
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Meitu, Inc.**, you should at once hand this circular together with the enclosed proxy form to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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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)

**PROPOSALS FOR
RE-ELECTION OF THE RETIRING DIRECTORS,
RE-APPOINTMENT OF THE COMPANY’S AUDITOR,
GENERAL MANDATES TO ISSUE SHARES AND BUY BACK SHARES,
PROPOSED DECLARATION AND PAYMENT OF THE FINAL DIVIDEND
OUT OF THE SHARE PREMIUM ACCOUNT,
ADOPTION OF THE NEW ARTICLES OF ASSOCIATION,
ADOPTION OF THE 2024 SHARE AWARD SCHEME AND
TERMINATION OF THE POST-IPO SHARE OPTION SCHEME,
CLOSURE OF REGISTER OF MEMBERS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of Meitu, Inc. (the “**Company**”) to be held at Studio 1, Level 7, W Hong Kong, 1 Austin Road West, Kowloon Station, Kowloon, Hong Kong on Wednesday, June 5, 2024 at 10:00 a.m. (Hong Kong time) (the “**AGM**”) is set out on pages 46 to 52 of this circular. The form of proxy for use at the AGM is also enclosed with this circular. The form of proxy is also published on the websites of the Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (www.meitu.com).

Whether or not you intend to attend the AGM, you are requested to complete the proxy form in accordance with the instructions printed thereon and return the same to the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the AGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting at the AGM, or any adjourned meeting, in person should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

May 8, 2024

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DEFINITIONS

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

“2024 Share Award Scheme”	the new share award scheme which is proposed to be adopted by the Company pursuant to an ordinary resolution to be passed by the Shareholders at the AGM, a summary of the principal terms of which is set out in Appendix IV to this circular
“AGM”	the annual general meeting of the Company to be held at Studio 1, Level 7, W Hong Kong, 1 Austin Road West, Kowloon Station, Kowloon, Hong Kong on Wednesday, June 5, 2024 at 10:00 a.m. (Hong Kong time)
“Actual Selling Price”	the actual price at which the Award Shares are sold (net of brokerage, the Hong Kong Stock Exchange trading fee, SFC transaction levy, Financial Reporting Council transaction levy and any other applicable costs) on vesting of an Award pursuant to the 2024 Share Award Scheme or in the case of a vesting when there is an event of change in control or privatisation of the Company or a general offer, compromise or arrangement, the consideration receivable under the related scheme or offer
“Adoption Date”	June 5, 2024, being the date on which the 2024 Share Award Scheme is to be approved by the Shareholders at the AGM
“Articles of Association”	the second amended and restated articles of association of the Company currently in force
“associate(s)”	shall have the meaning as defined under the Listing Rules
“Audit Committee”	the audit committee of the Company
“Award”	an award granted by the Board or its delegate(s) to a Selected Participant, which may vest in the form of Award Shares or the Actual Selling Price of the Award Shares in cash, as the Board or its delegate(s) may determine in accordance with the terms of the 2024 Share Award Scheme
“Award Letter”	the letter issued by the Company to each Selected Participant in such form as determined from time to time by the Board or its delegate(s), specifying the date on which the grant of an Award is made to a Selected Participant (being the date of the Award Letter), the number of Award Shares, the vesting criteria and conditions, the vesting date and such other details as they may consider necessary

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“Award Period”	the period of ten years commencing on the date on which the last of the conditions for the adoption the 2024 Share Award Scheme as set out in paragraph 8 headed “ <i>Adoption of the 2024 Share Award Scheme and Termination of the Post-IPO Share Option Scheme – Adoption of the 2024 Share Award Scheme</i> ” is fulfilled
“Award Shares”	the Shares granted under the 2024 Share Award Scheme to a Selected Participant in an Award
“Board”	the board of Directors
“Cayman Companies Act”	the Companies Act (as revised) of the Cayman Islands
“Company” “our Company” “the Company”, or “Meitu”	Meitu, Inc. 美图公司, an exempted company with limited liability incorporated under the laws of the Cayman Islands on July 25, 2013 and carries on business in Hong Kong as “美圖之家” (in Chinese) as approved and registered with the Registrar of Companies in Hong Kong on October 28 and November 7, 2016, respectively and the Shares of which are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“Eligible Person(s)”	any person belonging to one of the following classes of participants: (a) any Employee Participant; (b) any Related Entity Participant; (c) any Service Provider; or (d) any Eligible Vehicle of any of the above persons (as maybe approved by the Hong Kong Stock Exchange, if required)

however, no individual who is a resident, or Eligible Vehicle which is incorporated, in a place where the grant, acceptance or vesting of an Award pursuant to the 2024 Share Award Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board or its delegate(s), compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, shall be entitled to participate in the 2024 Share Award Scheme and such individual shall therefore be excluded from the term “Eligible Person(s)”

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“Eligible Vehicle(s)”	any trust, partnership, company, incorporated body or other form of legal entity of which or in which any Employee Participant, Related Entity Participant, Service Provider being individuals and/or any of his/her Family Member(s) is/are the sole beneficiary(ies) or holds all the beneficial interests
“Employee Participant”	means any director (including executive directors, non-executive directors and independent non-executive directors) or employee (whether full-time or part-time employee) of the Company or any of its Subsidiaries (including persons who are granted Awards under the 2024 Share Award Scheme as an inducement to enter into employment contracts with the Company or any of its Subsidiaries), provided that the Board shall have absolute discretion to determine whether or not one falls within such category
“Existing Share Award Scheme”	the existing share award scheme adopted by the Company pursuant to a written resolutions of the Shareholders passed on November 25, 2016, details of which were disclosed in the prospectus of the Company dated December 5, 2016
“Family Member(s)”	<p>in relation to an individual, any of the following persons:</p> <ul style="list-style-type: none">(a) his spouse, his (or his spouse’s) child or step-child, natural or adopted;(b) a person cohabiting with him as a spouse, or his parent, stepparent, brother, step-brother, sister or step-sister; or(c) father in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, grandparent, grandchild, uncle, aunt, cousin, nephew or niece <p>provided that the Board shall have absolute discretion to determine whether a person falls within any of the above categories</p>
“Final Dividend”	the proposed final dividend of HK\$0.036 per Share in cash out of the Share Premium Account as recommended by the Board
“Grant Date”	the date on which the grant of an Award is made to a Selected Participant, being the date of an Award Letter
“Grantee”	any Eligible Person approved for participation in the 2024 Share Award Scheme and who has been granted any Award pursuant to the terms of the 2024 Share Award Scheme

DEFINITIONS

“Group”, “our Group”, or “the Group”	the Company, its subsidiaries, together with Xiamen Meitu Networks Technology Co., Ltd. and Xiamen MeituEve Networks Services Co., Ltd. and their respective subsidiaries, and the expression “member(s) of the Group” shall be construed accordingly
“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
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Latest Practicable Date”	April 26, 2024, being the latest practicable date of ascertaining certain information contained in this circular prior to its publication
“Listing Date”	December 15, 2016, the date on which the Shares were listed on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“New Articles of Association”	the third amended and restated articles of association of the Company to be considered and approved for adoption by the Shareholders at the AGM
“Nomination Committee”	the nomination committee of the Company
“Notice of AGM”	the notice dated May 8, 2024 convening the AGM as set out on pages 46 to 52 of this circular
“NYSE”	the New York Stock Exchange
“on-market”	the trading of Shares through one or more transactions through the facilities of the Hong Kong Stock Exchange in accordance with the Listing Rules and any other applicable laws and regulations
“PRC”	the People’s Republic of China
“Post-IPO Share Option Scheme”	the share option scheme adopted by the Company on November 25, 2016, details of which were disclosed in the prospectus of the Company dated December 5, 2016

DEFINITIONS

“Related Entity”	the holding companies, fellow subsidiaries or associated companies of the Company
“Related Entity Participant(s)”	any director and employee of the Related Entity, provided that the Board shall have absolute discretion to determine whether one falls within such category
“Related Income”	all cash income derived from the Award Shares (i.e. cash dividends declared and paid on the Award Shares) excluding any interest earned on such cash income and held on Trust for the benefit of the Selected Participant
“Remuneration Committee”	the remuneration committee of the Company
“Returned Shares”	such Award Shares that are not vested and/or are forfeited in accordance with the terms of the 2024 Share Award Scheme, or such Shares being deemed to be Returned Shares under the rules of the 2024 Share Award Scheme
“Returned Trust Funds”	all cash income derived from the Returned Shares (i.e. cash dividends declared and paid on the Returned Shares) or otherwise derived pursuant to the 2024 Share Award Scheme, in either case excluding any interest earned on such cash income and held on Trust for the purpose of the 2024 Share Award Scheme
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Scheme Mandate Limit”	the total number of Shares which may be issued in respect of all Awards to be granted under the 2024 Share Award Scheme and any other share schemes of the Company, which must not in aggregate exceed 10% of the total number of Shares as at the Adoption Date or the relevant date of approval of the refreshment of the Scheme Mandate Limit by the Shareholders in general meeting
“Selected Participant(s)”	any Eligible Person approved for participation in the 2024 Share Award Scheme and who has been granted any Award pursuant to the rules of the 2024 Share Award Scheme
“Service Provider(s)”	any person (including any entity) providing services to the Group on a continuing and recurring basis in the ordinary and usual course of business of the Group, the grant of Award Shares to whom is in the interests of the long-term growth of the Group or which will contribute to the growth of the Group’s financial or business performance as determined by the Board, namely:

DEFINITIONS

- (i) any person (including any entity) providing consultancy, advisory, business (including but not limited to business development, design, sales, marketing, advertising, financial, algorithmic, research and development, engineering, technical, product commercialization, innovation, strategic planning, IT and coding products and/or services etc.), investor relation, investment and/or management related products and/or services to the Group in connection with the Group's business; and
- (ii) any person (including any entity) providing services in the nature similar as those provided by an employee but as an independent contractor or on a self-employment basis for specific projects for the Group

but, for the avoidance of doubt, excluding (i) placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions of the Company or its subsidiaries; and (ii) professional service providers such as auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity

“Service Provider Sublimit”

the total number of Shares which may be issued in respect of all Awards to be granted to Service Providers under the 2024 Share Award Scheme and any other share schemes of the Company, which must not in aggregate exceed 1% of the total number of Shares as at the Adoption Date

“SFO”

the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or modified from time to time

“Share Buy-back Mandate”

a general mandate proposed to be granted to the Directors to exercise the power of the Company to buy back Shares up to a maximum of 10% of the total number of issued Shares as at the date of passing of the resolution approving the Share Buy-back Mandate

“Share Issue Mandate”

a general mandate proposed to be granted to the Directors to exercise the power of the Company to allot, issue and deal with Shares to a maximum of 20% of the total number of issued Shares as at the date of passing of the resolution approving the Share Issue Mandate

DEFINITIONS

“Share Premium Account”	the share premium account of the Company, the amount standing to the credit of which was approximately RMB7,093.8 million (equivalent to approximately HK\$7,818.6 million) as at December 31, 2023 based on the audited consolidated financial statements of the Company for the financial year ended December 31, 2023
“share schemes”	shall have the meaning ascribed to it in Chapter 17 of the Listing Rules
“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 Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary(ies)”	shall have the meaning ascribed to it in Rule 1.01 of the Listing Rules
“Takeovers Code”	The Code on Takeovers and Mergers and Share Buy-backs
“Trust”	the trust constituted by the trust deed to be entered into between the Company and the Trustee to service the 2024 Share Award Scheme
“Trustee”	the trustee to be appointed by the Company for the purpose of the Trust, and initially, The Core Trust Company Limited, a company incorporated in Hong Kong
“US\$”	United States dollars, the lawful currency of the United States
“%”	per cent

LETTER FROM THE BOARD

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)

Executive Directors:

Mr. WU Zeyuan
(Chairman and Chief Executive Officer)

Non-Executive Directors:

Dr. GUO Yihong
Dr. LEE Kai-fu
Mr. CHEN Jiarong
Mr. HONG Yupeng

Independent Non-Executive Directors:

Mr. ZHOU Hao
Mr. LAI Xiaoling
Ms. KUI Yingchun

Registered Office:

The offices of Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
PO Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Principal Place of Business in Hong Kong:

Room 8106B, Level 81
International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

May 8, 2024

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR
RE-ELECTION OF THE RETIRING DIRECTORS,
RE-APPOINTMENT OF THE COMPANY’S AUDITOR,
GENERAL MANDATES TO ISSUE SHARES AND BUY BACK SHARES,
PROPOSED DECLARATION AND PAYMENT OF THE FINAL DIVIDEND
OUT OF THE SHARE PREMIUM ACCOUNT,
ADOPTION OF THE NEW ARTICLES OF ASSOCIATION,
ADOPTION OF THE 2024 SHARE AWARD SCHEME AND
TERMINATION OF THE POST-IPO SHARE OPTION SCHEME,
CLOSURE OF REGISTER OF MEMBERS
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide you with information in connection with, the proposals to (i) re-elect the retiring Directors; (ii) re-appoint PricewaterhouseCoopers as auditor of the Company; (iii) grant to the Directors the Share Issue Mandate; (iv) the Share Buy-back Mandate; (v) declare and approve the payment of the Final Dividend out of the Share Premium Account; (vi) adopt the New Articles of Association; (vii) adopt the 2024 Share Award Scheme and terminate the Post-IPO Share Option Scheme; and (viii) give you the Notice of AGM.

LETTER FROM THE BOARD

2. RE-ELECTION OF RETIRING DIRECTORS

The Board currently consists of eight Directors, Mr. WU Zeyuan, Dr. GUO Yihong, Dr. LEE Kai-fu, Mr. CHEN Jiarong, Mr. HONG Yupeng, Mr. ZHOU Hao, Mr. LAI Xiaoling and Ms. KUI Yingchun.

Pursuant to Article 84 of the Articles of Association, Mr. WU Zeyuan, Mr. LAI Xiaoling, Ms. KUI Yingchun and Dr. LEE Kai-fu will retire by rotation at the AGM. Ms. KUI Yingchun and Dr. LEE Kai-fu will not offer themselves for re-election as Director at the AGM in order to devote more time to focus on their other personal and business commitments, while Mr. WU Zeyuan and Mr. LAI Xiaoling, being eligible, will offer themselves for re-election.

The Nomination Committee had reviewed the annual confirmation of independence provided by Mr. LAI Xiaoling, who is an independent non-executive Director, and is satisfied that he meets the independence criteria as set out in Rule 3.13 of the Listing Rules.

The Board is also not aware of any circumstance that might influence Mr. LAI Xiaoling in exercising independent judgment, and is satisfied that he has the required character, integrity, independence and experience to fulfill the role of an independent non-executive Director and he will be able to maintain an independent view of the Group's affairs. The Board considers Mr. LAI Xiaoling to be independent.

The Nomination Committee had reviewed the structure, size and composition (including the skills, knowledge and experience) of the Board, and had considered the perspectives, skills, experience and diversity that the above retiring Directors (except for Ms. KUI Yingchun and Dr. LEE Kai-fu who will not offer themselves for re-election at the AGM) can bring or contribute to the Board, and nominated the above retiring Directors (except for Ms. KUI Yingchun and Dr. LEE Kai-fu who will not offer themselves for re-election at the AGM) to the Board for it to propose to the Shareholders for their re-election at the AGM.

Accordingly, with the recommendation of the Nomination Committee, the Board has proposed that Mr. WU Zeyuan and Mr. LAI Xiaoling shall stand for re-election as Directors at the AGM.

Brief biographical details of the retiring Directors proposed to be re-elected at the AGM are set out in Appendix II to this circular.

If any Shareholder wishes to nominate candidate(s) for election as Director(s) at the AGM in accordance with the Articles of Association and the applicable laws, the period for lodging a written notice for such nomination(s) is between May 9, 2024 and May 17, 2024. Shareholders may refer to the "Procedures for Shareholders to Propose a Person for Election as a Director of the Company" adopted by the Company pursuant to a resolution passed at the meeting of the Board held on November 20, 2016 and published on the website of the Company (www.meitu.com) for further details.

3. RE-APPOINTMENT OF PRICEWATERHOUSECOOPERS AS THE AUDITOR OF THE COMPANY

The Board proposes to re-appoint PricewaterhouseCoopers as the auditor of the Company to hold office until the conclusion of the next annual general meeting. A resolution will also be proposed to authorize the Board to fix the auditor's remuneration. PricewaterhouseCoopers has indicated its willingness to be re-appointed as the Company's auditor for the said period.

LETTER FROM THE BOARD

4. SHARE ISSUE MANDATE

On June 1, 2023, an ordinary resolution was passed by the Shareholders to give a general mandate to the Directors to allot, issue and deal with Shares. Such general mandate will lapse at the conclusion of the AGM. It is therefore proposed to renew such general mandate at the AGM. An ordinary resolution item 5 will be proposed at the AGM to grant a general mandate to the Directors to allot, issue and otherwise deal with additional Shares up to a limit equal to 20% of the total number of issued Shares as at the date of passing the ordinary resolution.

As at the Latest Practicable Date, the issued share capital of the Company comprised 4,534,856,084 Shares. Assuming that there is no change in the issued share capital during the period from the Latest Practicable Date to the date of passing the ordinary resolution item 5, the maximum number of Shares which may be issued pursuant to the Share Issue Mandate will be 906,971,216 Shares.

In addition, a separate ordinary resolution item 7 will also be proposed to approve the extension of the Share Issue Mandate by adding to the total number of Shares which may be allotted and issued by the Directors pursuant to the Share Issue Mandate the number of Shares representing such number of Shares bought back under the Share Buy-back Mandate.

As at the Latest Practicable Date, the Company and the Directors have no present intention to issue any Shares under the Share Issue Mandate (if granted to the Directors at the AGM).

5. SHARE BUY-BACK MANDATE

On June 1, 2023, an ordinary resolution was passed by the Shareholders to give a general mandate to the Directors to exercise the powers of the Company to buy back its own Shares. Such general mandate will lapse at the conclusion of the AGM. It is therefore proposed to renew the Share Buy-back Mandate at the AGM. An ordinary resolution item 6 will be proposed at the AGM to grant the Share Buy-back Mandate to the Directors, which will allow them to cause the Company to buy back Shares of up to 10% of the total number of issued Shares as at the date of passing the ordinary resolution item 6.

As at the Latest Practicable Date, the issued share capital of the Company comprised 4,534,856,084 Shares. Assuming that there is no change in the issued share capital during the period from the Latest Practicable Date to the date of passing the ordinary resolution item 6, the maximum number of Shares which may be bought back pursuant to the Share Buy-back Mandate will be 453,485,608 Shares.

An explanatory statement required by the Listing Rules to be sent to the Shareholders in connection with the Share Buy-back Mandate is set out in Appendix I to this circular. This explanatory statement contains all information reasonably necessary to enable you to make an informed decision on whether to vote for or against the ordinary resolution to approve the Share Buy-back Mandate.

The Share Issue Mandate (including the extended Share Issue Mandate) and the Share Buy-back Mandate, if granted, shall continue to be in force during the period from the passing of the resolutions for the approval of the Share Issue Mandate (including the extended Share Issue Mandate) and the Share Buy-back Mandate up to (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the laws of the Cayman Islands or the Articles of Association to be held; or (iii) the revocation or variation of the Share Issue Mandate (including the extended Share Issue Mandate) or the Share Buy-back Mandate (as the case may be) by ordinary resolution of the Shareholders in a general meeting, whichever occurs first.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the Company and the Directors have no present intention to exercise the Share Buy-back Mandate (if granted to the Directors at the AGM).

6. PROPOSED DECLARATION AND PAYMENT OF THE FINAL DIVIDEND OUT OF THE SHARE PREMIUM ACCOUNT

Reference is made to the announcement of the Company dated March 15, 2024 in relation to, amongst others, the annual results of the Group for the year ended December 31, 2023 and the proposed declaration and payment of the Final Dividend.

Subject to the satisfaction of the conditions set forth below, the Board proposes the declaration and payment of the Final Dividend of HK\$0.036 per Share out of the Share Premium Account.

As at the Latest Practicable Date, the Company has 4,534,856,084 Shares in issue. Based on the number of issued Shares as at the Latest Practicable Date, the Final Dividend, if declared and paid, will amount to approximately HK\$163.3 million (equivalent to approximately RMB148.1 million). Subject to the fulfilment of the conditions set out in the section headed “Conditions of the Declaration and Payment of the Final Dividend out of the Share Premium Account” below, the Final Dividend is intended to be paid out of the Share Premium Account pursuant to Articles 133 and 134 of the Articles of Association.

As at December 31, 2023, based on the audited consolidated financial statements of the Company for the year ended December 31, 2023, the amount standing to the credit of the Share Premium Account was approximately RMB7,093.8 million (equivalent to approximately HK\$7,818.6 million). Following the payment of the Final Dividend, there will be a remaining balance of approximately RMB6,945.7 million (equivalent to approximately HK\$7,655.4 million) standing to the credit of the Share Premium Account.

Conditions of the Declaration and Payment of the Final Dividend out of the Share Premium Account

The declaration and payment of the Final Dividend out of the Share Premium Account is conditional upon the satisfaction of the following conditions:

- (a) the passing of an ordinary resolution by the Shareholders at the AGM declaring and approving the payment of the Final Dividend out of the Share Premium Account pursuant to Articles 133 and 134 of the Articles of Association; and
- (b) the Directors being satisfied that the Company will, immediately following the date on which the Final Dividend is paid, be able to pay its debts as they fall due in the ordinary course of business.

The conditions set out above cannot be waived. If the conditions set out above are not satisfied, the Final Dividend will not be paid.

Subject to the fulfilment of the above conditions, it is expected that the Final Dividend will be paid in cash on or about June 26, 2024 to those Shareholders whose names appear on the register of members of the Company at close of business on June 14, 2024, being the record date for determination of entitlements to the Final Dividend.

LETTER FROM THE BOARD

Reasons for and effect of the declaration and payment of the Final Dividend out of the Share Premium Account

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 Final Dividend at the holding company level. Having taken into account a number of factors including cash flow and financial condition of the Company, the Board considers it appropriate and proposes that Final Dividend be paid out of the Share Premium Account in accordance with Articles 133 and 134 of the Articles of Association. The Board considers that it may be unnecessary to maintain the Share Premium Account at the current level and it is appropriate to distribute the Final Dividend in recognition of Shareholders' support.

After taking into account a number of factors including the cash flow and financial condition of the Company, the Board considers it appropriate and proposes that the Final Dividend be paid out of the Share Premium Account in accordance with Articles 133 and 134 of the Articles of Association and the Cayman Companies Act. The Board considers such arrangement to be in the best interests and for the commercial benefit of the Company and its Shareholders as a whole.

The Board believes that the payment of the Final 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 Final Dividend is paid, be unable to pay its debts as they fall due in the ordinary course of business.

7. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND ADOPTION OF THE NEW ARTICLES OF ASSOCIATION

In order to (i) bring the Articles of Association in line with the relevant requirements of the applicable laws of the Cayman Islands and recent amendments to the Listing Rules in relation to the expanded paperless listing regime, (ii) provide greater flexibility for disseminating corporate communications to Shareholders electronically to the extent permitted by the applicable laws of the Cayman Islands and the Listing Rules, and (iii) make some other housekeeping changes, the Board proposes to amend the Articles of Association by way of adopting the New Articles of Association in substitution for and to the exclusion of the Articles of Association. Details of the proposed amendments to be made to the Articles of Association to be incorporated into the New Articles of Association are set out in Appendix III of this circular.

Notwithstanding the proposed amendments to the Articles of Association, the contents of the other articles of the Articles of Association shall remain unchanged.

The Company has been advised by its legal advisers that the proposed amendments of the Articles of Association conform with the Listing Rules (including the requirements of Appendix A1) and the laws of the Cayman Islands. The Company also confirms that there is nothing unusual about the proposed amendments to the Articles of Association for a company listed on the Stock Exchange.

LETTER FROM THE BOARD

A special resolution will be proposed at the AGM for the Shareholders to, among others, consider and, if thought fit, approve the adoption of the New Articles of Association (incorporating the proposed amendments to the Articles of Association). The New Articles of Association will take effect on the date on which the New Articles of Association is approved at the AGM by way of a special resolution.

8. ADOPTION OF THE 2024 SHARE AWARD SCHEME AND TERMINATION OF THE POST-IPO SHARE OPTION SCHEME

The Existing Share Award Scheme and the Post-IPO Share Option Scheme

The Existing Share Award Scheme was adopted by the Company on November 25, 2016 and is valid for a period of ten years from such adoption date. The maximum number of Shares underlying all grants made pursuant to the Existing Share Award Scheme shall not exceed 211,364,727 Shares, representing 5% of the aggregated nominal amount of the issued capital of the Company at the above adoption date. As at the Latest Practicable Date, 37,661,521 Shares were available for future grants pursuant to the Existing Share Award Scheme.

The Post-IPO Share Option Scheme was also adopted by the Company on November 25, 2016 and is valid and effective for a period of 10 years commencing on the adoption date. As at the Latest Practicable Date, no options had been granted, agreed to be granted, exercised, cancelled or lapsed pursuant to the Post-IPO Share Option Scheme and the Board has no current intention of granting any options under the Post-IPO Share Option Scheme.

In connection with the amendments of Chapter 17 of the Listing Rules which took effect on January 1, 2023, the Hong Kong Stock Exchange requires the listed issuers to amend the terms of the relevant share schemes existing as at January 1, 2023 to comply with the amended Chapter 17 on or before the refreshment of the scheme mandate limit. Therefore, the Company proposes to adopt the 2024 Share Award Scheme, the provisions of which will comply with the requirements of amended Chapter 17 of the Listing Rules. For the avoidance of doubt, the Existing Share Award Scheme will not be terminated by virtue of the adoption of the 2024 Share Award Scheme, but no further grants of Share awards will be made by the Company under the Existing Share Award Scheme upon the approval by the Shareholders of the adoption of the 2024 Share Award Scheme at the AGM. Any unvested award Shares granted under the Existing Share Award Scheme prior to the AGM shall continue to be valid in accordance with the Existing Share Award Scheme. As at the Latest Practicable Date, there were 34,020,474 unvested award shares granted under the Existing Share Award Scheme. In view of the amendments of Chapter 17 of the Listing Rules and as the Scheme Mandate Limit is required to apply to all share schemes of the Company, the Company proposes to terminate the Post-IPO Share Option Scheme upon the adoption of the 2024 Share Award Scheme. Upon such termination, no further share options may be offered or granted under the Post-IPO Share Option Scheme but the provisions of the Post-IPO Share Option Scheme shall remain in full force to the extent necessary to give effect to the exercise of any options granted prior to the termination. The Company may, as and when it considers appropriate, propose the adoption of a new share option scheme in the future in accordance with the requirements of Chapter 17 of the Listing Rules.

Save for the above, the Company had no other subsisting share schemes as at the Latest Practicable Date.

LETTER FROM THE BOARD

Adoption of the 2024 Share Award Scheme

The Board proposes the adoption of the 2024 Share Award Scheme, which will be valid for 10 years from the Adoption Date. The purpose of the 2024 Award Share Scheme is to replace the Existing Share Award Scheme and to enable the Company to grant Award Shares to the selected Eligible Persons as incentives or rewards for their contribution or potential contribution to the development and long-term growth of the Group, as well as to attract and retain talents.

Pursuant to the 2024 Share Award Scheme, the Award Shares will be satisfied by new Shares to be allotted and issued by the Company to the Trustee, or through on-market acquisitions of existing Shares by the Trustee at the prevailing market price.

The adoption of the 2024 Share Award Scheme is conditional upon:

- (a) The passing of an ordinary resolution by the Shareholders to approve the adoption of the 2024 Share Award Scheme and to authorise the Board to grant Awards under the 2024 Share Award Scheme and to allot and issue, procure the transfer of and otherwise deal with the Award Shares in connection with the 2024 Share Award Scheme; and
- (b) the Listing Committee of the Hong Kong Stock Exchange granting the approval of the listing of and permission to deal in the Award Shares underlying any Awards which may be granted pursuant to the 2024 Share Award Scheme.

(a) Purpose of the 2024 Share Award Scheme

The purposes of the 2024 Share Award Scheme are: (a) to align the interests of Eligible Persons with those of the Group through ownership of Shares, dividends and other distributions paid on Shares and/or the increase in value of the Shares; and (b) to encourage and retain Eligible Persons to make contributions to the long-term growth and profits of the Group.

(b) Scope of Eligible Persons

Eligible Persons under the 2024 Share Award Scheme includes any Employee Participant, Related Entity Participant, Service Provider and/or their respective Eligible Vehicles.

In determining the eligibility of Employee Participants (for this purpose including their Eligible Vehicles), the Board will consider, among others, their general working performance, contribution to the Group's overall performance, time commitment (full-time or part-time), length of their service within the Group, working experience, responsibilities and/or employment conditions with reference to the prevailing market practice and industry standard.

As at the Latest Practicable Date, the Company had no present intention to grant any Awards to the independent non-executive Directors under the 2024 Share Award Scheme. However, having considered that (i) equity-based remuneration continues to be an important means of ensuring alignment between the interests of shareholders and all Board members, including the independent non-executive Directors and (ii) independent non-executive Directors may provide crucial contributions to the Group's development and business in providing valuable insight and advices to the Company with their deep industry knowledge and professional background, the Board believes the inclusion of independent non-executive Directors as eligible participants of the 2024 Share Award Scheme and the flexibility to grant share awards to them in addition to cash-based incentives will allow the Company to keep its remuneration package competitive in order to attract and retain talents.

LETTER FROM THE BOARD

The Company is of the view that the independence and impartiality of the independent non-executive Directors will not be impaired by any potential grant of the Awards for the following reasons: (i) the independent non-executive Directors will continue to comply with the independence requirement under Rule 3.13 of the Listing Rules; (ii) approval by independent Shareholders in the manner prescribed under Rule 17.04(4) of the Listing Rules will be required if any Award is to be granted to independent non-executive Directors or any of their respective associates would result in the total number of Shares issued and to be issued in respect of the Awards granted and to be granted to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue; and (iii) the Board will be mindful of the recommended best practice E.1.9 of the corporate governance code set out in Appendix C1 to the Listing Rules that issuers should generally not grant equity-based remuneration with performance-related elements to independent non-executive directors when considering any future grants of Award Shares to the independent non-executive Directors.

In determining the eligibility of Related Entity Participants (for this purpose including their Eligible Vehicles), the Board will consider, among others, their participation and contribution to the development of the Group and/or the extent of benefits and synergies brought to the Group.

In determining the eligibility of the Service Providers (for this purpose including their Eligible Vehicles), the Board will consider, among others, (i) their experience and expertise in the industries that the Group operates from time to time, continuity and/or frequency of their services to the Group; (ii) their involvement or significance in promoting the business of the Group, in particular, whether such Service Provider could bring positive impacts to the Group's business with regard to factors such as the actual or expected increase in the Group's revenue or profits or reduction in costs which is or may be attributable to the Service Providers; and (iii) where appropriate, contribution or potential contribution to the long-term growth of the Group. In relation to those which fall within category (i) in the definition of the Service Providers, the Board will also take into consideration their background, reputation and track record and the scale of their business dealings with the Group in assessing their eligibility. In assessing whether the Service Provider provides services to the Group on a continuing and recurring basis, the Board shall take into consideration, among others, (a) the mode, length and type of services provided to the Group and the recurrences and regularity of such services; (b) the period of engagement of the Service Provider, and benchmark the metrics used for (a) and (b) against those Employee Participants to whom (or to whose Eligible Vehicles) the Group provides equity incentives. In assessing whether the Service Provider provides services to the Group in the Company's ordinary and usual course of business, the Board or the committee of the Board shall take into consideration the nature and significance of the services provided to the Group by the Service Provider, and whether such services form part of or are directly ancillary to the businesses conducted by the Group, as disclosed in the Company's financial reports from time to time.

Considering the Group's hiring practices and organisational structures and that Service Providers and Related Entity Participants have contributed to the long-term growth of the Group's businesses, the Board is of the view that it would be in the Company's interest to also have the flexibility to grant Awards to the Related Entity Participants and Service Providers in recognition of their contribution to the Group. The relevant scope is also consistent with scope of grantees approved by the Company under the existing share schemes. The Directors (including the independent non-executive Directors) also consider that it is beneficial to include the Related Entity Participants and Service Providers since a sustainable and stable relationship with them is essential to the business development of the Group, and that the grant of Award Shares to these non-employee participants will align their interests with the Group's,

LETTER FROM THE BOARD

incentivizing them to provide better services to, create more opportunities for and/or contribute to the success of the Group in the long run. This, in turn, aligns with the purpose of the 2024 Share Award Scheme.

More specifically, the Board (including the independent non-executive Directors) is of the view that:

- (i) the Related Entity Participants have close working relationship with the Group, and are valuable human resources and have significant influence on the growth, development, business operations and the financial performance of the Group. It is therefore in the interest of the Company and the Shareholders, and is in line with the purposes of the 2024 Share Award Scheme to include the Related Entity Participants in recognition of their contribution to the Group; and
- (ii) the collaboration and long-term working relationship with the Service Providers, and the contribution of their specialized skills and connections through the provision of value-adding consultancy, advisory, business (including but not limited to business development, design, sales and marketing, advertising, financial, algorithmic, IT and coding services etc.) and management services to the Group, is considered to be important to the success of the Group's future business and future developments. In particular, with the rapid expansion of the Group's overseas business in jurisdictions where it is not practical to set up local subsidiaries to hire local employees, the Group has engaged and intends to continue to engage Service Providers in such jurisdictions to provide consultancy, business and management services in order to support the Group's overseas business. The inclusion of the Service Providers as a category of the Eligible Persons would enable the Group to preserve its cash resources, and instead, use share incentives to attract persons of talent outside of the Group.

Therefore, the Board (including the independent non-executive Directors) considers that the proposed categories of the Related Entity Participants and the Service Providers are in line with the Company's business needs and the industry norm, desirable and necessary from a commercial perspective and help maintain or enhance the business needs of the Group. Through the grant of the Award Shares, such Eligible Persons and the Group will have a common goal in the growth and development of the Group's business, and will enable the Company to attract persons of talent outside of the Group, whilst aligning their interests with and increasing their loyalty to the Group.

Further, the scope of Eligible Persons is consistent with scope of grantees approved by the Company under its past share schemes, as well as, to the best knowledge of the Directors, the practices of peer companies that operate in similar or comparable industries to that of the Group or other companies listed in Hong Kong and their remuneration or compensation packages, and accordingly, the Board (including the independent non-executive Directors) considers that it is appropriate to enhance the long-term relationship with these Eligible Persons by aligning their interests with that of the Company and Shareholders. Based on the above, the Board (including the independent non-executive Directors) believes that the proposed scope of "Eligible Persons", and the criteria for determining the eligibility of the Related Entity Participants and the Service Providers, align with the purpose of the 2024 Share Award Scheme and the long term interests of the Company and its shareholders as a whole.

LETTER FROM THE BOARD

The Board has sought legal advice on the prospectus requirements under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap 32 of the Laws of Hong Kong) (the “**Ordinance**”) and understands the adoption of the 2024 Share Award Scheme and the grant of Share Awards thereunder would not constitute an offer or invitation to the public within the meaning of the Ordinance and therefore the prospectus requirements thereunder are not applicable.

(c) Scheme Mandate Limit and Service Provider Sublimit

As at the Latest Practicable Date, there were 4,534,856,084 Shares in issue. Assuming that no further Shares will be allotted, issued, repurchased or cancelled prior to the AGM and after the resolutions regarding the adoption of the 2024 Share Award Scheme and the approval of the Service Provider Sublimit are passed at the AGM and that there is no change to the relevant mandate limit specified by the Hong Kong Stock Exchange, (i) the total number of Shares which may be issued in respect of all options and/or awards under the 2024 Share Award Scheme and other share schemes of the Company (i.e. the Scheme Mandate Limit) would be no more than 453,485,608 Shares, representing no more than approximately 10% of the total number of Shares in issue as at the Adoption Date; and (ii) within the Scheme Mandate Limit, the total number of Shares that may be issued under the 2024 Share Award Scheme and other share schemes of the Company to the Service Providers (i.e. the Service Provider Sublimit) would be no more than 45,348,560 Shares, representing no more than approximately 1% of the total number of Shares in issue as at the Adoption Date.

The Service Provider Sublimit is determined after considering a number of factors, including (i) the potential dilution effect arising from grants to Service Providers, (ii) the importance of striking a balance between achieving the purpose of the 2024 Share Award Scheme and protecting the Shareholders from the dilution effect from granting a substantial amount of Award Shares to the Service Providers, (iii) the extent of use of the Service Providers in the Group’s businesses, the current payment and/or settlement arrangement with the Service Providers, (iv) the expected contribution to the development and growth of the Company attributable to the Service Providers and (v) the sublimit represents a maximum limit and that the Company retains the flexibility to allocate Award Shares from this sublimit to satisfy Awards to other Eligible Persons depending on business growth and needs in the future as and when appropriate. The dilution of Shareholders’ interest resulting from the adoption of the 2024 Share Award Scheme will not be significant each year given that the grants of Awards to be made pursuant to the Scheme Mandate Limit (and the Service Provider Sublimit) are expected to be spread out over the 10-year term of the 2024 Share Award Scheme (unless the Scheme Mandate Limit or the Service Provider Sublimit is sought to be refreshed, in which case further approval of the Shareholders will be required). Given the above, the Board considers that a Service Provider Sublimit of 1% would not lead to an excessive dilution of shareholding of the existing Shareholders. The Service Provider Sublimit is subject to separate approval by the Shareholders at the AGM.

LETTER FROM THE BOARD

As disclosed on page 5 of the 2023 annual results announcement of the Company dated March 15, 2024, the Group’s “ambition does not stop within Mainland China. The rapid development of the creator economy is clearly a global phenomenon and we believe we are in a position to capture that opportunity. 2023 was already the 10th year that Meitu’s apps have served global users. Revenues from photo, video and design products generated in countries and regions outside Mainland China also grew meaningfully, which accounted for over 50% of that revenue line in 2023. We will continue to build image and video apps localized to the aesthetic standards of global market, and ultimately aim to become a global company”. With the rapid expansion of the Group’s overseas business in jurisdictions where it was not or would not be practical to set up local subsidiaries to hire local employees, the Group engaged and may continue to engage Service Providers in such jurisdictions as service providers to provide consultancy, business and management services to the Group in order to support the Group’s growing overseas business.

Therefore, considering the Group’s hiring practice, organizational structures and business growth and needs in future and that the Service Providers have contributed to the long-term growth of the Company’s businesses, and that the Group has granted awards to Service Providers under the Existing Share Award Scheme in the past (the aggregate number of Shares underlying which grants represent approximately 0.12% of the aggregated nominal amount of the issued capital of the Company at December 16, 2016, being the Listing Date), the Board is of the view that, the Service Provider Sublimit is appropriate and reasonable, and such limit provides the Group with flexibility to provide equity incentives (instead of expending cash resources in the form of monetary consideration) to reward and collaborate with persons who are not employees or officers of the Group, but who may have exceptional expertise in their field or may be able to provide valuable expertise and services to the Group, which is in line with the purpose of the 2024 Share Award Scheme.

(d) Vesting Period

The vesting period of the Awarded Shares shall not be less than 12 months from the Grant Date save for certain circumstances permitted under the rules of the 2024 Share Award Scheme as disclosed in the paragraph headed “12. Vesting of Award” in Appendix IV to this circular. The Board (including the independent non-executive Directors) and the Remuneration Committee believe that its ability to provide for flexible accelerated exercisability or vesting of an Award in certain cases allows it to provide a competitive remuneration package to attract and retain individuals to provide services to the Group, and to provide for succession planning and the effective transition of staff responsibilities and to reward exceptional performers with accelerated vesting or in exceptional circumstances where justified. The Company should also be allowed discretions to formulate its own talent recruitment and retention strategies in response to changing market conditions and industry competition, and thus should have flexibility to impose vesting conditions such as performance-based vesting conditions instead of time-based vesting criteria depending on individual circumstances.

Therefore, the Board (including the independent non-executive Directors) and the Remuneration Committee are of the view that allowing a shorter vesting period in the circumstances prescribed in the paragraph headed “12. Vesting of Awards” in Appendix IV to this circular is in line with the market practice and is appropriate and aligns with the purpose of the 2024 Share Award Scheme.

LETTER FROM THE BOARD

(e) No purchase price is payable for the Award Shares

The Selected Participant is not required to pay any purchase price to receive the Award Shares comprising an Award which will offer a favourable and accepted means of providing incentive to Selected Participants, and hence, aligns with the purpose of the 2024 Share Award Scheme.

(f) Performance target and clawback mechanism

The Board or its delegate(s) may set performance targets or other criteria or conditions for vesting of Awards in the Award Letter in respect of Awards granted on a case-by-case basis. The performance targets refer to any performance measures, or derivations of such performance measures that may be related to the individual Grantee or the Group as a whole, or to a subsidiary, division, department, region, function or business unit of the Group or the relevant Related Entity Participant or the relevant Service Provider. The Board or its delegate(s) shall take into account the following general factors in making the determination of performance targets, including but not limited to (i) the financial results, operation performance, business growth or other indicators of the Group (or any of its segments), the relevant Related Entity Participant or the relevant Service Provider; and/or (ii) the contribution, work performance as well as other specific personal factors of the individual Grantee that the Board or its delegate(s) may consider relevant.

The Board or its delegate(s) will have regard to the purpose of the 2024 Share Award Scheme in determining the performance target(s), with performance targets generally being in line with common key performance indicators in the industry of the Group, such as quantitative performance targets to be achieved, the Grantee's background/experience, qualitative contributions made or potentially to be made to the Group, and broader audit result trends, subject to amendments or adjustments as the Board or its delegate(s) deem appropriate. In assessing whether such performance targets have been satisfactorily met, the Board will focus on the growth and reputation of the Group, its industry ranking, as well as benchmarking of such key performance metrics against comparable companies in the same industry or a comparable and reputable stock exchange. Therefore, the Board (including the independent non-executive directors) considers that the setting of performance target(s) in appropriate circumstances would align with the purpose of the 2024 Share Award Scheme by incentivizing the Selected Participants to work towards achieving specific performance target(s) that contribute to the Group's success.

In addition, all Award Shares granted which are unvested shall automatically lapse under certain circumstances specified in the 2024 Share Award Scheme. For details of the circumstances in which Awards which are unvested shall lapse, please refer to the paragraph headed "15. Cessation of an Eligible Person, Clawback Mechanism and Lapse of Unvested Awards" in the Appendix IV to this circular. No clawback provisions will apply to the Award Shares and Related Income to the extent they have been vested. The Board believes that the aforesaid will provide the Board with more flexibility in setting the terms and conditions of the Award Shares under particular circumstances of each grant and facilitate the Board's aim to offer meaningful incentives to attract and retain quality personnel that are valuable to the development of the Group and for the benefit of the Group and the Shareholders as a whole.

LETTER FROM THE BOARD

General

None of the Directors is a trustee of the 2024 Share Award Scheme nor has a direct or indirect interest in the Trustee of the 2024 Share Award Scheme. Upon the adoption of the 2024 Share Award Scheme, the Company shall enter into the trust deed to appoint the Trustee for the administration of the 2024 Share Award Scheme. The Trustee is a third party independent of the Company and not connected with any of its connected persons (as defined under the Listing Rules).

It is the Company's usual practice to consider granting awards to eligible persons on a quarterly basis (save in the case of exceptional circumstances). Subject to the above, the Company has no intention to grant any Award Shares under the 2024 Share Award Scheme as at Latest Practicable Date.

A summary of the principal rules of the 2024 Share Award Scheme is set out in Appendix IV to this circular. A copy of the rules of the 2024 Share Award Scheme will be published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.meitu.com) for display for a period of not less than 14 days before the date of the AGM and the rules of the 2024 Share Award Scheme will be made available for inspection at the AGM.

Application will be made to the Listing Committee of the Hong Kong Stock Exchange for the approval of the listing of, and permission to deal in, the Shares which may fall to be issued in respect of all Award Shares to be granted under the 2024 Share Award Scheme.

As at the Latest Practicable Date, no Shareholder had a material interest in the adoption of the 2024 Share Award Scheme or the termination of the Post-IPO Share Option Scheme. As such, no Shareholder is required to abstain from voting on the resolutions in relation thereto and the Service Provider Sublimit.

9. ANNUAL GENERAL MEETING

The notice convening the AGM, which contains, inter alia, ordinary resolutions to approve the Share Issue Mandate, the Share Buy-back Mandate, the extension of the Share Issue Mandate, the payment of the Final Dividend out of the Share Premium Account, the re-election of the retiring Directors, the re-appointment of the auditor of the Company, the adoption of the 2024 Share Award Scheme, the approval of the Service Provider Sublimit and the termination of the Post-IPO Share Option Scheme, and a special resolution to approve the adoption of the New Articles of Association, is set out on pages 46 to 52 of this circular.

10. CLOSURE OF REGISTER OF MEMBERS

The register of members will be closed from Thursday, May 30, 2024 to Wednesday, June 5, 2024, both dates inclusive, during which period no transfer of share will be effected. In order to be eligible to attend and vote at the AGM, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates 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, May 29, 2024.

LETTER FROM THE BOARD

11. VOTING BY WAY OF POLL

All the resolutions at the AGM shall be taken by poll in accordance with Rule 13.39(4) of the Listing Rules and Article 66(1) of the Articles of Association, except where the chairman, in good faith, decides to allow a resolution that relates purely to a procedural or administrative matter to be voted on by a show of hands pursuant to the Listing Rules.

Pursuant to Article 66(1) of the Articles of Association, subject to any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of Shares, at any general meeting on a poll every Shareholder present in person (or in the case of a Shareholder being a corporation, by its duly authorized representative) or by proxy shall have one vote for each fully paid Share registered in his/her/its name in the Company's register of members.

An announcement on the poll vote results will be made by the Company after the AGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

12. ACTION TO BE TAKEN

The Notice of AGM is set out on pages 46 to 52 of this circular.

A proxy form for use at the AGM is enclosed herein. Such form of proxy is also published on the websites of the Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (www.meitu.com). Whether or not you intend to attend the AGM, you are requested to complete the proxy form in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the proxy form will not preclude Shareholders from attending and voting in person at the AGM, or any adjourned meeting, should they so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

13. RECOMMENDATION

The Directors believe that the proposed resolutions mentioned in this circular, including the proposals to re-elect retiring Directors, to re-appoint the Company's auditor, to declare and approve the payment of the Final Dividend out of the Share Premium Account, and to grant to the Directors the Share Issue Mandate (including the extended Share Issue Mandate), the Share Buy-back Mandate, to adopt the New Articles of Association (incorporating the proposed amendments to the Articles of Association), to adopt the 2024 Share Award Scheme and to approve the Service Provider Sublimit, and to terminate the Post-IPO Share Option Scheme are in the interests of the Company as well as to its Shareholders. Accordingly, the Directors recommend that all the Shareholders should vote in favor of all the resolutions relating to the aforesaid matters at the AGM.

LETTER FROM THE BOARD

14. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

Yours faithfully
For and on behalf of the Board of
Meitu, Inc.
WU Zeyuan
Chairman

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide information reasonably necessary to enable you to make an informed decision on whether to vote for or against the ordinary resolution item 6 in respect of the approval of the Share Buy-back Mandate.

1. EXERCISE OF THE SHARE BUY-BACK MANDATE

As at the Latest Practicable Date, the issued share capital of the Company comprised 4,534,856,084 Shares.

Subject to the passing of ordinary resolution item 6, as set out in the Notice of AGM, in respect of the granting of the Share Buy-back Mandate, and on the basis that the issued share capital of the Company remains unchanged on the date of the AGM, i.e. being 4,534,856,084 Shares, the Directors will be authorized under the Share Buy-back Mandate to buy back up to 453,485,608 Shares (representing 10% of the total number of Shares in issue as at the date of the AGM) during the period up to (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws to be held; or (iii) the revocation, variation or renewal of the Share Buy-back Mandate by ordinary resolution of the Shareholders in general meeting, whichever occurs first.

2. REASONS FOR BUY-BACK OF SHARES

The Directors believe that it is in the best interests of the Company and Shareholders to have a general authority from Shareholders to enable the Company to purchase securities of the Company in the market. Such purchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or its earnings per Share and will be made only when the Directors believe that such purchases will benefit the Company and its Shareholders.

The Directors have no present intention to cause the Company to buy back any Shares and they would exercise the power to buy back only in circumstances where they consider that the buy-back would be in the interests of the Company and its Shareholders.

3. FUNDING OF BUY-BACK

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Articles of Association and the applicable laws of the Cayman Islands. The law of the Cayman Islands provides that the amount to be repaid in connection with a share buy-back may be paid from the profits of the Company and/or the proceeds of a new issue of Shares made for the purpose of the buy-back or out of capital, if the Company can, immediately following such payment, pay its debts as they fall due in the ordinary course of business. The Company may not purchase securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

4. IMPACT OF BUY-BACK

The Directors consider that there might be a material adverse effect on the working capital requirements or gearing position of the Company (as compared with the position disclosed in the audited financial statements contained in the annual report of the Company for the year ended December 31, 2023) in the event that the Share Buy-back Mandate is exercised in full at the prevailing market value. However, the Directors do not propose to exercise the Share Buy-back Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or on its gearing position.

5. SHARE PRICES

The table below is a summary of the highest and lowest traded prices in each of the previous twelve months prior to the Latest Practicable Date.

	Highest Traded Price	Lowest Traded Price
	<i>HK\$</i>	<i>HK\$</i>
2023		
April	2.07	1.96
May	2.21	1.74
June	3.55	1.80
July	3.56	2.66
August	3.17	2.22
September	3.53	2.69
October	4.19	3.04
November	4.15	3.08
December	3.99	3.20
2024		
January	3.78	2.25
February	2.68	2.22
March	3.81	2.51
April (up to the Latest Practicable Date)	3.40	2.85

6. EXERCISE OF POWERS BY DIRECTORS

The Directors will exercise the powers of the Company to make buy-backs pursuant to the Share Buy-back Mandate and in accordance with the Listing Rules, the Articles of Association, the laws of Hong Kong and the applicable laws of the Cayman Islands (being the jurisdiction in which the Company was incorporated).

7. INTENTION OF DIRECTORS AND CORE CONNECTED PERSONS TO SELL SHARES

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates (as defined in the Listing Rules), has any present intention, in the event that the Share Buy-back Mandate is approved, to sell any Shares to the Company.

No core connected person (as defined in the Listing Rules) has notified the Company that he or she has a present intention to sell Shares to the Company, or has undertaken not to do so, if the Share Buy-back Mandate is exercised.

8. EFFECT OF TAKEOVERS CODE AND PUBLIC FLOAT

If, on the exercise of the power to buy back Shares pursuant to the Share Buy-back Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. Accordingly, a Shareholder or group of Shareholders acting in concert (as defined in the Takeovers Code), depending on the level of increase in those Shareholders' interest, could obtain or consolidate control of the Company and becomes obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, the following substantial Shareholders were interested in 10% or more of the number of issued Shares as recorded in the register required to be kept by the Company, pursuant to section 336 of the SFO:

Name of Shareholder	Number of Shares interested	Percentage of number of Shares	Percentage of number of Shares (assuming the Share Buy-back Mandate is exercised in full)
CAI Wensheng	1,068,100,000	23.55%	26.17%
Longlink Limited	620,000,000	13.67%	15.19%
Longlink Capital Ltd	620,000,000	13.67%	15.19%
WU Zeyuan	574,496,670	12.67%	14.08%
Easy Prestige Limited	566,666,670	12.50%	13.88%
Xinhong Capital Limited	566,666,670	12.50%	13.88%
Lion Trust (Singapore) Limited	1,398,366,670	30.84%	34.26%

Note:

- (1) The entire interest of Xinhong Capital Limited is held by Easy Prestige Limited, which in turn is held by Lion Trust (Singapore) Limited as the trustee for the benefit of Mr. WU Zeyuan.
- (2) The entire interest of Longlink Capital Ltd is held by Longlink Limited, which in turn is held by Lion Trust (Singapore) Limited as the trustee for the benefit of Mr. CAI Wensheng.
- (3) The entire interest of Easy Prestige Limited and Longlink Limited is held by Lion Trust (Singapore) Limited and is deemed to be interested in these Shares.

In the event that the Directors exercise the proposed Share Buy-back Mandate in full, the interests of the substantial Shareholders in the Company will be increased to approximately the percentages as set out in the table above. As at the Latest Practicable Date, Mr. CAI Wensheng was directly or indirectly interested in 1,068,100,000 Shares as disclosed pursuant to the SFO, which represented approximately 23.55% of the voting rights attaching to the issued share capital of the Company. If the Share Buy-back Mandate is to be exercised in full, which is considered to be unlikely under the current circumstances, Mr. CAI Wensheng would (assuming that there is no change in relevant facts and circumstances) hold approximately 26.17% of the voting rights attaching to the issued share capital of the Company. It is considered that, in the absence of any special circumstances, an obligation to make a mandatory offer as referred to above as a result of a share buy-back is unlikely to arise. Save as aforesaid, the Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any buy-backs pursuant to the Share Buy-back Mandate. The Directors have no present intention to buy back the Shares to the extent that will trigger the obligations under the Takeovers Code to make a mandatory offer.

The Listing Rules prohibit a company from making any buy-back on the Stock Exchange if the result of such buy-back would be that less than 25% (or such other prescribed minimum percentage as determined by the Stock Exchange) of the Company's issued share capital would be publicly held. The Directors do not intend to buy-back Shares to the extent that, after the consummation of any such buy back, less than 25% (or such other prescribed minimum percentage as determined by the Stock Exchange) of the Company's issued share capital would be publicly held.

9. BUY-BACK OF SHARES MADE BY THE COMPANY

The Company has not bought back any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

10. CONFIRMATION

The Company confirms that this explanatory statement contains the information required under Rule 10.06(1)(b) of the Listing Rules and that neither this explanatory statement nor the Share Buy-back Mandate has any unusual features.

The following are the particulars of the retiring Directors proposed to be re-elected at the AGM:

1. Mr. WU Zeyuan

Mr. WU Zeyuan (吳澤源) (also known as: Mr. Wu Xinhong (吳欣鴻)), aged 43, is a founder, executive Director and the Chief Executive Officer and Chairman of our Group. Mr. Wu is responsible for the overall management of the Company. Mr. Wu is also a director of Meitu Investment Ltd, Meitu (China) Limited, Pixocial Holdings Ltd, Pixocial Hong Kong Limited, Pixocial Internet (Xiamen) Technology Co., Ltd. (像素互聯(廈門) 科技有限公司), EveLab Insight, Inc., MeituEve International Limited, Xiamen MeituEve Technology Co., Ltd. (廈門美圖宜膚科技有限公司), Xiamen Meitu Mobile Technology Co., Ltd. (廈門美圖移動科技有限公司), Xiamen Meitu Networks Technology Co., Ltd. (廈門美圖網科技有限公司), Xiamen MeituEve Networks Services Co., Ltd. (廈門美圖宜膚網絡服務有限公司), and Xiamen Home Meitu Technology Co., Ltd. (廈門美圖之家科技有限公司). Mr. Wu has been involved in the Internet industry in PRC since 2000. Mr. Wu completed his undergraduate studies in business administration at Dongbei University of Finance & Economics (東北財經大學) in January 2019, and received his high school diploma from Quanzhou No. 1 High School (泉州第一中學) in the PRC in July 2001. From September 2020 onwards, Mr. Wu was involved in running domain-name registration businesses. Mr. Wu began developing and researching photo-editing software in 2008. Mr. Wu has created and launched one popular product after another, from 520.com to Martian Translator (火星文輸入法), a software program for converting ordinary language into netspeak consisting of unconventional Chinese characters.

Mr. Wu has been a director of Quanzhou Haoyi Computer Networks Company (泉州好易計算機網絡有限公司), a limited liability company established in the PRC on August 14, 2001, since its establishment until the Company's voluntary deregistration in October 2017.

Save as disclosed above, Mr. Wu has not held any directorship in the last three years in any public companies in the securities of which are listed on any securities market in Hong Kong or overseas, and does not have any other relationships with any Directors, senior management, or substantial or controlling Shareholders and does not hold any position with the Company or other members of the Group.

Mr. Wu entered into a service contract with the Company on June 2, 2022 without a specific term, subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association. Pursuant to the service contract (with remuneration reviewed and adjusted from time to time), he is entitled to receive an annual director's fee of approximately HK\$1,703,880 in his capacity as an executive Director. Mr. Wu also entered into an employment contract with Xiamen Home Meitu Technology Co., Ltd. (廈門美圖之家科技有限公司) pursuant to which he is entitled to receive an annual salary of approximately RMB720,000.

As at the Latest Practicable Date, within the meaning of Part XV of the SFO, Mr. Wu is interested in (i) 574,496,670 Shares of the Company (representing approximately 12.67% of the total issued share capital of the Company), (ii) 1,910,657 shares of Pixocial Holdings Ltd (representing approximately 1.60% of the total issued share capital of Pixocial Holdings Ltd), (iii) 20,000,000 shares of EveLab Insight, Inc. (representing approximately 4% of the total issued share capital of EveLab Insight, Inc.) and (iv) 24,500 shares of 北京元夢星球科技有限公司 (representing approximately 2.45% of the total registered capital of 北京元夢星球科技有限公司). Save as disclosed above, Mr. Wu does not have any other interests in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Wu has confirmed that there is no other information required to be brought to the attention of the Shareholders and the Company or to be disclosed pursuant to Rule 13.51(2) of the Listing Rules in relation to his re-election as Director.

2. Mr. LAI Xiaoling

Mr. LAI Xiaoling (賴曉凌), aged 48, was appointed as an independent non-executive Director, the chairman of the Remuneration Committee and a member of the Audit Committee on January 1, 2019. Mr. Lai has over 16 years of experience in investment and business management. Between January 2018 and May 2021, Mr. Lai has been a partner of Beijing Shunwei Capital Investment and Consulting Company Limited (北京順為資本投資諮詢有限公司), primarily responsible for investment strategy, team formation and management and portfolio management; from June 2013 to December 2017, he was a partner of Innovation Work (Beijing) Investment Management and Consulting Company Limited (創新方舟(北京)投資管理諮詢有限公司), primarily responsible for investment strategy, personnel recruitment and training and portfolio management; from June 2012 to April 2013, he worked as the Investment Director for Chengwei Investment Advisory (Shanghai) Company Limited (成為投資諮詢(上海)有限公司); from October 2007 to February 2012, he worked as the Investment Manager and Vice President for Morningside TMT (Shanghai) Limited (晨創啟興(上海)投資管理諮詢有限公司), primarily responsible for deal sourcing, execution and portfolio management.

Mr. Lai obtained a bachelor's degree in engineering physics from Tsinghua University (清華大學) in July 1999, and a master's degree in business administration from The Chinese University of Hong Kong (香港中文大學) in December 2007.

Mr. Lai has also been an independent non-executive director of Feiyu Technology International Company Ltd. (Hong Kong Stock Exchange Stock Code: 1022) since November 2014.

Save as disclosed above, Mr. Lai has not held any directorship in the last three years in any public companies in the securities of which are listed on any securities market in Hong Kong or overseas, and does not have any other relationships with any Directors, senior management, or substantial or controlling Shareholders and does not hold any position with the Company or other members of the Group.

Mr. Lai entered into an appointment letter with the Company with effect from January 1, 2019 for an initial term of three years or until the third annual general meeting of the Company since January 1, 2019 (whichever is sooner). Such letter of appointment was renewed on identical terms on June 2, 2021 for a further term of three years or until the third annual general meeting of the Company since the date of renewal (whichever is sooner). Pursuant to the appointment letter, he is entitled to a director's fee of HK\$360,000 per annum, which is reviewed by the Board and the Remuneration Committee and determined by the Board with reference to market rates, his performance, qualifications and experience.

As at the Latest Practicable Date, Mr. Lai did not have any interest in the Shares within the meaning of Part XV of the SFO.

Mr. Lai has confirmed (i) his independence in accordance with Rule 3.13 of the Listing Rules; (ii) that he has no past or present financial or other interest in the business of the Company or its subsidiaries or any connection with any core connected person (as such term is defined in the Listing Rules) of the Company; and (iii) that there are no other factors that may affect his independence as an independent non-executive Director.

Save as disclosed above, Mr. Lai has confirmed that there is no other information required to be brought to the attention of the Shareholders and the Company or to be disclosed pursuant to Rule 13.51(2) of the Listing Rules in relation to his re-election as Director.

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Details of the proposed amendments to the Articles of Association to be incorporated into the New Articles of Association are set out as follows:

Article 1

- (1) By deleting the words “(As Revised)” and replacing it with “(as defined in Article 2)”.

Article 2(1)

- (2) By deleting the definition of “Act” in its entirety and replacing it with the following:

“the Companies Act, Cap. 22 of the Cayman Islands and any amendments thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor.”

- (3) By deleting the words “electron magnetic” in the definition of “electronic communication” and replacing it with “similar”.
- (4) By deleting the definition of “Listing Rules” in its entirety and replacing it with the following:

“the rules and regulations of the Designated Stock Exchange.”

Article 2(2)

- (5) By adding the following new sub-paragraph immediately after Article 2(2)(i):

“(j) references to the right of a Member to speak at an electronic meeting or a hybrid meeting shall include the right to raise questions or make statements to the chairman of the meeting, verbally or in written form, by means of electronic facilities. Such a right shall be deemed to have been duly exercised if the questions or statements may be heard or seen by all or only some of the persons present at the meeting (or only by the chairman of the meeting) in which event the chairman of the meeting shall relay the questions raised or the statements made verbatim to all persons present at the meeting, either orally or in writing using electronic facilities;”

- (6) By renumbering the existing Article 2(2)(j),(k), (l) and (m) to Article 2(2)(k),(l),(m) and (n) respectively and deleting the existing Article 2(2)(n) in its entirety.
- (7) By adding the words “, and (b) shall, where the context is appropriate, include a meeting that has been postponed by the Board pursuant to Article 64E;” at the end of the newly renumbered Article 2(2)(k).
- (8) By adding the word “and” at the end of the sentence in the newly renumbered Article 2(2)(m).
- (9) By deleting the word “;and” and replacing it with “.” at the end of the sentence of the newly renumbered Article 2(2)(n).

Article 3(2)

- (10) By adding the words “and regulations” immediately after the words “Subject to the Act, the Company’s Memorandum and Articles of Association and, where applicable, the Listing Rules and/or the rules” in Article 3(2).

Article 3(3)

- (11) By adding the words “the rules and regulations of” immediately after the words “Subject to compliance with the Listing Rules and” in Article 3(3).

Article 10 (a)

- (12) By deleting the words “and postponed” in Article 10(a).

Article 44

- (13) By adding the words “maintained in Hong Kong” immediately after the words “The Register and branch register of Members”; replacing the words “Hong Kong dollars” with “HK\$” wherever it may appear in Article 44; replacing the words “an appointed newspaper or any other” with the word “any”; and adding the words “The period of thirty (30) days may be extended for a further period or periods not exceeding thirty (30) days in respect of any year if approved by the Members by ordinary resolution.” at the end of Article 44.

Article 51

- (14) By adding the words “for a further period or periods not exceeding thirty (30) days” immediately after the words “The period of thirty (30) days may be extended” and deleting the words “passed in that year, provided that the extended period or periods shall not exceed thirty (30) days in the whole in that year” in Article 51.

Article 55(2)(c)

- (15) By adding the words “, if so required by the Listing Rules,” immediately after the words “the Company” in Article 55(2)(c).

Article 56

- (16) By deleting Article 56 in its entirety and replacing it with the following:

“An annual general meeting of the Company shall be held for each financial year and such annual general meeting must be held within six (6) months after the end of the Company’s financial year (unless a longer period would not infringe the Listing Rules, if any).”

Article 58

- (17) By “adding the words “on a one vote per share basis,” immediately after the words “carrying the right of voting at general meetings of the Company,” and adding the words “and which will be the Principal Meeting Place” immediately after the words “which for this purpose shall be in Hong Kong” in Article 58.

Article 59

(18) By adding the word “clear” before the word “days” wherever it may appear in Article 59(1).

Article 63

(19) By adding subsection number “(1)” before the beginning of the first paragraph of Article 63.

(20) By adding the following new sub-paragraph immediately after the new Article 63(1):

“(2) If the chairman of a general meeting held in any form is participating in the general meeting using an electronic facility or facilities which is hereby permitted and becomes unable to participate in the general meeting using such electronic facility or facilities, another person (determined in accordance with Article 63(1) above) shall preside as chairman of the meeting unless and until the original chairman of the meeting is able to participate in the general meeting using the electronic facility or facilities.”

Article 64

(21) By deleting the first sentence of Article 64 and replacing it with the following:

“Subject to Article 64C, the chairman may (without the consent of the meeting) or shall at the direction of the meeting, adjourn the meeting from time to time (or indefinitely) and/or from place to place(s) and/or from one form to another (a physical meeting, a hybrid meeting or an electronic meeting) as the meeting shall determine, but no business shall be transacted at any adjourned meeting other than the business which might lawfully have been transacted at the meeting had the adjournment not taken place.”

Article 64E(d)

(22) By replacing the word ‘notice’ with the word “Notice” in Article 64E(d).

Article 66(2)

(23) By deleting the words “In the case of a physical meeting where” and replacing it with the word “Where” in Article 66(2).

Article 76

(24) By deleting the first sentence of Article 76 and replacing it with the following:

“The instrument appointing a proxy shall be in such form as the Board may determine and in the absence of such determination, shall be in writing signed by the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or signed by an officer, attorney or other person authorised to sign the same. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof it shall be assumed, unless the contrary appears, that such officer was duly authorised to sign such instrument of proxy on behalf of the corporation without further evidence of the facts.”

Article 81(2)

(25) By adding the words “the right to speak and vote and,” before the words “where a show of hands is allowed, the right to vote individually on a show of hands” in Article 81(2).

Article 83(3)

(26) By deleting the second sentence of Article 83(3) in its entirety and replacing it with the following:

“Any Director so appointed shall hold office only until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election.”

Article 83(5)

(27) By adding the words “(including a managing or other executive Director)” immediately before the words “at any time before the expiration”, and replacing the word “period” with the word “term” in Article 83(5).

Article 84(1)

(28) By adding the words “at least” immediately before the words “one-third of the Directors for the time being”.

Article 151

(29) By deleting the words “, and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company’s obligation to send to him a copy of such documents” in Article 151.

Article 152 (1)

(30) By adding the words “by ordinary resolution” immediately after the words “At the annual general meeting or at a subsequent extraordinary general meeting in each year, the Members shall” in Article 152(1).

Article 154

(31) By deleting Article 154 in its entirety and replacing it with the following:

“The remuneration of the Auditor shall be fixed by an ordinary resolution passed at a general meeting or in such manner as the Members may by ordinary resolution determine.”

Article 158(1)

(32) By adding the words ““corporate communication” and “actionable” immediately before the words “corporate communication” within the meaning ascribed thereto under the Listing Rules”, and adding the words “, subject to compliance with the Listing Rules,” immediately before the words “any such Notice and document may be given” in Article 158(1).

Article 158(1)(e)

- (33) By deleting the words “Article 158(5), subject to the Company complying with the Statutes and any other applicable laws, rules and regulations from time to time in force with regard to any requirements for the obtaining of consent (or deemed consent) from such person” and replacing it with “Article 158(3)” in Article 158(1)(e).

Article 158(1)(f)

- (34) By deleting the words “to which the relevant person may have access, subject to the Company complying with the Statutes and any other applicable laws, rules and regulations from time to time in force with regard to any requirements for the obtaining of consent (or deemed consent) from such person and/or for giving notification to any such person stating that the notice, document or publication is available on the Company’s computer network website (a “notice of availability”); or” and replacing it with the words “or the website of the Designated Stock Exchange; or”

Article 158(2)

- (35) By deleting the existing Article 158(2) in its entirety and renumbering the existing Article 158(3) to Article 158(2).
- (36) By deleting the existing Article 158(4) in its entirety.
- (37) By renumbering the existing Article 158(5) to Article 158(3), and deleting the word “notices” and replacing it with the words “Notices and documents” in the Article.
- (38) By renumbering the existing Article 158(6) to Article 158(4) and adding the words “or, with the consent of or election by any member, in the Chinese language only to such Member” at the end of the Article.

Article 159

- (39) By deleting Article 159(b) in its entirety and replacing it with the following:

“if sent by electronic communication, shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent. A Notice, documents or publication placed on either the Company’s website or the website of the Designated Stock Exchange, is deemed given or served by the Company on the day it first so appears on the relevant website, unless the Listing Rules specify a different date (in such cases, the deemed date of service shall be as provided or required by the Listing Rules);”

- (40) By deleting the existing Article 159(c) in its entirety and renumbering the existing Article 159(d) and 159(e) to Article 159(c) and 159(d) respectively.

Article 160 (2)

- (41) By deleting the word “notice” and replacing it with the word “Notice” in Article 160(2).

Article 161

(42) By adding the words “The signature to any Notice or document to be given by the Company may be written, printed or in electronic form.” after the last sentence of Article 161.

Article 162(2)

(43) By deleting Article 162(2) in its entirety and replacing it with the following:

“Unless otherwise provided by the Act, a resolution that the Company be wound up by the court or to be wound up voluntarily shall be a special resolution.”

Article 165

(44) By deleting Article 165 in its entirety and replacing it with the following:

“Unless otherwise determined by the Directors, the financial year of the Company shall end on the 31st day of December in each year.”

The following is a summary of the principal rules of the 2024 Share Award Scheme but does not form part of, nor is it intended to be, part of the 2024 Share Award Scheme nor should it be taken as effecting the interpretation of the 2024 Share Award Scheme:

1. Eligible Persons to the 2024 Share Award Scheme

Subject to the criteria and conditions set out in paragraph 15 below, any Employee Participant, Related Entity Participant or Service Provider whom the Board or its delegate(s) considers, in its sole discretion, to have contributed or will contribute to the Group is eligible to receive an Award. In particular, the eligibility of each of the Eligible Persons shall be determined by the Board or its delegate(s) from time to time and on a case-by-case basis. In particular:

- (a) with respect to Employee Participants, the Board will consider, among others, their general working performance, time commitment (full-time or part-time), length of their service within the Group, working experience, responsibilities and/or employment conditions with reference to the prevailing market practice and industry standard;
- (b) with respect to Related Entity Participants, the Board will consider, among others, their participation and contribution to the development of the Group and/or the extent of benefits and synergies brought to the Group; and
- (c) with respect to Service Providers, the Board will consider, among others, their experience and expertise in the industries that the Group operates from time to time, continuity and/or frequency of their services to the Group, their involvement or significance in promoting the business of the Group, in particular, whether such Service Provider could bring positive impacts to the Group's business with regard to factors such as the actual or expected increase in the Group's revenue or profits or reduction in costs which is or may be attributable to the Service Providers, and where appropriate, contribution or potential contribution to the long-term growth of the Group. In assessing whether the Service Provider provides services to the Group on a continuing and recurring basis, the Board shall take into consideration, among others, the mode, length and type of services provided and the recurrences and regularity of such services, the period of engagement of the Service Provider, and will benchmark such metrics against those Employee Participants to whom the Group provides equity incentives, while taking into account the purpose of the 2024 Share Award Scheme and the objectives in engaging the Service Provider. In assessing whether the Service Provider provides services to the Group in the Company's ordinary and usual course of business, the Board or the committee of the Board shall take into consideration the nature and significance of the services provided to the Group by the Service Provider, and whether such services form part of or are directly ancillary to the businesses conducted by the Group, as disclosed in the Company's financial reports.

However, no individual who is a resident in a place where the grant, acceptance or vesting of an Award pursuant to the 2024 Share Award Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board or its delegate(s), compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, shall be entitled to participate in the 2024 Share Award Scheme.

2. Purposes of the 2024 Share Award Scheme

The purposes of the 2024 Share Award Scheme are (i) to align the interests of the Eligible Persons with those of the Group through ownership of Shares, dividends and other distributions paid on Shares and/or the increase in value of the Shares; and (ii) to encourage and retain Eligible Persons to make contributions to the long-term growth and profits of the Group.

3. Awards

An Award gives a Selected Participant a conditional right, when the Award Shares vest, to obtain the Award Shares or, if in the absolute discretion of the Board or its delegate(s), it is not practicable for the Selected Participant to receive the Award in Shares, the cash equivalent from the sale of the Award Shares. An Award includes all cash income from dividends in respect of those Shares from the date the Award is granted to the date the Award vests. For the avoidance of doubt, the Board at its discretion may from time to time determine that any dividends declared and paid by the Company in relation to the Award Shares would be paid to the Selected Participant even though the Award Shares have not yet vested.

4. Grant of Award

The Board or the committee of the Board or person(s) to which the Board has delegated its authority may, from time to time, at their absolute discretion, grant an Award to a Selected Participant (in the case of the Board's delegate(s), to any Selected Participant other than a Director or an officer of the Company) by way of an Award Letter. The Award Letter will specify the Grant Date, the number of Award Shares underlying the Award, the vesting criteria and conditions (including but not limited to performance targets (if any)), the vesting date and such other details as the Board or its delegate(s) may consider necessary.

The total number of Shares which may be issued in respect of all Awards granted or to be granted to any Eligible Person pursuant to the 2024 Share Award Scheme together with all award shares and options granted under any other share scheme(s) of the Company (excluding any award shares and share options lapsed) in any 12-month period shall not exceed 1% (or such other percentage as may be specified by the Hong Kong Stock Exchange from time to time) of the total number of Shares in issue, unless:

- (i) such grant has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules, by resolution of the Shareholders in general meeting, at which such person and his/her close associates (as defined under the Listing Rules) (or his/her associates if such person is a connected person) shall abstain from voting;
- (ii) a circular regarding the grant has been dispatched to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules; and
- (iii) the number and terms of such Award Share are fixed before the general meeting of the Company at which the same are approved.

Each grant of an Award to any Director, chief executive or substantial shareholder of the Company, or any of their respective associates, shall be subject to the prior approval of the independent non-executive Directors (excluding any independent non-executive Director who is a proposed recipient of the grant of an Award). In addition:

- (a) where any grant of Award Shares to any Director (other than an independent non-executive Director) or chief executive of the Company, or any of their respective associates, would result in the Shares issued and to be issued in respect of all award shares granted (excluding any award shares lapsed) in accordance with the terms of the 2024 Share Award Scheme and other share award scheme(s) of the Company (if any) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue as at the date of such grant, such further grant of Award Shares must be approved by Shareholders in general meeting in the manner required, and subject to the requirements set out, in the Listing Rules; or
- (b) where any grant of Award Shares to an independent non-executive Director or substantial shareholder of the Company (or any of their respective associates) would result in Shares issued and to be issued in respect of all award shares and options granted (excluding any award shares and options lapsed) in accordance with the terms of the 2024 Share Award Scheme and other share scheme(s) adopted by the Company to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of Shares in issue as at the date of such grant, such further grant of Award Shares must be approved by Shareholders in general meeting in the manner required, and subject to the requirements set out in the Listing Rules.

In the circumstances described in (a) and (b) above, the Company must send a circular to the Shareholders. The relevant Selected Participants, his/her associates and all core connected persons of the Company must abstain from voting in favour at such general meeting. The Company must comply with the requirements under Rules 13.40, 13.41 and 13.42 of the Listing Rules.

5. Restrictions on grants and Timing of Grants

No Award shall be made to Selected Participants under the 2024 Share Award Scheme and no directions or recommendation shall be given to the Trustee with respect to a grant of an Award under the 2024 Share Award Scheme:

- (a) after inside information has come to the knowledge of the Company or any Director until (and including) the trading day after it has announced the information. In particular, no Awards shall be granted during the period commencing one month immediately preceding the earlier of:
 - (i) the date of the Board meeting (as such date is first notified to the Hong Kong Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
 - (ii) the deadline for the Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules);

and ending on the date of results announcement; nor should any Award be made to any Eligible Person during any other periods of time stipulated by the relevant sections of the Listing Rules from time to time in relation to any restriction on the time of grant of awards, or

- (b) who is subject to the Model Code during the periods or times in which such Eligible Person is prohibited from dealing in the Shares pursuant to the Model Code.

No Awards shall be granted to any Eligible Vehicle unless the Hong Kong Stock Exchange has granted a waiver allowing for the grant of such Award to such Eligible Vehicle if such waiver is required under the Listing Rules or by the Hong Kong Stock Exchange.

6. Maximum Number of Shares to be Granted

The number of Shares to be subscribed for and/or purchased through on-market acquisitions by the Trustee at the prevailing market price which may be awarded by the Board under the 2024 Share Award Scheme shall not exceed 10% of the issued Shares as at the Adoption Date, which may be refreshed by the approval of the Board from time to time.

The total number of Shares which may be issued in respect of all options and awards to be granted under the 2024 Share Award Scheme and other share schemes of the Company which are funded by issue of new Shares of the Company (i.e. the Scheme Mandate Limit) must not in aggregate exceed 10% (or such other percentage which may be specified by the Hong Kong Stock Exchange from time to time) of the total number of Shares in issue as at the Adoption Date or the relevant date of approval of the refreshment of the Scheme Mandate Limit. Within the Scheme Mandate Limit, the total number of Shares which may be issued in respect of all options and awards to be granted to Service Providers under the 2024 Share Award Scheme and any other share schemes of the Company (i.e. the Service Provider Sublimit) must not in aggregate exceed 1% of the total number of Shares in issue as at the Adoption Date.

For the purposes of calculating the Scheme Mandate Limit and the Service Provider Sublimit, Shares which are the subject matter of any Awards that have already lapsed in accordance with the terms of the relevant share scheme(s) of the Company will not be regarded as utilized, and Awards cancelled will be regarded as utilized.

The Scheme Mandate Limit and/or the Service Provider Sublimit may be refreshed by ordinary resolution of the Shareholders in general meeting after three years from the date of shareholders' approval for the last refreshment (or the Adoption Date).

Any "refreshment" within any three year period must be approved by shareholders of the issuer subject to the following provisions:

- (i) any controlling Shareholders and their associates (or if there is no controlling Shareholder, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting of the Company; and
- (ii) the issuer must comply with the requirements under Rules 13.39(6) and (7), 13.40, 13.41 and 13.42 of the Listing Rules.

The Company may seek separate approval from the Shareholders in general meeting for granting Awards to Eligible Persons specifically identified by the Company which will result in the Scheme Mandate Limit or the Service Provider Sublimit being exceeded, subject to the compliance with the requirements set out in the Listing Rules.

If the Company conducts any share consolidation or sub-division after the Scheme Mandate Limit or the Service Provider Sublimit has been approved in the general meeting, the maximum number of Shares that may be issued by the Company pursuant to the 2024 Share Award Scheme and all other share schemes of the Company under the utilized Scheme Mandate Limit or the Service Provider Sublimit as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or sub-division shall be the same, rounded to the nearest whole Share.

7. Amount payable on acceptance of an award

No amount is payable on acceptance of an Award.

8. Rights Attached to the Award

Save that the Board at its discretion may from time to time determine that any dividends declared and paid by the Company in relation to the Award Shares would be paid to the Selected Participants even though the Award Shares have not yet vested, the Selected Participant only has a contingent interest in the Award Shares underlying an Award unless and until such Award Shares are actually transferred to the Selected Participant, nor does he/she have any rights to any cash or non-cash income until the Award Shares and Related Income vest.

Neither the Selected Participant nor the Trustee may exercise the voting rights in respect of any Shares held under the Trust (including but not limited to the Award Shares, any Returned Shares, any bonus Shares and any scrip Shares). In particular, the Trustee holding unvested Shares under the 2024 Share Award Scheme, whether directly or indirectly, shall abstain from voting on matters that require Shareholders' approval under the Listing Rules, unless otherwise required by law to vote in accordance with the beneficial owner's direction and such a direction is given. No Grantee shall enjoy any of the rights of a Shareholder by virtue of the grant of an Award unless and until the Award Shares are issued or transferred to the Grantee pursuant to the vesting of such Awards.

In the event the Company undertakes a scrip dividend scheme, the Trustee shall elect to receive the cash component, unless otherwise instructed by the Company, which shall be treated as Related Income (for the cash income derived from Award Shares) or Returned Trust Funds (for the cash income derived from Returned Shares).

9. Rights Attached to the Shares

Award Shares issued and/or transferred upon vesting of an Award will rank pari passu with the other Shares in issue on the date the relevant Award Shares are transferred to the Selected Participant except in respect of any dividend or other distribution previously declared or recommended or resolved to be paid if the record date therefor is before the date of vesting of the Award.

10. Issue of Shares and/or Transfer of Funds to the Trustee

The Company shall (i) issue and allot Shares to the Trustee, and/or (ii) transfer to the Trustee the necessary funds and instruct the Trustee to acquire Shares through on-market transactions at the prevailing market price (which the Trustee shall do so as soon as reasonably practicable for the purpose of satisfying the Awards). The Award Shares and Related Income will be held in trust for the Selected Participants until the end of each vesting period in accordance with the 2024 Share Award Scheme. When the Selected Participant has satisfied all vesting conditions specified by the Board at the time of making the Award and become entitled to the Award Shares (and the Related Income derived from such Award Shares), the Trustee shall transfer the relevant Award Shares (and the Related Income derived from such Award Shares) to that Selected Participant.

11. Transferability of Awards

Any Award Shares granted under the 2024 Share Award Scheme but not yet vested are personal to the Selected Participants to whom they are granted and the Grantee shall not, without the prior written approval of the Board, in any way directly or indirectly sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to any Award or the shares or interest in any Eligible Vehicle holding any Award, or enter into any agreement to do so. Notwithstanding the above, to the extent permissible by applicable laws and regulations (including the Listing Rules) and subject to the grant of waiver by the Hong Kong Stock Exchange, a Grantee may transfer his Award to any of his Eligible Vehicles (e.g. for estate planning or tax planning purposes or such other purposes as the Board and the Hong Kong Stock Exchange consider to be justifiable), provided that the Award so assigned would continue to meet the purpose of the 2024 Share Award Scheme and comply with the other requirements of Chapter 17 of the Listing Rules. In connection with the application for the above consent from the Board and the above waiver from the Hong Kong Stock Exchange, the Selected Participant shall provide the Company with information on the beneficiaries or discretionary objects of such trust or the ultimate beneficial owners of such Eligible Vehicle, evidence of such trust arrangement between the Selected Participant and the proposed Eligible Vehicle and such other information as may be required by the Board and/or the Hong Kong Stock Exchange, and the Selected Person shall also consent to the disclosure of such information in any public disclosure of the Company (including but not limited to announcement, circular, and/or report to be published by the Company). The Eligible Vehicle shall comply with all provisions of the 2024 Share Award Scheme (including but not limited to this paragraph 11), which shall apply mutatis mutandis to the Eligible Vehicle.

12. Vesting of Awards

Subject to the Listing Rules, the Board or the committee of the Board or person(s) to which the Board delegated its authority may from time to time while the 2024 Share Award Scheme is in force and subject to all applicable laws, determine such vesting criteria and conditions or periods for the Award to be vested hereunder. The Vesting Date in respect of any Award shall be not less than 12 months from the Grant Date, provided that for Employee Participants and/or his/her Eligible Vehicle, the Vesting Date may be less than 12 months from the Grant Date (including on the Grant Date) in the following circumstances:

- (a) grants of “make whole” Awards to new Employee Participants (or to his/her Eligible Vehicle) to replace share awards such Employee Participants forfeited when leaving their previous employers;

- (b) grants to an Employee Participant (or to his/her Eligible Vehicle) whose employment is terminated due to death or disability or event of force majeure;
- (c) grants of Awards which are subject to the fulfilment of performance targets or as specified in the Award Letter in lieu of time-based vesting criteria;
- (d) grants of Awards that are made in batches during a year due to administrative or compliance reasons which include Awards that should have been granted earlier if not for such administrative or compliance requirements but had to wait for subsequent batch, in which case the vesting periods may be shorter to reflect the time from which the Award would have been granted;
- (e) grants of Awards with a mixed or accelerated vesting schedule such that the Awards vest evenly over a period of 12 months;
- (f) grants of Awards with a total vesting and holding period of more than 12 months; or
- (g) grants to Employee Participants of a similar value to replace their equity incentive options and/or awards granted by any member of the Group other than the Company (the “**Subsidiary Awards**”) following the completion of a merger and/or acquisition carried out by the Company from time to time, the result of which is that the Subsidiary Awards will be lapsed and the share scheme of such member of the Group will be terminated, provided that the grant of replacement share incentives by the Company to replace the Subsidiary Awards shall generally follow the original vesting schedule of the Subsidiary Awards.

Within a reasonable time period as agreed between the Trustee and the Board or its delegate(s) from time to time prior to any Vesting Date, the Board or its delegate(s) shall send a vesting notice to the relevant Selected Participant which states the extent to which the Award Shares held in the Trust shall be transferred and released from the Trust to the Selected Participant. Subject to the receipt of the vesting notice and notification from the Board or its delegate(s), the Trustee will transfer and release the relevant Award in the manner as determined by the Board or its delegate(s).

If, in the absolute discretion of the Board or its delegate(s), it is not practicable for the Selected Participant to receive the Award in Shares, solely due to legal or regulatory restrictions with respect to the Selected Participant’s ability to receive the Award in Shares or the Trustee’s ability to give effect to any such transfer to the Selected Participant, the Board or its delegate(s) will direct and procure the Trustee to sell, on-market at the prevailing market price, the number of Award Shares so vested in respect of the Selected Participant and pay the Selected Participant the proceeds arising from such sale based on the Actual Selling Price of such Award Shares and Related Income derived from such Award Shares in cash as set out in the vesting notice.

13. Consolidation, Subdivision, Reduction and capitalisation issue

In the event the Company undertakes a sub-division, consolidation or reduction of the Shares, corresponding changes will be made to the number of outstanding Award Shares that have been granted provided that the adjustments shall be made in such manner as the Board or its delegate(s) determines to be fair and reasonable in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the 2024 Share Award Scheme for the Selected Participants. All fractional Shares (if any) arising out of such consolidation, sub-division or reduction in respect of the Award Shares of a Selected Participant shall be deemed as Returned Shares and shall not be transferred to the relevant Selected Participant on the relevant Vesting Date.

In the event of an issue of Shares by the Company credited as fully paid to the holders of the Shares by way of capitalisation of profits or reserves (including share premium account), the Shares attributable to any Award Shares held by the Trustee shall be deemed to be an accretion to such Award Shares and shall be held by the Trustee as if they were Award Shares purchased by the Trustee hereunder and all the provisions hereof in relation to the original Award Shares shall apply to such additional Shares.

In the event of other non-cash and non-scrip distributions made by the Company not otherwise referred to in the rules of the 2024 Share Award Scheme in respect of the Shares held upon Trust, unless otherwise instructed by the Board, the Trustee shall sell such distribution and the net sale proceeds thereof shall be deemed as Related Income of the Award Shares or Returned Trust Funds of the Returned Shares held upon Trust.

Any adjustments required under Rule 17.03(13) of the Listing Rules must give a Selected Participant the same proportion of the equity capital, rounded to the nearest whole Share, as that to which that person was previously entitled, but no such adjustments may be made to the extent that a Share would be issued at less than its nominal value (if any). The issue of securities as consideration in a transaction may not be regarded as a circumstance requiring adjustment. In respect of any such adjustments, other than any made on a capitalization issue, an independent financial adviser or auditors of the Company must confirm to the Directors in writing that the adjustments satisfy the requirements set out in the note to Rule 17.03(13) of the Listing Rules.

14. Performance Targets

The Board or its delegate(s) may in respect of each Award and subject to all applicable laws, rules and regulations determine such performance targets or other criteria or conditions for vesting of Awards in its sole and absolute discretion on a case-by-case basis. Any such performance targets, criteria or conditions shall be set out in the Award Letter.

The performance targets refer to any performance measures, or derivations of such performance measures that may be related to the individual Grantee or the Group as a whole, or to a subsidiary, division, department, region, function or business unit of the Group or the relevant Related Entity Participant or the relevant Service Provider. The Board or its delegate(s) shall take into account the following general factors in making the determination of performance targets, including but not limited to (i) the financial results, operation performance, business growth, market capitalization and/or other indicators of the Group (or any of its segments), the relevant Related Entity Participant or the relevant Service Provider; and/or (ii) the contribution, work performance as well as other specific personal factors of the individual Grantee that the Board or its delegate(s) may consider relevant.

The performance targets will be assessed periodically, on an absolute basis or a relative basis (such as relative to a pre-established target, to previous year's results or to a designated comparison group), in each case as specified by the Board or its delegate(s) in its sole discretion.

15. Cessation as an Eligible Person, Clawback Mechanism and Lapse of Unvested Awards

If a Selected Participant ceases to be an Eligible Person by reason of retirement of the Selected Participant, any outstanding Award Shares and Related Income not yet vested shall continue to vest in accordance with the Vesting Dates set out in the Award Letter, unless the Board or its delegate(s) determines otherwise at their absolute discretion. The Company considers that this serves as an important incentive for the Grantees to continue to stay with the Group until retirement by knowing that they will be rewarded for their loyalty and long-term tenure with the Group, which therefore lowers the chances of valuable talents resigning before retirement. Furthermore, the Company recognizes and appreciates that Grantees who are close to retirement age are often the most experienced talents who truly understand the business operations of the Group, and who tend to provide higher value-added services compared to the relatively inexperienced ones. Thus, the Company does not see the need to deprive these Grantees of being rewarded for their loyalty and long-term tenure with the Group. This provision also provides the flexibility for the Board or its delegate(s) to exercise their discretion to determine that the unvested Award Shares shall lapse upon the relevant Grantee's retirement, should they consider appropriate. Therefore, the Company takes the view that this provision aligns with the purpose of the 2024 Share Award Scheme.

Upon occurrence of any of the following events in relation to a Selected Participant, any outstanding Award Shares and Related Income not yet vested shall immediately lapse and be forfeited, unless the Board or its delegate(s) determines otherwise at their absolute discretion:

- (a) if a Selected Participant ceases to be an Eligible Person by reason of (i) death of the Selected Participant, (ii) termination of the Selected Participant's employment or contractual engagement with the Group or a Related Entity by reason of his/her permanent physical or mental disablement, (iii) termination of the Selected Participant's employment or contractual engagement with the Group by reason of redundancy;
- (b) if a Selected Participant, being an Employee Participant or Related Entity Participant whose employment is terminated by the Group or a Related Entity by reason of the employer terminating the contract of employment without notice or payment in lieu of notice, or the Selected Participant having been convicted of any criminal offence involving his or her integrity or honesty;
- (c) if a Selected Participant is declared bankrupt or becomes insolvent or makes any arrangements or composition with his or her creditors generally or an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company; and
- (d) if a Selected Participant ceases to be an Eligible Person for reasons other than those stated in this paragraph.

For the avoidance of doubt, without prejudice to the above, no clawback provisions will apply to the Award Shares and Related Income to the extent they have been vested.

16. Cancellation of Awards

The Board in its sole discretion may cancel an Award Share granted but remained unvested with the approval of the Selected Participant of such Award Share in certain circumstances, including where it is necessary to comply with the laws in the jurisdiction in which the Eligible Persons and the Company are subject to, or in order to comply with the requirements of any securities exchange.

Award Shares may be granted to an Eligible Person in place of his or her cancelled Award Shares provided that there are available Scheme Mandate Limit and the Service Provider Sublimit (where applicable). The Award Shares cancelled will be regarded as utilized for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit.

17. Alteration of the 2024 Share Award Scheme

Subject to the Scheme Mandate Limit and compliance with the 2024 Share Award Scheme, the 2024 Share Award Scheme may be altered in any respect by a resolution of the Board provided that no such alteration shall operate to affect adversely any subsisting rights of any Selected Participant unless otherwise provided in the rules of the 2024 Share Award Scheme, except:

- (a) with the consent in writing of Selected Participants amounting to three-fourths in nominal value of all Award Shares held by the Trustee on that date; or
- (b) with the sanction of a special resolution that is passed at a meeting of the Selected Participants amounting to three-fourths in nominal value of all Award Shares held by the Trustee on that date.

The approval of the Shareholders in general meeting is required for any amendment or alteration to the terms of the 2024 Share Award Scheme which are of a material nature or to those provisions of the 2024 Share Award Scheme which relate to the matters set out in Rule 17.03 of the Listing Rules to the extent that such alteration or amendment operates to the advantage of Eligible Persons. The Board determination as to whether any proposed amendment or alteration to the terms of the 2024 Share Award Scheme is material shall be conclusive.

Any change to the terms of Award Shares granted to a Selected Participant must be approved by the Board, the remuneration committee of the Company, the independent non-executive Directors and/or the Shareholders in general meeting (as the case may be) if the initial grant of the Award Shares requires such approval (except where the alterations take effect automatically under the existing provisions of the 2024 Share Award Scheme).

Any change to the authority of the Board to alter the terms of the 2024 Share Award Scheme shall not be valid unless approved by the Shareholders in general meeting.

The amended terms of the 2024 Share Award Scheme or the Award Shares must comply with Chapter 17 of the Listing Rules.

18. Termination

The 2024 Share Award Scheme shall terminate on the earlier of:

- (a) the end of the Award Period except in respect of any unvested Award Shares granted hereunder prior to the expiration of the 2024 Share Award Scheme, for the purpose of giving effect to the vesting of such Award Shares or otherwise as may be required in accordance with the provisions of the 2024 Share Award Scheme; and
- (b) such date of early termination as determined by the Board provided that subject to any other arrangements as may be agreed between the relevant Grantee and the Board with the approval of the Shareholders in general meeting if required under the Listing Rules) to the contrary, such termination shall not affect (i) any subsisting rights of any Selected Participant under the rules of the 2024 Share Award Scheme, provided further that for the avoidance of doubt, the change in the subsisting rights of a Selected Participant in this paragraph 17(b) refers solely to any change in the rights in respect of the Award Shares already granted to a Selected Participant; and (ii) the vesting of any unvested Award Shares granted hereunder prior to the early termination of the 2024 Share Award Scheme, for the purpose of giving effect to the vesting of such Award Shares or otherwise as may be required in accordance with the provisions of the 2024 Share Award Scheme.

19. Administration of the 2024 Share Award Scheme

The Board has the power to administer the 2024 Share Award Scheme, including but not limited to the power to construe and interpret the rules of the 2024 Share Award Scheme, the terms of the Awards granted under the 2024 Share Award Scheme, decide how the vesting of the Award Shares will be settled, determine the terms and conditions of the Awards. The Board may delegate the authority to administer the 2024 Share Award Scheme to a committee of the Board or other person(s) as deemed appropriate at the sole discretion of the Board. The Board or its delegate(s) may also appoint one or more independent third party contractors to assist in the administration of the 2024 Share Award Scheme as they think fit.

20. Duration

Subject to any early termination as may be determined by the Board, the 2024 Share Award Scheme shall be valid and effective for a term of 10 years commencing from the Adoption Date.

21. Conditions

The 2024 Share Award Scheme is conditional upon (1) the passing of an ordinary resolution by the Shareholders to approve the adoption of the 2024 Share Award Scheme and to authorise the Board to grant Awards under the 2024 Share Award Scheme and to allot and issue, procure the transfer of and otherwise deal with the Award Shares in connection with the 2024 Share Award Scheme; and (2) the Listing Committee of the Hong Kong Stock Exchange granting the approval for the listing of, and permission to deal in, the Award Shares underlying any Awards which may be granted pursuant to the 2024 Share Award Scheme.

Application will be made to the Listing Committee of the Hong Kong Stock Exchange for the listing of, and permission to deal in the Award Shares which may fall to be allotted and issued in respect of the Awards to be granted under the 2024 Share Award Scheme.

22. Miscellaneous

Should there be any discrepancy between English and Chinese versions of the 2024 Share Award Scheme, the English version shall prevail.

NOTICE OF ANNUAL GENERAL MEETING

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)

NOTICE OF ANNUAL GENERAL MEETING

Unless otherwise specified, terms defined in this notice shall have the same meanings in the circular of the Company dated May 8, 2024 (the “**Circular**”).

NOTICE IS HEREBY GIVEN that the annual general meeting (the “**AGM**”) of Meitu, Inc. (the “**Company**”) will be held at Studio 1, Level 7, W Hong Kong, 1 Austin Road West, Kowloon Station, Kowloon, Hong Kong on Wednesday, June 5, 2024 at 10:00 a.m. (Hong Kong time) for the following purposes:

ORDINARY BUSINESS

1. To receive and adopt the audited consolidated financial statements of the Company, the reports of the directors and the independent auditor’s report for the year ended December 31, 2023.
2. To re-elect the following retiring directors of the Company:
 - (a) Mr. WU Zeyuan as a director of the Company; and
 - (b) Mr. LAI Xiaoling as a director of the Company.
3. To authorize the board of directors of the Company to fix the remuneration of the directors of the Company.
4. To re-appoint PricewaterhouseCoopers as the Company’s auditor and to authorize the board of directors of the Company to fix the auditor’s remuneration.

Share Issue Mandate

5. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT:**

- (a) subject to paragraph (c) below, a general and unconditional mandate be and is hereby given to the directors of the Company during the Relevant Period (as defined in paragraph (d) below) to exercise all the powers of the Company to allot, issue and deal with additional shares of par value US\$0.00001 each in the capital of the Company or securities convertible into shares, or options, warrants or similar rights to subscribe for shares or such convertible securities of the Company and to make offers, agreements and/or grant options (including but not limited to warrants, bonds and debentures convertible into shares of the Company) that would or might require the exercise of such powers;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the mandate in paragraph (a) above shall be in addition to any other authorization given to the directors of the Company and shall authorize the directors of the Company to make or grant offers, agreements and/or options during the Relevant Period (as defined in paragraph (d) below) that would or might require the exercise of such powers after the end of the Relevant Period (as defined in paragraph (d) below);
- (c) the total number of shares of the Company allotted or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to options or otherwise) in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as defined in paragraph (d) below);
 - (ii) the exercise of any subscription or conversion rights attaching to any warrants that may be allotted and issued by the Company or any securities that are convertible into shares of the Company from time to time;
 - (iii) the grant or exercise of any options that may be granted under any share option scheme of the Company or any other option, scheme or similar arrangement for the time being adopted for the grant or issue to the directors, officers, consultants and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company;
 - (iv) any scrip dividend or similar arrangement providing for the allotment and issue of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company;
 - (v) the vesting of share awards granted or to be granted pursuant to the share award scheme of the Company; and
 - (vi) a specific authority granted by the shareholders of the Company in general meeting,

shall not exceed 20% of the total number of issued shares of the Company as at the date of the passing of this resolution (such total number to be subject to adjustment in the case of any consolidation or subdivision of any of the shares of the Company into a smaller or larger number of shares of the Company respectively after the passing of this resolution) and the said mandate shall be limited accordingly.

- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held by the articles of association of the Company and any applicable laws; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

NOTICE OF ANNUAL GENERAL MEETING

“**Rights Issue**” means an offer of shares of the Company, or an offer or issue of warrants, options or other securities giving rights to subscribe for shares, open for a period fixed by the directors of the Company to holders of shares of the Company whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares of the Company (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or, having regard to any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, any recognized regulatory body or any stock exchange in any territory applicable to the Company).”

Share Buy-back Mandate

6. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT:**

- (a) a general unconditional mandate be and is hereby given to the directors of the Company during the Relevant Period (as defined in paragraph (c) below) to exercise all the powers of the Company to purchase its own shares on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) or on any other stock exchange on which the securities of the Company may be listed and which is recognized by the Securities and Futures Commission of Hong Kong and the Hong Kong Stock Exchange for this purpose, provided that the total number of shares of the Company which may be purchased pursuant to this mandate shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution (such total number to be subject to adjustment in the case of any consolidation or subdivision of any of the shares of the Company into a smaller or larger number of shares of the Company respectively after the passing of this resolution) and the said mandate shall be limited accordingly; and
- (b) the approval in paragraph (a) of this resolution above shall be in addition to any other authorization given to the directors of the Company and shall authorize the directors of the Company on behalf of the Company during the Relevant Period (as defined in paragraph (c) below) to procure the Company to purchase its shares at a price determined by the directors of the Company;
- (c) for the purposes of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

NOTICE OF ANNUAL GENERAL MEETING

7. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** conditional upon the passing of resolutions set out in items 5 and 6 of the notice convening this meeting (the “**Notice**”), the general mandate referred to in the resolution set out in item 5 of the Notice be and is hereby extended by the addition to the aggregate number of shares that may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the directors of the Company pursuant to such general mandate of the number of shares bought back by the Company pursuant to the mandate referred to in the resolution set out in item 6 of the Notice, provided that such amount shall not exceed 10% of the total number of issued shares of the Company as at the date of the passing of this resolution (such total number to be subject to adjustment in the case of any consolidation or subdivision of any of the shares of the Company into a smaller or larger number of shares of the Company respectively after the passing of this resolution).”

8. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT:**

- (a) the declaration and payment of a final dividend of HK\$0.036 per ordinary share of par value US\$0.00001 each in the capital of the Company, in cash out of the share premium account of the Company (the “**Final Dividend**”) to shareholders of the Company be and is hereby approved; and
- (b) any director of the Company (“**Director**”) be and is hereby authorized to take such action, do such things and execute such further documents as the Director may at his/her absolute discretion consider necessary or desirable for the purpose of or in connection with the implementation of the payment of the Final Dividend.”

SPECIAL BUSINESS

2024 Share Award Scheme

9. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT:**

- (a) subject to and conditional upon the Listing Committee of the Hong Kong Stock Exchange granting the approval for the listing of, and the permission to deal in, the Shares to be issued in respect of the Awards to be granted under the 2024 Share Award Scheme, the terms of which are contained in the document tabled at the meeting and marked “A” and initialled by the chairman of the meeting for identification purpose, the 2024 Share Award Scheme be and is hereby approved and adopted; and any director of the Company or his/her delegate(s) be and are hereby authorized to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the 2024 Share Award Scheme, including but without limitation:
 - (i) to administer the 2024 Share Award Scheme under which Awards may be granted to the Eligible Persons under the 2024 Share Award Scheme, including but not limited to determining and granting the Award Shares in accordance with the terms of the 2024 Share Award Scheme;

NOTICE OF ANNUAL GENERAL MEETING

- (ii) to modify and/or amend the 2024 Share Award Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the 2024 Share Award Scheme relating to the modification and/or amendment and subject to Chapter 17 of the Listing Rules;
 - (iii) to grant awards under the 2024 Share Award Scheme and to allot and issue from time to time such number of Shares in the capital of the Company as may be required to be allotted and issued in respect of the Awards to be granted under the 2024 Share Award Scheme and subject to the Listing Rules;
 - (iv) to make application at appropriate time or times to the Hong Kong Stock Exchange upon which the issued Shares may for the time being be listed, for listing of, and permission to deal in, any Shares which may hereafter from time to time be allotted and issued in respect of the Awards to be granted under the 2024 Share Award Scheme and subject to the Listing Rules; and
 - (v) to consent, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant regulatory authorities (including the Hong Kong Stock Exchange) in relation to the 2024 Share Award Scheme and subject to the Listing Rules;
- (b) the total number of Shares which may be issued in respect of all options and awards to be granted under the 2024 Share Award Scheme and any other share schemes of the Company must not in aggregate exceed 10% (or such other percentage which may be specified by the Hong Kong Stock Exchange from time to time) of the total number of Shares in issue as at the Adoption Date or the relevant date of approval of the refreshment of the Scheme Mandate Limit; and
10. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:
- “**THAT**, conditional upon the passing of resolution number 9, the Service Provider Sublimit on the total number of Award Shares that may be issued in respect of all Awards to be granted to Service Provider(s) under the 2024 Share Award Scheme and any other share schemes of the Company be and is hereby approved and adopted and the Directors be and are hereby authorised to take all such steps and attend all such matters, approve and execute (whether under hand or under seal) such documents and do such other things, for and on behalf of the Company, as the Directors may consider necessary, desirable or expedient to effect and implement the Service Provider Sublimit.”
11. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:
- “**THAT**, conditional upon the passing of resolution number 9, the Post-IPO Share Option Scheme be and is hereby terminated with effect from the adoption of the 2024 Share Award Scheme.”

NOTICE OF ANNUAL GENERAL MEETING

Proposed Amendments to the Articles of Association and Adoption of the New Articles of Association

12. To consider and, if thought fit, pass the following resolution as a special resolution:

“**THAT** the existing second amended and restated articles of association of the Company (“**Articles of Association**”) currently in force be amended in the manner as set out in the Circular and the new third amended and restated articles of association of the Company (the “**New Articles of Association**”) in the form of the document marked “B” as produced at the AGM and for the purpose of identification initialed by the chairman of the AGM, which consolidates all the proposed amendments mentioned in the Circular, be approved and adopted as the new articles of association of the Company in substitution for and to the exclusion of the Articles of Association with immediate effect after the close of the AGM and that the directors of the Company or the company secretary of the Company be and are hereby authorised to do all things necessary to implement the adoption of the New Articles of Association including without limitation, attending to the necessary filings with the Registrar of Companies in Hong Kong and the Cayman Islands.”

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

Hong Kong, May 8, 2024

Principal place of business in Hong Kong:

Room 8106B, Level 81
International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

Registered Office:

The offices of Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
PO Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Notes:

- (1) All resolutions at the AGM will be taken by poll pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Company’s articles of association, except where the Chairman, in good faith, decides to allow a resolution that relates purely to a procedural or administrative matter to be voted on by a show of hands pursuant to the Listing Rules and the Articles of Association. The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
- (2) Any shareholder of the Company who is the holder of two or more shares and is entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend and, on a poll, vote in his/her/its stead. A proxy need not be a shareholder of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.

NOTICE OF ANNUAL GENERAL MEETING

- (3) In order to be valid, a form of proxy together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power or authority, must be delivered at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or the any adjournment therefor (as the case may be). The completion and return of the form of proxy shall not preclude shareholders of the Company from attending and voting in person at the AGM (or any adjourned meeting thereof) if they so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (4) Where there are joint holders of any share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at any meeting the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members in respect of the joint holding.
- (5) The transfer books and register of members of the Company will be closed from Thursday, May 30, 2024 to Wednesday, June 5, 2024, both days inclusive, during which period no share transfers can be registered. In order to qualify for attending the AGM, all transfers accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, May 29, 2024.
- (6) For determining the entitlement to the proposed Final Dividend, the register of members of the Company will be closed from Wednesday, June 12, 2024 to Friday, June 14, 2024, both dates inclusive, during which period no transfer of Shares will be effected. In order to qualify for the proposed Final Dividend, all transfer documents, accompanied by the relevant share certificates, must be duly completed and lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on June 11, 2024.
- (7) A circular containing further details concerning items 2 and 5 to 12 set out in the above notice will be sent to all shareholders of the Company together with this notice.

As at the date of this notice, the executive Directors is Mr. WU Zeyuan (also known as Mr. WU Xinhong); the non-executive Directors are Dr. GUO Yihong, Dr. LEE Kai-fu, Mr. CHEN Jiarong and Mr. HONG Yupeng; the independent non-executive Directors are Mr. ZHOU Hao, Mr. LAI Xiaoling and Ms. KUI Yingchun.