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meitu

Meitu, Inc.

美图公司

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

(Stock code: 1357)

INSIDE INFORMATION

DISCLOSEABLE TRANSACTION

DISPOSALS OF CRYPTOCURRENCIES (ETHER AND BITCOIN)

SPECIAL DIVIDEND OUT OF SHARE PREMIUM ACCOUNT

THE CRYPTOCURRENCIES DISPOSALS

The Group had been selling its Acquired Cryptocurrencies at market since November 2024. As of December 4, 2024, the Group had sold all of its Acquired Cryptocurrencies (totaling approximately 31,000 units of Ether and 940 units of Bitcoin), with total cash consideration amounting to approximately US\$100 million and US\$80 million, respectively. The Group achieved sizeable gains from these sales of cryptocurrencies in the amount of approximately US\$79.63 million (equivalent to approximately RMB571.0 million). The Board intends to use approximately 80% of the net proceeds to pay the Special Dividend, while the remaining net proceeds will be used as general working capital to expand the Group’s business focusing on paid subscription-based imaging and design products. Going forward, the Group will focus more on the development of its core photo, video and design products business, aiming to achieve better business performance in the future.

This announcement is issued by the Company pursuant to rule 13.09(2)(a) and Chapter 14 of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

THE CRYPTOCURRENCIES DISPOSALS

Reference is made to the Previous Announcements, which disclosed that the Group had, pursuant to the Cryptocurrency Investment Plan, acquired an aggregate of approximately 31,000 units of Ether and 940 units of Bitcoin at an aggregate cash consideration of approximately US\$50.5 million and US\$49.5 million respectively in March and April 2021. Capitalised terms used herein shall have the same meanings as those defined in the Previous Announcements, unless defined otherwise herein.

The Board announces that on December 4, 2024, Meitu Investment disposed of an aggregate of approximately 15,703.94 units of Ether and 470.19 units of Bitcoin at market, at an aggregate cash consideration of approximately US\$55.49 million and US\$44.85 million respectively.

Pursuant to the Cryptocurrencies Disposals (which include the Previous Disposals in November 2024 and the aforesaid disposals on December 4, 2024), the Group had in aggregate disposed of approximately 31,000 units of Ether and 940 units of Bitcoin, at an aggregate cash consideration of approximately US\$100 million and US\$80 million respectively.

After completion of the Cryptocurrencies Disposals, the Group no longer holds any Ether or Bitcoin.

The consideration for the Cryptocurrencies Disposals was satisfied in cash and was determined according to the bid and ask prices of Ether and Bitcoin respectively as quoted at market.

The Directors are of the view that the terms of the Cryptocurrencies Disposals are fair and reasonable and on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

COMPLETION

Settlement of the Cryptocurrencies Disposals took place immediately after the respective sale orders were made and completed.

INFORMATION ON CRYPTOCURRENCIES

Cryptocurrencies are digital currencies in which encryption techniques are used to regulate the generation of units of currency and verify the transfer of funds using blockchain technology. The blockchain is a public record of cryptocurrency transactions in chronological order. The blockchain is shared between all users in that blockchain. It is used to verify the permanence of transactions and to prevent double spending. Cryptocurrencies make it easier to transfer funds between two parties in a transaction and these transfers are facilitated through the use of public and private keys for security purposes.

Please refer to the Previous Announcements for further details on Ether, Bitcoin and cryptocurrencies in general.

REASONS FOR AND BENEFITS OF THE DISPOSALS AND USE OF PROCEEDS

Given the recent strong growth momentum in the Group's photo, video and design products business which primarily adopts a premium subscription model, the Group intends to invest further in this business. The Board takes the view that the Cryptocurrencies Disposals provided the Group with a good opportunity to realise a sizable gain on its investments in the Acquired Cryptocurrencies. The Cryptocurrencies Disposals will enhance the overall liquidity of the Group and the Directors intend to apply approximately 80% of the net proceeds from the Cryptocurrencies Disposals for the payment of the Special Dividend and the remaining net proceeds as general working capital to expand the Group's business focusing on paid subscription-based imaging and design products. Going forward, the Group will focus more on the development of its core photo, video and design products business, aiming to achieve better business performance in the future.

In accordance with the relevant accounting standards under IFRS, the Group accounts for the Acquired Cryptocurrencies as intangible assets and adopts the cost model for the measurement. Consequently, the Group is expected to recognise a net gain on disposals of approximately US\$79.63 million (equivalent to approximately RMB571.0 million) from the Cryptocurrencies Disposals, which is calculated by reference to the difference between the net disposal proceeds

and the carrying amount of the Acquired Cryptocurrencies (being approximately US\$100 million).

SPECIAL DIVIDEND

The Board intends to recommend the payment of the Special Dividend of approximately HK\$0.109 per Share. The Company will make further announcement(s) of the date of the meeting of the Board to consider and, if thought fit, approve such recommendation of the Special Dividend (the “**Board Meeting**”) and the record date for such Special Dividend as and when appropriate. The amount of the Special Dividend may be subject to change if there is any change in the number of issued shares of the Company after the date of this announcement and before the date of the Board Meeting.

The Special Dividend is intended to be paid out of the Share Premium Account and is therefore intended to be conditional upon the satisfaction of the following conditions:

- (a) the passing of an ordinary resolution by the Shareholders at the forthcoming annual general meeting of the Company in around June 2025 declaring and approving the payment of the Special Dividend out of the Share Premium Account pursuant to Articles 133 and 134 of the Articles; and
- (b) the Directors being satisfied that the Company will, immediately following the date on which the Special Dividend is paid, be able to pay its debts as they fall due in the ordinary course of business.

If the Special Dividend is recommended by the Board at the Board Meeting and is to be paid out of the Share Premium Account, subject to the fulfilment of the above conditions, it is expected that the Special Dividend will be paid in cash in or around June or July 2025 to the Shareholders whose names appear on the register of members at close of business on the relevant record date.

INFORMATION ABOUT THE GROUP AND MEITU INVESTMENT

Founded in 2008 with the mission to “*let art and technology converge elegantly*”, the Group has launched a portfolio of AI-powered photo, video and design products to enable everyone to create digital contents easily, both for social and productivity use cases.

The Group primarily monetizes its products via premium subscription model. Besides, the Group operates the advertising businesses including in-app advertising, mobile value-added service products and advertising agency services to advertisers.

As of June 30, 2024, the Group's Monthly Active Users (MAU) reached approximately 258 million globally.

Meitu Investment is a wholly owned subsidiary of the Company incorporated under the laws of the British Virgin Islands and is principally engaged in the business of investment holding.

As the Cryptocurrencies Disposals were conducted at market, the Company is not aware of the identities or the principal business activities of the purchasers. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the purchasers in the Cryptocurrencies Disposals and their ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Ether Disposal (when aggregated with the Previous Ether Disposals which were conducted within 12 months of the Ether Disposal) exceeds 5% but are less than 25%, the Ether Disposal (when aggregated with the Previous Ether Disposals) constitutes a discloseable transaction for the Company and is subject to the announcement and reporting requirements under Chapter 14 of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Bitcoin Disposal (when aggregated with the Previous Bitcoin Disposals which were conducted within 12 months of the Bitcoin Disposal) exceeds 5% but are less than 25%, the Bitcoin Disposal (when aggregated with the Previous Bitcoin Disposals) constitutes a discloseable transaction for the Company and is subject to the announcement and reporting requirements under Chapter 14 of the Listing Rules.

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

DEFINITIONS

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

“Acquired Cryptocurrencies”	an aggregate of approximately 31,000 units of Ether and 940 units of Bitcoin acquired by the Group under the Cryptocurrency Investment Plan, the details of which are contained in the Previous Announcements
“Articles”	the third amended and restated articles of association of the Company adopted at the annual general meeting held on June 5, 2024, as amended from time to time
“Bitcoin Disposal”	the disposal of approximately 470.19 units of Bitcoin at an aggregate consideration of approximately US\$44.85 million by Meitu Investment on December 4, 2024
“Company”	Meitu, Inc. (Stock Code: 1357), a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange
“Cryptocurrencies Disposals”	the Ether Disposal, the Bitcoin Disposal and the Previous Disposals
“Ether Disposal”	the disposal of approximately 15,703.94 units of Ether at an aggregate consideration of approximately US\$55.49 million by Meitu Investment on December 4, 2024

“Group”	the Company and together with Xiamen Meitu Networks Technology Co., Ltd. (廈門美圖網科技有限公司), Xiamen MeituEve Network Services Co., Ltd. (廈門美图宜膚網絡服務有限公司), and their respective subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“IFRS”	International Financial Reporting Standards
“Meitu Investment”	Meitu Investment Ltd, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“Previous Announcements”	the announcements of the Company dated March 7, 2021, March 17, 2021 and April 8, 2021
“Previous Bitcoin Disposals”	the disposal of an aggregate of approximately 469.81 units of Bitcoin at an aggregate consideration of approximately US\$35.35 million by Meitu Investment conducted in November 2024
“Previous Disposals”	the Previous Ether Disposals and the Previous Bitcoin Disposals
“Previous Ether Disposals”	the disposal of an aggregate of approximately 15,296.06 units of Ether at an aggregate consideration of approximately US\$44.21 million by Meitu Investment conducted in November 2024
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“Share(s)”	ordinary share(s) of par value of US\$0.00001 each in the share capital of the Company
“Share Premium Account”	the share premium account of the Company
“Special Dividend”	the intended special cash dividend of approximately HK\$0.109 per Share
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollars, the lawful currency of the United States

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

Hong Kong, December 4, 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; and the independent non-executive directors of the Company are Mr. Zhou Hao, Mr. Lai Xiaoling and Ms. Poon Philana Wai Yin.