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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). Unless otherwise defined, capitalised terms used in this announcement shall have the same meaning as those defined in the announcements of the Company dated July 1, 2022 and February 20, 2023.

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, 2023 (the “**Management Accounts**”), as well as other relevant information currently available to the Board, it is expected that the Group may record for the six months ended June 30, 2023:

- A) a net profit attributable to the owners of the Company of between approximately RMB220 million and RMB265 million, as compared to a net loss attributable to the owners of the Company of approximately RMB266 million for the six months ended June 30, 2022; and
- B) on a non-IFRS basis, an adjusted net profit attributable to the owners of the Company¹ of between approximately RMB140 million and RMB155 million, as compared to an adjusted net profit attributable to the owners of the Company of approximately RMB36 million for the six months ended June 30, 2022, representing a growth of approximately 289% to 331% year-over-year.

The expected turn to a net profit is primarily attributable to the reversal of impairment losses on Acquired Cryptocurrencies amounting to approximately RMB185 million, as the prevailing market prices of the Acquired Cryptocurrencies as at June 30, 2023 was higher than that of December 31, 2022. Since the Cryptocurrencies Acquisitions in March and April 2021, the Group has neither acquired nor sold any cryptocurrencies pursuant to the Cryptocurrency Investment Plan.

¹ The term ‘adjusted net profit attributable to the owners of the Company’ is defined as the net profit attributable to the owners of the Company for the reporting period excluding certain non-cash items, such as share-based compensation, (reversal of) impairment losses on cryptocurrencies, long term investments related fair value changes and disposal gain and etc.. Please see the Company’s 2022 annual report for a more detailed definition.

The significant growth of non-IFRS adjusted net profit attributable to the owners of the Company, a generic metric used in the industry to measure the Group’s operating performance, was mainly due to the strong revenue growth of the Group’s VIP subscription business related to our image and video apps which are powered by AIGC (Artificial Intelligence Generated Content). Such expected operating results were broadly in line with what the Company disclosed in its annual report for the year ended December 31, 2022, as extracted below:

“The year 2022 was the first year we see an impact on the profitability from our high-margin VIP Subscription business. We expect our business to continue to grow in 2023, mainly driven by the rapid growth of our VIP Subscription business and our SaaS and related businesses.”

It should be noted that the Company is still in the course of finalising its interim results for the six months ended June 30, 2023 (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, 2023 to be published in around August 2023.

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 14, 2023

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