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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 “美圖之家”)

(Stock Code: 1357)

## **VOLUNTARY ANNOUNCEMENT STRATEGIC ALLIANCE WITH CK HUTCHISON**

This is a voluntary announcement made by Meitu, Inc. (the “**Company**”, together with its subsidiaries and Xiamen Meitu Networks Technology Co., Ltd. and its subsidiaries, collectively the “**Group**”) to keep the shareholders of the Company and potential investors informed of the latest business developments concerning the Group.

The board of directors of the Company (the “**Board**”) is pleased to announce a strategic alliance with CK Hutchison Holdings Limited (Stock Code: 1) (“**CK Hutchison**”). Striving to combine beauty with social media, the Group will cooperate with CK Hutchison’s retail division, A.S. Watson Group, and telecom division, 3 Hong Kong, to build a brand-new business model integrating social media and retail in various aspects, bringing together the many facets of cooperation in user experience, user system, technology research and development, precise marketing and big data with business strategy. Leveraging on the Group’s artificial intelligence technology and big data capabilities, as well as CK Hutchison’s expertise in retail and telecommunication businesses, the alliance will bring a refreshing and interactive online and offline shopping experiences to customers of the millennial generation.

The Group and 3 Hong Kong will cooperate to introduce “*MeituDIY*” customization service to Hong Kong, where 3 Hong Kong’s customers can create personalized products via a one-stop value added service. After editing photos through the Hong Kong version of the *Meitu* app, users can print their photos directly onto mobile phone cases, clothes, umbrellas, cloth bags, cups and mouse pads, creating unique personalized products for self-use and/or for presenting them as gifts to relatives and friends.

Watsons Hong Kong will take the lead in introducing the Group’s app “*Magic Mirror*”, which offers around 600 makeup products from international makeup brands. Backed up by big data technology, customers can try different makeup looks, download previews, try-on products while enjoying online and offline shopping experiences anytime, anywhere. “*Magic Mirror*” offers a variety of fashionable makeup styles recommended by beauty advisors, helping customers choose their favourite makeup style for work or dating. “*Magic Mirror*” is currently expected to be first launched in Watsons stores in Mongkok Bank Centre and Cameron Road, Hong Kong, in late October 2018, and will thereafter be introduced to around 30 more Watsons stores in the first half of 2019.

The Group's app *BeautyCam* has also been upgraded with the feature of making product recommendations via skin analysis, helping to match users with the right products that are available at Watsons. This feature is currently expected to be activated in China by late October 2018, while Hong Kong users can expect to enjoy the feature in the first quarter of 2019.

Furthermore, Watsons China will begin the cooperation with the social version of the *Meitu* app in late October 2018, enabling Watsons China to get closer to their target customers by delivering tailor-made messages. Watsons China will launch an official account on the social section of the *Meitu* app in November 2018. When customers edit their photos using features such as "face-lift" and "acne-removal", Watsons China will recommend products aiming to suit the customers' needs. This allows the retailer to match customers with the right products available at its stores, driving consumer conversions. Through the social version of the *Meitu* app, Watsons China can interact with users by encouraging word-of-mouth recommendations on Watsons products. As a result, users can browse hot items and related information online.

The cooperation between Watsons China's loyalty programme and the Group will bring mutual benefits to both parties, riding on the collective network of the Group's approximately 350 million monthly active users and quality customers from Watsons' online and offline channels. The strategic alliance will also unfold opportunities in recruiting new loyalty members and bring more transactions by recommending the right products according to big data and based on users habits and behaviors in the *Meitu* app. To attract more new members, Watsons China will promote their joint membership card through its online and offline platforms while the *Meitu* app will encourage its users to become Watsons members.

The Company is of the view that with a huge number of female online users from the Group's products and the strong female customer base of the CK Hutchison group, the strategic alliance can further improve the value of the Group's user platforms while combining beauty with social media, strengthening the connection and interaction with customers, as well as inspiring more people to express their beauty.

## **INFORMATION ABOUT CK HUTCHISON**

Listed on The Stock Exchange of Hong Kong Limited (Stock Code: 1), CK Hutchison is a renowned multinational conglomerate committed to innovation and technology with businesses spanning the globe. With operations in over 50 countries, CK Hutchison has five core businesses - ports and related services, retail, infrastructure, energy and telecommunications.

CK Hutchison reported turnover of approximately HKD415 billion (USD53 billion) for the year ended 31 December 2017.

## **INFORMATION ABOUT A.S. WATSON GROUP**

A.S. Watson Group is one of Asia's largest health and beauty retailer, currently operating over 6,800 stores and more than 1,500 pharmacies in 12 Asian and European markets, including Mainland China, Hong Kong, Taiwan, Macau, Singapore, Thailand, Malaysia, the Philippines, Indonesia, Russia, Turkey and Ukraine.

## INFORMATION ABOUT 3 HONG KONG

3 Hong Kong is a leading mobile communications service provider in Hong Kong. 3 Hong Kong offers cutting-edge data, voice and roaming services under the “3” brand via far-reaching advanced 4G LTE, 3G and 2G networks. 3 Hong Kong also works with renowned partners to offer a wealth of innovative mobile devices and value-added services, while providing high-speed Wi-Fi at 3 Hong Kong’s hotspots to serve Hong Kong’s major areas.

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

Hong Kong, October 16, 2018

*As at the date of this announcement, the executive directors of the Company are Mr. Cai Wensheng and Mr. Wu Zeyuan (also known as: Mr. Wu Xinhong); the non-executive directors of the Company are Dr. Guo Yihong and Dr. Lee Kai-fu; the independent non-executive directors of the Company are Mr. Ko Chun Shun Johnson, Mr. Zhou Hao and Professor Zhang Shoucheng.*