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Meitu, Inc.

美图公司

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

(Stock code: 1357)

**INSIDE INFORMATION
POSITIVE PROFIT ALERT**

This announcement is issued by Meitu, Inc. (the “**Company**” and, together with its subsidiaries and Xiamen Meitu Networks Technology Co., Ltd., Xiamen MeituEve Network Services Co., Ltd., and their respective subsidiaries, collectively the “**Group**” for the purpose of this announcement) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of the Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (“**Shareholders**”) and potential investors that, based on a preliminary assessment of the Group’s unaudited consolidated management accounts for the six months ended June 30, 2024 (the “**Management Accounts**”), as well as other relevant information currently available to the Board, it is expected that, on a non-International Financial Reporting Standards basis, the Group’s adjusted net profit attributable to the owners of the Company¹ for the six months ended June 30, 2024 (the “**Period**”) is expected to increase by no less than 80% as compared with that for the six months ended June 30, 2023 (the “**Corresponding Period Last Year**”).

Since the aforementioned metric excludes certain non-cash and non-operating items (such as share-based compensation, impairment losses and reversal of impairment losses on cryptocurrency, changes in fair value on long-term investments and remeasurement losses on consideration to non-controlling shareholders of a subsidiary, etc.), the Board believes that this metric is more indicative of the Group’s operational performance. If these non-cash and non-operating items are taken into account, the net profit attributable to owners of the Company for the Period is expected to increase by no less than 30% as compared with that for the Corresponding Period Last Year.

The Group’s revenue from its photo, video and design products business, which is primarily generated through a membership subscription model, continued to surge rapidly. Due to the high gross profit margin of this business, the rapid growth of this business has driven the operating leverage effect, resulting in higher profit growth. The revenue growth of this business is mainly driven by the following factors:

¹ Please see the Company’s 2023 annual report for a more detailed definition.

- (i) Generative AI technology enhances the capabilities of photo, video and design products, providing users with better photo image and video processing, visual creative design and other features, thereby continuously driving user payments; and
- (ii) Rapid globalization: the Group's photo and video products rank among the top in the app stores of many countries outside Mainland China, driving simultaneous growth in users and subscription members.

Such expected operating results were broadly in line with what the Company disclosed in its annual report for the year ended December 31, 2023, as extracted below:

“The rapid development of the creator economy is clearly a global phenomenon and we believe we are in a position to capture that opportunity... We will continue to build image and video apps localized to the aesthetic standards of global market, and ultimately aim to become a global company.”

“Driven by Generative AI technology, the penetration rate of paying subscribers of photo and video product portfolios continued to rise rapidly... These products have achieved satisfactory performance in user base expansion and conversion of subscriptions.”

It should be noted that the Company is still in the course of finalising its interim results for the six months ended June 30, 2024 (the “**Interim Results**”). The information contained in this announcement is only based on information currently available to the Group and the Board's preliminary assessment of the Management Accounts, which have not been reviewed by the Company's auditors or audit committee. As such, the actual Interim Results may be different from what is disclosed in this announcement. Shareholders and investors are therefore advised to read carefully the Interim Results announcement of the Company for the six months ended June 30, 2024 to be published in around August 2024.

Accordingly, Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Meitu, Inc.
Wu Zeyuan
Chairman

Hong Kong, July 24, 2024

As at the date of this announcement, the executive director of the Company is Mr. Wu Zeyuan (also known as Mr. Wu Xinhong); the non-executive directors of the Company are Dr. Guo Yihong, Mr. Chen Jiarong and Mr. Hong Yupeng; the independent non-executive directors of the Company are Mr. Zhou Hao, Mr. Lai Xiaoling and Ms. Poon Philana Wai Yin.