meitu

Stock Code 股份代號：1357

2025

INTERIM REPORT
中期報告

(於開曼群島註冊成立的有限公司，並以「美圖之家」名稱於香港經營業務)

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

meitu

2025 INTERIM REPORT

CONTENTS

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

AUTHORISED 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
Tong'an District Xiamen, Fujian
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

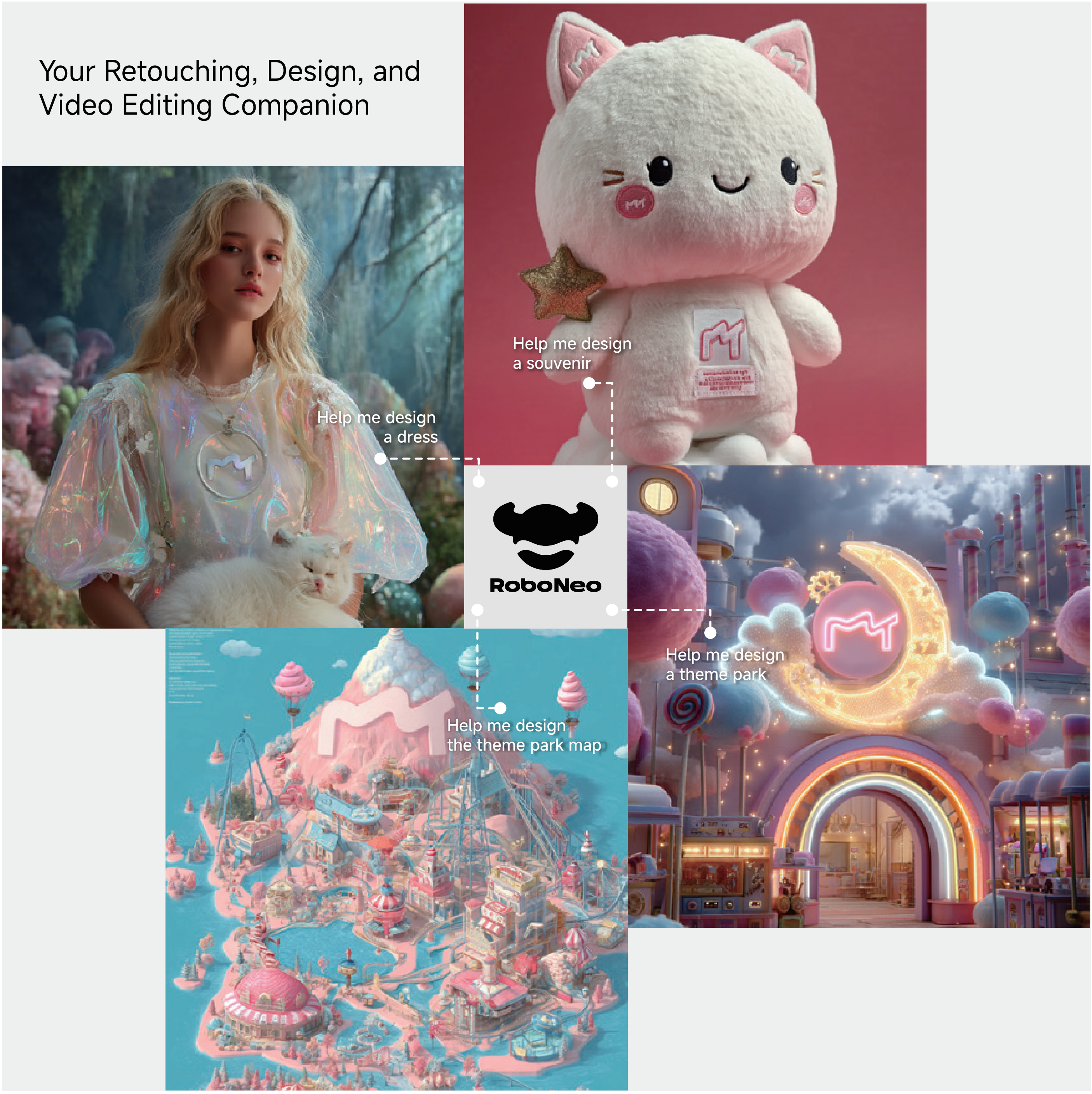
HONG KONG SHARE REGISTRAR
Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

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

STOCK CODE
1357

COMPANY WEBSITE
www.meitu.com

Your Retouching, Design, and Video Editing Companion



2025 First Half Highlights

2025 First Half Highlights

- MAU reached 280 million in June 2025, representing 8.5% YoY growth, a further acceleration from 6.7% YoY growth recorded in December 2024. The number of paying subscribers reached approximately 15.4 million, among which approximately 13.6 million are from Products for leisure and 1.8 million from Productivity tools.

- In terms of productivity, we have seen strong YoY growth in both MAU and paying subscribers. In July 2025, we officially launched our AI design agent – *RoboNeo*, an advanced generative AI ("**GenAI**") tool that empowers users to create high-quality visual content through intelligent design automation. *RoboNeo* provides a prompt-driven interactive design interface for idea generation and visual editing, and supports a wide spectrum of use cases in branding, social media, fashion and more.

- In terms of globalisation, we have witnessed considerable growth momentum across our product portfolios. MAU from the markets outside of Mainland China grew by 15.3% YoY to 98 million. We continue to seize opportunities in the global productivity tools market, with our Productivity tools segment achieving more than 90% YoY growth in terms of MAU in markets outside of Mainland China.

- In the six months ended June 30, 2025, our overall gross margin continued to improve mainly due to the increasing contribution of our high-margin Photo, video, and design products business to the revenue mix. With increased operational leverage, our Net Profit* and Adjusted Net Profit* have increased by 30.8% and 71.3% YoY, respectively.

  * *Attributable to Owners of the Company*

Key Financial Data

	Six months ended June 30, 2025 RMB'000	2024 RMB'000	YoY change (%)
Revenue	**1,821,188**	1,621,159	12.3%
– Photo, video and design products	**1,351,353**	930,573	45.2%
– Advertising	**433,549**	412,914	5.0%
– Solutions for beauty industry	**30,065**	270,574	-88.9%
– Others	**6,221**	7,098	-12.4%
Gross Profit	**1,339,564**	1,052,613	27.3%
Gross Margin	**73.6%**	64.9%	8.7p.p.
Profit for the period	**379,244**	303,721	24.9%
Net Profit attributable to Owners of the Company	**397,020**	303,428	30.8%
Adjusted Net Profit attributable to Owners of the Company[1]	**467,429**	272,800	71.3%

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

Key Operational Data

	As of June 30,		YoY
	2025	2024	change
	millions	millions	(%)
Total MAU	**280**	258	8.5%
Breakdown by application use case:			
– Products for leisure[1]	**257**	239	7.5%
– Productivity tools[2]	**23**	19	21.1%
Breakdown by geography:			
– Mainland China	**182**	173	5.2%
– Markets outside of Mainland China	**98**	85	15.3%

(1) "Life" has been renamed to "Products for leisure" without any other change and refers to users from products focusing on casual use cases such as photography, image and video editing, etc.

(2) "Productivity" has been renamed to "Productivity tools" without any other change and refers to users from products focusing on productivity use cases such as commercial photography, commercial design, professional video editing, etc.

Chairman's Statement

Dear Shareholders,

Thank you for being part of the Meitu journey. The last six months have marked another exciting chapter, underpinned by our unwavering commitment to the strategic direction of "Productivity and Globalisation".

We have achieved strong financial results. In the six months ended June 30, 2025, our revenue grew by 12.3% YoY to RMB1.8 billion, Net Profit attributable to Owners of the Company increased by 30.8% YoY to RMB397 million, and Adjusted Net Profit attributable to Owners of the Company increased by 71.3% YoY to RMB467 million.

In addition, both of our MAU and paying subscribers have shown robust growth. Total MAU reached 280 million in June 2025, with MAU from markets outside of Mainland China growing by 15.3% YoY to 98 million. Total paying subscribers grew by over 42.0% YoY to approximately 15.4 million, with 1.8 million from Productivity tools. These financial and operational metrics further validate our strategic direction and demonstrate the effectiveness of our AI capability in enhancing product strength.

Our commitment to AI is a key driver of our strategic vision. We recognise AI's transformative potential to lower the barriers to creativity and reinvent workflows. Our AI-powered initiatives in image, video and design provide both everyday users and professional designers with advanced tools. For example, our AI design agent, *RoboNeo*, serves as a smart creative assistant, enabling users to produce high-quality visual content with unprecedented efficiency and ease.

Additionally, AI is revolutionising what is possible. A prime example is our "*AI Flash*" feature launched in June 2025. Unlike conventional brightness adjustments, it replicates an authentic flashlight effect by leveraging our large model's understanding of optics. Another example is *Wink*'s "*Quality Restoration*" feature, which automatically identifies and rectifies image or video imperfections with one click, something unattainable previously through manual adjustments. These innovations demonstrate AI's power to deliver superior results and ultimately drive up subscription willingness.

We prioritise delivering exceptional user experiences over developing proprietary foundational AI models from scratch. Whether leveraging third-party APIs or proprietary fine-tuned versions of open-source models, we focus on creating high-quality images and videos. This strategy not only avoids the significant costs of developing foundational models, but also allows us to tailor our AI applications specifically to the aesthetic needs of our users, which generalised models often struggle with. By focusing on vertical models, we ensure that every output meets the highest aesthetic standard and is uniquely suited to that particular use case.

As one of our strategic directions, Productivity tools segment is critical for our long-term growth. *DesignKit* provides product templates tailored for e-commerce, enabling users to easily create compelling product visuals to improve sales conversion. *Kaipai* facilitates the effortless production of professional-quality talking videos, empowering users to concentrate on content creation rather than technical execution. By automating manual processes, we are equipping users with the means to realise their creative visions with minimal technical expertise. With *DesignKit* and *Kaipai* achieving significant YoY growth in paying subscribers, we are confident that we can continue to meet diversified demands from content creators in a variety of industries. Furthermore, we see significant untapped growth potential in the global market. Our Productivity tools segment has achieved more than 90% YoY growth in MAU and even faster growth in paying subscribers in markets outside of Mainland China.

Regarding globalisation, our localised strategies are proving successful. Both *Wink* and *Vmake* have achieved impressive growth in MAU and paying subscribers in markets outside of Mainland China by adapting features to local users' preferences, such as popular hair colours in Indonesia and video dubbing habits in Japan. In addition, we collaborate with local influencers to amplify our marketing efforts and social media presence. This localised approach allows us to strengthen user perception and drive conversion efficiency in global markets.

Chairman's Statement

Going forward, we remain deeply committed to driving innovation and sustained growth via strategic investments in AI, particularly in vertical model training. We firmly believe that AI will reduce barriers to creative expression, empowering more individuals to participate in the world of design and creation.

Finally, the Board has recommended the payment of an interim dividend of HK$0.045 per ordinary share (the "**Interim Dividend**") in cash out of the Share Premium Account for the six months ended June 30, 2025 (six months ended June 30, 2024: nil), which has been approved by the Shareholders at the EGM. Such proposed dividend is expected to be paid on or about September 26, 2025 to the Shareholders whose names appear on the register of members of the Company at the close of business on September 18, 2025. Details of the EGM and payment of the Interim Dividend are set forth in the section headed "Management Discussion and Analysis — Dividends" in this interim report.

APPRECIATION

Finally, 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

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 digital creation tools to make the production of photos, videos, and designs easier with the best user experience.

Our Businesses

Our businesses can be organised into four reportable segments:

- Photo, Video, and Design Products
- Advertising
- Solutions for Beauty Industry
- 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 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 leisure and productivity purposes. As of June 30, 2025, we have 280 million MAU, growing at 8.5% YoY. Our users can enjoy a variety of free features, with the option to pay for a subscription plan or for specific features and functions. As of June 30, 2025, we had approximately 15.4 million paying subscribers, with a paying subscription rate of 5.5%.

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

Products for Leisure

The *Meitu app*, *BeautyCam* and *Wink* are our core products in the fields of image and video editing, as well as camera and photoshooting, for leisure purposes. As of June 30, 2025, total MAU for Products for leisure has increased by 7.5% YoY to 257 million, primarily driven by our core products' growth in markets outside of Mainland China.

As our flagship product focusing on users' needs for "*Photo Retouching*" and "*Portrait Beautification*", the *Meitu app* consistently ranks first in terms of MAU within mobile image editing market in China for the six months ended June 30, 2025, based on Questmobile. Users can easily access a variety of functions via the *Meitu app*'s main page, such as "*Portrait Beautification*", "*Photo Collage*", "*Enhancer*", etc. The *Meitu app* also recommends some of the most popular functions, such as "*AI Flash*" and "*AI Removal*", for users to further explore and try on. With fast-developing GenAI technologies, the *Meitu app* has been continuously improving its functions and features, especially paying features, to drive subscription conversions. For example, in response to users' strong demand for improved lighting in backlit photos, we launched "*AI Flash*" in June 2025. Compared to traditional methods of adjusting brightness through colour correction, "*AI Flash*" leverages large model's understanding of optics to simulate realistic light and shadow interactions based on the photo's elements, generating authentic lighting effects. For example, it can simulate the interplay of light and shadow on facial features, offering a natural effect similar to a real-life flashlight. The feature was well-received by users, especially in regions such as Southeast Asia and certain parts of Europe, reaching approximately 1.9 million users globally within one month of launch.

BeautyCam focuses on the photoshooting function 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. In the six months ended June 30, 2025, *BeautyCam* has achieved significant growth in terms of both MAU and paying subscribers in markets outside of Mainland China, primarily due to the release of "*AI Wardrobe*" in February 2025, which gained widespread popularity across various regions and countries including Southeast Asia, the United States, and the United Kingdom.

Wink is our AI video editing tool, enabling users to directly edit and retouch videos. Users can either choose pre-made video templates for quick production, or upload their own video materials and use the in-app functions to retouch individual faces, enhance video quality, trim and adjust video length, etc. In the six months ended June 30, 2025, *Wink* has achieved rapid growth in terms of both MAU and paying subscribers, primarily driven by the popularity of "*Quality Restoration*" feature in both Mainland China and markets outside of Mainland China. Empowered by AI, "*Quality Restoration*" feature can automatically identify and rectify quality issues in images or videos, including blurriness caused by motion or distance, reduced visual clarity due to dust, and imperfections such as cuts or scratches. In addition to general use cases, *Wink* offers specialised enhancements for various vertical-specific scenarios, such as gaming, anime, and texts.

Productivity Tools

For Productivity tools, we focus on building tools around the "vertical-specific AI workflows in digital content creation." We offer various products to cater to distinctive needs from users in different markets. As of June 30, 2025, total MAU for Productivity tools has increased by 21.1% YoY to 23 million, primarily driven by our products' growth in markets outside of Mainland China.

Our e-commerce design products, such as *DesignKit*, focus on the "AI workflow for e-commerce design," enabling users, such as e-commerce merchants and content creators, to efficiently edit or design pictures for professional use. For example, users can carve out the product item from the original picture and easily replace the background for better visual presentation. Alternatively, users can change one product's style, such as colour and size, without the need to take more pictures offline. *DesignKit* aims to improve efficiency for our users, reducing time and resources needed for making commercial-use pictures and posters.

Our talking video products, such as *Kaipai*, specialise in "AI workflow for video production," empowering users to easily create professional talking videos, either based on pre-made templates or their own designs. Users can also easily generate scripts based on simple prompts and use the "*AI Prompter*" function for easy recording. *Kaipai* provides additional advanced editing tools, such as video and image enhancer, background removal, video and audio-to-text, to make video production more accessible and efficient for content creators. In the six months ended June 30, 2025, we have seen significant growth traction for *Kaipai*, further solidifying our confidence in pursuing our productivity strategy.

In addition, in July 2025, we officially launched our AI agent – *RoboNeo*. *RoboNeo* is 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. Inspired by users' evolving needs from design ideation to development, *RoboNeo* delivers an interactive design experience with high levels of automation and customization. Users can start by inputting simple text prompts, with the option to upload reference images and videos. *RoboNeo* will then generate a variety of visual outputs based on users' requests, including logos, posters, interior design sketches, digital avatar and more. By simulating human-like aesthetic judgment, *RoboNeo* evaluates visual balance, brand tone, and audience relevance to suggest iterative improvements to users, who can further adjust the output by either text prompts or manual changes. By leveraging both in-house large vision model and open-source models, *RoboNeo* aims to provide the best user experiences and make the end-to-end design process more efficient. Going forward, in addition to offering *RoboNeo* as a standalone product, we aim to integrate its capabilities across our product portfolios to further empower vertical use cases and enhance user engagement.

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 resources to our partnering network platforms, which in turn bring us ample advertiser resources and diverse advertising demands. This has resulted in a mutually beneficial partnership for both sides. For brand advertisement, we offer a variety of advertising formats to meet diverse needs of advertisers. In addition to traditional splash ads and banner ads, we also offer AI-enabled formats to advertisers, such as "*Creative Effects*" and "*AI Template*" to produce interactive and entertaining content to our users, further driving engagement between our users and advertisers.

Solutions for Beauty Industry

We provide Enterprise Resource Planning ("**ERP**") services to offline cosmetic stores, overseeing business changes such as pricing, sales trend and inventory status. We also provide cosmetic supply chain management services.

Additionally, we provide AI skin analysis solutions for the beauty industry, including skincare brands, medical aesthetic clinics and beauty salons. Using our skin-analysing hardware and AI skin analysis software, our clients can effectively evaluate skin conditions of their customers, as well as recommend tailored skincare treatments and products. This process will also help our clients increase sales conversion as well as customer retention.

Others

Others segment contains mainly legacy products and services, which are considered as non-core to our focus on the "Productivity and Globalisation" strategy going forward.

Management Discussion and Analysis

SIX MONTHS ENDED JUNE 30, 2025 COMPARED TO SIX MONTHS ENDED JUNE 30, 2024

	Unaudited	
	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
Revenue	**1,821,188**	1,621,159
Cost of sales	**(481,624)**	(568,546)
Gross profit	**1,339,564**	1,052,613
Selling and marketing expenses	**(293,370)**	(204,970)
Administrative expenses	**(218,799)**	(177,578)
Research and development expenses	**(451,347)**	(425,274)
Net impairment losses on financial assets	**(17,201)**	(2,633)
Reversal of impairment losses on cryptocurrencies	**–**	68,145
Other income	**14,537**	21,500
Other gains, net	**10,201**	1,448
Finance income, net	**37,364**	23,896
Shares of losses of investments accounted for using the equity method	**(4,270)**	(13,489)
Profit before income tax	**416,679**	343,658
Income tax expense	**(37,435)**	(39,937)
Profit for the period	**379,244**	303,721
Profit/(Loss) attributable to:		
– Owners of the Company	**397,020**	303,428
– Non-controlling interests	**(17,776)**	293
Non-IFRSs measure:		
Adjusted Net Profit/(Loss) attributable to		
– Owners of the Company[(1)]	**467,429**	272,800
– Non-controlling interests	**(17,090)**	978
	450,339	273,778

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

Management Discussion and Analysis

Revenue

Our revenue can be categorised into below segments: (i) Photo, video and design products; (ii) Advertising; (iii) Solutions for beauty industry; and (iv) Others. For Photo, video and design products, we generate revenue mainly through subscriptions and in-app purchases. For Advertising, we generate revenue through multiple pricing models, including cost-per-duration, cost-per-impression, and cost-per-click. Under Solutions for beauty industry, we generate revenue through ERP solutions and cosmetic supply chain management services for cosmetic retail outlets, as well as skin analysis services.

The following table presents our revenue lines and each line as percentages of our total revenue for the periods presented. For the six months ended June 30, 2025, our total revenue increased by 12.3% to RMB1,821.2 million from RMB1,621.2 million for the six months ended June 30, 2024. Such increase was primarily attributable to the rapid revenue growth from our subscription-based Photo, video, and design products, which was in turn led by the growth in our paying subscribers over the six months ended June 30, 2025.

	Six months ended June 30,			
	2025		2024	
	Amount RMB'000	% of total revenues	Amount RMB'000	% of total revenues
Photo, video and design products	**1,351,353**	**74.2%**	930,573	57.4%
Advertising	**433,549**	**23.8%**	412,914	25.5%
Solutions for beauty industry	**30,065**	**1.7%**	270,574	16.7%
Others	**6,221**	**0.3%**	7,098	0.4%
Total	**1,821,188**	**100.0%**	1,621,159	100.0%

Photo, Video and Design Products

Our Photo, video and design products segment maintained strong growth momentum, with revenue increasing by 45.2% YoY to RMB1,351.4 million for the six months ended June 30, 2025 (six months ended June 30, 2024: revenue of RMB930.6 million). The growth in revenue scale was primarily driven by the increase in paying subscribers. As of June 30, 2025, the number of paying subscribers of our products increased by over 42.0% YoY to approximately 15.4 million, representing a subscription rate of 5.5%. Furthermore, we have observed an accelerated growth in paying subscribers for both Products for leisure and Productivity tools compared to that in December 2024, with Productivity tools leading the growth momentum in both Mainland China and markets outside of Mainland China. Such growth trajectory manifests our commitment in the "Productivity and Globalisation" strategy and reflects our ability to understand users' aesthetic needs and develop quality products for vertical use cases.

Advertising

For the six months ended June 30, 2025, revenue from Advertising increased by 5.0% YoY to RMB433.5 million (six months ended June 30, 2024: revenue of RMB412.9 million), primarily driven by the growth in programmatic advertisement revenue from markets outside of Mainland China. Such growth was mainly driven by our efforts to improve programmatic advertising operations, including upgrading advertisement formats to be more interactive, and expanding our advertiser portfolios to cater to different users' interests. These initiatives helped increase users' willingness to click into the advertisement, therefore improving the click-through rate of our advertisements and driving the growth of our revenue from Advertising.

Management Discussion and Analysis

Solutions for Beauty Industry

For the six months ended June 30, 2025, revenue from Solutions for beauty industry was RMB30.1 million, compared to RMB270.6 million for the six months ended June 30, 2024, primarily due to decrease in supply chain management services as we continued to focus on our core businesses, and partially offset by the increase in skin analysis business' SaaS revenue. As this segment is non-core to our future strategy, we will continue to prioritise our resources and increasingly focus on our businesses related to Photo, video and design products.

Others

For the six months ended June 30, 2025, other revenue from the Group decreased by 12.4% YoY to RMB6.2 million (six months ended June 30, 2024: revenue of RMB7.1 million). Other businesses are mainly traditional businesses that are not related to the strategy of "Productivity and Globalisation".

Cost of Sales

For the six months ended June 30, 2025, our costs of sales were RMB481.6 million, a decrease of 15.3% from RMB568.5 million for the six months ended June 30, 2024, primarily due to the decrease in costs related to our Solutions for beauty industry business, offset by the increase in costs related to our Photo, video, and design business.

Regarding the Solutions for beauty industry business, as the revenue scaled down, the inventory costs also decreased by 84.7% YoY to RMB37.2 million.

The increase in costs related to our Photo, video and design businesses was primarily driven by two components. First, revenue sharing fee to payment channels grew by 45.1% YoY to RMB280.8 million. This portion of cost was mainly incurred from revenue sharing fee to payment channels such as Apple and Google for our subscription business, which grew largely in line with the growth of our paying subscribers. Second, computing power and cloud-related costs increased by 15.0% YoY to RMB107.4 million, primarily attributed to increased product usage from our users. Due to the scale effect of our products, the increase in computing power and cloud-related costs was significantly lower than the growth in our paying subscribers.

Gross Profit and Margin

Our gross profit for the six months ended June 30, 2025 was RMB1,339.6 million, an increase of 27.3% from RMB1,052.6 million for the six months ended June 30, 2024, while our gross margin increased to 73.6% for the six months ended June 30, 2025, up from 64.9% for the same period last year. This is because as our high gross margin business of Photo, video and design products grew in contribution to the revenue mix, the overall gross profit and gross profit margin have expanded accordingly.

Selling and Marketing Expenses

Selling and marketing expenses were RMB293.4 million for the six months ended June 30, 2025, representing an increase of 43.1% from RMB205.0 million for the six months ended June 30, 2024. We have primarily focused our promotional expenses on driving growth for Productivity tools in Mainland China and Products for leisure in markets outside of Mainland China.

Administrative Expenses

Administrative expenses were RMB218.8 million for the six months ended June 30, 2025, representing an increase of 23.2% from RMB177.6 million for the six months ended June 30, 2024. This was primarily due to an increase in share awards related expenses as we made additional grants to incentivise employees to drive business growth.

Management Discussion and Analysis

Research and Development Expenses

Research and development ("**R&D**") expenses were RMB451.3 million for the six months ended June 30, 2025, representing an increase of 6.1% from RMB425.3 million for the six months ended June 30, 2024. This scale of increase is much smaller compared to the 44.5% YoY increase for the six months ended June 30, 2024, primarily due to lower expenses related to foundational model training. This is a result of two factors: (i) we have largely completed the training for our large vision model's foundational capability; and (ii) we have strategically shifted our priorities to focus on vertical-specific model training in order to tailor our AI applications specifically to the aesthetic needs of our users.

If excluding the expenses related to foundational model training, total R&D expenses would have increased by 14.4% YoY. Going forward, we will optimise between open-source models and our self-developed model to deliver the optimal experiences to our users, and we will continue to invest in our technologies, including vertical-specific model training and R&D talents.

Other Income

Other income for the six months ended June 30, 2025 was RMB14.5 million, compared to RMB21.5 million for the six months ended June 30, 2024.

Other Gains, Net

Other gains, net were RMB10.2 million for the six months ended June 30, 2025, compared to RMB1.4 million for the same period last year, primarily attributable to RMB8.9 million dividend income from an investee company, RMB6.6 million increase in gains on treasury investments, and a partial offset by the increase in impairment losses on goodwill.

Finance Income, Net

Finance income, net mainly comprised of bank interest income and foreign exchange gains or losses. Our finance income, net was RMB37.4 million for the six months ended June 30, 2025, representing an increase of 56.4% from RMB23.9 million for the six months ended June 30, 2024, primarily due to the increase in bank interest income.

Income Tax Expense

Income tax expenses for the six months ended June 30, 2025 were RMB37.4 million, compared to RMB39.9 million for the six months ended June 30, 2024.

Profit for the Period and Non-IFRSs Measure: Adjusted Net Profit

Net profit for the six months ended June 30, 2025 increased to RMB379.2 million, representing an increase of 24.9% from RMB303.7 million for the six months ended June 30, 2024, primarily due to: (i) increased profit contribution from the Group's core businesses with high gross profit margin, as its contribution to the total revenue mix continued to increase; and (ii) an increase in operating leverage as the growth in operating expenses was lower than the growth in gross profit; and (iii) positive influence from dividend income from an investee company and gains on treasury investments, partially offset by the impairment losses of goodwill and financial assets.

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", as an additional financial measure, which is not required by, or presented in accordance with IFRSs. For the purpose of this interim report, "Adjusted Net Profit" will be used interchangeably with "Non-GAAP Net Profit". 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" 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, which excludes certain non-cash and non-operating items (such as share-based compensation, impairment losses on goodwill, and fair value changes on financial assets at fair value through profit or loss, etc.) was RMB467.4 million for the six months ended June 30, 2025, compared to RMB272.8 million for the six months ended June 30, 2024.

The following table reconciles our Adjusted Net Profit for the six months ended June 30, 2025 and 2024 to the most directly comparable financial measure calculated and presented in accordance with IFRSs:

	Six months ended June 30,					
	2025			2024		
	Total RMB'000	Owners of the Company RMB'000	Non-controlling interests RMB'000	Total RMB'000	Owners of the Company RMB'000	Non-controlling interests RMB'000
Profit/(Loss) for the period	**379,244**	**397,020**	**(17,776)**	303,721	303,428	293
Excluding:						
Share-based compensation	**57,421**	**57,421**	**–**	33,636	33,636	–
Fair value changes on financial assets at fair value through profit or loss	**(2,585)**	**(2,585)**	**–**	(1,580)	(1,580)	–
Amortisation of intangible assets and other expenses related to acquisition	**7,157**	**6,349**	**808**	4,482	3,675	807
Reversal of impairment losses on cryptocurrencies	**–**	**–**	**–**	(68,145)	(68,145)	–
Impairment losses on goodwill	**17,927**	**17,927**	**–**	–	–	–
Tax effects	**(874)**	**(752)**	**(122)**	(1,480)	(1,358)	(122)
Others	**(7,951)**	**(7,951)**	**–**	3,144	3,144	–
Adjusted Net Profit/(Loss) for the period	**450,339**	**467,429**	**(17,090)**	273,778	272,800	978

Non-controlling Interests

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

Liquidity and Financial Resources

Our cash and other liquid financial resources as of June 30, 2025 and December 31, 2024 were as follows:

	June 30, 2025 RMB'000	December 31, 2024 RMB'000
Cash and cash equivalents	**1,035,354**	1,301,412
Short-term and long-term bank deposits	**796,562**	1,440,559
Treasury investments	**835,902**	256,880
Cash and other liquid financial resources	**2,667,818**	2,998,851

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

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

Treasury Policy

We have adopted a prudent financial management approach towards our treasury policies and thus maintained a healthy liquidity position throughout the six months ended June 30, 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 intangible assets, land use rights and purchases of property and equipment such as servers and computers.

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
Purchase of property and equipment	**7,541**	32,823
Purchase of land use rights	**22,660**	–
Purchase of intangible assets	**838**	5,537
Total	**31,039**	38,360

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.

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
Investment in financial assets at fair value through profit or loss	**80,772**	157,530
Investment in associates in the form of ordinary shares	**–**	8,178
Total	**80,772**	165,708

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. For the six months ended June 30, 2025, we did not significantly hedge against any fluctuation in foreign currency (six months ended June 30, 2024: nil).

Pledge of Assets

As of June 30, 2025, we did not pledge any restricted deposits (as of December 31, 2024: RMB300,000 to guarantee payment of certain operating expenses) or term deposits (as of December 31, 2024: RMB32,837,000 term deposit as collateral for a bank borrowing).

Contingent Liabilities

As of June 30, 2025, we did not have any significant contingent liabilities (as of December 31, 2024: nil).

Dividends

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, and out of the total amount of the special dividend of approximately HK$496.8 million (equivalent to approximately RMB457.6 million), only HK$1,155 (equivalent to approximately RMB1,054) remained unclaimed as at the Latest Practicable Date.

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, and out of the total amount of the final dividend of approximately HK$252.1 million (equivalent to approximately RMB230.1 million), only HK$1,062 (equivalent to approximately RMB969) remained unclaimed as at the Latest Practicable Date.

On August 18, 2025, the Board recommended the payment of the Interim Dividend of HK$0.045 per Share in cash out of the Share Premium Account for the six months ended June 30, 2025 (2024: nil). At the EGM held on September 10, 2025, the Shareholders approved the payment of the Interim Dividend out of the Share Premium Account. The Interim Dividend is expected to be paid in cash on or about September 26, 2025 to those Shareholders whose names appear on the register of members of the Company at the close of business on September 18, 2025, being the record date for determination of entitlements to the Interim Dividend. The Company does not have a fixed dividend payout ratio, but the Company intends to continue to maintain a stable dividend payout ratio per year.

As at the Latest Practicable Date, the Company had 4,566,179,280 Shares in issue. Based on the number of issued Shares as at the Latest Practicable Date, the Interim Dividend will amount to approximately HK$205.5 million (equivalent to approximately RMB187.6 million) in aggregate. The Interim Dividend will be paid out of the Share Premium Account pursuant to Articles 133 and 134 of the Articles.

As of June 30, 2025, based on the unaudited consolidated financial statements of the Group for the six months ended June 30, 2025, the amount standing to the credit of the Share Premium Account was approximately RMB6,418.9 million (equivalent to approximately HK$7,038.6 million). Based on the number of issued 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 Interim Dividend, immediately following the payment of the Interim Dividend, there will be a remaining balance of approximately RMB6,231.3 million (equivalent to approximately HK$6,826.7 million) standing to the credit of the Share Premium Account.

The Interim Dividend is not subject to any withholding tax.

As at the Latest Practicable Date, no treasury shares were held by the Company (including any treasury shares held or deposited with the Central Clearing and Settlement System (CCASS)). Treasury shares of the Company (if any) would not receive the Interim Dividend.

Further details of the Interim Dividend are set out in the circular of the Company dated August 25, 2025.

Borrowings and Gearing Ratio

As of June 30, 2025, we made bank borrowings of RMB20 million at an annualised interest rate of 2.83% (as of December 31, 2024: RMB102.89 million at an annualised 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 0.42% as of June 30, 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 debt 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 operations.

Employee and Remuneration Policy

The Group had a total of 2,261[(1)] full-time employees as of June 30, 2025 (as of June 30, 2024: 2,147[(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 six months ended June 30, 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.

Significant Investments Held

Minority Investments

Meitu Networks owns 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, which is accounted for as hybrid financial instruments and designated as financial assets measured at fair value through profit or loss. 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 six months ended June 30, 2025. Hujia Technology was originally a wholly-owned subsidiary of Shenzhen Hujia Biotechnology Co., Ltd. (深圳市護家生物科技有限公司) ("**Hujia Biotech**") in which Meitu Networks also held approximately 28.21% equity interest as of June 30, 2025 and which primarily focuses on the sale of personal hygiene products in the PRC. After the Group's investment in Hujia Biotech in 2018, the skincare products business was restructured to be conducted by Hujia Technology under a similar shareholding structure as Hujia Biotech. As of June 30, 2025, the businesses of Hujia Technology and Hujia Biotech continued to operate independently under separate holding structures, but the fair value of the Group's equity interests in Hujia Biotech does not exceed 5% or more of its total assets. Hence, the total acquisition cost of the aforementioned equity interest in Hujia Technology and Hujia Biotech was approximately RMB70.9 million in aggregate. As Hujia Biotech no longer had any substantive business operation, asset or liability since July 2023, a resolution was subsequently passed by all its shareholders on August 6, 2025 to voluntarily wind up Hujia Biotech.

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

As of June 30, 2025, the Group continued to hold a total of approximately 23.81% equity interest (with preferential rights) in Hujia Technology. During the six months ended June 30, 2025, the Group received dividends from Hujia Technology in the amount of RMB8.94 million (for the six months ended June 30, 2024: nil).

The fair value of the Group's equity interests in Hujia Technology ("**Hujia Technology Equity Interests**") as of June 30, 2025 was approximately RMB698.2 million (equivalent to approximately 10.41% of the Group's total assets as at June 30, 2025), which was derived with reference to a valuation report issued by a professional valuer on March 14, 2025. For the six months ended June 30, 2025, the Group did not record any unrealised gain or loss in relation to the Hujia Technology Equity Interests.

As there is potential synergy between Hujia Technology and the Group's beauty SaaS business 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 Hujia Technology Equity Interests.

Further details of the investment 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.

Save as disclosed above, there were no other significant investments held by the Group during the six months ended June 30, 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 interim report, the Group did not have any other plans for material investments and capital assets as of June 30, 2025.

Material Acquisition and Disposal of Subsidiaries, Associates and/or Joint Ventures

During the six months ended June 30, 2025, we did not conduct any material acquisition or disposal of subsidiaries, associates and/or joint ventures.

Proposed Issue of Convertible Bonds and Strategic Cooperation

On May 20, 2025, the Company entered into a conditional subscription agreement ("**Subscription Agreement**") with Alibaba.com China Limited ("**Alibaba Subscriber**"), an indirect wholly-owned subsidiary of Alibaba Group Holding Limited ("**Alibaba Group**"), pursuant to which the Company conditionally agreed to issue, and Alibaba Subscriber conditionally agreed to subscribe for, convertible bonds with a total principal amount of US$250,000,000 (the "**Convertible Bonds**"). The Convertible Bonds will 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 date of issuance.

The bondholder will be entitled to convert the Convertible Bonds into ordinary shares of the Company ("**Conversion Shares**") 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 7.35% of the existing total number of Shares in issue as at the date of the Subscription Agreement; and (iii) approximately 6.85% of the total number of Shares in issue as enlarged by the allotment and issue of the Conversion Shares (assuming there is no change in the total number of Shares in issue from the date of the Subscription Agreement and up to the date of full conversion of the Convertible Bonds).

The Initial Conversion Price of HK$6.00 per Conversion Share represents 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 represents 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 to be raised (after deduction of relevant expenses) will be 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.

As one of several closing conditions to the subscription of the Convertible Bonds, the Company and the Alibaba Subscriber (or persons nominated thereby) shall execute a business cooperation agreement which shall on a high-level contain cooperation with respect to domestic and international e-commerce, AI models and technologies, computing and cloud services, and other innovative initiatives (the "**Business Cooperation Agreement**"). The Company and the Alibaba Subscriber will have until December 31, 2025 (or such other date as may be agreed by the parties in writing) to fulfil all the closing conditions in the Subscription Agreement (including the execution of the Business Cooperation Agreement).

The proposed issuance of the 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.

In addition, the Business Cooperation Agreement will further foster a long-term strategic partnership between the Company and the Alibaba Subscriber to leverage their respective strengths for mutual growth. This collaboration will create synergies across multiple areas, including promoting domestic and international e-commerce cooperation, developing AI models and technology, computing and cloud services and other innovative initiatives.

If no identifiable goods or services have been received or will be received by the Group from the Alibaba Group on the date of completion of the Subscription Agreement (the "**Completion Date**"), the Group may recognise "share-based compensation" according to IFRS 2 based on the excess of the fair value of the Convertible Bonds as at the Completion Date over the Convertible Bonds' principal value of US$250,000,000 in the consolidated income statement of the Group. The Company assessed that the share-based compensation is a non-cash expense and will not raise any cash exposure to the Group.

The Company will closely monitor the progress and ensure that appropriate accounting treatment and recognition will be reflected in the Group's consolidated financial statements going forward. The final financial effects will be subject to audit and may vary from the current estimation.

As at the Latest Practicable Date, neither the execution of the Business Cooperation Agreement nor the closing of the subscription of the Convertible Bonds have taken place yet.

Further details of the Convertible Bonds and the Business Cooperation Agreement are set out in the announcement of the Company dated May 20, 2025.

Other Information

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

As of June 30, 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[(2)]
Mr. WU Zeyuan[(1)]	Beneficial owner/ Beneficiary of trusts	587,996,670	12.88%

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) The percentages are calculated on the basis of 4,566,179,280 Shares in issue as of June 30, 2025.

Save as disclosed above, as of June 30, 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 of June 30, 2025, the persons other than the Directors, whose interests have been disclosed in this interim report, had an interest or 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, 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	727,200,000	15.93%
Longlink Limited[(1)]	Interest in a controlled corporation	364,200,000	7.98%
Longlink Capital[(1)]	Beneficial owner	364,200,000	7.98%
Baolink Capital Ltd[(1)]	Beneficial owner	363,000,000	7.95%
Easy Prestige Limited[(2)]	Interest in a controlled corporation	566,666,670	12.41%
Xinhong Capital[(2)]	Beneficial owner	566,666,670	12.41%
Lion Trust (Singapore) Limited[(3)]	Trustee of a discretionary trust	1,398,366,670	30.62%

Notes:

(1) The entire interest of Baolink Capital Ltd is held by Mr. Cai, and 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 4,566,179,280 Shares in issue as of June 30, 2025.

Save as disclosed herein, as of June 30, 2025, no person, other than the Directors whose interests are set out in this interim report, had any interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

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.

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.

The overall limit on the number of options 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 of June 30, 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 19(a) to the interim condensed consolidated financial information.

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.

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

Details of Options Granted under the Pre-IPO ESOP

Name and/or Category of Participants	Date of Grant	Options Outstanding as of January 1, 2025	Options Granted During the six months	Exercise Period	Vesting Period	Exercise Price	Closing Price of Shares Immediately Before Date of Grant (For Options Granted During the six months)	Fair Value of Options as at the Date of Grant (For Options Granted During the six months)	Options Exercised During the six months	Weighted Average Closing Price of the Shares Immediately Before the Date of Exercise (For Options Exercised During the six months)	Options Cancelled During the six months	Options Lapsed During the six months	Options Outstanding as of June 30, 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											**–**
Total		**12,051,469**							**10,699,521**		**–**	**–**	**1,351,948**

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.

The purpose of the Post-IPO Share Award Scheme is to align the interests of eligible persons, which may include 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 Group or any affiliate as the Directors may determine, 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.

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, the Post-IPO Share Award Scheme was not terminated by virtue of the adoption of the 2024 Share Award Scheme, but no further grants of Share awards may be made by the Company under the Post-IPO Share Award Scheme thereafter. The Post-IPO Share Award Scheme will continue to remain in effect for a period of 10 years from its adoption date.

As of June 30, 2025, an aggregate of 172,781,152 outstanding awarded Shares had been granted or agreed to be granted under the Post-IPO Share Award Scheme since its adoption (excluding Shares granted which have been forfeited in accordance with the Post-IPO Share Award Scheme) but no further grant of awards had been made under such scheme after June 5, 2024. Details of the Post-IPO Share Award Scheme are set out in Note 19(b) to the interim condensed consolidated financial information.

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 of January 1, 2025	Awards Granted During the six months	Vesting Period	Purchase Price	Closing Price of Shares Immediately Before Date of Grant (For Awards Granted During the six months)	Fair Value per Awarded Share as at the Date of Grant (For Awards Granted During the six months)(1)	Awards Vested During the six months	Weighted Average Closing Price of the Shares Immediately Before the Date of Vesting (For Awards Vested During the six months)	Awards Cancelled During the six months	Awards Lapsed During the six months	Unvested Awards Outstanding as of June 30, 2025
Employees (Excluding Directors 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 – Apr 1, 2026 (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
	Jul 1, 2023	100,217	–	Jul 1, 2024 – Jul 1, 2025 (2)	Nil	–	–	–	–	–	–	100,217
	Apr 1, 2023	5,491,038	–	Apr 1, 2024 – Apr 1, 2025 (2)	Nil	–	–	5,491,038	HK$5.40	–	–	–
		31,263,859	**-**					**22,729,484**		**-**	**708,096**	**7,826,279**
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**	**-**					**23,620,284**		**-**	**708,096**	**8,481,279**

Notes:

(1) The fair value of the awarded shares as of the date of grant was determined based on the market price of the Company's shares as at the respective grant dates in accordance with IFRS 2, further details of which are set out in Note 19(b) to the interim condensed consolidated financial information.

(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 granted shall vest subject to the following conditions: (i) 40% of the share awards shall vest subject to the business unit's overall performance for the year (including but not limited to, the annual gross profit from operations, prevention in the decline of number of Android daily active users (DAU), increase in number of saved images from users, etc.); (ii) 30% of the share awards shall vest if the weighted average Share price for the year shall be HK$3.80 or above; and (iii) 30% of the share awards shall vest subject to the approval and favourable performance appraisal by the Chief Executive Officer of the Group.

Other Information

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.

The purpose of the 2024 Share Award Scheme is to replace the Post-IPO Share Award Scheme and align the interests of eligible persons, which may include any employee (whether full-time or part-time), director (including executive Directors, non-executive Directors and independent non-executive Directors), or service provider (being 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) of any member of the Group or any affiliate as the Directors may determine (and for this purpose shall include any trust, partnership, company, incorporated body or other form of legal entity ("**Eligible Vehicle**") of any of the aforesaid 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. 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.

As of June 30, 2025, 38,728,568 outstanding awarded Shares had been granted or agreed to be granted 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 June 30, 2025 were 429,036,827 Shares and 414,781,040 Shares respectively, representing approximately 9.42% and 9.08% of the issued share capital of the Company. Details of the 2024 Share Award Scheme are set out in the circular of the Company dated May 8, 2024, the poll results announcement of the Company dated June 5, 2024 and Note 19(b) to the interim condensed consolidated financial information.

Other Information

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 six months	Vesting Period	Purchase Price	Closing Price of Shares Immediately Before Date of Grant (For Awards Granted During the six months)	Fair Value per Awarded Share as at the Date of Grant (For Awards Granted During the six months)(1)	Awards Vested During the six months	Weighted Average Closing Price of the Shares Immediately before the Date of Vesting (For Awards Vested During the six months)	Awards Cancelled During the six months	Awards Lapsed During the six months	Unvested Awards Outstanding as at June 30, 2025
Directors and Chief Executive												
WU Zeyuan	Oct 1, 2024	4,500,000	-	Oct 1, 2025 (2)	Nil	–	–	–	–	–	–	4,500,000
	Oct 1, 2024	8,000,000*	-	See Note (3)	Nil	–	–	–	–	–	–	8,000,000*
		12,500,000	**-**							**-**	**-**	**12,500,000**
Employees (Excluding Director and Chief Executive)	Apr 1, 2025	–	2,500,000	Apr 1 2026 - Apr 1, 2027 (6)	Nil	HK$5.45	HK$5.30	–	–	–	–	2,500,000
	Apr 1, 2025	–	1,747,647	Apr 1, 2026 – Apr 1, 2029 (5)	Nil	HK$5.45	HK$5.30	–	–	–	–	1,747,647
	Apr 1, 2025	–	5,763,057	Apr 1, 2026 – Apr 1, 2028 (4)	Nil	HK$5.45	HK$5.30	–	–	–	117,586	5,645,471
	Apr 1, 2025	–	1,600,000	Apr 1, 2027 (7)	Nil	HK$5.45	HK$5.30	–	–	–	–	1,600,000
	Apr 1, 2025	–	1,600,000	Apr 1, 2027 – Apr 1, 2028 (8)	Nil	HK$5.45	HK$5.30	–	–	–	–	1,600,000
	Apr 1, 2025	–	500,000	Apr 1, 2027 – Apr 1, 2028 (9)	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	–	–	–	–	–	–	1,642,519
	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 (10)	Nil	–	–	–	–	–	–	12,000,000
	Jul 1, 2024	330,262	–	Jul 1, 2025 - Jul 1, 2026 (4)	Nil	–	–	–	–	–	17,570	312,692
		19,972,781	**14,728,523**					**-**		**-**	**652,356**	**34,048,948**
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**	**14,908,143**					**-**		**-**	**652,356**	**46,728,568**

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

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 June 30, 2025	414,781,040	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 19(b) to the interim condensed consolidated financial information.

(2) The share awards granted to Mr. Wu shall vest 12 months from the grant date (i.e. on October 1, 2025).

(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 on an annual basis equally over a period of 48 months from the date of grant.

(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 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.

(8) (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.

(9) 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.

(10) 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 six months ended June 30, 2025 are 48,561,795 Shares and constitutes approximately 1.07% after dividing it by the weighted average number of issued Shares for the six months ended June 30, 2025.

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 sole 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.

The purpose of the EveLab Insight Share Award Scheme is to align the interests of eligible persons, which may include 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 Group or any affiliate as the EveLab Insight 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, 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.

As of June 30, 2025, a total of 69,150,000 EveLab Insight Shares had been granted or agreed to be granted under the EveLab Insight Share Award Scheme (excluding EveLab Insight Shares granted which have been forfeited in accordance with the EveLab Insight Share Award Scheme), representing approximately 13.83% of the issued share capital of EveLab Insight as of June 30, 2025.

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.

5. **Pixocial Share Option Scheme**

On December 1, 2023, the board of directors of Pixocial (the "**Pixocial Board**") and its sole shareholder (namely, the Company) had adopted the Pixocial Share Option Scheme, pursuant to which 7,642,626 ordinary shares of Pixocial had been reserved for issuance to certain employees, directors and consultants of Pixocial and its subsidiaries.

The purpose of the Pixocial Share Option Scheme is to align the interests of eligible persons with those of Pixocial and its subsidiaries through ownership of ordinary shares of Pixocial ("**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 and its subsidiaries.

As of June 30, 2025, a total of 5,589,070 options had been granted or agreed to be granted under the Pixocial Share Option Scheme (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 June 30, 2025 is 2,053,556.

Pixocial 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.

Other Information

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 20% of Starii's shares (the "**Starii 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 Starii Group.

   The purpose of the Starii Share Award Scheme is to align the interests of eligible persons, which may include 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, 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.

   As of June 30, 2025, none of the Starii Shares had been granted or agreed to be granted under the Starii Share Award Scheme.

   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.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to maintaining and promoting stringent corporate governance. The principles 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 and accountability of the Board to all Shareholders.

Except for code provision C.2.1 ("**Code Provision C.2.1**") in Part 2 of the CG Code as set out in Appendix C1 to the Listing Rules, during the six months ended June 30, 2025, the Company has complied with the applicable code provisions of the CG Code for the time being in force.

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 Zeyuan, the chairman, executive Director and chief executive officer of the Group, will continue to provide solid and continuous leadership to both the Board and the management of the Group with his extensive experience and knowledge in the management and operation of the Group. Further, the Board has also considered and is of the view that the composition of the executive Director, the non-executive Directors and the independent non-executive Directors on the Board and the various committees of the Board formed to oversee different aspects of the Company's affairs would provide adequate safeguard 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.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as the code of conduct regarding Directors' dealings in the securities of the Company. Having made specific enquiry with all the Directors, all Directors confirmed that they have complied with the required standards set out in the Model Code for the six months ended June 30, 2025 regarding their dealings in the securities of the Company.

The Board has also adopted the Model Code and established internal written guidelines pursuant thereto to regulate all dealings by relevant employees who are likely to be in possession of unpublished inside information in respect of securities in the Company as referred to in code provision C.1.3 in Part 2 of the CG Code. No incident of non-compliance with the Model Code by the Company's relevant employees has been noted for the six months ended June 30, 2025 after making reasonable enquiry.

Other Information

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Save as otherwise disclosed in this interim report, during the six months ended June 30, 2025, neither the Company nor any member of the Group purchased, sold or redeemed any of the Company's listed securities.

AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS

The Company established an Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code. As at the Latest Practicable Date, the Audit Committee comprised three members, namely Mr. ZHOU Hao, Mr. LAI Xiaoling and Mr. HONG Yupeng. Mr. ZHOU Hao is the chairman of the Audit Committee.

The Audit Committee has reviewed the unaudited interim financial statements of the Group for the six months ended June 30, 2025 and this interim report. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with members of the senior management and the Company's auditor. Based on the review and discussions with the management, the Audit Committee was satisfied that the Group's unaudited interim financial statements were prepared in accordance with applicable accounting standards and fairly present the Group's financial position and results for the six months ended June 30, 2025.

FOREIGN INVESTMENTS IN VALUE-ADDED TELECOMMUNICATIONS BUSINESSES IN THE PRC

Updates in Relation to the FITE Regulations

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 overseas (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, most of which have renowned multinational corporations as parent companies. However, as of June 30, 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.

Other Information

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 June 30, 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 Licence. As of June 30, 2025, in line with common practice in industries in the PRC subject to foreign investment restrictions, the Company currently gains effective control over, and receives 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.

Further details of (i) the Existing Contractual Arrangements are set out in the Prospectus, the Company's announcement dated March 17, 2021 and the Company's 2024 annual report published on April 25, 2025; and (ii) the MeituEve Contractual Arrangements are set out in the Company's announcement dated July 30, 2021 and the Company's 2024 annual report published on April 25, 2025.

RESIGNATION OF NON-EXECUTIVE DIRECTOR

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.

IMPORTANT EVENTS AFTER THE REPORTING DATE

There were no important events affecting the Company which occurred after June 30, 2025 and up to the Latest Practicable Date.

Report on Review of Interim Financial Information

To the Board of Directors of Meitu, Inc.
(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 35 to 73, which comprises the interim condensed consolidated balance sheet of Meitu, Inc. (the "**Company**") and its subsidiaries (together, the "**Group**") as of June 30, 2025 and the interim condensed consolidated income statement, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six-month period then ended, and selected explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting". The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of the Group is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, August 18, 2025

Interim Condensed Consolidated Income Statement

	Note	Unaudited Six months ended June 30, 2025 RMB'000	Unaudited Six months ended June 30, 2024 RMB'000
Revenue	5	**1,821,188**	1,621,159
Cost of sales	6	**(481,624)**	(568,546)
Gross profit		**1,339,564**	1,052,613
Selling and marketing expenses	6	**(293,370)**	(204,970)
Administrative expenses	6	**(218,799)**	(177,578)
Research and development expenses	6	**(451,347)**	(425,274)
Net impairment losses on financial assets		**(17,201)**	(2,633)
Reversal of impairment losses on cryptocurrencies		**–**	68,145
Other income		**14,537**	21,500
Other gains, net	7	**10,201**	1,448
Finance income, net		**37,364**	23,896
Share of losses of investments accounted for using the equity method	8(a)	**(4,270)**	(13,489)
Profit before income tax		**416,679**	343,658
Income tax expense	9	**(37,435)**	(39,937)
Profit for the period		**379,244**	303,721
Profit/(loss) attributable to:			
– Owners of the Company		**397,020**	303,428
– Non-controlling interests		**(17,776)**	293
		379,244	303,721
Earnings per share for profit attributable to owners of the Company for the period (expressed in RMB per share)	10		
– Basic		**0.09**	0.07
– Diluted		**0.08**	0.06

The above condensed consolidated income statement should be read in conjunction with the accompanying notes.

Interim Condensed Consolidated Statement of Comprehensive Income

	Note	Unaudited Six months ended June 30, 2025 RMB'000	Unaudited Six months ended June 30, 2024 RMB'000
Profit for the period		**379,244**	303,721
Other comprehensive (loss)/income, net of tax			
Items that may be subsequently reclassified to profit or loss			
Currency translation differences		**(2,362)**	2,285
Items that will not be reclassified to profit or loss			
Currency translation differences		**(3,374)**	5,004
Changes in fair value of financial assets at fair value through other comprehensive income	8(c)	**(508)**	(6,024)
Other comprehensive income for the period, net of tax		**(6,244)**	1,265
Total comprehensive income for the period, net of tax		**373,000**	304,986
Total comprehensive income/(loss) attributable to:			
– Owners of the Company		**390,776**	304,693
– Non-controlling interests		**(17,776)**	293
		373,000	304,986

The above condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Interim Condensed Consolidated Balance Sheet

	Note	Unaudited June 30, 2025 RMB'000	Audited December 31, 2024 RMB'000
ASSETS			
Non-current assets			
Property and equipment	12	**459,430**	469,863
Right-of-use assets		**67,195**	52,100
Intangible assets	12	**493,912**	519,602
Long-term investments			
– Investments in associates and joint ventures	8(a)	**91,423**	96,541
– Financial assets at fair value through profit or loss	8(b)	**1,367,115**	1,285,072
– Financial assets at fair value through other comprehensive income	8(c)	**31,024**	31,903
Long-term treasury investments	15	**40,173**	–
Prepayments and other receivables	14	**11,074**	11,436
Deferred tax assets		**12,973**	9,807
Term deposits	16	**–**	42,405
		2,574,319	2,518,729
Current assets			
Inventories		**51,968**	73,457
Trade receivables	13	**471,203**	407,014
Prepayments and other receivables	14	**834,269**	921,668
Contract costs		**150,252**	136,226
Short-term treasury investments	15	**795,729**	256,880
Term deposits	16	**796,562**	1,398,154
Restricted cash		**–**	33,137
Cash and cash equivalents		**1,035,354**	1,301,412
		4,135,337	4,527,948
Total assets		**6,709,656**	7,046,677
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	17	**288**	287
Share premium	17	**6,418,850**	7,104,304
Reserves	18	**272,096**	220,919
Accumulated losses		**(1,901,755)**	(2,298,775)
		4,789,479	5,026,735
Non-controlling interests		**(11,949)**	5,827
Total equity		**4,777,530**	5,032,562

Interim Condensed Consolidated Balance Sheet

	Note	Unaudited June 30, 2025 RMB'000	Audited December 31, 2024 RMB'000
Liabilities			
Non-current liabilities			
Lease liabilities		**17,451**	27,235
Deferred tax liabilities		**166,266**	166,616
		183,717	193,851
Current liabilities			
Borrowings	22	**20,000**	102,890
Trade and other payables	20	**666,200**	786,428
Lease liabilities		**26,392**	24,596
Income tax liabilities		**123,749**	87,856
Contract liabilities		**749,119**	654,867
Convertible redeemable preferred shares	21	**162,949**	163,627
		1,748,409	1,820,264
Total liabilities		**1,932,126**	2,014,115
Total equity and liabilities		**6,709,656**	7,046,677

The above condensed consolidated balance sheet should be read in conjunction with the accompanying notes.

On behalf of the Board

Wu Zeyuan
Director

Hong Yupeng
Director

Interim Condensed Consolidated Statement of Changes In Equity

	Note	Unaudited Attributable to owners of the Company Share capital RMB'000	Share premium RMB'000	Reserves RMB'000	Accumulated losses RMB'000	Total RMB'000	Non-controlling interest RMB'000	Total equity 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 period		–	–	–	397,020	397,020	(17,776)	379,244
Other comprehensive income/(loss)								
Changes in fair value of financial assets at fair value through other comprehensive income	8(c)	–	–	(508)	–	(508)	–	(508)
Currency translation differences	18	–	–	(5,736)	–	(5,736)	–	(5,736)
Total comprehensive income/(loss) for the six months ended June 30, 2025		–	–	(6,244)	397,020	390,776	(17,776)	373,000
Transactions with owners in their capacity as owners								
Value of employee services:								
– Share Award Scheme	19(b)	–	–	56,680	–	56,680	–	56,680
– Share incentive to senior management	19(e)	–	–	235	–	235	–	235
- Share awards arising from a business combination	19(d)	–	–	506	–	506	–	506
Shares issued upon exercise of employee share options	17	1	2,306	–	–	2,307	–	2,307
Dividends	11	–	(687,760)	–	–	(687,760)	–	(687,760)
Total transactions with owners in their capacity as owners		1	(685,454)	57,421	–	(628,032)	–	(628,032)
Balance as of June 30, 2025		288	6,418,850	272,096	(1,901,755)	4,789,479	(11,949)	4,777,530

Interim Condensed Consolidated Statement of Changes In Equity

		Unaudited Attributable to owners of the Company						
	Note	Share capital RMB'000	Share premium RMB'000	Reserves RMB'000	Accumulated losses RMB'000	Total RMB'000	Non-controlling interest RMB'000	Total equity 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 period		–	–	–	303,428	303,428	293	303,721
Other comprehensive income/(loss)								
Changes in fair value of financial assets at fair value through other comprehensive income	8(c)	–	–	(6,024)	–	(6,024)	–	(6,024)
Currency translation differences	18	–	–	7,289	–	7,289	–	7,289
Total comprehensive income for the six months ended June 30, 2024		–	–	1,265	303,428	304,693	293	304,986
Transactions with owners in 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:								
– Share Award Scheme	19(b)	–	–	27,935	–	27,935	–	27,935
– Share incentive to senior management	19(e)	–	–	459	–	459	–	459
– Share awards arising from a business combination	19(d)	–	–	5,241	–	5,241	–	5,241
Shares issued upon exercise of employee share options	17	*	93	–	–	93	–	93
Dividends	11	–	(148,827)	–	–	(148,827)	–	(148,827)
Total transactions with owners in their capacity as owners		4	10,441	33,635	–	44,080	–	44,080
Balance as of June 30, 2024		287	7,104,222	118,811	(2,765,690)	4,457,630	5,136	4,462,766

* The amount is less than RMB1,000.

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Interim Condensed Consolidated Statement of Cash Flows

	Note	Unaudited Six months ended June 30, 2025 RMB'000	Unaudited Six months ended June 30, 2024 RMB'000
Cash flows from operating activities			
Cash generated from operations		**506,377**	277,385
Interest received		**2,531**	1,527
Interest paid		**(287)**	(956)
Income tax paid		**(5,058)**	(11,983)
Net cash generated from operating activities		**503,563**	265,973
Cash flows from investing activities			
Purchase of property and equipment		**(7,516)**	(28,360)
Purchase of intangible assets		**(838)**	(5,537)
Proceeds from disposal of property and equipment		**310**	464
Purchase of land use rights		**(22,660)**	–
Acquisition in associates in the form of ordinary shares and a joint venture		**-**	(8,178)
Acquisition in financial assets at fair value through profit or loss		**(80,772)**	(153,530)
Proceeds from disposal of financial assets at fair value through profit or loss		**-**	2,000
Dividend income from an investee company		**8,938**	-
Proceeds from disposal of short-term investment with original maturities over three months		**35,000**	-
Purchase of short-term investment with original maturities over three months		**(24,356)**	-
(Purchase of)/proceeds from short-term treasury investments, net		**(550,699)**	4,610
Investment income received from short-term treasury investments and term deposits		**47,267**	28,429
Placement of term deposits		**(348,507)**	(546,782)
Receipt from maturity of term deposits		**988,023**	362,566
Refund of restricted cash		**33,137**	-
Purchase of long-term treasury investments		**(40,000)**	-
Loans to an associate		**-**	(3,000)
Payment for acquisition of a subsidiary, net of cash acquired		**(21,785)**	(114,678)
Net cash generated from/(used in) investing activities		**15,542**	(461,996)

Interim Condensed Consolidated Statement of Cash Flows

	Note	Unaudited Six months ended June 30, 2025 RMB'000	Unaudited Six months ended June 30, 2024 RMB'000
Cash flows from financing activities			
Proceeds from short-term borrowings		**15,000**	92,890
Repayment of short-term borrowings		**(97,890)**	(17,066)
Dividends paid to the Company's shareholders	11	**(685,500)**	(146,085)
Payments for lease liabilities		**(17,565)**	(18,778)
Proceeds from shares issued under employee share option scheme		**2,307**	153
Transaction costs related to the issuance of convertible redeemable preferred shares from a subsidiary		**–**	(5,609)
Net cash used in financing activities		**(783,648)**	(94,495)
Net decrease in cash and cash equivalents		**(264,543)**	(290,518)
Cash and cash equivalents at the beginning of the period		**1,301,412**	640,629
Effects of exchange rate changes on cash and cash equivalents		**(1,515)**	1,393
Cash and cash equivalents at the end of the period		**1,035,354**	351,504

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Interim Condensed Consolidated Financial Information

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 "美圖之家" 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. and their respective subsidiaries (collectively the "**Group**") are principally engaged in the provision of Photo, video and design products, Solutions for beauty industry and Advertising services in the People's Republic of China (the "**PRC**") and other countries or regions.

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**").

The interim condensed consolidated balance sheet as of June 30, 2025, and the related interim condensed consolidated income statement, condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six months period then ended, and selected explanatory notes (collectively defined as the "**Interim Financial Information**") of the Group have been approved for issue by the Board of Directors ("**Board**") on August 18, 2025.

The Interim Financial Information is presented in Renminbi ("**RMB**"), unless otherwise stated.

The Interim Financial Information has not been audited but has been reviewed by the external auditor of the Company.

2 BASIS OF PREPARATION

The Interim Financial Information has been prepared in accordance with International Accounting Standard ("**IAS**") 34, "Interim Financial Reporting". The Interim Financial Information should be read in conjunction with the annual financial statements for the year ended December 31, 2024, which have been prepared in accordance with International Financial Reporting Standards ("**IFRSs**").

The accounting policies applied are consistent with those of the annual financial statements for the year ended December 31, 2024, as described in those annual financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

(a) The following amendment has been adopted by the Group for the first time for the financial year beginning on January 1, 2025:

Amendments to IAS 21	Lack of Exchangeability

The Group did not change its accounting policies or make retrospective adjustments as a result of adopting the abovementioned amendment.

2 BASIS OF PREPARATION (CONTINUED)

(b) The following new standards, amendments, improvement and interpretation have been issued but are not effective for the financial year beginning January 1, 2025 and have not been early adopted:

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
Annual Improvements to IFRS Accounting Standards – Volume 11	Annual Improvements to IFRS Accounting Standards	January 1, 2026
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 1, 2027

None of these is expected to have a significant effect on the consolidated financial statements of the Group.

3 ESTIMATES

The preparation of the Interim Financial Information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the Interim Financial Information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended December 31, 2024 other than the accounting judgments as disclosed in Note 3.1.

3.1 Significant judgement

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 (the "**Convertible Bonds**"), at the initial conversion price of 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.

3 ESTIMATES (CONTINUED)

3.1 Significant judgement (Continued)

Management assessed that there is no guarantee that the pre-conditions to closing will be fulfilled (for example, the Company and the Subscriber (or persons nominated thereby) may not agree to execute the business cooperation agreement and the Subscriber does not waive such condition precedent, or the necessary approval from respective regulators may not be obtained). If the pre-conditions to closing are 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 may 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 as of June 30, 2025. Therefore, there had not been any contract to be accounted for in the consolidated financial statements as of June 30, 2025.

4 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

4.1 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 Interim Financial Information do not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as of December 31, 2024.

There have been no changes in the risk management policies since year end.

4.2 Liquidity risk

Compared to year end, there was no material change in the contractual undiscounted cash out flows for financial liabilities. 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.

4.3 Fair value estimation

The table below analyses the Group's financial instruments carried at fair value as of June 30, 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).

4 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

4.3 Fair value estimation (Continued)

The following table presents the Group's assets and liabilities that are measured at fair value as of June 30, 2025 and December 31, 2024.

	Unaudited			
As of June 30, 2025	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Assets:				
Long-term investments				
– Financial assets at fair value through profit or loss (Note 8(b))	–	–	1,367,115	1,367,115
– Financial assets at fair value through other comprehensive income (Note 8(c))	20,868	–	10,156	31,024
Long-term treasury investments	–	–	40,173	40,173
Short-term treasury investments	–	607,823	187,906	795,729
	20,868	607,823	1,605,350	2,234,041
Liabilities:				
Convertible redeemable preferred shares	–	–	162,949	162,949

	Audited			
As of December 31, 2024	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Assets:				
Long-term investments				
– Financial assets at fair value through profit or loss (Note 8(b))	–	–	1,285,072	1,285,072
– Financial assets at fair value through other comprehensive income (Note 8(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

4 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

4.3 Fair value estimation (Continued)

(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.

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. 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 and liabilities mainly include convertible redeemable preferred shares, financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, short-term and long-term treasury investments.

4 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

4.3 Fair value estimation (Continued)

(c) Financial instruments in level 3 (Continued)

The following table presents the changes in level 3 instruments for the six months ended June 30, 2025.

	Unaudited				
	Financial assets at fair value through profit or loss RMB'000	Financial assets at fair value through other comprehensive income RMB'000	Short-term treasury investments RMB'000	Long-term treasury investments RMB'000	Convertible redeemable preferred shares RMB'000
Opening balance as of December 31, 2024	1,285,072	10,198	88,128	–	(163,627)
Additions	80,772	–	372,200	40,000	–
Changes in fair value (Note 7)	2,585	–	827	173	–
Disposals	–	–	(272,011)	–	–
Currency translation differences	(1,314)	(42)	(1,238)	–	678
Closing balance as of June 30, 2025	1,367,115	10,156	187,906	40,173	(162,949)
Total unrealised gains and change in fair value for the period included in "other gains, net"	2,585	–	144	173	–

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.

4 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

4.3 Fair value estimation (Continued)

(c) Financial instruments in level 3 (Continued)

The valuation of the level 3 instruments included convertible redeemable preferred shares (Note 21(d)), investments in private companies (Note 8), 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-rasing transaction undertaken by the investees) and other exposure etc.

Except for the financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, short-term and long-term treasury investments, the carrying amounts of financial assets including cash and cash equivalents, term deposits, restricted cash, 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 June 30, 2025 RMB'000	Unobservable inputs	Range of inputs
Financial assets at fair value through profit or loss (Note 8(b))	1,367,115	Terminal growth rate	2.0%
		WACC	26.9%
		Marketability discount	15.0%-30.0%
		Enterprise value-to-sales ratio	1.5-2.3
Financial assets at fair value through other comprehensive income	10,156	Terminal growth rate	2.4%
		WACC	18.0%
Long-term treasury investments	40,173	Expected return rate	2.3%-2.9%
Short-term and long-term treasury investments	187,906	Expected return rate	2.0%-4.3%
Convertible redeemable preferred shares (Note 21)	(162,949)	Terminal growth rate	2.0%
		WACC	22.0%

4 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

4.3 Fair value estimation (Continued)

(c) Financial instruments in level 3 (Continued)

(i) Financial assets at fair value through profit or loss

As of June 30, 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 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 financial assets at fair value through profit or loss.

(ii) Financial assets at fair value through other comprehensive income

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 financial assets at fair value through other comprehensive income.

(iii) 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.

(iv) 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.

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 June 30, 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 RMB845,677,000 (December 31, 2024: RMB868,787,000) and RMB185,935,000 (December 31, 2024: RMB184,230,000), respectively.

5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

The results of the revenue for the six months ended June 30, 2025 and 2024 are as follows:

	Unaudited Six months ended June 30, 2025 RMB'000	Unaudited Six months ended June 30, 2024 RMB'000
Photo, video and design products	**1,351,353**	930,573
Advertising	**433,549**	412,914
Solutions for beauty industry	**30,065**	270,574
Others	**6,221**	7,098
Total revenue	**1,821,188**	1,621,159

No revenue from any customer exceeded 10% or more of the Group's revenue for the six months ended June 30, 2025 and 2024.

6 EXPENSES BY NATURE

	Unaudited Six months ended June 30, 2025 RMB'000	Unaudited Six months ended June 30, 2024 RMB'000
Employee benefit expenses	**600,839**	529,832
Revenue sharing fee to payment channels	**280,837**	193,578
Arithmetic power, bandwidth and storage related costs	**162,618**	153,420
Promotion and advertising expenses	**195,829**	114,861
Depreciation and amortisation	**42,684**	38,113
Inventories consumed and recognised as cost of sales	**37,181**	243,570
Professional service fees	**19,927**	15,807
Tax and levies	**16,764**	11,464
Others	**88,461**	75,723
Total cost of sales, selling and marketing expenses, administrative expenses and research and development expenses	**1,445,140**	1,376,368

7 OTHER GAINS, NET

	Unaudited Six months ended June 30, 2025 RMB'000	Unaudited Six months ended June 30, 2024 RMB'000
Gains on treasury investments	**10,416**	3,848
Dividend income from an investee company	**8,938**	–
Fair value changes on financial assets at fair value through profit or loss (Note 8(b))	**2,585**	1,611
Impairment losses on goodwill (Note 12(b))	**(17,927)**	–
Others	**6,189**	(4,011)
	10,201	1,448

8(a) INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

	Unaudited Six months ended June 30, 2025 RMB'000	Unaudited Six months ended June 30, 2024 RMB'000
At the beginning of the period	**96,541**	122,306
Addition	**–**	8,178
Converted from investment in financial assets at fair value through profit or loss	**–**	5,000
Share of losses of the associates and joint ventures	**(4,270)**	(13,489)
Impairment charges	**–**	(4,444)
Currency translation differences	**(848)**	357
At the end of the period	**91,423**	117,908

8(b) FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Unaudited Six months ended June 30, 2025 RMB'000	Unaudited Six months ended June 30, 2024 RMB'000
At the beginning of the period	**1,285,072**	1,404,424
Additions	**80,772**	157,530
Changes in fair value	**2,585**	1,611
Transfer to investment in associates	**–**	(5,000)
Disposals	**–**	(2,000)
Currency translation differences	**(1,314)**	812
At the end of the period	**1,367,115**	1,557,377

The Group made investments in redeemable convertible preferred shares and ordinary shares with preferred rights (collectively as "**preferred shares**") of private companies, and these 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 financial assets at fair value through profit or loss.

In certain investment in form of preferred shares, the Group also holds board seats to enable it can participate in the investees' financial and operating activities. These investees are accounted for as associates being measured through financial assets at fair value through profit or loss based on the assessment discussed above.

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 six months ended June 30, 2025, change in fair value amounting to RMB2,585,000 was recognised as other gains in the consolidated income statement (Note 7).

8(c) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Unaudited Six months ended June 30, 2025 RMB'000	Unaudited Six months ended June 30, 2024 RMB'000
At the beginning of the period	31,903	36,730
Additions	–	267
Changes in fair value	(508)	(6,024)
Currency translation differences	(371)	253
	31,024	31,226

The Group holds investments in ordinary shares of a certain private company and 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 them as equity investments at fair value through other comprehensive income.

During the six months ended June 30, 2025, change in fair value amounting to RMB508,000 was recognised as other comprehensive loss in the consolidated statement of comprehensive income (Note 18).

9 INCOME TAX EXPENSE

The income tax expense of the Group for the six months ended June 30, 2025 and 2024 are analysed as follows:

	Unaudited Six months ended June 30, 2025 RMB'000	Unaudited Six months ended June 30, 2024 RMB'000
Current income tax	40,951	42,892
Deferred income tax	(3,516)	(2,955)
	37,435	39,937

9 INCOME TAX EXPENSE (CONTINUED)

(i) 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.

(ii) 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.

(iii) Corporate income tax in other countries

Income tax rate for subsidiaries in other jurisdictions, including the United States, United Kingdom, Japan, Korea, Australia, France and Singapore are ranging from 17% to 30%.

(iv) PRC Enterprise Income Tax ("EIT")

The income tax provision of the Group in respect of its operations in PRC was 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. are qualified as an "High and New Technology Enterprise" ("**HNTE**") for the six months ended June 30, 2025 under the EIT Law and are entitled to a preferential income tax rate of 15%.

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**").

10 EARNINGS PER SHARE

(a) Basic

	Unaudited Six months ended June 30, 2025	Unaudited Six months ended June 30, 2024
Earnings attributable to owners of the Company for the calculation of basic EPS (RMB'000)	**397,020**	303,428
Weighted average number of ordinary shares in issue (thousand)	**4,529,364**	4,468,204
Basic earnings per share (RMB per share)	**0.09**	0.07

10 EARNINGS PER SHARE (CONTINUED)

(b) Diluted

The shares options awarded under Pre-IPO Employee Stock Ownership Plan ("**ESOP**") (Note 19), awarded shares under the Share Award Scheme (Note 19), awarded shares under Share Incentive to Senior Management, awarded share arising from a business combination (Note 19) and convertible redeemable preferred shares have potential dilutive effect on the 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 and awarded shares granted by the Company (collectively forming the denominator for computing the diluted EPS).

In addition, the earnings attributable to owners of the Company (numerator) has been adjusted by the effect of convertible redeemable preferred shares issued by a subsidiary.

The calculation of diluted EPS for the six months ended June 30, 2025 and 2024 are as follows:

	Unaudited Six months ended June 30, 2025	Unaudited Six months ended June 30, 2024
Earnings attributable to owners of the Company for the calculation of basic EPS (RMB'000)	**397,020**	303,428
Dilution effect arising from convertible redeemable preferred shares issued by a subsidiary	**(16,856)**	(15,660)
Earnings attributable to owners of the Company for the calculation of diluted EPS (RMB'000)	**380,164**	287,768
Weighted average number of ordinary shares in issue (thousand)	**4,529,364**	4,468,204
Adjustments for share options and awarded shares (thousand)	**30,842**	15,927
Weighted average number of ordinary shares for the calculation of diluted EPS (thousand)	**4,560,206**	4,484,131
Diluted EPS (RMB per share)	**0.08**	0.06

11 DIVIDENDS

A special dividend amounting to RMB457,615,000 in cash out of the share premium account of the Company had been approved by the shareholders of the Company on February 11, 2025, out of which RMB457,614,000 was paid and claimed during the six months ended June 30, 2025, while the remaining RMB1,053 remained unclaimed as of June 30, 2025.

Final dividend amounting to RMB230,145,000 (2024: RMB148,827,000) in cash out of the share premium account of the Company had been approved by the shareholders of the Company on June 5, 2025, out of which RMB227,886,000 was paid and claimed during the six months ended June 30, 2025, while the remaining RMB2,259,000 remained unclaimed as of June 30, 2025.

12 PROPERTY AND EQUIPMENT AND INTANGIBLE ASSETS

(a) 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 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
Unaudited					
Six months ended June 30, 2025					
Opening net book amount	707	28,007	414,137	27,012	469,863
Additions	1,381	3,218	–	2,942	7,541
Depreciation charges	–	(5,158)	(6,036)	(6,473)	(17,667)
Disposals	–	(270)	–	(37)	(307)
Closing net book amount	2,088	25,797	408,101	23,444	459,430
As of June 30, 2025					
Cost	2,088	91,565	435,570	46,374	575,597
Accumulated depreciation and impairment	–	(65,768)	(27,469)	(22,930)	(116,167)
Net book amount	2,088	25,797	408,101	23,444	459,430

12 PROPERTY AND EQUIPMENT AND INTANGIBLE ASSETS (CONTINUED)

(b) Intangible assets

	Goodwill (Note (i)) RMB'000	Brand name RMB'000	Computer software RMB'000	Copyrights and Others RMB'000	Total RMB'000
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
Unaudited					
Six months ended June 30, 2025					
Opening net book amount	396,343	56,810	26,101	40,348	519,602
Additions	–	–	185	653	838
Amortization charges	–	(1,993)	(4,902)	(1,706)	(8,601)
Impairment losses	(17,927)	–	–	–	(17,927)
Closing net book amount	378,416	54,817	21,384	39,295	493,912
As of June 30, 2025					
Cost	584,945	59,800	39,760	91,361	775,866
Accumulated amortization and impairment	(206,529)	(4,983)	(18,376)	(52,066)	(281,954)
Net book amount	378,416	54,817	21,384	39,295	493,912

12 PROPERTY AND EQUIPMENT AND INTANGIBLE ASSETS (CONTINUED)

(b) Intangible assets (Continued)

(i) Impairment tests for goodwill

Goodwill of the Group was allocated to cash-generating units ("**CGUs**") or groups of CGUs. CGU A engaged in Advertising agency services and CGU B engaged in Solutions for beauty industry, group of CGUs C engaged in Photo, video and design products.

As of June 30, 2025, goodwill was allocated to the Group's CGUs and group of CGUs identified as follows:

	Unaudited As of June 30, 2025		
	RMB'000	RMB'000	RMB'000
	CGU A	CGU B	Group of CGUs C
Cost	49,740	221,532	313,673
Accumulated impairment	(33,336)	(173,193)	–
Net book amount	16,404	48,339	313,673

Goodwill of the Group is tested for impairment whenever there is any indication of impairment or annually at year-end. Due to the heightened competition in the market and severe decline in operating performance, CGU B did not meet the performance target. Management has reassessed the recoverable amount of CGU B based on the revised forecast with applicable discount rate and recognised an impairment loss of RMB17,927,000 for the six months ended June 30, 2025.

The key assumptions used for value-in-use calculations for CGU B are as follows:

	As of June 30, 2025 CGU B	As of December 31, 2024 CGU B
Average expected growth rate of revenue	**15.60%**	8.50%
Average gross margin	**11.24%**	8.88%
Terminal growth rate after 5 years	**2.00%**	2.00%
Pre-tax discount rate	**17.00%**	17.50%

If the revenue for each year during the forecast period used in business of Solutions for beauty industry' value-in-use calculation had been five percentage point respectively lower than management's estimates on June 30, 2025, the estimated recoverable amount of CGU B should be lowered by approximately RMB9,452,000. If the average gross margin for each year had been one percentage point respectively lower than management's estimates on June 30, 2025, the estimated recoverable amount of CGU B should be lowered by approximately RMB7,719,000. If the terminal growth rate after 5 years applied had been one percentage point lower than management's estimates on June 30, 2025, the estimated recoverable amount of CGU B should be lowered by approximately RMB6,363,000. If the pre-tax discount rate applied to the cash flow projections had been one percentage point higher than management's estimates on June 30, 2025, the estimated recoverable amount of CGU B should be lowered by approximately RMB11,206,000.

There were no indicators for impairment of other CGUs or groups of CGUs, management has not updated any of the other impairment calculations.

13 TRADE RECEIVABLES

The Group grants a credit period of 30 to 120 days to its customers. As of June 30, 2025 and December 31, 2024, the aging analysis of trade receivables (net of allowance for doubtful debts) based on transaction date were as follows:

	Unaudited As of June 30, 2025 RMB'000	Audited As of December 31, 2024 RMB'000
Trade receivables		
Up to 6 months	**467,221**	401,956
6 months to 1 year	**3,937**	4,729
Over 1 year	**45**	329
	471,203	407,014

As of June 30, 2025 and December 31, 2024, the carrying amounts of trade receivables were primarily denominated in RMB and USD and approximated their fair values.

14 PREPAYMENTS AND OTHER RECEIVABLES

	Unaudited As of June 30, 2025 RMB'000	Audited As of December 31, 2024 RMB'000
Included in non-current assets		
Rental and other deposits	**9,291**	9,337
Others	**1,911**	2,243
Less: loss allowance	**(128)**	(144)
	11,074	11,436
Included in current assets		
Other receivables in relation to payment on behalf of advertisers	**645,909**	733,647
Prepayment for inventories	**11,707**	24,989
Prepayment to advertising platform for advertising agency services	**105,023**	87,612
Rental and other deposits	**26,914**	25,217
Deductible value-added tax	**45,577**	54,268
Loan to third parties	**26,000**	26,000
Others	**41,030**	26,353
Less: loss allowance	**(67,891)**	(56,418)
	834,269	921,668

As of June 30, 2025 and December 31, 2024, the carrying amounts of other receivables were primarily denominated in RMB and approximated their fair values.

15 TREASURY INVESTMENTS

	Unaudited As of June 30, 2025 RMB'000	Audited As of December 31, 2024 RMB'000
Included in non-current assets:		
Long-term treasury investments	**40,173**	–
Included in current assets:		
Short-term treasury investments	**795,729**	256,880
	835,902	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 2.0% to 4.3% per annum for the six months ended June 30, 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.

16 TERM DEPOSITS

	Unaudited As of June 30, 2025 RMB'000	Audited As of December 31, 2024 RMB'000
Included in non-current assets:		
Long-term bank deposits	**–**	42,405
Included in current assets:		
Short-term bank deposits	**727,436**	1,350,851
Current portion of long-term bank deposits (Note (a))	**69,126**	47,303
	796,562	1,398,154
	796,562	1,440,559

(a) As of June 30, 2025, short-term bank deposits amounting to RMB727,436,000 (December 31, 2024: RMB1,350,851,000) are bank deposits with original maturities over three months but less than one year and redeemable on maturity, while long-term bank deposits amounting RMB69,126,000 (December 31, 2024: RMB89,708,000) are bank deposits with original maturities over one year and redeemable on maturity. As of June 30, 2025, the principal amount of RMB776,856,000 would mature within 12 months and accordingly, presented as current assets in the consolidated balance sheet. These bank deposits are denominated in RMB, US$ and Hong Kong dollars ("**HK$**"), and the weighted average effective interest rate was 4.18% per annum for the six months ended June 30, 2025 (December 31, 2024: 4.51%).

17 SHARE CAPITAL AND PREMIUM

As of June 30, 2025 and December 31, 2024, the authorised 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**
Dividends	11	**–**	**–**	**–**	**(687,760)**
As of June 30, 2025		**4,566,179**	**43**	**288**	**6,418,850**
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)	435	*	**	93
Consideration of a business combination					
– Shares issued		56,982	*	4	159,175
Dividends		–	–	–	(148,827)
As of June 30, 2024		4,535,096	43	287	7,104,222

* The amount is less than US$1,000.

** The amount is less than RMB1,000.

(a) During the six months ended June 30, 2025, 10,699,521 pre-IPO share options with exercise price of US$0.03 were exercised (six months ended June 30, 2024: 434,856 pre-IPO share options).

18 RESERVES

	Statutory surplus reserve RMB'000	Share-based compensation reserve RMB'000	Fair value of financial assets at fair value through other comprehensive income RMB'000	Currency translation differences RMB'000	Other reserves 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:						
– Share Award Scheme (Note 19 (b))	**–**	**56,680**	**–**	**–**	**–**	**56,680**
– Share incentive to senior management (Note 19(e))	**–**	**235**	**–**	**–**	**–**	**235**
– Share awards arising from a business combination (Note 19 (d))	**–**	**506**	**–**	**–**	**–**	**506**
Changes in fair value of financial assets at fair value through other comprehensive income (Note 8 (c))	**–**	**–**	**(508)**	**–**	**–**	**(508)**
Currency translation differences (Note (a))	**–**	**–**	**–**	**(5,736)**	**–**	**(5,736)**
As of June 30, 2025	**74,286**	**742,161**	**2,286**	**(335,974)**	**(210,663)**	**272,096**
As of January 1, 2024	39,453	600,450	8,619	(353,948)	(210,663)	83,911
Value of employee services:						
– Share Award Scheme (Note 19 (b))	–	27,935	–	–	–	27,935
– Share incentive to senior management (Note 19(e))	–	459	–	–	–	459
– Share awards arising from a business combination (Note 19 (d))	–	5,241	–	–	–	5,241
Changes in fair value of financial assets at fair value through other comprehensive income (Note 8 (c))	–	–	(6,024)	–	–	(6,024)
Currency translation differences (Note (a))	–	–	–	7,289	–	7,289
As of June 30, 2024	39,453	634,085	2,595	(346,659)	(210,663)	118,811

(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.

19 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 Pre-IPO ESOP shall be valid and effective for 10 years from the grant date. 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 six months ended June 30, 2025 (six months ended June 30, 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 Six months ended June 30, **2025**	 2024
At the beginning of the period		**12,051,469**	12,870,000
Exercised (Note (i))	US$0.03	**(10,699,521)**	(434,856)
At the end of the period		**1,351,948**	12,435,144

Note:

(i) As a result of the options exercised during the six months ended June 30, 2025, 10,699,521 ordinary shares (six months ended June 30, 2024: 434,856 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) (six months ended June 30, 2024: HK$3.26 per share (equivalent to RMB2.96 per share)).

As of June 30, 2025, all share options granted are vested and exercisable. Since the Pre-IPO ESOP has expired in 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.

19 SHARE-BASED PAYMENTS (CONTINUED)

(b) 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 six months ended June 30, 2025 and 2024 are as follows:

	Share Award Scheme Number of shares Six months ended June 30,	
	2025	2024
At the beginning of the period	**65,282,440**	27,997,545
Granted	**14,908,143**	26,459,929
Vested	**(23,620,284)**	(20,282,002)
Forfeited	**(1,360,452)**	(306,060)
At the end of the period	**55,209,847**	33,869,412

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 six months ended June 30, 2025 was HK$5.14 per share (equivalent to approximately RMB4.74 per share) (six months ended June 30, 2024: HK$3.28 per share (equivalent to approximately RMB2.97 per share)).

During the six months ended June 30, 2025, the Group recorded share-based compensation of RMB56,680,000 (six months ended June 30, 2024: RMB27,935,000) related to Share Award Scheme.

The outstanding awarded shares as of June 30, 2025, vested according to different schedules from the grant date over specified service periods, contingent upon employees remaining in service, with some subject to performance criteria. The performance goals are set by the Board of Directors, and evaluations are conducted at each reporting period to assess the likelihood of meeting these criteria. Share-based compensation expenses are then adjusted to reflect any revisions in the original estimates.

19 SHARE-BASED PAYMENTS (CONTINUED)

(b) Share Award Scheme (Continued)

(i) Expected Retention Rate

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 expenses charged to the consolidated income statement. As of June 30, 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. As of June 30, 2025, 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 ESOP 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 expenses.

During the six months ended June 30, 2025, the Group recorded share-based compensation for share awards of RMB506,000 (six months ended June 30, 2024: RMB5,241,000).

(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 six months ended June 30, 2025, the Group recorded share-based compensation for share incentive of RMB235,000 (six months ended June 30, 2024: RMB459,000).

20 TRADE AND OTHER PAYABLES

	Unaudited As of June 30, 2025 RMB'000	Audited As of December 31, 2024 RMB'000
Included in current liabilities		
Payroll and welfare payables	**252,823**	335,207
Payables to platforms for agency services	**133,971**	188,318
Trade payables (Note(a))	**183,848**	179,496
Other tax payables	**48,462**	17,597
Deposits payable	**5,729**	5,549
Contingent cash consideration for a business combination	**–**	15,132
Others	**41,367**	45,129
	666,200	786,428

The aging analysis of the trade payables (including amounts due to related parties of trading in nature) based on transaction date were as follows:

	Unaudited As of June 30, 2025 RMB'000	Audited As of December 31, 2024 RMB'000
Up to six months	**138,090**	126,461
Over six months	**45,758**	53,035
	183,848	179,496

21 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.

21 CONVERTIBLE REDEEMABLE PREFERRED SHARES (CONTINUED)

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.

(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 Pixocial ("**Qualified Exchange**").

21 CONVERTIBLE REDEEMABLE PREFERRED SHARES (CONTINUED)

(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 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).

(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.

21 CONVERTIBLE REDEEMABLE PREFERRED SHARES (CONTINUED)

(d) Liquidation preferences (Continued)

The movement of the convertible redeemable preferred shares is set out as below:

	Unaudited As of June 30, 2025 RMB'000
As of January 1, 2025	163,627
Currency translation differences	(678)
As of June 30, 2025	162,949
Changes in fair value of the convertible redeemable preferred shares for the period included in profit or loss	–

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.

22 BORROWINGS

	Unaudited As of June 30, 2025 RMB'000	Audited As of December 31, 2024 RMB'000
Bank borrowings, unsecured (Note (a))	**20,000**	72,890
Bank borrowings, secured	**–**	30,000
	20,000	102,890

(a) As of June 30, 2025, the Group's unsecured bank borrowings were denominated in RMB with an effective interest rate from 2.60% to 3.10% (December 31, 2024: from 2.00% to 3.45%) per annum.

(b) As of June 30, 2025 and December 31, 2024, the fair value of the Group's borrowings approximated to their carrying amounts due to the short maturity.

23 COMMITMENTS

(a) Capital Commitments

Capital expenditure contracted for as of June 30, 2025 but not yet incurred is as follows:

	Unaudited As of June 30, 2025 RMB'000	Audited As of December 31, 2024 RMB'000
Construction in progress	**7,309**	5,881

24 CONTINGENCIES

The Group did not have any material contingent liabilities as of June 30, 2025.

25 SUBSEQUENT EVENTS

On August 18, 2025, the Board of Directors proposed an interim dividend of HK$0.045 per ordinary share in cash out of the share premium account of the Company for the six months ended June 30, 2025, which is conditional upon, among others, the approval by the shareholders of the Company at the forthcoming extraordinary general meeting of the Company. These consolidated financial statements do not reflect this dividend.

26 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 six months ended June 30, 2025 and 2024.

(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.

	Unaudited Six months ended June 30, 2025 RMB'000	Unaudited Six months ended June 30, 2024 RMB'000
(i) Sales of goods and services:		
Associates	**487**	749
Others	**82**	25
	569	774
(ii) Purchases of goods and services:		
Associates	**2,352**	1,071
Others	**298**	6
	2,650	1,077

26 RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Period/Year end balances with related parties

	Unaudited As of June 30, 2025 RMB'000	Audited As of December 31, 2024 RMB'000
(i) Trade receivables from:		
Associates	2,404	2,814
Others	59	–
	2,463	2,814
(ii) Contract liabilities from:		
Associates in form of preferred shares	16	12
An associate	27	27
	43	39
(iii) Trade payables to:		
Associates	831	2,595

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:

	Unaudited Six months ended June 30, 2025 RMB'000	Unaudited Six months ended June 30, 2024 RMB'000
Share-based compensation expenses	25,089	4,873
Wages, salaries and bonuses	2,934	4,651
Other social security costs, housing benefits and other employee benefits	72	102
Pension costs – defined contribution plan	31	20
	28,126	9,646

Definitions

"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 period, excluding the impact from certain non-cash or non-recurring expenses including: (i) share-based compensation; (ii) fair value gains/(losses) on long-term investments, net of tax; (iii) amortization of intangible assets and other expenses related to acquisition, net of tax; and (iv) impairment losses on cryptocurrencies
"AI"	artificial intelligence
"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
"Audit Committee"	the audit committee of the Company
"Board of Directors" or "Board"	the board of directors of the Company
"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
"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 carries on business in Hong Kong as "美圖之家" (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. "Meitu", when italicised, refers to the Company's first product, the *Meitu app*
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Director(s)"	the director(s) of our Company
"EGM"	the extraordinary general meeting of the Company held on September 10, 2025
"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 set out in the Prospectus, the announcements of the Company dated March 17, 2021 and December 27, 2024 and the 2024 annual report of the Company published on April 25, 2025
"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

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
"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, its subsidiaries, the PRC Operating Entities (the financial results of which have been consolidated and accounted for as a subsidiary of our Company by virtue of the Existing Contractual Arrangements) and MeituEve Networks and its subsidiaries (the financial results of which have been consolidated and accounted for as a subsidiary of our Company by virtue of the MeituEve Contractual Arrangements) from time to time
"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 Licence"	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
"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
"KOL" or "KOLs"	Key opinion leader(s)
"Latest Practicable Date"	September 17, 2025, being the latest practicable date prior to the bulk printing and publication of this interim report
"Listing"	the listing of our Shares on the Main Board of the Stock Exchange on December 15, 2016
"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 deemed interested in approximately 5.97% of the issued share capital of our Company as at the Latest Practicable Date

Definitions

"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with GEM of the Stock Exchange
"MAU"	monthly active users
"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 Trust"	Beautiful Space Ltd., a limited liability company incorporated under the laws of the BVI, the entire issued share capital of which are beneficially owned by the Company through a professional trustee
"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 to 51% and 49%, respectively, and by virtue of the Existing Contractual Arrangements, accounted for as our subsidiary
"MeituEve Contractual Arrangements"	a series of contractual arrangements entered into between MeituEve Technology, MeituEve Networks and Xiamen Hongtian, and the details of which are set out in the announcement of the Company dated July 30, 2021 and the 2023 annual report of the Company published on April 25, 2024
"MeituEve Networks"	Xiamen MeituEve Networks Services Co., Ltd.* (廈門美圖宜膚網絡服務有限公司), a company established in the PRC on May 19, 2021, wholly-owned by Xiamen Hongtian, and by virtue of the MeituEve Contractual Arrangements, accounted for as our subsidiary
"MeituEve Technology"	Xiamen MeituEve Technology Co., Ltd.* (廈門美圖宜膚科技有限公司), a limited liability company incorporated under the laws of the PRC on February 4, 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

Definitions

"Mr. Cai"	Mr. Cai Wensheng (蔡文胜)
"Mr. Chen"	Mr. CHEN Jiarong (陳家荣), our non-executive Director
"Ms. Chen"	Ms. Chen Cuie (陳翠娥), the Group's finance director, who has been employed by the Group for over 10 years and a director of a number of the Group's subsidiaries
"Mr. Wu"	Mr. Wu Zeyuan (吳澤源), also known as Mr. Wu Xinhong (吳欣鴻), our founder, Chairman, Chief Executive Officer and executive Director
"Nomination Committee"	the nomination committee of the Company
"Pixocial"	Pixocial, Inc. (formerly known as Pixocial Holdings Ltd and Meitu 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 on December 1, 2023
"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
"Remuneration Committee"	the remuneration committee of the Company
"RMB" or "Renminbi"	Renminbi, the lawful currency of PRC
"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 the 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)

Definitions

"SaaS"	Software as a Service
"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
"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
"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 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 deemed interested in approximately 12.41% of the issued share capital of our Company as at the Latest Practicable Date
"YoY"	year-on-year
"%"	per cent

* *for identification purpose only*

Meitu, Inc.
美图公司