selected participant shall not in any way sell, transfer (other than to an Eligible Holding Vehicle of such selected participant), charge, mortgage, encumber or create any interest in favor of any other person over or in relation to any award granted by the Starii Board, or enter into any agreement to do so.

Number of Starii Shares awarded

As at December 31, 2025 and as at the Latest Practicable Date, no Starii Shares had been granted or agreed to be granted under the Starii Share Award Scheme.

Limit for Each Participant

Under the Starii Share Award Scheme, there is no specific limit on the maximum number of Starii Shares which may be granted to a single eligible participant but unvested under the Starii Share Award Scheme.

Vesting Period

The Starii Board has the authority to determine the vesting period of the Starii Shares granted under the Starii Share Award Scheme. The Starii Share Award Scheme does not specify any minimum holding period.

Report of the Directors

Termination

The Starii Share Award Scheme shall terminate on the earlier of:

- (a) the end of the period of ten years commencing from the date the Starii Share Award Scheme was adopted except in respect of any unvested Starii Shares granted prior to the expiration of the Starii Share Award Scheme, for the purpose of giving effect to the vesting of such Starii Shares or otherwise as may be required in accordance with the provisions of the Starii Share Award Scheme; and
- (b) such date of early termination as determined by the Starii Board provided that subject to any other arrangements as may be agreed between the relevant grantee and the Starii Board to the contrary, such termination shall not affect (i) any subsisting rights of any grantee under the Starii Share Award Scheme; provided further that for the avoidance of doubt, the change in the subsisting rights of a grantee refers solely to any change in the rights in respect of the Starii Shares already granted to a grantee; and (ii) the vesting of any unvested Starii Shares granted hereunder prior to the early termination of the Starii Share Award Scheme, for the purpose of giving effect to the vesting of such Starii Shares or otherwise as may be required in accordance with the provisions of the Starii Share Award Scheme.

The remaining life of the Starii Share Award Scheme is approximately 9 years.

Starii is neither a listed company nor a principal subsidiary of the Company under the definition of Chapter 17 of the Listing Rules, and therefore the Starii Share Award Scheme is not subject to disclosure obligations under Chapter 17 of the Listing Rules.

EQUITY-LINKED AGREEMENTS

Save for the issuance of the Convertible Bonds by the Company to the Alibaba Subscriber as disclosed in the section headed “Management Discussion and Analysis – Issue of Convertible Bonds and Strategic Cooperation” of this annual report and save as disclosed in the section headed “Share Schemes” above, no other equity-linked agreements were entered into by the Group during the year ended December 31, 2025 or subsisted as at December 31, 2025.

DIRECTORS

The Directors who held office during the year ended December 31, 2025 and up to the Latest Practicable Date were:

Executive Director:

Mr. WU Zeyuan (*Chief Executive Officer and Chairman*)

Non-executive Directors:

Dr. GUO Yihong (*Resigned on August 18, 2025*)

Mr. CHEN Jiarong

Mr. HONG Yupeng

Independent Non-executive Directors:

Mr. ZHOU Hao

Mr. LAI Xiaoling

Ms. POON Philana Wai Yin

Pursuant to Article 84 of the Articles of Association, at least one-third of the Directors shall retire from office by rotation at each annual general meeting of the Company and will be eligible for re-election at that meeting. The Directors to retire by rotation shall firstly be those who wish to retire and not offer themselves for re-election, and secondly be those who have been longest in office since their last re-election or appointment and as between persons who became or were last re-elected Directors on the same day shall (unless they otherwise agree among themselves) be determined by lot.

Report of the Directors

In accordance with Article 84(2) of the Articles of Association, Mr. CHEN Jiarong and Mr. HONG Yupeng will retire from office as Directors by rotation at the AGM and being eligible, offer themselves for re-election as Directors at the AGM.

Details of the Directors standing for re-election at the AGM are set out in the circular to the Shareholders to be dispatched as soon as possible.

The Company has received from each of the independent non-executive Directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and considers each of the independent non-executive Directors to be independent.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the directors and senior management of the Group are set out in the section headed “Directors and Senior Management” on pages 30 to 34 of this annual report.

DIRECTORS’ SERVICE CONTRACTS

The executive Director has entered into a service contract with the Company for an initial term of three years with effect from the Listing Date or until the third annual general meeting of the Company since the Listing Date (whichever is sooner). Such service contract was renewed (i) on June 3, 2019 for a further term of three years or until the third annual general meeting of the Company since the date of renewal (whichever is sooner) and (ii) on June 2, 2022 without a specific term, but subject to retirement by rotation at least once every three years.

Mr. ZHOU Hao and Dr. GUO Yihong have signed a letter of appointment with the Company and were appointed as an independent non-executive Director and a non-executive Director respectively for an initial term of three years or until the third annual general meeting of our Company since the Listing Date (whichever is sooner). Such letters of appointment were renewed on identical terms (i) on June 3, 2019 for a further term of three years or until the third annual general meeting of the Company since the date of renewal (whichever is sooner) and (ii) on June 2, 2022 without a specific term.

On September 30, 2020, Dr. GUO Yihong voluntarily entered into a supplemental agreement with the Company to reduce his remuneration to nil with effect from October 1, 2020, in order to avoid any potential conflict of interest arising from his offices held in other companies or entities. Dr. GUO Yihong resigned as a non-executive Director immediately after the conclusion of the Board meeting of the Company held on August 18, 2025 in order to devote more time to focus on his other business commitments.

Mr. LAI Xiaoling has signed a letter of appointment with the Company and was appointed as an independent non-executive Director commencing from January 1, 2019 until the third annual general meeting of the Company from such commencement date. Such letter of appointment was renewed on identical terms (i) on June 2, 2021 for a further term of three years or until the third annual general meeting of the Company since the date of renewal (whichever is sooner) and (ii) on June 2, 2024 without a specific term.

Mr. CHEN Jiarong has signed a letter of appointment with the Company and was appointed as a non-executive Director commencing from June 3, 2020 for three years or until the third annual general meeting of the Company from such commencement date (whichever is sooner). Such letter of appointment was renewed on identical terms on June 1, 2023 without a specific term.

Mr. HONG Yupeng has signed a letter of appointment with the Company and was appointed as a non-executive Director commencing from June 1, 2023 without a specific term.

Ms. POON Philana Wai Yin has signed a letter of appointment with the Company and was appointed as an independent non-executive Director commencing from June 5, 2024 without a specific term.

Report of the Directors

None of the Directors proposed for re-election at the AGM has a service contract with members of the Group that is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in the section headed "Continuing Connected Transactions" below, none of the Directors nor any entity connected with the Directors had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party subsisting during or at the end of the year ended December 31, 2025.

PERMITTED INDEMNITY

Pursuant to the Articles of Association and subject to the applicable laws and regulations, every Director shall be indemnified and secured harmless out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain in or about the execution of their duty in their offices.

Such permitted indemnity provision is currently in force and had been in force for the year ended December 31, 2025. The Company has taken out liability insurance to provide appropriate coverage for the Directors.

MANAGEMENT CONTRACTS

No contract, other than employment contracts, concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the year ended December 31, 2025.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Pursuant to the 2024 Share Award Scheme, award Shares have been granted to Mr. Wu, the executive Director, Chief Executive Officer and Chairman of the Company, during the year ended December 31, 2025. Details of the interests of Mr. Wu in the award Shares are set out in the section headed "Share Schemes" above.

Save as aforesaid and as disclosed in this annual report, neither at the end of the year ended December 31, 2025 nor at any time during the year ended December 31, 2025 was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate; and none of the Directors, or any of their spouse or children under the age of 18, had any right to subscribe for equity or debt securities of the Company or any other body corporate, or had exercised any such right.

Report of the Directors

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

As at December 31, 2025, the interests and short positions of the Directors in the Shares, underlying Shares and debentures of the Company or its associated corporations within the meaning of Part XV of the SFO, as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and/or the Stock Exchange pursuant to the Model Code were as follows:

Name of Director	Nature of interest	Number of ordinary shares	Approximate percentage of holding ⁽³⁾
Mr. WU Zeyuan ^{(1) (2)}	Beneficial owner/Beneficiary of a trust	593,196,670	12.93%

Notes:

- (1) The entire interest of Xinhong Capital is held by Easy Prestige Limited, which in turn is held by Lion Trust (Singapore) Limited as the trustee for the benefit of Mr. Wu.
- (2) 12,500,000 Shares were held by the Meitu General Trust in the form of unvested Share awards.
- (3) The percentages are calculated on the basis of 4,586,179,280 Shares in issue as at December 31, 2025.

Save as disclosed above, as at December 31, 2025, none of the Directors and chief executive of the Company had any interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and/or the Stock Exchange pursuant to the Model Code.

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

As at December 31, 2025, the persons other than the Directors, whose interests have been disclosed in this annual report, had an interest and short position in the Shares and underlying Shares of the Company as recorded in the register required to be kept by the Company, pursuant to Section 336 of the SFO, or as otherwise notified to the Company and/or the Stock Exchange were as follows:

Name of Shareholder	Nature of interest	Number of ordinary shares	Approximate percentage of holding ⁽⁴⁾
CAI Wensheng ⁽¹⁾	Interest in a controlled corporation/ Beneficiary of a trust	454,500,000	9.91%
Easy Prestige Limited ⁽²⁾	Interest in a controlled corporation	566,666,670	12.36%
Xinhong Capital ⁽²⁾	Beneficial owner	566,666,670	12.36%
Longlink Limited ⁽¹⁾	Interest in a controlled corporation	272,600,000	5.94%
Longlink Capital ⁽¹⁾	Beneficial owner	272,600,000	5.94%
Lion Trust (Singapore) Limited ⁽³⁾	Trustee of a discretionary trust	1,398,366,670	30.49%

Report of the Directors

Notes:

- (1) The entire interest of Longlink Capital is held by Longlink Limited, which is in turn held by Lion Trust (Singapore) Limited as the trustee for the benefit of Mr. Cai.
- (2) The entire interest of Xinhong Capital is held by Easy Prestige Limited, which in turn is held by Lion Trust (Singapore) Limited as the trustee for the benefit of Mr. Wu.
- (3) The entire interest of Easy Prestige Limited and Longlink Limited is held by Lion Trust (Singapore) Limited which is deemed to be interested in these Shares.
- (4) The percentages are calculated on the basis of 4,586,179,280 Shares in issue as at December 31, 2025.

Save as disclosed herein, as at December 31, 2025, no person, other than the Directors whose interests are set out in this annual report, had any interests or short positions in the Shares or underlying Shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO, or as otherwise notified to the Company and/or the Stock Exchange.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association or the laws of the Cayman Islands which would oblige the Company to offer new Shares on a pro-rata basis to the existing Shareholders.

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company's securities.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year ended December 31, 2025, none of our Directors had any interest in a business which competes or is likely to compete, directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

CONNECTED TRANSACTIONS

During the year ended December 31, 2025, we have entered into agreements with our connected persons in our ordinary and usual course of business, which constitute connected transactions under the Listing Rules. We set out below details of the connected transactions for our Group which are subject to reporting obligations under the Listing Rules in compliance with the requirements of Chapter 14A of the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS

The following transactions of the Group constituted non-exempt continuing connected transactions under Chapter 14A of the Listing Rules (the "Continuing Connected Transactions") for the Group for the year ended December 31, 2025.

Non-exempt continuing connected transactions

We set out below a summary of the continuing connected transactions for our Group (namely, the Contractual Arrangements, and the MeituEve Contractual Arrangements), which are subject to the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Report of the Directors

1. Contractual Arrangements

The Company had previously entered into the 2021 Contractual Arrangements in place of the 2016 Contractual Arrangements, under which the Company gained effective control over, and received all the economic benefits generated by the business currently operated by the PRC Operating Entities. Due to the change of one of the nominee shareholders of Meitu Networks from Mr. Wu to Mr. Wu Zehuai (the “**Equity Transfer**”), in December 2024, Meitu Home, Meitu Networks, Mr. Wu Zehuai and Xiamen Hongtian entered into the Existing Contractual Arrangements with the 2021 Contractual Arrangements terminated simultaneously. Under the Existing Contractual Arrangements, the nominee shareholders of Meitu Networks are Mr. Wu Zehuai as to 51% and Xiamen Hongtian as to 49%. The consideration for the Equity Transfer was a payment of RMB1.00 by Mr. Wu Zehuai to Mr. Wu. The Existing Contractual Arrangements, having their terms and conditions substantially the same as those of the Existing Contractual Arrangements, were cloned from the Old Contractual Arrangements, except for changes to the dates of the relevant agreements relating to the Old Contractual Arrangements and the parties to those agreements – where Mr. Wu Zehuai replaced Mr. Wu as a nominee shareholder of Meitu Networks. The Existing Contractual Arrangements were entered into for the purposes of (i) ensuring better administrative efficiency of Meitu Networks and maximum alignment of the interests of the Company’s shareholders with those of the nominee shareholders of Meitu Networks and (ii) reducing the likelihood of cloning a new series of contractual arrangements as a result of any future changes in the nominee individual shareholder of Meitu Networks by designating Xiamen Hongtian as one of the nominee shareholders. The Existing Contractual Arrangements allow the financial results of the PRC Operating Entities to be consolidated and accounted for as if they were subsidiaries of our Company. Further details of the Existing Contractual Arrangements are set out in the announcement of the Company dated December 27, 2024.

Reasons for the Contractual Arrangements

We develop and operate mobile apps in the PRC, through which we derive income from online advertising, and sales of virtual items. We also provide audio-visual program services to the public through Meipai. The operation of mobile apps, provision of online audio-visual program services and operation of mobile games are subject to foreign investment restrictions under PRC law.

Since certain of our businesses are subject to foreign investment restrictions, to comply with the relevant PRC laws, our online advertising, and Photo, video and design products businesses through our mobile apps are directly operated by Meitu Networks and its subsidiaries. Meitu Networks and its subsidiaries generate revenue from our apps. Revenue from our online advertising and Photo, video and design products are our major revenue sources relating to the operations of our apps and are part of the business we operate through Meitu Networks and its subsidiaries. Meitu Home, our indirectly wholly-owned subsidiary, in turn provides services to support the business operations of Meitu Networks and its subsidiaries and derives the economic benefits from such business operations. Meitu Networks and its subsidiaries hold the requisite PRC permits, licenses and approvals for operating mobile games, online advertising and provision of audio-visual program services through our mobile apps. Our major trademarks and domain names are held by Meitu Networks and its subsidiaries. In addition, Meitu Networks and its subsidiaries hold certain licenses and permits that are essential to the operation of our business, such as the ICP License, the Online Cultural Operating License and the License for Transmission of Audio-Visual Programs through Information Network.

Our Directors, including our independent non-executive Directors, are of the view that (i) the Contractual Arrangements are fundamental to our Group’s legal structure and business operations; and (ii) the Contractual Arrangements are on normal commercial terms or on terms more favorable to our Group in the ordinary and usual course of our Group’s business and are fair and reasonable or to the advantage of our Group and are in the interests of our Shareholders as a whole.

Report of the Directors

Our Directors also believe that our Group's structure, whereby the financial results of the PRC Operating Entities are consolidated into our Group's financial statements as if they were our Group's wholly-owned subsidiaries, and all the economic benefits of their business flow to our Group, places our Group in a special position in relation to the connected transactions rules. Accordingly, notwithstanding that the transactions contemplated under the Contractual Arrangements technically constitute continuing connected transactions under Chapter 14A of the Listing Rules, our Directors consider that it would be unduly burdensome and impracticable, and would add unnecessary administrative costs to our Company, for all the transactions contemplated under the Contractual Arrangements to be subject to strict compliance with the requirements set out under Chapter 14A of the Listing Rules, including, among other things, the announcement and approval of independent Shareholders.

Risks relating to the Contractual Arrangements

We believe the following risks are associated with the Contractual Arrangements. Further details of these risks are set out on pages 45 to 51 of the Prospectus and in the announcement of the Company dated December 27, 2024.

- If the PRC government finds that the agreements that establish the structure for operating our business do not comply with PRC laws and regulations, or if these regulations or their interpretations change or new regulations or interpretations are promulgated in the future, we could be subject to severe penalties or be forced to relinquish our interests in those operations.
- Our Contractual Arrangements may not be as effective in providing operational control as direct ownership and Meitu Networks or their shareholders may fail to perform their obligations under our Contractual Arrangements.
- We may lose the ability to use and enjoy assets and licenses held by Meitu Networks and its subsidiaries that are important to the operation of our business if Meitu Networks or any of its subsidiaries declares bankruptcy or become subject to a dissolution or liquidation proceeding.
- Our Contractual Arrangements may be subject to scrutiny by the PRC tax authorities and additional taxes may be imposed. A finding that we owe additional taxes could substantially reduce our consolidated net income.
- Shareholders of Meitu Networks may potentially have a conflict of interest with us, and they may breach their contracts with us or cause such contracts to be amended in a manner contrary to our interests.
- We conduct our business operation in the PRC through Meitu Networks and its subsidiaries by way of the Contractual Arrangements, but certain of the terms of the Contractual Arrangements may not be enforceable under PRC laws.
- If we exercise the option to acquire equity ownership of Meitu Networks, the ownership transfer may subject us to certain limitations and substantial costs.

Report of the Directors

The Contractual Arrangements which were in place during the year ended December 31, 2025 and a brief description of the major terms of the structured contracts under the Existing Contractual Arrangements are as follows:

(a) Exclusive Option Agreement

Meitu Networks, along with Mr. Wu Zehuai and Xiamen Hongtian (the “**Relevant Shareholders**”), entered into an exclusive option agreement with Meitu Home in December 2024 (the “**Exclusive Option Agreement**”) which replaced the previous exclusive option agreement dated January 29, 2021 between Meitu Home, Meitu Networks, Mr. Wu and Xiamen Hongtian as a result of the Equity Transfer, and pursuant to which Meitu Home (or the Company or any subsidiary of the Company, the “**designee**”) was granted an irrevocable and exclusive right to purchase from the Relevant Shareholders and/or Meitu Networks all or any part of their equity interests in and/or assets of Meitu Networks for a nominal price, unless the relevant government authorities or the PRC laws request that another amount be used as the purchase price, in which case the purchase price shall be the lowest amount under such request. Subject to relevant PRC laws and regulations, the Relevant Shareholders and/or Meitu Networks shall return any amount of purchase price they have received to Meitu Home. At Meitu Home’s request, the Relevant Shareholders and/or Meitu Networks will promptly and unconditionally transfer their respective equity interests in and/or assets of Meitu Networks to Meitu Home (or its designee) after Meitu Home exercises its purchase right. The Exclusive Option Agreement is for an initial term of ten years and is automatically renewable upon expiry unless Meitu Home confirms a new renewal term in writing.

(b) Exclusive Business Cooperation Agreement

Meitu Networks entered into an exclusive business cooperation agreement with Meitu Home in December 2024 (the “**Exclusive Business Cooperation Agreement**”) which replaced the previous exclusive business cooperation agreement dated January 29, 2021 between Meitu Networks and Meitu Home as a result of the Equity Transfer, and pursuant to which Meitu Networks agreed to engage Meitu Home as its exclusive provider of business support, technical and consulting services, including technical services, network support, business consultation, intellectual property licensing, equipment, leasing, marketing consultancy, system integration, product research and development and system maintenance, in exchange for service fees. Under these arrangements, the service fees, subject to Meitu Home’s adjustment, are equal to all of the net profit of Meitu Networks and its subsidiaries. Meitu Home may adjust the service fees at its sole discretion, after consideration of certain factors, including but not limited to the deduction of necessary costs, expenses, taxes and other statutory contribution in relation to the respective fiscal year, and may also include accumulated losses of Meitu Networks and its subsidiaries from previous financial periods, which will be wired to the designated account of Meitu Home upon issuance of payment notification by Meitu Home. As of December 31, 2025, the accumulated profits of Meitu Networks and its subsidiaries amounted to RMB797.1 million. Meitu Home enjoys all the economic benefits derived from the businesses of Meitu Networks and its subsidiaries and bears Meitu Networks’ business risks. If Meitu Networks runs into financial deficit or suffers severe operation difficulties, Meitu Home will provide financial support to Meitu Networks.

(c) Share Pledge Agreement

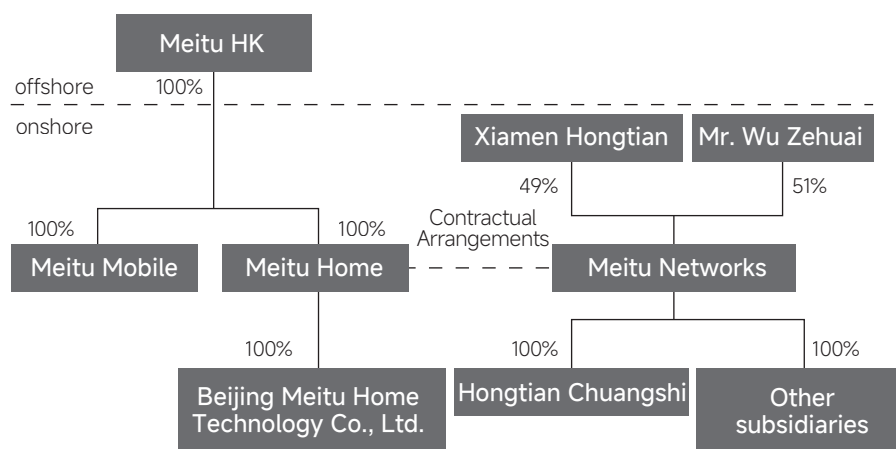
Meitu Networks, the Relevant Shareholders and Meitu Home entered into a share pledge agreement in December 2024 (the “**Share Pledge Agreement**”) which replaced the previous share pledge agreement dated January 29, 2021 between Meitu Home, Meitu Networks, Mr. Wu and Xiamen Hongtian as a result of the Equity Transfer. Under the Share Pledge Agreement, the Relevant Shareholders pledged as first charge all of their respective equity interests in Meitu Networks to Meitu Home as collateral security for any or all of their payments due to Meitu Home and to secure performance of their obligations under the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement and the Powers of Attorney (as defined below).

Report of the Directors

(d) Powers of Attorney

An irrevocable power of attorney was entered into between the Relevant Shareholders, Meitu Home and Meitu Networks in December 2024 (the “Powers of Attorney”) which replaced the previous irrevocable power of attorney dated January 29, 2021 between Mr. Wu, Xiamen Hongtian, Meitu Home and Meitu Networks as a result of the Equity Transfer, whereby the Relevant Shareholders appointed Meitu Home or a director of its offshore holding company or its/his/her successor (including a liquidator replacing Meitu Home’s director) as their exclusive agent and attorney to act on their behalf on all matters concerning Meitu Networks and to exercise all of its rights as a registered shareholder of Meitu Networks.

The following simplified diagram illustrates the flow of economic benefits from Meitu Networks and its subsidiaries to our Group stipulated under the Existing Contractual Arrangements:



Apart from the above, there are no other new contractual arrangements entered into, renewed or reproduced between the Group and the PRC Operating Entities during the financial year ended December 31, 2025. There was no material change in the Existing Contractual Arrangements and/or the circumstances under which they were adopted for the year ended December 31, 2025.

For the year ended December 31, 2025, none of the Existing Contractual Arrangements has been unwound as none of the restrictions that led to the adoption of structured contracts under the Existing Contractual Arrangements has been removed.

We have been advised by our PRC legal advisor that subject to the risks as set out on pages 45 to 51 of the Prospectus, the Existing Contractual Arrangements do not violate the relevant PRC regulations.

The revenue of Meitu Networks and its subsidiaries for the years ended December 31, 2025 and 2024 were RMB2,334.6 million and RMB1,876.1 million, respectively⁽¹⁾.

For the year ended December 31, 2025, the revenue of Meitu Networks and its subsidiaries amounted to approximately 60.5% (2024: 62.6%) of the revenue for the year of the Group⁽¹⁾.

(1) From continuing operations.

Report of the Directors

The total assets of Meitu Networks and its subsidiaries as at December 31, 2025 and 2024 were RMB2,926.2 million and RMB3,103.3 million, respectively.

As at December 31, 2025, the total assets of Meitu Networks and its subsidiaries amounted to approximately 31.5% (2024: 44.0%) of the total assets of the Group.

Mitigation actions taken by the Company

Our management works closely with Mr. Wu Zehuai and Xiamen Hongtian and our external legal counsels and advisors to monitor the regulatory environment and developments in PRC laws and regulations to mitigate the risks associated with the Existing Contractual Arrangements.

The extent to which the Existing Contractual Arrangements relate to requirements other than the foreign ownership restriction

All of the Existing Contractual Arrangements are subject to the restrictions as set out on pages 163 to 167 of the Prospectus.

Listing Rules Implications

The highest applicable percentage ratios (other than the profits ratio) under the Listing Rules in respect of the transactions associated with the Contractual Arrangements are expected to be more than 5% and since Mr. Wu Zehuai is an associate of Mr. Wu, who is the Chairman, Chief Executive Officer, executive Director and a substantial shareholder of the Company, the transactions will be subject to the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Waiver from the Stock Exchange and Annual Review

The Stock Exchange has granted the Company a waiver (the "Waiver") pursuant to Rule 14A.105 of the Listing Rules from (i) strict compliance with the announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of the transactions under the Old Contractual Arrangements; (ii) setting a maximum aggregate annual value, i.e. an annual cap, under Rule 14A.53 of the Listing Rules for the fees payable to Meitu Home under the Old Contractual Arrangements; and (iii) fixing the term of the Old Contractual Arrangements to three years or less under Rule 14A.52 of the Listing Rules, for so long as the Shares are listed on the Stock Exchange subject to the following conditions:

- (a) no change without independent non-executive Directors' approval;
- (b) no change without independent Shareholders' approval;
- (c) the Old Contractual Arrangements shall continue to enable our Group to receive the economic benefits derived by the PRC Operating Entities;
- (d) the Old Contractual Arrangements may be renewed and/or cloned upon expiry or when justified by business expediency, without obtaining Shareholders' approval, on substantially the same terms and conditions as the Old Contractual Arrangements; and
- (e) our Group will disclose details relating to the Old Contractual Arrangements on an ongoing basis.

As the Existing Contractual Arrangements were cloned from the Old Contractual Arrangements (except for changes to the dates of the relevant agreements relating to the Old Contractual Arrangements and the parties to those agreements – where Mr. Wu Zehuai replaced Mr. Wu as a nominee shareholder of Meitu Networks), the Existing Contractual Arrangements fall within the scope of the Waiver.

Report of the Directors

Confirmation from Independent Non-executive Directors

Our independent non-executive Directors have reviewed the Contractual Arrangements and confirmed that (i) the transactions carried during the year ended December 31, 2025 have been entered into in accordance with the relevant provisions of the Contractual Arrangements, (ii) no dividends or other distributions have been made by the PRC Operating Entities to the holders of its equity interests which are not otherwise subsequently assigned or transferred to the Group during the year ended December 31, 2025, (iii) no other new contracts were entered into, renewed or reproduced between the Group and the PRC Operating Entities during the year ended December 31, 2025, and (iv) the Contractual Arrangements were entered into in the ordinary and usual course of business of the Group, on normal commercial terms or better, and according to the relevant agreement governing the Contractual Arrangements on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

Confirmations from the Company's Independent Auditor

The Auditor of the Company has confirmed in a letter to the Board that, with respect to the aforesaid continuing connected transactions entered into in the year ended December 31, 2025, nothing has come to their attention that causes the Auditor to believe that the transactions:

- (a) have not been approved by the Board;
- (b) were not, in all material respects, in accordance with the pricing policies of the Group for transactions involving the provision of goods or services by the Group;
- (c) were not entered into, in all material respects, in accordance with the relevant agreements and the Contractual Arrangements governing such transactions; and
- (d) for those transactions with the PRC Operating Entities under the Contractual Arrangements, dividends or other distributions have been made by the PRC Operating Entities to the holders of the equity interests of the PRC Operating Entities which are not otherwise subsequently assigned or transferred to the Group.

2. MeituEve Contractual Arrangements

In July 2021, Meitu Networks transferred part of the Smart Hardware Business that is subject to foreign ownership restrictions in the PRC ("**Smart Hardware Restricted Business**") to MeituEve Networks and on July 2, 2021, the Company entered into a series of contractual arrangements (the "**MeituEve Contractual Arrangements**") with MeituEve Technology, MeituEve Networks and Xiamen Hongtian, under which the Company gained effective control over, and received all the economic benefits generated by the business currently operated by the MeituEve PRC Operating Entities. The MeituEve Contractual Arrangements, having their terms and conditions substantially the same as those of the Contractual Arrangements, were cloned therefrom, except for changes to the dates of the relevant agreements relating to the Contractual Arrangements and the parties to those agreements. The MeituEve Contractual Arrangements will continue to allow the financial results of the MeituEve PRC Operating Entities to be consolidated and accounted for as if they were subsidiaries of our Company. Further details of the MeituEve Contractual Arrangements are set out in the announcement of the Company dated July 30, 2021.

Reasons for the MeituEve Contractual Arrangements and Waiver from the Stock Exchange and Annual Review

At the time of the Listing, the Company sought, and the Stock Exchange granted, the Waiver in connection with the continuing connected transactions of the Group in the form of the Old Contractual Arrangements, which was later superseded and replaced by the Existing Contractual Arrangements. The Waiver is subject to certain conditions including, among others, that on the basis that the Contractual Arrangements provide an acceptable framework for the relationship between the Company and its subsidiaries in which the Company has direct shareholding on one hand, and Meitu Networks, on the other hand, that framework may be renewed and/or cloned upon the expiry of the existing arrangements or in relation to any existing or new wholly foreign-owned enterprise or operating company (including branch company) engaging in the same business as that of the Group which the Group might wish to establish when justified by business expediency, without obtaining the approval of the Shareholders, on substantially the same terms and conditions as the Old Contractual Arrangements.

Report of the Directors

The Group has had a Smart Hardware Business since the time of its IPO on the Stock Exchange and, throughout the years, having leveraged on the face detection technology, facial point detection technology, high megapixel front-and-back facing cameras that permit high-image quality in lowlight condition, as well as proprietary image processing algorithm and specialized image processors from the Group's smartphones, different beauty-related smart hardware products (such as MeituEve (a commercial AI skin analyser), MeituKey (a contact skin analyser), MeituSpa (an AI cleansing brush) and Meitu Genius (an AI smart mirror)) have been developed organically to leverage the Group's ecosystem around beauty.

Since the MeituEve Contractual Arrangements were cloned from the Old Contractual Arrangements (from which the Existing Contractual Arrangements were also cloned) as provided under the conditions of the Waiver, the Company sought confirmation from the Stock Exchange, and the Stock Exchange confirmed, that the transactions contemplated under the MeituEve Contractual Arrangements would fall within the scope of the Waiver.

The MeituEve Contractual Arrangements were entered into for the purposes of separating the Smart Hardware Business from the other businesses of the Group, thereby facilitating fund raising activities for the Smart Hardware Business.

Our Directors, including our independent non-executive Directors, are of the view that (i) the MeituEve Contractual Arrangements are fundamental to our Group's legal structure and business operations; and (ii) the MeituEve Contractual Arrangements are on normal commercial terms or on terms more favorable to our Group in the ordinary and usual course of our Group's business and are fair and reasonable or to the advantage of our Group and are in the interests of our Shareholders as a whole.

Risks relating to the MeituEve Contractual Arrangements

We believe the following risks are associated with the MeituEve Contractual Arrangements. Further details of these risks are set out on pages 45 to 51 of the Prospectus.

- If the PRC government finds that the agreements that establish the structure for operating our Smart Hardware Restricted Business do not comply with PRC laws and regulations, or if these regulations or their interpretations change or new regulations or interpretations are promulgated in the future, we could be subject to severe penalties or be forced to relinquish our interests in those operations.
- We may lose the ability to use and enjoy assets and licenses held by MeituEve Networks and its subsidiaries that are important to the operation of our Smart Hardware Restricted Business if MeituEve Networks or any of its subsidiaries declares bankruptcy or become subject to a dissolution or liquidation proceeding.
- Our MeituEve Contractual Arrangements may be subject to scrutiny by the PRC tax authorities and additional taxes may be imposed. A finding that we owe additional taxes could substantially reduce our consolidated net income.
- Shareholder(s) of MeituEve Networks may potentially have a conflict of interest with us, and they may breach their contracts with us or cause such contracts to be amended in a manner contrary to our interests.
- We conduct our Smart Hardware Restricted Business operation in the PRC through MeituEve Networks and its subsidiaries by way of the MeituEve Contractual Arrangements, but certain of the terms of the contractual arrangements may not be enforceable under PRC laws.
- If we exercise the option to acquire equity ownership of MeituEve Networks, the ownership transfer may subject us to certain limitations and substantial costs.

Report of the Directors

The MeituEve Contractual Arrangements which were in place during the year ended December 31, 2025 and a brief description of the major terms of the structured contracts under the MeituEve Contractual Arrangements are as follows:

(a) MeituEve Exclusive Option Agreement

MeituEve Networks, along with Xiamen Hongtian, entered into an exclusive option agreement with MeituEve Technology on July 2, 2021 (the “**MeituEve Exclusive Option Agreement**”), pursuant to which MeituEve Technology (or the Company or any subsidiary of the Company, the “**MeituEve designee**”) was granted an irrevocable and exclusive right to purchase from Xiamen Hongtian and/or MeituEve Networks all or any part of their equity interests in and/or assets of MeituEve Networks for a nominal price, unless the relevant government authorities or the PRC laws request that another amount be used as the purchase price, in which case the purchase price shall be the lowest amount under such request. Subject to relevant PRC laws and regulations, Xiamen Hongtian and/or MeituEve Networks shall return any amount of purchase price they have received to MeituEve Technology. At MeituEve Technology’s request, Xiamen Hongtian and/or MeituEve Networks will promptly and unconditionally transfer their respective equity interests in and/or assets of MeituEve Networks to MeituEve Technology (or the MeituEve designee) after MeituEve Technology exercises its purchase right. The MeituEve Exclusive Option Agreement is for an initial term of ten years and is automatically renewable upon expiry unless MeituEve Technology confirms a new renewal term in writing.

(b) MeituEve Exclusive Business Cooperation Agreement

MeituEve Networks entered into an exclusive business cooperation agreement with MeituEve Technology on July 2, 2021 (the “**MeituEve Exclusive Business Cooperation Agreement**”), pursuant to which MeituEve Networks agreed to engage MeituEve Technology as its exclusive provider of business support, technical and consulting services, including technical services, network support, business consultation, intellectual property licensing, equipment, leasing, marketing consultancy, system integration, product research and development and system maintenance, in exchange for service fees. Under these arrangements, the service fees, subject to MeituEve Technology’s adjustment, are equal to all of the net profit of MeituEve Networks and its subsidiaries. MeituEve Technology may adjust the service fees at its sole discretion, after consideration of certain factors, including but not limited to the deduction of necessary costs, expenses, taxes and other statutory contribution in relation to the respective fiscal year, and may also include accumulated losses of MeituEve Networks and its subsidiaries from previous financial periods, which will be wired to the designated account of MeituEve Technology upon issuance of payment notification by MeituEve Technology. As of December 31, 2025, the accumulated losses of MeituEve Networks and its subsidiaries amounted to RMB5.5 million. MeituEve Technology enjoys all the economic benefits derived from the businesses of MeituEve Networks and its subsidiaries and bears MeituEve Networks’ business risks. If MeituEve Networks runs into financial deficit or suffers severe operation difficulties, MeituEve Technology will provide financial support to MeituEve Networks.

(c) MeituEve Share Pledge Agreement

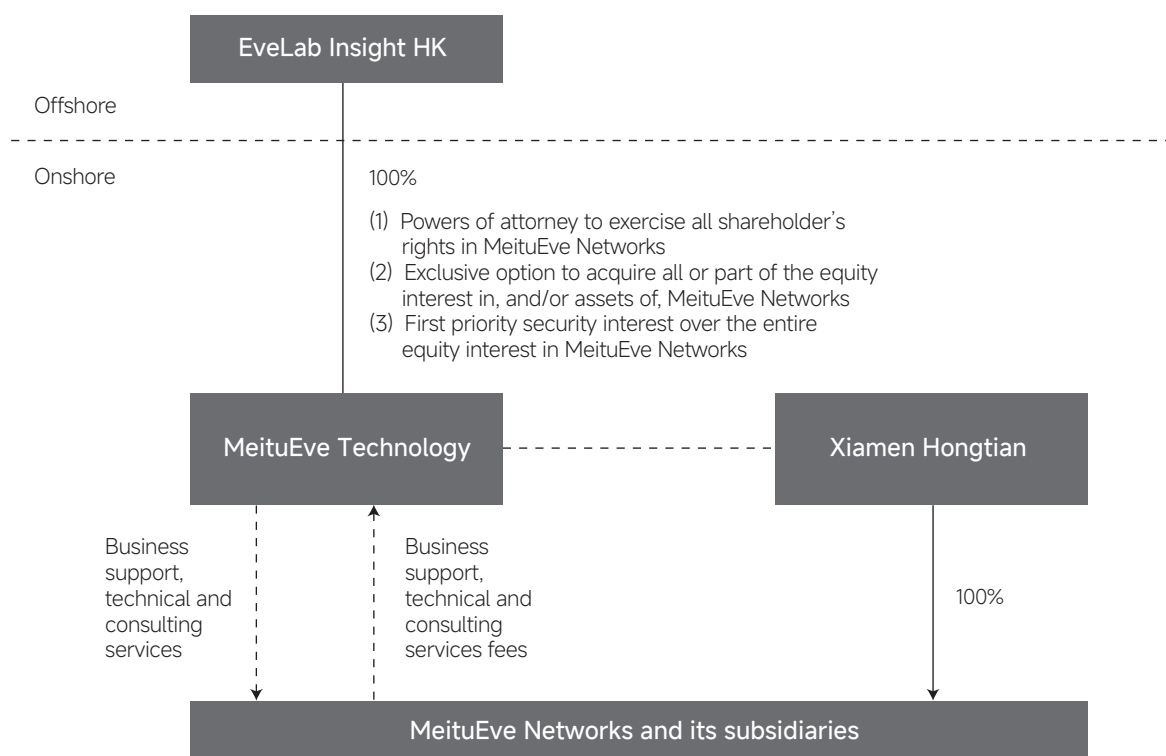
MeituEve Networks, Xiamen Hongtian and MeituEve Technology entered into a share pledge agreement on July 2, 2021 (the “**MeituEve Share Pledge Agreement**”). Under the MeituEve Share Pledge Agreement, Xiamen Hongtian pledged as first charge all of their respective equity interests in MeituEve Networks to MeituEve Technology as collateral security for any or all of their payments due to MeituEve Technology and to secure performance of their obligations under the MeituEve Exclusive Business Cooperation Agreement, the MeituEve Exclusive Option Agreement and the MeituEve Powers of Attorney (as defined below).

Report of the Directors

(d) MeituEve Powers of Attorney

An irrevocable power of attorney was entered into between Xiamen Hongtian, MeituEve Technology and MeituEve Networks on July 2, 2021 (the “**MeituEve Powers of Attorney**”), whereby Xiamen Hongtian appointed MeituEve Technology or a director of its offshore holding company or its/his/her successor (including a liquidator replacing MeituEve Technology’s director) as their exclusive agent and attorney to act on their behalf on all matters concerning MeituEve Networks and to exercise all of its rights as a registered shareholder of MeituEve Networks.

The following simplified diagram illustrates the flow of economic benefits from MeituEve Networks and its subsidiaries to our Group stipulated under the MeituEve Contractual Arrangements:



Apart from the above, there are no other new contractual arrangements entered into, renewed or reproduced between the Group and the MeituEve PRC Operating Entities during the financial year ended December 31, 2025. There was no material change in the MeituEve Contractual Arrangements and/or the circumstances under which they were adopted for the year ended December 31, 2025.

For the year ended December 31, 2025, none of the MeituEve Contractual Arrangements has been unwound as none of the restrictions that led to the adoption of structured contracts under the MeituEve Contractual Arrangements has been removed.

We have been advised by our PRC legal advisor that subject to the risks as set out on pages 45 to 51 of the Prospectus, the MeituEve Contractual Arrangements do not violate the relevant PRC regulations.

Report of the Directors

The revenue of MeituEve Networks and its subsidiaries for the year ended December 31, 2025 and 2024 were RMB0.0 and RMB0.0, respectively.

For the year ended December 31, 2025, the revenue of MeituEve Technology and its subsidiaries amounted to approximately 0.7% (2024: 0.8%) of the revenue for the year of the Group.

The total assets of MeituEve Networks and its subsidiaries as at December 31, 2025 and 2024 were RMB0.04 million and RMB0.63 million, respectively.

As at December 31, 2025, the total assets of MeituEve Networks and its subsidiaries amounted to approximately 0.0004% (2024: 0.0089%) of the total assets of the Group.

Mitigation actions taken by the Company

Our management works closely with Xiamen Hongtian and our external legal counsels and advisors to monitor the regulatory environment and developments in PRC laws and regulations to mitigate the risks associated with the MeituEve Contractual Arrangements.

The extent to which the MeituEve Contractual Arrangements relate to requirements other than the foreign ownership restriction

All of the MeituEve Contractual Arrangements are subject to the restrictions as set out on pages 163 to 167 of the Prospectus.

Listing Rules Implications

As Mr. Wu Zehuai is a shareholder of Xiamen Hongtian as to 99% and an associate of Mr. Wu, who is the chairman of the Board, Chief Executive Officer, executive Director and a substantial shareholder of the Company, the MeituEve Contractual Arrangements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the MeituEve Contractual Arrangements were cloned from the Contractual Arrangements (except for changes to the dates of the relevant agreements relating to the Contractual Arrangements and the parties to those agreements), the MeituEve Contractual Arrangements fall within the scope of the Waiver.

Confirmation from Independent Non-executive Directors

Our independent non-executive Directors have reviewed the MeituEve Contractual Arrangements and confirmed that (i) the transactions carried during the year ended December 31, 2025 have been entered into in accordance with the relevant provisions of the MeituEve Contractual Arrangements, (ii) no dividends or other distributions have been made by the MeituEve PRC Operating Entities to the holders of its equity interests which are not otherwise subsequently assigned or transferred to the Group during the year ended December 31, 2025, (iii) no new contracts were entered into, renewed or reproduced between the Group and the MeituEve PRC Operating Entities during the year ended December 31, 2025, and (iv) the MeituEve Contractual Arrangements were entered into in the ordinary and usual course of business of the Group, on normal commercial terms or better, and according to the relevant agreement governing the MeituEve Contractual Arrangements on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

Report of the Directors

Confirmations from the Company's Independent Auditor

The Auditor of the Company has confirmed in a letter to the Board that, with respect to the aforesaid continuing connected transactions entered into in the year ended December 31, 2025, nothing has come to their attention that causes the Auditor to believe that the disclosed continuing connected transactions:

- (a) have not been approved by the Board;
- (b) were not, in all material respects, in accordance with the pricing policies of the Group for transactions involving the provision of goods or services by the Group;
- (c) were not entered into, in all material respects, in accordance with the relevant agreements and the MeituEve Contractual Arrangements governing such transactions; and
- (d) for those transactions with the MeituEve PRC Operating Entities under the MeituEve Contractual Arrangements, dividends or other distributions have been made by the MeituEve PRC Operating Entities to the holders of the equity interests of the MeituEve PRC Operating Entities which are not otherwise subsequently assigned or transferred to the Group.

During the year ended December 31, 2025, no related party transactions disclosed in Note 35 to the financial statements constituted a connected transaction or continuing connected transaction which should be disclosed pursuant to the Listing Rules. The Company has complied with the disclosure requirements prescribed in Chapter 14A of the Listing Rules with respect to the connected transactions and continuing connected transactions entered into by the Group during the year ended December 31, 2025.

QUALIFICATION REQUIREMENTS

Updates in Relation to the Qualification Requirements

On December 11, 2001, the State Council promulgated the Regulations for the Administration of Foreign-Invested Telecommunications Enterprises (the "**FITE Regulations**"), which were amended on September 10, 2008, February 6, 2016 and March 29, 2022, respectively. According to the FITE Regulations, foreign investors are not allowed to hold more than 50% of the equity interests in a company providing value-added telecommunications services, including provision of Internet content services. In addition, prior to May 1, 2022, a major foreign investor who invests in a value-added telecommunications business in the PRC must possess prior experience in operating value-added telecommunications businesses and a good proven track record of business operations outside of Mainland China (the "**Qualification Requirements**"). Under the latest amendments to the FITE Regulations which became effective on May 1, 2022, the foreign investors' equity ownership in a company providing value-added telecommunications services in the PRC is still prohibited from exceeding 50%, unless otherwise provided in the PRC laws, regulations or rules. In addition, the latest FITE Regulations have abolished the Qualification Requirements such that it is no longer a pre-requisite for establishing foreign-invested value-added telecommunications enterprises in the PRC. Based on the Notice regarding the Strengthening of Ongoing and Post Supervision of Foreign Invested Telecommunication Enterprises issued by the MIIT in October 2020, foreign invested telecommunications enterprises are also no longer required to obtain the prior MIIT approval letter on foreign investment in telecommunications businesses. Nonetheless, these enterprises still need to submit the relevant materials to the MIIT to apply for telecommunications operating permits, and the other requirements provided by the FITE Regulations still apply. Essentially, the corresponding foreign investment will also be considered by the MIIT in its approval process for the telecommunications operating permits (the "**MIIT Approval Process**"). Based on the Notice of Launching the Pilot Program to Expand Opening-Up in the Value-Added Telecommunications Sector issued by the MIIT on April 8, 2024, foreign ownership restrictions on five categories of value-added telecommunications services, including Internet Data Center (IDC), Content Delivery Network (CDN), Internet Access Service (ISP), Online Data Processing and Transaction Processing, as well as Information Release Platform and Delivery Service in Information Services (excluding Internet News Information, Online Publishing, Online Audio-Video, and Internet Culture Operations), have been removed in the four pilot zones of Beijing, Shanghai, Hainan, and Shenzhen respectively. Since February 28, 2025, the MIIT has granted certain pilot approvals for the operation of value-added telecommunications services to foreign-invested enterprises located in these pilot zones. However, as of December 31, 2025, none of the applicable PRC laws, regulations or rules provides clear guidance or interpretation to clarify the MIIT Approval Process and in practice there are still uncertainties as to whether the local authority apart from the pilot zones will accept and consider the application from a foreign-invested enterprise and whether foreign investors without a satisfactory proven track record and operational experiences in operating value-added telecommunications businesses may affect the approval result.

Report of the Directors

Efforts and Actions Undertaken in Preparation of Application for Telecommunications Operating Permit

Despite the lack of clear guidance and unpredictability of the MIIT Approval Process, as of December 31, 2025, we are still in the process of consulting with our PRC legal advisors to explore and determine the most viable way for the Company to hold Meitu Networks and its subsidiaries, and MeituEve Networks and its subsidiaries, directly through equity ownership. We will also consult with competent authorities on the feasibility and procedures for the foreign-invested enterprise to apply for the ICP License. As of December 31, 2025, the following measures remain in place consistent with previous years:

- (a) Meitu HK, our Hong Kong subsidiary, has registered a number of domain names outside of the PRC for display and promotion of Meitu products since July 2014;
- (b) Meitu HK has operated an office in Hong Kong for the promotion of our apps in Hong Kong since June 2014; and
- (c) EveLab Insight (US) and Starii (US), our United States subsidiaries, have operated an office in the United States for the localization and marketing of our apps in the United States since January 2015.

Because foreign investment in certain areas of the industry in which we currently operate is subject to restrictions under current PRC laws and regulations outlined above, after consultation with our PRC legal advisor, we determined that it might not be viable for the Company to hold Meitu Networks and its subsidiaries, or MeituEve Networks and its subsidiaries, directly through equity ownership. Instead, we decided that, in line with common practice in industries in the PRC subject to foreign investment restrictions, the Company would gain effective control over, and receive all the economic benefits generated by the businesses currently operated by (i) Meitu Networks and its subsidiaries through the Existing Contractual Arrangements between Meitu Home, the Company's subsidiary in the PRC, on the one hand, and Meitu Networks and its respective shareholders, on the other hand, and (ii) MeituEve Networks and its subsidiaries through the MeituEve Contractual Arrangements between MeituEve Technology, the Company's subsidiary in the PRC, on the one hand, and MeituEve Networks and its shareholder, on the other hand. The Existing Contractual Arrangements and the MeituEve Contractual Arrangements allow the results of operations and assets and liabilities of (i) Meitu Networks and its subsidiaries and (ii) MeituEve Networks and its subsidiaries, to be consolidated into our results of operations and assets and liabilities under IFRSs as if they were wholly-owned subsidiaries of our Group.

MAJOR CUSTOMERS AND SUPPLIERS

The relationship between our Group and our customers has been stable. For the year ended December 31, 2025, the revenue amounts from the Group's five largest customers accounted for 7.8% (2024: 11.4%) of the Group's total revenue and the revenue amount from our single largest customer accounted for 2.8% (2024: 4.9%) of the Group's total revenue⁽¹⁾.

During the year ended December 31, 2025, none of the Directors or any of their close associates or any Shareholders which, to the best knowledge of the Directors, own more than 5% of the Company's issued Shares had any interest in the Group's top five customers.

The relationship between the Group and our suppliers has been stable. For the year ended December 31, 2025, the purchase amounts placed with the Group's five largest suppliers accounted for 23.0% (2024: 25.3%) of the Group's total purchases and the purchase amount placed with our single largest supplier accounted for 7.0% (2024: 13.7%) of the Group's total purchases⁽¹⁾. None of the Directors or any of their close associates or any Shareholders which, to the best knowledge of the Directors, own more than 5% of the Company's issued Shares had any interest in the Group's five largest suppliers.

(1) From continuing operations.

Report of the Directors

AUDITOR

The consolidated financial statements of the Group have been audited by PricewaterhouseCoopers, who will retire and, being eligible, offer themselves for re-appointment at the AGM. There were no changes to the Group's auditor in any of the preceding three years.

IMPORTANT EVENTS AFTER THE REPORTING DATE

Save as disclosed in this annual report, there were no important events affecting the Company which occurred after December 31, 2025 and up to the Latest Practicable Date.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to fulfilling social responsibility, promoting employee benefits and development, protecting the environment and giving back to community and achieving sustainable growth. Details of such are set out in the Environmental, Social and Governance Report in this annual report.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the Latest Practicable Date, the Company has maintained the prescribed percentage of public float under the Listing Rules.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

Save as disclosed in the Prospectus, the Group has complied with the relevant laws and regulations that have a significant impact on the Group in all material respects.

CHANGES IN BOARD MEMBER

After the conclusion of the Board meeting held on August 18, 2025, Dr. GUO Yihong tendered his resignation as non-executive Director with effect from the conclusion of such Board meeting in order to devote more time to focus on his other business commitments. Dr. Guo has confirmed that he has no disagreement with the Board and there are no matters with respect to his resignation that need to be brought to the attention of the Shareholders or the Stock Exchange. The Board would like to take this opportunity to express its sincere appreciation to Dr. Guo for his valuable efforts and contributions to the Company throughout the years and wish him every success in his future endeavours. Save and except for the resignation of Dr. Guo, there are no other changes in information of Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

CLOSURE OF REGISTER OF MEMBERS

Shareholders who are entitled to attend, speak and vote at the AGM to be held on Friday, June 5, 2026 (or any adjournment thereof) are those whose names appear on the register of members of the Company on Friday, June 5, 2026 being the record date for determining entitlement to attend and vote at the AGM. The register of members of the Company will be closed from Tuesday, June 2, 2026 to Friday, June 5, 2026, both days inclusive, in order to determine the identity of the Shareholders who are entitled to attend and vote at the AGM (or any adjournment thereof). All transfers of shares of the Company accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Monday, June 1, 2026.

The register of members of the Company will be closed from Thursday, June 11, 2026 to Monday, June 15, 2026, both days inclusive, in order to ascertain the identity of the Shareholders entitled to the Final Dividend to be approved at the AGM. In order to qualify for Final Dividend, all Share Transfer Documents must be lodged for registration before 4:30 p.m. on Wednesday, June 10, 2026.

The Share Transfer Documents shall be lodged for registration with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

Report of the Directors

MEITU AND THE COMMUNITY

Founded in 2008, we are an AI technology company with the mission to “Unite Art and Technology”. We have six core values which together drive our mission forward: “Live for Visuals”, “Every Pixel Matters”, “See Beyond Borders”, “Keep It Real”, “Challenge the Status Quo” and “Strive and Thrive Together”.

By the order of the Board

Mr. WU Zeyuan

Chairman

Hong Kong

March 27, 2026

Corporate Governance Report

The Board is pleased to present the Corporate Governance Report of the Company.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining and promoting stringent corporate governance. The principle of the Company's corporate governance is to promote effective internal control measures, to uphold a high standard of ethics, transparency, responsibility and integrity in all aspects of business, to ensure that its affairs are conducted in accordance with applicable laws and regulations and to enhance the transparency of the work of the Board and improve accountability of the Board to all Shareholders.

Pursuant to Code Provision C.2.1 ("**Code Provision C.2.1**") in Part 2 of the CG Code, it is stated that the roles of the chairman and the chief executive officer should be separate and should not be performed by the same individual. Despite the deviation from the Code Provision C.2.1, the Board believes that Mr. Wu Zeyuan, the chairman, executive Director and chief executive officer of the Group, will provide solid and continuous leadership to both the Board and the management of the Group with his extensive experience and knowledge in management and operation of the Group. Further, the Board has also considered and is of the view that the composition of the executive, the non-executive and the independent non-executive Directors on the Board and the various committees of the Board formed in overseeing different aspects of the Company's affairs would provide adequate safeguards to ensure a balance of power and authority. As such, the Board considers that the deviation from Code Provision C.2.1 is appropriate in the current situation.

Save as to the deviation from Code Provision C.2.1, during the year ended December 31, 2025, the Company has complied with all other applicable code provisions of the CG Code for the time being in force.

MISSION

"Unite art and technology".

VALUES

"Live for Visuals", "Every Pixel Matters", "See Beyond Borders", "Keep It Real", "Challenge the Status Quo" and "Strive and Thrive Together".

CORPORATE CULTURE AND STRATEGY

In order to strengthen the Group's corporate culture and management, promote the Group's development, and encourage and motivate the Group's employees, the Board has established a "Corporate Culture Management Policy", under which, the Group's Human Resources Department serves as the primary executive body responsible for managing and aligning the Group's culture with its overarching mission, vision, and core values.

The Board recognizes that cultivating a corporate culture that is supportive, ethical, compliant, and legally sound is pivotal to enhancing the Group's long-term value. To achieve this, the Human Resources Department proactively conducts in-depth research and analysis to monitor employee engagement and sentiment. By benchmarking against industry standards and soliciting feedback across all organizational levels, the department assesses and refines the Group's corporate culture strategy to ensure it remains agile and relevant to the Group's evolving needs.

Corporate Governance Report

The Directors, and particularly the management team, are mandated to take a leading role in fostering a culture of integrity and ethical excellence. Adhering to a “tone at the top” approach, Directors and management lead by example, embodying the Group’s values in their daily conduct. This commitment is operationalized through strategic goal setting, active participation in discussions, and ensuring all directives and guidance reinforce the Company’s ethical framework.

To ensure alignment at all levels, the Group provides comprehensive onboarding trainings to new staff, as well as compliance and continuous development trainings to existing staff. These include dedicated corporate culture onboard training for new hires and leadership training for managers, enabling them to rapidly integrate into the business ecosystem and understand the Company’s culture and values. Furthermore, the Group reinforces positive behaviours through performance-based bonus and incentive schemes, explicitly rewarding actions that demonstrate a strong commitment and contribution to the Group’s culture and values.

Through these concerted efforts, the Group ensures its core values are not merely theoretical but are practiced daily, motivating employees to thrive and unleash their full potential.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code as the code of conduct regarding the Directors’ dealings in the securities of the Company. Having made specific enquiry with all the Directors of the Company, all the Directors confirmed that they have strictly complied with the required standards set out in the Model Code for the year ended December 31, 2025.

The Board has also adopted the Model Code and has established internal written guidelines pursuant thereto to regulate all dealings by relevant employees who are likely to be in possession of unpublished inside information of the Company in respect of securities in the Company as referred to in Code Provision C.1.3 of the CG Code. No incident of non-compliance with the Model Code by the Company’s relevant employees has been noted for the year ended December 31, 2025 after making reasonable enquiry.

BOARD OF DIRECTORS

Board Composition

As at the Latest Practicable Date, the Board comprises six members consisting of one executive Director, two non-executive Directors and three independent non-executive Directors. The details of the Board composition are as follows:

Name of Director	Membership of Board Committee(s)
Executive Director: Mr. WU Zeyuan (<i>Chairman and Chief Executive Officer</i>)	Chairman of the Nomination Committee
Non-executive Directors: Mr. CHEN Jiarong Mr. HONG Yupeng	– Member of the Audit Committee
Independent Non-executive Directors: Mr. ZHOU Hao Mr. LAI Xiaoling Ms. POON Philana Wai Yin	Chairman of the Audit Committee Member of the Nomination Committee Member of the Remuneration Committee Chairman of the Remuneration Committee Member of the Audit Committee Member of the Remuneration Committee Member of the Nomination Committee

Corporate Governance Report

The biographical information of the Directors is disclosed under the section headed “Directors and Senior Management” on pages 30 to 34 of this annual report.

In compliance with the Listing Rules and the CG Code, independent non-executive Directors are identified in all corporate communications disclosing the names of the Directors. An updated list of the Directors identifying their roles and functions and the independent non-executive Directors is maintained on the Company’s website and the Stock Exchange’s website.

None of the members of the Board are related to one another (including financial, business, family or other material/relevant relationships).

Chairman and Chief Executive Officer

The positions of Chairman and Chief Executive Officer are held by Mr. WU Zeyuan. The Chairman provides leadership and is responsible for the effective functioning and leadership of the Board and for ensuring that Board meetings are conducted effectively, including setting and approving the agenda for the Board meetings, taking into account, where appropriate, matters proposed by the other Directors. With the support of the Company Secretary, the Chairman ensures that all Directors are properly briefed on issues to be deliberated at Board meetings and are provided with adequate and accurate information in a timely manner. The Chief Executive Officer focuses on the Company’s business development and the daily management and operations generally. Pursuant to the Code Provision C.2.1, it is stated that the roles of the chairman and the chief executive officer should be separate and should not be performed by the same individual. Despite the deviation from the Code Provision C.2.1, the Board believes that Mr. Wu will provide solid and continuous leadership to both the Board and the management of the Group with his extensive experience and knowledge in management and operation of the Group. Further, the Board has also considered and is of the view that the composition of the executive, the non-executive and the independent non-executive Directors on the Board and the various committees of the Board formed in overseeing different aspects of the Company’s affairs would provide adequate safeguards to ensure a balance of power and authority. As such, the Board considers that the deviation from Code Provision C.2.1 is appropriate in the current situation.

The Chairman has encouraged all Directors to make a full and active contribution to the Board’s affairs and voice their opinions and has allowed sufficient time for discussion of issues such that Board decisions fairly reflect the Directors’ consensus. Further, the Chairman has promoted a culture of openness and debate on the Board by facilitating the effective contribution of non-executive Directors and independent non-executive Directors. Under the leadership of the Chairman, the Board has established good corporate governance practices and procedures and has taken appropriate steps to promote effective communication and engagement with the Shareholders.

Independent Non-executive Directors

During the year ended December 31, 2025 and up to the Latest Practicable Date, the Board has at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors, representing at least one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise. The views of the independent non-executive Directors carry weight in the Board’s decisions, and their participation helps the Board exercise judgement, make decisions and act objectively in the interests of the Company and its Shareholders as a whole.

Terms of Appointment of Non-executive Directors

Code Provision B.2.2 of the CG Code stipulates that every Director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

In accordance with the Articles of Association, all the Directors are subject to retirement by rotation at least once every three years. Any new Director appointed by the Board to fill a casual vacancy on the Board or as an addition to the existing Board shall hold office only until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election.

Corporate Governance Report

Mr. ZHOU Hao and Dr. GUO Yihong have signed a letter of appointment with the Company and were appointed as an independent non-executive Director and a non-executive Director respectively for an initial term of three years or until the third annual general meeting of our Company since the Listing Date (whichever is sooner) and is subject to retirement by rotation at an annual general meeting at least once every three years. Such letters of appointment were renewed on identical terms (i) on June 3, 2019 for a further term of three years or until the third annual general meeting of the Company since the date of renewal (whichever is sooner) and (ii) on June 2, 2022 without a specific term.

On September 30, 2020, Dr. GUO Yihong voluntarily entered into a supplemental agreement with the Company to reduce his remuneration to nil with effect from October 1, 2020, in order to avoid any potential conflict arising from offices held in other companies or entities. Dr. GUO Yihong resigned as a non-executive Director immediately after the conclusion of the Board meeting of the Company held on August 18, 2025 in order to devote more time to focus on his other business commitments.

Mr. LAI Xiaoling has signed a letter of appointment with the Company and was appointed as an independent non-executive Director commencing on January 1, 2019 until the third annual general meeting of the Company from such commencement date. Such letter of appointment was renewed on identical terms on (i) June 2, 2021 for three years or until the third annual general meeting of the Company since the date of renewal (whichever is sooner) and (ii) on June 2, 2024 without a specific term.

Mr. CHEN Jiarong has signed a letter of appointment with the Company and was appointed as a non-executive Director, commencing on June 3, 2020 for three years or until the third annual general meeting of the Company from such commencement date (whichever is sooner). Such letter of appointment was renewed on identical terms on June 1, 2023 without a specific term.

Mr. HONG Yupeng has signed a letter of appointment with the Company and was appointed as an independent non-executive Director commencing from June 1, 2023 without a specific term.

Ms. POON Philana Wai Yin has signed a letter of appointment with the Company and was appointed as an independent non-executive Director commencing from June 5, 2024 without a specific term.

Responsibilities, Accountabilities and Contributions of the Board and Management

The Board is responsible for leadership and control of the Company and oversees the Group's businesses, strategic decisions and performance and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. Directors take decisions objectively in the interests of the Company.

The Board is also responsible for determining the Company's corporate governance policies which include:

- (a) developing and reviewing the Company's policies and practices on corporate governance;
- (b) reviewing and monitoring the training and continuous professional development of Directors and senior management;
- (c) reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements;
- (d) developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and Directors; and
- (e) reviewing the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

Corporate Governance Report

The independent non-executive Directors and the non-executive Directors have made a positive contribution to the development of the Company's strategy and policies through independent, constructive and informed comments by giving the Board and the Board committees the benefit of their skills, expertise and varied backgrounds and qualifications through regular attendance and active participation. Independent non-executive Directors and non-executive Directors participate in Board meetings and bring an independent judgment on issues relating to the Group's strategies, policies, performance, accountability, resources, key appointments, standards of conduct. They also take the lead where potential conflicts of interest arise, serve on Board committees and exercise their professional judgment to scrutinise the Company's performance in achieving agreed corporate goals and objectives and monitor performance reporting.

All Directors have full and timely access to all the information of the Company as well as the services and advice from the Company Secretary and senior management. The Directors may, upon request, seek independent professional advice in appropriate circumstances at the Company's expenses for discharging their duties to the Company.

The Board reserves its decisions for all major matters relating to policy matters, investments, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant operational matters of the Company. The Board has delegated the responsibility of implementing the strategies, investments and the daily operations to the management of the Group under the leadership of the executive Director and reviews the arrangements periodically to ensure that they remain appropriate to the Company's needs. The Board gives clear directions to the management as to the management's powers and the circumstances where the management should report back and obtain prior Board's approval. The Chief Financial Officer and Company Secretary attend all regular Board meetings and Board committee meetings to advise on accounting and financial, corporate governance and statutory compliance matters and to provide the Board and the Board committees with sufficient information to enable them to make an informed assessment of financial and other information put before them for approval. Senior management has formal or informal contact with the Board members as and when necessary and provides all Directors with monthly updates giving a balanced and understandable assessment of the Company's performance, position and prospects in sufficient detail to enable the Board as a whole and each Director to discharge his/her duties under the Listing Rules.

All Directors are required to disclose to the Company details of other offices held by them in public companies or organisations and other significant commitments, and ensure that they can give sufficient time and attention to the affairs of the Company.

Board Meetings, General Meetings and Committee Meetings

The Board meets 4 times a year as a minimum and it met 6 times during the year ended December 31, 2025. The attendance of each Director at Board and committee meetings and general meetings is detailed in the table below.

Name of Director	Attendance/No. of Meeting(s)				
	Board	Audit Committee	Remuneration Committee	Nomination Committee	General Meetings
Mr. WU Zeyuan	6/6	-/-	-/-	1/1	3/3
Dr. GUO Yihong ⁽¹⁾	5/6	-/-	-/-	-/-	2/3
Mr. CHEN Jiarong	5/6	-/-	-/-	-/-	3/3
Mr. HONG Yupeng	6/6	3/3	-/-	-/-	3/3
Mr. ZHOU Hao	6/6	3/3	1/1	1/1	3/3
Mr. LAI Xiaoling	6/6	3/3	1/1	-/-	3/3
Ms. POON Philana Wai Yin	6/6	-/-	1/1	1/1	3/3

Notes:

- (1) Dr. GUO Yihong resigned as a non-executive Director effective immediately after the conclusion of the Board meeting of the Company held on August 18, 2025. During the year ended December 31, 2025, Dr. Guo attended five Board meetings and two general meetings as the rest of the Board meetings and general meetings took place after Dr. Guo had resigned.

Corporate Governance Report

Directors are given the opportunity to propose appropriate matters or businesses for inclusion in Board agendas. For regular Board meetings, Directors receive written notice of not less than 14 days and an agenda and accompanying board papers are sent to the Directors in a timely manner not less than 3 days prior to the meeting. For all other Board meetings, Directors are given reasonable notice as far as is practicable in the circumstances.

In accordance with Code Provision C.2.7 of the CG Code, apart from the regular board meetings above, the Chairman of the Board also held meetings with the independent non-executive Directors without the presence of other Directors during the year.

Minutes of all Board meetings and Board committee meetings are kept by the Company Secretary to record in sufficient detail the matters considered and decisions reached by the Board or the Board committees, including any concerns raised or dissenting views expressed by any Director. Draft and final versions of minutes of Board meetings and meetings of Board committees are sent to the Directors or members of the Board committees as appropriate for comment and records after the meeting is held. All the minutes are available for inspection by any Director upon reasonable notice.

If a substantial shareholder or a Director has a material conflict of interest in a matter to be considered by the Board, a physical Board meeting will be held rather than by way of circulation of written resolutions. Such director who is materially interested shall abstain from voting on and not be counted in the quorum in respect of such matter.

Continuous Professional Development of Directors

Directors keep abreast of the responsibilities as a director of the Company and of the conduct, business activities and development of the Company.

The Company acknowledges the importance of Directors participating in appropriate continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. Internally-facilitated briefings for Directors have been arranged and reading material on relevant topics would be issued to Directors where appropriate. They are encouraged to attend relevant training courses at the Company's expenses.

During the year ended December 31, 2025, the following Directors have participated in continuous professional training to develop and refresh their knowledge and skills in relation to their contribution to the Board.

Name of Director	Participated in continuous professional training
Executive Director	
Mr. WU Zeyuan	✓
Non-executive Directors	
Dr. GUO Yihong ⁽¹⁾	–
Mr. CHEN Jiarong	✓
Mr. HONG Yupeng	✓
Independent Non-executive Directors	
Mr. ZHOU Hao	✓
Mr. LAI Xiaoling	✓
Ms. POON Philana Wai Yin	✓

Note:

- (1) Dr. GUO Yihong resigned as a non-executive Director effective immediately after the conclusion of the Board meeting of the Company held on August 18, 2025.

Corporate Governance Report

Directors' knowledge and skills are continuously developed and refreshed by, inter alia, the following means:

1. participation in continuous professional training seminars, conferences, courses and/or workshops on subjects relating to, inter alia, corporate governance, directors' duties and legal and regulatory changes organized or arranged by the Company, professional bodies and/or lawyers;
2. reading materials provided from time to time by the Company to Directors regarding legal and regulatory changes and matters of relevance to the Directors in the discharge of their duties; and
3. reading news, journals, magazines and/or other reading materials regarding legal and regulatory changes and matters of relevance to the Directors in the discharge of their duties.

BOARD COMMITTEES

The Board has established three Board committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee for overseeing specific aspects of the Company's affairs. All Board committees of the Company are established with defined written terms of reference. The terms of reference of the Board committees are posted on the Company's website and the Stock Exchange's website and are available to Shareholders upon request.

Audit Committee

The Company has set up the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code. The primary duties of the Audit Committee are to assist the Board in reviewing the financial information and reporting process, internal control procedures and risk management system, audit plans and relationship with external auditor, and arrangements to enable employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

The Audit Committee is mainly responsible for, inter alia, the following matters:

- reviewing the interim and annual financial statements and reviewing significant financial reporting judgments contained in them;
- reviewing the terms of engagement and making recommendations to the Board regarding the appointment, reappointment and removal of auditors of the Company;
- monitoring and assessing the independence of external auditors and effectiveness of the internal control systems;
- developing and implementing the Company's policy on engaging external auditors to supply non-audit services; and
- reviewing the financial information of the Company and oversight of the Company's financial reporting, controlling, accounting policies, practices with external auditors and the management of the Company, risk management and internal control issues.

The terms of reference of the Audit Committee are available on the websites of the Stock Exchange and the Company.

Corporate Governance Report

The Audit Committee comprises a majority of independent non-executive Directors and includes members with appropriate accounting or related financial management expertise as required under the Listing Rules. As at the Latest Practicable Date, the members of the Audit Committee are Mr. ZHOU Hao, Mr. LAI Xiaoling and Mr. HONG Yupeng. Mr. HONG Yupeng is a non-executive Director, and Mr. LAI Xiaoling and Mr. ZHOU Hao are independent non-executive Directors. Mr. ZHOU Hao is the chairman of the Audit Committee. None of the members of the Audit Committee was a partner of the Company's auditor within two years immediately before his appointment.

The Audit Committee held 3 meetings during the year ended December 31, 2025. Individual attendance record of each Committee member is set out on page 76 of this annual report. During the meetings, the Audit Committee reviewed the annual results announcement and the annual report of the Group for year ended December 31, 2024, the interim results announcement and interim report of the Group for the six months ended June 30, 2025, internal control and risk management systems of the Group, the effectiveness of the Group's internal audit function and its other duties under the CG Code, etc.

During the year ended December 31, 2025, the Audit Committee held 3 meetings with the Auditor to discuss the audit scope and other material audit issues for the preparation of the Group's financial statements and annual and interim reports.

Remuneration Committee

The Company has set up the Remuneration Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the CG Code. The primary duties of the Remuneration Committee are as follows:

- to assist the Board in reviewing and making recommendations to the Board on the remuneration packages of individual executive Directors and senior management;
- to assist the Board in reviewing and making recommendations to the Board on the remuneration policy and structure for all Directors and senior management;
- to make recommendations to the Board on the remuneration of non-executive Directors and new independent non-executive Director;
- to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
- to review, provide its view and/or approve matters relating to the Group's share schemes under Chapter 17 of the Listing Rules; and
- to establish transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration.

The terms of reference of the Remuneration Committee are available on the websites of the Stock Exchange and the Company.

In discharging its duties, the Remuneration Committee would conduct regular reviews on the remuneration of Directors and members of senior management by referencing the same to companies with comparable business or scale to the Company and recommend remuneration adjustments to the Board where appropriate and seek the Board's approval.

The Remuneration Committee comprises a majority of independent non-executive Directors. As at the Latest Practicable Date, the members of the Remuneration Committee are Mr. LAI Xiaoling, Mr. ZHOU Hao and Ms. POON Philana Wai Yin, all of whom are independent non-executive Directors. Mr. LAI Xiaoling is the chairman of the Remuneration Committee.

Corporate Governance Report

The Remuneration Committee held 1 meeting during the year ended December 31, 2025. Individual attendance record of each Committee member is set out on page 76 of this annual report. During the meeting, the Remuneration Committee reviewed the remuneration policy and structure as well as matters relating to the Group's share schemes under Chapter 17 of the Listing Rules (including but not limited to whether any changes to the terms of options or awards granted to Directors and/or senior management of the Company would be necessary), assessed performance of the executive Director and approved the terms of the executive Director's service contract, and made recommendations to the Board on the annual remuneration packages of the executive Director, the senior management and new independent non-executive Director and other related matters.

The Remuneration Committee has also considered and reviewed the grant of the share awards pursuant to the 2024 Share Award Scheme during the year ended December 31, 2025 to Mr. Wu (including but not limited to the number of share awards granted pursuant to the 2024 Share Award Scheme, the vesting schedule, the grant of share awards without performance targets, the clawback/lapse mechanism, etc.), and is of the view that the terms and conditions of such grants provided a market competitive remuneration package to Mr. Wu, are consistent with the Company's remuneration policy, and are appropriate and align with the purposes of the 2024 Share Award Scheme, in order to recognise the contributions made by Mr. Wu and to incentivise him to further contribute towards the continuous operations and development of the Group.

Details of the fees and other emoluments paid or payable to the Directors for the year ended December 31, 2025 are set out in Note 36 to the audited consolidated financial statements contained in this annual report.

Pursuant to code provision E.1.5 as set out in Part 2 of the Corporate Governance Code, the annual remuneration (including share-based compensation) of the members of senior management (including the Directors) by band for the year ended December 31, 2025 is set out below:

Annual Remuneration	Number of individuals
HK\$0 to HK\$20,000,000	6
> HK\$20,000,000	2

Corporate Governance Report

Nomination Committee

The Company has set up the Nomination Committee with written terms of reference in compliance with Rule 3.27A of the Listing Rules and the CG Code. The primary duties of the Nomination Committee include the following matters:

- to review the structure, size, composition and diversity (including the skills, knowledge, experience and gender) of the Board at least annually, to assist the Board in maintaining a Board skills matrix, and to make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- developing and formulating relevant procedures for the nomination and appointment of Directors;
- making recommendations to the Board on the appointment or re-appointment of Directors and succession planning of the Company;
- assessing the independence of independent non-executive Directors; and
- to support the Company's regular evaluation of the Board's performance.

The Nomination Committee comprises a majority of independent non-executive Directors. As at the Latest Practicable Date, the members of the Nomination Committee are Mr. WU Zeyuan, Mr. ZHOU Hao and Ms. POON Philana Wai Yin. Mr. WU Zeyuan is an executive Director, and Mr. ZHOU Hao and Ms. POON Philana Wai Yin are independent non-executive Directors. Mr. WU Zeyuan is the chairman of the Nomination Committee.

The Nomination Committee held 1 meeting during the year ended December 31, 2025. Individual attendance record of each Committee member is set out on page 76 of this annual report. During the meeting, the Nomination Committee reviewed the composition of the Board, the diversity of the Board, assessed the independence of independent non-executive Directors and recommended to the Board on the re-election of Directors. The Nomination Committee had assessed and is satisfied of the time commitment and contribution of each Director and their respective ability to discharge their responsibilities.

Board Independence

The Company acknowledges that the Board's independence is critical to good corporate governance and has in place mechanisms to ensure that independent views and input are available to the Board. The Board has consistently ensured that the Board committees, in particular the Nomination Committee, are comprised of a majority of independent non-executive Directors. Matters that arise and considered at the Board committee level are decided by a majority of votes which assures that the views and recommendations given to the Board by the Board committees are predominantly objective and independent. The Company also provides the Board committees with sufficient resources to perform its duties professionally and independently, including but not limited to obtaining independent professional advice and assistance from internal or external legal, accounting and/or other advisors at the expense of the Company. The composition of the Board committees and its effectiveness in delivering the Board with independent views and recommendations are reviewed by the Board on an annual basis. During the year, the Board has reviewed the implementation of the Board's independence mechanisms and considered that it remained effective.

Board Diversity Policy

The Company adopted a board diversity policy (the "Diversity Policy") on November 20, 2016 and amended it on December 20, 2018 and March 30, 2023, which sets out the Company's approach to achieving diversity of the Board.

Pursuant to the Diversity Policy, the Nomination Committee will review annually the structure, size and composition of the Board and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy and to ensure that the Board maintains a balanced diverse profile. In relation to reviewing and assessing the Board composition, the Nomination Committee is committed to diversity at all levels and will consider a number of aspects, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and industry and regional experience.

Corporate Governance Report

The Diversity Policy further provides that the Nomination Committee will discuss periodically and when necessary, agree on the measurable objectives for achieving diversity, including gender diversity, on the Board and recommend them to the Board for adoption. In particular, the Nomination Committee will identify and make recommendations to the Board to implement programs that will assist in the development of a broader and more diverse pool of skilled and experienced employees that, in time, their skills will prepare them for board positions. The Nomination Committee is also committed to ensuring that recruitment and selection practices at all levels (from the Board downwards) are appropriately structured so that a diverse range of candidates are considered. The Nomination Committee will review the Diversity Policy as appropriate and recommend revisions, if any, to the Board for consideration and approval. During the year ended December 31, 2025, the Board has reviewed the implementation of the Diversity Policy and considered that it remained effective.

The Nomination Committee is also committed to ensuring that gender diversity is achieved within the Board under which no particular gender should constitute more than 90% of the Board. Currently, the Board comprises five male Directors and one female Director, and the Nomination Committee is of the view that there is no current need to increase the composition of female Directors to the Board.

Policy for Nomination of Directors

On December 20, 2018, the Company also adopted a nomination policy (the “**Nomination Policy**”) in accordance with the CG Code, which sets out the procedure for the selection, appointment and reappointment of Directors containing the selection criteria and the Board succession planning considerations. The Nomination Policy is reproduced as follows.

1. Objective

- 1.1 The Nomination Committee is committed to ensuring that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company’s business.
- 1.2 The Nomination Committee shall identify, consider and recommend suitable individuals to the Board to consider and to make recommendations to the Shareholders for election of Directors at a general meeting either to fill a casual vacancy or as an addition to the Board.
- 1.3 The Nomination Committee shall make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors (the “**Succession Planning**”), in particular, the chairman of the Board and the chief executive officer of the Company.
- 1.4 The Nomination Committee may, as it considers appropriate, nominate a number of candidates more than the number of Directors to be appointed or re-appointed at a general meeting, or the number of casual vacancies to be filled.
- 1.5 The ultimate responsibility for selection and appointment of Directors rests with the entire Board.
- 1.6 The Nomination Committee shall assess the independence of independent non-executive Directors.

2. Selection Criteria

- 2.1 The factors listed below would be used as reference by the Nomination Committee in assessing the suitability and the potential contribution to the Board of a proposed candidate:
 - Reputation for integrity;
 - Professional qualifications and skills;

Corporate Governance Report

- Accomplishment and experience in (i) the provision of Internet services, including but not limited to, online advertising, IVAS and e-commerce; and (ii) the design, development and sales of smart hardware;
- Commitment in respect of available time and attention to the affairs of the Company and relevant interest;
- Independence of proposed independent non-executive Directors including the number of listed company directorships held by proposed independent non-executive Directors and the length of tenure with the Company for any existing independent non-executive Directors proposed to be re-appointed; and
- Diversity in all its aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

2.2 The above factors are for reference only, and not meant to be exhaustive and decisive. The Nomination Committee has the discretion to nominate any person to the Board, as it considers appropriate.

3. Nomination Procedures

3.1 *Nomination by the Nomination Committee*

- 3.1.1 The secretary of the Nomination Committee shall call a meeting of the Nomination Committee, and invite nominations of candidates from the Board, if any, for consideration by the Nomination Committee prior to its meeting.
- 3.1.2 The Nomination Committee shall nominate candidates for the consideration and recommendation of the Board. The Nomination Committee may propose candidates who are not nominated by the Board. The Board shall have the final decision on all matters in relation to its nomination of any candidates to stand for election at a general meeting.
- 3.1.3 The candidate nominated by the Board to stand for election at a general meeting (the “**Board Candidate**”, together with the Shareholder Candidate defined in Section 3.2 below, the “**Candidate**”) will submit the necessary personal information, together with his/her written consent to be elected as a Director and to the publication of his/her personal information for the purpose of or in relation to his/her standing for election as a Director. The Nomination Committee may request the Board Candidate to provide additional information and documents, if considered necessary.
- 3.1.4 A circular will be sent to the Shareholders (the “**Shareholder Circular**”) as to provide information of the Board Candidate, and to invite nominations from the Shareholders. The Shareholder Circular will include (i) the period for lodgment (the “**Lodgment Period**”) of nominations by the Shareholders; (ii) the personal information of the Board Candidate as required by the applicable laws, rules and regulations, inter alia, name, brief biographies (including qualifications and relevant experience), independence, proposed remuneration.
- 3.1.5 Until the issue of the Shareholder Circular, the Board Candidate shall not assume that he/she has been nominated by the Board to stand for election at the general meeting.

Corporate Governance Report

3.2 *Nomination by Shareholders*

The Shareholders may also propose a person for election as a Director (such candidate, the “**Shareholder Candidate**”) in accordance with the Memorandum and Articles of Association of the Company and the applicable law, details of which are set out in the “Procedures for Shareholders to Propose a Person for Election as a Director of the Company” adopted by the Company pursuant to a resolution passed at the meeting of the Board held on November 20, 2016.

3.3 The Candidate is allowed to withdraw his/her candidature at any time before the general meeting by serving a notice in writing to the company secretary of the Company (“**Company Secretary**”).

3.4 The resolution for election of Directors for the Shareholder Candidate shall take the same form as for the Board Candidate.

4. **Succession planning**

4.1 The objective of the Succession Planning is to ensure an effective and orderly succession of Directors and to maintain the balance of diversity (including gender diversity), collective knowledge and skills of the Board necessary for the effective governance of the Company.

4.2 The following considerations and measures will be used by the Nomination Committee in making recommendations for the Succession Planning:

4.2.1 Required knowledge, skills and experience at a full Board composite level to effectively fulfill the Board’s legal role and responsibilities;

4.2.2 An appropriate balance of diversity across the Board pursuant to the Diversity Policy and as set out in Section 2.1 and Section 5 of the Nomination Policy;

4.2.3 Personal qualities of each candidate with reference but not limited to the factors listed in Section 2.1 of the Nomination Policy;

4.2.4 Continuity through a smooth succession of Directors; and

4.2.5 Compliance with the relevant legal and regulatory requirements.

4.3 The above considerations are for reference only, and not meant to be exhaustive and decisive. The Nomination Committee will review the Succession Planning together with the Board periodically, and recommend revisions, if any, to the Board for consideration and approval.

5. **Board diversity**

5.1 The Nomination Committee will review annually the structure, size and composition (including gender composition) of the Board and where appropriate, make recommendations on changes to the Board to complement the Company’s corporate strategy and to ensure that the Board maintains a balanced diverse profile.

5.2 The Nomination Committee will also review annually the implementation and effectiveness of the Company’s Diversity Policy and discuss and agree periodically on the measurable objectives for achieving diversity, including gender diversity, on the Board and recommend them to the Board for adoption. The Nomination Committee will identify and make recommendations to the Board to implement programs that will assist in the development of a broader and more diverse pool of skilled and experienced employees that, in time, their skills will prepare them for Board positions.

Corporate Governance Report

6. Confidentiality

6.1 Unless required by law or any regulatory authority, under no circumstances shall a member of the Nomination Committee or an employee of the Company disclose any information to or entertain any enquiries from the public with regard to any nomination or candidature before the Shareholder Circular, as the case may be, is issued. Following the issue of the Shareholder Circular, the Nomination Committee or the Company Secretary or other employee of the Company approved by the Nomination Committee may answer enquiries from the regulatory authorities or the public but confidential information regarding nominations and the Candidate should not be disclosed.

7. Monitoring and reporting

7.1 The Nomination Committee will report annually a summary of the Nomination Policy including the nomination procedures, criteria for selection, the diversity policy and the progress made towards achieving these objectives in the Company's Corporate Governance Report.

8. Review of the Nomination Policy

8.1 The Nomination Committee will review the Nomination Policy as appropriate and recommend revisions, if any, to the Board for consideration and approval.

Corporate Governance Functions

The Board is responsible for performing the functions set out in Code Provision A.2.1 of the CG Code.

The Board would review the Company's corporate governance policies and practices, training and continuous professional development of the Directors and the senior management, the Company's policies and practices on compliance with legal and regulatory requirements, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report. The Board has performed the above duties during the year ended December 31, 2025.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the consolidated financial statements of the Company for the year ended December 31, 2025.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the independent auditor of the Company, PricewaterhouseCoopers, about their reporting responsibilities on the consolidated financial statements is set out in the Independent Auditor's Report on pages 190 to 196 of this annual report.

DIVIDEND POLICY

The Company adopted a dividend policy (the "Dividend Policy") in accordance with the CG Code, which outlines the factors that should be taken into account in determining any dividend for distribution to the Shareholders. The aim of the Dividend Policy is to provide a framework for how the Company determines, declares, and pays dividends to Shareholders while ensuring that dividend decisions are consistent with the Company's financial performance. Under the Dividend Policy, subject to applicable laws and the Articles and the Company's financial needs as determined by the Board in the forthcoming year, the Board will declare and distribute regular dividend(s) based on a percentage of the Group's Adjusted Net Profit attributable to Owners of the Company for the relevant financial year. In addition, the Shareholders may in general meeting declare dividends, but no dividend may be declared in excess of the amount recommended by the Board. In either case, a dividend may be declared and be paid out of the profits of the Company, or from any reserve set aside from profits which the Directors determine is no longer needed, or out of the Share Premium Account. In no circumstances may any dividend be paid if this would result in the Company being unable to pay its debts as they fall due in the ordinary course of business. Even if the Board decides to pay dividends, the declaration, payment and amount of dividends will depend upon the Company's earnings and financial condition, operating requirements, capital requirements and any other conditions that the Board considers relevant.

Corporate Governance Report

The Company does not have a fixed dividend payout ratio but the Company intends to continue to maintain a stable annual dividend payout ratio per year of approximately 40% based on the Group's annual Adjusted Net Profit attributable to Owners of the Company. The total dividend (excluding any special dividend) for the year ended December 31, 2025 will amount to HK\$0.095 per Share (2024: HK\$0.0552 per Share), reflecting a dividend payout ratio of approximately 40% based on the Adjusted Net Profit attributable to Owners of the Company for the year ended December 31, 2025. During the year ended December 31, 2025, a one-off special dividend of HK\$0.109 per Share was also paid by the Company on February 27, 2025 as a result of the disposal of its cryptocurrencies held. Details in respect of such payment of special dividend is disclosed in the announcement and circular of the Company dated January 16, 2025 and January 22, 2025, respectively. All dividend decisions made by the Board for the year ended December 31, 2025 were made in accordance with the Dividend Policy.

If the Company pays any dividends on the Shares, unless and to the extent that the rights attached to the Shares, or the terms of issue thereof otherwise provide, (i) all dividends will be declared and paid according to the amounts paid up on the Shares in respect of which the dividend is paid, but no amount paid up on Shares in advance of calls may for this purpose be treated as paid up on the Shares; and (ii) all dividends will be apportioned and paid pro rata according to the amounts paid up on the Shares during any portion or portions of the period in respect of which the dividend is paid. The Directors may deduct from any dividend or other monies payable to any of the Shareholders all sums of money (if any) presently payable by such Shareholders to the Company on account of calls, installments or otherwise.

The Dividend Policy reflects the Board's current views on the Company's financial and cash flow position. It will continue to be reviewed from time to time but given that the Group's annual Adjusted Net Profit attributable to Owners of the Company may deviate from year to year, there can be no assurance that dividends will be paid in any particular amount, for any given period.

RISK MANAGEMENT AND INTERNAL CONTROL

Risk management process

The Board acknowledges that it is responsible for the Company's risk management and internal control systems and reviewing their effectiveness.

The Group's risk management and internal control systems provide a comprehensive and organized structure with clearly defined scopes of responsibilities, authorities and procedures.

The Group has a designated risk management and internal control team which is responsible for identifying and monitoring the Group's risks (including, amongst others, material risks relating to environmental, social and governance) and internal control issues and reports directly to the Board on any findings and follow-up actions. Each department of the Group is also required to adhere strictly to the Group's internal control procedures/policies and report to the risk management and internal control team on any risks or internal control issues.

The Audit Committee also reviews the Company's financial controls, risk management and internal control systems/policies on a regular basis. During the year ended December 31, 2025, the Audit Committee conducted reviews of the effectiveness of the risk management and internal control system/policies of the Group. The reviews had covered various aspects of the Group's risk management and internal control system/policies covering all material controls, including financial, operational and compliance controls. The reviews results were reported to the Board. The Board is satisfied that such risk management and internal control systems/policies are appropriate, effective and adequate for the purposes of Principle D2 of the CG Code.

Corporate Governance Report

The Group has also adopted an information disclosure policy which has set out comprehensive guidelines in respect of handling and dissemination of inside information. The Board is entrusted with the responsibility for monitoring and implementing the procedural requirements in the information disclosure policy. The systems in place are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Group has established an internal audit function which is responsible for identifying and monitoring the Group's risks and internal control issues. In 2016, the Group engaged an independent third-party external advisor to review the risk management and internal control systems of the Group. In 2017 and 2018, the Board has further strengthened the risk management and internal control systems/policies of the Group by having recruited suitable manpower and qualified personnel to cope with the present structure and scale of operations of the Group. Results of audit work together with an assessment of the overall internal control framework are reported to the Audit Committee as appropriate. The internal audit function also reviews the Company's management's action plans in relation to audit findings and verifies the adequacy and effectiveness of the mitigating controls before formally closing the issues.

Review on risk management and internal control systems

The Company reviews on an annual basis and has conducted an annual review on the effectiveness of the Group's risk management and internal control systems for the year ended December 31, 2025 and confirmed that the Group's risk management and internal control systems in respect of financial, operational, compliance, risk management and adequacy of resources, are effective and adequate. The Board was also satisfied with the appropriateness, adequacy and effectiveness of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit, financial reporting, and ESG performance and reporting functions.

AUDITOR'S REMUNERATION

A breakdown of the remuneration payable to the external Auditor of the Company, PricewaterhouseCoopers, in respect of the audit services and the non-audit services for the year ended December 31, 2025 is set out below:

Service Category	Fees Paid/Payable RMB'000
Audit Services	5,650
Non-audit Services	110
	5,760

The non-audit services conducted by the external auditor mainly include tax service.

Corporate Governance Report

COMPANY SECRETARY

Mr. NGAN King Leung Gary (“Mr. Ngan”), our Chief Financial Officer, was appointed as a joint company secretary of the Company on August 2, 2016, and became the sole company secretary of the Company on December 15, 2019. He is also a director of Starii Tech Pty Ltd, a subsidiary of the Company. Mr. Ngan reports to the Chairman and is primarily responsible for the overall financial strategy, investor relations and company secretarial matters of the Group. Prior to joining our Group, Mr. Ngan held the positions of chief operating officer and chief financial officer at Forgame Holdings Limited, a mobile games and webgames company listed on the Stock Exchange (Stock Exchange Stock Code: 484) where he worked from May 2012 to June 2015, and was the director and head of Hong Kong and China Internet research at UBS AG, where he worked from July 2006 to April 2012. Mr. Ngan received his bachelor of science degree in economics from the Wharton School, University of Pennsylvania in 2006. He has been a CFA Charterholder since 2010. Mr. Ngan was also the joint company secretary of Forgame Holdings Limited from February 2013 to November 2014. Mr. Ngan has also been an independent non-executive director of Pop Mart International Group Limited (Stock Exchange Stock Code: 9992) since its listing on the Stock Exchange in December 2020.

During the year ended December 31, 2025, Mr. Ngan has complied with Rule 3.29 of the Listing Rules and taken no less than 15 hours of relevant professional training.

DIVERSITY IN WORKFORCE AND SENIOR MANAGEMENT

In addition to diversity of the Board, the Company is also committed to ensuring that gender diversity is achieved in its workforce and senior management. As at the Latest Practicable Date, our workforce comprised approximately 57.95% males and 42.05% females and our senior management comprised seven key personnel, of whom six are male and one is female.

Since the existing diversity of gender in our workforce and senior management is considered to be well-balanced, the Company plans to maintain a similar male-to-female ratio in the years forward and has in place a policy that no particular gender should constitute more than 70% of its workforce. As for senior management personnel, while the Company strives to ensure that gender diversity will be achieved as far as possible, given the essential function and limited number of senior management personnel, it is also a priority that their selection is based on the person’s experience, qualifications, skills, integrity and ability to manage the Company’s affairs properly to ensure elitism in order to drive the success of the Company and maximise Shareholders’ value.

ANTI-CORRUPTION AND WHISTLE-BLOWING POLICY

The Company is committed to upholding ethical principles and has zero tolerance for bribery, extortion, fraud and money laundering. As such, the Company has formulated internal policies, including the “Employee Handbook”, “Policy on Staff Discipline”, “Policy on Sending and Accepting Gifts by Employees” and “Anti-Fraud and Whistleblowing Policy”, to specify the procedures of making declarations of interests and anti-corruption measures. For further details, please refer to the section headed “Anti-corruption and Whistleblowing” in the Environmental, Social and Governance Report of the Company.

CHANGES IN CONSTITUTIONAL DOCUMENTS

There had been no changes to the Articles of Association during the year ended December 31, 2025.

SHAREHOLDERS’ RIGHTS

To safeguard Shareholders’ interests and rights, Shareholders are given advance notice of all general meetings of the Company in accordance with the Articles of Association by way of announcements posted on the websites of the Company and of the Stock Exchange pursuant to the Listing Rules and a separate resolution is proposed for each substantially separate issue at general meetings, including the election of individual Directors. All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each general meeting. The procedures for conducting a poll are explained at general meetings and questions raised by Shareholders on voting by poll are appropriately addressed.

Corporate Governance Report

Convening an Extraordinary General Meeting by Shareholders

Under Article 58 of the Articles of Association, any one or more Shareholders holding at the date of the deposit of the requisition not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company may at all times have the right, by a written requisition to the Board or the company secretary of the Company, to require the convening of an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within 2 months after the deposit of such requisition. If, within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Putting Forward Proposals at General Meetings

The Board is not aware of any provisions allowing the Shareholders to put forward proposals at general meetings of the Company under the Articles of Association and the Companies Act. Shareholders who wish to put forward proposals at general meetings may refer to the preceding paragraph to make a written requisition to require the convening of an extraordinary general meeting of the Company.

Detailed procedures for Shareholders to propose a person for election as a director of the Company are published on the Company's website.

Putting Forward Enquiries to the Board

For putting forward any enquiries to the Board, Shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

Contact Details

Shareholders may send their enquiries or requests as mentioned above to the following:

Address : Unit 7702A, Level 77
International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong
(For the attention of the Board of Directors/Company Secretary)

Email : ir@meitu.com

For the avoidance of doubt, Shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. The information of the Shareholder(s) may be disclosed as required by law.

Corporate Governance Report

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers effective communication with Shareholders essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company endeavors to maintain an on-going dialogue with Shareholders and, in particular, through annual general meetings and other general meetings. At general meetings, Directors (or their delegates as appropriate) are available to meet Shareholders and answer their enquiries. During the year ended December 31, 2025, the Company held an annual general meeting on June 5, 2025, at which the Chairman of the Board and/or the chairman of each of the Board committees (as appropriate) and the Company's Auditor were present to answer questions from the Shareholders. During the year ended December 31, 2025, the Company also held two extraordinary general meetings on February 11, 2025 and September 10, 2025 at which the Chairman of the Board was present to answer questions from the Shareholders.

The Company discloses information and publishes periodic reports and announcements to the public in accordance with the Listing Rules, the relevant laws and regulations. The primary focus of the Company is to ensure information disclosure is timely, fair, accurate, truthful and complete, thereby enabling Shareholders, investors as well as the public to make rational and informed decisions. The Board reviews on an annual basis the implementation and effectiveness of the Company's communication policy with Shareholders and considers that the Company maintains an effective communication channel with the Shareholders during the year ended December 31, 2025 as the Company had not received any complaints from any Shareholder as to the effectiveness of its Shareholder's communication system in place during the year ended December 31, 2025. The Board will continue to take note of any complaints or feedback received as to any shortfalls in its Shareholders' communication policy and where necessary, establish additional policies to ensure better and more effective communication with Shareholders.

The Company's existing Articles of Association were adopted at the annual general meeting held on June 5, 2024 and became effective after the close of the annual general meeting held on June 5, 2024. The Articles of Association are available for viewing on the websites of the Company and the Stock Exchange. There had been no changes to the Articles of Association during the year ended December 31, 2025.

Environmental, Social and Governance Report

EXECUTIVE SUMMARY

Sustainability informs how Meitu develops and delivers its technology. Our Environmental, Social and Governance (“ESG”) strategy is integrated across the business through a structured governance and management framework that aligns risk management with innovation, enabling the Group to navigate evolving challenges and create enduring value. By uniting art and technology, we continue to advance AI-powered design and creativity, with sustainability reflected in our approach to innovation and growth. During the period from January 1, 2025 to December 31, 2025 (the “Reporting Period”), these priorities were further translated into our operations and product development, strengthening our management of risks and supporting measurable progress across the Group. As of the publication of the report, MSCI has upheld our ESG Rating at “A”, reflecting strong external validation of the robustness and effectiveness of our ESG management framework.

Social

In 2025, Meitu’s AI-driven capabilities expanded across everyday creative workflows, supported by a comprehensive product portfolio serving a diverse creator community and informed by deep insights into evolving user aesthetics and industry trends. As AI transforms the way people create, communicate and connect, we embrace a responsibility that goes beyond technology: to empower human potential, strengthen digital trust, and advance AI-driven digital empowerment globally.

We brought this vision to life through initiatives that reflect both AI leadership and social impact. In 2025, our programmes reached younger generations, from providing hands-on AI experiences to students at LSPR Institute of Communication & Business (“LSPR”) in Jakarta to deploying the *Kaipai* AI Agriculture Support programme for farmers, enabling practical, community-driven applications of AI technology.

Meitu continued to build a robust global talent mobility and pipeline through structured performance evaluations, 360° reviews and regular talent performance assessments, while fostering a people-first culture through enhanced wellness and health support, including supplemental insurance, mental health initiatives, fitness benefits and inclusive activities that promote a caring and supportive workplace alongside initiatives that support talent mobility and youth talent.

Governance

We enhanced data privacy and information security to reinforce user trust and safeguard core data integrity. Supported by AI-enabled capabilities, further advancements were made in cloud security, data protection and business continuity, with no material cybersecurity or data breach incidents recorded during the Reporting Period.

Our AI ethics framework was further strengthened, overseen by an AI Ethics Committee and anchored by internal guidelines. This guides the responsible development and usage of AI technologies, while addressing emerging risks across data, algorithms and operational processes with a focus on fairness, transparency and accountability.

We continue to advance a secure and trusted content ecosystem through a structured content safety framework that supports responsible usage across our platforms. Demonstrating leadership beyond the organisation, Meitu contributed as part of the drafting organisation to the national standard “Cybersecurity Technology – Labelling Method for Content Generated by Artificial Intelligence” (GB45438 - 2025), facilitating greater transparency in the identification and usage of AI-generated content.

Environmental

We further advanced our decarbonisation journey, including the establishment of Meitu’s first absolute greenhouse gas (“GHG”) emissions reduction target. We are committed to reducing absolute Scope 1 and Scope 2 emissions⁽¹⁾ by 30% by 2030, using 2025 as the baseline year.

Climate-related capabilities were further strengthened under our comprehensive ESG risk and opportunity framework, complemented by scenario analysis to evaluate potential implications under different climate pathways. These efforts enhance resilience and support the integration of climate considerations into business planning and resource allocation. Scope 3 emissions screening and quantifications were initiated to strengthen visibility across our value chain, laying the foundation for broader decarbonisation initiatives.

(1) In accordance with The Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard (Revised Edition) published by World Business Council for Sustainable Development and World Resources Institute, Scope 1 direct emissions result from operations that are owned or controlled by the Group, Scope 2 indirect emissions result from the generation of purchased or acquired electricity, heating, cooling and steam consumed within the Group, while Scope 3 (Other indirect) emissions occur in the Group’s value chain.

Environmental, Social and Governance Report

KEY ESG PERFORMANCE

Social

Talent Development

42.1%

of our global employee base are female

36.8%

of managerial roles are female

90.7%

employee training coverage

AI-driven Digital Empowerment

44.1 B+

AI-powered user activities, enabling creativity and productivity⁽²⁾

91%

overall customer satisfaction rate

Societal Impact through Inclusive AI

881.3 M+

total user exposure to sustainability-themed filters and stickers⁽³⁾

137.6 M+

total usage of sustainability-themed filters and stickers⁽⁴⁾

(2) The AI-powered user activities are calculated based on the average daily download volume of AI-powered image and video features during a specified period, multiplied by 365 days.

(3) The user exposure figure refers to the number of times users are exposed to sustainability-themed filters and stickers.

(4) The usage figure takes into account, among others, the number of downloads and saves by users of the relevant filters and stickers.

Environmental, Social and Governance Report

Governance

AI Ethics, Data Privacy and Cybersecurity

3

AI ethics and cybersecurity-related committees⁽⁵⁾ established

100%

of core products underwent data security audits

Top overseas mobile applications⁽⁶⁾ underwent **third-party privacy protection and data security audits** in core countries and regions

Corporate Governance and Business Ethics

100%

independent non-executive directors on the Remuneration Committee

67%

independent non-executive directors on the Audit and Nomination Committee

83%

non-executive directors on the Board

100%

anti-corruption training coverage across the Board and employees

Environmental

Established a target of **30% reduction in absolute Scope 1 and 2 GHG emissions** by 2030⁽⁷⁾

Strengthened **climate assessment framework** to systematically identify climate-related opportunities and risks

Conducted **climate scenario analysis** using NGFS⁽⁸⁾ scenarios to assess climate resilience

26% YoY reduction in Scope 1 and 2 GHG emissions intensity⁽⁹⁾

Completed **Scope 3 emissions screening** with **9** material categories identified

20% YoY reduction in water consumption intensity⁽⁹⁾

(5) These include the AI Ethics Committee, User Privacy Committee and Data Security Committee.

(6) Including the *Meitu app* (overseas version), *AirBrush*, *Wink* (overseas version).

(7) With 2025 as the base year.

(8) Network for Greening the Financial System.

(9) Intensity of Scope 1 and Scope 2 GHG emissions and water consumption in terms of revenue (million RMB revenue).

Environmental, Social and Governance Report

ESG AWARDS



2025 Forbes China AI Tech Enterprises Top 50
(2025福布斯中國人工智能科技企業TOP50)



**Sensor Tower APAC Awards 2025:
Best Photo & Video Editor**
(Sensor Tower APAC Awards 2025 - 最佳圖像
與視頻編輯應用)



**Andreessen Horowitz (a16z):
The Top 50 Gen AI Consumer Apps**
(安德裏森·霍羅威茨(a16z) - 全球移動應用
Top50榜單)



**Gelonghui Gold Awards: Outstanding
Enterprise in ESG Innovation**
(格隆匯金格獎 - ESG創新實踐卓越企業)



**LinkedIn Global Talent
Magnet Employer Award**
(領英全球人才吸引力僱主)



**Ministry of Industry and Information
Technology's Industrial Culture Development
Centre: Innovative AI Industry Use Cases**
(工信部工業文化發展中心 -
AI產業創新場景應用案例)



Google Play Best of 2025 - Best Hidden Gem
(Google Play Best of 2025 年度大中華地區最佳
榜單 - 年度最具潛力應用)



**2025 Sirius Awards:
Best Employer Brand Award for
Global Companies**
(2025 中國人力資源「天狼星」
獎 - 全球化企業最佳僱主品牌獎)



**Ministry of Education of the People's
Republic of China: Award for Engineering and
Technological Research Achievements**
(中華人民共和國教育部 -
工程技術研究成果獎)

Environmental, Social and Governance Report

ESG GOVERNANCE

ESG Governance and Board's Oversight

ESG Governance Structure

We are committed to creating sustainable value for our stakeholders by upholding strong ESG governance principles. Therefore, we have established a strong governance structure to enhance our ESG performance. Our Board of Directors (the "**Board**") has the overall responsibility for our ESG strategy and reporting. The Board provides oversight of ESG issues, including climate-related matters (covering our sustainability management approach, strategy and initiatives) with an emphasis on the Group's long-term development and positioning.

As part of the Board's oversight of ESG issues, the Board has delegated responsibility to an ESG Committee at the management level (not at Board level), established in 2019 (the "**ESG Working Group**"), to further assist the Board in overseeing and reviewing the ESG management approach, policies, strategy, issues and performance to drive the planning and implementation of the Group's ESG-related matters as well as to review progress made against ESG-related goals and targets. The ESG Working Group, comprising management executives, coordinates strategy development and execution across core functional departments, ranging from information technology ("**IT**"), strategic planning, video and image business, administration and human resources ("**HR**"), and cybersecurity centre to content safety, while identifying improvement areas, implementing sustainability plans and initiatives, and assisting the Board in monitoring ESG-related issues (including risks).

Environmental, Social and Governance Report

Roles and Responsibilities

Board of Directors

- Holds the overall responsibility for the ESG strategy and reporting
- Oversees the ESG- and climate-related issues of the Group
- Discusses and reviews the Group's ESG performance, ESG-related risks and opportunities and progress against goals and targets on a quarterly basis

ESG Working Group

- Monitors, reviews and reports on the ESG strategy, performance, achievements and progress against targets and goals
- Identifies, prioritises and manages ESG-related risks and opportunities (including but not limited to climate-related risks and opportunities, ESG risks along the supply chain, and ESG-related risks and opportunities in the strategy and decision-making or major transactions) and implements corresponding control measures
- Formulates, implements and reviews sustainability policies and practices to ensure compliance with laws and regulations
- Manages and reviews the Group's sustainability work plan and progress against any ESG-related goals and targets
- Reviews and monitors stakeholder's feedback (including the review and approval of material issues and materiality matrix)
- Arranges continuing professional ESG training for directors and senior management
- Meets quarterly with the Board in dedicated meetings, and additionally when needed, to review progress on our priorities and performance, assess emerging trends, and discuss strategic direction on key issues
- Prepares annual ESG-related disclosures, an annual ESG report and an ESG risk and opportunity assessment register, for the Board's approval

Core Functional Departments

- Identifies and proposes improvement areas for enhancing sustainability performance
- Executes sustainability implementation plans and initiatives
- Consolidates and compiles ESG data and information for ESG disclosures on a regular basis

Environmental, Social and Governance Report

ESG Priorities

Our ESG priorities are shaped through a combination of stakeholder engagement and deep business insights, ensuring our strategy addresses the most material areas. Anchored in our unwavering commitment to the United Nations Sustainable Development Goals (“UNSDGs”), we align our sustainability initiatives with these global standards. By integrating technology and the power of beauty, we aim to drive tangible impact and create a sustainable, brighter future for generations to come.



Environmental, Social and Governance Report

Key Initiatives and Progress

Social



Technology

AI-Driven Digital Empowerment

Advancing responsible, sustainable innovation through cutting-edge technologies, including our GenAI solutions, to empower users and partners at scale, enhance digital capabilities, and drive value creation, while promoting inclusive access to maximise impact.

2025 Achievements

- ✓ Demonstrated AI leadership at global conferences and events

Technology

Customer Experience

Delivering high-quality products that enable global users to produce creative designs, while advancing the GenAI capability and enriching our product portfolio.

2025 Achievements

- ✓ Maintained zero material complaints related to products and services
- ✓ Prioritised customer satisfaction and achieved a customer satisfaction rate of 91%

Community

Societal Impact through Inclusive AI

Harnessing AI technologies to drive positive societal outcomes by promoting equitable access, enhancing digital literacy, and supporting underserved communities, while ensuring responsible and ethical deployment of AI to foster inclusive growth and long-term social value creation.

2025 Achievements

- ✓ Amplified societal impact with 881.3 million+ total user exposures through themed filters on women empowerment, art and culture, and nature and biodiversity

People

Diversity, Equity and Inclusion

Reflecting diverse backgrounds and perspectives to foster an inclusive culture that promotes equal opportunities.

2025 Achievements

- ✓ Conducted our first company-wide employee satisfaction survey
- ✓ Fostered an inclusive workplace through family-friendly policies, wellness programmes, flexible work, AI-enabled workflows, and learning initiatives

People

Talent Development

Attracting global top talent to meet user needs while nurturing employee growth and talent mobility.

2025 Achievements

- ✓ Delivered 15,876.2 hours of employee training to support continuous development
- ✓ Launched AI Studio and encouraged employees to promote internal innovation
- ✓ Engaged with young talent through university partnerships and networking initiatives
- ✓ Built a robust talent pipeline through structured performance evaluations, 360° reviews and regular talent performance assessments
- ✓ Established a systematic global talent mobility mechanism through eXplorer Programme

People

Health and Well-being

Creating a supportive work environment that prioritises mental and physical health for the health and wellness of all employees.

2025 Achievements

- ✓ Boosted employee well-being and corporate culture through festive activities and upgraded workplace facilities
- ✓ Implemented an equity incentive scheme for high-performing employees to align employee interests with the Company's long-term growth

Environmental, Social and Governance Report

Governance



Privacy Protection

Protecting data privacy through strong governance and responsible data practices.

2025 Achievements

- ✔ Reinforced user rights protection by standardising data processing practices across our products
- ✔ Deepened privacy governance and accountability through multi-level privacy compliance structures (User Privacy Committee) and ongoing Data Protection Impact Assessments (“DPIAs”)/Privacy Impact Assessment (“PIA”) practices

Cyber and Data Security

Strengthening cyber and data security through robust governance, proactive defence, resilient incident response, and continuous risk monitoring.

2025 Achievements

- ✔ Conducted data security audits across all core products
- ✔ Enhanced information security management system and data privacy governance structure

AI Ethics

Adhering to the highest AI ethical standards, ensuring integrity, and promoting fairness, transparency, and accountability in AI development and deployment.

2025 Achievements

- ✔ Advanced industry leadership and standard setting by contributing as a drafting organisation to the national AI mandatory standard
- ✔ Strengthened AI Ethics Principles through an enhanced AI Framework
- ✔ Ensured AI-related business departments strictly adhere to AI ethical principles.
- ✔ Established an AI Ethics Committee to reinforce governance
- ✔ Implemented standardised AIGC labelling controls across AI products in accordance with applicable laws, including visible “AI Generated” watermarks and metadata-based invisible labelling to enhance traceability and content authenticity

Responsible Business Practices

Steering our ESG strategy with governance structures to ensure accountability and long-term impact.

2025 Achievements

- ✔ Delivered anti-corruption training to 100% of employees and Board members
- ✔ Enhanced annual ESG risk assessment to incorporate AI ethics considerations

Environmental, Social and Governance Report

Environmental



Climate Action

Committed to mitigating climate change by reducing emissions and enhancing sustainability across operations.

2025 Achievements

- ✔ Established our first quantitative 2030 GHG emissions reduction target
- ✔ Completed Scope 3 screening, quantification and disclosure
- ✔ Conducted climate scenario analysis for our core operating locations
- ✔ Strengthened climate-related risk and opportunity management framework
- ✔ Promoted environmental and biodiversity awareness through digital engagement by launching themed interactive features
- ✔ Advanced supply chain decarbonisation efforts by embedding environmental considerations into procurement and supplier engagement
- ✔ Enabled more sustainable user choices through product innovation, including AI-powered features that reduce resource usage and unnecessary waste

Green Operations

Reducing environmental impact through decarbonisation and resource efficiency.

2025 Achievements

- ✔ Reduced Scope 1 and 2 GHG emissions intensity by 26% (in terms of revenue)
- ✔ Optimised energy efficiency across equipment by improving power usage effectiveness and upgrading to higher-efficiency models
- ✔ Leveraged AI-driven optimisation to enhance energy efficiency across operations
- ✔ Integrated nature-based solutions into building design, including a rooftop garden to reduce heat gain and support employee well-being

Environmental, Social and Governance Report

ESG Risk and Opportunity Management

In today's dynamic business landscape, effective ESG risk and opportunity management (including but not limited to climate-related issues, risks and opportunities) is essential for ensuring sustained business success. As part of the Board's role in steering the long-term sustainability direction of the Group, the Board bears the ultimate responsibility for overseeing the Group's ESG risk and opportunity management, enabling us to remain resilient in the face of unprecedented changes.

During the Reporting Period, we enhanced our ESG risk and opportunity assessment to better shape our mitigation and response strategies. The following outlines the steps of the Group's ESG risk and opportunity management process:

1. Identification

- Identified industry ESG risks and opportunities and sustainability trends with the ESG Working Group
- Analysed the latest market and industry developments
- Assessed climate-related risks and opportunities as well as supply chain ESG risks

2. Evaluation

- Evaluated the potential impacts and likelihood of the identified key ESG-related risks and opportunities

3. Prioritisation

- Prioritised key ESG risks and opportunities by assessing their risk levels based on both their potential impact and likelihood

4. Management and Mitigation

- Implemented mitigation measures to effectively manage ESG risks and opportunities
- Assigned responsibility for execution to relevant business departments

5. Reporting

- Presented ESG risk and opportunity assessment outcomes and relevant issues to the Board
- Facilitated thorough discussion, review, and recommendations

For more details on our corporate governance and risk management approach, please refer to the Corporate Governance Report section.

Environmental, Social and Governance Report

Materiality Assessment

Stakeholder Engagement

We acknowledge the importance of nurturing strong relationships with our stakeholders. Through proactive engagement with our major stakeholders, we seek to understand the sustainability issues that are of greatest significance to them, enabling us to effectively respond to their needs and expectations. Given the nature of our business, we utilise a range of channels to maintain close communication with various groups of stakeholders, including investors and shareholders, customers and users, the government, community, employees, as well as suppliers.

Employees	Customers and Users	Suppliers
<ul style="list-style-type: none"> • Various employee club activities • Internal communication system • Meetings 	<ul style="list-style-type: none"> • The Group's website • Public media • Direct communication • Customer satisfaction surveys • Social media • Customer service hotline 	<ul style="list-style-type: none"> • Field trips • Assessments • Continuous audits • Direct communication
Investors and Shareholders	Government	Community
<ul style="list-style-type: none"> • Annual reports • Investor communications • The Group's website • Roadshow • Investor summits • Direct communication 	<ul style="list-style-type: none"> • Direct communication • Annual meeting • Forums • Seminars and workshops 	<ul style="list-style-type: none"> • The Group's website • Public media • Social media • Direct communication

Materiality Assessment

Conducting a materiality assessment enables us to identify the most important sustainability topics for both our business and stakeholders, therefore determining the relevant material sustainability topics that should be disclosed and highlighted in this Report. During the Reporting Period, in addition to the above regular communication channels, we performed a materiality assessment with the support of an independent sustainability consultant. The results of the materiality assessment and relevant ESG topics are regularly discussed and reviewed by our ESG Working Group and the Board.

Our materiality assessment involves multiple stages: identification, prioritisation as well as validation. The details of the procedures and steps of the Group's materiality assessment are as follows:

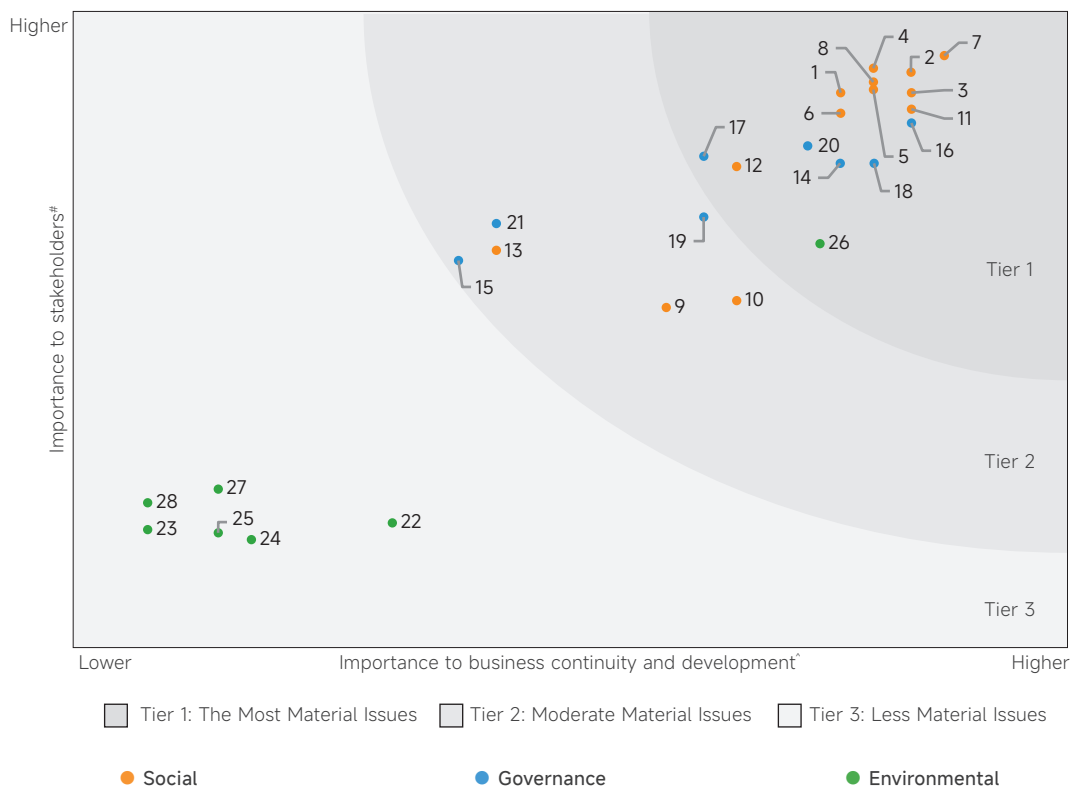
Input	ESG Issues	Output
<ul style="list-style-type: none"> • Documentary analysis • Sector intelligence • Reference framework (e.g., SASB, MSCI) 		<ul style="list-style-type: none"> • Identified a total of 28 ESG-related issues
<ul style="list-style-type: none"> • Online survey sent to stakeholders including employees, customers, suppliers, shareholders and investors 		<ul style="list-style-type: none"> • Prioritised 16 material issues based on survey data
<ul style="list-style-type: none"> • Development of a materiality matrix based on survey results • Approval of most material issues by the ESG Working Group 		<ul style="list-style-type: none"> • Validated list of ESG-related material issues

Environmental, Social and Governance Report

Materiality Matrix

As shown in the materiality matrix below, we have mapped out and prioritised the 28 sustainability issues according to their importance to stakeholders (y-axis) and their importance to our business continuity and development (x-axis). These rankings are based on the aggregated scores garnered from both internal and external stakeholders via an online questionnaire. The materiality matrix reflects the relevance of the sustainability issues to Meitu, as well as their overall importance to the environment and society as perceived by the Group and our stakeholders. The most material issues are listed in Tier 1 of the matrix, while less material issues are listed in Tier 3. During the Reporting Period, a total of 16 issues from Tier 1 were identified as the most material issues and will be emphasised in this Report.

Materiality Matrix



Importance to stakeholders is determined by external stakeholders' rating of the material issues in terms of their importance to society and the environment and their relevance to Meitu.

^ Importance to business continuity and development is determined by internal stakeholders' rating of the likelihood and level of potential impact of the issues affecting Meitu's business continuity and development.

Environmental, Social and Governance Report

ESG Priorities	Issues
Social	<ul style="list-style-type: none">1 Talent Attraction, Development and Retention2 Employee Compensations and Benefits3 Diversity, Equity and Inclusion4 Employee Rights and Labour Practices5 Occupational Health and Safety6 Customer Service and Experience7 AI and Technology-powered Digital Inclusion8 Promoting Cultural Aesthetics through AI9 Empowering the Growth of Small and Micro Enterprises (SMEs)10 Advancing Digital Applications in Education and Agriculture11 Sustainable Innovation12 Supporting the Digitalisation of the Real Economy13 Community Engagement and Philanthropy
Governance	<ul style="list-style-type: none">14 Business Ethics and Anti-corruption15 Anti-monopoly16 Data Privacy and Cybersecurity17 AI Ethics and Governance18 Risk Management19 Corporate Governance20 Protection of Intellectual Property Rights21 Sustainable Supply Chain Management
Environmental	<ul style="list-style-type: none">22 Energy Management and Carbon Emissions23 Climate Resilience24 Waste Management25 Water Management26 Green Procurement27 Opportunities in Clean Technology28 Nature and Biodiversity

Environmental, Social and Governance Report

1. SOCIAL

At Meitu, social value creation is inseparable from technological innovation. As AI continues to redefine how people create, communicate and connect, we recognise our responsibility to ensure that innovation advances human potential, strengthens digital trust and delivers inclusive opportunities across communities.

1.1 Technology

1.2 People

1.3 Community

Alignment with UNSDGs



1.1 Technology

We develop high-performance, vertical-specific products that empower creators to achieve world-class visual results. By continuously investing in R&D, we enhance our engineering capabilities, enabling sophisticated photo and video effects tailored to vertical creative applications. Our deep understanding of user aesthetics and emerging industry trends ensures that every feature anticipates and meets the evolving demands of professional and enthusiast users alike. AI and digital technologies are at the heart of our product development, powering advanced editing capabilities, refined retouching tools, and enhanced creative productivity. Through these innovations, we improve the user experience while providing inclusive access to cutting-edge digital tools that redefine visual storytelling.

During the Reporting Period, there were no material complaints⁽¹⁰⁾ (2024: nil) in relation to products and services. We are committed to implementing responsible business practices and complying with applicable laws and regulations in relation to health and safety, advertising, labelling and privacy matters related to products and services across our operating jurisdictions, including but not limited to the Cybersecurity Law of the the People's Republic of China (the "PRC") and the E-commerce Law of the PRC. We were not aware of any material non-compliance with relevant laws and regulations during the Reporting Period.

(10) Material complaints refer to complaints that have long-term material impacts on our users and customers or resulting from the failure to meet the agreed product and service requirements.

Environmental, Social and Governance Report

AI-DRIVEN DIGITAL EMPOWERMENT Innovation

Driving Industry Innovation through AI-Enabled Design Ecosystems

During the Reporting Period, Meitu strengthened its leadership in digital creativity by advancing industry dialogue on the integration of artificial intelligence and professional design. At *ZCOOL* Design Week in Beijing, themed “Super Designer in the AI Era”, Meitu released the Super Designer in the AI Era Research Handbook, outlining five key “AI + Design” trends, including the evolution of AI from an assistive tool to a collaborative creative partner and the expansion of designers’ roles from visual design to end-to-end product development. These insights provided strategic direction for the creative industry amid rapid technological transformation.



ZCOOL has served 18 million creative professionals with copyright solutions and visual marketing services. Building on this ecosystem, Meitu launched *ZCOOL* Design Agent, an AI-powered tool designed for professional creators. Integrated directly with *ZCOOL* Community, the tool enables users to build, share and reuse AI workflows across multiple styles and languages, fostering peer knowledge exchange, reducing repetitive manual work and democratising advanced design capabilities.

Innovation outcomes were highlighted through the 2025 *ZCOOL* Top 100 Design List, where approximately 70% of recognised projects combined design with technology, underscoring AI’s growing role in creative and commercial applications. Through open nominations and data-driven evaluation, the programme reinforced Meitu’s role in elevating industry standards and recognising forward-looking practices with strong social and commercial value.

Through continued investment in AI technology, creator platforms and industry research, Meitu is empowering individual creators with “team-level” capabilities, lowering barriers to advanced design, and supporting the evolution of creative professions. These initiatives reinforce Meitu’s commitment to leveraging technology as a catalyst for sustainable innovation and long-term value creation across the global digital creative ecosystem.

Cultural Preservation

Digital technology plays an increasingly important role in showcasing and revitalising cultural aesthetics. By leveraging AI and creative technologies, traditional culture can be re-imagined in engaging, interactive, and globally accessible formats, enabling users to experience its beauty in everyday digital scenarios.

Through digital exploration of traditional patterns, colours, and makeup, users can engage with cultural aesthetics in an immersive virtual space. AI-powered visual tools further enable users to try on traditional attire, fostering cross-cultural appreciation. In addition, traditional festivals are brought to life through AI filters and themed stickers, allowing users to experience, share, and celebrate cultural traditions on social media platforms. By integrating cultural elements into digital creativity and social expression, Meitu continues to promote the inheritance of Chinese traditional culture on a global scale, creating meaningful and lasting cultural impact.

Environmental, Social and Governance Report

Digital Technologies Revitalising Traditional Chinese Patterns

In collaboration with Xinjiang University's Cultural Development Research Centre, Meitu digitised traditional motifs, including geometric forms, animal totems, and Silk Road-inspired immersive experience programmes using Augmented Reality ("AR") and Virtual Reality ("VR"). This initiative allows users to seamlessly integrate cultural heritage into visual storytelling, generating over 200 million engagements and making intangible history relevant to modern creators.



Cross-disciplinary Collaboration with the Fashion Industry

At events such as Beijing Fashion Week, Meitu combined AI-powered portrait technology with AR stickers and filters to reinterpret classic Chinese motifs such as floral scrolls and lion dance totems into modern, runway-inspired visuals. Since 2022, National Patterns Project has engaged 300 heritage practitioners, illustrators, and AI designers, resulting in more than 180 million interactions, thereby democratising access to cultural styling while celebrating heritage in a contemporary context.



Digitalisation of Traditional Attires

During the Reporting Period, *BeautyCam* launched "AI Wardrobe", a culturally inspired feature designed to bring Chinese aesthetics to global audiences. Partnering with a regional culture and tourism authority, Meitu launched an AI costume experience showcasing traditional attire from 12 ethnic groups. Through AI-powered outfit transformations, users explored the beauty and heritage of these costumes in an immersive digital environment, producing approximately 300,000 effect creations and demonstrating AI's potential as a tool for cultural storytelling and global dissemination.



Environmental, Social and Governance Report

Youth Talent Enlightenment

Meitu believes that youth enlightenment is essential to nurturing the next generation of digital creative talent and accelerating the integration of AI into real-world creative workflows. By bringing real-world AI tools into campus learning environments, we aim to help university students build practical digital capabilities, strengthen creative confidence, and better understand evolving market standards and professional expectations.

AI for Education – Nurturing Future Talents in Design

During the Reporting Period, *Designkit* partnered with the School of Humanities and Communication at Xiamen University Tan Kah Kee College to establish a teaching, internship, and practice base. The collaboration focused on integrating AI design tools into the curriculum and daily instruction, allowing students to acquire hands-on experience in material design, content marketing, and brand ideation.

Faculty worked closely with *Designkit* to co-develop courses and demonstrate AI-enabled creative workflows in real time. This approach enhanced student engagement, accelerated learning, and fostered digital fluency, creative confidence, and a collaborative co-creation mindset, preparing students to meet professional design standards.

Assisting in the Cultivation of Digital Design Talents in the Industry

Designkit also supported the School of Journalism and Communication at Minjiang University for the “Algorithm · Project · Creation” final project exhibition. Serving as the core enabling platform for the initiative, *Designkit* provided “AI Agent”, “AI Poster”, and commercial-grade tools to 71 student teams across the 2022-2024 cohorts, helping students overcome creative barriers and rapidly translate ideas into professional outputs.

The exhibition showcased diverse projects including AI-generated videos, cultural posters, timeline infographics, digital sculpting, and 3D-printed IP figures. By combining AI technology with regional culture, the projects received strong recognition from university leaders, faculty, and industry representatives, demonstrating the impact of integrating AI tools into design education and inspiring future-ready creative talent.



Environmental, Social and Governance Report

Accessibility

Assisting the Silver Generation in Enjoying a Convenient and Inclusive Digital Life

During the Reporting Period, *the Meitu app* advanced its age-friendly public welfare initiative to help the silver generation bridge the digital divide. In partnership with a charitable foundation, Meitu delivered “Digital Life” courses at a community civic centre, providing practical training for users aged 50 and above on smartphone use, photography and image editing.

Leveraging our intuitive design and accessible features, participants learned photo retouching, creative AI tools and everyday digital skills. Interactive experiences such as AI-powered photo colourisation helped restore cherished memories while building confidence and digital literacy. Participant feedback highlighted improved ability to connect with family, access information and share daily moments online. We will continue to enhance inclusive product design and expand community partnerships, supporting older users in embracing a safer, easier and more engaging digital life.

Supporting Disability-Inclusive Creation and Entrepreneurship

We are committed to empowering creators with disabilities by providing a practical path toward employment and digital entrepreneurship. Recognising barriers such as mobility constraints, skills mismatches and limited access to resources, we focus on short-form video as a flexible, low-barrier avenue to build livelihoods.

During the Reporting Period, *Kaipai* was featured on a provincial disability employment and entrepreneurship online service platform as a public vocational training course. Through combining hands-on training and outcomes-based coaching with accessibility-first tools, such as “*AI Prompter*”, “*Smart Cut*” and “*AI Template*”, over 200 learners with disabilities were enabled to transcend technical hurdles, develop personal brands and transform skills into a sustainable source of income.

Environmental, Social and Governance Report

CUSTOMER EXPERIENCE

Customer Services

Meitu places significant emphasis on listening to users, recognising feedback as a key driver of continuous improvement. To ensure exceptional customer service, we have implemented a range of initiatives designed to enhance responsiveness, reliability, and user satisfaction.



Standardised user feedback handling procedures

- Established unified and well-defined processes and service standards to ensure user feedback from all channels is handled consistently in accordance with the same service workflows and criteria, protecting customers' rights and interests and maintaining an average response time of under one minute for in-app online enquiries
- Collected and addressed user feedback and complaints in a timely manner through multiple channels, including WeChat groups and telephone hotlines, to ensure a prompt response and effective resolution



Consistent service delivery by customer service personnel

- Implemented systematic training management, from onboarding programmes for new employees to ongoing capability-building for in-service staff, combined with robust internal quality management processes, to ensure the effective execution of established procedures and standards



Addressing rights infringement issues

- Formulated "Rights Dispute Complaint Handling Rules" to handle cases of rights infringements related to portrait, reputation, honour, name and privacy on our products

In parallel, we have established a standardised customer complaint handling mechanism to systematically convert user feedback into actionable improvements. This mechanism integrates prompt issue identification, structured resolution processes, and follow-up evaluations to ensure feedback drives measurable enhancements in the customer experience.



Omnichannel intake and process-driven handling

- Provided convenient multi-channel feedback mechanisms, including a hotline, in-app and email support, Meitu offers both intelligent self-service options and professional customer service in over 10 languages. Customer complaints are assigned to dedicated specialists for end-to-end coordination, timely follow-up, and case closure, ensuring efficient and responsive resolution



Root cause analysis and continuous improvement

- Conducted regular complaint reviews and analysed data to uncover root causes, develop targeted improvement plans, and implement them to ensure ongoing enhancements across products, services, and operational processes



Measuring customer satisfaction

- Conducted customer satisfaction questionnaires regularly by inviting users to participate in interviews and surveys designed to capture their opinions and suggestions for our continual improvement

During the Reporting Period, the Group achieved a customer satisfaction rate of 91%, reflecting our commitment to delivering high-quality, responsive, and user-focused service.

Environmental, Social and Governance Report

Product Quality, Health and Safety

The Group is dedicated to upholding its obligations as an Internet enterprise that extensively utilises AI-driven image and video processing technologies and fosters a vibrant social community. We are committed to safeguarding the product quality, health and safety of our core products, ensuring their compliance with international, national and industry regulations. We have implemented a comprehensive set of measures during product development and operations to ensure that users can enjoy high-quality products safely. These measures include strict content regulations, robust data privacy protection, and cybersecurity management that prohibit material violations of national laws or industry standards. Content involving voyeurism, gambling, drug use, fraud, religious and ethnic discrimination, violence, animal abuse, or sexually explicit material is strictly forbidden on our core products.

For more details on our AI safety practices, please refer to the "AI Ethics" section.

Creating an Age-Appropriate Digital Environment for Minors

The Internet presents minors with significant opportunities for learning, creativity, and social engagement. Meitu is committed to creating a safe, age-appropriate, and positive digital environment that supports the healthy development and well-being of young users.

We place strong emphasis on the protection of minors' rights and online safety, and comply with applicable laws and regulations, including the Provisions on the Cyber Protection of Children's Personal Information and the Law of the PRC on the Protection of Minors. In our operating regions, we closely monitor regulatory developments and continuously align our practices to ensure effective protection for minor users in the jurisdictions.

Through robust content governance and platform safeguards, we actively prevent minors from accessing harmful or inappropriate content, including pornography, violence, self-harm, cyberbullying, and sexual harassment. By strengthening protective measures across our products and services, Meitu aims to provide minors with a secure digital space where they can explore, learn, and express creativity safely and responsibly.

Environmental, Social and Governance Report

Age-Appropriate Content and Conduct

Meitu is committed to fostering a safe, age-appropriate, and positive digital environment for minors. Beyond implementing comprehensive safety safeguards, we place strong emphasis on aligning recommended content, product features, and user conduct mechanisms with the developmental needs of minors, so as to support healthy digital literacy, positive usage habits, and the overall well-being of younger generation.

1. *Protection Mechanisms for Minors*

Meitu has established and implemented dedicated protection mechanisms for minor users in its products. These measures are designed to support an age-appropriate digital environment and include, but are not limited to, screen time management, controls over access to certain functions and spending limits.



2. *Age-Appropriate Advertising Content for Minors*

Meitu applies advertising and content safeguards designed to restrict the dissemination of material that may be detrimental to minors' physical or mental well-being. In accordance with applicable requirements, the Group prohibits the publication of certain categories of advertising on websites, webpages and internet applications directed at minors. Together, these safeguards help limit exposure to inappropriate material and support a healthy, safe and secure digital environment.



For more details on our advertising practices, please refer to the "Fulfilling the Advertising Responsibilities of the Internet Platform" section.

3. *Protection of Minors' Personal Information*

Meitu has established the "Rules on the Protection of Minors' Personal Information" as an integral part of its "Privacy Policy" to safeguard the personal information of minor users. In accordance with applicable laws and regulations, minors' personal information is collected and processed only with guardian consent and is limited to what is necessary for service provision. Meitu implements enhanced safeguards to protect minors' privacy and data security, including measures relating to secure storage, restricted sharing and disclosure, and mechanisms through which guardians may access, correct or delete relevant personal information.



Environmental, Social and Governance Report

1.2 People

Employees form the foundation of Meitu's success, and we place their well-being at the centre of our organisational culture. We are dedicated to cultivating a supportive, harmonious workplace while ensuring that employee rights and benefits are fully protected. Central to our values is the prioritisation of employee rights and benefits, we adhere to employment and labour-related laws and regulations across all jurisdictions where our business operates.

Our Employee Handbook and other human resources policies also specify compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, as well as other welfare and benefits to safeguard the rights of our employees. During the Reporting Period, we were not aware of any material non-compliance of relevant employment and labour-related laws and regulations.

DIVERSITY, EQUITY AND INCLUSION

Meitu is committed to fostering a people-centric, diverse, and inclusive workplace by establishing fair and transparent mechanisms across recruitment, compensation, welfare, training, and career development, while strictly opposing all forms of discrimination.

Fair employer

Guided by long-term human capital development philosophy, we are committed to attracting, developing, and retaining diverse, high-quality talent while continuously enhancing workforce capabilities to support our global strategy.

Meitu advocates diversity and upholds the principles of fairness, diversity, and the prohibition of discrimination in any form across all aspects of labour practices, including but not limited to recruitment, remuneration and benefits determination, promotions, training, and dismissals. We have established a comprehensive talent management framework covering recruitment, development, and employee engagement. We provide equal opportunities, ensuring that potential candidates or incumbent employees are not discriminated against or deprived of opportunities due to their age, gender, family status, sexual orientation, disability, ethnicity and religion. When selecting suitable candidates, we focus on their qualifications, work experience and personal abilities.

The Group has zero tolerance for child and forced labour at every stage of the recruitment process. Applicants' identification documents, relevant certificates and work experience are carefully reviewed during recruitment, and professional third-party background check providers are engaged to verify candidates' personal information, including age, to ensure compliance with legal working requirements. If any child labour is identified at the workplace, we will immediately escort them out of the workplace, terminate their labour relationship, and investigate the incident. Remedial measures will be implemented to prevent the recurrence of similar events. Moreover, to avoid forced labour, we have developed an "Employee Handbook" and other policies which detail our terms and conditions regarding overtime pay, dismissal procedures, compensation, working hours and rest periods etc. Our Human Resources Department conducts regular reviews of employment practices to ensure the effectiveness of our existing measures against child and forced labour. During the Reporting Period, we were not aware of any material non-compliance with the Labour Law of the PRC, Labour Contract Law of the PRC, Interim Provisions on Wage Payment, Social Insurance Law of the PRC, and other applicable laws and regulations in relation to child and forced labour in the jurisdictions where we operate.

HR Excellence – 2025 Sirius Awards

During the Reporting Period, Meitu was honoured with the 2025 Sirius Awards – Best Employer Brand Award for Global Companies, recognising our innovative HR practices and employer branding. The award highlights our structured HR frameworks, standardised recruitment processes, and succession planning strategies that ensure fair and professional talent management.

Environmental, Social and Governance Report

Employee Engagement and Inclusion

Guided by the “Anti-Employment Discrimination Measures”, Meitu prohibits discrimination based on nationality, race, skin colour, gender, age, religion, disability, health status, household registration or other personal attributes, and provides equal opportunities throughout the recruitment process. For more details, please refer to the “Talent Development” section.

We support employees across different life stages through a comprehensive welfare framework, including maternity, paternity and breastfeeding leave, as well as nursing and childcare leave. We ensure compliance with applicable labour and equality laws, including the Regulations on Employment of the Disabled and the Law of the PRC on the Protection of Rights and Interests of Women, as well as corresponding laws and regulations applicable to the countries and regions where we operate.

We also continue to enhance accessibility and inclusiveness by providing barrier-free facilities, such as accessible restrooms, to ensure convenience and dignity for employees with physical disabilities. Through these measures, Meitu aims to create an equitable, respectful, and collaborative working environment where employees can thrive and grow together with the Company.

We are committed to fostering a diverse and inclusive workplace that empowers talent of all backgrounds. During the Reporting Period, female employees represented 36.8% of our management team, reflecting our continued efforts to cultivate gender diversity in leadership pipelines and advance fairness and equity. We will continue to explore initiatives that encourage female participation in career development programmes and enhance their contributions to our business innovation and management decision-making processes.

Family-friendly and Female Support

Meitu is committed to fostering a family-friendly and supportive workplace for female employees. We have established dedicated nursing rooms and continue to upgrade related facilities, including the installation of sterilisation cabinets, privacy curtains, and more comfortable seating. We also provide prenatal examination leave, maternity leave, nursing leave, paternity leave, and flexible working arrangements, supporting employees in balancing work responsibilities with family and caregiving needs. In addition, Meitu maintains open pathways for employees returning to the workplace after career breaks due to childbirth, reflecting our commitment to inclusivity and long-term career support.



Health and Wellness Support

Meitu places strong emphasis on supporting employees’ physical and mental well-being through a comprehensive health and wellness framework. We provide access to workplace fitness facilities, organise a variety of sports clubs and activities, and offer professional fitness guidance as well as regular health check-ups to encourage active lifestyles. Moreover, Meitu implements holistic well-being initiatives through employee engagement activities, seasonal care programmes, and health-oriented benefits, fostering a positive workplace culture that enhances overall well-being, team cohesion, and organisational resilience.



Environmental, Social and Governance Report

Organisation and Culture Development

Meitu continues to strengthen its organisational capabilities and workplace culture to remain agile and competitive in the AI era. We promote more efficient and collaborative ways of working by streamlining processes, shortening decision-making chains, and encouraging cross-functional co-creation, enabling teams to iterate faster and respond more effectively to market changes.

We are advancing “AI-native” practices by embedding AI tools into core workflows across R&D, design and operations, supporting employees in becoming multi-skilled contributors while enhancing productivity and accelerating innovation. In parallel, we have refreshed our corporate values to provide a shared behavioural framework across teams and regions.

To support cultural development and capability building, we operate internal learning initiatives such as Meitu Spark, alongside regular employee feedback mechanisms. Together, these efforts foster continuous learning, open communication and mutual trust, strengthening organisational resilience, enhancing collaboration and empowering employees to grow alongside the Company in the AI-driven creative economy.

Employee Communication

Meitu is committed to fostering an open, equitable, and transparent communication environment that encourages employees to express their views and participate in organisational development. Guided by the “Corporate Culture Management System” and related internal policies, Meitu provides multiple channels for employees to share opinions, suggestions, and concerns, ensuring that employee voices are heard and valued.

Employees may submit feedback through written submissions, instant messaging tools, internal applications, dedicated reporting hotlines, or email, on a named, anonymous, or confidential basis. The administrative function is responsible for the systematic collection, review, coordination, follow-up, and documentation of employee feedback, and works with relevant departments to develop and implement improvement measures, track outcomes, and provide timely feedback.

To facilitate everyday communication and idea exchange, Meitu maintains dedicated internal platforms, including the “Meitu Experience Expert” community, one of the company’s internal Q&A forums. This vibrant space enables employees to communicate openly, share knowledge, exchange practical experiences, discuss product features, and propose suggestions or improvements, all aimed at enhancing customer experience and delivering greater value to users. In addition, Meitu systematically collects employee insights through structured channels, such as the annual training needs survey. These inputs directly inform talent development strategies, management improvements, and ongoing enhancements to the overall employee experience.

Launch of Meitu’s First Employee Satisfaction Survey

During the Reporting Period, we conducted our first company-wide employee satisfaction survey, independently administered by a third-party institution with strict anonymised data handling to encourage candid feedback. The survey covered core dimensions including corporate strategy, culture, organisational capability, talent development and employee engagement, and received responses from more than 1,300 employees.

According to the survey results, our employee engagement rate outperformed the 2025 internet industry average, underscoring strong alignment and commitment within our workplace. In response to identified improvement areas, we have initiated targeted programs to drive continuous organisational evolution and foster a fair, efficient and growth-oriented workplace. We will continue to conduct the survey annually to monitor employee sentiment and inform ongoing workplace improvements.

Environmental, Social and Governance Report

Employee Appeal Mechanism and Anti-Fraud Reporting

We maintain dedicated HR appeal channels and an escalation process covering performance appraisal disputes and disagreements related to roles or responsibilities adjustments.

- *Employee Appeal Mechanism:*

For performance appeals, employees are encouraged to first discuss concerns with their direct and skip-level managers. If unresolved, employees may submit a written appeal to the Human Resources Business Partner (“HRBP”) within three working days of receiving feedback and the HRBP will respond within five working days. If concerns persist, the case will be escalated to a Performance Appeal Committee comprising the labour union, the HRBP head, Centre of Expertise (“COE”) and heads of functional units. The Committee will verify the evidence, facilitate communication and issue a final, binding decision within five working days.

For appeals related to role or responsibility adjustments, employees should first raise the matter with their manager. If no agreement is reached, employees may submit an appeal to the Company labour union. The labour union committee will assess whether the assigned tasks or responsibilities are reasonable; if deemed unreasonable, the manager will revise the arrangement, and if deemed reasonable, the employee is expected to comply with the work arrangement.

- *Anti-Fraud Reporting:*

In accordance with our “Anti-Fraud and Whistleblowing Policy”, employees are encouraged to report suspected violations anonymously or with their names. These cases will be independently investigated by the Internal Control Department. For more details, please refer to the “Anti-corruption and Whistleblowing” section in this report.

TALENT DEVELOPMENT

Structured Talent Pipeline and Succession Planning Strategy

Strategic Talent Recruitment

Meitu is committed to fairness and professionalism in recruitment, striving to provide equal employment opportunities for outstanding talent. Building on our domestic talent pipeline, we are strengthening overseas recruitment and global and youth talent development.

During the Reporting Period, we further expanded our international recruitment channels and established diversified recruitment channels covering campus and experienced hiring, employee referrals, internships, and school-enterprise collaboration programmes, ensuring broad access to diverse talent pools and supporting our long-term talent mobility and development strategy.

Global Talent Attraction – LinkedIn Global Talent Magnet Employer Award

During the Reporting Period, Meitu received the LinkedIn Global Talent Magnet Employer Award, recognising our ability to attract and engage global talent and youth talent through international recruitment initiatives and structured talent development programmes.

The award reflects our ongoing efforts to expand talent mobility, provide growth opportunities, and build a strong global talent pipeline. By connecting with emerging professionals worldwide, we continue to position Meitu as a preferred employer for top talent while supporting their career development and overall wellness and health.

To ensure fairness and quality throughout the hiring process, we standardise the recruitment processes to improve efficiency and hiring quality, manage employment risks, and ensure a consistent and positive candidate experience. In accordance with the “Recruitment Handbook”, our recruitment philosophy emphasises role-talent fit, equity and respect, and skills-based assessment, prioritising candidates’ professional capabilities and growth potential while recognising individual differences.

Environmental, Social and Governance Report

Talent Recruitment Programmes

To support sustainable global talent development, we have established a structured suite of recruitment programmes designed to attract and cultivate youth talent. Through targeted initiatives, we continue to engage outstanding candidates and build a strong foundation for our long-term growth.

Campus Ambassador Programme

- Campus brand promotion and student engagement
- Collaboration with university student communities
- Early identification of high potential students

Internship Programme

- Internship opportunities providing hands-on industry experience
- Practical exposure to business operations and technology development

MT Lab Graduate Trainee Programme

- Graduate positions available across multiple cities, supporting young talent in preparing for careers in the technology industry
- Structured training and career development for graduates
- Rotational learning and professional capability development

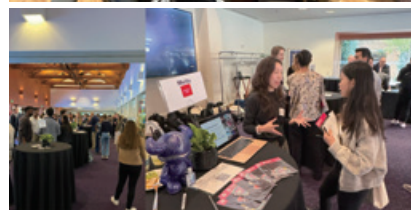
University-Enterprise Collaboration

- Career guidance programmes with universities in China and overseas
- University-enterprise competitions and innovation initiatives
- Educational resource support and industry practice opportunities

Engaging Global Talent: University Outreach and Networking Initiatives

During the Reporting Period, we participated in university outreach and networking initiatives, including the Stanford Employer Networking Event and Tsinghua International Student Exchange Event, engaging with a diverse group of talented students to introduce our company and explore future career opportunities.

The event series provided valuable platforms for us to strengthen our global talent outreach and build connections with emerging professionals from diverse academic and cultural backgrounds. Looking ahead, we look forward to deepening our engagement with leading universities and sharing more internship and career opportunities with outstanding students.



Environmental, Social and Governance Report

Attracting Youth Talent: University Partnerships

Meitu connected with students and faculty through the Advanced Media and Communication (“AMC”) programme at Hong Kong University of Science and Technology (“HKUST”). The interactive sessions provided students with real-world experience, while Meitu connected with youth talent and emerging professionals. This partnership supports early career growth and strengthens a pipeline of skilled young talent, contributing to Meitu’s long-term talent development strategy.



Environmental, Social and Governance Report

Talent Mobility and Leadership Pipeline

We believe that our sustainable business development and ongoing success are deeply rooted in the invaluable contributions of our employees. Meitu is dedicated to nurturing talent and investing in our employees accordingly. We have created a comprehensive training system which provides employees with ample internal and external training opportunities. Through training, we aim to enrich our employees' professional knowledge and enable them to apply their enhanced skillsets as well as the latest technology to product development and daily operations.

Meitu fosters a culture of learning-by-doing, where business practice continuously feeds knowledge accumulation. Through internal sharing, technical case studies, and structured training pathways, employees are encouraged to translate hands-on experience into reusable expertise. This virtuous cycle strengthens organisational capability, accelerates innovation, and supports Meitu's transformation toward an AI-native, globally oriented organisation.

Female managers actively participate across leadership programmes, and employees returning from career breaks are supported through existing reintegration mechanisms, reflecting our commitment to inclusive development.

Meitu Training Framework

	Onboarding and Early Career Training	Professional Competency Training	Leadership Training
Curriculum	<ul style="list-style-type: none"> Corporate and team onboarding MT Lab Graduate Trainee Programme (for campus hires) Role-specific onboarding (tools, workflows, imaging and video basics) Mandatory online onboarding courses 	<ul style="list-style-type: none"> Technical upskilling (AI coding, image/video processing, algorithm engineering) Global capability development Visual aesthetics Professional skills by function 	<ul style="list-style-type: none"> Junior Management: Management capabilities and foundational leadership development Mid-level Management: Strategic decision-making and advanced management effectiveness Senior Management: Executive leadership coaching and facilitation workshops
Flagship Programmes	<ul style="list-style-type: none"> 2025 MT Lab Campus Graduate onboarding and Training program Buddy/mentor onboarding mechanism 	<ul style="list-style-type: none"> Meitu Global Lecture Series Live for Visual Training Series Front-end Technical Salons and Sharing Sessions 	<ul style="list-style-type: none"> Junior leadership development: Spark Programme Mid-level leadership development: Glow Programme Senior leadership development: Illuminate Programme

Environmental, Social and Governance Report

Onboarding and Early Career Training

Meitu has established a structured onboarding and coaching framework to support the seamless integration and capability development of new employees. Through an onboarding journey, combining online learning, one-to-one coaching and regular probation reviews, we support new hires in integrating efficiently, clarify role expectations and build the professional capabilities needed for long-term development.

General Onboarding Training

New Employee Orientation

- MT Lab Graduate Trainee Programme for graduate recruits
- Training modules covering corporate orientation, internal platforms, imaging and video fundamentals, visual algorithms, intellectual property awareness, and risk management
- Introduction to Meitu's culture and foundational job skills to support smooth workplace integration

AI-related Training

- Introductory training on AI-assisted programming, including why AI-assisted coding matters and key tools/services
- Practical case studies using Meitu AI technologies to improve workflow and R&D efficiency
- Hands-on exercises to strengthen algorithm implementation skills and understanding of Meitu's imaging and video solutions

Mentor Programme

- Buddy-based mentoring system for all new employees
- In-depth discussions with mentors to understand role requirements and individual development goals
- Joint development of onboarding and integration plans
- Regular follow-up communication and guidance to support professional development and strengthen role readiness

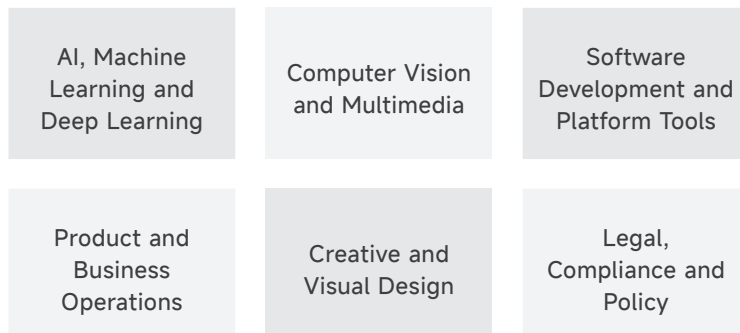
Role-Specific Onboarding

In addition, each department develops tailored onboarding programmes aligned with its specific business needs. These programmes provide new employees with structured departmental training, covering business overviews and role-specific skills development, enabling them to quickly familiarise themselves with operational processes, clarify their career development paths, and smoothly integrate into the workplace.

Professional Competency Training

Meitu Learning Ecosystem

Meitu delivers tailored development programmes, workshops and training initiatives across career tracks, focusing on technical expertise, innovation, and practical business skills. These programmes help employees enhance their professional capabilities, deepen functional knowledge and prepare for advancement into senior roles. Key areas include, but are not limited to:



These programmes are designed to foster professional growth, cross-functional collaboration, and leadership readiness, equipping employees with the skills and knowledge required to thrive in a rapidly evolving technology and creative landscape.

Environmental, Social and Governance Report

Building an AI-Enabled Learning Ecosystem

Meitu continues to strengthen its blended learning ecosystem through a combination of in-person training, online courses and practical workshops. During the Reporting Period, company-wide learning focused on three core capability pillars, globalisation, imaging aesthetics and management excellence, complemented by department-level programmes aligned with business needs, including MT Lab graduate onboarding and internal technical salons.

Key courses covered AI-assisted programming, image and video fundamentals, deep generative models, full-stack image services, algorithm engineering, intellectual property protection and risk management, enabling employees to build end-to-end technical and product capabilities. Training was delivered primarily through offline classes and live online sessions, with systematic learning records maintained.

To support continuous development, we launched flagship initiatives such as the Meitu Global Lecture Series, Live for Visual Training Series, and structured leadership programmes across all management levels (“Illuminate, Glow and Spark” programmes). During the Reporting Period, we also collaborated with external institutions to co-develop 26 training courses.



Globalisation

To support the Group’s global business expansion, we strengthened employees’ language capabilities and cross-cultural communication skills through targeted English training initiatives. The Global Lecture Series offers English training workshops to all employees, helping to foster an open, inclusive and internationally minded workplace culture.



Imaging Aesthetics

To further strengthen employees’ capabilities in imaging aesthetics, the Group organises the Live for Visual Training Series for all employees. The sessions covered topics such as diversity and inclusion (D&I) aesthetics, the artistic philosophy of cheongsam, and Western cinematic aesthetics. Through these initiatives, the Group continued to foster creative capabilities and deepen employees’ understanding of visual expression and imaging culture.



Management Excellence

To strengthen management capabilities and execution excellence, the Group provides leadership training programmes tailored to different levels of management. Dedicated initiatives, including the Illuminate, Glow and Spark programmes, focus on strategic execution, talent development and core management capabilities across different management levels. These initiatives help enhance leadership effectiveness and support the development of a high-performing management team.

Advancing Global Talent Mobility and International Capability Development

Meitu is committed to building a systematic global talent mobility mechanism. Through diversified international talent development initiatives, we continuously enhance employees’ cross-cultural perspectives and global competitiveness.

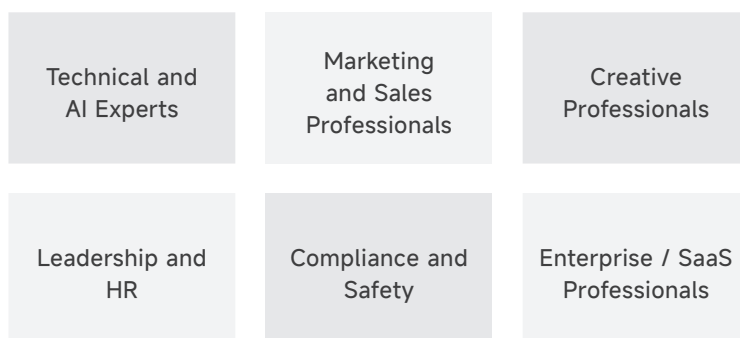
Beyond our international recruitment efforts, we have established a dedicated budget for global market research to gain deeper insights into regional market characteristics and user needs, providing solid support for business decisions. We have also launched global immersive initiatives, including short-term overseas assignments and cross-regional collaboration, to help employees accelerate their global perspective development, deepen their understanding of diverse cultures, and strengthen their ability to serve users worldwide.

At the centre of this strategy is the eXplorer Program, an 18-month programme designed to systematically select, develop, and deploy core talents to overseas markets, such as Silicon Valley, Los Angeles, and Sydney. This programme supports business globalization while establishing a replicable international talent development model and strengthening the talent pipeline for our long-term global strategy.

Environmental, Social and Governance Report

Industry-Led Training

To complement internal programmes, Meitu also invites industry experts, leaders, and external professionals to deliver targeted training sessions. These sessions provide employees with access to cutting-edge knowledge, practical insights, and global best practices, helping them broaden expertise, gain external perspectives, and stay ahead in their fields. Key areas include:



These external initiatives supplement internal training, offering employees broader professional perspectives, networking opportunities, and exposure to best-in-class industry practices, ensuring a well-rounded development experience.

External Collaborations and Talent Partnerships

Meitu partners with educational institutions and external organisations to provide learning resources, workshops, and knowledge-sharing platforms. These collaborations enable the Group to share its leading-edge imaging expertise, exchange ideas, and support industry talent development, fostering collaboration, innovation, and cross-regional learning. Through these professional exchange activities, Meitu showcases its practical experience and insights while promoting knowledge sharing and innovative achievements across the industry.

Kumoo Masterclass

In collaboration with a national media organisation, Meitu hosted the *Kumoo Masterclass*, inviting 45 professional photographers, artists, and enthusiasts. The event reached over 2 million people through livestreaming and media platform promotion. Beyond China, Meitu conducted 9 offline workshops across Vietnam, Thailand, and Africa, engaging 838 participants, and hosted seven livestream sessions in Vietnam and Myanmar, attracting more than 42,000 views.

Kaipai Training Sessions

In 2025, *Kaipai* delivered 33 online and offline training sessions, reaching over 96,000 participants. With more than 60 user support communities established, individual sessions were extended into ongoing, in-depth learning experiences. This ecosystem has benefited professionals across insurance, beauty, healthcare, and e-commerce, helping participants quickly master product functions, improve video marketing efficiency, and drive business growth.

Environmental, Social and Governance Report

Fostering International Exchange and AI Innovation

During the Reporting Period, we welcomed deans and representatives from leading journalism and communication schools across ASEAN countries including Thailand, Singapore, Malaysia, Indonesia, Laos and the Philippines, along with faculty members and students from the School of Journalism and Communication at Xiamen University, to visit our Xiamen headquarters.

Through interactive demonstrations of Meitu's AI-powered features, such as "AI Flashlight", "AI Wardrobe" and "Quality Restoration", the delegation gained insights into our advanced imaging solutions driven by Meitu AI. Our applications also widely adopted across Southeast Asia, consistently ranking among the top apps in regional app stores.

We also exchanged views on AI applications and industry-academia collaboration, reaching a shared vision for advancing AI innovation and cross-regional talent development. Moving forward, Meitu will continue to support international students through internships, workshops and practical projects to help them build skills and gain real-world experience.



In addition, Meitu actively engages in leading industry and academic forums to promote professional exchange and showcase its technological innovation:

APSARA Conference 2025

The APSARA Conference 2025 serves as a professional exchange platform for industry practitioners to explore the latest developments in generative AI. During the forum on AI Video Generation Model and AIGC innovation, Meitu delivered a keynote on the practical deployment of generative AI in imaging and design, sharing its R&D achievements and real-world application experience. Through engagement with technology peers and ecosystem partners, the event strengthened industry collaboration and accelerated the translation of AI innovation into productivity scenarios.



IEEE Conference on Computer Vision and Pattern Recognition ("CVPR")

The IEEE Conference on CVPR provides a global academic platform for researchers to exchange cutting-edge advances in computer vision. Meitu participated by presenting posters for five accepted academic papers, showcasing its leading research capabilities in visual intelligence. Through dialogue with international scholars and industry experts, Meitu further enhanced its technical visibility and strengthened connections with the global research community.

Environmental, Social and Governance Report

VALSE 2025

VALSE 2025 serves as a key knowledge-sharing forum for young scholars in the visual learning field. Meitu established an MT Lab exhibition booth on site, presenting its latest research outcomes to more than 5,900 participants. The event facilitated in-depth technical exchange with emerging researchers and reinforced Meitu's commitment to advancing computer vision innovation and talent engagement.



Through these professional exchange activities, Meitu continues to strengthen industry collaboration, advance technical excellence, and accelerate the practical application of AI innovation.

Internal Innovation Hub

Meitu fosters an open and collaborative innovation culture by integrating employees' creativity with the Company's technology capabilities, data resources, brand strength and talent ecosystem. Through structured internal programmes, including innovation competitions, we encourage employees to explore new ideas, experiment with emerging technologies and contribute to the development of innovative products and solutions.

Innovation Cultivation

Meitu organises internal innovation competitions to stimulate creativity and empower employees to transform ideas into practical solutions using advanced technologies.

During the Reporting Period, Meitu launched its first Meitu Hatch Catch Product Innovation Challenge ("MHC"), a flagship internal programme designed to unlock employee creativity and accelerate AI-driven product innovation. Open to employees across all functions, the initiative enables small, agile teams to leverage AI technologies to develop minimum viable products (MVPs) focused on global image productivity tools and ecosystem solutions, including marketing enablement and intelligent workflows. Winning teams will be rewarded with Meitu's restricted stock units ("RSUs").



We provide end-to-end support throughout the challenge, including innovation funding, computing resources, internal platforms and technical mentorship, enabling teams to rapidly test product-market fit alongside their existing roles. Projects are evaluated on user needs, innovation, execution quality and commercial potential, with top teams advancing to Demo Day and Commercial Showdown stages. Selected projects may receive further funding and be prioritised for integration into Meitu's product roadmap, with original teams leading continued development.

By lowering barriers to experimentation and fostering AI-native product creation, MHC reinforces Meitu's commitment to employee empowerment, cross-functional collaboration and entrepreneurial thinking, strengthening organisational vitality and accelerating innovation in the AI-powered creative economy.

Environmental, Social and Governance Report

AI Studio

During the Reporting Period, Meitu further promoted internal innovation through AI Studio, a platform that connects employees' ideas with the Company's technological and platform capabilities to support the development of new products.

Employees are encouraged to propose product concepts, identify user pain points and explore emerging market opportunities. Each project is led by a "Producer", who is responsible for submitting a proposal to the Innovation Management Committee ("IMC") outlining the project vision, team composition, resource requirements and development roadmap, including market analysis, target user profiles, product planning and business model design.

Leadership Training

In a rapidly evolving global market, Meitu recognises leadership as a critical driver of organisational effectiveness and sustainable growth. We have established a structured, multi-tier leadership development framework to strengthen management capabilities at every career stage and build a strong pipeline of future leaders.

Our leadership system integrates company-wide programmes with role-specific pathways, delivered through blended online and offline learning. During the Reporting Period, we focused on three core capability pillars: management excellence, global readiness and imaging aesthetics.



The Spark Program equips junior managers with foundational leadership skills through practical simulations and management methodology alignment. The Glow Program supports mid-level managers in strengthening strategic execution and talent development, enabling leaders to translate corporate strategy into team and individual objectives. For senior leaders, the Illuminate Program provides executive coaching and leadership workshops for core management teams.

These programmes are complemented by company-wide initiatives such as the Meitu Global Lecture Series, which builds global capabilities through regional design insights, and the Live for Visual Training Series, which enhances visual aesthetics and creative sensibilities. During the Reporting Period, Meitu delivered 26 company-level training courses in collaboration with external institutions, achieving an average satisfaction score of 4.74 out of 5.00.

Through these structured initiatives, Meitu strengthens management effectiveness, supports global expansion, and develops agile leaders who drive innovation and support long-term organisational success.

Environmental, Social and Governance Report

Continuous Learning and Development

Meitu encourages ongoing professional growth by providing a range of learning opportunities. Through a combination of learning needs surveys and personalised development plans, we help employees to enhance their skills and competitiveness.

Training Needs Surveys

Meitu systematically gathers employee insights on training needs through structured channels, such as the annual training needs survey. The feedback collected enables us to continuously review and optimise our learning programmes, ensuring training resources remain relevant and effectively address employees' development needs.

Personalised Development Plans

We create individualised development plans to address specific talent needs. Each plan offers a variety of courses, including general management, team collaboration, and strategic planning, equipping employees with essential knowledge and skills. Additionally, our mentorship programme provides tailored career guidance to support each employee's growth journey.

Career Progression and Promotion

Meitu offers diversified career pathways to help employees leverage their strengths, realise their potential and achieve professional growth. We provide high-quality, continuously updated learning resources to support personal development and long-term career advancement.

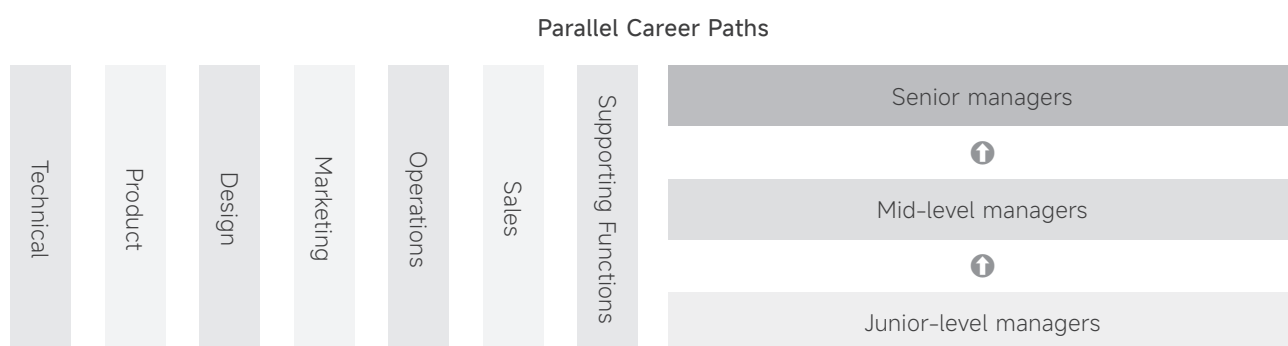
Meitu offers parallel career paths for professional and management staff. Advancement is open to employees who demonstrate the necessary expertise, skills, experience and problem-solving abilities, with progression determined through a formal skills assessment and approval by management.

Meitu supports employees in broadening their experience across different functions and roles. At appropriate career stages, employees may transition between management and technical career pathways, enabling more flexible and diversified career development.

Environmental, Social and Governance Report

Parallel Career Paths

Guided by the “Employee Grading Management System”, Meitu operates parallel career paths for technical professionals and managers. The framework helps employees plan their careers, strengthen professional expertise or management capability, and progress under clear role-grade standards and promotion mechanisms, aligning individual development with Meitu’s business priorities.



Professional Track

Supports employees in deepening domain expertise and advancing through defined job sequences.

- Strengthening professional knowledge, technical skills, and practical experience
- Taking on progressively complex projects and responsibilities
- Clear role-grade standards with transparent development pathways
- Applicable to Technical, Product, Design, Operations, Marketing, Sales, and Supporting functions

Management Track

Enables employees to develop leadership and management capabilities to advance into senior roles.

- Structured progression from managers to directors, vice presidents, and executive leadership
- Defined competency expectations, management scope, and accountability at each level
- Promotion supported by departmental and cross-functional assessments
- Focus on driving business execution, developing teams, and contributing to long-term organisational success

By providing structured pathways for both technical and managerial growth, Meitu builds an industry-aligned talent framework that fosters continuous capability development, fair progression, and shared success between employees and the Group.

Environmental, Social and Governance Report

Talent Mobility: Unlocking Potential and Driving Growth

Meitu operates a structured employee mobility framework to strengthen internal talent circulation, optimise workforce allocation, and support individual career development. Open internal recruitment follows principles of fairness, transparency, and merit, enabling employees to apply for suitable roles based on their skills, performance, and career aspirations. Mobility decisions are guided by business needs and performance outcomes, reinforcing a dynamic “upward, lateral, and flexible” talent mechanism.

Employee movement is managed through personal and organisational mobility pathways:

- **Personal transfers:** Employees can explore internal roles based on availability, performance, tenure, and mutual agreement between sending and receiving teams.
- **Organisational transfers:** Designed to meet business needs while aligning with employees’ capabilities and career plans.

Human Resources, line managers, and receiving teams jointly oversee interviews, qualification reviews, handovers, and post-transfer assessments, ensuring smooth transitions and sustained role effectiveness. Through this systematic mobility process, Meitu unlocks employee potential, broadens career experience, and injects continuous momentum into organisational development.

Performance Appraisal and Incentives

Meitu upholds fairness, objectivity, and development-oriented principles in performance management and employee incentives, ensuring that rewards are closely aligned with individual contributions while supporting employee motivation and retention through clear and rewarding career pathways. We continuously strengthen our career development framework and promotion mechanisms. Performance appraisals are conducted twice a year to assess employees’ achievements and growth. Outstanding employees are promoted in line with their career goals to develop in the management path, management assistant path or the professional path.

To strengthen our talent pipeline, we identify and cultivate high-potential talent through multi-dimensional evaluation mechanisms, including performance assessments, 360° reviews, and regular talent performance assessments, helping clarify development pathways and support long-term talent growth. The Group offers various share schemes, and please refer to “Report of the Directors” section for further details.

Environmental, Social and Governance Report

Talent Pipeline

Meitu implements a 360° review to gather structured feedback on newly joined employees during their probation period. The review collects perspectives from supervisors to assess the employee's sense of responsibility, communication and collaboration capabilities, as well as their effectiveness in cross-departmental coordination and day-to-day work performance. Through this process, we evaluate whether the employee is well-suited to the role and identify areas for further development, supporting a fair, comprehensive and people-centred talent management approach.

In addition, we conduct regular talent performance assessments based on the performance and potential of employees to support long-term talent development and succession planning. Performance reflects the achievements and results over the past year of employees, while potential assesses their capacity for future growth, leadership development and ability to undertake more complex responsibilities. Through this structured evaluation process, management gains a comprehensive view of workforce capabilities, enabling the effective resource allocation, identification and retention of high-potential talent, and the continuous strengthening of the Group's leadership pipeline and organisational resilience.

Performance-driven Management and Incentive Framework

Meitu adopts a performance-driven management and incentive framework designed to align individual contributions with corporate objectives while promoting fairness, transparency, and continuous development. Our organisational performance assessment emphasises achievement orientation, objectivity, growth, and business alignment to strengthen employees' ownership of goals, results-oriented mindset, and long-term value creation.



Performance Management

In accordance with the "Performance Management System", Meitu's performance management is anchored in an OKR-based approach, combining top-down strategic alignment with bottom-up employee initiative. Organisational and individual OKRs are set collaboratively, with objectives designed to be aspirational and key results measurable and outcome focused. Throughout the performance cycle, managers and employees engage in regular coaching, progress reviews, and self-assessments, enabling timely adjustments in response to the changing business needs.



Feedback Communication

Meitu places strong emphasis on ongoing feedback and development. Supervisors conduct formal performance discussions to recognise strengths, identify improvement areas, and support career planning. Employees who require additional support are guided through structured performance improvement plans, while a formal grievance mechanism allows employees to appeal assessment outcomes to HR and relevant committees, ensuring procedural fairness.



Employee Incentives

Meitu operates a performance-oriented reward framework, with appraisal outcomes forming the primary basis for bonus allocation. To support long-term talent retention and shared value creation, we also implement an equity incentive scheme for high-performing employees.

In addition, we encourage technological innovation through a structured patent incentive programme, rewarding employees for invention achievements that enhance product capabilities and user experience. Patent application awards are provided across domestic and overseas filings, reinforcing a culture of innovation while recognising individual contributions to Meitu's intellectual property development.



Together, these incentives align individual performance with organisational growth, motivating employees to drive innovation and support Meitu's sustainable value creation.

Environmental, Social and Governance Report

Equity Incentive Scheme Strengthening Shared Growth

Meitu continued to advance its long-term incentive programme by combining performance-based rewards with company-wide equity participation. Under this programme, each employee will be entitled to receive 1,357 shares in our third round of company-wide equity distribution in recognition of their performance.

By complementing performance-based rewards with broad-based equity participation, Meitu aligns individual contributions with corporate success, strengthens employee engagement, and fosters a culture of ownership that supports sustainable innovation and organisational resilience.



HEALTH AND WELL-BEING

Meitu is committed to fostering a safe, healthy, inclusive, and supportive workplace. Guided by a people-centred approach, we provide comprehensive and meaningful employee benefits to promote well-being, support work-life balance, and accompany employees through key career and life stages, strengthening engagement and a shared sense of belonging across the organisation.

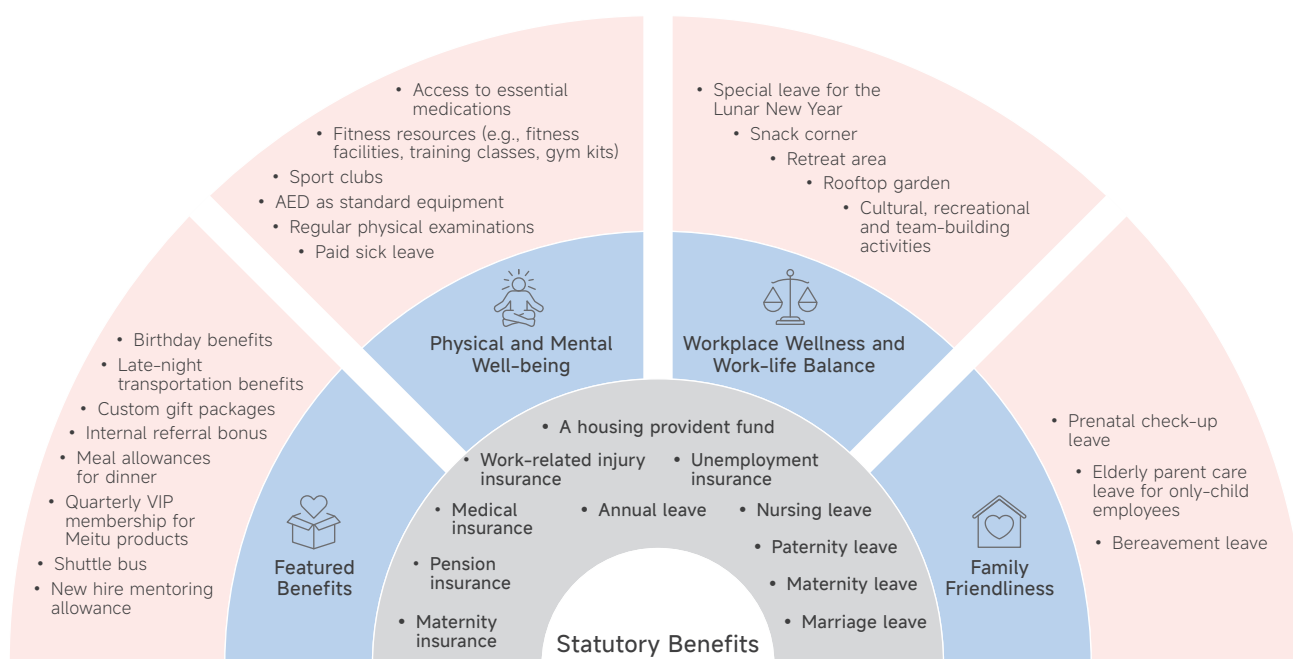
Environmental, Social and Governance Report

Employee Well-being

A Well-Developed Welfare System

Fostering a strong sense of belonging supports talent retention and motivation. Accordingly, Meitu allocates resources strategically and offers competitive remuneration packages, including basic salaries and performance-based bonuses, in compliance with applicable employment laws and regulations, such as the Labour Contract Law of the PRC and the Regulation on Public Holidays for National Annual Festivals and Memorial Days, as well as relevant laws and regulations in all regions where we operate.

The Group regularly reviews and adjusts our packages to align with market levels to ensure the competitiveness of the remuneration packages. We provide social insurance and housing provident fund to employees in the PRC as well as the Mandatory Provident Fund to employees in Hong Kong. Full-time employees are entitled to a range of benefits, including public holiday, statutory holiday, sick leave, wedding leave, maternity leave, paternity leave and compassionate leave. The Group determines the working hours of employees in accordance with relevant regulations and ensure sufficient time for rest. If overtime work is necessary, employees will be compensated with taxi fare subsidies and dinner allowance. Other employee benefits include but are not limited to:



Environmental, Social and Governance Report

International Women's Day Engagement

Meitu organised an International Women's Day engagement programme featuring customised gift sets, flowers, and interactive activities such as a "Wall of Appreciation" to celebrate female employees. The initiative fostered recognition, strengthened a sense of belonging, and reinforced the Group's commitment to gender inclusion and employee well-being.



Mid-Autumn Cultural Experience

Meitu hosted a Mid-Autumn Festival programme combining traditional regional cultural activities with themed dinners and festive gift boxes. By integrating local tea culture and family-sharing mooncakes, the initiative promoted cultural appreciation while extending corporate care to employees' families, strengthening emotional connection and workplace cohesion.



Strengthening Family Bonds Through Children's Day Employee Engagement

To support family-friendly workplace practices, Meitu celebrated Children's Day by providing gift packages to employee families, encouraging parent-child interaction and reinforcing the Group's commitment to work-life balance and inclusive employee support.



Environmental, Social and Governance Report

Advancing Employee Well-being Through Summer Wellness Care Initiatives

Meitu distributed summer care packages including T-shirts, vests, and caps to employees, combining physical protection with a sense of organisational identity. This initiative translated corporate care into everyday practice, supporting employee comfort, health awareness, and overall well-being.



Reinforcing Corporate Values and Creative Culture

During the anniversary month, Meitu launched a series of engagement activities including team photo sessions, AI-powered selfie portraits, and value-driven interactive games to promote its updated corporate values. A parallel employee photography competition encouraged creative expression and reinforced Meitu's "Live for Visual" culture, strengthening team cohesion and innovation mindset.



Support for Work and Life

We greatly value the health and safety of our employees. During the Reporting Period, we were not aware of any material non-compliance with the Law of the PRC on Prevention and Control of Occupational Diseases and the Indoor Air Quality Standard (GB/T 18883-2022), and other applicable laws and regulations in relation to the occupational health and safety of employees. Moreover, we have implemented relevant policies and a range of occupational health and safety measures, such as scheduling regular health checks for employees and conducting regular safety inspections to verify the integrity of fire and safety equipment. Furthermore, regular fire and emergency drills are conducted to enhance employees' awareness and response to emergency situations, such as fires, floods, and electric shocks. We will continue to monitor the implementation of our occupational health and safety measures to promote a safe and healthy workplace.

During the Reporting Period, we did not record any work-related fatalities while there were 176 lost days (2024: 5.5 lost days) due to work injury. Furthermore, the Group did not record any work-related fatalities in each of the past three years including the Reporting Period.

Environmental, Social and Governance Report

Occupational Health and Safety

Occupational Health

Meitu has established an occupational health and safety management framework to minimise workplace risks and enhance employee safety. We regularly organise fire safety and first-aid training across our offices, engaging professional firefighters and emergency responders to strengthen employees' practical emergency skills while fostering a culture of shared safety responsibility.



Working Environment

Meitu continuously optimises its office environments to support employee well-being. Initiatives include increasing indoor greenery, conducting regular water tank cleaning and pest control, and maintaining hygiene standards across workplaces, creating a safe, healthy, and sustainable physical working environment.

Health Management

Meitu promotes employees' physical and mental well-being through accessible fitness facilities across workplaces and a wide range of employee sports clubs, including badminton, basketball, football, and running. We encourage active lifestyles through organised competitions, fitness challenges, and professional coaching sessions, embedding a culture of movement into daily work life. Together with regular health check-ups, and ongoing fitness coaching programmes, these initiatives support holistic employee wellness while strengthening team cohesion and organisational vitality.



Emergency Response

Meitu has established emergency response mechanisms supported by regular fire drills and safety training. Automated External Defibrillators ("AEDs") are installed on designated floors of our offices, alongside emergency operation training, enabling timely response in critical situations and strengthening on-site rescue readiness. To support employees' physical well-being, first-aid kits and essential medicines are provided on every floor of our offices, ensuring prompt access to basic medical needs.

Risk Assessment and Improvement

Meitu adopts a continuous improvement approach to occupational health and safety by reviewing workplace risks, enhancing preventive measures, and refining emergency procedures on an ongoing basis. Through regular training, facility upgrades, and environmental optimisation, we continuously strengthen our safety management practices and workplace resilience.

Environmental, Social and Governance Report

1.3 Community

Meitu is dedicated to driving positive transformations within the communities where we are active. Upholding our commitment to corporate social responsibility, we proactively participate in community initiatives that centre on three key pillars under “Societal Impact through Inclusive AI”: “AI for Agriculture”, “AI for Enterprise” and “AI for Education”. Through harnessing the impact of our brand, flagship products, and platforms, we aspire to support the development of the communities in which we operate and work towards a brighter and more sustainable future together. During the Reporting Period, we launched and supported over 21 community initiatives, with our sustainability-themed stickers and filters achieving a total user exposure of 881.3 million+ times, and we made charitable donations of over RMB80,000 in support of community initiatives.

SOCIETAL IMPACT THROUGH INCLUSIVE AI

Advancing Inclusive AI

AI for Agriculture

Meitu applies AI innovation to empower rural creators and farmers, enabling inclusive access to digital commerce and supporting sustainable income generation through low-threshold content creation tools.

Digital Tools Empowering Rural E-commerce

Meitu is advancing rural digitalisation through AI-powered creative tools that lower barriers to content creation and e-commerce participation. By helping farmers better showcase and market local agricultural products, these initiatives support improved market access and more resilient rural economies. During the Reporting Period, Meitu launched the *Kaipai* AI Agriculture Support Programme, leveraging its “AI writes, AI shoots, AI edits” capabilities to help farmers rapidly produce professional marketing videos.

Designed for users with minimal technical backgrounds, *Kaipai* offers simplified workflows such as “*AI Prompter*”, “*AI Thumbnail*” and “*One-click Packaging*”, significantly improving content quality and production efficiency.

In a local village, residents used *Kaipai* to promote local products such as Liubao tea. Within three months, participating creators gained over 10,000 followers, expanding the visibility of local agricultural products and supporting community income opportunities, driving agricultural sales and inspiring wider rural entrepreneurship.

The initiative was recognised as a 2024-2025 China New E-commerce Development Innovation Case, featured in the China New E-commerce Development Report (2025), highlighting Meitu’s role in translating “AI + rural e-commerce” into practical social value, boosting farmer incomes, supporting entrepreneurship and advancing inclusive digital development.

Environmental, Social and Governance Report

Expanding Rural Economic Potential Through Short-Form Videos

Meitu expanded our short-form video training programmes to empower rural entrepreneurs and content creators with practical digital skills for immediate business impact, supporting entrepreneurship and local livelihoods.

During the Reporting Period, we partnered with the local human resources and social security authority in delivering a short-form video training workshop with *Kaipai*, reaching over 50 participants in agriculture-related businesses. The program received strong recognition from both learners and organisers, resulting in *Kaipai*'s adoption as a regularly designated teaching tool in the local rural entrepreneurship curriculum. Participants highlighted that the AI features, covering "Smart Cut", "AI-assisted Scripting", and "AI Template", enable rapid, high-quality content from any starting point.

Building on the momentum, *Kaipai* served as the core platform for the Rural Culture Communication Influencer Programme, a provincial initiative focused on agriculture and rural development. The programme engaged 100 high-potential creators from 16 cities from Anhui Province, providing end-to-end guidance to overcome creative barriers, increase output, and enhance content quality.

These initiatives lower barriers to digital storytelling, enabling rural entrepreneurs to share their stories, reach broader audiences, and drive sustainable business growth.

AI for Enterprise

Supporting MSMEs through AI-Powered Digitalisation

Leveraging its AI imaging capabilities, Meitu is empowering micro, small and medium-sized enterprises ("MSMEs") to accelerate digital transformation and improve operational efficiency. During the Reporting Period, *Designkit* introduced an AI "E-Commerce Agent" that enables merchants to generate complete sets of product visuals across multiple platforms and markets using simple text prompts. Supporting multi-language, multi-dimension and multi-platform adaptation, the solution helps sellers localise content for different regions while significantly reducing design time and costs.

The platform integrates intelligent image generation, layout optimisation and iterative editing, allowing merchants to refine visuals through "AI Photo Editor", "Layer Editing" and "AI Removal". It also automatically adapts content to the presentation standards and aesthetic preferences of different e-commerce platforms and overseas markets, supporting cross-border sellers in scaling operations more efficiently.

Designkit has cumulatively served over 8.4 million e-commerce merchants by the end of the Reporting Period. Through partnerships with leading e-commerce platforms, *Designkit* delivers end-to-end visual content support, helping businesses enhance product presentation, improve conversion rates and reallocate resources from repetitive production tasks to brand building and growth, demonstrating how AI can serve as a practical driver of productivity for MSMEs.

Environmental, Social and Governance Report

Strengthening Digital Creativity in Enterprise

Kaipai provides enterprise-grade AI tools that simplify short-form video creation, enabling faster production of high-quality content across diverse scenarios, spanning from government communications and corporate branding to education and talent development.

Adopted as the core teaching platform for customised training programmes, *Kaipai* was recognised for its intuitive interface and professional capabilities, supporting public outreach, brand storytelling and multi-scenario content production. During the Reporting Period, customised training programmes were delivered to government agencies, leading state-owned enterprises and established corporates, demonstrating *Kaipai's* ability to democratise AI-enabled video skills, lowering barriers for non-experts while empowering institutions to address diverse content creation scenarios, such as public communications and brand promotion.

AI for Education

Expanding Access to Creative Learning for Global and Youth Talent

Meitu is leveraging AI to make creative education more accessible and inclusive. Building on our AI for Education initiative, which supports the development of global and youth talent, we are extending this impact through new academic partnerships in Southeast Asia.

During the Reporting Period, Meitu initiated a collaboration with LSPR Institute of Communication & Business in Jakarta, providing free access to Meitu products, hands-on training, and jointly launching a Campus Ambassador Programme to integrate AI-powered creative tools into classroom learning. The partnership also includes workshops designed to help students apply AI in real-world design and content creation scenarios.

Inspired by engagement with Beyond Academy, LSPR's dedicated school for students with disabilities, Meitu reinforced its commitment to inclusive education by supporting broader access to creative technologies. Through these initiatives, Meitu is lowering barriers to creative learning, empowering students with job-relevant digital skills, and advancing a more inclusive future for arts and design education.



Environmental, Social and Governance Report

Advancing Cultural Innovation through AI-Enabled Learning

During the Reporting Period, the *Meitu app* partnered with *ZCOOL* and the Communication University of China to deliver the second phase of the “National Patterns Project”, a two-week immersive academic collaboration focused on the digital reinterpretation of traditional Chinese patterns.

The programme integrated AI imaging technologies into creative education, enabling students to digitally deconstruct and reimagine traditional Chinese patterns. Through expert-led workshops spanning digital creativity, animation aesthetics, and fashion design, participants explored practical AI applications, from interactive “*AR camera sticker*” features to “*AI Wardrobe*” experiences for traditional patterned apparel, bridging heritage aesthetics with emerging technologies.

By embedding AI tools into curriculum design, Meitu demonstrated how responsible technology deployment can enhance experiential learning, stimulate cross-disciplinary innovation, and cultivate next-generation creative talent. The initiative reinforces Meitu’s broader commitment to advancing AI-powered digital inclusion while preserving and revitalising traditional culture through scalable, technology-driven education models.



Empowering Emerging Creative Talent through University Engagement

Meitu collaborated with industry partners to launch the “*Dream in AI - Imagining with Pixels*” University Creative Works Evaluation Campaign, an initiative designed to inspire student creativity, broaden access to AI tools and strengthen the connection between education and industry. Through a three-month programme spanning university roadshows, nationwide submissions and expert judging, the initiative created a platform for students and the wider public to explore the intersection of AI, artistic expression and cultural storytelling.

Meitu’s AI image generation tool *WHEE* and AI short-form video creation tool *MOKI* were brought to campuses and communities through six roadshows, serving as the campaign’s core enabling technologies. Starting from Sichuan Film and Television University, the programme later engaged institutions including Chengdu Neusoft University, where students from diverse disciplines explored how AI tools can support creative production, strengthen digital capabilities and expand future career possibilities. In total, the campaign’s outreach reached more than 30,000 people and attracted more than 1,000 participants to take part in AI-supported creative work.

The campaign also encouraged participants to develop original works inspired by Sichuan’s cultural heritage, local traditions and iconic regional elements, fostering a deeper integration of technology, education and culture. Following two rounds of expert review, 70 winning entries were selected from 1,586 submissions nationwide, reflecting the strong potential of AI to empower emerging talent and enable broader access to creative expression.

Environmental, Social and Governance Report

2. GOVERNANCE

Meitu adopts a comprehensive digital governance framework to safeguard users' digital rights, supported by strengthened management mechanisms, internal policies, and a commitment to fairness and transparency. The Group continuously enhances its security operations and technology capabilities across key areas including data privacy, information security, AI ethics, and the development of a trusted digital ecosystem. Through ongoing supervision and responsible self-management, Meitu strives to deliver a secure, compliant, and innovation-driven digital experience for its users.

2.1 Privacy Protection

2.2 Cyber and Data Security

2.3 AI Ethics

2.4 Responsible Business Practices

Alignment with UNSDGs



2.1 Privacy Protection

Meitu places data security and privacy protection at the core of our operations, guided by a user-centric philosophy and a commitment to responsible innovation. Through full-lifecycle compliance, end-to-end governance, and comprehensive safeguards, Meitu advances a privacy framework centred on security, transparency, and user control, ensuring trusted and reliable digital experiences.

We ensure compliance with applicable user privacy and data security protection laws in the jurisdictions where we operate, including the Personal Information Protection Law of the PRC, the Personal Data Protection Act ("PDPA") of Singapore, the California Consumer Privacy Act ("CCPA"), the Privacy Act of Australia and other relevant laws in markets where we operate. These measures reinforce Meitu's commitment to safeguarding personal information while enabling sustainable digital innovation.

MANAGEMENT STRUCTURES AND POLICIES

Management Structures

Meitu has established a structured privacy compliance governance framework to strengthen personal information protection and clarify accountability across the organisation. We have formed an User Privacy Committee, supported by department leaders, which oversees policy direction, while a cross-functional working group from Legal, Security, Government Relations, and business units drives implementation.

In addition, we operate a User Privacy Committee consisting of Legal, Security, Government Relations, PMO, and business teams. The committee is responsible for setting privacy compliance standards, conducting regular product reviews, monitoring regulatory developments, and coordinating remediation actions. Through this multi-level governance structure, Meitu embeds privacy compliance into day-to-day operations, supports regulatory alignment across products, and reinforces accountability throughout the organisation.

Policies

Meitu has formulated comprehensive data protection and privacy policies applicable across its business operations, including the "Personal Information Protection Policy" and the "User Personal Information Security Management Measures". These frameworks provide structured guidance on the collection, storage, usage, processing, transmission, disclosure, and deletion of personal information.

Environmental, Social and Governance Report

Recognising the importance of safeguarding minors in the digital environment, Meitu applies dedicated rules, including “Rules on the Protection of Minors’ Personal Information”, for the protection of minors’ personal information and integrates these requirements into product governance and operational practices, reinforcing responsible data handling practices and strengthening user trust across the platform.

USER RIGHTS PROTECTION

Meitu is committed to providing users with a secure, transparent, and trustworthy digital environment through the implementation of the “User Personal Information Security Management Measures”, which govern the collection, storage, usage, processing, transmission, disclosure, and deletion of personal information in accordance with applicable laws, including the Cybersecurity Law of the PRC, the Personal Information Protection Law of the PRC, and related regulations. Personal information is collected only in line with the principles of user notification, informed consent, and business necessity, with clear disclosure of data types, purposes, processing methods, and retention periods. Enhanced consent mechanisms are applied for sensitive, cross-border, and onward data sharing scenarios, reinforcing user control and safeguarding privacy rights across Meitu’s products and services.

Principles

Our Principles for Personal Information Protection

Accountability and Security	We implement robust technical and organisational measures to safeguard personal data and assume full responsibility for any impact our processing activities may have on individual rights.
Integrity and Fairness	We process personal data ethically and transparently, strictly prohibiting the usage of misleading, fraudulent, or coercive tactics.
Purpose and Proportionality	Data processing must be driven by clear, specific objectives. We utilise the least intrusive methods and limit collection to the minimum scope necessary to achieve our goals, avoiding excessive data gathering.
Openness and Transparency	We maintain an open dialogue by clearly disclosing our data processing rules, including the purpose, methodology, and scope of our activities.
Informed Consent	We empower individuals by clearly disclosing the terms of data processing and obtaining their explicit consent prior to engagement.
Data Accuracy and Quality	We ensure the accuracy and completeness of personal information to prevent adverse impacts resulting from data inconsistencies.
Security Assurance	We take full ownership of our data environment, deploying necessary safeguards to maintain the ongoing security and confidentiality of all processed information.
Subject Empowerment	We provide channels for users to access, correct, or delete their data, as well as easy-to-use mechanisms for withdrawing consent, closing accounts, and filing inquiries.
Compliance Safeguards	We strictly prohibit the unauthorised collection, processing, or transfer of personal data; the illegal sale or public disclosure of information; and any activities that compromise national security or public interest.

Environmental, Social and Governance Report

Data Collection and Usage

Meitu adheres to personal information protection principles, collecting only necessary user data within the minimum scope required for the intended processing purposes when providing products and services to users. Data categories, processing purposes, and retention periods are clearly disclosed through privacy policies, with user consent obtained prior to collection. Technical safeguards, access controls, and encryption support secure processing across on-device and cloud-based services.

Access, Rectification and Deletion of User Data

Users may access, correct, delete, withdraw consent, or close accounts through in-app tools or dedicated privacy channels. Meitu verifies user identity before fulfilling requests and ceases processing upon account termination or consent withdrawal, subject to statutory retention requirements.

Data Retention Period

Personal information is retained only as long as necessary for stated business or legal purposes and is promptly deleted or anonymised upon account closure or consent withdrawal. Meitu applies lifecycle security controls and remains accountable for processing impacts.

Transparency, Communication and Appeals

Meitu provides multiple channels for privacy inquiries, rights requests, and appeals. A structured Rights Dispute Complaint Handling Process addresses personal rights and intellectual property matters, offering verification, remediation, and content reinstatement mechanisms to ensure procedural fairness.

Third-party Information Processing

Third-party service providers are subject to data security agreements, compliance reviews, and technical safeguards, including access controls, encryption, and anonymisation. Meitu also conducts system security and overseas compliance audits to ensure responsible cross-border data processing.

Environmental, Social and Governance Report

USER-CENTRIC PRIVACY PROTECTION APPROACH

Implementation and Audit

Meitu integrates privacy protection into the core of our product development and operational governance through a rigorous risk assessment and compliance framework. Adhering to global data protection standards, we have implemented a comprehensive privacy strategy designed to identify and mitigate risks while prioritising user rights throughout the product lifecycle. Privacy operations are managed daily by dedicated teams under the oversight of the User Privacy Committee, with regular reviews of sensitive data processing to reinforce compliance and enhance user control.



In Mainland China, we have implemented a robust PIA mechanism across key business scenarios to identify privacy risks and minimise impacts on users' personal rights. During the Reporting Period, we obtained a "1-star Label of Personal Information Protection Impact Assessment" covering the processing of sensitive personal information within *the Meitu app's* facial beautification features, delivered through both on-device processing and cloud-based AI platforms. For international markets, we conducted a Product System Security and Overseas Compliance Audit, strengthening system safeguards and ensuring alignment with cross-border privacy compliance requirements. These assessments drive targeted technical and operational improvements, enabling proactive risk mitigation, regulatory compliance, and enhanced protection of user rights throughout the product lifecycle.

Meitu also conducts DPIAs for key processing activities to evaluate purposes, legal bases, data categories, data subject rights and lifecycle risks. DPIAs are delivered through cross-functional collaboration among legal, compliance and IT security teams, with clear ownership and annual reviews. Through this process, we validate necessity and proportionality, map data flows, define controller–processor responsibilities and track mitigation actions to completion, reinforcing accountability, regulatory alignment and continuous improvement in cyber and data security.

Proactive Defence and Emergency Response

Meitu operates a comprehensive security management framework spanning proactive prevention and responsive controls. Through regular security exercises and continuous risk assessments, we identify, evaluate, and mitigate potential risks related to user privacy and data security. By proactively detecting system vulnerabilities and high-risk areas, we strengthen preventive defences and maintain effective emergency response mechanisms to safeguard user rights and platform stability.

For more details on our response measures and data breach management, please refer to the "Cyber and Data Security" section in this report.

Employee Awareness and Training

Meitu promotes privacy awareness across the organisation through structured training programmes that communicate personal information protection policies, procedures, and operational standards. During the Reporting Period, we conducted a company-level external training session as part of our Technology Carnival, focusing on Privacy Protection for SaaS Services in Global Markets, strengthening employee understanding of data protection practices in international operating environments. These initiatives reinforce individual accountability and equip employees with the knowledge required to support effective privacy compliance in daily operations.

Environmental, Social and Governance Report

Oversight and Management of Suppliers' Privacy Protection Practices

Meitu integrates data security and privacy requirements into its supplier management framework through contractual obligations and ongoing oversight. Suppliers are required to enter into "Data Security Agreements" and/or a "Data Processing Addendum" ("DPA"), which define Meitu's role as data controller and suppliers' obligations as processors. These agreements require suppliers to process personal data strictly in accordance with Meitu's documented instructions, comply with applicable data protection laws (including the Data Security Law of the PRC, the General Data Protection Regulation of the European Union ("GDPR"), CCPA and related cross-border transfer requirements), and implement appropriate technical and organisational safeguards such as access controls, encryption, anonymisation, system logging, vulnerability remediation and incident response.

Suppliers must notify Meitu of security incidents without undue delay, support data subject rights requests, assist with DPIAs where required, and delete or return personal data upon contract termination. We also retain audit rights, including access to SOC 2, ISO 27001 or equivalent assurance reports, and require prior notification and approval for new sub-processors, with flow-down obligations to ensure equivalent protection standards.

To strengthen awareness and execution, we provide mandatory onboarding training and annual security awareness exercises for suppliers, supported by periodic security assessments and documentation reviews. Through these measures, Meitu reinforces accountability across our value chain and promotes consistent protection of personal information throughout data processing activities.

Certifications and Recognitions

Strengthening Data Security: Industry-Certified Protection

During the Reporting Period, we conducted annual Level 3 Cybersecurity Protection assessments across application, database, host security, and data management, ensuring compliance with regulatory and business security standards.

Additionally, Meitu obtained DSCC certification, demonstrating comprehensive data governance, risk management, access control, and incident response capabilities.

Environmental, Social and Governance Report

2.2 Cyber and Data Security

Meitu acknowledges the substantial involvement of personal data in our day-to-day operations, especially concerning our apps and websites. Our commitment lies in enhancing our data protection and cybersecurity measures to safeguard customer privacy. Committed to strengthening data protection and cybersecurity, Meitu ensures compliance with applicable laws and regulations while safeguarding user privacy and corporate interests.

To fortify network and data security, Meitu has implemented a comprehensive governance framework, and relevant policies. Our privacy policy grants users control over their personal data, including rights to access, correct, delete and withdraw consent.

During the Reporting Period, there were no recorded occurrences of cybersecurity or data breach incidents.

SECURITY MANAGEMENT

Meitu has established a structured cybersecurity and data security governance framework led by our Data Security Committee, which is responsible for overseeing data security strategy, data asset management, classification and grading, access control, security audits, training, and technical protection measures.

A dedicated Data Security Leadership Group provides strategic direction, while a specialised Data Security Management Group with diverse functions and expertise is responsible for policy development, technical implementation, risk assessment, operational security, and internal audits across the data lifecycle. These functions collectively support vulnerability identification, permission management, incident response planning, and continuous improvement of security controls.

Through defined organisational roles, cross-functional collaboration, and ongoing system enhancement, Meitu strengthens our cybersecurity capabilities, safeguards data integrity and availability, and supports the secure and sustainable development of its digital services.

Our specialised Data Security Committee primarily comprises:

Data Security Leadership Group:

Provides strategic oversight of enterprise-wide data security, setting policies and approving key security initiatives. Led by the Group's Data Security Principal, with department heads forming the decision-making layer to coordinate governance across all business units.

Data Security Management Group:

A cross-functional team spanning Legal, HR, Operations, Big Data, and business units, responsible for data security planning, data asset management, classification and grading, access control, security audits, and employee training, ensuring alignment with national regulations and internal standards.

Data Security Engineering and Operations Teams:

Drive institutional and technical security development, including system hardening, vulnerability remediation, lifecycle data operations (e.g., sharing and downloads), permission approvals, incident response planning, and continuous optimisation of security controls.

Risk Assessment, Audit, and Compliance Functions:

Dedicated personnel conduct data security risk identification and evaluation, internal audits across data lifecycle stages, and legal compliance reviews. These teams also manage third-party security risks, supplier coordination, and regulatory interpretation, strengthening Meitu's end-to-end cybersecurity governance.

Environmental, Social and Governance Report

SECURITY TECHNOLOGY

Meitu operates our products on secure cloud and application infrastructures to deliver stable, high-quality services to users. Platform security is fundamental to safeguarding user rights and ensuring business continuity. We continuously strengthen our security capabilities across areas such as cloud security, zero-trust architecture, and AI-enabled protection to address evolving cyber threats. These measures reinforce network stability, operational resilience, and system data security, enabling comprehensive protection of information assets across products and business operations.

Integrated Network Security and Zero-Trust Architecture

Meitu has established a layered security architecture spanning cloud environments, office networks, applications, servers, databases, and zero-trust access. Supported by the dedicated Data Security Operations Teams, security systems are monitored in real-time to ensure timely response to alerts and effective implementation of protection measures.

Cloud:

Meitu deploys DDoS protection and cloud firewalls to defend against distributed attacks and continuously monitor network traffic, strengthening perimeter security and ensuring stable cloud operations.

Office Network:

Secure VPN systems support remote working requirements, while traffic monitoring tools are implemented across office environments to detect abnormal network activities and mitigate internal security risks.

Applications:

Web application firewalls are deployed at the application layer to identify and block threats such as SQL injection and other malicious attacks, safeguarding core business systems.

Servers:

Host security protection solutions enable asset management, intrusion detection, advanced defence, and web tampering prevention, providing real-time visibility into server risks and preventing unauthorised access.

Databases:

Database security tools support audit logging, attack behaviour identification, and risk operation monitoring, strengthening protection over critical data assets.

Zero Trust:

Meitu has implemented a zero-trust security framework based on continuous verification and least-privilege access. Internal applications are isolated from the public internet and accessed only through unified gateways. The system dynamically evaluates user identity, device security status, behavioural patterns, and contextual factors such as time and location, enabling adaptive authorisation and reducing lateral movement risks.

Environmental, Social and Governance Report

Data Security Policy

In line with the Data Security Law of the PRC and Cybersecurity Act, and other applicable laws and regulations across our operating markets, Meitu continues to strengthen a group-wide data security governance framework and implement security controls throughout the full data lifecycle. Guided by our "Data Lifecycle Security Management Policy", we apply structured requirements across the full data lifecycle, including collection, transmission, storage, usage, exchange, and deletion/anonymisation, supported by monitoring, audit, and risk assessment.

We apply lifecycle-based safeguards across data processes to reduce risks such as unauthorised access, data leakage, theft, tampering, forgery, ransomware, and improper usage. Our practices integrate technical and management measures, including data classification and grading, access control, encryption, desensitisation, secure interfaces, logging and traceability, and periodic security reviews.

Data Collection:

We collect data based on lawful, legitimate, and minimum necessary principles. Prior to collection, we inform users of the purpose and obtain explicit consent where required. The process is reinforced by external source legality checks, audit and traceability requirements, and regular risk assessments of collection scope, frequency, channels, and data types.

Data Transmission:

We adopt secure channels and apply encryption to sensitive information, complemented by identity authentication and secure interface controls.

Data Storage:

We store sensitive data in encrypted, controlled environments with access management, domain-based segregation, and defined backup and recovery mechanisms supported by regular integrity checks.

Data Usage:

We use data under strict authorisation and accountability frameworks, applying desensitisation measures, enhanced approval for sensitive data access, and audit logging, while ensuring analytical outputs are reviewed to minimise re-identification risks.

Data Exchange:

We exchange and disclose data following security assessments and approval workflows, using secure transmission, contractual safeguards, and traceable audit records.

Data Deletion:

We delete or anonymise data in accordance with legal and contractual requirements through formal approval processes and supervised disposal mechanisms, ensuring irreversible removal where applicable.

To support continuous improvement, Meitu monitors and audits data access and operations across lifecycle stages, uses alerting and monitoring for high-risk activities, implements data leakage monitoring measures, and organises regular data security risk assessments to evaluate likelihood, impact, and potential harm of security incidents.

Environmental, Social and Governance Report

Assurance of Business Continuity

Business continuity is governed under Meitu's "Data Security Incident Management Policy", which provides an end-to-end framework spanning incident reporting, graded activation, investigation, remediation and regulatory engagement. The Data Security Leadership Group oversees major incidents, directing recovery efforts and coordinating operational teams to ensure timely service restoration. Post-incident corrective actions further strengthen preventive controls and organisational preparedness, reinforcing our ability to maintain stable operations and respond effectively to unexpected disruptions.

Security Management of Software Supply Chain

Software and third-party data processing security is a key part of Meitu's network and data security programme. Meitu has established a governance framework with clear roles and responsibilities across management, business and technical functions, and promotes supply chain security awareness among employees and partners to safeguard the confidentiality, integrity and availability of data across transmission and processing.

We maintain the integrity of our data ecosystem by requiring all partners to sign a formal "Data Security Agreement", which governs the permitted data processing purposes and scope, imposes localisation and cross-border transfer controls where applicable, and requires partners to implement appropriate technical and organisational safeguards, such as access controls, audit logging, encryption or de-identification, vulnerability management and regular training. Partners are prohibited from onward transfers or sub-processing without prior written approval and are required to maintain incident response mechanisms, notify Meitu promptly in the event of data security incidents, and cooperate fully on remediation and regulatory requirements.

Privacy-by-Design

Meitu integrates privacy and data protection into its products and operations through a structured "Data Protection Impact Assessment" process. These assessments are conducted for key processing activities to assess processing purposes, legal bases, data categories, data subject rights and associated risks across the data lifecycle. Each DPIA is a cross-functional initiative, engaging legal, compliance, and IT security stakeholders to ensure clear ownership and a commitment to annual reviews.

Through this process, we validate the necessity and proportionality of our data activities, mapping data flows and defining precise controller-processor responsibilities. Our risk analysis specifically addresses data protection objectives and international standards, such as GDPR, with all mitigation actions tracked to completion. This governance framework strengthens accountability, supports regulatory alignment and reinforces Meitu's commitment to responsible data processing and continuous improvement in cyber and data security.

SECURITY OPERATIONS

Proactive Defence

Meitu adopts a proactive defence approach anchored by a structured data security framework to protect data assets and user rights. A dedicated Data Security Operations Team is supported by formal response plans and regular drills covering incident classification, escalation, source tracing, security hardening, impact assessment and post-incident improvement. Incidents are categorised into four severity levels based on data sensitivity and impact, enabling proportionate and timely action. These practices embed risk anticipation and continuous control enhancement into daily operations.

Response and Recovery

When incidents occur, Meitu activates predefined emergency procedures to rapidly contain risks, restore systems and minimise business impact. Data Security Operations teams coordinate investigations, remediations and service recoveries, while incident handling follows regulatory requirements. Material incidents are reported to relevant authorities and disclosed to the public where appropriate. Post-incident reviews focus on root-cause analysis and control optimisation, supporting continuous improvement in operational resilience and security governance.

Environmental, Social and Governance Report

Promoting Data Security and Privacy Training and Awareness

Meitu strengthens its data security culture through a structured employee training and awareness programme led by the Data Security Management Group. A comprehensive curriculum covers data security, information security awareness, secure Web and App development, and privacy compliance. Data security and information security awareness are mandatory for all employees and require assessment, while product and technical teams receive regular specialised training.

New hires complete mandatory data security training as part of onboarding. This is reinforced by ongoing awareness initiatives, with targeted refresher training provided where gaps are identified. Meitu also operates a dedicated training and assessment platform to strengthen learning effectiveness and reinforce data protection responsibilities across the organisation.

2.3 AI Ethics

Meitu recognises responsible AI as a core pillar of its long-term strategy, embedding ethical principles and safety considerations across the design, development and deployment of AI technologies to align with societal values and enable sustainable growth. We actively address AI-related risks by aligning with evolving global governance practices while continuously strengthening our internal AI governance framework. In compliance with applicable laws and regulations, including The Interim Measures for the Administration of Generative Artificial Intelligence Services, the Administrative Provisions on Deep Synthesis in Internet-based Information Services 2022 and the Measures for Labelling Synthetic Content Generated by Artificial Intelligence, in all regions where we operate, Meitu implements risk management measures focused on data quality, cybersecurity, ethics and regulatory adherence. Through close collaboration among technology teams, management, and key stakeholders, we seek to realise the full potential of AI while mitigating risks and advancing trustworthy, secure, and responsible innovation.

AI ETHICS PRINCIPLES

Meitu has established a structured AI ethics governance framework guided by six core principles “Transparency, Fairness, Accountability, Reliability, Privacy, and Security” to ensure the responsible development and application of artificial intelligence. As AI continues to transform creativity and productivity, enhancing innovation and efficiency, Meitu remains committed to ethical and user-centric innovation.

This commitment is formalised through Meitu’s “AI Ethics Principles” and operationalised via its AI Ethics Framework, embedding ethical considerations across AI design, development, and deployment. Building on this foundation, Meitu continuously strengthens its AI Ethics Risk Management process to address emerging challenges, integrating risk assessment, data protection, and responsible usage throughout the AI lifecycle. Together, these measures advance trustworthy innovation while safeguarding users and society.

Environmental, Social and Governance Report

AI ETHICS FRAMEWORKS

To uphold these principles, Meitu has established responsible AI Frameworks that govern the development, deployment, and usage of AI across all applications.



Guidance and Oversight

- Providing leadership oversight through an AI Ethics Committee, responsible for reviewing the ethical compliance of AI projects.



Controls

- Applying AI Ethics Principles across the entire product lifecycle, from R&D to application, for example, enforcing strict content moderation to screen out illegal or inappropriate material.
- Conducting AI risk assessments to address privacy, security, and ethics concerns.

For more details on our AI and data privacy management controls, please refer to the "Privacy Protection" section.



Incident Management

- Developing a response regime that defines incident categories, reporting processes, and accountability.
- Conducting root cause analysis and implementing preventive measures to avoid recurrence.



Industry Leadership

- Participating in leading industry forums, including those covering AI applications, development, and governance to facilitate the responsible usage of AI.

For more details on industry leadership, please refer to "Safety Cooperation and Co-development" section.



External Engagement

- Conducting consultation and collecting opinions to understand the concerns and expectations about AI technology of the general public.

AI ETHICS GOVERNANCE

Management System

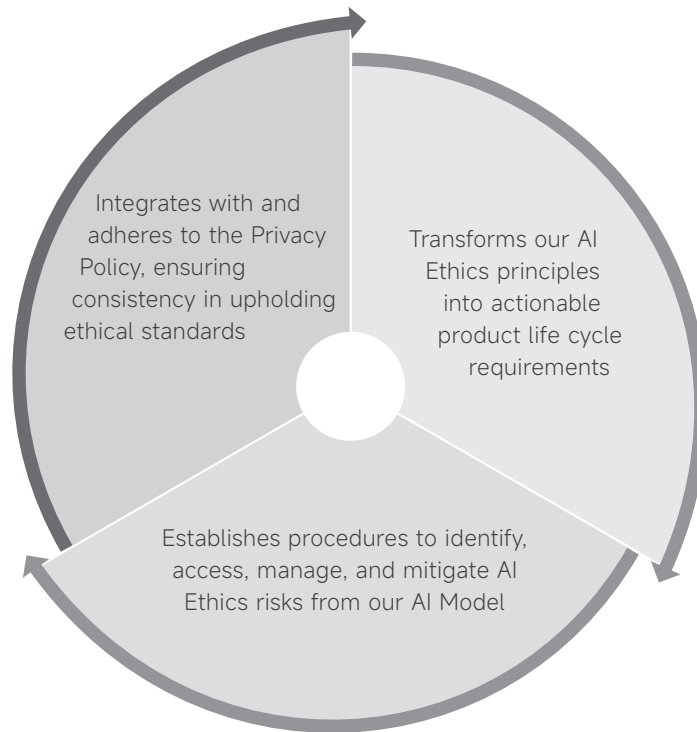
Meitu has established an AI Ethics Committee to oversee the formulation and implementation of its AI ethics standards, assess ethical risks associated with AI projects, and handle AI-related considerations. The AI Ethics Committee is supported by multiple cross-functional technical teams comprising technology, product, security, government and public affairs, and legal, enabling cross-functional collaboration in strengthening AI governance.

Guided by global best practices, we have introduced the "AI Ethics Principles and AI Ethics Framework Management Guidelines", which are reviewed and updated regularly to reflect business and technological developments. We conduct ongoing ethical reviews across the AI lifecycle, supported by structured oversight and accountability mechanisms. In parallel, we have strengthened its data security and governance policies, introducing specific requirements for AI-generated content and AI-related data.

Environmental, Social and Governance Report

Together, these measures embed ethical risk assessment, compliance review, and accountability into product development and operations. Through continuous oversight and cross-functional coordination, Meitu integrates safety, compliance, and responsibility into AI design, development, and deployment, supporting trustworthy innovation while mitigating risks related to data security, content governance, and ethical technology usage.

When the products are driven by GenAI, concerns arise regarding AI ethics and other aspects. During the Reporting Period, we conducted risk assessments with consideration of AI ethics and implemented rigorous safeguards aligned with our AI Ethics Principles to minimise potential risks.



We implement robust security measures to protect AI integrity, with regular evaluations of our AI model to address risks such as bias in data, content generation, and compliance with legal standards. We continuously monitor AI functions, activating a rapid-response mechanism for any adverse impacts and enhancing security and ethical standards. Additionally, we share our findings and best practices with the broader AI community.

Protection of User Rights

Under the principles and framework of AI safety governance, Meitu has further standardised data processing practices across AI products to ensure robust protection of user rights and interests. All AI-related products adhere to the principles of legality, fairness, and necessity in data management. We have established dedicated governance structure, operational processes, and organisational responsibilities, supported by security controls and technical systems, to safeguard user information. Additionally, we place strong emphasis on user rights protection by providing accessible complaint and reporting channels, with commitments to respond within legally required timeframes where applicable, ensuring personal rights and concerns are addressed promptly and responsibly.

For more details on User Rights Protection, please refer to "User Rights Protection" section.

Environmental, Social and Governance Report

Safety and Compliance

Meitu integrates safety, compliance, and privacy protection across the full lifecycle of its AI products, continuously strengthening data governance and security management to support responsible innovation. During the Reporting Period, we conducted risk assessments with consideration of AI ethics and implemented rigorous safeguards aligned with our AI Ethics Principles to minimise potential risks.

Advancing National Standards for Generative AI Privacy Protection

During the Reporting Period, Meitu contributed to the development of national standards on “Technical Requirements for Personal Information Protection of Generative Artificial Intelligence”, including Part 2 (Privacy Statement Notification) and Part 7 (Individual Rights Response) issued by the Telecommunication Terminal Industry Forum Association, reinforcing industry best practices in privacy protection and user rights.

A SAFE AND TRUSTED DIGITAL CONTENT ECOSYSTEM

Meitu is committed to fostering a healthy and secure content ecosystem by enforcing a zero-tolerance policy against harmful content, including abuse, violence, illegal substances, fraud, and terrorism, alongside hate speech, misinformation, discrimination, and harassment, self-harm, and pornography.

Maintaining Healthy Digital Content Ecosystem

Enhancing the Safety and Trust of Digital Content

Meitu has established a comprehensive content safety management framework, embedding responsible practices across the full product lifecycle. Product teams conduct feature-based risk assessments and implement targeted safeguards to identify and mitigate harmful content, while creator guidelines are in place to help prevent the generation of illegal, non-compliant, or inappropriate materials. In addition, we have established a structured positive-content governance framework by applying tiered quality classification, thematic tagging, and algorithm-supported recommendation rules to promote high-quality, responsible content while fostering a safe, credible, and values-driven digital ecosystem.

In alignment with “Cybersecurity Technology – Labelling Method for Content Generated by Artificial Intelligence” (GB45438 - 2025) and “Practice Guide for Cybersecurity Standards - Content Labelling Methods for Generative Artificial Intelligence Services”, Meitu has implemented standardised labelling mechanisms across our AI products in accordance with applicable laws. Selected AI-generated content has undergone independent third-party verification to ensure full compliance with national labelling requirements.

Visible Content Labelling

Meitu implements visible content labelling for all AI-generated assets in accordance with applicable laws. Images and videos feature a dedicated “AI Generated” watermark in the lower-left corner. For video content, this label persists for a minimum of two seconds, providing clear attribution and maintaining an informed experience for the creative community.



Environmental, Social and Governance Report

Metadata-based Invisible Labelling

Meitu leverages metadata-based Invisible labelling to ensure the integrity of the creative process in accordance with applicable laws. During generation, platform identification codes and verification fields are embedded directly into AIGC metadata, providing robust traceability and authenticity validation for both images and videos. This approach reinforces a transparent digital ecosystem while maintaining the technical provenance of every asset.

Meitu provides dedicated channels for users to report harmful or misleading content. Upon verification of a report, our product team implements enforcement actions tailored to the severity of the breach, ranging from content removal to account restrictions. This responsive feedback loop ensures a safe, accountable environment for our entire creative community. Through these measures, we enhance transparency, safeguard user interests, and contribute to a trusted digital ecosystem, reinforcing our commitment to responsible AI deployment and sustainable platform governance.

Fulfilling the Advertising Responsibilities of the Internet Platform Management Guidelines

Meitu has established comprehensive advertising placement guidelines centred on ensuring legality, authenticity, fairness, and the protection of consumer rights. These principles are operationalised through “Meitu Advertising Industry Qualification Standards” and “Meitu Advertising Review Specifications”, which apply to all relevant parties, including advertisers, advertising operators, and publishers.

1. Regulatory Compliance

Meitu ensures compliance with the Advertising Law of the PRC and the Measures for the Administration of Internet Advertising. By enforcing rigorous standards for legality and authenticity, we ensure all promotional activities operate within established regulatory frameworks.



2. Minor Protection

In accordance with the Law of the PRC on the Protection of Minors, Meitu has implemented dedicated protection mechanisms, including usage time management, access controls, and spending limits, to filter inappropriate content and foster a secure digital environment for minor users.



3. Data Privacy

Aligned with the Personal Information Protection Law of the PRC, Meitu empowers users with intuitive personalised advertising management tools. A prominent “Disable Personalised Advertising Recommendations” option ensures transparency and grants users full autonomy over their personal data.



4. Intellectual Property Integrity

Meitu maintains adherence to intellectual property protection regulations, requiring verified authorisation for all images, fonts, music, videos, and likenesses used in advertisements. This ensures legal clarity and mitigates infringement risks across all creative assets.



5. User-Centric Ecosystem

Meitu cultivates a high-quality advertising experience by prioritising relevance and user control. By enhancing the quality of commercial content, we drive stronger user acceptance while supporting the long-term growth of brand effectiveness and sustainable advertising value.



Environmental, Social and Governance Report

Process Control

Meitu employs a closed-loop, end-to-end advertising management framework to systematically control compliance risks across every stage of the placement lifecycle.

Pre-placement Control

To guarantee the authenticity, legality, and effectiveness of advertising content, Meitu applies multi-layered review mechanisms, including systematic verification of advertiser qualifications and compliance reviews of creative materials and landing pages. For SDK clients, predefined rules logic proactively identifies and blocks high-risk industries at the source.

Post-placement Control

Meitu operates a human-machine collaborative, multi-dimensional risk prevention system. Through user feedback channels and targeted reviews by dedicated audit teams, we ensure dynamic monitoring and swift mitigation of non-compliant advertising dissemination.

Awareness Promotion and Training

To continuously strengthen compliance across the advertising ecosystem, Meitu conducts ongoing compliance outreach for sales partners, advertising agencies, and advertisers via multiple channels, including standardised training materials and dedicated training groups, while systematically promoting legal awareness on applicable laws and regulations, platform policies, and review standards.



Awareness Promotion

- Meitu implements targeted compliance empowerment programmes for partners to proactively mitigate legal and brand risks in advertising placements. Key measures include providing learning materials on the interpretation of standardised industry regulations, maintaining a dynamically updated prohibited and restricted terminology database, and establishing alert lists for high-risk brands and individuals, which are implemented to support the joint development of a compliant review framework and to safeguard advertising content integrity.



Communication

- Meitu has established multi-dimensional risk notification and advisory mechanisms to enhance the effectiveness of advertising compliance management. In addition to online documentation, one-on-one guidance is delivered based on typical violation cases and high-frequency issues, ensuring consistent risk awareness and execution standards while enabling proactive and closed-loop compliance control.

Platform Accountability

Meitu establishes clear responsibilities and obligations for all service providers through contractual agreements. By implementing tiered penalty mechanisms and structured violation management, we enforce strict accountability to systematically safeguard the legality and compliance of our global operations.

Environmental, Social and Governance Report

Safety Cooperation and Co-development

Advancing Responsible AI Governance and Industry Standards

Meitu continues to strengthen internal awareness of AI safety and governance while actively contributing to industry-wide standards development. During the Reporting Period, Meitu participated as a compliant drafting organisation in the national mandatory standard "Cybersecurity Technology – Labelling Method for Content Generated by Artificial Intelligence" (GB45438 - 2025), led by the Cyberspace Administration of China and implemented by the National Information Security Standardisation Technical Committee (TC260). The standard establishes unified requirements for identifying AI-generated content. Through participation in national cybersecurity frameworks and cross-industry collaboration, Meitu contributes to building a transparent, trustworthy AI ecosystem while advancing responsible innovation and long-term digital sustainability.

Industry Engagement and Collaborative Security Leadership

Meitu actively engages in industry collaboration through its membership in the Artificial Intelligence Security Governance Professional Committee of the Cyber Security Association of China, working alongside enterprises, research institutions, and practitioners across the cybersecurity ecosystem. By contributing to sector dialogue and collective action, Meitu supports the advancement of AI and cybersecurity practices and helps strengthen China's digital security framework, promoting the sustainable development of the broader industry.

2.4 Responsible Business Practices

RESPONSIBLE SUPPLY CHAIN

Supplier Management Process

The Group recognises the pivotal role of responsible supply chain management in our sustainable development. Therefore, we are committed to fostering enduring and harmonious relationships with our suppliers. Our major suppliers provide us with equipment, hardware, marketing services, IT infrastructure and software, etc.

In 2025, the number of suppliers by geographic region :		
Mainland China 365 (2024: 269)	Hong Kong 49 (2024: 20)	Other countries and regions 39 (2024: 25)

Environmental, Social and Governance Report

In an effort to promote a sustainable supply chain, we have developed a comprehensive supplier management system with a supplier code of conduct:

1. Supplier Selection

- When screening suppliers, we consider factors including the following:
 - Product and service quality
 - Price
 - Capability
 - Environmental qualifications
 - Prioritisation of green procurement practices and initiatives
- We verify the credentials of potential suppliers, such as their environmental certifications and compliance status
- We conduct online investigations and background checks into potential suppliers to ensure that their activities do not pose any material environmental or social risks

2. Ensuring Supplier Sustainability Performance

- Our supplier's agreement lays out our sustainability expectations, covering aspects such as:
 - Environmental protection
 - Occupational health and safety
 - Conduct and morality
 - Compliance with laws and regulations
- We require suppliers to share our sustainability values, including aspects in relation to:
 - Diversity
 - Responsible resource use
 - Use of sustainable materials
 - Climate change preparedness plans
 - Anti-corruption
 - Community involvement

3. Monitoring Supplier Performance

- We conduct supplier evaluations regularly to ensure a sustainable and resilient supply chain
- We mainly engage with local suppliers to lower the carbon footprint associated with goods transportation and travelling

The Group places a strong emphasis on green procurement: we promote environmentally friendly products and services when selecting suppliers, by encouraging practices such as reducing packaging materials, focusing on resource efficiencies of products, avoiding single-use products to reduce waste. Preference is also given to suppliers holding relevant environmental qualifications, as well as those that prioritise green and biodegradable materials and adopt green initiatives. We mainly engage with local suppliers to lower the carbon footprint attributed to goods transportation and travelling.

We have established a procurement policy with a supplier code of conduct to manage suppliers' environmental and social risks. Apart from conducting thorough assessments of the compliance, equipment and work conditions of our potential suppliers' factories, we also regularly monitor our existing suppliers to ensure their operations are in line with our ethical standards. During the Reporting Period, we conducted a risk assessment to identify the material ESG-related risks along the supply chain. We have closely monitored the identified risks and implemented corresponding control measures to minimise their impact on our daily operations.

As of 31 December 2025, the Group implemented practices relating to engaging suppliers across all major suppliers.

Environmental, Social and Governance Report

Supply Chain Management Practices

We embed ESG considerations across our supplier management process, promoting responsible supply chain practices aligned with ESG principles.

Environmental Protection

We integrate environmental requirements into supplier governance through upfront compliance controls and procurement policies. Suppliers are required to comply with environmental regulations under the supplier code of conduct, with environmental risk management embedded into sourcing practices and enhanced due diligence applied to major purchases and higher-risk sectors such as data centres, cloud services and hardware manufacturing. For cloud service and data centre providers, we prioritise partners with recognised environmental and energy management certifications, including ISO 14001 Environmental Management System, ISO 50001 Energy Management System and green building certifications such as LEED, to support lower-impact operations.

We also promote responsible sourcing by prioritising environmentally certified products and materials, encouraging sustainable production among manufacturing partners, and supporting material reuse by event-related suppliers to reduce environmental impact.

For more details, please refer to the “Supply Chain Decarbonisation” section in this report.

Responsible Content

We require suppliers to deliver content and services in compliance with applicable laws and regulations, ensuring that outputs across all media formats avoid harmful elements such as gambling, violence, discrimination, risks to children’s well-being, or threats to health and safety. We apply content monitoring and risk control mechanisms to identify potential issues and implement appropriate safeguards. Suppliers are also required to respect third-party rights, including intellectual property, reputation and portrait rights.

For further details, please refer to the “A Safe and Trusted Digital Content Ecosystem” section in this report.

Ethical Employment

We integrate labour protection into supplier governance through contractual requirements and procurement policies. All suppliers are required to comply with the “Supplier Code of Conduct” and/or “Supplier Integrity Agreement”, which mandate adherence to labour laws, occupational health and safety standards, and the prohibition of child and forced labour.

Employment practices and social risk management are embedded into sourcing processes, with enhanced due diligence applied to major purchases and higher-risk sectors. These measures strengthen accountability across our supply chain and support continuous improvement in responsible supplier management.

Data Privacy

We require suppliers to rigorously fulfil data protection obligations and comply with applicable privacy and data security laws. Supplier privacy responsibilities are formalised through “Data Security Agreements” and “Data Processing Addendum”, which define processing scope, security requirements and accountability. We also conduct privacy compliance due diligence, require suppliers to implement appropriate technical and organisational safeguards, and retain audit rights over suppliers’ data processing activities to support ongoing oversight. For software and technology service providers, we prioritise suppliers certified under ISO 27001 Information Security Management System to strengthen data security and privacy protection as a core social responsibility.

Further details are presented in the “Oversight and Management of Suppliers’ Privacy Protection Practices” section of this report.

Environmental, Social and Governance Report

Business Ethics

We require all suppliers to comply with anti-corruption and business ethics standards. Through the “Integrity Meitu” (“廉潔美圖”) initiative, we communicate integrity expectations across our supplier onboarding, with all suppliers required to acknowledge the “Supplier Code of Conduct” and “Supplier Integrity Agreement” when submitting quotations on Meitu’s platform. These documents mandate compliance with anti-corruption laws and responsible business practices, reinforcing ethical conduct across the supply chain.

Further details are presented in the “Anti-corruption and Whistleblowing” section of this report.

ANTI-CORRUPTION AND WHISTLEBLOWING

We are dedicated to adhering to ethical principles and maintaining a strict zero-tolerance stance towards bribery, extortion, fraud, money laundering, anti-monopoly and anti-competitive behaviour. As such, we have established internal policies including the “Employee Handbook” and “Policy on Sending and Accepting Gifts by Employees” to specify the procedures of making declarations of interests and anti-corruption measures.

We have established an “Anti-Fraud and Whistleblowing Policy” and set up various whistleblowing channels, including a dedicated email address, postal box, hotline, and “Integrity Meitu” Official Account. Employees, suppliers, business partners, investors and the public may report suspected misconduct, fraud or ethical breaches through these channels or directly to the Audit Committee. Reports may be submitted anonymously or by name. All whistleblower information is handled with strict confidentiality.

The Group’s internal control department is responsible for receiving, assessing and investigating reported cases, with significant matters escalated to the Investigation Committee and the Audit Committee as appropriate. All reports are handled with strict confidentiality, and we prohibit any form of retaliation or discrimination against whistleblowers. This framework reinforces accountability, supports timely remediation, and promotes a culture of integrity across the organisation.

The Group has established a whistleblowing channel through which shareholders may contact with members of the Audit Committee via email at ac.jubao@meitu.com, with the relevant contact information also available on the Group’s website at <https://www.meitu.com/en/report>.

Intellectual Property

Technological innovation continues to enhance connectivity, digital workflows, and user creativity, underscoring the growing importance of socially sustainable development, particularly in intellectual property protection. In alignment with the Trademark Law of the PRC, the Copyright Law of the PRC, the Patent Law of the PRC and relevant laws and regulations in all regions where we operate, Meitu is committed to safeguarding intellectual property through a comprehensive governance framework that supports responsible innovation while enriching trusted digital content experiences.

Environmental, Social and Governance Report

Intellectual Property Protection Policy

Respect for the Intellectual Property Rights of Others

Respecting the intellectual property rights of others and taking proactive measures to address any content that violates these rights on any business platform.

Awareness Promotion and Education

We proactively communicate with users via user agreements, in-product interfaces, community rules, campaign announcements, and other channels to reinforce expectations around respecting intellectual property rights and to discourage infringing.

Handling of Infringement Complaint

Our dedicated team monitors and evaluates intellectual property complaints from rights holders in accordance with applicable legal standards. Upon verification, we take the necessary actions to safeguard original work, including removal, blocking, or disconnection of infringing content.

Licensed Digital Content Assets

We offer employees curated libraries of licensed and authorised images, music, text, video, font assets and terminal software for commercial use. These resources enable compliant content creation while upholding respect for creators' rights and responsible platform practices.

Optimisation of Technical Systems

We have developed a user-friendly in-app complaint system and Rights Dispute Complaint Process to foster direct collaboration with rights holders and strengthen our platform-wide efforts to detect and remove counterfeit materials.

Protection of Proprietary Intellectual Property Rights

Establishing a dedicated team to fully protect Meitu's proprietary intellectual property rights.

Technical Detection System

We engage third-party legal expertise to conduct comprehensive detection and evidence collection through the IP intelligence platform, enabling streamlined investigation, accurate infringement identification and takedown actions while enhancing the robustness and effectiveness of rights protection.

Nationwide Arrangement for Evidence Collection

In partnership with legal counsel, we have established a nationwide network of evidence collection sites, enabling rapid evidence gathering and ensuring a robust evidential foundation to effectively address and mitigate infringement.

Integrate the Efforts of All Parties

In collaboration with industry leaders and specialised intellectual property associations, we have established a cross-sector network to safeguard intellectual property, enabling coordinated enforcement actions that effectively strengthen and advance IP protection.

Comprehensive Methods for Protecting Rights

We employ a robust, multi-dimensional enforcement strategy to safeguard intellectual property. By integrating civil litigation, administrative action, and criminal reporting with strategic industry alliances, we ensure a decisive response to infringement from every angle.

Environmental, Social and Governance Report

Safeguarding the intellectual property rights of users' content within our applications and communities is paramount for us. We have implemented specific measures to bolster the protection of intellectual property:



Third-party Rights

We uphold third-party intellectual property rights by strengthening awareness among employees and users through dedicated complaint channels, public education initiatives, structured infringement handling procedures, ongoing system enhancements, and innovative protection measures. To strengthen third-party IP protection, Meitu conducts regular intellectual property risk assessments and internal audits, supported by patent analysis reports, monthly competitor patent monitoring, and infringement risk reviews to evaluate control effectiveness and prevent potential compliance issues.



Management and Prevention

Meitu protects intellectual property through clear internal policies, including its "Copyright Usage Guidelines", "Product Project Initiation Management Policy", and "IP Management Framework", supported by big data-enabled rights verification, infringement monitoring, and complaint handling. Our dedicated legal team reinforces awareness through quarterly IP briefings, while employees are encouraged to report infringement via a dedicated channel, strengthening preventive controls and coordinated governance.

To proactively manage intellectual property risks from a strategic perspective, we conduct Freedom-to-Operate ("FTO") assessments and patent landscape analyses to track developments in image processing and large-model technologies. These insights inform R&D direction, patent pre-deployment planning, risk-avoidance design, and resource allocation, supporting technology roadmap development in computer vision and image recognition while strengthening Meitu's long-term IP competitiveness in the evolving AI visual ecosystem.



Proprietary Rights

Intellectual property remains fundamental to Meitu's innovation and long-term competitiveness. We maintain a global IP presence across more than 28 countries and regions, supported by extensive copyrighted content and structured patent, trademark, and copyright databases. A dedicated rights protection team addresses infringement through continuous monitoring, evidence collection, complaints, litigation, and other enforcement measures.

As of 31 December 2025, we possess 488 patents worldwide. During the Reporting Period, we submitted 42 additional patent applications to reinforce our intellectual property protection.



Cooperation and Recognition

Meitu actively engages with domestic intellectual property organisations and industry platforms, including serving as a governing member of the Xiamen Intellectual Property Association and a committee member of the Internet Trademark and Brand Committee of the China Trademark Association. During the Reporting Period, Meitu joined industry initiatives led by WELEGAL and attended the 9th China Internet Copyright Protection and Development Conference, contributing to policy dialogue and advancing collaborative IP protection.

Environmental, Social and Governance Report

Integrity Culture

We prioritise the promotion of anti-corruption awareness among both directors and employees. Supported by our internal control department, we provided training to all of our staff, including directors, on anti-corruption through our online platforms, such as internal communication platforms and regular email updates, during the Reporting Period. To engage our staff effectively, we established diverse training materials, including:

- **Board Engagement**

All directors and Audit Committee members participated in anti-corruption training and awareness programmes during the Reporting Period, achieving 100% coverage. These sessions strengthened leadership understanding of Meitu's anti-fraud framework and integrity requirements, reinforcing tone-from-the-top governance.

- **Employee Training**

We deliver targeted anti-fraud and compliance training to strengthen ethical awareness and risk prevention across the organisation. During the Reporting Period, we participated in 20 internal and external anti-fraud training sessions, totalling 40 training hours, covering topics such as procurement risk control, supplier risk alerts, overseas business compliance, financial risk assessment, audit modelling, real-life fraud case analysis, and the application of AI and big data in risk management. These programmes equip employees, particularly those in sensitive roles, with practical tools to identify misconduct, manage compliance risks, and embed integrity into daily operations.

- **Supplier Business Ethics Integration**

We also promote integrity standards among suppliers through onboarding communications and training initiatives, reinforcing expectations on ethical conduct, fraud prevention and compliance. By sharing case studies and practical risk scenarios, we strengthen suppliers' compliance capabilities and reaffirm our zero-tolerance approach to fraudulent behaviour across the value chain. Also, as part of the application process, all suppliers are required to review, acknowledge and comply with our "Supplier Code of Conduct" and "Supplier Integrity Agreement" via our supplier management system. Over 1,500 suppliers have reviewed these prior to submitting an application, helping ensure our business partners uphold the same high standards of integrity.

- **Awareness Promotion and Communication**

We strengthened employees' awareness of business ethics and anti-corruption practices through multiple channels to enhance awareness and engagement. During the Reporting Period, we published various promotional articles and internal control alert cases via our WeChat Official Account, "Integrity Meitu", to reinforce the importance of compliance and ethical conduct among our employees. By sharing regular compliance updates and anti-corruption guidelines, including awareness campaigns during festive seasons, we reinforced a culture of transparency, accountability, and zero tolerance for bribery across the organisation.

Environmental, Social and Governance Report

Whistleblowing Management Mechanism and Investigation

We identify potential misconduct through proactive reviews as well as internal and external whistleblowing reports. In accordance with Meitu's "Anti-Fraud and Whistleblowing Policy", reported cases are handled by our Internal Control Department as the day-to-day function responsible for anti-fraud management. Investigation outcomes are reviewed by the Company Investigation Committee, which oversees the fairness, objectivity and reasonableness of investigation procedures and conclusions.

In addition, we provide an internal anti-fraud consultation channel for all employees – via our WeCom service account, internal hotline and dedicated email – to address enquiries about our anti-fraud requirements and personal conduct compliance.

- **Internal Reporting Channel**

We maintain multiple reporting channels, including a corporate WeChat official account, an internal hotline, and a dedicated email address, for employees and external stakeholders to raise concerns or seek guidance on our anti-fraud policies and personal conduct compliance.

- **Whistleblower Confidentiality**

We encourage all employees, suppliers, and business partners to report any actual or potential acts of corruption or misconduct. We accept anonymous reports and also encourage whistleblowers to provide their names and contact information to facilitate follow-up investigations and feedback. We handle all whistleblower information with strict confidentiality and prohibit any form of retaliation to ensure the protection of whistleblowers.

Since 2019, the Group has been a member of the "Trust and Integrity Enterprise Alliance" ("陽光誠信聯盟") (the "Alliance") as a strong supporter of tackling corruption and information security crimes through the Internet. Initiated by JD.com, Inc. and launched in conjunction with leading companies such as Tencent, Baidu, Lenovo, Xiaomi etc., the Alliance has established and shared a "blacklist" of individuals which the allied companies would refuse to recruit in order to maintain integrity in the organisation.

During the Reporting Period, we were not aware of any material non-compliance with the Criminal Law of the PRC, the Anti-Unfair Competition Law of the PRC, Anti-Money Laundering Law of the PRC and other laws and regulations or legal cases concerning bribery, corruption, extortion, fraud and money laundering in regions where we operate.

Environmental, Social and Governance Report

3. ENVIRONMENTAL

Climate change and ecosystem disruption are increasingly recognised as defining challenges of the decade ahead. As an AI technology company, Meitu believes digital innovation can advance practical climate solutions and enable scalable, lower-carbon transformation across our operations and digital communities. Environmental sustainability and climate responsibility are embedded in our long-term strategy and governance framework, shaping how we manage risk, innovate products and conduct our business. Informed by global risk assessments, including the latest World Economic Forum's Global Risks Report, we are integrating climate considerations into enterprise risk management, strengthening transparency and advancing measurable decarbonisation initiatives.

3.1 Climate Action

3.2 Green Operations

Alignment with UNSDGs



3.1 Climate Action

Climate action is embedded in Meitu's long-term strategy and innovation agenda. In support of global climate action and national climate goals, we leverage digital technology and platform influence to enable our stakeholders to transition toward a more sustainable, lower-carbon future.

During the Reporting Period, we strengthened our approach to climate-related matters by aligning our disclosures with the International Financial Reporting Standards S2 Climate-related Disclosures ("IFRS S2") and the climate-related disclosure requirements under Part D of the ESG Reporting Code of The Stock Exchange of Hong Kong Limited ("HKEX").

GOVERNANCE

The Board plays a pivotal role in steering the management of climate-related matters, ensuring that adaptation and mitigation measures are integrated into our overall business strategy. For details of our ESG governance structure, please refer to the "ESG Governance and Board's Oversight" section.

Board's Oversight

The Board has ultimate responsibility for the oversight of climate-related issues, including climate-related risks and opportunities. The Board, with the support of the ESG Working Group, is responsible for overseeing the Group's climate-related matters, including climate-related risks and opportunities, and considers trade-offs between climate factors in strategy formulation, major transaction decisions and risk management processes and related policies, balancing them against other business, financial and operational priorities, as well as progress on climate target implementation. The ESG Working Group reports to the Board on ESG-related matters, including climate-related issues, climate-related risks and opportunities, through meetings at least once a year. Climate-related issues, risks and opportunities are considered as part of the Board's ongoing oversight of the Group's strategy and risk management.

The Board and the ESG Working Group have sufficient knowledge of climate-related issues and the impacts of such issues on the Company's business and operations. To ensure that the Board and all employees remain informed and that their skills and competencies are up to date, we provide regular training and materials on climate-related topics.

Environmental, Social and Governance Report

Management's Role



Management and Coordination

The ESG Working Group, delegated by the Board and comprised of management executives, is responsible for formulating, coordinating and implementing climate resilience strategies, and for implementing the strategic direction set by the Board by incorporating climate considerations into our daily operations. For details of its composition, please refer to the "ESG Governance and Board's Oversight" section. Its key responsibilities include:

- Identifying, assessing and managing climate-related risks and opportunities;
- Reviewing climate-related policies, establishing climate-related transition measures, and overseeing implementation by relevant functional departments;
- Overseeing the design and implementation of climate-related initiatives;
- Reviewing and updating the climate-related goals and targets to ensure alignment with the Group's strategy and evolving international standards;
- Promoting climate awareness and building internal capabilities.



Implementation

Management and relevant functional departments are responsible for the execution of climate-related initiatives, including:

- Developing and implementing climate strategies including resilience response actions and decarbonisation roadmap to address climate-related risks and opportunities;
- Setting climate-related targets, establishing relevant metrics and monitoring progress on a regular basis.

STRATEGY

In response to the evolving impacts of climate change, the Group continues to strengthen its capabilities to identify and manage climate-related risks and opportunities to enhance climate resilience. Through the established ESG Working Group, the Group maintains adequate existing resources to support climate-related risks, opportunities and transition measures. During the Reporting Period, we conducted climate scenario analysis and refined our assessment of physical and transition climate risks as well as climate-related opportunities, incorporating insights from our business model, supply chain and financial performance into strategic planning. Our approach is reflected in the following focus areas:

- **Governance:** Climate considerations are integrated into our governance structure and overall risk management processes.
- **Collaboration:** We seek to engage with major suppliers and stakeholders to enhance resilience across our value chain and address climate-related risks and opportunities.
- **Disclosure:** We align our disclosures with IFRS S2 and the HKEX climate-related requirements to support structured risk assessment and transparent reporting.
- **Innovation:** We leverage digital innovation to improve resource efficiency and support lower-carbon outcomes across our operations and ecosystem.

Environmental, Social and Governance Report

Climate-related Risks and Opportunities

During the Reporting Period, we conducted a comprehensive assessment of physical and transition risks and climate-related opportunities relevant to our business. The key climate-related risks and opportunities identified, their potential impacts on our business model and value chain and our corresponding response actions are summarised in the table below. However, since data availability and quantification methods continue to develop or evolve, we will continue to monitor and, where feasible, describe the concentration of climate-related risks and opportunities across our business model and value chain. As research in this area continues to evolve, we expect to strengthen our understanding and further identify relevant risks and opportunities across our core operations.

Key Climate Risks and Opportunities	Financial Impacts	Non-Financial Impacts	Response Actions
Physical Risks			
<p>Acute Risk</p> <p>Ⓢ Ⓜ Ⓛ</p> <p>Increasing frequency and severity of extreme weather (e.g., typhoons, flooding, extreme heat) may disrupt operations and supply chains</p>	<p>Current Financial Impact</p> <ul style="list-style-type: none"> Temporary operational disruptions and higher maintenance costs <p>Anticipated Financial Impact</p> <ul style="list-style-type: none"> Potential increase in property insurance costs (medium-long term) 	<ul style="list-style-type: none"> Logistics delays affecting contract fulfilment and customer relationships Increased employee health and safety risks 	<ul style="list-style-type: none"> Maintaining a dedicated emergency preparedness team and preparedness procedures to mitigate the impacts of extreme weather; Promoting employee awareness and response capacity through regular training; Maintaining strong supplier relationships to manage potential operational disruptions.
<p>Chronic Risk</p> <p>Ⓜ Ⓛ</p> <p>Long-term climate changes (e.g., temperature rise, sea-level rise) may increase energy demand and affect operating conditions</p>	<p>Current Financial Impact</p> <ul style="list-style-type: none"> Increased energy costs driven by higher cooling demand <p>Anticipated Financial Impact</p> <ul style="list-style-type: none"> Potential capital expenditure for energy-efficiency upgrades (medium-long term) 	<ul style="list-style-type: none"> Increased equipment failure and heat-related health risks Reduced productivity and potential value chain instability 	<ul style="list-style-type: none"> Promoting low-carbon practices and energy efficiency across operations by encouraging business units to adopt industry best practices; Integrating climate considerations into operation and/or data centre planning and energy strategy to enhance operational efficiency; Leveraging AI and digital technologies to optimise energy efficiency across operations.

Ⓢ Short term (2030) Ⓜ Medium term (2040) Ⓛ Long term (2050)

Environmental, Social and Governance Report

Key Climate Risks and Opportunities	Financial Impacts	Non-Financial Impacts	Response Actions
Transition Risks			
<p>Policy and Legal Risk</p> <p>Ⓜ Ⓛ</p> <p>Tightening climate regulations (e.g., carbon pricing, disclosure requirements) may increase compliance and transparency obligations</p>	<p>Current Financial Impact</p> <ul style="list-style-type: none"> Additional compliance costs <p>Anticipated Financial Impact</p> <ul style="list-style-type: none"> Potential increase in operating costs arising from carbon pricing (medium-long term) 	<ul style="list-style-type: none"> Reputational damage for failing to develop credible transition measures in line with more ambitious climate policies and regulations 	<ul style="list-style-type: none"> Regularly monitoring relevant laws and regulations to ensure compliance; Enhancing climate strategy and disclosure practices in alignment with the latest climate standards or requirements; Improving energy performance and advancing lower-carbon infrastructure partnerships.
<p>Technology Risk</p> <p>Ⓢ Ⓜ Ⓛ</p> <p>Low-carbon transition and AI expansion may require significant R&D and capital investment</p>	<p>Current Financial Impact</p> <ul style="list-style-type: none"> Increased R&D and capital expenditure <p>Anticipated Financial Impact</p> <ul style="list-style-type: none"> Potential risk of financial loss or asset impairment (medium-long term) 	<ul style="list-style-type: none"> Risk of reduced competitiveness due to evolving technological developments Brand erosion if lagging in low-carbon innovation, leading to reduced market competitiveness 	<ul style="list-style-type: none"> Identifying and evaluating low-carbon and energy-efficient technologies and planning their phased development and adoption; Prioritising partnerships with data centre providers that implement low-carbon and energy-saving solutions; Promoting “green programming” initiatives, including code optimisation and algorithm efficiency improvements, to improve computing efficiency.

Ⓢ Short term (2030) Ⓜ Medium term (2040) Ⓛ Long term (2050)

Environmental, Social and Governance Report

Key Climate Risks and Opportunities	Financial Impacts	Non-Financial Impacts	Response Actions
Transition Risks			
Market Risk Ⓜ Ⓛ Rising stakeholder expectations on decarbonisation may affect reputation and competitiveness	Current Financial Impact <ul style="list-style-type: none"> No significant financial impact at this stage Anticipated Financial Impact <ul style="list-style-type: none"> Potential revenue loss from reputational damage (medium-long term) 	<ul style="list-style-type: none"> Increased stakeholder scrutiny Reduced brand attractiveness and market position 	<ul style="list-style-type: none"> Monitoring climate-related market developments and adjusting products and operations accordingly; Strengthening stakeholder communication regarding our climate resilience efforts.
Climate-Related Opportunities			
Resource Efficiency Ⓢ Ⓜ Ⓛ Investment in energy-efficient equipment and optimised operations may reduce costs and emissions	Current Financial Impact <ul style="list-style-type: none"> Lower electricity, fuel and operating costs from energy-efficiency upgrades Anticipated Financial Impact <ul style="list-style-type: none"> Reduced energy consumption and potential savings on future carbon-related costs (medium-long term) 	<ul style="list-style-type: none"> Lower operational emissions supporting regulatory compliance Enhanced brand reputation and stakeholder confidence 	<ul style="list-style-type: none"> Implementing energy-saving upgrades for facilities, including HVAC and lighting systems; Encouraging leased data centres to adopt energy- and water-saving technologies (e.g., indirect evaporative cooling, liquid or air cooling, natural cooling servers) and prioritising collaboration with green-certified centres to improve operational efficiency.

Ⓢ Short term (2030) Ⓜ Medium term (2040) Ⓛ Long term (2050)

Environmental, Social and Governance Report

Key Climate Risks and Opportunities	Financial Impacts	Non-Financial Impacts	Response Actions
<p>Climate-Related Opportunities</p> <p>Markets</p> <p>©™Ⓛ</p> <p>Growing demand for sustainable digital solutions creates opportunities that may enhance brand value and market share</p>	<p>Current Financial Impact</p> <ul style="list-style-type: none"> Revenue growth from sustainable solutions such as “AI Wardrobe” <p>Anticipated Financial Impact</p> <ul style="list-style-type: none"> Increased market share and new business opportunities aligned with the low-carbon transition (medium-long term) 	<ul style="list-style-type: none"> Strengthened brand reputation and competitiveness Empowerment of customers to reduce value-chain emissions 	<ul style="list-style-type: none"> Conducting ongoing product innovation and regular market assessments to develop sustainable solutions; Embedding low-carbon and energy-efficient features in product design and customer interaction strategies to leverage AI and digital technologies for customers; Optimising code and improving algorithm efficiency to lower computing resource usage.
	© Short term (2030)	™ Medium term (2040)	Ⓛ Long term (2050)

Environmental, Social and Governance Report

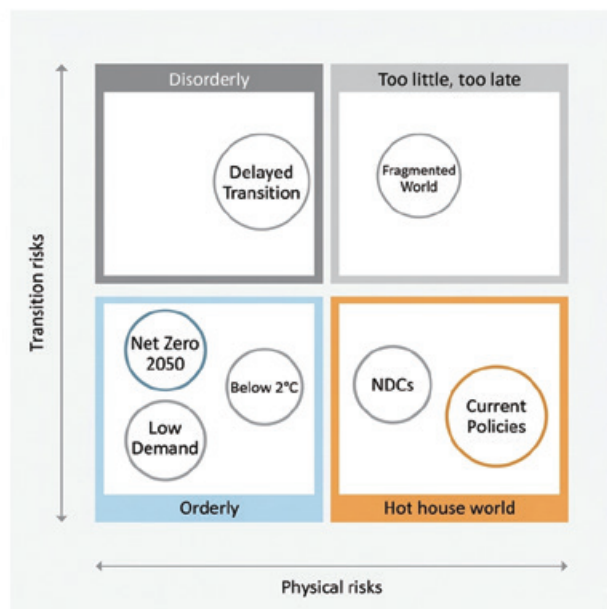
Climate Scenario Analysis

During the Reporting Period, the Group initiated its first climate scenario analysis to assess the resilience of its strategy and business model against a range of potential climate outcomes. The analysis was conducted across core operations in Mainland China and Hong Kong at the Group level and was designed to inform strategic planning and risk management. The results informed our strategic planning, risk management and resource allocation for various time horizons.

Scenario and Modelling Approach

We used the Network for Greening the Financial System (“NGFS”)⁽¹¹⁾ as the primary dataset. We selected both low-carbon and high-carbon scenarios, namely the Net Zero 2050 scenario and the Current Policies scenario, as they are internationally recognised, publicly available and directly relevant to the Group. The scenarios were not intended to be predictions of the future; rather, they were designed to stress-test our business against several plausible future states. The uncertainty is subject to the current limitations of available literature and data in quantifying the influence of climate with a high degree of certainty. Our current approach was based on a snapshot of our current situation and assumed no change in our major business operations, operating locations or carbon mitigation measures, and no correlation between different climate risk variables. Going forward, we will continue to refine our approach to climate scenario analysis as new credible data and methodologies become available.

Refer to the graphics below for an overview of the NGFS scenarios.



For the assessment, we integrated global climate models, regional climate data, and industry forecasts to evaluate physical and transition risks relevant to the Group’s operations. The analysis considered physical risk indicators such as cyclones, floods, and heatwaves, as well as transition risk indicators impacting operating costs and transition pressures, including carbon pricing. The results indicate that, across all assessed scenarios, identified risks remain low.

Refer to the tables below for an overview of the selected time horizons, climate scenarios, and analysis results. The assessment results then serve as the underlying assumption for formulating the response actions.

(11) NGFS is a group of central banks and supervisors who share best practices, contribute to developing climate and environment risk management in the financial sector, and mobilise mainstream finance to support the transition to a sustainable economy.

Environmental, Social and Governance Report

Time Horizons and Climate Scenarios Selection

Risk Indicators		Time Horizons	NGFS Scenarios Selection
Physical Risk	Acute Risk:	2030 (short-term)	Current Policies (Hot House World): • Assumes only existing policies are maintained, leading to emissions growth until 2080 and about 3 °C of warming, resulting in severe physical risks, including irreversible impacts like higher sea levels.
	• Cyclones • Floods	2040 (medium-term)	
	Chronic Risk:	2050 (long-term)	
	• Heatwaves		
Transition Risk	Policy and Legal Risk:		Net-Zero 2050 (Orderly):
	• Carbon Pricing		• Assumes immediate, ambitious climate policies and rapid technological transition, achieving net zero CO ₂ emissions around 2050, limiting warming to 1.5 °C ⁽¹²⁾ with minimal overshoot, low physical risks, and high transition risks.

Scenario Analysis Results

Risk level: ● High ● Moderate ● Low

Risk Indicators	Relevant Market(s)	Impact Level							
		PRC	Hong Kong	Net-Zero 2050 Scenario			Current Policies Scenario		
				2030	2040	2050	2030	2040	2050
Physical Risk	Cyclones	✓	✓	●	●	●	●	●	●
	Floods	✓	✓	●	●	●	●	●	●
	Heatwaves	✓	✓	●	●	●	●	●	●
Transition Risk	Carbon Pricing	✓	✓	●	●	●	●	●	●

(12) Aligned with the Paris Agreement’s goal in limiting warming to 1.5°C above pre-industrial level.

Environmental, Social and Governance Report

Climate Resilience and Adaptive Capacity

The results of the climate-related scenario analysis inform the Group's assessment of the resilience of its strategy and business model under different scenarios and time horizons. The analysis supports an understanding of how climate-related changes could affect the Group's operations and strategic positioning and provides a basis for identifying areas where enhanced risk management, strategic adjustment or resource allocation may be required.

We maintain the capacity to adapt our strategy and business model over short, medium, and long term through existing risk management and strategic planning processes. Scenario analysis outcomes are incorporated into these processes to support timely decision-making, enabling the Group to respond proportionately to evolving climate-related risks and opportunities while supporting long-term resilience and sustainable value creation.

RISK MANAGEMENT

The Board has collective responsibility for overseeing climate-related risks and opportunities, which are fully integrated into the Group's risk and opportunity management framework for the identification, assessment, prioritisation, management and reporting of risks and opportunities across multiple domains. Supported by the ESG Working Group, we conduct regular sustainability risk and opportunity assessments, encompassing climate-related risks and opportunities across core operations. These processes are embedded within, and inform, the Group's overall risk management and strategic planning framework. For further details, please refer to the section headed "ESG Risk and Opportunity Management".

The Processes

Step 1: Risk Inventory and Identification

- Analysing sectoral developments, peer disclosures and regulatory requirements (including HKEX and IFRS S2);
- Identifying climate risks and opportunities aligned with internationally recognised frameworks, including the Task Force on Climate-related Financial Disclosures (TCFD) risk categories (physical and transition risks);
- Generating a comprehensive long list of climate-related risks and opportunities.

Step 2: Risk Assessment and Scenario Analysis

- Selecting two contrasting scenarios (Net Zero 2050 and Current Policies), i.e., lower emission and climate scenarios;
- Selecting appropriate time horizons (short-, medium-, and long-term) to assess climate impacts;
- Collecting information on assets and the business development strategy, using internal and external data sources including NGFS scenarios and financial data;
- Conducting internal interviews to understand the operational status;
- Conducting scenario analysis at a sectoral and asset level to identify material climate risks and opportunities affecting our business operations and value chain, where materiality is determined based on likelihood, magnitude, and qualitative/quantitative factors.

Environmental, Social and Governance Report

Step 3: Impact Assessment and Prioritisation

- Conducting qualitative analysis of impacts of climate risks and opportunities on Meitu's business strategy and financial planning;
- Conducting quantitative analysis of climate related financial impact through developing financial quantification models;
- Prioritising climate-related risks relative to other enterprise risks using the Group's standard risk rating methodology and risk register.

Step 4: Risk Management, Monitoring and Response

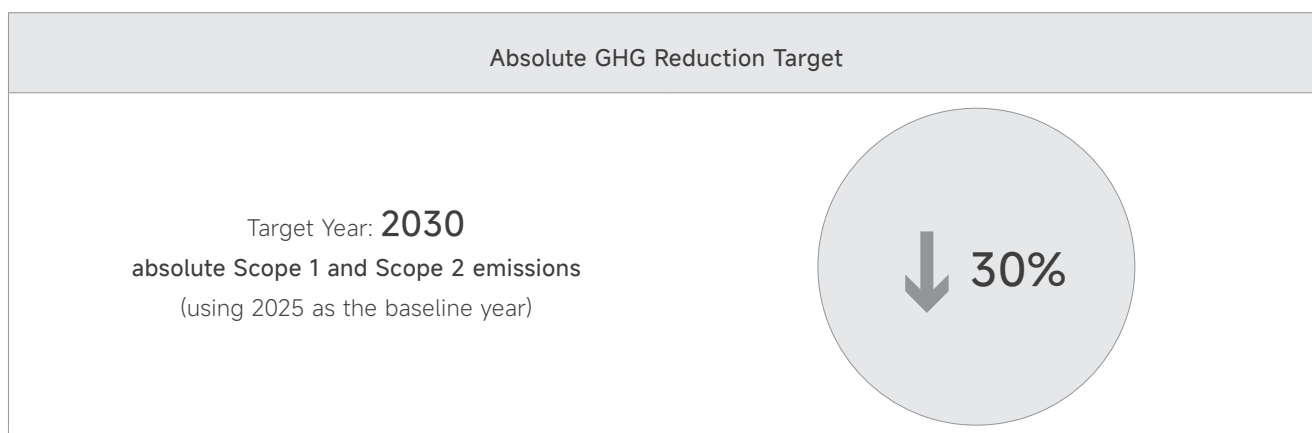
- Enhancing climate risk response measures for material climate-related risks and opportunities;
- Continuously monitoring and evaluating the progress of improvements in risk management practices based on the regular reports from each business unit;
- Assigning responsibility to business units and functional departments, providing periodic updates to the ESG Working Group and at least annual reporting to the Board, and tracking key risk indicators on an ongoing basis.

METRICS AND TARGETS

In support of China's 3060 goal namely peaking carbon emissions by 2030 and achieving carbon neutrality by 2060, and taking into account the Paris Agreement, an international climate agreement aimed at limiting global warming to 1.5°C above pre-industrial levels, the Group continues to advance its climate governance and decarbonisation roadmap.

Carbon Emissions and Green Targets

During the Reporting Period, we continued to advance our long-standing climate and environmental commitments while strengthening our resilience to climate-related risks. Building on our existing green targets, we enhanced our framework in 2025 by establishing our first absolute GHG reduction target⁽¹³⁾: to reduce Scope 1 and Scope 2 emissions by 30% by 2030, using 2025 as the baseline year. This target signals our transition from measurement to action in embedding climate accountability into our long-term strategy and operational model.



(13) Our GHG reduction target applies to our core businesses and covers three greenhouse gases as defined under the Kyoto Protocol: carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O). Details of the scope are set out in the Reporting Scope and Period section. We will consider the potential use of quality carbon credits and renewable energy certificates ("RECs") as part of our decarbonisation pathway and continue to monitor relevant guidance on carbon credits and offsets in relation to offsetting greenhouse gas emissions in achieving our GHG reduction target.

Environmental, Social and Governance Report

Decarbonisation Roadmap

Our decarbonisation roadmap is based on certain key assumptions and dependencies, including external factors beyond our control such as government policies, regional infrastructure and technological developments. Going forward, we will continue to refine our roadmap to reflect evolving methodologies, emerging insights and best practices.

We have established a GHG reduction target 2030 to reduce absolute Scope 1 and 2 GHG emissions by 30% by 2030 from the 2025 base year, supported by the key emission reduction levers set out below.

Our Emission Reduction Levers



Energy Efficiency Improvement in Operations

Purchased electricity consumed at Meitu Tower represented a significant proportion of the Group's total purchased electricity, accounting for over 80% in 2024 and 2025. To optimise energy efficiency at Meitu Tower, we have implemented advanced energy management measures, including: (i) AI-driven systems for real-time monitoring and coordinated control of building systems; (ii) upgrading server room air-conditioning units with high-efficiency variable-frequency systems and smart compressors to enhance energy efficiency; (iii) intelligent daylight controls and high-efficiency lighting; (iv) a rooftop garden that serves as a biological barrier to reduce solar heat gain and alleviate the building's thermal load; (v) the installation of sensors to strengthen energy management; (vi) the setting and locking of thermostat setpoints; and (vii) powering down inactive equipment to avoid unnecessary energy consumption.

We also encourage employees to save energy and reduce emissions through their day-to-day office behaviour by enhancing energy conservation awareness and promoting energy-saving practices, such as switching off lights in unoccupied areas and adopting paperless workflows.



Transition to Electric Vehicles

Vehicles accounted for approximately 3% of our operational emissions in 2024 and 2025, and the transition to electric vehicles ("EVs") therefore forms part of our decarbonisation strategy. This initiative focuses on the phased replacement of conventional combustion engine vehicles with EVs, taking into account operational requirements, infrastructure readiness and cost considerations. To support this transition, the Group is prioritising EV adoption where feasible. Through these efforts, the Group aims to reduce fuel consumption and associated greenhouse gas emissions while supporting the transition to low-carbon mobility.



Renewable Energy

Renewable energy represents a flexible and scalable lever in support of our decarbonisation target. RECs are currently the most widely accessible renewable energy instrument across our operating locations. Based on our recent feasibility assessment, the current availability of RECs is sufficient to support the achievement of our targets. Looking ahead, continued availability will depend on the further development of renewable energy infrastructure in line with growing market demand. We will continue to explore suitable renewable energy sourcing opportunities, including the procurement of RECs and other feasible renewable energy solutions, in support of our decarbonisation pathway.







Carbon Credits

A carbon credit is a tradable unit representing one tonne of carbon dioxide ("CO₂") or carbon dioxide equivalent ("CO₂e") avoided or removed from the atmosphere. In evaluating the potential use of carbon credits as part of our decarbonisation pathway, we will take into account a range of factors, including, but not limited to, the credibility of third-party schemes, the quality and integrity of the credits, and the nature of the underlying carbon credit projects. We will also continue to monitor relevant guidance and market developments relating to carbon credits and offsets, including HKEX guidance on the use of carbon credits to offset greenhouse gas emissions in achieving greenhouse gas emissions targets.

Environmental, Social and Governance Report

Our key environmental targets, outlined below, serve as a foundation for these efforts.

Aspect	Carbon Emissions and Green Targets	Progress
 Emissions	<ul style="list-style-type: none"> To reduce GHG emissions in daily operations Reduce 30% of our absolute GHG emissions (Scopes 1 and 2) (compared to our 2025 baseline year) by 2030 	<ul style="list-style-type: none"> ● ◐
 Waste	<ul style="list-style-type: none"> To minimise the generation of waste by adhering to the four “Rs” principle of responsible waste management 	<ul style="list-style-type: none"> ◐
 Energy	<ul style="list-style-type: none"> To improve energy efficiency by implementing energy-saving measures to reduce energy consumption 	<ul style="list-style-type: none"> ◐
 Water	<ul style="list-style-type: none"> To enhance water efficiency and reduce unnecessary water usage 	<ul style="list-style-type: none"> ◐

● Achieved ◐ In progress

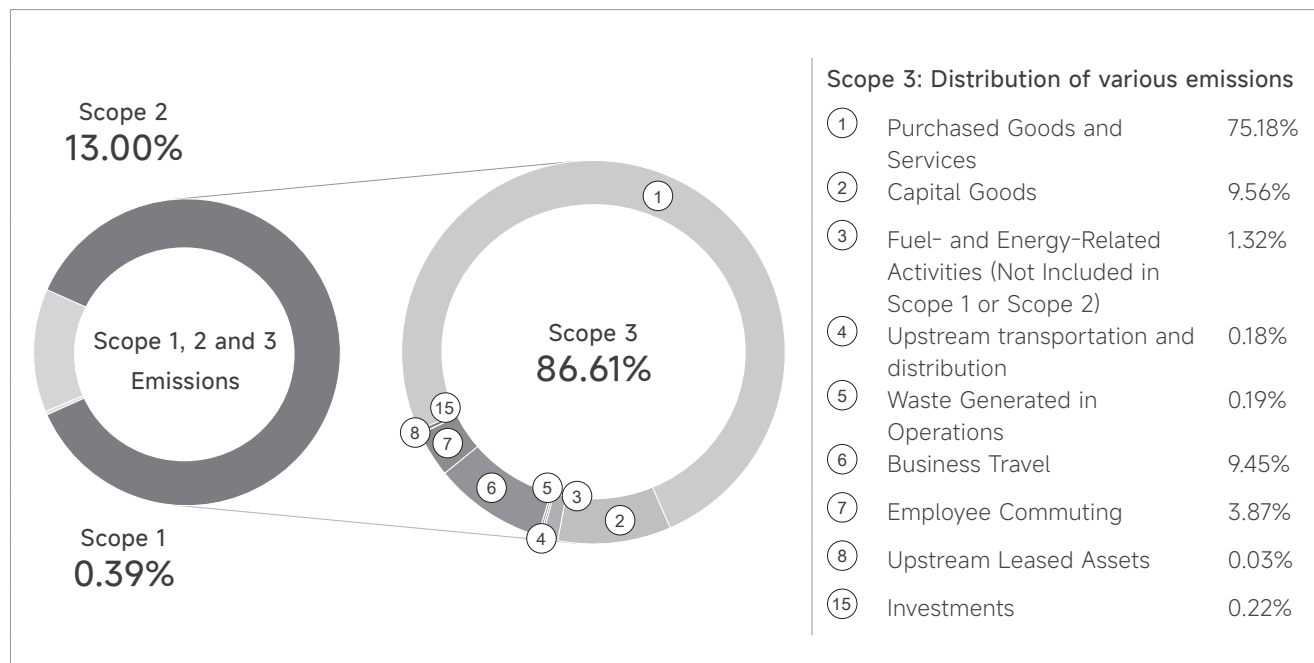
For further details on the specific initiatives and actions undertaken to achieve these targets, please refer to the “Green Operations” chapter.

GHG Emissions Overview

We disclose Scope 1, Scope 2, and Scope 3 GHG emissions, together with energy consumption metrics, in our annual ESG Report. During the Reporting Period, we expanded our climate transparency by conducting and disclosing, for the first time, a screening of major Scope 3 emissions relevant to our business activities. While certain Scope 3 categories currently have a limited impact on the Group, we will continue monitoring them and are committed to further improving disclosures and reducing carbon emissions across the entire value chain in the near future.

Environmental, Social and Governance Report

The distribution of the Group's 2025 emissions is presented below:



The Scope 3 emissions disclosed in 2025 were based on available data from 9 applicable categories, reflecting our ongoing efforts to enhance data accuracy and improve methodologies. For further details, please refer to the section headed "Carbon Emissions – Scope 3 Emissions Inventory and Reporting Methodology".

CLIMATE ACTION IN PRACTICE

Environmental Awareness and Advocacy

Meitu leverages its platform influence to raise public awareness of environmental protection and biodiversity conservation. Through interactive features such as themed filters, educational content and social media engagement campaigns, we translate environmental topics into relatable digital experiences.

Leveraging Digital Engagement to Promote Endangered Species Conservation

During the Reporting Period, we launched a themed filter featuring the endangered Indochinese grey langur. The initiative aimed to draw attention to the species' challenges, particularly access to safe drinking water. By encouraging users to engage and share content through social interaction, we sought to amplify public awareness of wildlife conservation and promote broader understanding of the living conditions faced by endangered species.



Environmental, Social and Governance Report

Supply Chain Decarbonisation

At Meitu, we view reducing carbon impact across our value chain as a key part of our sustainability strategy. We embed environmental criteria directly into procurement processes and partner engagement.

Sustainability is now a core requirement in supplier agreements. We encourage suppliers to use eco-friendly materials, optimise packaging, and improve energy efficiency. For critical infrastructure providers, such as data centres, we promote advanced cooling solutions, including liquid cooling and natural ventilation, alongside transparent energy reporting.

We also collaborate closely with strategic partners, such as Alibaba Cloud, to explore the latest green technologies, from waste heat recovery to intelligent temperature control. Through these collaborations, we identify practical ways to reduce emissions and drive decarbonisation across our supply chain.

Enabling Sustainable Choices

Meitu empowers users to make sustainable choices by embedding environmental considerations into everyday digital experiences. Our products help users reduce waste and resource usage while enjoying creative, AI-powered features that enhance daily life.

During the Reporting Period, we introduced features that enable users to make informed, sustainable choices:

- ***The Meitu app and BeautyCam – “AI Hairstyle” and “AI Hair Dye”***: Users can preview hairstyles and colours digitally, reducing unnecessary hair dye usage and associated chemical waste. This digital-first approach helps users make real-life decisions while minimising overuse of products.
- ***Designkit – “AI Product Image”***: By generating product images digitally, we reduce energy consumption and operational waste from physical photoshoots, studio setups, lighting, and disposable props, while improving cross-border e-commerce efficiency.

To further enhance sustainability across our technology stack, Meitu applies “green coding” practices. By optimising code and improving algorithm efficiency, we reduce computational resource usage and electricity consumption, all while delivering a faster, smoother user experience. Examples include:

- ***Wink – “Quality Restoration”***: Targeted algorithm processing improves restoration quality while minimising unnecessary computing, reducing energy usage in data centres and devices.

Environmental, Social and Governance Report

3.2 Green Operations

Supporting global low-carbon initiatives and advancing sustainability for future generations is a responsibility Meitu embraces wholeheartedly. Carbon footprint reduction, energy optimisation, and water efficiency are embedded into our operational design and workplace practices. Clear policies, employee engagement mechanisms, and continuous performance monitoring support measurable progress.

During the Reporting Period, we were not aware of any material non-compliance with the Environmental Protection Law of the PRC, the Energy Law of the PRC, and other applicable environmental laws and regulations in the jurisdictions where we operate.

GREEN BUILDINGS AND ENERGY MANAGEMENT

At Meitu, sustainability shapes every stage of our office spaces, from design and construction to daily operations. We integrate green building concepts and advanced energy management systems into Meitu Tower, including intelligent daylight controls and high-efficiency lighting, to create workspaces that are healthy, energy-efficient, and environmentally responsible.

Our primary energy consumption and GHG emissions come from electricity usage in offices and fuel consumption from company vehicles. While our operations are largely office-based with relatively low environmental impact, we remain committed to improving energy efficiency and reducing emissions as part of our broader climate strategy.

Enhancing Energy Efficiency with Intelligent Technology

To optimise the power usage effectiveness ("PUE"), we have implemented targeted energy-efficiency measures and integrated intelligent technologies to further reduce energy consumption and enhance overall operational performance. These include upgrading server room air conditioning ("AC") units with high-efficiency, variable-frequency systems and smart compressors to improve energy efficiency.

Intelligent AI-driven systems for Energy Efficiency

We have incorporated AI-driven analytics and technology to support real-time monitoring and coordinated control of buildings and relevant systems. By leveraging data analysis and automated optimisation, the system adjusts operating parameters based on actual conditions, strengthening operational efficiency and enhancing overall energy performance.

Enhancing Energy Efficiency in Equipment

Apart from integrating intelligent technology, we also enhance our energy efficiency by upgrading our cooling and lighting systems, further unlocking our potential for energy savings, including the adjustment of air conditioning settings and the usage of energy-efficient lighting to maintain comfort while reducing electricity consumption.

Environmental, Social and Governance Report

Enhancing Energy Efficiency in Operation

We combine employee engagement with smart operations to embed sustainability into daily practices, reinforcing our energy conservation policies and initiatives.

- Installing sensors, setting and locking thermostat setpoints, and powering down inactive equipment to prevent unnecessary energy usage
- Providing employee shuttles and introducing electric vehicles to reduce transportation-related emissions
- Conducting after-hours checks, placing desk reminders, and reducing lift usage during evenings and weekends to encourage responsible energy practices
- Prioritising environmentally friendly, energy-efficient office equipment when purchasing

Through these combined initiatives, we foster a workplace that meets international sustainability standards, minimises environmental impact, and empowers employees to actively contribute to energy conservation.

Integrating Nature-Based Solutions into Our Building Design

The rooftop garden at our Meitu Tower serves as a biological barrier, effectively reducing solar heat gain and mitigating the building's overall thermal load. This thoughtfully integrated design enhances energy performance and supports our broader commitment to improving operational efficiency. At the same time, it creates a greener and more restorative workplace environment, contributing positively to employee well-being.



WATER MANAGEMENT

Water used in our operations is provided by local suppliers in our regions of presence, and we are committed to maintaining a stable and resilient supply across all office locations.

While water consumption is not a key operational concern, we remain dedicated to the ongoing optimisation of our water usage. To support this, we have implemented several measures, including:

- Installation of water-saving sanitary fixtures to enhance water efficiency and improve wastewater discharge while maintaining high hygiene standards.
- Regular inspection and maintenance of water pipelines to ensure they remain in optimal condition and to promptly repair any leaks, reducing water loss.
- Raising employee awareness through signage in restrooms and pantry areas, encouraging mindful water usage in the workplace.

Environmental, Social and Governance Report

Enhancing Water Efficiency through Smart Sanitary Innovation

Meitu adopts water-efficient sanitary fixtures across its facilities, utilising advanced water-saving technologies to optimise water consumption and operational hygiene. By integrating dual-flush and siphon flushing mechanisms with antibacterial materials, the initiative reduces water usage while enhancing hygiene protection.

WASTE MANAGEMENT

Our operations are predominantly office-based, with waste streams largely comprising general office waste, limited quantities of used batteries and toner cartridges, and packaging materials associated with employee souvenirs. To ensure environmentally sound handling and regulatory compliance, we engage qualified third-party providers to manage the collection, treatment, and disposal of these waste categories in a responsible and controlled manner.

We approach waste management through a resource-efficiency lens, guided by the **“Four Rs” principle – Reduce, Reuse, Recycle, and Replace**. This principle underpins our efforts to embed circular thinking into daily operations and cultivate a more sustainable workplace ecosystem. In line with this commitment, we have rolled out targeted initiatives designed to minimise waste generation and optimise material utilisation across our offices.

Responsible Waste Collection

- Placing sorting bins on every floor to facilitate the separation of general waste, food waste, recyclables, and hazardous materials for proper disposal and recycling
- Maintaining long-term partnerships with certified recycling organisations to implement centralised recycling of office paper, packaging, and other recyclable materials

Green Procurement

- Prioritising durable office supplies to extend product lifespan and reduce waste generation
- Utilising recyclable materials, such as paper boxes and cardboard, for product packaging to promote sustainability
- Adopting office supplies with biodegradable packaging to reduce the usage of single-use packaging

“Paperless Office” Culture

- Encouraging the reuse of office paper, envelopes, and other paper products
- Promoting digital communication and documentation to reduce paper consumption
- Implementing a smart visitor registration system at our Xiamen office to eliminate paper-based sign-in processes

Environmental, Social and Governance Report

EMPLOYEE ENGAGEMENT

At Meitu, sustainability starts with our people. We embed low-carbon practices into daily office life, turning everyday actions into collective impact:

Smart Travel	<ul style="list-style-type: none">• Using a travel management system to track carbon emissions from business trips and encourage low-carbon travel choices
Paperless Workflows	<ul style="list-style-type: none">• Sharing documents digitally to reduce paper consumption and save energy
Energy Conservation Campaigns	<ul style="list-style-type: none">• Using digital screens, posters, and meeting room prompts to remind employees to switch off lights and air conditioning
Sustainable Packaging Practices	<ul style="list-style-type: none">• Replacing gift boxes with reusable bags for employee benefits to minimise packaging waste• Reducing packaging for customised gift packs by eliminating unnecessary fabric bags• Simplifying packaging designs by removing excess layers and decorative elements to minimise material usage
Sustainable Dining	<ul style="list-style-type: none">• Providing low-carbon dining options, including plant-based and vegetarian meals, to encourage lower-emission choices

Environmental, Social and Governance Report

APPENDIX I: ABOUT THIS REPORT

Purpose and Objective

This is the tenth ESG Report (the “**Report**”) for Meitu, Inc. (the “**Company**”, and, together with its subsidiaries and consolidated affiliates, collectively known as “**Meitu**”, the “**Group**” or “**We**”). The purpose of this Report is to provide a clear and transparent overview of our sustainability management approach, strategies, initiatives and performance in relation to our material sustainability issues, enabling our key stakeholders to strengthen their understanding of the Group and our ESG efforts.

Reporting Scope and Period

Unless otherwise stated, the reporting scope includes, and is identified by the level of operations in the locations where we operate our core businesses, covering our headquarters and main offices in the PRC, Hong Kong, Singapore, Australia and the United States which account for over 95% of the Group’s total revenue during the Reporting Period. The United States has been newly included in our reporting scope to provide a more comprehensive and transparent view of our ESG performance.

Reporting Standards

The Report has been prepared in accordance with the latest disclosure requirements of the Environmental, Social and Governance Reporting Code (the “**ESG Reporting Code**”) as set out in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) issued by the HKEX.

Reporting Principles

In the course of this Report’s preparation, we have adhered to the four reporting principles stipulated in the ESG Reporting Code to disclose our sustainability performance: materiality, quantitative, balance and consistency. Our application of these reporting principles is described below.

Reporting Principles	Our Application
Materiality	
The ESG issues covered in this Report should be sufficiently important to investors and other stakeholders that they should be reported. In addition, under Part D of the Listing Rules, the Group shall also provide relevant disclosures whenever climate-related risks and opportunities could be reasonably expected to affect the Group’s cash flows, its access to finance or cost of capital over the short, medium or long term.	The Group identifies the ESG topics that are material to our business operations and our key stakeholders through ongoing engagement with our stakeholders and regular assessment of the materiality of sustainability topics. Please refer to the sections of “Stakeholder Engagement” and “Materiality Assessment” for further details of our stakeholder engagement approach and materiality analysis.

Environmental, Social and Governance Report

Reporting Principles	Our Application
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Quantitative

The Report should disclose key performance indicators in a way that is measurable. Targets should be set to reduce a particular impact. In this way the effectiveness of ESG policies and management systems can be evaluated and validated. Quantitative information should be accompanied by a narrative, explaining its purpose, impacts, and comparisons can be conducted when appropriate.

The Report discloses its key environmental and social performance indicators in a quantitative way, where applicable.

Balance

The Report should present the positive and negative information of the Group in an objective and unbiased manner. The Report should avoid selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the Report reader.

The Report discloses both achievements and challenges in an objective way, to provide a balanced and unbiased picture of the Group's ESG performance.

Consistency

The Group should confirm that the methodologies used in the preparation of the ESG Report are consistent with that adopted for the prior years, or state the revised reporting methods, or illustrate other relevant factors that will affect meaningful comparison of ESG data over time.

The reporting scope and reporting methodology are substantially consistent with those of the prior year, and necessary explanations have been provided on any changes to the methodology used as compared to the previous year in the Report.

Access to the Report

As part of the Group's annual report, the Report has been prepared in both English and Chinese, and is available on the Group's website at www.meitu.com. In case of any discrepancy between these two versions, the English version shall prevail.

Your Feedback

We greatly value feedback and suggestions from our stakeholders regarding our sustainability performance and reporting. Your input is crucial in driving ongoing enhancements in our sustainability strategy. Please share your feedback at email: ir@meitu.com.

Environmental, Social and Governance Report

APPENDIX II: ESG KEY PERFORMANCE TABLE

Environmental Aspect^{(14),(15),(16),(17)}

Indicator	Unit	2025	2024
GHG Emissions⁽¹⁸⁾			
Total GHG emissions (Scopes 1 and 2)	t-CO ₂ e	2,101.63	2,160.80
Total GHG emissions (Scopes 1, 2, and 3)	t-CO ₂ e	15,694.81	N/A
- Direct emissions (Scope 1)	t-CO ₂ e	61.06	67.84
- Energy indirect emissions (Scope 2) (Location-based)	t-CO ₂ e	2,040.57	2,092.97
- Other indirect emissions (Scope 3) ⁽¹⁹⁾	t-CO ₂ e	13,593.18	N/A
Intensity of total GHG emissions (Scopes 1 and 2)	t-CO ₂ e/million RMB revenue t-CO ₂ e/m ²	0.57 0.05	0.77 0.05
Intensity of total GHG emissions (Scopes 1, 2, and 3)	t-CO ₂ e/million RMB revenue t-CO ₂ e/m ²	4.24 0.35	N/A N/A
Energy Consumption			
Total energy consumption	MWh	4,057.60	3,665.41
Direct energy consumption	MWh	209.03	232.24
- Unleaded petrol	MWh	209.03	232.24
Indirect energy consumption	MWh	3,848.57	3,433.16
- Purchased electricity	MWh	3,848.57	3,433.16
Intensity of total energy consumption	MWh/million RMB revenue MWh/m ²	1.10 0.09	1.31 0.08

(14) The scope of environmental data covers our key operating locations.

(15) Given the Group's business nature as an information technology-based enterprise, air emissions arising from its operations were not considered significant during the Reporting Period.

(16) The data on purchased electricity and its corresponding indirect GHG emissions (Scope 2) does not include some of our leased premises in the PRC, Singapore and Australia as the electricity supply was controlled by the property management and hence the relevant data was unavailable to individual tenants.

(17) Totals may not be the exact sum of numbers shown here due to rounding.

(18) Carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O) are included in GHG calculations.

(19) The Scope 3 emissions include available data from the applicable categories.

Environmental, Social and Governance Report

Indicator	Unit	2025	2024
Water Consumption^{(20),(21)}			
Total water consumption	m ³	18,654.00	17,750.00
Intensity of total water consumption	m ³ /million RMB revenue	5.04	6.33
	m ³ /m ²	0.42	0.42
Waste Generation			
Non-hazardous waste			
Total non-hazardous waste generated	Tonnes	45.75	43.46
Intensity of total non-hazardous waste generated	Tonnes/million RMB revenue	0.012	0.015
	Tonnes/m ²	0.001	0.001
Hazardous waste			
Total hazardous waste generated	Tonnes	0.02	0.05
Intensity of total hazardous waste generated	kg/million RMB revenue	0.006	0.018
	kg/m ²	0.001	0.001

(20) The data on water consumption does not include some of our leased premises in the PRC, Hong Kong, Singapore and Australia as the water supply is controlled by the property management and such data was unavailable to individual tenants.

(21) Water consumption is primarily sourced from the municipal water supply, and we were not aware of any material issues in water sourcing.

Environmental, Social and Governance Report

Carbon Emissions – Scope 3 Emissions Inventory and Reporting Methodology

Scope 3 Categories	Applicability	Methodology ⁽¹⁹⁾ /Justification for Exclusion	2025 (tCO ₂ e)
1 Purchased goods and services	Yes	Spend-based The primary spend data related to purchased goods and services are multiplied by the corresponding Scope 3 GHG emission factors (“ emission factors ”).	10,220.04
2 Capital goods	Yes	Spend-based The primary spend data related to fixed assets are multiplied by the corresponding emission factors.	1,299.56
3 Fuel and energy-related activities (not included in scope 1 or scope 2)	Yes	Average-data Emissions in this category are calculated by multiplying electricity consumption by the corresponding emission factors derived from the country-specific average transmission and distribution loss rate.	179.04
4 Upstream transportation and distribution	Yes	Spend-based The spend data related to transportation and distribution of purchased goods are multiplied by the corresponding Scope 3 GHG emission factors.	24.18
5 Waste generated in operations	Yes	Waste-type-specific The weight of waste is multiplied by the corresponding emission factors.	26.24
6 Business travel	Yes	Spend-based Emissions in this category are derived from the amount Meitu’s spend on “airplane”, “train”, “automobile”, “accommodation”, “food and beverages” multiplied by the corresponding emission factors.	1,285.06
7 Employee commuting	Yes	Average-data Emissions in this category are derived from Meitu’s number of employees multiplied by the corresponding emission factors.	526.17
8 Upstream leased assets	Yes	Average-data Emissions in this category are derived from Meitu’s floor area of leased assets multiplied by the corresponding emission factors.	3.60

Environmental, Social and Governance Report

Scope 3 Categories	Applicability	Methodology ⁽¹⁹⁾ /Justification for Exclusion	2025 (tCO ₂ e)
9 Downstream transportation and distribution	No	Given the Group's business nature as an AI technology company, there are no manufactured products and, accordingly, no emissions to report under this category.	N/A
10 Processing of sold products	No	Given the Group's business nature as an AI technology company, there are no manufactured products and, accordingly, no emissions to report under this category.	N/A
11 Use of sold products	No	Given the Group's business nature as an AI technology company, there are no manufactured products and, accordingly, no emissions to report under this category.	N/A
12 End-of-life treatment of sold products	No	Given the Group's business nature as an AI technology company, there are no manufactured products and, accordingly, no emissions to report under this category.	N/A
13 Downstream leased assets	No	Meitu does not have any leased assets and hence there are no emissions to report in this category.	N/A
14 Franchises	No	Given the Group's business nature as an AI technology company, we do not operate any franchise businesses and, accordingly, there are no emissions to report in this category.	N/A
15 Investment	Yes	Investment-specific Emissions in this category are derived from the investee company's scope 2 emissions and adjusted based on equity share.	29.29

Environmental, Social and Governance Report

Social Aspect

Indicator	Unit	2025	2024 ⁽²²⁾
Employment⁽²³⁾			
Total number of employees	Number of people	2,103	2,416
Number of employees by employment type			
Permanent employees	Number of people	2,103	2,416
Other categories		0	0
Number of employees by age group			
Under 30	Number of people	794	1,142
31 to 50		1,300	1,264
Over 50		9	10
Number of employees by gender			
Male	Number of people	1,217	1,337
Female		886	1,079
Number of employees by management level			
Management	Number of people	202	257
Non-management		1,901	2,159
Number of employees by geographic region			
The PRC	Number of people	2,055	2,364
Others		48	52
Employee turnover⁽²⁴⁾			
Total turnover rate	%	9.4	11.4
Employee turnover rate by age group			
Under 30	%	13.5	13.7
31 to 50		6.7	9.3
Over 50		10.0	9.1

(22) Certain figures for 2024 have been amended to reflect the actual situation.

(23) Data of the whole Group has been included.

(24) Employee turnover rate = Number of permanent employees who left the Group during the Reporting Period / (Number of permanent employees who left the Group during the Reporting Period + Number of permanent employees at the end of the Reporting Period) × 100%. Employee turnover includes the number of permanent employees who have left due to voluntary resignations.

Environmental, Social and Governance Report

Indicator	Unit	2025	2024 ⁽²²⁾
Employee turnover rate by gender			
Male	%	7.7	9.8
Female		11.6	13.3
Employee turnover rate by geographic region			
The PRC	%	9.4	11.4
Others		11.1	13.3
Health and Safety			
Number of work-related fatalities	Number of fatalities	0	0
Work-related fatality rate	Number of fatalities/ millions of hours worked	0.00	0.00
Working days lost due to work-related injuries	Days	176	5.5
Training and Development^{(25),(26),(27)}			
Percentage of employees who received training (by gender)			
Male	%	84.8	68.0
Female		99.2	70.0
Percentage of employees who received training (by management level)			
Management	%	77.2	93.7
Non-management		91.8	66.4
Average hours of training received by employee (by gender)			
Male	Hours	11.2	6.7
Female		7.5	5.0
Average hours of training received by employee (by management level)			
Management	Hours	14.9	4.5
Non-management		9.2	6.1

(25) The calculations of training data have included the relevant training data on those who left in the Group's core businesses, to present an accurate reflection of the training resources invested by the Group.

(26) Starting from FY2025, the Group has enhanced its training data collection process to provide a more representative presentation of the percentage of employees who received training.

Percentage of employees who received training = Number of employees trained (by category) ÷ Number of employees (by category) at the end of the Reporting Period.

(27) Average hours of training received by employee = Number of training hours (by category) ÷ Number of employees trained (by category) at the end of the Reporting Period.

Environmental, Social and Governance Report

APPENDIX III: HKEX ESG REPORTING CODE CONTENT INDEX

Reporting Frameworks	HKEX ESG Code	Remarks
Executive Summary		
Key ESG Performance		
ESG Awards		
ESG Governance		
ESG Priorities		
ESG Governance and Board's Oversight	Part B: Governance Structure	
ESG Risk and Opportunity Management	Part B: Governance Structure, Reporting Principles	
Materiality Assessment	Part B: Reporting Principles	
1. Social		
1.1 Technology	Part C: B6, B6.2, B6.4, B6.5	Due to the nature of the Group's business operations, Part C: B6.1 and B6.4 are not applicable.
1.2 People	Part C: B1, B2, B2.3, B3, B4, B4.1, B4.2	
1.3 Community	Part C: B8, B8.1	
2. Governance		
2.1 Privacy Protection	Part C: B6, B6.5	
2.2 Cyber and Data Security	Part C: B6, B6.5	
2.3 AI Ethics	Part C: B6, B6.5	
2.4 Responsible Business Practices	Part C: B5, B5.1, B5.2, B5.3, B5.4, B6.3, B7, B7.1, B7.2, B7.3	

Environmental, Social and Governance Report

Reporting Frameworks	HKEX ESG Code	Remarks
3. Environment		
3.1 Climate Action	Part C: A1, A1.5, A1.6, A2, A2.3, A3, A3.1; Part D: Governance, Strategy, Risk Management, Metrics and Targets	<p>Part D: 19(a)(iv), 34, 35 - Our business is not inherently carbon-intensive in nature, and we have not yet incorporated climate-related performance indicators into our remuneration policy, nor adopted internal carbon pricing mechanisms in decision-making processes. As our climate strategy continues to evolve, we will assess the potential application of internal carbon pricing and explore the feasibility of enhancing remuneration policies to incorporate climate-related performance considerations.</p> <p>Part D: 24(a), 25(a), 25(b) - We have identified major climate-related risks and opportunities and disclosed their current and/or anticipated qualitative financial effects. Given the high level of measurement uncertainty arising from data limitations and evolving climate science and methodologies, the resulting quantitative financial effects may not provide meaningful insights. We will continue to review the feasibility of disclosing such data as our business operations evolve.</p> <p>Part D: 24(b) - No significant risk of a material adjustment within the next annual Reporting Period.</p> <p>Part D: 29(b)(iii), 40(e) - No revisions to our climate-related targets were made during the Reporting Period. We will explore the feasibility of purchasing RECs and high quality carbon credits to offset GHG emissions in our operations.</p> <p>Part D: 30, 31, 32, 33 - Reasonable and supportable information was not available at the reporting date without undue cost or effort. We will explore the feasibility of disclosing such metrics in the future.</p> <p>Part D: 38(a), 38(d) - We will explore the feasibility of having our targets validated by a third party. No revisions have been made during the Reporting Period.</p> <p>Part D: 40(d) - At present, the GHG target was not derived using a sectoral decarbonisation approach for target setting.</p>
3.2 Green Operation	Part C: A1, A1.1, A1.5, A1.6, A2, A2.3, A3, A3.1	Due to the nature of the Group's business operations, Part C: A2.5 is not applicable.
Appendix		
About This Report	Part B: Reporting Principles, Reporting Boundary	
Key Performance Indicators	Part C: A1.1, A1.3, A1.4, A2.1, A2.2, B1.1, B1.2, B2.1, B2.2, B3.1, B3.2, B8.2; Part D: Metrics and Targets	Due to the nature of the Group's business operations, Part C: A2.5 is not applicable.

Independent Auditor's Report



To the Shareholders of Meitu, Inc.

(incorporated in the Cayman Islands with limited liability)

Opinion

What we have audited

The consolidated financial statements of Meitu, Inc. (the “**Company**”) and its subsidiaries (the “**Group**”), which are set out on pages 197 to 295, comprise:

- the consolidated balance sheet as of December 31, 2025;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as of December 31, 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (“**ISAs**”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Hong Kong Institute of Certified Public Accountants (the “**Code**”), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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Independent Auditor's Report

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters identified in our audit are summarised as follows:

- Impairment assessments of goodwill
- Fair value measurement of long-term financial assets at fair value through profit or loss

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><i>Impairment assessments of goodwill</i></p> <p>Refer to Notes 4(c), 15(b) and 41(g) to the consolidated financial statements.</p> <p>As of December 31, 2025, the Group recorded goodwill arising from several acquisitions, composed of original costs of RMB584,945,000 and related impairment provision of RMB188,602,000, brought forward from previous years. The Group recognized impairment loss of RMB82,670,000 during the year ended December 31, 2025.</p> <p>For the purpose of performing impairment assessment, the goodwill balance was allocated to related cash-generating unit ("CGU") and group of CGUs. The recoverable amounts of the CGU and group of CGUs were determined based on the higher of value in use ("VIU") and fair value less cost of disposal. VIUs were determined by applying discounted cash flow models. The key assumptions applied in the models primarily include (i) average expected growth rate of revenue; (ii) average gross margin; (iii) terminal growth rate after 5 years; and (iv) pre-tax discount rate.</p>	<p>Our procedures to evaluate the Group's impairment assessments of goodwill included the following:</p> <ul style="list-style-type: none">• We obtained an understanding of the management's internal controls and valuation processes in relation to impairment assessments of goodwill and assessed the inherent risks of material misstatement by considering the degree of estimation uncertainty and other inherent risk factors;• We evaluated and tested the controls over the impairment assessments of goodwill;• We assessed the reasonableness of management's allocation of goodwill to CGU or group of CGUs based on our understanding of the Group's business;• We assessed the appropriateness of the valuation model adopted for the impairment assessments of goodwill with the involvement of our in-house valuation experts;• We assessed the competence, capabilities and objectivity of the external valuation expert engaged by the Group for performing the goodwill impairment assessments by evaluating its qualifications, relevant experience and relationship with the Group;

Independent Auditor's Report

Key Audit Matter	How our audit addressed the Key Audit Matter
<i>Impairment assessments of goodwill (Continued)</i>	
<p>We focused on this area due to the significance of the carrying amounts of goodwill as of December 31, 2025; and the fact that significant estimations and judgments were subject to a high degree of estimation uncertainty; and the inherent risk was considered relatively higher due to uncertainty of significant assumptions used in the impairment assessment.</p>	<ul style="list-style-type: none">• We assessed reasonableness and appropriateness of the key assumptions adopted including average expected growth rates of revenue and average gross margins by comparing them against the historical results of the CGU and group of CGUs, the approved budgets of the CGU and group of CGUs, and the Group's business plans. We assessed the pre-tax discount rates and terminal growth rates after 5 years with reference made against comparable listed companies and available market data with the involvement of our in-house valuation experts;• We independently tested the accuracy of mathematical calculations applied in the valuation models;• We evaluated the sensitivity analysis prepared by management around the key assumptions and estimates to assess the potential impacts of a range of possible outcomes.

Based on the procedures we performed, we concluded that the management's estimation and judgment involved in determining the impairment was supported by the evidence that we gathered.

Independent Auditor's Report

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><i>Fair value measurement of long-term financial assets at fair value through profit or loss</i></p> <p>Refer to Note 3.3(c), 4(a), 16(b) and 41(h) to the consolidated financial statements.</p> <p>As of December 31, 2025, the Group's carrying value of long-term investments classified as financial assets at fair value through profit and loss ("FVTPL") amounted to RMB856,758,000. For the year ended December 31, 2025, the Group had recognized a net gain on fair value changes of RMB517,322,000 on its long-term FVTPL.</p> <p>The fair value of long-term FVTPL had been determined using different valuation methodologies, namely equity allocation model with market approach, and discounted cash flow method, based on significant unobservable inputs. Fair value measurement had taken into account the estimations of the significant unobservable inputs, including enterprise value-to-sales ratios, marketability discounts, terminal growth rates, and weighted average costs of capital.</p>	<p>Our procedures to evaluate the Group's fair value measurement of FVTPL included the following:</p> <ul style="list-style-type: none">• We obtained an understanding of the management's internal control and valuation processes in relation to the long-term financial assets at FVTPL and assessed the inherent risk of material misstatement by considering the degree of estimations uncertainty and other inherent risk factors;• We evaluated and tested the controls over the valuations of long-term FVTPL;• We involved our in-house valuation experts to discuss with management and reconsider the appropriateness of valuation methodologies and assumptions used;• We assessed the competence, capabilities and objectivity of the external valuation expert engaged by the Group for performing the fair value valuations of long-term FVTPL by evaluating its qualifications, relevant experience and relationship with the Group;

Independent Auditor's Report

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><i>Fair value measurement of long-term financial assets at fair value through profit or loss (Continued)</i></p> <p>We focused on this area due to the significance of the balances of long-term FVTPL as of December 31, 2025, and the fact that the significant estimations and judgments were subject to a high degree of estimations uncertainty and the inherent risk was considered relatively higher due to uncertainty of significant assumptions used in determining the respective fair value of long-term FVTPL.</p>	<ul style="list-style-type: none">• We assessed the reasonableness of the significant unobservable inputs used in the valuations, including enterprise value-to-sales ratios, marketability discounts, terminal growth rates, and weighted average costs of capital, by comparing the significant unobservable inputs to available market data with the involvement of our in-house valuation experts;• We tested the mathematical accuracy of the calculations of the management's assessments. <p>Based on our audit procedures, we found that the management's estimations and judgments involved in determining the respective fair values of long-term FVTPL were supported by the evidence that we gathered.</p>

Other Information

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report

Responsibilities of Directors and the Audit Committee for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Independent Auditor's Report

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is SHIN, Wai Kit, Ricky.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, March 27, 2026

Consolidated Income Statement

	Note	Year ended December 31,	
		2025	2024
		RMB'000	RMB'000 (Restated)*
Continuing operations			
Revenue	5	3,858,738	2,996,182
Cost of sales	8	(1,019,925)	(718,370)
Gross profit			
Selling and marketing expenses	8	(599,571)	(477,856)
Administrative expenses	8	(451,401)	(396,014)
Research and development expenses	8	(945,370)	(910,703)
Share-based non-cash expense from issuance of convertible bonds	29	(511,811)	–
Net impairment losses on financial assets		(11,731)	(2,751)
Other income	6	20,074	23,618
Other gains/(losses), net	7	532,872	(364,768)
Reversal of impairment losses and disposal gains on cryptocurrencies	15	–	639,556
Impairment losses on goodwill	15	(23,656)	–
Finance income, net	10	55,274	50,654
– Finance income		72,761	51,344
– Finance costs		(17,487)	(690)
Share of gains/(losses) of investments accounted for using the equity method	16(a)	1,380	(23,668)
Profit before income tax			
Income tax expense	11	(207,861)	(17,233)
Profit from continuing operations		697,012	798,647
(Loss)/Profit from discontinued operations	34	(149,655)	7,513
Profit for the year		547,357	806,160
Profit/(Loss) attributable to:			
– Owners of the Company	12	582,900	805,176
– Non-controlling interests		(35,543)	984
		547,357	806,160

Consolidated Income Statement

	Note	Year ended December 31,	
		2025	2024
		RMB'000	RMB'000 (Restated)*
Profit/(Loss) attributable to owners of the Company arises from:			
– Continuing operations		697,563	798,875
– Discontinued operations		(114,663)	6,301
		582,900	805,176
Earnings per share for profit from continuing operations attributable to owners of the Company for the year (expressed in RMB per share)			
	12		
– Basic		0.15	0.18
– Diluted		0.15	0.18
Earnings per share for profit attributable to owners of the Company for the year (expressed in RMB per share)			
	12		
– Basic		0.12	0.18
– Diluted		0.12	0.18

The above consolidated income statement should be read in conjunction with the accompanying notes.

* The consolidated income statement for the year ended December 31, 2024 has been restated for the discontinued operations (Note 34).

Consolidated Statement of Comprehensive Income

	Note	Year ended December 31,	
		2025 RMB'000	2024 RMB'000 (Restated)*
Profit for the year		547,357	806,160
Other comprehensive (loss)/income, net of tax			
<i>Items that may be reclassified to profit or loss</i>			
Currency translation differences		(28,871)	6,933
<i>Items that will not be reclassified to profit or loss</i>			
Currency translation differences		(12,562)	16,777
Changes in fair value of financial assets at fair value through other comprehensive income		(14,137)	(5,825)
Other comprehensive (loss)/income for the year, net of tax		(55,570)	17,885
Total comprehensive income for the year, net of tax		491,787	824,045
Total comprehensive income/(loss) attributable to:			
– Owners of the Company		527,330	823,061
– Non-controlling interests		(35,543)	984
Total comprehensive income/(loss) for the period attributable to owners of the Company arises from:			
– Continuing operations		641,993	816,760
– Discontinued operations		(114,663)	6,301

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

* The consolidated statement of comprehensive income for the year ended December 31, 2024 has been restated for the discontinued operations (Note 34).

Consolidated Balance Sheet

	Note	As of December 31,	
		2025	2024
		RMB'000	RMB'000
ASSETS			
Non-current assets			
Property and equipment	13	458,937	469,863
Right-of-use assets	14	54,171	52,100
Intangible assets	15	397,021	519,602
Long-term investments			
– Investments in associates and joint ventures	16(a)	1,146,242	96,541
– Financial assets at fair value through profit or loss	16(b)	856,758	1,285,072
– Financial assets at fair value through other comprehensive income	16(c)	17,232	31,903
Long-term treasury investments	20	40,556	–
Prepayments and other receivables	19	4,957	11,436
Deferred tax assets	28(a)	13,289	9,807
Term deposits	21	30,114	42,405
		3,019,277	2,518,729
Current assets			
Inventories		7,310	73,457
Trade receivables	18	523,058	407,014
Prepayments and other receivables	19	690,141	921,668
Contract costs	5(a)	179,415	136,226
Short-term treasury investments	20	884,146	256,880
Term deposits	21	467,448	1,398,154
Cash and cash equivalents	22(a)	3,514,504	1,301,412
Restricted cash	22(b)	3,129	33,137
		6,269,151	4,527,948
Total assets		9,288,428	7,046,677
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	23	288	287
Share premium	23	6,238,205	7,104,304
Reserves	24	1,158,108	220,919
Accumulated losses		(1,728,973)	(2,298,775)
Non-controlling interests		(29,716)	5,827
Total equity		5,637,912	5,032,562

Consolidated Balance Sheet

	Note	As of December 31,	
		2025	2024
		RMB'000	RMB'000
Liabilities			
Non-current liabilities			
Lease liabilities	14	5,580	27,235
Deferred tax liabilities	28(b)	290,433	166,616
		296,013	193,851
Current liabilities			
Convertible bonds	29	1,406,692	–
Convertible redeemable preferred shares	31	186,966	163,627
Borrowings	27	20,000	102,890
Trade and other payables	26	732,755	786,428
Lease liabilities	14	25,656	24,596
Income tax liabilities		133,650	87,856
Contract liabilities	5(a)	848,784	654,867
		3,354,503	1,820,264
Total liabilities		3,650,516	2,014,115
Total equity and liabilities		9,288,428	7,046,677

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

The consolidated financial statements on pages 197 to 295 were approved by the Board of Directors on March 27, 2026 and were signed on its behalf.

Wu Zeyuan
Director

Hong Yupeng
Director

Consolidated Statement of Changes in Equity

	Note	Attributable to owners of the Company				Total RMB'000	Non- controlling interests RMB'000	Total equity RMB'000
		Share capital RMB'000	Share premium RMB'000	Reserves RMB'000	Accumulated losses RMB'000			
Balance as of January 1, 2024		283	7,093,781	83,911	(3,069,118)	4,108,857	4,843	4,113,700
Comprehensive income								
Profit for the year		-	-	-	805,176	805,176	984	806,160
Other comprehensive income/(loss)								
Change in fair value of financial assets at fair value through other comprehensive income	16(c)	-	-	(5,825)	-	(5,825)	-	(5,825)
Currency translation differences	24(a)	-	-	23,710	-	23,710	-	23,710
Total comprehensive income for the year		-	-	17,885	805,176	823,061	984	824,045
Transactions with owners as their capacity as owners								
Issue of ordinary shares as consideration for a business combination, net of transaction costs and tax		4	159,175	-	-	159,179	-	159,179
Value of employee services:								
- Post-IPO Share Award Scheme/2024 Share Award Scheme	25(b)	-	-	77,257	-	77,257	-	77,257
- Share incentive to senior management	25(e)	-	-	770	-	770	-	770
- Share awards arising from a business combination	25(d)	-	-	6,263	-	6,263	-	6,263
Shares issued upon exercise of employee share options	23(a)	*	175	-	-	175	-	175
Appropriation to statutory reserves	24(b)	-	-	34,833	(34,833)	-	-	-
Dividends		-	(148,827)	-	-	(148,827)	-	(148,827)
Total transactions with owners as their capacity as owners		4	10,523	119,123	(34,833)	94,817	-	94,817
Balance as of December 31, 2024		287	7,104,304	220,919	(2,298,775)	5,026,735	5,827	5,032,562

* The amount is less than RMB1,000.

Consolidated Statement of Changes in Equity

	Note	Attributable to owners of the Company					Non-controlling interests RMB'000	Total equity RMB'000
		Share capital RMB'000	Share premium RMB'000	Reserves RMB'000	Accumulated losses RMB'000	Total RMB'000		
Balance as of January 1, 2025		287	7,104,304	220,919	(2,298,775)	5,026,735	5,827	5,032,562
Comprehensive income								
Profit/(loss) for the year		-	-	-	582,900	582,900	(35,543)	547,357
Other comprehensive loss								
Change in fair value of financial assets at fair value through other comprehensive income	16(c)	-	-	(14,137)	-	(14,137)	-	(14,137)
Currency translation differences	24(a)	-	-	(41,433)	-	(41,433)	-	(41,433)
Total comprehensive income/(loss) for the year		-	-	(55,570)	582,900	527,330	(35,543)	491,787
Transactions with owners as their capacity as owners								
Value of employee services:								
- Post-IPO Share Award Scheme/2024 Share Award Scheme	25(b)	-	-	117,369	-	117,369	-	117,369
- Share incentive to senior management	25(e)	-	-	369	-	369	-	369
- Share awards arising from a business combination	25(d)	-	-	758	-	758	-	758
Shares issued upon exercise of employee share options	23(a)	1	2,306	-	-	2,307	-	2,307
Appropriation to statutory reserves	24(b)	-	-	13,098	(13,098)	-	-	-
Issuance of convertible bonds	29	-	-	861,165	-	861,165	-	861,165
Dividends	30	-	(868,405)	-	-	(868,405)	-	(868,405)
Total transactions with owners as their capacity as owners		1	(866,099)	992,759	(13,098)	113,563	-	113,563
Balance as of December 31, 2025		288	6,238,205	1,158,108	(1,728,973)	5,667,628	(29,716)	5,637,912

The above consolidated statement of changes in equity should be read in conjunction with accompanying notes.

Consolidated Statement of Cash Flows

	Note	Year ended December 31,	
		2025	2024
		RMB'000	RMB'000
Cash flows from operating activities			
Cash generated from operations	32(a)	1,293,123	798,973
Interest received		2,410	3,016
Interest paid		(571)	(1,646)
Income tax paid		(37,952)	(54,536)
Net cash generated from operating activities		1,257,010	745,807
Cash flows from investing activities			
Purchase of property and equipment		(24,263)	(46,030)
Purchase of intangible assets	15	(1,239)	(6,650)
Proceeds from disposal of property and equipment and intangible assets		1,720	1,978
Purchase of land use rights		(22,660)	–
Payments for acquisition of associates in the form of ordinary shares	16(a)	–	(12,002)
Payments for acquisition of a joint venture	16(a)	–	(10,000)
Payments for acquisition of financial assets at fair value through profit or loss	16(b)	(164,995)	(244,105)
Proceeds from disposal of financial assets at fair value through profit or loss		51,893	35,423
Proceeds from disposal of an associate		–	718
Proceeds from disposal of cryptocurrencies		–	1,290,250
Purchase of short-term treasury investments, net		(627,965)	(78,866)
Purchase of short-term treasury investment with original maturities over three months		(44,270)	(35,000)
Purchase of long-term treasury investments		(40,000)	–
Proceeds from disposal of short-term treasury investment with original maturities over three months		45,000	–
Investment income received from treasury investments and term deposits		99,200	53,651
Placement of term deposits		(749,619)	(1,657,073)
Receipt from maturity of term deposits		1,664,362	831,926
Refund of restricted cash		33,137	–
Disposal of a subsidiary, net of cash inflow		5,784	–
Loans to a third party		(3,000)	–
Loans to an associate		–	(3,000)
Dividend income from an investee company	7	8,938	8,152
Payments for acquisition of subsidiaries, net of cash acquired		(26,352)	(122,207)
Net cash generated from investing activities		205,671	7,165

Consolidated Statement of Cash Flows

	Note	Year ended December 31,	
		2025 RMB'000	2024 RMB'000
Cash flows from financing activities			
Proceeds from short-term borrowings	32(c)	20,000	102,890
Repayment of short-term borrowings	32(c)	(102,890)	(17,980)
Dividends paid to Company's shareholders	30	(865,592)	(147,807)
Dividends paid to holders of convertible redeemable preferred shares in a subsidiary	31	(8,811)	–
Payments for lease liabilities		(34,560)	(35,772)
Proceeds from shares issued under employee share option scheme		2,307	204
Proceeds from issuance of convertible bonds	29	1,757,200	–
Transaction costs related to the issuance of convertible redeemable preferred shares in a subsidiary		–	(5,609)
Net cash generated from/(used in) financing activities		767,654	(104,074)
Net increase in cash and cash equivalents		2,230,335	648,898
Cash and cash equivalents at the beginning of the year	22	1,301,412	640,629
Effects of exchange rate changes on cash and cash equivalents		(17,243)	11,885
Cash and cash equivalents at the end of the year	22	3,514,504	1,301,412
Non-cash investing and financing activities	32(b)		
Cash flows of discontinued operations	34		

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

1 GENERAL INFORMATION

Meitu, Inc. (the “**Company**”), was incorporated in the Cayman Islands under the name of “Meitu, Inc. 美图公司” on July 25, 2013 as an exempted company with limited liability under the Companies Law, Cap.22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, and carries on a business in Hong Kong as “美图之家” as approved by and registered with the Registrar of Companies in Hong Kong on October 28, 2016 and November 7, 2016, respectively. The address of the Company’s registered office is at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries, Xiamen Meitu Networks Technology Co., Ltd. (“**Meitu Networks**”) and Xiamen MeituEve Networks Services Co., Ltd. (“**MeituEve Networks**”) and their respective subsidiaries (collectively the “**Group**”) are principally engaged in the provision of Photo, video and design products, and Advertising services in the People’s Republic of China (the “**PRC**”) and other countries or regions.

Certain of the Group’s business are subject to foreign investment restrictions. To comply with the relevant PRC laws, the wholly-owned subsidiary of the Company, Xiamen Home Meitu Technology Co., Ltd. (“**Meitu Home**”), has entered into a series of contractual arrangements (the “**Contractual Arrangements**”) with Meitu Networks and its equity holders, which enable Meitu Home and the Group to:

- govern the financial and operating policies of Meitu Networks;
- exercise equity holders’ voting rights of Meitu Networks;
- receive substantially all of the economic interest returns generated by Meitu Networks in consideration for the business support, technical and consulting services provided by Meitu Home;
- obtain an irrevocable and exclusive right with an initial period of 10 years to purchase all or part of the equity interests in Meitu Networks from the respective equity holders at a minimum purchase price permitted under PRC laws and regulations. Meitu Home may exercise such options at any time until it has acquired all equity interests of Meitu Networks. The right is automatically renewable upon expiry unless it is superseded by a new term confirmed by Meitu Home; and
- obtain a pledge over the entire equity interests of Meitu Networks from its respective equity holders as collateral security for all of Meitu Networks’ payments due to Meitu Home and to secure performance of Meitu Networks’ obligation under the Contractual Arrangements.

As a result of the Contractual Arrangements, the Group is able to have effective control over Meitu Networks and its subsidiaries, receive variable returns from its involvement with Meitu Networks and its subsidiaries, have the ability to affect those returns through its power over Meitu Networks and its subsidiaries and it is considered to control Meitu Networks and its subsidiaries. Consequently, the Company regards Meitu Networks and its subsidiaries as the controlled entities and consolidates the financial position and results of operations of these entities in the consolidated financial statements of the Group.

Nevertheless, the Contractual Arrangements may not be as effective as direct legal ownership in providing the Group with direct control over Meitu Networks and its subsidiaries and uncertainties presented by the PRC legal system could impede the Group’s beneficiary rights of the results, assets and liabilities of Meitu Networks and its subsidiaries. The directors of the Company (“**Directors**”), based on the advice of its PRC legal counsel, consider that the Contractual Arrangements among Meitu Home, Meitu Networks and its equity holders are in compliance with the relevant PRC laws and regulations and are legally binding and enforceable.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

1 GENERAL INFORMATION (CONTINUED)

Similar to Meitu Networks, a series of contractual arrangements have also been executed for MeituEve Networks. All these PRC operating companies are treated as controlled structured entities of the Company and their financial statements have also been consolidated by the Company.

In December 2024, contractual arrangements were rearranged for Meitu Networks due to the change of one of the nominee shareholders of Meitu Networks. As a result, Meitu Networks continues to be a controlled structured entity of the Company.

The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since December 15, 2016 by way of its initial public offering ("IPO").

On November 1, 2025, the Group discontinued its cosmetic supply chain management services in order to focus its resources in the photo and video industry. Accordingly, the cosmetic supply chain operation have been presented as discontinued operations in the financial statements of the Group. Financial information relating to the discontinued operations is set out in Note 34.

These financial statements are presented in Renminbi ("RMB"), unless otherwise stated.

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through other comprehensive income ("FVOCI") and financial assets and financial liabilities at fair value through profit or loss, which are carried at fair value.

The preparation of the consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies.

Other than those material accounting policies information as disclosed elsewhere in this consolidated financial statements, a summary of the other accounting policies information has been set out in Note 41 to this consolidated financial statements.

2.2 Changes in accounting policies

(a) New and amended standards adopted by the Group

The Group has applied the following amendments for the first time for their annual reporting period commencing January 1, 2025:

Amendments to IAS 21	Lack of Exchangeability
----------------------	-------------------------

The amendments listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies (Continued)

(b) New and amended standards and interpretations not yet adopted by the Group

Certain new accounting standards and amendments to accounting standards have been published that are not mandatory for December 31, 2025 reporting periods and have not been early adopted by the Group.

New standards, amendments, improvement and interpretation		Effective for accounting periods beginning on or after
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	January 1, 2026
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	January 1, 2026
Annual Improvements project	Annual Improvements to IFRS Accounting Standards – Volume 11	January 1, 2026
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 1, 2027
Amendments to IFRS 19	Amendments to Subsidiaries without Public Accountability Disclosures	January 1, 2027
Amendments to Hong Kong Interpretation 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	January 1, 2027
Amendment to IAS 21	Translation to a Hyperinflationary Presentation Currency	January 1, 2027
Amendments to IFRS 10 and IAS 28	Amendments to Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group has already commenced an assessment of the impact of these new and amended standards and has concluded on a preliminary basis that adoption of these new and amended standards is not expected to have significant impacts on the financial performance and positions of the Group when they become effective, except for IFRS 18, which will mainly impact the presentation of consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies (Continued)

(b) New and amended standards and interpretations not yet adopted by the Group (Continued)

IFRS 18 will replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

- Although the adoption of IFRS 18 will have no impact on the Group's net profit, the Group expects that grouping items of income and expenses in the consolidated income statement into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the Group has performed, the following items might potentially impact operating profit:
 - Foreign exchange differences currently aggregated in the line item 'finance income, net' in consolidated income statement might need to be disaggregated, with some foreign exchange gains or losses presented below or above operating profit.
 - IFRS 18 has specific requirements on the category in which assets generate a return individually and largely independently of other resources. Although the Group currently recognises the gains or losses of these assets in other gains/(losses), net, there might be a change to where these gains or losses are recognised, and the Group is currently evaluating the need for change.
- The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation. In addition, since goodwill will be required to be separately presented in the balance sheet, the Group will disaggregate goodwill and other intangible assets and present them separately in the consolidated balance sheet.
- The Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:
 - management-defined performance measures;
 - a break-down of the nature of expenses for line items presented by function in the operating category of the consolidated income statement – this break-down is only required for certain nature expenses; and
 - for the first annual period of application of IFRS 18, a reconciliation for each line item in the consolidated income statement between the restated amounts presented by applying IFRS 18 and the amounts previously presented applying IAS 1.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies (Continued)

(b) New and amended standards and interpretations not yet adopted by the Group (Continued)

- From a consolidated statement of cash flows perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as cash flows from financing activities and interest received as cash flows from investing activities, which is a change from current presentation as part of cash flows from operating activities.

The Group will apply the new standard from its mandatory effective date of January 1, 2027. Retrospective application is required, and so the comparative information for the financial year ending December 31, 2026 will be restated in accordance with IFRS 18.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. Risk management is carried out by the senior management of the Group.

(a) Market risk

(i) *Foreign exchange risk*

The functional currency of the Company is United States dollars ("US\$"). The Group's subsidiaries were primarily incorporated in the PRC and Hong Kong, which considered RMB and US\$ as their functional currencies, respectively. The Group is primarily exposed to foreign exchange risk arising from foreign currency transactions. Therefore, foreign exchange risk primarily arose from recognised assets and liabilities in the Group's PRC and Hong Kong subsidiaries when receiving or to receive foreign currencies from, or paying or to pay foreign currencies to business partners outside of PRC and Hong Kong. The Group did not hedge against any fluctuation in foreign currency.

For the Group's PRC and Hong Kong subsidiaries, the balance of foreign currency denominated monetary assets or liabilities is not significant as of December 31, 2025 and accordingly the Group does not anticipate that there is significant exposure of foreign exchange risk.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(ii) Cash flow and fair value interest rate risk

Other than interest-bearing cash and cash equivalents, short-term and long-term bank deposits, the Group has no other significant interest-bearing assets. The interest rate risks of the Group are immaterial as the short-term and long-term bank deposits and borrowings were fixed rates. The Directors estimated that the reasonably possible change of the market interest rates would have an immaterial impact on the Group's profit in 2025 and 2024.

(iii) Price risk

The Group is exposed to price risk in respect of treasury investments, long-term investments that are classified in the consolidated balance sheet as financial assets at fair value through profit or loss ("FVTPL") and FVOCI. The Group is not exposed to commodity price risk.

If the fair value of the treasury investments held by the Group had increased/decreased by 5% with all other variables held constant, profit before income tax for the year ended December 31, 2025 would have been approximately RMB46,235,000 (2024: RMB12,844,000) higher/lower.

To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is achieved in accordance with the limits set by the Group. Each investment made is managed by senior management on a case by case basis. If the fair value of the investment in equity securities held by the Group had increased/decreased by 5% with all other variables held constant, profit before income tax for the year ended December 31, 2025 would have been approximately RMB42,100,000 (2024: RMB64,254,000) higher/lower.

(b) Credit risk

The Group is exposed to credit risk in relation to its cash and cash equivalents, short-term and long-term bank deposits, short-term and long-term treasury investments, restricted cash, trade receivables and other receivables. The carrying amounts of each class of the above financial assets represent the Group's maximum exposure to credit risk in relation to financial assets.

(i) Credit risk of cash and cash equivalents, short-term and long-term bank deposits, short-term and long-term treasury investments

To manage this risk arising from cash and cash equivalents, short-term and long-term bank deposits, short-term and long-term treasury investment, the Group only transacts with state-owned or reputable financial institutions in mainland China and reputable international financial institutions outside of mainland China. There has been no recent history of default in relation to those financial institutions.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Credit risk of trade receivables

The Group applies the simplified approach to measuring expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, the Group categorises its trade receivables based on the nature of customer accounts, shared credit risk characteristics and account aging. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of trade receivables and adjusts for forward looking macroeconomic data. Trade receivables are categorised as the advertising and the subscription and others.

The assessed expected credit losses for the trade receivables arising from its two main revenue streams as of December 31, 2025 and 2024 are determined as follows:

As of December 31, 2025	0-180 days	180-365 days	Over 365 days	Total
<i>Advertising</i>				
Gross carrying amount (RMB'000)	151,675	4,503	788	156,966
Expected credit loss rate	0.5%	3.3%	75.3%	0.9%
Expected credit loss (RMB'000)	697	147	593	1,437
<i>Subscription and others</i>				
Gross carrying amount (RMB'000)	366,633	2,386	10,803	379,822
Including: assessed on collective basis	366,633	1,863	4,041	372,537
assessed on individual basis	–	523	6,762	7,285
Expected credit loss rate				
Including: assessed on collective basis	0.3%	10.5%	87.8%	1.3%
assessed on individual basis	–	100.0%	100.0%	100.0%
Expected credit loss (RMB'000)	1,262	719	10,312	12,293
Including: assessed on collective basis	1,262	196	3,550	5,008
assessed on individual basis	–	523	6,762	7,285

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Credit risk of trade receivables (Continued)

As of December 31, 2024	0-180 days	180-365 days	Over 365 days	Total
<i>Advertising</i>				
Gross carrying amount (RMB'000)	170,338	2,594	5,938	178,870
Including: assessed on collective basis	170,338	2,594	1,553	174,485
assessed on individual basis	–	–	4,385	4,385
Expected credit loss rate				
Including: assessed on collective basis	0.8%	5.9%	78.8%	1.5%
assessed on individual basis	–	–	100.0%	100.0%
Expected credit loss (RMB'000)	1,278	154	5,609	7,041
Including: assessed on collective basis	1,278	154	1,224	2,656
assessed on individual basis	–	–	4,385	4,385
<i>Subscription and others</i>				
Gross carrying amount (RMB'000)	233,957	2,947	2,767	239,671
Expected credit loss rate	0.5%	22.3%	100.0%	1.9%
Expected credit loss (RMB'000)	1,061	658	2,767	4,486

The closing loss allowances for trade receivables as of December 31, 2025 and 2024 reconcile from the opening loss allowances as follows:

	Trade receivables	
	2025	2024
	RMB'000	RMB'000
At the beginning of the year	11,527	18,773
Increase/(Decrease) in allowance recognised in profit or loss during the year	13,661	(574)
Receivables written off during the year as uncollectible	(4,600)	–
Reversal of previous impairment losses	(6,858)	(6,672)
At the end of the year	13,730	11,527

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(iii) *Credit risk of other receivables*

Other receivables mainly comprise amounts due from other receivables in relation to payment on behalf of advertisers, rental and other deposits, deductible value-added tax, interest receivables, loan to third parties and other receivables.

For other receivables in relation to rental and other deposits, interest receivables, loan to third parties and other receivables, the Group uses three categories which reflect their credit risk and how the loss allowance is determined for each of those categories.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as of the reporting date with the risk of default as of the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the third party's ability to meet its obligations;
- actual or expected significant changes in the operating results of third party;
- significant changes in the expected performance and behaviour of the third party, including changes in the payment status and changes in the operating results of the third party.

A summary of the assumptions underpinning the Group's expected credit loss model is as follows:

Category	Group definition of category	Basis for recognition of expected credit loss allowance
Performing	Customers have a low risk of default and a strong capacity to meet contractual cash flows	12 months expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime (stage 1)
Underperforming	Receivables for which there is a significant increase in credit risk; as significant increase in credit risk is presumed if interest and/or principal repayments are more than 180 days past due	Lifetime expected losses (stage 2)
Non-performing	Interest and/or principal repayments are more than 365 days past due	Lifetime expected losses (stage 3)

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(iii) Credit risk of other receivables (Continued)

The gross carrying amount of other receivables due from certain entities, and thus the maximum exposure to loss measured under 12 months expected credit loss method, is as follows:

	As of December 31,	
	2025	2024
	RMB'000	RMB'000
Performing	54,595	42,136
Non-performing	28,478	23,000
Total gross other receivables due from certain entities	83,073	65,136
Less: loss allowance	(34,758)	(23,718)
Other receivables net of expected credit losses	48,315	41,418

The Group use lifetime expected loss allowance for other receivables in relation to payment on behalf of advertisers. Management makes periodic assessments on the recoverability of receivables based on historical settlement records and past experience. In calculating the expected credit loss rates, the Group considers historical loss rates for these receivables and adjusts for forward looking macroeconomic data.

The assessed expected credit losses for the other receivables in relation to payment on behalf of advertisers as of December 31, 2025 and 2024 are determined as follows:

As of December 31, 2025	0-180 days	180-365 days	Over 365 days	Total
Gross carrying amount (RMB'000)	453,789	632	34,297	488,718
Including: assessed on collective basis	453,789	632	2,264	456,685
assessed on individual basis	–	–	32,033	32,033
Expected credit loss rate				
Including: assessed on collective basis	1.1%	24.2%	93.5%	1.6%
assessed on individual basis	–	–	100.0%	100.0%
Expected credit loss (RMB'000)	5,193	153	34,149	39,495
Including: assessed on collective basis	5,193	153	2,116	7,462
assessed on individual basis	–	–	32,033	32,033

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(iii) Credit risk of other receivables (Continued)

The assessed expected credit losses for the other receivables in relation to payment on behalf of advertisers as of December 31, 2025 and 2024 are determined as follows (continued):

As of December 31, 2024	0-180 days	180-365 days	Over 365 days	Total
Gross carrying amount (RMB'000)	698,258	8,896	26,493	733,647
Including: assessed on collective basis	698,258	8,896	1,987	709,141
assessed on individual basis	–	–	24,506	24,506
Expected credit loss rate				
Including: assessed on collective basis	0.7%	15.4%	93.2%	1.2%
assessed on individual basis	–	–	100.0%	100.0%
Expected credit loss (RMB'000)	5,113	1,373	26,358	32,844
Including: assessed on collective basis	5,113	1,373	1,852	8,338
assessed on individual basis	–	–	24,506	24,506

The closing loss allowance for other receivables as of December 31, 2025 and 2024 reconcile from the opening loss allowance as follows:

	Other receivables	
	2025	2024
	RMB'000	RMB'000
At the beginning of the year	56,562	46,565
Increase in allowance recognised in profit or loss during the year	21,183	13,425
Receivables written off during the year as uncollectible	(3,000)	–
Reversal of previous impairment losses	(492)	(3,428)
At the end of the year	74,253	56,562

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(c) Liquidity risk

The Group aims to maintain sufficient cash and cash equivalents. Due to the dynamic nature of the underlying businesses, the policy of the Group is to regularly monitor the Group's liquidity risk and to maintain adequate cash and cash equivalents to meet the Group's liquidity requirements.

The table below analyses the Group's financial liabilities relevant maturity grouping based on the remaining period at each balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Over 2 years RMB'000	Total contractual cash flows RMB'000	Carrying amount RMB'000
As of December 31, 2025					
Borrowings	20,270	–	–	20,270	20,000
Lease liabilities	32,914	5,797	1,487	40,198	31,236
Convertible redeemable preferred shares	186,966	–	–	186,966	186,966
Convertible bonds	1,406,692	–	–	1,406,692	1,406,692
Trade and other payables (excluding payroll and welfare payables and other taxes payables)	365,539	–	–	365,539	365,539
	2,012,381	5,797	1,487	2,019,665	2,010,433
As of December 31, 2024					
Borrowings	103,006	–	–	103,006	102,890
Lease liabilities	34,762	26,412	2,084	63,258	51,831
Convertible redeemable preferred shares	163,627	–	–	163,627	163,627
Trade and other payables (excluding payroll and welfare payables and other taxes payables)	433,624	–	–	433,624	433,624
	735,019	26,412	2,084	763,515	751,972

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital (including share capital and capital reserves) by regularly reviewing the capital structure. As a part of this review, the Company considers the cost of capital and the risks associated with the issued share capital. The Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or buy back the Company's shares. In the opinion of the directors of the Company, the Group's capital risk is low.

3.3 Fair value estimation

The table below analyses the Group's financial instruments carried at fair value as of December 31, 2025 by level of the inputs to valuation methodologies used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's assets and liabilities that are measured at fair value as of December 31, 2025 and 2024:

As of December 31, 2025	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Assets:				
Long-term investments				
– FVTPL (Note 16(b))	–	–	856,758	856,758
– FVOCI (Note 16(c))	17,232	–	–	17,232
Long-term treasury investments	–	–	40,556	40,556
Short-term treasury investments	–	849,501	34,645	884,146
	17,232	849,501	931,959	1,798,692
Liabilities:				
Convertible redeemable preferred shares	–	–	186,966	186,966

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation (Continued)

The following table presents the Group's assets and liabilities that are measured at fair value as of December 31, 2025 and 2024 (continued):

As of December 31, 2024	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Assets:				
Long-term investments				
– FVTPL (Note 16(b))	–	–	1,285,072	1,285,072
– FVOCI (Note 16(c))	21,705	–	10,198	31,903
Short-term treasury investments	–	168,752	88,128	256,880
	21,705	168,752	1,383,398	1,573,855
Liabilities:				
Convertible redeemable preferred shares	–	–	163,627	163,627

(a) Financial instruments in level 1

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and equity securities) is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

(b) Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation methodologies which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation (Continued)

(b) Financial instruments in level 2 (Continued)

Specific valuation methodologies used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments; and
- other methodologies, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

Level 2 instruments of the Group's assets mainly include short-term treasury investments, which mainly include open-ended wealth management products issued by certain reputable banks or non-bank financial institutions. The fair value of such wealth management products is determined based on the prices on the balance sheet date quoted by the respective issuers. The inputs used for the fair value measurement of such wealth management products only include the prices quoted by the issuers which can be observed in open markets as they are quoted to public on daily basis, but they do not meet the quoted prices within Level 1 as the wealth management products are not actively traded. The Group did not change any valuation techniques in determining the level 2 and level 3 fair values.

(c) Financial instruments in level 3

Level 3 instruments of the Group's assets mainly include FVTPL, FVOCI, short-term and long-term treasury investments.

Level 3 instruments of the Group's liabilities mainly include convertible redeemable preferred shares.

The following table presents the changes in level 3 items for the year ended December 31, 2025 and 2024:

	Long-term investments FVTPL RMB'000	Long-term investments FVOCI RMB'000	Short-term treasury investments RMB'000	Long-term treasury investments RMB'000	Convertible redeemable preferred shares RMB'000
Year ended December 31, 2025					
Opening balance as of December 31, 2024	1,285,072	10,198	88,128	-	(163,627)
Additions	164,995	-	361,370	40,000	-
Disposals	(51,893)	-	(415,662)	-	-
Payment of dividends	-	-	-	-	8,811
Changes in fair value	517,322	(10,198)	1,021	556	(36,216)
Converted from investment in an associate accounted for using equity method	13,805	-	-	-	-
Transfer to investment in an associate accounted for using equity method	(1,065,645)	-	-	-	-
Currency translation differences	(6,898)	-	(212)	-	4,066
Closing balance as of December 31, 2025	856,758	-	34,645	40,556	(186,966)
Includes unrealised (losses)/gains recognised in profit or loss attributable to balances held at the end of the reporting period	149,886	-	588	556	(36,216)

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation (Continued)

(c) Financial instruments in level 3 (Continued)

The following table presents the changes in level 3 items for the year ended December 31, 2025 and 2024 (Continued):

	Long-term investments FVTPL RMB'000	Long-term investments FVOCI RMB'000	Short-term treasury investments RMB'000	Convertible redeemable preferred shares RMB'000
Year ended December 31, 2024				
Opening balance as of December 31, 2023	1,404,424	10,450	140,850	(134,571)
Additions	248,105	-	523,474	-
Disposals	(48,435)	-	(581,188)	-
Changes in fair value	(316,663)	(408)	4,639	(26,761)
Transfer to investment in an associate accounted for using equity method	(5,000)	-	-	-
Currency translation differences	2,641	156	353	(2,295)
Closing balance as of December 31, 2024	1,285,072	10,198	88,128	(163,627)
Includes unrealised (losses)/gains recognised in profit or loss attributable to balances held at the end of the reporting period	(316,663)	-	198	(26,761)

The Group have appointed a team of professional personnel who have valuation experience to manage the evaluation of level 3 instruments for financial reporting purposes. The team manages the valuation exercise of the investments on a case by case basis. At least once every year, the team would use valuation methodologies to determine the fair value of the Group's level 3 instruments. External valuation experts will be involved when necessary.

The valuation of the level 3 instruments included convertible redeemable preferred shares (Note 31), investments in private companies (Note 16), short-term and long-term treasury investments. As the convertible redeemable preferred shares, investments in private companies, short-term and long-term treasury investments are not traded in an active market and their fair values have been determined using various applicable valuation methodologies, including equity allocation model with market approach, and discounted cash flow method. These valuation approaches require significant judgements, assumptions and inputs, including terminal growth rate, estimate of weighted average cost of capital ("WACC"), marketability discount, enterprise value-to-sales ratio, expected return rate, historical financial results, recent market transactions (such as recent fund-raising transaction undertaken by the investees) and other exposure etc.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation (Continued)

(c) Financial instruments in level 3 (Continued)

Except for the FVTPL, FVOCI, short-term and long-term treasury investments, the carrying amounts of financial assets including cash and cash equivalents, term deposits, trade receivables and other receivables; and except for the convertible redeemable preferred shares, financial liabilities including trade and other payables, borrowings and lease liabilities, approximate their respective fair values due to their short maturity at the reporting date.

The quantitative information about fair value measurements using significant unobservable inputs (Level 3) and how a reasonable change in the input would affect the fair value is presented as follows:

Description	Fair value as of		Unobservable inputs	Range	
	2025	2024		2025	2024
	(RMB'000)	(RMB'000)			
FVTPL (Note 16(b))	464,266	1,027,276	Terminal growth rate	—	2.0%
			WACC	—	26.9%
	392,492	257,796	Marketability discount	13.0%-30.0%	15.0%-30.0%
			Enterprise value-to-sales ratio	11-14.3	1.5-2.3
			Marketability discount	15%	—
FVOCI	—	10,198	Enterprise value-to-sales ratio	35.7	—
			Terminal growth rate	—	2.4%
Long-term treasury investments	40,556	—	WACC	—	18.0%
			Expected return rate	2.5%-3.1%	—
Short-term treasury investments	34,645	88,128	Expected return rate	1.8%-2.3%	2.2%-4.2%
Convertible redeemable preferred shares (Note 31)	(186,966)	(163,627)	Terminal growth rate	2.0%	2.0%
			WACC	22.0%	22.0%

(i) FVTPL

As of December 31, 2025, if the marketability discount and enterprise value-to-sales ratio shifted upward and downward by 5%, respectively, the impact on the fair value would be RMB6,741,000 lower/RMB6,665,000 higher and RMB22,956,000 higher/RMB23,029,000 lower, respectively.

As of December 31, 2024, if the marketability discount and enterprise value-to-sales ratio shifted upward and downward by 5%, respectively, the impact on the fair value would be RMB10,015,000 lower/RMB10,017,000 higher and RMB34,115,000 higher/RMB34,116,000 lower, respectively.

The lower the terminal growth rate, the higher the WACC, the higher the marketability discount and lower the enterprise value-to-sales ratio, the lower the fair value. The sensitivity of the terminal growth rate and the WACC is immaterial for the fair value of FVTPL.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation (Continued)

(c) Financial instruments in level 3 (Continued)

(ii) Short-term and long-term treasury investments

The higher the expected return rate, the lower the fair value. The sensitivity of expected return rate is immaterial for the fair value of treasury investments.

(iii) Convertible redeemable preferred shares

The lower the terminal growth rate and the higher the WACC, the lower the fair value. The sensitivity of the terminal growth rate and the WACC is immaterial for the fair value of convertible redeemable preferred shares.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements requires the use of accounting estimates which, by definition, will likely differ from actual results. Management also needs to exercise judgment in applying the Group's accounting policies.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that might have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(a) Fair value measurement of financial instruments at level 3 fair value hierarchy

The fair value of financial instruments that are not traded in an active market (for example, investments in private companies and convertible redeemable preferred shares issued by a subsidiary) is determined by using valuation methodologies. The Group uses its judgment to select a variety of methods and make assumptions, as mentioned in Note 3.3(c), that are mainly based on market conditions existing at the end of each reporting period. Changes in these assumptions and estimates could materially affect the respective fair value of these instruments.

(b) Impairment provision for trade and other receivables

Management assesses the impairment of trade and other receivables according to the trade and other receivables' expected credit loss, management's prior experiences and customers' conditions as well as applying management's judgments and estimates when determining the impairment to be recognised. Management reassesses the provision at each balance sheet date. Where the basis of judgments and estimates is different from the initial assessment, such differences will impact the provision for impairment and the carrying values of the trade and other receivables in the year.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

(c) Impairment of goodwill

The Group tests goodwill for impairment on an annual basis. Goodwill is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Determining whether goodwill is impaired requires an estimation of the recoverable amount of cash-generating unit (“CGU”) or group of CGUs to which goodwill have been allocated, which is the higher of the value in use or fair value less costs of disposal. The calculation requires the Group to estimate the future cash flows expected to arise from CGU or group of CGUs and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash flows, a material impairment loss/further impairment loss may arise. Details of the key assumptions in assessment are disclosed in Note 15.

(d) Accounting of convertible bonds

On May 20, 2025, the Company entered into a Subscription Agreement with Alibaba.com China Limited (the “Subscriber”), pursuant to which the Company has conditionally agreed to issue to the Subscriber, and the Subscriber has conditionally agreed to subscribe for, the convertible bonds in the principal amount of US\$250,000,000, at the initial conversion price of Hong Kong dollars (HK\$) 6.00 per conversion share. The pre-conditions to closing included but were not limited to 1) the execution of the business cooperation agreement between the Company and the Subscriber (or persons nominated thereby); 2) The Stock Exchange of Hong Kong Limited having granted permission for the listing of, and permission to deal in, the conversion shares and such permission not having been revoked as at closing of the transaction; 3) the PRC National Development and Reform Commission has given its approval in respect of the issue of the Convertible Bonds, and such approval remains in full force and effect and does not alter, limit or restrict any of the material terms of the transaction documents, among others.

Management had assessed that if the pre-conditions to closing were not fulfilled (or waived by the Subscriber in respect of certain pre-conditions) before the long stop date of December 31, 2025 (or such other date as may be agreed by the Company and the Subscriber in writing), the transaction might lapse without clear economic consequences for the Company and the Subscriber. As such, there had not been any contractual right or obligation for the parties to the Subscription Agreement to proceed with issuance of the Convertible Bonds before the closing. Therefore, there had not been any contract to be accounted for in the consolidated financial statements before the closing.

On December 30, 2025, all the conditions precedent under the Subscription Agreement have been fulfilled, and on December 31, 2025, the Company issued the convertible bonds to the Subscriber. As disclosed in Note 25(f), the convertible bonds are accounted under IFRS 2. To determine the grant date fair value, the Group has adopted the binomial model. Significant estimates and judgment on key parameters, such as risk-free interest rates, volatility, bond yield and dividend yield at the grant date, are required to be made by the Group based on historical experience and other relevant factors in applying the binomial model. These estimates and judgments could materially affect the fair value of the convertible bonds.

Convertible bonds are classified as current liabilities because the Group has no right to defer settlement of the liability for at least 12 months after the reporting period.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

5 REVENUE AND SEGMENT INFORMATION

The Group's business activities, for which discrete financial statements are available, are regularly reviewed and evaluated by the chief operating decision-maker ("CODM"). The role of CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive director of the Company who makes strategic decisions. The Group does not distinguish between markets or segments for the purpose of internal reporting. As of December 31, 2025, the total non-current assets other than financial instruments and deferred tax assets located in the PRC and other countries or regions amounted to RMB1,973,440,000 (December 31, 2024: RMB868,787,000) and RMB87,888,000 (December 31, 2024: RMB184,230,000), respectively.

The results of the revenue for the year ended December 31, 2025 and 2024 are as follows:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000 (Restated)
Revenue from continuing operations		
Photo, video and design products	2,954,033	2,085,616
Advertising	842,595	853,467
Others	62,110	57,099
Total revenue	3,858,738	2,996,182
Revenue from discontinued operations (Note 34)		
– Cosmetic supply chain management services	32,478	344,579

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000 (Restated)
Timing of revenue recognition		
Over time	3,140,413	2,379,352
At a point in time	718,325	616,830
Total revenue from continuing operations	3,858,738	2,996,182

No revenue from any customer exceeded 10% or more of the Group's revenue for the year ended December 31, 2025 and 2024.

(a) Contract costs and liabilities

- (i) The Group has recognised the following assets and liabilities related to contracts with customers:

	As of December 31,	
	2025	2024
	RMB'000	RMB'000
Contract costs:		
– Photo, video and design products	179,345	132,741
– Others	70	3,485
	179,415	136,226
Contract liabilities:		
– Photo, video and design products	836,507	633,648
– Others	12,277	21,219
	848,784	654,867

- (ii) No impairment of contract costs was recognised by the Group as of December 31, 2025 (2024: nil).
- (iii) During the year ended December 31, 2025, RMB136,226,000 of carried-forward contract costs were recognised as cost of sales in the consolidated income statement (2024: RMB92,838,000).

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

(a) Contract costs and liabilities (Continued)

- (iv) The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities.

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
– Photo, video and design products	633,648	410,552
– Others	21,219	13,033
	654,867	423,585

All the revenue contracts are for periods of one year or less or are billed based on time incurred. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

(b) Accounting policies of revenue recognition

(i) Photo, video and design products

Photo, video and design products revenue are revenues primarily from paid subscriptions and ID photo self-manufacturing service in the application.

The Group provides to users certain subscription packages which entitle paying subscribers with certain privileged or convenient features in the application. The subscription fee for these packages is time-based as well as consumable and is collected upfront from subscribers. Revenues from subscription packages derived from revenue from the premium membership subscription and professional subscription, which are recorded on gross basis. The term of the premium membership subscription ranges from one month to twelve months. The receipt of subscription fee is initially recorded as contract liabilities and recognised as revenue ratably over the subscription period. The subscription can be paid directly by users through various online payment channels.

The Group provides ID photo self-manufacturing service which facilitates paid users, instead of going to a photo studio, to turn a selfie into an ID photo and to replace the selfie's background with an appropriate color and trim it to the appropriate size on their own. This revenue, recorded on gross basis, is generating from single-purchase features in the application and is recognised at point-in-time when the ID photo is delivered.

The Group recognises service fees levied by online payment channels as the cost of sales. The payment of service fee levied by online payment channels is initially recorded as contract costs and recognised as cost of sales ratably over the subscription period.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

(b) Accounting policies of revenue recognition (Continued)

(i) Photo, video and design products (Continued)

The Group also generates revenues from the sale of license of Photo, video and design products content. Content licenses are generally purchased on annual basis, whereby a customer pays for a predetermined quantity of content that may be downloaded over a specific period of time, or, on a transactional basis, whereby a customer pays for individual content licenses at the time of download.

The Group recognises revenue on both its subscription-based and transaction-based products when material is downloaded by a customer, at which time the license is provided. The Group recognises revenue gross of contributor royalties because the Group is the principal in the transaction as it is the party responsible for the performance obligation and it controls the product or service before transferring it to the customer.

(ii) Advertising

The Group offers advertising placements to advertisers through the Group's platforms and apps and mobile value-added services offerings.

Advertising revenues from the Group's platforms and apps comprise mainly display-based and performance-based advertisements.

Revenue from displaying advertisements to the users of online and mobile platforms operated by the Group is recognised ratably over the contracted period in which the advertisements are displayed. Revenue from performance-based advertisements is recognised based on actual performance measurement. The Group recognises the revenue from the delivery of pay-per-click or pay-per-display advertisements for advertisers to users of the Group based on a per-click basis when the users click on the content, or on a per-display basis, when the advertising contents are displayed to the users.

Revenue from these above sales is recognised based on the price specified in the contract, net of the estimated discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A refund liability (included in trade and other payables) is recognised for expected discounts payable to customers in relation to sales made at the end of the reporting period.

The Group provides advertising agency services between advertisers and website publishers. The advertisers can purchase advertising traffic from various media platforms through the Group. The Group charges the advertisers based on the same pricing mechanism as how the website publishers will charge to the Group. The Group provides advertising agency services to the advertisers and earns rebates from website publishers.

As the Group is not the principal in executing advertising activities and is acting on behalf of the website publishers. The Group reports the amount received from the advertisers and the amounts paid to the website publishers related to these transactions on a net basis and recognises the rebate earned from website publishers as revenue. Accordingly, receivables in relation to payment on behalf of advertisers are recognised as other receivable and payables to advertising platforms are recognised as other payable.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

(b) Accounting policies of revenue recognition (Continued)

(ii) Advertising (Continued)

Revenue in relation to rebates to be earned from certain website publishers are based on factors determined by these website publishers, such as quarterly or yearly spending at these website publishers' various platforms and other factors selected at the discretion of these website publishers. Such rebates earned from website publishers are recorded as revenues when impressions or clicks are successfully delivered.

Revenue from value-added services through leveraging platforms is earned from the service sharing fees from third parties, of which the Group leverages the platforms and its user base to promote the mobile entertainment and other online applications and it also collects from third-party game/application developers a predetermined percentage of the fees. The Group recognises the related revenue on a net basis since the Group is acting as an agent in the transactions.

(iii) Others

The Group provides enterprise resource planning SaaS system to cosmetic stores. The revenue is collected upfront and recognised over the subscription period.

The Group manufactures and sells a range of smart hardware products to retailers. Sales of smart hardware products are recognised when the control of the products is transferred, being when the products are delivered and accepted by the retailers.

(iv) Cosmetic supply chain management services

Revenue from discontinued operations primarily earned from selling cosmetic products to distributors and retailers. Sales of cosmetic products are recognised when the control of the products is transferred, being when the products are delivered and accepted by the distributors and retailers or logistics party in accordance with the terms of sales contracts.

(v) Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

6 OTHER INCOME

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Government grants	19,139	23,097
Value-added tax refund	935	521
	20,074	23,618

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

7 OTHER GAINS/(LOSSES), NET

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000 (Restated)
Fair value changes of FVTPL (Note 16(b))	517,322	(316,663)
Gains on treasury investments	25,743	10,796
Dividend income from an investee company	8,938	8,152
Dilution gains on deemed disposal (Note 16(a))	-	5,563
Impairment provisions for investments in associates and joint ventures (Note 16(a))	(2,125)	(35,170)
Fair value changes of convertible redeemable preferred shares (Note 31)	(36,216)	(26,761)
Others	19,210	(10,685)
	532,872	(364,768)

8 EXPENSES BY NATURE

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000 (Restated)
Employee benefit expenses (Note 9)	1,227,012	1,139,089
Revenue sharing fee to payment channels	617,814	430,431
Promotion and advertising expenses	425,975	290,020
Computing, bandwidth, storage and application programming interface costs	414,878	336,580
Depreciation of property and equipment and right-of-use assets (Note 13 and Note 14)	67,342	70,423
Professional service fees	36,636	33,185
Travelling and entertainment expenses	25,731	28,239
Amortisation of intangible assets (Note 15)	12,078	9,364
Utilities and office expenses	12,038	15,945
Inventories consumed and recognised as cost of sales	8,502	3,269
Auditors' remuneration		
- Annual audit services	5,650	6,250
- Non-audit services	110	660
Others	162,501	139,488
Total cost of sales, selling and marketing expenses, administrative expenses and research and development expenses	3,016,267	2,502,943

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

9 EMPLOYEE BENEFIT EXPENSES

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000 (Restated)
Wages, salaries and bonuses	904,248	871,890
Other social security costs, housing benefits and other employee benefits	137,148	124,213
Share-based compensation	118,496	84,290
Pension costs – defined contribution plans	67,120	58,696
	1,227,012	1,139,089

(a) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year included 1 director who was the executive director (2024: 1). All of these individuals have not received any emolument from the Group as an inducement to join the Group during the year ended December 31, 2025 (2024: nil). The emoluments payable to the 4 non-director (2024: 4) and 1 director (2024: 1) individuals for the year ended December 31, 2025 and 2024 are as follows:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Share-based compensation	67,652	19,833
Wages and salaries	10,226	8,393
Bonuses	6,990	9,116
Compensation for loss of office	–	493
Pension costs – defined contribution plans	122	51
Other social security costs, housing benefits and other employee benefits	213	221
	85,203	38,107

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

9 EMPLOYEE BENEFIT EXPENSES (CONTINUED)

(a) Five highest paid individuals (Continued)

The emoluments fell within the following bands:

	Number of individuals	
	Year ended December 31,	
	2025	2024
HK\$5,000,001 to HK\$5,500,000	1	–
HK\$6,500,001 to HK\$7,000,000	–	1
HK\$7,000,001 to HK\$7,500,000	–	2
HK\$8,500,001 to HK\$9,000,000	1	1
HK\$11,000,001 to HK\$11,500,000	–	1
HK\$12,500,001 to HK\$13,000,000	1	–
HK\$30,000,001 to HK\$30,500,000	1	–
HK\$35,500,001 to HK\$36,000,000	1	–
	5	5

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

10 FINANCE INCOME, NET

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000 (Restated)
Interest income	72,761	51,344
Foreign exchange (losses)/gains, net	(10,959)	6,505
Interest expenses	(571)	(1,650)
Finance charges paid/payable for lease liabilities and others	(5,957)	(5,545)
	55,274	50,654

11 INCOME TAX EXPENSE

The income tax expense of the Group for the year ended December 31, 2025 and 2024 are analysed as follows:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Current income tax	83,746	62,734
Deferred income tax (Note 28)	120,335	(46,041)
	204,081	16,693
Income tax expense is attributable to:		
– Continuing operations	207,861	17,233
– Discontinued operations (Note 34)	(3,780)	(540)
	204,081	16,693

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

11 INCOME TAX EXPENSE (CONTINUED)

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the statutory tax rate applicable to loss of the consolidated entities as follows:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Profit from continuing operations before income tax	904,873	815,880
(Loss)/Profit from discontinued operations before income tax	(153,435)	6,973
	751,438	822,853
Tax calculated at statutory income tax rates applicable to profit of the consolidated entities in their respective jurisdictions	283,931	26,342
Tax effects of:		
– Preferential income tax rates applicable to subsidiaries	(64,666)	(28,499)
– Tax losses and temporary differences for which no deferred income tax asset was recognised	44,355	70,361
– Utilization of previously unrecognised deductible tax losses	(37,266)	(7,437)
– Super Deduction for research and development expenses	(71,588)	(63,077)
– Expenses not deductible for income tax purposes	50,215	20,254
Goodwill impairment	20,667	–
Share-based compensation	29,548	20,254
– Others	(900)	(1,251)
Income tax expense	204,081	16,693

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realization of the related tax benefit through future taxable profits is probable. As of December 31, 2025, certain subsidiaries of the Group suffered operating losses for the year. Based on management's assessment, the Group did not recognise deferred income tax assets of RMB730,810,000 in respect of losses to RMB4,413,715,000 that can be carried forward against future taxable income. The tax losses as of December 31, 2025 amounting to RMB180,643,000 can be carried forward indefinitely, and the remaining amount of RMB4,233,072,000 will expire from 2026 to 2035.

(a) Cayman Islands and BVI Income Tax

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and accordingly, is exempted from Cayman Islands income tax. The Group entities established under the International Business Companies Acts of the British Virgin Islands (the "BVI") are exempted from BVI income taxes.

(b) Hong Kong Income Tax

Entities incorporated in Hong Kong are subject to Hong Kong profits tax under the two-tiered profits tax regime, which the tax rate is 8.25% for assessable profits in the first HK\$2 million and 16.5% for any assessable profits in excess. However, for two or more connected entities, only one of them may elect the two-tiered profits tax rates.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

11 INCOME TAX EXPENSE (CONTINUED)

(c) Corporate income tax in other countries

Income tax rate for subsidiaries in other jurisdictions, including the United States, the United Kingdom, Japan, Korea, Australia, France and Singapore are ranging from 17% to 30%.

(d) PRC Enterprise Income Tax (“EIT”)

The income tax provision of the Group in respect of its operations in PRC is calculated at the tax rate of 25% on the assessable profits, based on the existing legislation, interpretations and practices in respect thereof.

Meitu Home, Shenzhen Meitu Innovation Technology Co., Ltd., Beijing Meitu Home Technology Co., Ltd. and Beijing Zcool Network Technology Co., Ltd. have been qualified as an “High and New Technology Enterprise” (“HNTE”) under the EIT Law and are entitled to a preferential income tax rate of 15% in the year 2025.

According to relevant laws and regulations promulgated by the State Administration of Taxation of the PRC, enterprises engaging in research and development activities are entitled to claim 200% of their research and development expenses so incurred as tax deductible expenses when determining their assessable profits for that year (“Super Deduction”).

12 EARNINGS PER SHARE

(a) Basic

	Year ended December 31,	
	2025	2024 (Restated)
Profit/(loss) attributable to owners of the Company (RMB'000)		
From continuing operations	697,563	798,875
From discontinued operations	(114,663)	6,301
	582,900	805,176
Weighted average number of ordinary shares in issue (thousand)	4,538,255	4,498,967
Basic earnings per share (RMB per share)		
From continuing operations	0.15	0.18
From discontinued operations	(0.03)	*
	0.12	0.18

* The amount is less than RMB0.01 per share.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

12 EARNINGS PER SHARE (CONTINUED)

(b) Diluted

The shares options awarded under Pre-IPO Employee Stock Ownership Plan (“ESOP”) (Note 25), awarded shares under the Post-IPO Share Award Scheme/2024 Share Award Scheme (Note 25), awarded shares under Share Incentive to Senior Management of Subsidiaries, awarded share arising from a business combination (Note 25), convertible bonds (Note 29) and convertible redeemable preferred shares (Note 31) have potential dilutive effect on the earnings per share (“EPS”). Diluted EPS is calculated by adjusting the weighted average number of ordinary shares outstanding by the assumption of the conversion of all potential dilutive ordinary shares arising from share options, awarded shares granted by the Company and the convertible bonds issued by the Company (collectively forming the denominator for computing the diluted EPS).

The convertible redeemable preferred shares are anti-dilutive, as net of tax and other changes in income or expense, per ordinary share obtainable on conversion exceeds basic EPS for the year ended December 31, 2025, the profit attributable to owners of the Company (numerator) has not been adjusted by the effect of convertible redeemable preferred shares.

The calculation of diluted EPS for the year ended December 31, 2025 and 2024 are as follows:

	Year ended December 31, 2025	Year ended December 31, 2024 (Restated)
Profit/(losses) attributable to owners of the Company (RMB'000)		
From continuing operations	697,563	798,875
From discontinued operations	(114,663)	6,301
	582,900	805,176
Weighted average number of ordinary shares in issue (thousand)	4,538,255	4,498,967
Adjustments for awarded shares (thousand)	35,034	38,236
Adjustments for convertible bonds issued by the Company (thousand)	897	-
Weighted average number of ordinary shares for the calculation of diluted EPS (thousand)	4,574,186	4,537,203
Diluted EPS (RMB per share)		
From continuing operations	0.15	0.18
From discontinued operations	(0.03)	*
	0.12	0.18

* The amount is less than RMB0.01 per share.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

13 PROPERTY AND EQUIPMENT

	Construction in progress RMB'000	Servers and other equipment RMB'000	Buildings RMB'000	Furniture and office equipment, motor vehicles and others RMB'000	Total RMB'000
As of January 1, 2025					
Cost	707	89,267	435,570	63,904	589,448
Accumulated depreciation and impairment	-	(61,260)	(21,433)	(36,892)	(119,585)
Net book amount	707	28,007	414,137	27,012	469,863
Year ended December 31, 2025					
Opening net book amount	707	28,007	414,137	27,012	469,863
Additions	8,236	9,001	663	8,068	25,968
Converted from construction in progress to buildings and others	(3,469)	-	3,336	133	-
Disposals	-	(751)	-	(434)	(1,185)
Depreciation charges	-	(11,942)	(12,073)	(11,694)	(35,709)
Closing net book amount	5,474	24,315	406,063	23,085	458,937
As of December 31, 2025					
Cost	5,474	90,973	439,569	54,916	590,932
Accumulated depreciation and impairment	-	(66,658)	(33,506)	(31,831)	(131,995)
Net book amount	5,474	24,315	406,063	23,085	458,937
As of January 1, 2024					
Cost	4,743	83,938	426,258	38,322	553,261
Accumulated depreciation and impairment	-	(57,830)	(9,522)	(21,780)	(89,132)
Net book amount	4,743	26,108	416,736	16,542	464,129
Year ended December 31, 2024					
Opening net book amount	4,743	26,108	416,736	16,542	464,129
Business combinations	-	634	-	22	656
Additions	27,024	14,256	-	5,043	46,323
Converted from construction in progress to buildings and others	(31,060)	1,156	9,312	20,592	-
Disposals	-	(1,981)	-	(152)	(2,133)
Depreciation charges	-	(12,166)	(11,911)	(15,035)	(39,112)
Closing net book amount	707	28,007	414,137	27,012	469,863
As of December 31, 2024					
Cost	707	89,267	435,570	63,904	589,448
Accumulated depreciation and impairment	-	(61,260)	(21,433)	(36,892)	(119,585)
Net book amount	707	28,007	414,137	27,012	469,863

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

13 PROPERTY AND EQUIPMENT (CONTINUED)

Depreciation charges were expensed in the following categories in the consolidated income statement:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Research and development expenses	25,344	23,071
Administrative expenses	7,937	14,716
Selling and marketing expenses	1,800	1,275
Cost of sales	628	50
	35,709	39,112
Less: depreciation expenses from discontinued operations	(60)	(39)
	35,649	39,073

(i) Depreciation methods and useful lives

Depreciation on property and equipment is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements, the shorter lease term as follows:

- Buildings 35 years
- Servers and other equipment 3 years
- Furniture and office equipment 5 years
- Motor vehicles 4 years
- Leasehold improvements Estimated useful lives or remaining lease terms, whichever is shorter

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

14 LEASE

(i) Amounts recognised in the consolidated balance sheet

The consolidated balance sheet shows the following amounts relating to leases:

	As of December 31,	
	2025	2024
	RMB'000	RMB'000
Right-of-use assets		
Buildings	31,889	52,100
Land	22,282	–
	54,171	52,100
Lease liabilities		
Current	25,656	24,596
Non-current	5,580	27,235
	31,236	51,831

Additions to the right-of-use assets during the year ended December 31, 2025 were RMB37,909,000 (2024: RMB13,983,000).

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

14 LEASE (CONTINUED)

(ii) Amounts recognised in the consolidated income statement

The consolidated income statement shows the following amounts relating to leases:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Depreciation charge of right-of-use assets		
Buildings	32,110	32,143
Land	378	–
	32,488	32,143
Less: depreciation expenses from discontinued operations	(795)	(793)
	31,693	31,350
Interest expense (included in finance cost)	2,194	3,238
Expense relating to short-term leases and leases of low value assets	2,934	3,552

The total cash outflow for leases during the year ended December 31, 2025 was RMB37,494,000 (2024: RMB39,324,000).

(iii) The Group's leasing activities and how these are accounted for

The Group leases various buildings and acquires land use rights. Rental contracts are generally entered into for fixed terms ranging from 1 to 3 years, whereas land use rights are obtained under contracts with a term of 40 years.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessors. Leased assets may not be used as security for borrowing purposes.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

15 INTANGIBLE ASSETS AND GOODWILL

	Goodwill (Note (b)) RMB'000	Brand names RMB'000	Computer software RMB'000	Copyrights and Others RMB'000	Total RMB'000
As of January 1, 2025					
Cost	584,945	59,800	40,047	90,763	775,555
Accumulated amortization and impairment	(188,602)	(2,990)	(13,946)	(50,415)	(255,953)
Net book amount	396,343	56,810	26,101	40,348	519,602
Year ended December 31, 2025					
Opening net book amount	396,343	56,810	26,101	40,348	519,602
Additions	-	-	423	816	1,239
Amortization charge	-	(3,987)	(7,226)	(4,465)	(15,678)
Impairment loss (Note (b) and Note 34)	(82,670)	-	-	(21,600)	(104,270)
Disposal of computer software	-	-	(3,872)	-	(3,872)
Closing net book amount	313,673	52,823	15,426	15,099	397,021
As of December 31, 2025					
Cost	584,945	59,800	36,165	90,713	771,623
Accumulated amortization and impairment	(271,272)	(6,977)	(20,739)	(75,614)	(374,602)
Net book amount	313,673	52,823	15,426	15,099	397,021

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

15 INTANGIBLE ASSETS AND GOODWILL (CONTINUED)

	Cryptocurrencies (Note (c)) RMB'000	Goodwill (Note (b)) RMB'000	Brand names RMB'000	Computer software RMB'000	Copyrights and Others RMB'000	Total RMB'000
As of January 1, 2024						
Cost	708,270	271,272	-	19,026	87,806	1,086,374
Accumulated amortization and impairment	(67,809)	(188,602)	-	(10,213)	(43,996)	(310,620)
Net book amount	640,461	82,670	-	8,813	43,810	775,754
Year ended December 31, 2024						
Opening net book amount	640,461	82,670	-	8,813	43,810	775,754
Additions	-	-	-	4,684	1,966	6,650
Business combinations	-	313,673	59,800	16,337	717	390,527
Amortization charge	-	-	(2,990)	(3,733)	(6,241)	(12,964)
Reversal of impairment loss	68,145	-	-	-	-	68,145
Disposal of cryptocurrencies	(718,839)	-	-	-	-	(718,839)
Currency translation differences	10,233	-	-	-	96	10,329
Closing net book amount	-	396,343	56,810	26,101	40,348	519,602
As of December 31, 2024						
Cost	-	584,945	59,800	40,047	90,763	775,555
Accumulated amortization and impairment	-	(188,602)	(2,990)	(13,946)	(50,415)	(255,953)
Net book amount	-	396,343	56,810	26,101	40,348	519,602

(a) Intangible assets

Copyrights, brand names, customer relationship and others acquired in business combination are recognised at fair value at the acquisition date. Separately copyrights are shown at historical cost. Copyrights, brand names, customer relationship and others have finite useful lives and are carried at cost less accumulated amortization and impairment. Amortization is calculated using the straight-line method over the useful lives (3 to 10 years).

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

15 INTANGIBLE ASSETS AND GOODWILL (CONTINUED)

(a) Intangible assets (Continued)

Amortization charges were expensed in the following categories in the consolidated income statement:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Selling and marketing expenses	7,589	7,873
Administrative expenses	2,059	2,096
Cost of sales	5,335	2,250
Research and development expenses	695	745
	15,678	12,964
Less: amortization charges from discontinued operations	(3,600)	(3,600)
	12,078	9,364

(b) Impairment test for goodwill

Goodwill is measured as described in Note 41(b). Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to CGU or group of CGUs for the purpose of impairment testing. The allocation is made to those CGU or group of CGUs that are expected to benefit from the business combination in which the goodwill arose. The CGU or group of CGUs are identified at the lowest level at which goodwill is monitored for internal management purposes.

Goodwill arising from the Group's acquisition of subsidiaries is determined at the acquisition date, being the difference between the purchase consideration and the fair value of net identifiable assets of acquirees. Goodwill has been assessed based on the related acquirees' CGU or group of CGUs for impairment testing. The Group carries out its impairment testing on goodwill by comparing the recoverable amounts of CGU or group of CGUs to their carrying amounts.

Goodwill of the Group was allocated to CGU or group of CGUs. CGU A engaged in Advertising agency services, group of CGUs B engaged in Solutions for beauty industry, group of CGUs C engaged in Photo, video and design products.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

15 INTANGIBLE ASSETS AND GOODWILL (CONTINUED)

(b) Impairment test for goodwill (Continued)

As of December 31, 2025, goodwill was allocated to the Group's CGU and groups of CGUs identified as follows:

	As of December 31, 2025			
	RMB'000	RMB'000	RMB'000	RMB'000
	CGU A	Group of CGUs B	Group of CGUs C	Total
As of January 1, 2025				
Cost	49,740	221,532	313,673	584,945
Accumulated impairment	(33,336)	(155,266)	–	(188,602)
Net book amount	16,404	66,266	313,673	396,343
Year ended December 31, 2025				
Opening net book amount	16,404	66,266	313,673	396,343
Impairment loss	(16,404)	(66,266)	–	(82,670)
Closing net book amount	–	–	313,673	313,673

The carrying amount of the CGU or group of CGUs including the allocated goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. The recoverable amount of the CGU or group of CGUs are determined based on value-in-use. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Management determined a projection period of five years based on expected development trend of the acquirees and industry experiences. Cash flows beyond the five-year period are extrapolated using the estimated terminal growth rates stated below. The growth rate does not exceed the long-term average growth rate for the related industry in which the CGU or group of CGUs operates. The discount rate used is pre-tax and reflects specific risks relating to the relevant industry.

Based on the assessment of the performance of the CGU A, the recoverable amount was lower than its carrying amount. Therefore, goodwill impairment loss of RMB16,404,000 was recognised during the year ended December 31, 2025 (2024: nil).

As one business of the CGUs B was discontinued during the year ended December 31, 2025, the goodwill amounting to RMB59,014,000 and intangible assets of customer relationship amounting to RMB21,600,000 allocated to discontinued operations was fully impaired and recognised in discontinued operations result (Note 34).

For the remaining business of CGUs B, the recoverable amount was lower than its carrying amount. Therefore, the goodwill of RMB7,252,000 allocated to continuing operations was impaired and recognised during the year ended December 31, 2025 (2024: nil).

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

15 INTANGIBLE ASSETS AND GOODWILL (CONTINUED)

(b) Impairment test for goodwill (Continued)

Based on the assessment of the performance of the group of CGUs C, the recoverable amount was higher than its carrying amount.

The key assumptions used for value-in-use calculations for group of CGUs C are as follows:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Average expected growth rate of revenue	15.15%	16.53%
Average gross margin	74.73%	76.07%
Terminal growth rate after 5 years	2.00%	2.00%
Pre-tax discount rate	15.18%	15.60%

(c) Reversal of impairment losses and disposal gains on cryptocurrencies

Cryptocurrencies purchased and held by the Group had been assessed based on each type of cryptocurrencies for impairment testing. Based on these impairment tests by comparing the recoverable amounts of cryptocurrencies to their carrying amounts, the reversal of impairment losses of RMB68,145,000 in total was recognised in profit or loss by the Group during the year 2024.

The Group had disposed all of its acquired cryptocurrencies amounting to RMB718,839,000 during the year ended December 31, 2024. The Group recognised gains from these disposal of cryptocurrencies in the amount of RMB571,411,000.

16(a) INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
As of January 1	96,541	122,306
Additions	–	22,002
Converted from investment in FVTPL (Note (i))	1,065,645	5,000
Disposal	–	(609)
Transfer to investment in FVTPL	(13,805)	–
Impairment provisions	(2,125)	(35,170)
Share of gains/(losses) of the associates and the joint ventures	1,380	(23,668)
Dilution gains on deemed disposal	–	5,563
Currency translation differences	(1,394)	1,117
As of December 31	1,146,242	96,541

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

16(a) INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

- (i) Pursuant to the investor agreement entered into on December 25, 2020 between the Group and an investee, the Group was granted with special rights which included redemption rights, liquidation preference rights and anti-dilution rights. On August 30, 2025, the Group entered into a supplemental agreement with the investee, pursuant to which the redemption rights, liquidation preferences rights and anti-dilution rights have been irrecoverably terminated. The Group continues to hold 23.81% equity interest in ordinary shares and one board seat to enable it to participate in the investee's financial and operating activities. Management has remeasured the fair value up to termination date as investment cost and the investment has been converted to investment in associate accounted for using the equity method.

For the year ended December 31, 2025, none of the Group's investments in associates or the joint ventures is individually material to the Group.

16(b) FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
As of January 1	1,285,072	1,404,424
Additions	164,995	248,105
Converted from investment in an associate accounted for using equity method	13,805	-
Transfer to investment in an associate accounted for using equity method (Note 16(a))	(1,065,645)	(5,000)
Disposals	(51,893)	(48,435)
Changes in fair value (Note (i))	517,322	(316,663)
Currency translation differences	(6,898)	2,641
As of December 31	856,758	1,285,072

- (i) The fair value gain in 2025 was primarily attributable to business growth at two portfolio companies, coupled with a reduced marketability discount applied in their valuation due to progressed listing applications.

The Group made investments in redeemable convertible preferred shares and ordinary shares with preferred rights (collectively as "**preferred shares**") of private companies, and these redeemable investments held by the Company contain certain embedded derivatives. After an assessment performed on the Group's business model adopted for managing financial assets and a test on whether the contractual cash flows represent solely payment of principal and interest ("**SPPI**"), the Group recognised these investments as FVTPL.

In certain investment in form of preferred shares, the Group also holds board seats to enable it to participate in the investees' financial and operating activities. These investees are accounted for as associates being measured through FVTPL based on the above assessment.

The Group performs assessment on the fair value of these financial assets periodically. Management reviews the investees' financial/operating performances and forecasts, and applies the appropriate valuation techniques, where applicable, in order to determine their respective fair values. During the year ended December 31, 2025, change in fair value amounting to RMB517,322,000 was recognised as other gains in the consolidated income statement (2024: other losses of RMB316,663,000).

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

16(c) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
As of January 1	31,903	36,730
Additions	–	267
Changes in fair value	(14,137)	(5,825)
Currency translation differences	(534)	731
As of December 31	17,232	31,903

The Group holds investments in ordinary shares of listed companies, and these investments are not held for trading. The Group has made an irrevocable election at the time of initial recognition of these instruments to account for them as equity investments at fair value through other comprehensive income.

During the year ended December 31, 2025, change in fair value amounting to RMB14,137,000 was recognised as other comprehensive loss in the consolidated statement of comprehensive income (2024: other comprehensive loss of RMB5,825,000) (Note 24).

17 FINANCIAL INSTRUMENTS BY CATEGORY

	As of December 31,	
	2025	2024
	RMB'000	RMB'000
Financial assets		
Financial assets at amortized cost:		
– Term deposits (Note 21)	497,562	1,440,559
– Cash and cash equivalents (Note 22(a))	3,514,504	1,301,412
– Trade and other receivables (excluding prepayments and deductible value-added tax)	1,020,668	1,150,254
– Restricted cash (Note 22(b))	3,129	33,137
Financial assets at fair value through profit or loss:		
– Long-term investments (Note 16(b))	856,758	1,285,072
– Long-term treasury investments (Note 20)	40,556	–
– Short-term treasury investments (Note 20)	884,146	256,880
Financial assets at fair value through other comprehensive income(Note 16(c))	17,232	31,903
	6,834,555	5,499,217

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

17 FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

	As of December 31,	
	2025	2024
	RMB'000	RMB'000
Financial liabilities		
Financial liabilities at amortized cost:		
– Trade and other payables (excluding payroll and welfare payables and other taxes payables)	365,539	433,624
– Borrowings (Note 27)	20,000	102,890
Financial liabilities at fair value through profit or loss:		
– Convertible redeemable preferred shares (Note 31)	186,966	163,627
Lease liabilities (Note 14)	31,236	51,831
Convertible bonds (Note 29)	1,406,692	–
	2,010,433	751,972

18 TRADE RECEIVABLES

	As of December 31,	
	2025	2024
	RMB'000	RMB'000
Trade receivables from contracts with customers	536,788	418,541
Less: loss allowance (Note 3.1(b))	(13,730)	(11,527)
	523,058	407,014

The Group grants credit periods of 30 to 120 days to its customers. As of December 31, 2025 and 2024, the aging analysis of trade receivables based on transaction dates is as follows:

	As of December 31,	
	2025	2024
	RMB'000	RMB'000
Up to 6 months	518,308	404,295
6 months to 1 year	6,889	5,541
Over 1 year	11,591	8,705
	536,788	418,541

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

18 TRADE RECEIVABLES (CONTINUED)

As of December 31, 2025 and 2024, the carrying amounts of trade receivables were primarily denominated in RMB and USD and approximated their fair values.

(i) Classification as trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection of trade receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method. See Note 3.1 for a description of the Group's impairment policies.

19 PREPAYMENTS AND OTHER RECEIVABLES

	As of December 31,	
	2025	2024
	RMB'000	RMB'000
Included in non-current assets		
Rental and other deposits	3,585	9,337
Others	1,436	2,243
Less: loss allowance (Note 3.1(b))	(64)	(144)
	4,957	11,436
Included in current assets		
Other receivables in relation to payment on behalf of advertisers	488,718	733,647
Prepayment to advertising platform for advertising agency services	120,672	87,612
Deductible value-added tax	51,375	54,268
Loan to third parties	26,000	26,000
Rental and other deposits	26,841	25,217
Prepayment for inventories	–	24,989
Others	50,724	26,353
Less: loss allowance (Note 3.1(b))	(74,189)	(56,418)
	690,141	921,668

As of December 31, 2025 and 2024, the carrying amounts of other receivables were primarily denominated in RMB and approximated their fair values.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

20 TREASURY INVESTMENTS

	As of December 31,	
	2025	2024
	RMB'000	RMB'000
Included in non-current assets:		
Long-term treasury investments	40,556	–
Included in current assets:		
Short-term treasury investments	884,146	256,880
	924,702	256,880

Treasury investments are wealth management products issued by certain reputable banks or non-bank financial institutions, denominated in RMB and US\$, with expected rates of return ranging from 1.4% to 4.3% per annum for the year ended December 31, 2025 (2024: 2.2% to 4.2%). Treasury investments are measured at fair value through profit or loss. None of these investments are past due.

21 TERM DEPOSITS

	As of December 31,	
	2025	2024
	RMB'000	RMB'000
Included in non-current assets:		
Long-term bank deposits	30,114	42,405
Included in current assets:		
Short-term bank deposits	386,445	1,350,851
Current portion of long-term bank deposits	81,003	47,303
	467,448	1,398,154
	497,562	1,440,559

As of December 31, 2025, short-term bank deposits amounting RMB386,445,000 (2024: RMB1,350,851,000) are bank deposits with original maturities over three months but less than one year and redeemable upon maturity, while long-term bank deposits amounting RMB111,117,000 (2024: RMB89,708,000) are bank deposits with original maturities over one year and redeemable on maturity. As of December 31, 2025, the principal amount of RMB457,159,000 would mature within 12 months and accordingly, presented as current assets in the consolidated balance sheet. These bank deposits are denominated in RMB and US\$, and the weighted average effective interest rate was 3.70% per annum for the year ended December 31, 2025 (2024: 4.51%).

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

22 CASH AND BANK BALANCES

(a) Cash and cash equivalents

	As of December 31,	
	2025	2024
	RMB'000	RMB'000
Cash at bank and in hand	959,523	860,818
Short-term bank deposits with initial terms within three months	2,554,981	440,594
	3,514,504	1,301,412

(i) Classification as cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(b) Restricted cash

As of December 31, 2025, the Group held restricted cash of RMB3,129,000 (2024: RMB33,137,000).

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

23 SHARE CAPITAL AND PREMIUM

On November 25, 2016, the Company's shareholders resolved, among other things that, subject to the completion of initial public offering and fulfilment of certain other conditions, all the issued and unissued preferred shares will be re-classified and re-designated as ordinary shares of US\$0.0001 par value each, following which each issued and unissued ordinary share of US\$0.0001 par value each of the Company will be subdivided into 10 Shares of US\$0.00001 par value each such that the authorized share capital of the Company shall be US\$60,000 divided into 6,000,000,000 shares of par value US\$0.00001 each ("**Share Subdivision**"). The share information stated as follows is after sub-division.

As of December 31, 2025 and 2024, the authorized share capital of the Company comprises 6,000,000,000 ordinary shares with par value of US\$0.00001 per share.

Note	Number of ordinary shares '000	Nominal value of ordinary shares US\$'000	Equivalent nominal value of ordinary shares RMB'000	Share premium RMB'000
Issued:				
As of January 1, 2025	4,555,480	43	287	7,104,304
Employee share option scheme under Pre-IPO ESOP				
– Shares issued and proceeds received (a)	10,699	*	1	2,306
2024 Share Award Scheme				
– Shares issued (b)	20,000	–	–	–
Dividends 30	–	–	–	(868,405)
As of December 31, 2025	4,586,179	43	288	6,238,205
As of January 1, 2024	4,477,679	43	283	7,093,781
Employee share option scheme under Pre-IPO ESOP				
– Shares issued and proceeds received (a)	819	*	**	175
Post-IPO Share Award Scheme/2024 Share Award Scheme				
– Shares issued (b)	20,000	–	–	–
Consideration of a business combination				
– Shares issued	56,982	*	4	159,175
Dividends	–	–	–	(148,827)
As of December 31, 2024	4,555,480	43	287	7,104,304

* The amount is less than US\$1,000.

** The amount is less than RMB1,000.

- (a) During the year ended December 31, 2025, 10,699,521 pre-IPO share options with exercise price of US\$0.03 were exercised (2024: 818,531 pre-IPO share options).
- (b) During the year ended December 31, 2025, the Company issued 20,000,000 new shares under the 2024 Share Award Scheme (2024: 505,000 shares under the Post-IPO Share Award Scheme and 19,495,000 shares under the 2024 Share Award Scheme).

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

24 RESERVES

	Statutory surplus reserve RMB'000	Share-based compensation reserve RMB'000	Other comprehensive income RMB'000	Currency translation differences RMB'000	Convertible bonds and others RMB'000	Total RMB'000
As of January 1, 2025	74,286	684,740	2,794	(330,238)	(210,663)	220,919
Value of employee services:						
- Post-IPO Share Award Scheme/2024 Share Award Scheme (Note 25 (b))	-	117,369	-	-	-	117,369
- Share incentive to senior management (Note 25 (e))	-	369	-	-	-	369
- Share awards arising from a business combination (Note 25 (d))	-	758	-	-	-	758
Changes in fair value of FVOCI (Note 16 (c))	-	-	(14,137)	-	-	(14,137)
Issuance of convertible bonds (Note 29)	-	-	-	-	861,165	861,165
Currency translation differences (Note (a))	-	-	-	(41,433)	-	(41,433)
Appropriation to statutory reserves(Note (b))	13,098	-	-	-	-	13,098
As of December 31, 2025	87,384	803,236	(11,343)	(371,671)	650,502	1,158,108
As of January 1, 2024	39,453	600,450	8,619	(353,948)	(210,663)	83,911
Value of employee services:						
- Post-IPO Share Award Scheme/2024 Share Award Scheme (Note 25 (b))	-	77,257	-	-	-	77,257
- Share incentive to senior management (Note 25 (e))	-	770	-	-	-	770
- Share awards arising from a business combination (Note 25 (d))	-	6,263	-	-	-	6,263
Changes in fair value of FVOCI (Note 16 (c))	-	-	(5,825)	-	-	(5,825)
Currency translation differences (Note (a))	-	-	-	23,710	-	23,710
Appropriation to statutory reserves(Note (b))	34,833	-	-	-	-	34,833
As of December 31, 2024	74,286	684,740	2,794	(330,238)	(210,663)	220,919

- (a) Currency translation differences represent the difference arising from the translation of the financial statements of companies within the Group that have a functional currency different from the presentation currency of RMB for the financial statements of the Company and the Group.
- (b) The Company's subsidiaries incorporated in the PRC are required to make appropriations to statutory reserves from their profit for the year after offsetting accumulated losses carried forward from prior years as determined under the PRC accounting regulations and before distribution to be made to equity holders. The percentages to be appropriated to such statutory reserve are determined according to the relevant regulations in the PRC, and further appropriation is optional when the accumulated fund is 50% or more of the registered capital of the subsidiaries.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

25 SHARE-BASED PAYMENTS

(a) Pre-IPO ESOP

On February 15, 2014, the Board of Directors of the Company approved the establishment of the Pre-IPO ESOP with the purpose of providing incentives for employees and persons contributing to the Group. The overall limit on the number of underlying shares is 116,959,070 shares.

(i) Shares options granted to employees under the Pre-IPO ESOP

The exercise price of the granted options to employees shall be US\$0.03 per share. Except as provided otherwise in the grant letter or offer in any other form by the Board of Directors, 25% of the shares subject to the option shall vest on the first vesting date, and the remaining 75% shares shall vest over the next 36 months. The first vesting date should be determined by the Company and grantees for each grant agreement. The granted options have a contractual option term of ten years. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

No share options were granted under Pre-IPO ESOP to employees of the Company for the year ended December 31, 2025 (2024: Nil).

Movements in the number of share options granted to employees outstanding and their related weighted average exercise prices are as follows:

	Exercise price	Number of share options Year ended December 31,	
		2025	2024
At the beginning of the year		12,051,469	12,870,000
Exercised (Note (i))	\$0.03	(10,699,521)	(818,531)
At the end of the year		1,351,948	12,051,469

Notes:

- (i) As a result of the options exercised during the year ended December 31, 2025, 10,699,521 ordinary shares (2024: 818,531 ordinary shares) were issued by the Company. The weighted average price of the shares immediately before the dates on which the options were exercised was HK\$4.69 per share (equivalent to RMB4.34 per share) (2024: HK\$3.20 per share (equivalent to RMB2.91 per share)).

As of December 31, 2025, all share options granted are vested and exercisable.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

25 SHARE-BASED PAYMENTS (CONTINUED)

(b) Post-IPO Share Award Scheme/2024 Share Award Scheme

The Post-IPO Share Award Scheme was adopted pursuant to the written resolutions of the Shareholders passed on November 25, 2016. The 2024 Share Award Scheme was adopted pursuant to the resolution of the Shareholders passed at the annual general meeting of the Company held on June 5, 2024. The 2024 Share Award Scheme was adopted to replace the existing Post-IPO Share Award Scheme to comply with the requirements of amended Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Movements in the number of awarded shares for the years ended December 31, 2025 and 2024 are as follows:

	Post-IPO Share Award Scheme/ 2024 Share Award Scheme Number of shares (In units) Year ended December 31,	
	2025	2024
At the beginning of the year	65,282,440	27,997,545
Granted	20,870,910	59,495,785
Vested	(34,270,782)	(21,187,797)
Forfeited	(1,531,916)	(1,023,093)
At the end of the year	50,350,652	65,282,440

The fair value of the awarded shares was calculated based on the market price of the Company's shares at the respective grant date.

The weighted average fair value of awarded shares granted during the year ended December 31, 2025 was HK\$6.31 per share (equivalent to approximately RMB5.79 per share) (2024: HK\$3.16 per share (equivalent to approximately RMB2.86 per share)).

During the year ended December 31, 2025, the Group recorded share-based compensation of RMB117,369,000 (2024: RMB77,257,000) related to Post-IPO Share Award Scheme/2024 Share Award Scheme.

The outstanding awarded shares as of December 31, 2025 were divided into two to four tranches on an equal basis as of their grant dates. The first tranche can be vested after a specified period ranging from one to twelve months from the grant date, and the remaining tranches will become vested in each subsequent year.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

25 SHARE-BASED PAYMENTS (CONTINUED)

(b) Post-IPO Share Award Scheme/2024 Share Award Scheme (Continued)

(i) Expected Retention Rate under Post-IPO Share Award Scheme

The Group has to estimate the expected yearly percentage of grantees that will stay within the Group at the end of the vesting periods of the share award (the “**Expected Retention Rate**”) in order to determine the amount of share-based compensation charged to the consolidated income statement. As of December 31, 2025, the Expected Retention Rate, excluding senior management, was assessed to be 94% (2024: 94%). For senior management, the Group estimates the Expected Retention Rate on individual basis.

(c) Post-IPO Share Option Scheme

The Post-IPO Share Option Scheme was approved by the board on November 25, 2016 and adopted with effect from the completion of the IPO. The Post-IPO Share Option Scheme was terminated pursuant to the resolution of the Shareholders passed at the annual general meeting of the Company held on June 5, 2024. No options have been granted by the Group under the Post-IPO Share Option Scheme.

(d) Share awards arising from a business combination

On March 27, 2024, the Group acquired the 100% shareholdings of Zcool Network Technology Limited and its subsidiaries (the “**Acquiree**”). In addition, in connection with the acquisition, 3,990,232 restricted shares units (“**RSUs**”) of the Company have been issued to the former option holders of the Acquiree under the Acquiree’s existing Employee Stock Ownership Plan (the “**ESOP Plan**”) for replacement of these options. The Acquiree’s option replacement has been analysed to determine whether the awards relate to pre-combination or post-combination services or both. To the extent the Acquiree’s option replacement is for pre-combination services, a portion of the value of the awards has been allocated to the consideration transferred for the Acquiree. To the extent the Acquiree’s option replacement is for post-combination services, the value of the awards is recognised as compensation expenses attributable to post-combination services.

The incremental fair value, calculated as the difference between the fair value of share awards assumed by the Group in the Acquiree’s option replacement and the fair value of the outstanding incentive share options of the Acquiree as of the acquisition date, has been included in the measurement of the amount recognised for the services received over the remainder of the vesting period, and is recognised in the Group’s consolidated income statements as share-based compensation.

During the year ended December 31, 2025, the Group recorded share-based compensation for share awards of RMB758,000 (2024: RMB6,263,000).

(e) Share Incentive to Senior Management

Certain share incentive was offered to several senior management with a service period or based on the future performance forecast. During the year ended December 31, 2025, the Group recorded share-based compensation for share incentive of RMB369,000 (2024: RMB770,000).

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

25 SHARE-BASED PAYMENTS (CONTINUED)

(f) Share-based payments arising from issuance of convertible bonds

As mentioned in Note 4(d), on May 20, 2025, the Company entered into a Subscription Agreement with the Subscriber. All the conditions precedent under the Subscription Agreement have been fulfilled on December 30, 2025 (the “Grant Date”). Upon closing on December 31, 2025, the convertible bonds in the principal amount of US\$250 million have been issued by the Company to the Subscriber in accordance with the terms of the Subscription Agreement. Since the fair value of the convertible bonds as at the Grant Date exceeded the principal value of US\$250 million, and no identifiable goods or services have been received or will be received by the Group from the Subscriber on the Grant Date, the Group recognised “share-based non-cash expense” amounted to RMB511,811,000 in the consolidated income statement. As the convertible bonds granted to the Subscriber with the right to choose either settle in cash or settle by issuing equity instruments under IFRS 2, they were compound instruments and measured at their fair values at the Grant date and accounted for as “cash settled share-based payment liability” (Debt component) and “equity settled share-based payment reserve” (Equity component) respectively (see Note 29).

In determining the fair value of the convertible bonds as at the Grant Date, the binomial model is applied by the Group. The fair value of the convertible bonds on Grant Date was RMB2,269,011,000. Key assumptions in applying the binomial model are set as below:

	Convertible bonds December 30, 2025
Risk-free interest rate	2.33% and 3.65%
Volatility	52.00%
Bond yield	8.70%
Dividend yield	2.04%

26 TRADE AND OTHER PAYABLES

	As of December 31,	
	2025	2024
	RMB'000	RMB'000
Included in current liabilities		
Payroll and welfare payables	328,335	335,207
Payables to platforms for agency services	124,007	188,318
Trade payables (Note(a))	206,527	179,496
Other tax payables	38,881	17,597
Deposits payable	5,820	5,549
Others	29,185	60,261
	732,755	786,428

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

26 TRADE AND OTHER PAYABLES (CONTINUED)

- (a) The aging analysis of trade payables (including amounts due to related parties of trading in nature) based on transaction date is as follows:

	As of December 31,	
	2025	2024
	RMB'000	RMB'000
Up to 6 months	175,600	126,461
Over 6 months	30,927	53,035
	206,527	179,496

27 BORROWINGS

	As of December 31,	
	2025	2024
	RMB'000	RMB'000
Bank borrowings, unsecured (Note (a))	20,000	72,890
Bank borrowings, secured (Note (b))	–	30,000
	20,000	102,890

- (a) As of December 31, 2025, the Group's unsecured bank borrowings were denominated in RMB with an effective interest rate from 2.60% to 3.00% (2024: from 2.00% to 3.45%) per annum.
- (b) The Group's secured bank borrowings were denominated in RMB with an effective interest rate of 1.34% per annum and are secured by a pledged term deposit.
- (c) As of December 31, 2025 and 2024, the fair value of the Group's borrowings approximated to their carrying amounts due to the short maturity.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

28 DEFERRED TAX ASSETS AND LIABILITIES

(a) Deferred tax assets

	As of December 31,	
	2025	2024
	RMB'000	RMB'000
Deferred tax assets:		
– Impairment of trade and other receivables	13,177	9,736
– Tax losses	6,796	8,845
– Lease liabilities	5,774	12,648
Total deferred tax assets	25,747	31,229
Set-off of deferred tax assets/liabilities pursuant to set-off provisions	(12,458)	(21,422)
Net deferred tax assets	13,289	9,807

Deferred income taxes are calculated in full on temporary differences under the liability method using the tax rates which are expected to apply at the time of reversal of the temporary differences.

The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Movement	Impairment of trade and other receivables RMB'000	Tax losses RMB'000	Lease liabilities RMB'000	Total RMB'000
As of January 1, 2024	11,587	–	18,617	30,204
Acquisition of a subsidiary	–	8,845	–	8,845
Charged to profit or loss	(1,851)	–	(5,969)	(7,820)
As of January 1, 2025	9,736	8,845	12,648	31,229
Credited/(Charged) to profit or loss	3,441	(2,049)	(6,874)	(5,482)
As of December 31, 2025	13,177	6,796	5,774	25,747

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

28 DEFERRED TAX ASSETS AND LIABILITIES (CONTINUED)

(b) Deferred tax liabilities

	As of December 31,	
	2025	2024
	RMB'000	RMB'000
Deferred tax liabilities		
– Change in fair value of FVTPL	287,083	160,455
– Appreciation on intangible assets from business combination	9,906	14,977
– Right-of-use assets	5,902	12,606
Total deferred tax liabilities	302,891	188,038
Set-off of deferred tax liabilities pursuant to set-off provisions	(12,458)	(21,422)
Net deferred tax liabilities	290,433	166,616

Movement	Change in fair value of FVTPL RMB'000	Right-of-use assets RMB'000	Appreciation on intangible assets from business combination RMB'000	Total RMB'000
As of January 1, 2024	206,712	18,672	4,680	230,064
Acquisition of a subsidiary	–	–	11,835	11,835
Credited to profit or loss	(46,257)	(6,066)	(1,538)	(53,861)
As of January 1, 2025	160,455	12,606	14,977	188,038
Charged/(Credited) to profit or loss	126,628	(6,704)	(5,071)	114,853
As of December 31, 2025	287,083	5,902	9,906	302,891

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

29 CONVERTIBLE BONDS

As Note 4(d) and Note 25(f) mentioned, on December 31, 2025, the Company issued convertible bonds to the Subscriber with an aggregate principal amount of USD250 million (approximately RMB1,757 million). The convertible bonds bear an interest of 1% per annum payable semi-annually and will mature on December 31, 2028.

Upon the Company's breach of any of its obligations under the terms of the agreement, the Subscriber will have the right to require the Company to redeem all or some of such convertible bonds at their principal amount, together with unpaid default interest thereon (if any).

The Subscriber may convert bonds into ordinary shares at any time on or after the issuance date up to five (5) business days prior to December 31, 2028. The conversion shares will be issued upon full conversion of the convertible bonds based on the contracted conversion price of HKD6.00 per share.

The Company and the Subscriber also entered into the Business Cooperation Agreement comprising a series of agreements with respect to commercial cooperations and collaborations on areas such as computing and cloud services, E-commerce and others. Pursuant to the terms thereof, specific agreement(s) will further be entered into to implement certain areas of the cooperation in detail.

The convertible bonds were recognised as compound instruments comprising Debt component and Equity component under IFRS 2:

- Debt component: the initial value of the Debt component was measured at the fair value of the financial instrument granted. The Debt component is subsequently remeasured to its fair value at each end of the reporting period, where the changes in the fair value will be recognised as "finance costs" in the consolidated income statement.
- Equity component: Equity component, being the conversion option of the convertible bonds, was initially recognised at the residual amount after deducting the value of the aforesaid Debt component from the fair value of the convertible bonds. The Equity component recognised in "convertible bonds reserve", and remain in "convertible bonds reserve" after the embedded conversion option is exercised or the convertible bonds reach their maturities.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

29 CONVERTIBLE BONDS (CONTINUED)

(a) As at the Grant Date, the measurement result of the convertible bonds are set out as below:

	RMB'000
Principal amount	1,757,200
Less: transaction costs payable	(3,040)
Net proceeds	1,754,160
Debt component	1,406,692
Equity component	862,319
Transaction costs related to the Equity component	(1,154)
Transaction costs related to the Debt component	(1,886)
Share-based non-cash expense (Note 25(f))	(511,811)
As of December 30, 2025	1,754,160

Transaction costs that relate to the issue of the convertible bonds were allocated to the Debt component and the Equity component in proportion to the allocation of fair value of the convertible bonds. The transaction costs of the Equity component were accounted for as a deduction from equity. The transaction costs of the Debt component were recognised in profit or loss and presented in "financial expenses".

The movement of the Debt component and the Equity component of the convertible bonds for the year ended December 31, 2025 is set out below:

	Debt component RMB'000	Equity component RMB'000	Total RMB'000
As of January 1, 2025	–	–	–
Issuance	1,406,692	861,165	2,267,857
As of December 31, 2025	1,406,692	861,165	2,267,857

As of December 31, 2025, no conversion shares had been issued under the convertible bonds. If bonds were fully converted as of December 31, 2025 (based on principal amount only), 325,741,666 ordinary shares would have been issued.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

30 DIVIDENDS

During the year ended December 31, 2025, the Company declared a special dividend totalling RMB457,615,000 in cash out of the share premium account. Such special dividend of HK\$0.109 per share in cash out of the share premium account was proposed pursuant to a resolution passed by the Board on January 16, 2025 and approved by the shareholders at the extraordinary general meeting of the Company held on February 11, 2025.

In addition, during the year ended December 31, 2025, the Company declared 2024 final dividends and 2025 interim dividends totalling RMB410,790,000 in cash out of the share premium account.

A final dividend in respect of the year ended December 31, 2024 of HK\$0.0552 per share in cash out of the share premium account was proposed pursuant to a resolution passed by the Board on March 18, 2025 and approved by the shareholders at the annual general meeting of the Company held on June 5, 2025.

An interim dividend in respect of the six months ended June 30, 2025 of HK\$0.045 per share in cash out of the share premium account was proposed pursuant to a resolution passed by the Board on August 18, 2025 and approved by the shareholders at the extraordinary general meeting of the Company held on September 10, 2025.

On March 27, 2026, the Board of Directors proposed a final dividend of HK\$0.05 per share in cash out of the share premium account for the year ended December 31, 2025, which is conditional upon, among others, the approval by the shareholders at the forthcoming annual general meeting of the Company. These consolidated financial statements do not reflect this dividend.

31 CONVERTIBLE REDEEMABLE PREFERRED SHARES

On October 12, 2023, a wholly owned subsidiary of the Company, Pixocial, Inc. (“**Pixocial**”), entered into a share subscription agreement with certain third party investors to issue 17,043,417 shares of Series A Preference Shares (“**Series A Preference Shares**”) at a price of US\$1.1148 per share with total consideration of US\$19,000,000 (equivalent to approximately RMB134,571,000). The issuance and subscription of the Series A Preference Shares of Pixocial was completed on December 1, 2023.

The key terms of the Series A Preference Shares are summarised as follows:

(a) Dividends rights

The board of directors of Pixocial shall determine in good faith whether the relevant net profit threshold, defined in the shareholders’ agreement (as amended and supplemented from time to time), of such fiscal year has been satisfied with reference to the audited annual consolidated financial statements of the Group (the “**Annual Financials**”) as delivered by Pixocial to major investors. If the board of directors of Pixocial determines that the relevant net profit threshold, defined in the shareholders’ agreement (as amended and supplemented from time to time), of such fiscal year has been met, the board of directors of Pixocial shall declare and authorise Pixocial to pay to each Series A Preference Shareholder a dividend in the amount equal to the Special Dividend Amount, as defined in the shareholders’ agreement (as amended and supplemented from time to time). If the board of directors of Pixocial determines that the relevant net profit threshold of such fiscal year has not been met, no Special Dividend Amount shall be declared and paid to any Series A Preference Shareholders. However, if the combined relevant net profit for the two consecutive fiscal years meets the total relevant net profit thresholds, the special dividend will still be declared and paid.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

31 CONVERTIBLE REDEEMABLE PREFERRED SHARES (CONTINUED)

(b) Conversion feature

Each Series A Preference Share shall be convertible, at the option of the holder thereof, at any time after the date on which Series A Preference Shares are issued to Series A Preference Shareholder into such number of fully paid and non-assessable ordinary shares as determined by dividing the Series A original issue price by the then-effective Series A conversion price. The Series A conversion price shall initially be the Series A original issue price, resulting in an initial conversion ratio for the Series A Preference Shares of 1:1, and shall be subject to adjustment and readjustment from time to time as hereinafter provided.

Each Series A Preference Share shall automatically be converted, based on the then-effective Series A conversion price, without the payment of any additional consideration, into fully-paid and non-assessable ordinary shares upon the earlier of (x) the closing of a (i) Qualified Initial Public Offering (“**QIPO**”); or (ii) an IPO that is otherwise duly approved by the board of directors of Pixocial pursuant to its articles of association and shareholders’ agreement (as amended and supplemented from time to time), and (y) the date specified by written consent or agreement of the Super Majority Series A Preference Shareholders (voting as a single class on an as-converted basis), which are holders of more than fifty-nine percent (59%) of the voting power attaching to the then issued and outstanding Series A Preference Shares.

QIPO means an underwritten public offering of ordinary shares of Pixocial or of any listing vehicle formed to hold all or substantially all of the target business on Shenzhen Stock Exchange, Shanghai Stock Exchange, the main board of the Hong Kong Stock Exchange, New York Stock Exchange, NASDAQ or (subject to the affirmative vote or written consent of the director of the board of the Company) such other internationally recognised stock exchange as may be approved by the board of directors of Pixocial (“**Qualified Exchange**”).

(c) Redemption feature

For Series A Preference Shareholders, they may redeem the preferred shares upon the request, at any time after the earlier of (i) the failure to consummate a QIPO or a trade sale before the fourth (4th) anniversary of the initial completion date, (ii) the occurrence of any breach of the transaction documents by any member of Pixocial and its subsidiaries or the management holders as defined in the shareholders’ agreement (as amended and supplemented from time to time), any fraud of any member of Pixocial and its subsidiaries or the management holders, which in each case, is reasonably expected to have a material adverse effect on Pixocial and its subsidiaries (taken as a whole) and which are not rectified within sixty (60) days upon receipt of notice from any holder of the Series A Preference Shares; (iii) the occurrence of any blocking event (other than the termination of the transaction contemplated by the transaction documents); and (iv) both of the management holders cease their employment relationship or services with Pixocial and all of the material subsidiaries of Pixocial (other than due to removal by the board of directors of Pixocial without cause or due to reasons of disability).

The redemption price shall be paid by Pixocial to the Series A Preference Shareholders in an amount equal to: (i) one hundred percent (100%) of the original issue price, plus (ii) a simple interest of eight percent (8%) per annum of the original issue price calculated from the original issue date until the date of its payment in full, and minus (iii) all dividends and distributions previously received by Series A Preference Shareholders (but excluding any Special Dividend Amount).

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

31 CONVERTIBLE REDEEMABLE PREFERRED SHARES (CONTINUED)

(d) Liquidation preferences

In the event of any liquidation, dissolution or winding up of Pixocial, either voluntary or involuntary, the Series A Preference Shareholders shall be entitled to receive prior and in preference to any distribution of any proceeds to the holders of the ordinary shares, an amount per Series A Preference Share held by such holder equal to the sum of one hundred percent (100%) of the Series A Preference Share original issue price, plus the higher of (i) a simple interest of eight percent (8%) per annum of the Series A Preference Share original issue price calculated from the Series A Preference Share original issue date until the date of the amount of Series A Preference Amount is paid in full, or (ii) all declared but unpaid accrued dividends on such Series A Preference Share, minus any special dividend amount, dividends and other distributions previously received by such holder of the Series A Preference Shares (collectively, the "Series A Preference Amount").

The Group measures the convertible redeemable preferred shares on a fair value basis and does not bifurcate any embedded derivatives from the host instruments and designates the entire instrument as financial liabilities at fair value through profit or loss with the changes in the fair value recognised in the consolidated income statement.

The movement of the convertible redeemable preferred shares is set out as below:

	RMB'000
As of January 1, 2025	163,627
Payment of dividend	(8,811)
Change in fair value of the convertible redeemable preferred shares for the year included in profit or loss	36,216
Currency translation differences	(4,066)
As of December 31, 2025	186,966

As the relevant net profit threshold for the year ended December 31, 2025 stipulated in the shareholders' agreement has been met, dividend amounting to RMB8,811,000 was paid to eligible Series A Preference Shareholders.

The convertible redeemable preferred shares are classified as current liabilities because the Group has no right to defer settlement of the liability for at least 12 months after the reporting period.

Management considered that fair value change in the convertible redeemable preferred shares that are attributable to changes of credit risk of this liability being not significant.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

32 CASH FLOW INFORMATION

(a) Cash generated from operations

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Profit before income tax from		
– Continuing operations	904,873	815,880
– Discontinued operations	(153,435)	6,973
Profit before income tax including discontinued operations	751,438	822,853
Adjustments for:		
– Depreciation of property and equipment (Note 13)	35,709	39,112
– Amortization of intangible assets (Note 15)	15,678	12,964
– Depreciation of right-of-use assets (Note 14)	32,488	32,143
– Share-based non-cash expense from convertible bonds issuance (Note 29)	511,811	–
– Share-based compensations (Note 9)	118,496	84,290
– Fair value changes on FVTPL (Note 16(b))	(517,322)	316,663
– Fair value changes on convertible redeemable preferred shares (Note 31)	36,216	26,761
– Dilution gains on deemed disposals (Note 16(a))	–	(5,563)
– Transaction costs related to the issuance of convertible bonds (Note 29)	1,886	–
– Impairment provisions for investments in associates and joint ventures (Note 16(a))	2,125	35,170
– Impairment of receivables	27,494	2,751
– Impairment of inventory	6,247	700
– Impairment of intangible assets and goodwill (Note 15)	104,270	–
– Reversal of impairment losses and disposal gains on cryptocurrencies (Note 15)	–	(639,556)
– Share of (gains)/losses of associates and a joint venture (Note 16(a))	(1,380)	23,668
– Investment income on treasury investments (Note 7)	(25,743)	(10,796)
– Finance charges, net	6,011	4,742
– Interest income	(72,768)	(51,354)
– Dividend income from an investee company (Note 7)	(8,938)	(8,152)
– (Gains)/Losses on disposal of FVTPL	–	13,012
– Gains on disposal of a subsidiary	(2,999)	–
– Gains on disposal of an associate	–	(109)
– Others	(41)	381
Changes in working capital:		
– Decrease/(Increase) in inventories	59,895	(20,314)
– (Increase)/Decrease in trade receivables	(140,553)	10,110
– Decrease/(Increase) in prepayments and other receivables	225,764	(19,956)
– Increase in contract costs	(43,189)	(40,528)
– Decrease in trade and other payables	(26,644)	(9,324)
– Increase in contract liabilities	200,301	179,305
– Increase in restricted cash	(3,129)	–
Cash generated from operations	1,293,123	798,973

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

32 CASH FLOW INFORMATION (CONTINUED)

(b) Non-cash investing and financing activities

	As of December 31,	
	2025	2024
	RMB'000	RMB'000
Acquisition of right-of-use assets	15,249	13,983

(c) Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the years presented.

	As of December 31,	
	2025	2024
	RMB'000	RMB'000
Net debt		
Borrowings	20,000	102,890
Lease liabilities	31,236	51,831
Net debt	51,236	154,721

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

32 CASH FLOW INFORMATION (CONTINUED)

(c) Net debt reconciliation (Continued)

	Borrowings RMB'000	Lease liabilities RMB'000	Total RMB'000
Net debt as of January 1, 2024	14,980	75,301	90,281
Cash flows	84,910	(35,772)	49,138
Business combination	3,000	–	3,000
Modifications to lease agreements	–	(5,026)	(5,026)
Acquisition – leases	–	13,983	13,983
Foreign exchange adjustments	–	107	107
Finance expense recognised	–	3,238	3,238
Net debt as of December 31, 2024	102,890	51,831	154,721
Cash flows	(82,890)	(34,560)	(117,450)
Modifications to lease agreements	–	(3,416)	(3,416)
Acquisition – leases	–	15,249	15,249
Foreign exchange adjustments	–	(62)	(62)
Finance expense recognised	–	2,194	2,194
Net debt as of December 31, 2025	20,000	31,236	51,236

33 COMMITMENTS

(a) Capital Commitments

Capital expenditure contracted as of December 31, 2025 but not yet incurred is as follows:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Investment commitments	21,086	–
Construction in progress	6,375	5,881
	27,461	5,881

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

34 DISCONTINUED OPERATIONS

As described in Note 1, in order to focus the resources of the Group in the photo and video industry, the Group discontinued its cosmetic supply chain management services. The business was closed on November 1, 2025, and it is reported in the current period as a discontinued operations. Financial information relating to the discontinued operations for the period to the date of disposal is set out below.

The financial performance and cash flow information distinguish discontinued operations from continuing operations and the respective comparative figures have been restated.

	2025 RMB'000	2024 RMB'000
Revenue	32,478	344,579
Cost of sales	(80,526)	(328,180)
Expenses	(8,960)	(9,419)
Finance income, net	7	10
Other losses, net	(57)	(17)
Net impairment losses on financial assets	(15,763)	-
Impairment losses on intangible assets	(21,600)	-
Impairment losses on goodwill (Note 15(b))	(59,014)	-
(Loss)/Profit before income tax	(153,435)	6,973
Income tax credit	3,780	540
(Loss)/Profit from discontinued operations	(149,655)	7,513
Net cash from/(used in) operating activities	16,276	(38,764)
Net cash (used in)/from financing activities	(20,000)	20,000
Cash flows of discontinued operations	(3,724)	(18,764)

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

35 RELATED PARTY TRANSACTIONS

Save as disclosed in other notes, the following significant transactions were carried out between the Group and its related parties during the year.

(a) Significant transactions with related parties

In the opinion of the executive directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective parties.

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
(i) Sales of goods and services:		
An associate	2,038	5,135
Associates in form of preferred shares	36	24,774
Others	178	167
	2,252	30,076
(ii) Purchases of goods and services:		
Associates	5,784	21,131
Associates in form of preferred shares	405	–
Others	–	847
	6,189	21,978

(b) Year end balances with related parties

	As of December 31,	
	2025	2024
	RMB'000	RMB'000
(i) Contract liabilities from:		
Associates in form of preferred shares	49	39
(ii) Trade payables to:		
Associates	722	2,595
An associate in form of preferred shares	3	–
	725	2,595

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

35 RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Year end balances with related parties (Continued)

	As of December 31,	
	2025	2024
	RMB'000	RMB'000
(iii) Trade receivables from:		
Associates	1,630	2,814
Others	17	–
	1,647	2,814

Balances with other related parties were all unsecured and repayable on demand.

(c) Key management personnel compensations

Key management includes directors (executive and non-executive), the chief executive and other senior management. The compensations paid or payable to key management for employee services are shown below:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Share based compensation	52,584	11,292
Wages, salaries and bonuses	9,779	15,100
Other social security costs, housing benefits and other employee benefits	128	137
Pension costs – defined contribution plan	108	37
	62,599	26,566

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

36 BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' and chief executive's emoluments

All of the directors have not received any emolument from the Group as an inducement to join the Group or compensation for loss of office during the year ended December 31, 2025 (2024: nil). The remuneration of each director for the year ended December 31, 2025 is set out as below:

Name	Fees RMB'000	Salaries RMB'000	Bonuses RMB'000	Pension costs – defined contribution plan RMB'000	Other social security costs, housing benefits and other employee benefits RMB'000	Share-based compensation RMB'000	Total RMB'000
Executive Director							
Wu Zeyuan	325	2,311	2,320	98	107	28,011	33,172
Independent Non-executive Directors							
Zhou Hao	325	-	-	-	-	-	325
Lai Xiaoling	325	-	-	-	-	-	325
Poon Philana Wai Yin	325	-	-	-	-	-	325
Non-executive Directors							
Guo Yihong (Note (a))	-	-	-	-	-	-	-
Chen Jiarong	325	-	-	-	-	-	325
Hong Yupeng	325	-	-	-	-	-	325
	1,950	2,311	2,320	98	107	28,011	34,797

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

36 BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

(a) Directors' and chief executive's emoluments (Continued)

The remuneration of each director for the year ended December 31, 2024 is set out as below:

Name	Fees RMB'000	Salaries RMB'000	Bonuses RMB'000	Pension costs – defined contribution plan RMB'000	Other social security costs, housing benefits and other employee benefits RMB'000	Share-based compensation RMB'000	Total RMB'000
Executive Director							
Wu Zeyuan	333	1,947	1,923	13	67	6,004	10,287
Independent Non-executive Directors							
Zhou Hao	333	-	-	-	-	-	333
Lai Xiaoling	333	-	-	-	-	-	333
Kui Yingchun	144	-	-	-	-	-	144
Poon Philana Wai Yin	191	-	-	-	-	-	191
Non-executive Directors							
Guo Yihong	-	-	-	-	-	-	-
Lee Kai-fu	-	-	-	-	-	-	-
Chen Jiarong	333	-	-	-	-	-	333
Hong Yupeng	333	-	-	-	-	-	333
	2,000	1,947	1,923	13	67	6,004	11,954

Note:

(a) Retired on August 18, 2025.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

36 BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

(b) Directors' retirement benefits

During the year, no retirement benefits were paid to or receivable by the directors in respect of their services as directors of the Company and its subsidiaries or other services in connection with the management of the affairs of the Company or its subsidiary undertaking (2024: nil).

(c) Directors' termination benefits

During the year, no payments or benefits in respect of termination of directors' services were paid or made, directly or indirectly, to the directors; nor are any payable (2024: nil).

(d) Consideration provided to third parties for making available directors' services

During the year, no consideration was provided to or receivable by third parties for making available directors' services (2024: nil).

(e) Information about loans, quasi-loans and other dealings in favor of directors, controlled bodies corporate by and connected entities with such directors

During the year, there were no loans, quasi-loans or other dealings in favor of the directors, their controlled bodies corporate and connected entities (2024: nil).

(f) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2024: nil).

37 CONTINGENCIES

The Group did not have any material contingent liabilities as of December 31, 2025 (2024: nil).

38 SUBSEQUENT EVENTS

Save as disclosed in Note 30, there were no material subsequent events during the period from December 31, 2025 to the approval date of these financial statements by the Board on March 27, 2026.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

39 BALANCE SHEET AND RESERVES MOVEMENT OF THE COMPANY

(a) Balance sheet of the Company

	As of December 31,	
	2025	2024
	RMB'000	RMB'000
ASSETS		
Non-current assets		
Investments in subsidiaries	4,239,473	4,136,087
Amount due from subsidiaries	134,893	11,454
FVOCI	17,232	21,705
FVTPL	29,521	25,742
	4,421,119	4,194,988
Current assets		
Amount due from subsidiaries	561,184	522,894
Prepayments and other receivables	602	820
Short-term treasury investments	213,377	–
Short-term bank deposits	–	6,966
Cash and cash equivalents	1,305,401	837,500
	2,080,564	1,368,180
Total assets	6,501,683	5,563,168
EQUITY AND LIABILITIES		
Equity		
Share capital	288	287
Share premium	6,238,205	7,104,304
Reserves (Note 39(b))	1,661,408	784,899
Accumulated loss (Note 39(b))	(2,811,236)	(2,328,028)
Total equity	5,088,665	5,561,462
Liabilities		
Current liabilities		
Trade and other payables	6,326	1,706
Convertible bonds	1,406,692	–
Total liabilities	1,413,018	1,706
Total equity and liabilities	6,501,683	5,563,168

The balance sheet of the Company was approved by the Board of Directors on March 27, 2026 and was signed on its behalf.

Wu Zeyuan
Director

Hong Yupeng
Director

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

39 BALANCE SHEET AND RESERVES MOVEMENT OF THE COMPANY (CONTINUED)

(b) Reserves movement of the Company

	Reserves RMB'000	Accumulated losses RMB'000
As of January 1, 2025	784,899	(2,328,028)
Loss for the year	-	(483,208)
Value of employee services	118,127	-
Issuance of convertible bonds (Note 29)	861,165	-
Changes in fair value of FVOCI	(3,939)	-
Currency translation differences (Note (i))	(98,844)	-
As of December 31, 2025	1,661,408	(2,811,236)
As of January 1, 2024	625,838	(2,344,320)
Profit for the year	-	16,292
Value of employee services	83,520	-
Changes in fair value of FVOCI	(5,416)	-
Currency translation differences (Note (i))	80,957	-
As of December 31, 2024	784,899	(2,328,028)

- (i) Currency translation differences represent the difference arising from the translation of the financial statements of the Company, of which the functional currency is US\$, into the financial statements of the Company presented in RMB.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

40 SUBSIDIARIES

The following is a list of the principal subsidiaries as of December 31, 2025:

Name	Place of establishment and nature of legal entity	Principal activities and place of operation	Particulars of issued share capital	Proportion of ordinary shares directly/indirectly held by the Group (%)
Meitu (China) Limited	Hong Kong/ Limited liability company	Investment holding, Hong Kong	HK\$1	100%
Meitu Investment Ltd	The BVI/ Limited liability company	Investment holding, the BVI	US\$1	100%
Xiamen Home Meitu Technology Co., Ltd.	The PRC/ Limited liability company	Provision of information technology services, the PRC	US\$500,000,000	100%
Xiamen Meitu Mobile Technology Co., Ltd.	The PRC/ Limited liability company	Smart hardware business, the PRC	RMB1,650,000,000	100%
Xiamen MeituEve Technology Co., Ltd.	The PRC/ Limited liability company	Smart hardware business, the PRC	US\$8,000,000	100%
Xiamen Meitu Networks Technology Co., Ltd.	The PRC/ Limited liability company	Development and operation of apps, the PRC	RMB32,000,000	100%*
Pixocial, Inc.	The Caymen Islands/ Limited liability company	Provision of information technology services, the Caymen Islands	US\$50,000.00	100%

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

40 SUBSIDIARIES (CONTINUED)

The following is a list of the principal subsidiaries as of December 31, 2025: (Continued)

Name	Place of establishment and nature of legal entity	Principal activities and place of operation	Particulars of issued share capital	Proportion of ordinary shares directly/indirectly held by the Group (%)
Pixocial Hong Kong Limited	Hong Kong/ Limited liability company	Provision of information technology services, Hong Kong	HK\$1	100%
Ruisheng Tianhe (Beijing) Media and Technology Co., Ltd.	The PRC/ Limited liability company	Advertising agency, the PRC	RMB100,000,000	100%*
Meidd Technology (Shenzhen) Co., Ltd.	The PRC/ Limited liability company	Solutions for beauty industry, the PRC	RMB4,267,422	63.35%
Meishichengpin Supply Chain Management (Shenzhen) Co., Ltd.	The PRC/ Limited liability company	Solutions for beauty industry, the PRC	RMB1,000,000	63.35%
Zcool Network Technology Limited	The Caymen Islands/ Limited liability company	ZCOOL Business, the Caymen Islands	US\$5,000	100%
Beijing Zcool Network Technology Co., Ltd.	The PRC/ Limited liability company	ZCOOL Business, the PRC	RMB10,000,000	100%

* These companies are the Group's consolidated structured entities

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

41 SUMMARY OF OTHER ACCOUNTING POLICIES

(a) Principles of consolidation and equity accounting

(i) Subsidiaries

Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combination by the Group.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

(ii) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates in the form of ordinary shares are accounted for using the equity method of accounting (see (iv) below), after initially being recognised at cost, while investments in associates in the form of ordinary shares with preferential rights or convertible redeemable preferred shares are accounted for as hybrid financial instruments and designated as financial assets measured at fair value through profit or loss.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

41 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

(a) Principles of consolidation and equity accounting (Continued)

(iii) Joint ventures

Interests in joint ventures are accounted for using the equity method (see (iv) below), after initially being recognised at cost in the consolidated balance sheet.

(iv) Equity accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 41(g).

(v) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Company.

When the Group ceases to equity account for an investment because of a loss of joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRS Accounting Standards.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

41 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

(a) Principles of consolidation and equity accounting (Continued)

(v) Changes in ownership interests (Continued)

If the ownership interest in a joint venture or an associate in the form of ordinary shares is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

(b) Business combination

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

41 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

(b) Business combination (Continued)

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as of the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised as "other gains, net" in the consolidated income statement.

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the CODM.

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of the Company is US\$. The Company's primary subsidiaries were incorporated in the PRC and these subsidiaries considered RMB as their functional currency. As the major operations of the Group are within the PRC, the Group determined to present its consolidated financial statements in RMB (unless otherwise stated).

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

All foreign exchange gains and losses are presented on a net basis within "finance income, net" in the consolidated income statement.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as FVOCI, are recognised in other comprehensive income.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

41 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

(d) Foreign currency translation (Continued)

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting currency translation differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate. Currency translation differences arising are recognised in other comprehensive income.

(e) Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation and accumulated impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to consolidated income statement during the reporting period in which they are incurred.

Construction in progress represents buildings under construction, which is stated at actual construction costs less any impairment loss. Construction in progress is transferred to property and equipment when completed and ready for use.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 41(g)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

41 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

(f) Intangible assets

(i) Other intangible assets

Other intangible assets mainly include brand name, computer software and copyrights. They are initially recognised and measured at costs incurred to acquire and bring them to use. Other intangible assets are amortized over their estimated useful lives, using the straight-line method which reflects the pattern in which the intangible asset's future economic benefits are expected to be consumed.

(ii) Research and development expenditures

Research expenditure is recognised as an expense as incurred. Costs incurred in development projects (relating to the design and testing of new or improved products) are capitalized as intangible assets when recognition criteria are fulfilled. These criteria include: (1) it is technically feasible to complete the software product so that it will be available for use; (2) management intends to complete the software product and use or sell it; (3) there is an ability to use or sell the software product; (4) it can be demonstrated how the software product will generate probable future economic benefits; (5) adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and (6) the expenditure attributable to the software product during its development can be reliably measured. Other development expenditures that do not meet those criteria are recognised as expenses as incurred. There had been no development costs meeting these criteria and capitalized as intangible assets as of December 31, 2025 (2024: nil).

Development costs previously recognised as an expense are not recognised as an asset in subsequent periods. Capitalized development costs are amortized from the point at which the assets are ready for use on a straight-line basis over their useful lives.

(g) Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (CGUs or groups of CGUs). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

41 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

(h) Investment and other financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are SPPI.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

41 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

(h) Investment and other financial assets (Continued)

(iii) Measurement (Continued)

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), net together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated income statement.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent SPPI, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in other gains/(losses), net. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses), net, and impairment expenses are presented as separate line item in the consolidated income statement.
- **FVTPL:** Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured a financial asset at fair value through profit or loss is recognised in profit or loss and presented net within other gains/(losses), net in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in other gains/(losses), net in the consolidated income statement as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

41 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

(h) Investment and other financial assets (Continued)

(iv) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(i) Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the balance sheet where the Company has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The Company has also entered into arrangements that do not meet the criteria for offsetting but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or the termination of a contract.

(j) Inventories

Inventories mainly consist of finished goods, raw materials and merchandise, which are primarily accounted for using the weighted average method and are stated at the lower of cost and net realizable value. Cost excludes borrowing costs. Costs of purchased raw materials and merchandise are determined after deducting rebates and discounts.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Impairment is made for excessive, slow moving, expired and obsolete inventories, so the Group continually estimated the net realizable value based on assumptions relating to the demand forecast for inventories, including potential product obsolescence, sales strategy, and marketability of inventories. The estimation may take into consideration of inventory aging, expiration date, expected demand, anticipated sales price, product obsolescence, and other factors. The impairment is equal to the difference between the cost of inventory and the estimated net realizable value based upon assumptions about future demand and market conditions.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

41 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

(k) Trade receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method. See Note 3.1 for a description of the Group's impairment policies.

(l) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(m) Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any group company purchases the Company's equity share capital (treasury shares), the considerations paid, including any directly attributable incremental costs, is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received (net of any directly attributable incremental transaction costs) is included in equity attributable to the Company's equity holders.

(n) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortized cost using the effective interest method.

(o) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

41 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

(o) Borrowings (Continued)

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless, at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the reporting period.

Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification at the reporting date.

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

(p) Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

41 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

(p) Current and deferred income tax (Continued)

Deferred income tax

(i) *Inside basis differences*

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

(ii) *Outside basis differences*

Deferred tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only when there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference in the foreseeable future, deferred tax liability in relation to taxable temporary differences arising from the associate's undistributed profits is not recognised.

Deferred tax assets are recognised on deductible temporary differences arising from investments in subsidiaries and associates only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilized.

Offsetting

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

41 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

(q) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as other payables in the consolidated balance sheet.

(ii) Pension obligations

The Group operates a mandatory provident fund scheme ("MPF Scheme") for the eligible employees in Hong Kong. The MPF Scheme is a defined contribution scheme, the assets of which are held in separate trustee-administered funds. The Group's contributions to MPF Scheme are expensed as incurred.

The Group's subsidiaries operating in the PRC have to make contribution to staff retirement schemes managed by local government authorities in accordance with the relevant rules and regulations. The Group's contributions to the schemes are calculated on fixed percentage of the employees' salary (subject to a floor and cap) as set by local government authorities. The Group's contributions to these schemes are charged to the consolidated income statement as and when incurred and not reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. The Group has no legal or constructive obligations to pay further contributions.

(iii) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date. Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(iv) Bonus plans

The expected cost of bonuses is recognised as a liability and an expense when the Group has a present legal or constructive obligation for payment of bonus as a result of services rendered by employees and a reliable estimate of the obligation can be made. Liabilities for bonus plans are expected to be settled within 1 year and are measured at the amounts expected to be paid when they are settled.

(v) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

41 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

(r) Share-based payments

(i) Equity settled share-based payment transactions

The Group operates the Pre-IPO ESOP, Post-IPO Share Award Scheme, Post-IPO Share Option Scheme, Share incentive to senior management of subsidiaries, which are equity settled share-based compensation plans under which share option and share awards are granted to employees as part of their remuneration package.

The fair value of the employee services received in exchange for the grant of the share option and the share-based awards is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the share option and the share-based awards granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions; and
- including the impact of any non-vesting conditions.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the Group revises its estimates of the number of share-based awards that are expected to vest based on the non-marketing performance and service conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognizing the expense during the period between service commencement period and grant date.

(ii) Cash settled share-based payment transactions

Cash settled share-based payment transactions are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the financial instrument granted. The share-based payments is recognised as expenses in accordance with IFRS 2 "Share-based Payment" unless the goods or services qualify for recognition as assets.

(iii) Share-based payment transactions among group entities

The grant by the Company of options over its equity instruments and shares to the employees and non-employees of subsidiaries undertakings in the Group is treated as a capital contribution. The fair value of employees and non-employees services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiaries undertakings, with a corresponding credit to equity in separate financial statements of the Company.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

41 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

(s) Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(t) Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as of the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option
- Lease payments to be made under an extension option if the Group is reasonably certain to exercise the option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

41 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

(t) Leases (Continued)

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received,
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group entities that do not have recent third-party financing, and
- makes adjustments specific to the lease, e.g., term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Group entities use that rate as a starting point to determine the incremental borrowing rate.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While the Group revalues its land and buildings that are presented within property and equipment, it has chosen not to do so for the right-of-use buildings held by the Group.

Payments associated with short-term leases are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

(u) Interest income

Interest income from FVTPL is included in "Other gains, net", see Note 7 above. Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes, see Note 10 above.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

41 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

(v) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares; and
- by the weighted average number of ordinary shares outstanding during the financial year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(w) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grants will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the consolidated income statement over the period necessary to match them with the costs that they are intended to compensate.

(x) Dividends distribution

Dividends distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

Five Year Financial Summary

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Year ended 31 December				
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000	2025 RMB'000
				Restated	Restated
Revenue	1,666,029	2,085,329	2,695,738	2,996,182	3,858,738
Gross profit	1,125,087	1,187,272	1,655,876	2,277,812	2,838,813
(Loss)/Profit for the year	(77,430)	18,891	366,418	806,160	547,357
Adjusted Net Profit	64,217	81,949	354,933	588,521	937,904

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As of 31 December				
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000	2025 RMB'000
				Restated	Restated
Assets					
Non-current assets	2,214,791	2,548,508	2,998,390	2,518,729	3,019,277
Current assets	2,532,523	2,455,840	2,768,796	4,527,948	6,269,151
Total assets	4,747,314	5,004,348	5,767,186	7,046,677	9,288,428
Equity and liabilities					
Equity attributable to owners of the Company	3,516,359	(3,441,407)	(3,069,118)	(2,298,775)	(1,728,973)
Total equity	3,515,802	3,709,514	4,113,700	5,032,562	5,637,912
Non-current liabilities	182,623	225,970	254,497	193,851	296,013
Current liabilities	1,048,889	1,068,864	1,398,989	1,820,264	3,354,503
Total liabilities	1,231,512	1,294,834	1,653,486	2,014,115	3,650,516
Total equity and liabilities	4,747,314	5,004,348	5,767,186	7,046,677	9,288,428

Definitions

“2016 Contractual Arrangements”	the series of contractual arrangements entered into by, among others, Meitu Home, Meitu Networks and its then nominee shareholders, Ms. Cai and Mr. Wu, details of which are described in the section headed “Contractual Arrangements” in the Prospectus
“2021 Contractual Arrangements”	the series of contractual arrangements entered into between Mr. Wu, Xiamen Hongtian, Meitu Home and Meitu Networks (as applicable), details of which are described in the announcement of the Company dated March 17, 2021
“2024 Share Award Scheme”	the share award scheme adopted by the Company on June 5, 2024
“Adjusted Net Profit/(Loss)”	adjusted net profit/(loss) is calculated as the profit/(loss) for the year, excluding the impact from certain non-cash or non-recurring expenses including: (i) share-based compensation; (ii) fair value gain/(losses) on long-term investments, net of tax; (iii) gains on disposal of long-term investments, net of tax; (iv) net effect of goodwill impairment and remeasurement gain on consideration to non-controlling shareholders of a subsidiary; and (v) amortization of intangible assets and other expenses related to acquisition, net of tax
“AGM”	the annual general meeting of the Company to be held on June 5, 2026
“AI”	artificial intelligence
“API”	application programming interfaces
“Articles” or “Articles of Association”	the third amended and restated articles of association of the Company adopted at a general meeting held on June 5, 2024, as amended from time to time
“ARPU”	average revenue per user
“Audit Committee”	the audit committee of the Company
“Auditor”	PricewaterhouseCoopers, the auditor of the Company
“Board of Directors” or “Board”	our board of Directors
“BVI”	the British Virgin Islands
“CG Code”	the Corporate Governance Code set out in Appendix C1 of the Listing Rules
“China”, “Mainland China” or “PRC”	the People’s Republic of China and, except where the context requires and only for the purpose of this report, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan. “Chinese” shall be construed accordingly

Definitions

“Company”, “our Company”, “the Company”, “Meitu”, “our”, “we” or “us”	Meitu, Inc. 美图公司, an exempted company with limited liability incorporated under the laws of the Cayman Islands on July 25, 2013 and carrying on business in Hong Kong as “美图之家” (in Chinese) as approved and registered with the Registrar of Companies in Hong Kong on October 28 and November 7, 2016, respectively. “Meitu” may also refer to the Company’s brand if the context so requires
“Companies Act”	the Companies Act, Cap. 22 of the Cayman Islands, as amended from time to time
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Contractual Arrangements”	the Old Contractual Arrangements and the Existing Contractual Arrangements, details of which are described in the section headed “Report of the Directors – Contractual Arrangements” in this annual report
“Director(s)”	the director(s) of our Company
“Eligible Vehicle(s)”	any trust, partnership, company, incorporated body or other form of legal entity of which or in which any Employee Participant, Related Entity Participant, Service Provider being individuals and/or any of his/her Family Member(s) is/are the sole beneficiary(ies) or holds all the beneficial interests
“Employee Participant(s)”	any director (including executive directors, non-executive directors and independent non-executive directors) or employee (whether full-time or part-time employee) of the Company or any of its subsidiaries (including persons who are granted awards under the 2024 Share Award Scheme as an inducement to enter into employment contracts with the Company or any of its subsidiaries), provided that the Board shall have absolute discretion to determine whether or not one falls within such category
“EveLab Insight”	EveLab Insight, Inc. (formerly known as MeituEve, Inc. and Meipai Ltd), a company incorporated in the Cayman Islands with limited liability on June 2, 2015, and a subsidiary of the Company
“EveLab Insight HK”	EveLab Insight Hong Kong Limited, a limited liability company incorporated in Hong Kong on June 26, 2020, and a subsidiary of the Company
“EveLab Insight (US)”	EveLab Insight USA Ltd., formerly known as Meitu Technology, Inc., MagicV, Inc., or MIXVID, Inc., a limited liability company incorporated under the laws of the State of Delaware, on August 29, 2014, and a subsidiary of the Company

Definitions

“EveLab Insight Share Award Scheme”	the share award scheme adopted by EveLab Insight (a subsidiary of the Company that is not a principal subsidiary of the Company pursuant to Chapter 17 of the Listing Rules) on June 2, 2021 and amended on September 30, 2021, which is not subject to the provisions of Chapter 17 of the Listing Rules
“Existing Contractual Arrangements”	the existing series of contractual arrangements entered into between Mr. Wu Zehuai, Xiamen Hongtian, Meitu Home and Meitu Networks (as applicable), details of which are described in the section headed “Report of the Directors – Contractual Arrangements” in this annual report
“Family Member(s)”	<p>in relation to an individual, any of the following persons:</p> <ul style="list-style-type: none">(a) his/her spouse, his/her (or his/her spouse’s) child or step-child, natural or adopted;(b) a person cohabiting with him/her as a spouse, or his/her parent, step-parent, brother, step-brother, sister or step-sister; or(c) father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, grandparent, grandchild, uncle, aunt, cousin, nephew or niece <p>provided that the Board shall have absolute discretion to determine whether a person falls within any of the above categories</p>
“Grantee(s)”	the recipients of the share awards who are eligible persons of the Group pursuant to the 2024 Share Award Scheme
“Group”, “our Group”, or “the Group”	the Company and together with its subsidiaries and consolidated affiliates, and the expression “member(s) of the Group” shall be construed accordingly
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“ICP”	Internet content provider
“ICP License”	Value-added Telecommunications Service Operating Permit for Internet Information Service
“IFRSs”	the International Financial Reporting Standards, amendments and interpretation issued from time to time by the International Accounting Standards Board
“IPO”	the initial public offering of the Company on December 15, 2016
“IVAS”	Internet value-added services
“Key Employee Grantee(s)”	Grantee(s) who are employees of the Group holding key positions within the Group as determined by the Board and not being Director(s) or chief executive(s) of the Company

Definitions

“KOL(s)”	key opinion leader(s)
“Latest Practicable Date”	April 20, 2026, being the latest practicable date prior to the bulk printing and publication of this annual report
“Listing”	the listing of our Shares on the Main Board of the Stock Exchange
“Listing Date”	December 15, 2016, the date on which the Shares were listed on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Longlink Capital”	Longlink Capital Ltd, a company incorporated under the laws of the BVI on January 11, 2007, which is wholly-owned by Longlink Limited, which in turn is held by Lion Trust (Singapore) Limited as trustee for the benefit of Mr. Cai and is interested in approximately 5.94% of the issued share capital of our Company as at the Latest Practicable Date
“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
“MAU”	monthly active users
“Meitu HK”	Meitu (China) Limited (美圖(中國)有限公司), a limited liability company incorporated in Hong Kong on August 12, 2013, and a subsidiary of the Company
“Meitu Home”	Xiamen Home Meitu Technology Co., Ltd. (廈門美圖之家科技有限公司), a company established in the PRC on October 14, 2013, and a subsidiary of the Company
“Meitu Investment”	Meitu Investment Ltd, a BVI business company incorporated under the laws of the BVI on January 30, 2015, and a subsidiary of the Company
“Meitu Mobile”	Xiamen Meitu Mobile Technology Co., Ltd. (廈門美圖移動科技有限公司), a company established in the PRC on March 1, 2013 and a subsidiary of the Company
“Meitu Networks”	Xiamen Meitu Networks Technology Co., Ltd. (廈門美圖網科技有限公司) (formerly known as Xiamen Shuzi Qingyuan Networks Technology Co, Ltd. (廈門數字情緣網科技有限公司) and Xiamen Networks Zhiyuan Xinxi Technology Co. Ltd (廈門網之源信息科技有限公司)), a company established in the PRC on June 18, 2003, owned by Mr. Wu Zehuai and Xiamen Hongtian as 51% and 49% respectively as at December 31, 2025, and by virtue of the Existing Contractual Arrangements, accounted for as our subsidiary

Definitions

“Meitu Trust”	Beautiful Space Ltd., a limited liability company incorporated under the laws of the British Virgin Islands, the entire issued share capital of which are beneficially owned by the Company through a professional trustee
“MeituEve Contractual Arrangements”	the series of contractual arrangements entered into between MeituEve Technology, MeituEve Networks and Xiamen Hongtian, details of which are described in the section headed “Report of the Directors – MeituEve Contractual Arrangements” in this annual report
“MeituEve Networks”	Xiamen MeituEve Networks Services Co., Ltd.* (廈門美圖宜膚網絡服務有限公司), a limited liability company established in the PRC on May 19, 2021, wholly- owned by Xiamen Hongtian as at December 31, 2025 and as at the Latest Practicable Date, and by virtue of the MeituEve Contractual Arrangements, accounted for as our subsidiary
“MeituEve PRC Operating Entities”	MeituEve Networks and its subsidiaries and branches, the financial results of which have been consolidated and accounted for as if they were subsidiaries of our Company by virtue of the MeituEve Contractual Arrangements
“MeituEve Technology”	Xiamen MeituEve Technology Co., Ltd.* (廈門美圖宜膚科技有限公司), a limited liability company established in the PRC on May 19, 2021, and a subsidiary of the Company
“MIIT”	the Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部) (formerly known as the Ministry of Information Industry)
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 of the Listing Rules
“Mr. Cai”	Mr. CAI Wensheng (蔡文勝), a shareholder of the Company
“Mr. Chen”	Mr. CHEN Jiarong (陳家榮), our non-executive Director
“Mr. Ngan”	Mr. NGAN King Leung Gary, our Chief Financial Officer, our company secretary and an authorized representative
“Mr. Wu”	Mr. WU Zeyuan (吳澤源), also known as Mr. WU Xinhong (吳欣鴻), our founder, Chairman, Chief Executive Officer, executive Director and an authorized representative

Definitions

“Ms. Cai”	Ms. CAI Shuting, the daughter of Mr. Cai and Ms. Wang Baoshan, the spouse of Mr. Cai
“Ms. Chen”	Ms. CHEN Cuie, the Group’s finance director who is employed by the Group and a director of a number of the Group’s subsidiaries
“NASDAQ”	the National Association of Securities Dealers Automated Quotations
“Nomination Committee”	the nomination committee of the Company
“NYSE”	the New York Stock Exchange
“Old Contractual Arrangements”	the 2016 Contractual Arrangements and the 2021 Contractual Arrangements
“Pixocial Cayman”	Pixocial, Inc. (formerly known as Pixocial Holdings Ltd), an exempted company with limited liability incorporated under the laws of Cayman Islands on June 2, 2015, and a subsidiary of the Company
“Pixocial Share Option Scheme”	the share option scheme adopted by Pixocial Cayman on December 1, 2023
“Pixocial Singapore”	Pixocial Technology (Singapore) Pte. Ltd. (formerly known as Pixocial Labs Pte. Ltd.), a company incorporated in Singapore with limited liability on April 22, 2016, and a subsidiary of the Company
“Post-IPO Share Award Scheme”	the share award scheme adopted by the Company on November 25, 2016
“PRC Operating Entities”	Meitu Networks and its subsidiaries and branches, the financial results of which have been consolidated and accounted for as if they were subsidiaries of our Company by virtue of the Existing Contractual Arrangements
“Pre-IPO ESOP”	the employees’ share option plan of the Company as approved by the Board on February 15, 2014 and amended by the Board on November 18, 2015
“Prospectus”	the prospectus of the Company dated December 5, 2016
“Related Entity”	the holding companies, fellow subsidiaries or associated companies of the Company
“Related Entity Participant(s)”	any director and/or employee of the Related Entity, provided that the Board shall have absolute discretion to determine whether one falls within such category
“Remuneration Committee”	the remuneration committee of the Company
“RMB” or “Renminbi”	Renminbi, the lawful currency of PRC

Definitions

“SaaS”	Software as a Service
“Service Provider(s)”	<p>any person (including any entity) providing services to the Group on a continuing and recurring basis in the ordinary and usual course of business of the Group, the grant of award Shares to whom is in the interests of the long-term growth of the Group or which will contribute to the growth of the Group’s financial or business performance as determined by the Board, namely:</p> <ul style="list-style-type: none">(i) any person (including any entity) providing consultancy, advisory, business (including but not limited to business development, design, sales, marketing, advertising, financial, algorithmic, research and development, engineering, technical, product commercialization, innovation, strategic planning, IT and coding products and/or services etc.), investor relation, investment and/or management related products and/or services to the Group in connection with the Group’s business; and(ii) any person (including any entity) providing services in the nature similar as those provided by an employee but as an independent contractor or on a self-employment basis for specific projects for the Group <p>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 auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity</p>
“SFO”	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 with a par value of US\$0.00001 each
“Shareholder(s)”	holder(s) of the Share(s)
“Share Premium Account”	the share premium account of the Company
“Smart Hardware Business”	the smart hardware business of the Group, involving the production of, among other things, AI skin analysis SaaS under the brand of EveLab Insight (and MeituEve (美圖宜膚) in the PRC), MeituKey (a contact skin analyser), MeituSpa (an AI cleansing brush) and Meitu Genius (an AI smart mirror)
“Starii”	Starii Holdings, Inc., a company incorporated in the Cayman Islands with limited liability on January 14, 2025, and a subsidiary of the Company
“Starii Group”	Starii and its subsidiaries

Definitions

“Starii Share Award Scheme”	the share award scheme adopted by Starii (a subsidiary of the Company that is not a principal subsidiary of the Company pursuant to Chapter 17 of the Listing Rules) on June 3, 2025, which is not subject to the provisions of Chapter 17 of the Listing Rules
“Starii (US)”	Starii LLC, formerly known as Pixocial Technology (US), LLC, a limited liability company incorporated under the laws of the State of California, on April 1, 2015, and a subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary” or “subsidiaries”	has the meaning ascribed to it thereto in section 15 of the Companies Ordinance
“United States” or “US”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“US\$”	United States dollars, the lawful currency of the United States
“Xiamen Hongtian”	Xiamen Hongtian Chuangfu Technology Co., Ltd.* (廈門鴻天創富科技有限公司), a company established in the PRC on June 5, 2020 and owned by Mr. Wu Zehuai as to 99% and Ms. Chen as to 1%
“Xinhong Capital”	Xinhong Capital Limited, a company incorporated under the laws of the BVI on June 13, 2013, which is wholly-owned by Easy Prestige Limited, which in turn is held by Lion Trust (Singapore) Limited as trustee for the benefit of Mr. Wu and is interested in approximately 13.36% of the issued share capital of our Company as at the Latest Practicable Date
“YoY”	year-on-year
“%”	per cent

* For identification purpose only

