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)

PROPOSED DECLARATION AND PAYMENT OF SPECIAL DIVIDEND OUT OF SHARE PREMIUM ACCOUNT

CLOSURE OF REGISTER OF MEMBERS

The Board is pleased to announce that at the Board meeting held on January 16, 2025, the Board has recommended the declaration and payment of the Special Dividend of HK$0.109 per Share in cash out of the Share Premium Account, conditional upon the satisfaction of the Conditions (see below).

The Board reiterates that the Group's core business, Photo, Video and Design Products, is fast-growing and asset-light. The Group will continue to invest in AI, but with razor sharp focus on areas that enhance user experience and subscription rates. As a result, such growth is highly capex-efficient. Aside from this Special Dividend, the Board expects to maintain the Company's current dividend policy of recommending a regular annual dividend based on a percentage of the Group's annual Adjusted Net Profit attributable to the Owners of the Company which had a fast-growing track record in recent years.

The EGM will be convened to be held on February 11, 2025 to consider and, if thought fit, to approve the declaration and the payment of the Special Dividend.

Subject to the satisfaction of the Conditions, it is expected that the Special Dividend will be paid in cash on or about February 27, 2025 to those Shareholders whose names appear on the register of members of the Company at close of business on February 19, 2025.

A circular containing further information in connection with the Special Dividend and the notice of the EGM will be despatched to the Shareholders as soon as practicable.

PROPOSED DECLARATION AND PAYMENT OF SPECIAL DIVIDEND OUT OF SHARE PREMIUM ACCOUNT

References are made to the December Announcement in relation to the Cryptocurrencies Disposals and the announcement of the Company dated January 6, 2025 in relation to the notice of the Board meeting for the purpose of considering the recommendation for the payment of the Special Dividend.

The Board is pleased to announce that at the Board meeting held on January 16, 2025, the Board resolved to recommend the declaration and payment of the Special Dividend of HK$0.109 per Share in cash out of the Share Premium Account.

As at the date of this announcement, the Company has a total of 4,557,979,125 Shares in issue. Based on the number of issued Shares as at the date of this announcement, the Special Dividend, if declared and paid, would amount to approximately HK$496.8 million (equivalent to approximately RMB458.7 million). Subject to the satisfaction of the Conditions, the Special Dividend will be paid out of the Share Premium Account pursuant to Articles 133 and 134 of the Articles.

As at June 30, 2024, based on the unaudited interim condensed consolidated financial statements of the Group for the six months ended June 30, 2024, the amount standing to the credit of the Share Premium Account was approximately RMB7,104.2 million (equivalent to approximately HK$7,694.7 million). Based on the number of issued Shares as at the date of this announcement and assuming that the amount standing to the credit of the Share Premium Account immediately before payment of the Special Dividend will be the same as such amount, following the payment of the Special Dividend, there would be a remaining balance of approximately RMB6,645.5 million (equivalent to approximately HK$7,197.9 million) standing to the credit of the Share Premium Account.

The Special Dividend is not subject to any withholding tax.

As at the date of this announcement, no treasury shares are 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 Special Dividend.

CONDITIONS OF THE DECLARATION AND PAYMENT OF THE SPECIAL DIVIDEND OUT OF THE SHARE PREMIUM ACCOUNT

The declaration and payment of the Special Dividend out of the Share Premium Account is conditional upon the satisfaction of the following conditions (the "**Conditions**"):

(a) the passing of an ordinary resolution by the Shareholders at the EGM (or any adjournment thereof) 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.

The Conditions cannot be waived. If any of the Conditions is not satisfied, the Special Dividend will not be paid.

REASONS FOR AND EFFECT OF THE DECLARATION AND PAYMENT OF THE SPECIAL DIVIDEND OUT OF THE SHARE PREMIUM ACCOUNT

As stated in the December Announcement, the Group achieved sizeable gains of approximately US$79.63 million (equivalent to approximately RMB571.0 million) from the Cryptocurrencies Disposals and the Board intended to apply approximately 80% of the net proceeds from the Cryptocurrencies Disposals to pay the Special Dividend, with the remaining net proceeds to be used as general working capital to expand the Group's business focusing on paid subscription-based photo, video and design products. The Board considers it appropriate to distribute the Special Dividend in recognition of and to reward the continuous support from the Shareholders.

The Board reiterates that the Group's core business, Photo, Video and Design Products, is fast-growing and asset-light. The Group will continue to invest in AI, but with razor sharp focus on areas that enhance user experience and subscription rates. As a result, such growth is highly capex-efficient. Aside from this one-off Special Dividend arising from the profits of liquidating our non-core investment position of cryptocurrencies, the Board expects to maintain the Company's current dividend policy of recommending a regular annual dividend based on a percentage of the Group's annual Adjusted Net Profit attributable to the Owners of the Company which had a fast-growing track record in recent years.

The Company is a holding company and a significant part of the Group's business is carried out through operating companies within the Group at which level earnings are retained. As such, the Company may not have sufficient retained earnings to pay the Special Dividend out of the profits of the Company at the holding company level. Having taken into account a number of factors including the sufficiency of cash flow and solid financial condition of the Company, the Board considers it appropriate and proposes that the Special Dividend be paid out of the Share Premium Account in accordance with Articles 133 and 134 of the Articles and the Companies Act (as revised) of the Cayman Islands. The Board considers that it may be unnecessary to maintain the Share Premium Account at the current level and it is in the interests and for the commercial benefit of the Company and its Shareholders as a whole to distribute the Special Dividend.

The Board believes that the payment of the Special Dividend will not have any material adverse effect on the underlying assets, business, operations or financial position of the Group and does not involve any reduction in the authorized or issued share capital of the Company or reduction in the nominal or par value of the Shares or result in any change in the trading arrangements in respect of the Shares.

The Directors are of the view that there are no reasonable grounds for believing that the Company will, immediately following the date on which the Special Dividend is paid, be unable to pay its debts as they fall due in the ordinary course of business.

EXTRAORDINARY GENERAL MEETING

The EGM will be convened to be held on February 11, 2025 to consider and, if thought fit, to approve the declaration and payment of the Special Dividend out of the Share Premium Account.

A circular containing further information in connection with the Special Dividend and the notice of the EGM will be despatched to the Shareholders as soon as practicable.

CLOSURE OF REGISTER OF MEMBERS AND DATE OF PAYMENT OF THE SPECIAL DIVIDEND

Shareholders who are entitled to attend, speak and vote at the EGM (or any adjournment thereof) are those whose names appear as Shareholders on the register of members of the Company on Tuesday, February 11, 2025. For the purpose of determining the identity of the Shareholders who are entitled to attend and vote at the EGM (or any adjournment thereof), the register of members will be closed from Thursday, February 6, 2025 to Tuesday, February 11, 2025, both dates inclusive, during which period no transfer of Shares will be effected. In order to be eligible to attend and vote at the EGM (or any adjournment thereof), all transfers of Shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Wednesday, February 5, 2025.

Subject to the satisfaction of the Conditions, it is expected that the Special Dividend will be paid in cash on or about February 27, 2025 to those Shareholders whose names appear on the register of members of the Company at close of business on February 19, 2025, being the record date for determination of entitlement to the Special Dividend. If the Special Dividend is approved by the Shareholders at the EGM, for the purpose of determining the entitlement to the Special Dividend, the register of members will be closed from Monday, February 17, 2025 to Wednesday, February 19, 2025, both dates inclusive, during which period no transfer of Shares will be effected. In order to qualify for the Special Dividend, all transfers of Shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Friday, February 14, 2025.

DEFINITIONS

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

"Adjusted Net Profit attributable to the Owners of the Company"	has the meaning ascribed to it in the Company's 2023 annual report published on April 25, 2024
"Articles"	the third amended and restated articles of association of the Company adopted at the annual general meeting of the Company held on June 5, 2024, as amended from time to time
"Board"	the board of Directors
"Company"	Meitu, Inc. (Stock Code: 1357), a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited
"Conditions"	has the meaning ascribed to it under the section headed "CONDITIONS OF THE DECLARATION AND PAYMENT OF THE SPECIAL DIVIDEND OUT OF THE SHARE PREMIUM ACCOUNT" in this announcement

"Cryptocurrencies Disposals"	has the meaning ascribed to it in the December Announcement
"December Announcement"	the announcement of the Company dated December 4, 2024
"Director(s)"	the director(s) of the Company
"EGM"	the extraordinary general meeting of the Company to be convened to be held on February 11, 2025
"Group"	the Company, its subsidiaries, together with Xiamen Meitu Networks Technology Co., Ltd.（廈門美圖網科技有限公司）and Xiamen MeituEve Networks Services Co., Ltd.（廈門美圖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
"RMB"	Renminbi, the lawful currency of the People's Republic of China
"Share(s)"	ordinary share(s) of par value US$0.00001 each in the share capital of the Company
"Shareholder(s)"	registered holder(s) of the Shares
"Share Premium Account"	the share premium account of the Company
"Special Dividend"	the proposed special dividend of HK$0.109 per Share in cash out of the Share Premium Account as recommended by the Board
"US$"	United States dollars, the lawful currency of the United States of America
"%"	per cent

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

Hong Kong, January 16, 2025

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.