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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)

BUSINESS UPDATE
INTERNET SERVICES MONETIZATION MILESTONE

This announcement is made by Meitu, Inc. (the “**Company**”, and together with its subsidiaries and Xiamen Meitu Networks Technology Co., Ltd. and its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of 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 (the “**Board**”) of the Company is pleased to announce that, based on the preliminary management accounts of the Group, revenue from the Group's Internet Services and Others segment for the month ended December 31, 2016 amounted to approximately RMB27.9 million, representing growth of 481% as compared to the average monthly revenue of the Internet Services and Others segment for the first half of 2016 (being approximately RMB4.8 million). The significant revenue growth was mainly driven by:

- (i) an increase in the volume of virtual items sold on *Meipai*, the Group's short-form and live-streaming video social platform;
- (ii) an increase in advertising revenues from brand advertisers; and
- (iii) revenue contribution from the personalized imprinting service in one of the Group's photo apps, *SelfieCity*.

The Board believes the above-mentioned revenue figure represents a milestone in the Group's monetization efforts other than smart hardware, and in light of the relatively recent listing of the Company's shares on The Stock Exchange of Hong Kong Limited would like to keep shareholders of the Company and potential investors informed of this milestone. The Board does not currently intend to release regular monthly revenue updates in the future. The Board is cautiously optimistic about the significant monetization opportunities available to the Group given its large and active user base, despite the uncertainties inherent in the mobile internet industry. The Group will continue to implement its monetization strategies in online advertising, Internet value-added services, e-commerce, as well as smart hardware.

The above-mentioned financial data is based on the preliminary management accounts of the Group, which have not been reviewed or audited by the Company's auditors and may be subject to adjustments. Any forward-looking statements contained herein are not guarantees of future performance. Rather, they are based on current views and assumptions and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Group and are difficult to predict, that will or may cause actual results to differ materially from any future results or developments expressed or implied from the forward-looking statements. As such, the above financial data is provided to shareholders of the Company and potential investors for reference only.

Shareholders of the Company and potential investors should exercise caution and should not place undue reliance on such information when dealing in the securities of the Company.

By order of the Board
Meitu, Inc.
Cai Wensheng
Chairman

Hong Kong, January 16, 2017

As at the date of this announcement, the executive Directors are Mr. Cai Wensheng and Mr. Wu Zeyuan; the non-executive Directors are Dr. Guo Yihong and Dr. Lee Kai-Fu; the independent non-executive Directors are Mr. Ko Chun Shun Johnson, Mr. Zhou Hao and Ms. Lo Po Man.