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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)

**DISCLOSEABLE TRANSACTION
DISPOSAL OF APPROXIMATELY 3.32% OF
THE ISSUED SHARE CAPITAL OF
PRESSLOGIC HOLDINGS LIMITED**

THE DISPOSAL TRANSACTION

On April 24, 2020, Meitu Investment, a wholly-owned subsidiary of the Company, entered into the Disposal Agreements with the Purchasers and PressLogic, pursuant to which Meitu Investment has agreed to sell and the Purchasers have agreed to purchase the Sale Shares, being approximately 2.69% of the issued share capital of PressLogic as at the date of this announcement, at a cash consideration of HK\$7,000,000.

THE REPURCHASE TRANSACTION

On April 24, 2020, Meitu Investment entered into the Repurchase Agreement with PressLogic, pursuant to which Meitu Investment has agreed to sell and PressLogic has agreed to purchase the Repurchase Shares, being approximately 1.20% of the issued share capital of PressLogic as at the date of this announcement, at a cash consideration of HK\$5,000,000. The Repurchase Transaction will be funded by an interest-free, unsecured loan provided to PressLogic by its chief executive officer and founder, Mr. Cheung.

IMPLICATIONS UNDER THE LISTING RULES

Upon completion of the Transactions, Meitu Investment's shareholding in PressLogic will reduce from approximately 51.04% to approximately 47.72%, and the Company will no longer have control over PressLogic. Therefore, PressLogic and its subsidiaries will cease to be subsidiaries of the Company, and the PressLogic Group's financial results will cease to be consolidated into the Group's financial statements.

As the highest of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Transactions is more than 5% but all are less than 25%, the Transactions constitute a discloseable transaction for the Company and are subject to the announcement and reporting requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, PressLogic is a non-wholly owned subsidiary of the Company. Mr. Cheung is a director of PressLogic and owns approximately 29.79% of the issued share capital of PressLogic. However, as PressLogic's total consolidated assets, profits and revenue compared to those of the Group are less than 10% under the percentage ratios for each of the latest three financial years, PressLogic is regarded as an "insignificant subsidiary" of the Company under Chapter 14A of the Listing Rules and the transactions contemplated by the Loan Agreement do not constitute connected transactions of the Company under Chapter 14A of the Listing Rules. The transactions contemplated by the Loan Agreement are also otherwise exempt from the reporting, announcement, annual review, and independent shareholders' approval requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.90 of the Listing Rules, as the provision of the Loan is conducted on normal commercial terms or better and is not secured by the assets of the Group.

Completion is subject to the satisfaction (or waiver) of the conditions precedent to the Transactions and there is no assurance that the conditions precedent will be fulfilled (or waived). Therefore, the Transactions may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the shares or any securities of the Company.

THE DISPOSAL TRANSACTION

The Board announces that on April 24, 2020, Meitu Investment entered into the Disposal Agreements with the Purchasers and PressLogic, pursuant to which Meitu Investment has agreed to sell and the Purchasers have agreed to purchase the Sale Shares, being approximately 2.69% of the issued share capital of PressLogic as at the date of this announcement, at a cash consideration of HK\$7,000,000. The principal terms of the Disposal Agreements are as follows:

- Parties:**
- 1) Meitu Investment as seller
 - 2) the Purchasers as purchasers
 - 3) PressLogic as target company

Assets to be disposed of

The Sale Shares: the 64,120 shares in PressLogic to be sold by Meitu Investment to the Purchasers upon completion of the Disposal Agreements, representing approximately 2.69% of the issued share capital of PressLogic as at the date of the Disposal Agreements.

The Disposal Consideration

The Disposal Consideration is in aggregate approximately HK\$7,000,000, which shall be satisfied in cash.

The table below sets forth the number of Sale Shares each Purchaser (who is independent of Mr. Cheung) has conditionally agreed to purchase and the amount of cash consideration the Company has conditionally agreed to receive from each Purchaser as at the date of this announcement:

Purchaser	Number of Sale Shares	Approximate Percentage Shareholding in PressLogic	Amount of Cash Consideration (HK\$)
Cheung Tsz Kin Davy	45,800	1.92%	5,000,000
Mirpuri Joseph Gul	18,320	0.77%	2,000,000
TOTAL	64,120	2.69%	7,000,000

Conditions Precedent

The obligations of Meitu Investment and the Purchasers to consummate the Disposal Transaction shall be conditional upon the fulfillment (or waiver by the Purchasers and Meitu Investment) of each of the following conditions precedent (other than condition precedent (c) below which cannot be waived):

- a) each of the representations and warranties contained in the Disposal Agreements shall have been true, accurate and not misleading in all material respects;
- b) all corporate and other proceedings in connection with the transactions contemplated by the Disposal Agreements, including without limitation, any consent or waiver from the board of directors of PressLogic and/or Meitu Investment and/or from their respective shareholders, have been completed/obtained;
- c) all necessary approvals, consents, waivers and/or authorisations required by all applicable laws and regulations and relevant authorities (including without limitation, all applicable laws, regulations and authorities of Hong Kong), the Stock Exchange and the Listing Rules in connection with the transactions contemplated under the Disposal Agreements and/or the implementation thereof and all other matters incidental thereto having been obtained and remaining in full force and effect; and
- d) the Shareholders' Agreement substantially in the form as set out in a schedule to the Disposal Agreements having been executed by PressLogic and all shareholders of PressLogic.

Meitu Investment shall not be obliged to sell any of the Sale Shares unless the sale and purchase of all the Sale Shares under the Disposal Transaction are completed immediately before the completion of the Repurchase Transaction on the same date.

Completion

Completion of the Disposal Transaction shall take place on the same Business Day on which each of the above conditions precedent has been fulfilled (or waived by the Purchasers and Meitu Investment, other than condition precedent (c) above which cannot be waived), or on such other date as may be mutually agreed between Meitu Investment and the Purchasers, provided that the Disposal Transaction shall be completed immediately before the completion of the Repurchase Transaction on the same date. If completion of the Disposal Transaction does not occur by June 30, 2020 (or such other date as may be agreed between Meitu Investment and the respective Purchaser), either Meitu Investment or any Purchaser may terminate the respective Disposal Agreement.

THE REPURCHASE TRANSACTION

The Board also announces that on April 24, 2020, Meitu Investment entered into the Repurchase Agreement with PressLogic, pursuant to which Meitu Investment has agreed to sell and PressLogic has agreed to purchase the Repurchase Shares, being approximately 1.20% of the issued share capital of PressLogic as at the date of this announcement, at a cash consideration of HK\$5,000,000. The principal terms of the Repurchase Agreement are as follows:

- Parties:**
- 1) Meitu Investment as seller
 - 2) PressLogic as purchaser

Assets to be disposed of

The Repurchase Shares: the 28,557 shares in PressLogic to be sold by Meitu Investment to PressLogic upon completion of the Repurchase Agreement, representing approximately 1.20% of the issued share capital of PressLogic as at the date of the Repurchase Agreement.

The Repurchase Consideration

The Repurchase Consideration is HK\$5,000,000, which shall be satisfied in cash.

Conditions Precedent

The obligations of Meitu Investment to consummate the Repurchase Transaction shall be conditional upon fulfillment (or waiver by Meitu Investment) of each of the following conditions precedent (other than condition precedent (c) below which cannot be waived):

- a) the representations and warranties of PressLogic contained in the Repurchase Agreement shall have been true, accurate, not misleading and complete in all material respects when made and on and as of completion of the Repurchase Agreement with the same effect as though such representations and warranties had been made on and as of the date of completion of the Repurchase Agreement;
- b) PressLogic shall have performed and complied with all covenants, obligations and conditions contained in the Repurchase Agreement that are required to be performed or complied with by PressLogic on or before completion of the Repurchase Agreement;
- c) each consent, approval, qualification, order or authorization of, or filing with, any governmental or regulatory authority (including but not limited to, the Stock Exchange) or other person have been obtained, which is required in connection with PressLogic's valid execution, delivery or performance of the Repurchase Agreement; and
- d) PressLogic has obtained the necessary approval from its board of directors and its shareholders for the transactions contemplated under the Repurchase Agreement; and
- e) the Loan Agreement has been signed with principal amount of HK\$5,000,000 being drawn down by PressLogic.

The obligations of PressLogic to consummate the Repurchase Transaction shall be conditional upon the fulfillment (or waiver by PressLogic) of each of the following conditions precedent (other than condition precedent (c) below which cannot be waived):

- a) the representations and warranties of Meitu Investment contained in the Repurchase Agreement shall have been true, accurate, not misleading and complete in all material respects when made and on and as of completion of the Repurchase Agreement with the same effect as though such representations and warranties had been made on and as of the date of completion of the Repurchase Agreement;
- b) Meitu Investment shall have performed and complied with all covenants, obligations and conditions contained in the Repurchase Agreement that are required to be performed or complied with by Meitu Investment on or before completion of the Repurchase Agreement;
- c) each consent, approval, qualification, order or authorization of, or filing with, any governmental or regulatory authority (including but not limited to, the Stock Exchange) or other person have been obtained, which is required in connection with Meitu Investment's valid execution, delivery or performance of the Repurchase Agreement; and

- d) the Loan Agreement has been signed with principal amount of HK\$5,000,000 being drawn down by PressLogic.

Meitu Investment shall not be obliged to sell any of the Repurchase Shares unless the Repurchase Transaction is completed immediately after the completion of the Disposal Transaction on the same date.

Completion

Completion of the Repurchase Transaction shall take place on the same Business Day on which each of the above conditions precedent has been fulfilled (or waived by PressLogic and/or Meitu Investment, other than conditions precedent (c) above in respect of the obligation of each of PressLogic and Meitu Investment, which cannot be waived), or on such other date as may be mutually agreed between Meitu Investment and PressLogic, provided that the Repurchase Transaction shall be completed immediately after the completion of the Disposal Transaction on the same date. If completion of the Repurchase Agreement does not occur by June 30, 2020 (or such other date as may be agreed between Meitu Investment and PressLogic), either Meitu Investment or PressLogic may terminate the Repurchase Agreement.

Upon completion of the Repurchase Transaction, PressLogic shall arrange for the Repurchase Shares to be cancelled.

The Repurchase Transaction will be funded by an interest-free, unsecured loan provided to PressLogic by Mr. Cheung pursuant to the Loan Agreement entered into between Mr. Cheung and PressLogic on April 24, 2020.

THE SHAREHOLDERS' AGREEMENT

Pursuant to the Disposal Agreements, the execution and delivery of the Shareholders' Agreement is a condition precedent to completion. The Shareholders' Agreement will contain various customary rights for protection of the minority shareholders in PressLogic upon completion of the Transactions (including but not limited to those of Meitu Investment). A summary of the principal rights is set out below:

Board of directors

The Shareholders' Agreement will stipulate that PressLogic shall have a board of directors consisting of three directors. Meitu Investment shall be entitled to appoint one director to the board of PressLogic and each of its subsidiaries.

Pre-emptive rights and anti-dilution

Shareholders of PressLogic shall have pre-emptive rights to subscribe for their pro-rata interest in new debt or equity securities to be issued by PressLogic, except for securities issued in connection with an initial public offering or acquisition, or pursuant to options, warrants or convertible securities issued after the date of the Shareholders' Agreement (with any issuance in the latter scenario requiring Meitu Investment's prior written approval).

Right of first refusal

The Shareholders' Agreement will provide that if any shareholder of PressLogic (the "**Selling PressLogic Shareholder**") proposes to sell or otherwise deal with or dispose of any shares of PressLogic (the "**Offered Shares**") to any third party (other than a competitor) (the "**Transferee**"), then all other shareholders of PressLogic shall have a right of first refusal to purchase such Offered Shares in accordance with the Shareholders' Agreement. The Shareholders' Agreement will further provide that no shareholders of PressLogic shall be permitted to transfer any Offered Shares to a competitor of the PressLogic Group (or to an affiliate of a competitor of the PressLogic Group).

Co-sale right

The Shareholders' Agreement will provide that, subject to the drag-along right as described below, if a shareholder does not exercise its right of first refusal to acquire any of the Offered Shares, such shareholder shall have the right, but not the obligation, to participate in the sale of such Offered Shares to the Transferee for the same price and on the same terms as the Selling PressLogic Shareholder in accordance with the Shareholders' Agreement.

Drag-along right

The Shareholders' Agreement will also contain a drag-along right whereby if the PressLogic Founders propose to sell all of their shares to a bona fide arm's length purchaser who is not a shareholder of PressLogic, the PressLogic Founders shall have the right but not the obligation to require all other shareholders of PressLogic (by way of a drag along notice to all other shareholders of PressLogic) to sell all of their shareholdings in PressLogic on the same terms and conditions, provided that such sale implies an equity valuation of PressLogic at HK\$830,000,000 or more, which represents twice the New Shares Valuation (as defined below). In the event that the exercise of any drag-along right by the PressLogic Founders would constitute a major transaction or a very substantial disposal or any other similar transaction of the Company that would require approval by the Shareholders pursuant to the Listing Rules or any other securities laws or rules applicable to it (collectively, the "**Applicable Securities Laws**"), the PressLogic Founders may not exercise the drag-along right with respect to Meitu Investment unless the Company has obtained all applicable Shareholders and/or regulatory approvals as may be required under the Applicable Securities Laws.

BASIS OF CONSIDERATION FOR THE DISPOSAL TRANSACTION AND THE REPURCHASE TRANSACTION

The Disposal Consideration and the Repurchase Consideration were determined based on arm's length negotiations between Meitu Investment, PressLogic and the Purchasers, taking into account, inter alia, (a) the valuations of PressLogic in the previous private financing round for existing shares and new shares as described below, (b) the Company's assessment on the prospects of the multimedia advertising services industry in Hong Kong and overseas and (c) the benefits as described under the paragraph headed "Reasons for and benefits of the Transactions" in this announcement.

In its previous round of financing in 2018, PressLogic was valued at approximately HK\$131.5 million for its existing shares (the “**Existing Shares Valuation**”) and approximately HK\$415 million for its new shares (the “**New Shares Valuation**”). Meitu Investment participated in such financing round and acquired existing shares of PressLogic (“**Existing Shares**”) from previous shareholders of PressLogic under the Existing Shares Valuation and subscribed for new shares of PressLogic (“**Subscription Shares**”) from PressLogic under the New Shares Valuation. As a result of the additional shares of PressLogic acquired in the acquisition of the Existing Shares and the Subscription Shares, Meitu Investment became interested in 51.04% of the issued share capital of PressLogic and has therefore consolidated the accounts of PressLogic and its subsidiaries into the Company’s financial statements. PressLogic used the proceeds from the issue of the Subscription Shares to fund its business development.

Since Meitu Investment will be disposing of an approximately 2.69% shareholding interest in the Disposal Transaction and an approximately 1.2% shareholding interest in the Repurchase Transaction, this implies an effective valuation of PressLogic of approximately HK\$260 million and HK\$417 million respectively.

As the PressLogic Group is not currently making a profit, after arms lengths discussions between Meitu Investment, the Purchasers and PressLogic, the following were taken into account when determining the valuation of PressLogic:

- (i) revenue of the PressLogic Group increased by 26.22% year-on-year and gross profit also improved due to revenue enhancement and effective cost cutting in 2019, and this has slightly increased the valuation of PressLogic since its previous financing round in 2018;
- (ii) the Disposal Consideration reflected the increased valuation of PressLogic since Meitu Investment acquired the Existing Shares in 2018, which represented a modest premium to the fair value of its investment in PressLogic; and
- (iii) the Repurchase Consideration was determined based on the New Shares Valuation used when Meitu Investment subscribed for the Subscription Shares from PressLogic in 2018.

The Company also identified several digital advertising platforms such as Twitter (TWTR), Facebook (FB), Weibo (WB) and Maida digital technology (SZ: 002137) as comparable companies (the “**Comparable Companies**”), because they are all listed companies with publicly available financial information and primarily engage in a business model that is similar to that of the PressLogic Group, namely the business of providing multimedia digital advertising and content marketing services on social media platforms in the Asia Pacific region. As the Company was unable to identify public companies that provide similar services with the same regional coverage as PressLogic, the Company selected the Comparable Companies that have operations globally.

As the PressLogic Group is not currently making a profit, a price-to sales ratio was taken into account when determining the valuation of the PressLogic Group. Based on the PressLogic Group's 2019 financial results, the implied price-to-sales ratios for the Disposal Transaction and the Repurchase Transaction were approximately 4.0 times and 6.3 times respectively, compared to the Comparable Companies' range of between approximately 4.2 times and 6.7 times calculated with reference to the market prices of the Comparable Companies as at March 31, 2020. The Directors believe that (i) the modest discount in the valuation of the PressLogic Group in the Disposal Transaction relative to the Comparable Companies is justified as the PressLogic Group is unlisted and its scale is significantly smaller than such industry leaders and (ii) the valuation of the PressLogic Group in the Repurchase Transaction relative to the Comparable Companies is justified having considered that the Repurchase Consideration represents a modest premium to the New Shares Valuation used when Meitu Investment initially subscribed for the Subscription Shares from PressLogic in 2018.

Having also considered the historical valuation trend of PressLogic for existing shares and new shares and the net gain that the Company expects to record on the disposal of its interest in PressLogic, the Directors believe that the Disposal Consideration and the Repurchase Consideration are fair and reasonable.

INFORMATION ABOUT THE PURCHASERS AND MR. CHEUNG

The Purchasers

Mr. Cheung Tsz Kin Davy is a permanent resident of Hong Kong.

Mr. Mirpuri Joseph Gul is a permanent resident of Hong Kong.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchasers are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

Mr. Cheung

Mr. Cheung is the chief executive officer, a director and one of the founders of PressLogic and a permanent resident of Hong Kong, and is interested in approximately 29.79% of the shares of PressLogic as at the date of this announcement.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Mr. Cheung is a third party independent of the Company and its connected persons (as defined in the Listing Rules).

INFORMATION ABOUT MEITU INVESTMENT

Meitu Investment is a wholly owned subsidiary of the Company incorporated under the laws of the British Virgin Islands with limited liability. Its primary business is investment holding.

INFORMATION ABOUT THE PRESSLOGIC GROUP

The PressLogic Group is a data-driven media commerce company based in Hong Kong, and is mainly engaging in the provision of multimedia digital advertising and content marketing services on social media platforms across the Asia Pacific region. The PressLogic Group operates the website: <https://www.presslogic.com/>.

Set out below is a summary of the audited consolidated financial information of PressLogic (in HK\$) prepared by its auditor for the two years ended 31 December 2018 and 2019:

	For the year ended 31 December 2018	For the year ended 31 December 2019
Net profit (loss) before tax	(7,586,350)	(11,289,381)
Net profit (loss) after tax	(7,481,506)	(11,184,314)

As at 31 December 2019, PressLogic has audited consolidated net assets of HK\$50,057,647 based on the audited consolidated financial information prepared by its auditor.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The Group is principally engaged in the provision of online advertising and other Internet value-added services by offering a portfolio of innovative photo and community apps (the “**Meitu Apps**”) that enjoys popularity in the People’s Republic of China and overseas, while the PressLogic Group is principally engaged in the provision of multimedia digital advertising and content marketing services on social media platforms across the Asia Pacific region.

The Directors are of the view that the Transactions provide a good opportunity for the Group to streamline the Group’s business by scaling down its non-core businesses and increasing its focus on its beauty related businesses, which is in line with the business development strategies and planning of the Group.

The Directors also believe that the Transactions enable the Group to realize a portion of its investment gain given the higher valuation of the PressLogic Group, thereby lowering the market/investment risk under the current volatile market conditions while still retaining a meaningful interest in the PressLogic Group.

For the reasons explained above, the Directors consider that the Transactions are on normal commercial terms that are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

FINANCIAL EFFECTS OF THE TRANSACTIONS AND USE OF PROCEEDS

Upon completion of the Transactions, Meitu Investment's shareholding in PressLogic will reduce from approximately 51.04% to approximately 47.72%, and the Company will no longer have control over PressLogic. Therefore, PressLogic and its subsidiaries will cease to be subsidiaries of the Company, and the PressLogic Group's financial results will cease to be consolidated into the Group's financial statements.

Subject to final audit by the Company's auditor, for the year ending December 31, 2020, it is expected that the Group will realise a net gain on disposal of approximately RMB8,373,000 which is calculated by reference to the consideration for the Transactions, the fair value of the Group's remaining interest in PressLogic, the net asset value of PressLogic, and the release of goodwill as a result of the Transactions. The above estimated financial impact is shown for illustrative purposes only and the final financial effects of the Transactions will be subject to audit and the fair value of PressLogic as at completion of the Transactions and may vary from the current estimation.

The Directors intend to apply the proceeds from the Transactions as general working capital and/or for other investment opportunities when they arise.

IMPLICATIONS UNDER THE LISTING RULES

As the highest of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Transactions is more than 5% but all are less than 25%, the Transactions constitute a discloseable transaction for the Company and are subject to the announcement and reporting requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, PressLogic is a non-wholly owned subsidiary of the Company. Mr. Cheung is a director of PressLogic and owns approximately 29.79% of the issued share capital of PressLogic. However, as PressLogic's total consolidated assets, profits and revenue compared to those of the Group are less than 10% under the percentage ratios for each of the latest three financial years, PressLogic is regarded as an "insignificant subsidiary" of the Company under Chapter 14A of the Listing Rules and the transactions contemplated by the Loan Agreement do not constitute connected transactions of the Company under Chapter 14A of the Listing Rules. The transactions contemplated by the Loan Agreement are also otherwise exempt from the reporting, announcement, annual review, and independent shareholders' approval requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.90 of the Listing Rules, as the provision of the Loan is conducted on normal commercial terms or better and is not secured by the assets of the Group.

Completion is subject to the satisfaction (or waiver) of the conditions precedent to the Transactions and there is no assurance that the conditions precedent will be fulfilled (or waived). Therefore, the Transactions may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the shares or any securities of the Company.

DEFINITIONS

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

“Board”	the board of Directors
“Business Day”	any day other than a Saturday or Sunday or public holiday or other day on which commercial banks are required or authorized by Law to be closed in the British Virgin Islands or Hong Kong
“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
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Disposal Agreements”	the share purchase agreement dated April 24, 2020 entered into between the Company and PressLogic on the one hand and each of the Purchasers on the other hand in respect of the Disposal Transaction
“Disposal Consideration”	the aggregate consideration of HK\$7,000,000 payable by the Purchasers to Meitu Investment at completion of the Disposal Transaction
“Disposal Transaction”	the transactions contemplated under the Disposal Agreements
“Director(s)”	the director(s) of the Company
“Group”	the Company and together with its subsidiaries and Xiamen Meitu Networks Technology Co., Ltd and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Law” or “Laws”	any and all provisions of any applicable constitution, treaty, statute, law, regulation, ordinance, code, rule, or rule of common law, any governmental approval, concession, grant, franchise, license, agreement, directive, requirement, or other governmental restriction or any similar form of decision of, or determination by, or any formally issued written interpretation or administration of any of the foregoing by, any governmental authority, in each case as amended, and any and all applicable governmental orders

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Loan”	the interest-free term loan in the principal amount of HK\$5,000,000 granted by Mr. Cheung to PressLogic pursuant to the Loan Agreement
“Loan Agreement”	the loan agreement dated April 24, 2020 entered into between Mr. Cheung and PressLogic in relation to the Loan
“Meitu Investment”	Meitu Investment Ltd, a company incorporated in the British Virgin Islands with limited liability and a wholly owned subsidiary of the Company
“Mr. Cheung”	Mr. Cheung Ho Chak Ryan, the chief executive officer, a director and founder of PressLogic and owns approximately 29.79% of the issued share capital of PressLogic as at the date of this announcement
“PressLogic”	PressLogic Holdings Limited, a company incorporated in the British Virgin Islands with limited liability
“PressLogic Founders”	Mr. Cheung and Mr. Chow Wing Yin, founders of the PressLogic Group
“PressLogic Group”	PressLogic and its subsidiaries
“Purchasers”	Cheung Tsz Kin Davy and Mirpuri Joseph Gul
“Repurchase Agreement”	the repurchase agreement dated April 24, 2020 entered into between the Company and PressLogic in respect of the Repurchase Transaction
“Repurchase Consideration”	the consideration of HK\$5,000,000 payable by PressLogic to Meitu Investment at completion of the Repurchase Transaction
“Repurchase Shares”	the 28,557 shares in PressLogic to be sold by Meitu Investment to PressLogic upon completion of the Repurchase Transaction
“Repurchase Transaction”	the transactions contemplated under the Repurchase Agreement
“Sale Shares”	64,120 shares in PressLogic to be sold by Meitu Investment to the Purchasers upon completion of the Disposal Transaction
“Shareholder(s)”	holder(s) of the Share(s)

“Shareholders’ Agreement”	the shareholders’ agreement substantially in the form as set out in a schedule to the Disposal Agreements to be executed by PressLogic and all shareholders of PressLogic
“Shares”	ordinary share(s) in the share capital of the Company with a par value of US\$0.00001 each
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transactions”	the Disposal Transaction, the Repurchase Transaction and transactions contemplated under the Loan Agreement
“%”	percent

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

Hong Kong, April 24, 2020

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. Zhou Hao, Mr. Lai Xiaoling and Mr. Zhang Ming (also known as Mr. Wen Chu).