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美好發展集團

MH DEVELOPMENT

MH Development Limited

美好發展集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2662)

**VOLUNTARY ANNOUNCEMENT
LONG-TERM COOPERATION AGREEMENT WITH MEITU**

MH Development Limited (the “**Company**”, collectively with its subsidiaries, the “**Group**”) is pleased to announce that the Company has signed a three-year IP cooperation development agreement with Meitu, Inc. (“**Meitu**” stock code: 1357.HK) on July 20 2021 (the “**Cooperation Agreement**”). The theme of the Cooperation Agreement is to jointly cooperate and develop the IP resources from the overseas subsidiary of the Group, POW! Entertainment Inc. (“**POW!**”), which is owned as to 85% by the Group. POW! was founded by the famous American cartoonist Mr. Stan Lee, and has various IPs created by Stan Lee, which are the important strategic resources of the Company. The Company has established a cooperative relationship with Meitu to further expand new channels for its IP business.

The Company is aiming to develop and operate IP business with industry benchmark Meitu by signing the Cooperation Agreement. For the deep integration of imaging technology and creativity, Meitu intends to use the Company’s IP for its AR, imaging frames, mosaics, stickers, text, graffiti pens, formulas applicable to Meitu Xiuxiu and beauty camera application in the future. While enriching and innovating the core applications of Meitu Xiuxiu and beauty camera software application, it narrowed the distance between the company and young users. Through utilising the extremely broad user base of Meitu, the company will promote its brand image and business domestically and globally.

Founded in October 2008, Meitu has become one of China's top Internet enterprises owing to its leading AI-driven image-and-video processing technologies and social community. As of December 2020, there are 2.22 billion unique devices with Meitu's products activated on them, and a total of 261 million monthly active users (MAU) of Meitu apps. Meitu's total number of overseas users has exceeded 885 million users, with over 10 million users each in 15 countries including Indonesia, Thailand, Pakistan, Vietnam, the US, Brazil, Japan, Bangladesh, the Philippines, South Korea, Malaysia, Nigeria, Mexico, Canada and Turkey.

As young generation pay more attention to various types of IPs such as games and movies, the cooperation between the Company and influential pan-entertainment companies will become more frequent, which will create new opportunities and facilitate the development of the Group's IP business.

SUSPEND TRADING

At the request of the Company, trading in shares of the Company on the Stock Exchange was halted with effect from 9:00 a.m. on 19 July 2019 and will remain suspended until further notice.

Shareholders and prospective investors of the Company are advised to exercise caution when dealing in the Shares.

By Order of the Board of Directors
MH Development Limited
Shen Yang
Executive Director

Hong Kong, 22 July 2021

As at the date of this announcement, the Board comprises Ms. Liu Hui, Mr. Guo Ben, Mr. Shen Yang and Ms. Wu Xiao as the executive Directors and Mr. Ross Yu Limjoco, Mr. Zheng Yilei and Dr. Zhang Fan as the independent non-executive Directors.