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Post Hearing Information Pack of

MEITUAN DIANPING
美团点评

(A company controlled through weighted voting rights and incorporated in the Cayman Islands with limited liability)

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MEITUAN DIANPING
美团点评

(A company controlled through weighted voting rights and incorporated in the Cayman Islands with limited liability)

[REDACTED]

Number of [REDACTED] under the [REDACTED] : [REDACTED] (subject to reallocation and the [REDACTED])
Number of [REDACTED] : [REDACTED] (subject to reallocation)
Number of [REDACTED] : [REDACTED] (subject to reallocation and the [REDACTED])
Maximum [REDACTED] : [REDACTED] per [REDACTED]
Nominal value : US$0.00001 per [REDACTED]
Stock code : [REDACTED]

Joint Sponsors

Goldman Sachs

Morgan Stanley

Bank of America Merrill Lynch

Sole Financial Advisor

China Renaissance

[REDACTED]

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The [REDACTED] is expected to be fixed by agreement between the [REDACTED] and our Company on the [REDACTED]. The [REDACTED] is expected to be on or around [REDACTED] and, in any event, not later than [REDACTED]. The [REDACTED] will be not more than HK$[REDACTED] and is currently expected to be not less than HK$[REDACTED] unless otherwise announced. If, for any reason, the [REDACTED] is not agreed by [REDACTED] between the [REDACTED] and our Company, the [REDACTED] will not proceed and will lapse.

[REDACTED]

The Company will be controlled through weighted voting rights upon [REDACTED]. [REDACTED] should be aware of the potential risks of [REDACTED] in a company with a WVR structure, in particular that the WVR Beneficiaries, whose interests may not necessarily be aligned with those of our Shareholders as a whole, will be in a position to exert significant influence over the outcome of Shareholders' resolutions, irrespective of how other Shareholders vote. For further information about the risks associated with our WVR structure, please refer to the section headed "Risk Factors — Risks Relating to the [REDACTED]." Prospective [REDACTED] should make the decision to [REDACTED] in the Company only after due and careful consideration.

September 7, 2018

EXPECTED TIMETABLE [(1)]

[REDACTED]

EXPECTED TIMETABLE [(1)]

[REDACTED]

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[REDACTED]

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SUMMARY

This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. You should read the entire document before you decide to invest in the [REDACTED].

There are risks associated with any [REDACTED]. Some of the particular risks in [REDACTED] in the [REDACTED] are set out in the section headed "Risk Factors." You should read that section carefully before you decide to [REDACTED]. Unless otherwise indicated, the operating metrics presented in this document reflect the information of our Company as if the current Company structure had existed throughout the Track Record Period. The operating metrics presented in this document included Mobike's operating metrics from April 4, 2018, the completion date of the Mobike acquisition, to April 30, 2018.

Our Mission

Our mission is: "We help people eat better, live better."

We founded our Company with the belief that technology will make everyone's life better. Since then, we have witnessed how technology has improved people's daily lives and small businesses' daily operations. This is just the beginning. We remain excited and steadfast in our mission, and will continue using technology to help people eat better, live better.

Overview

We are China's leading e-commerce platform for services. Our platform uses technology to connect consumers and merchants. Service offerings on our platform address people's daily needs for food, and extend further to broad lifestyle and travel services. In 2017, our platform generated over 5.8 billion transactions, totaling RMB357 billion in Gross Transaction Volume. During the same year, we served 310 million Transacting Users and 4.4 million Active Merchants in over 2,800 cities and counties across China.

We operate the mobile apps *Meituan*, China's leading online marketplace for services by Gross Transaction Volume in 2017, and *Dianping*, China's leading online destination for discovering lifestyle services by monthly active users in 2017, according to the iResearch Report. In addition, we own the *Meituan Waimai* brand for on-demand delivery services and the *Mobike* brand for bike-sharing services. All of the above are household brands in China and among the most popular mobile apps for service e-commerce in terms of monthly active users in 2017, according to the iResearch Report.

We play an important role in consumers' daily lives. We help consumers discover merchant information, make informed decisions, complete online and offline transactions and enjoy on-demand delivery. We focus on *mass-market*, *essential* and *high-frequency* service categories and have established market leadership in these core categories. We are the world's largest on-demand food delivery service provider and China's largest e-commerce platform for in-store dining services in 2017, according to the iResearch Report. Our leadership in these core categories allows us to attract a large and growing consumer base, increase user stickiness and cater to evolving consumption habits. 78% of our Gross Transaction Volume in 2016 was attributable to repeat consumers who were our annual Transacting Users in 2015, and 82% of our Gross Transaction Volume in 2017 was attributable

to repeat consumers who were our annual Transacting Users in 2016. On average, the annual number of transactions each Transacting User made on our platform increased from 10.4 transactions in 2015 to 12.9 transactions in 2016, and further to 18.8 transactions in 2017, and increased from 14.4 transactions in the twelve months ended April 30, 2017 to 20.3 transactions in the twelve months ended April 30, 2018. Our top 10% Transacting Users by consumption frequency made an average of 98 transactions in 2017. In addition, 50.4% of our aggregate annual Transacting Users from 2010 to 2013, after eliminating duplicates, remained our Transacting Users in 2017. The longer our Transacting Users stay with us, the more frequently they transact on our platform. For example, on average, Transacting Users who have been with us since 2013 transacted over 29 times in 2017, whereas Transacting Users who have been with us since 2017 transacted approximately nine times in 2017. Our market leadership also enables us to expand into new categories efficiently.

Our platform has achieved significant operating leverage. We have been focusing on *mass-market*, *essential* and *high-frequency* service categories, and established many touch points with consumers' lives, which allow us to launch and cross-sell a broad range of additional service categories. For example, in 2017, over 80% of our new hotel-booking Transacting Users and approximately 74% of our new Transacting Users of other lifestyle services were converted from Transacting Users of our core categories of food delivery and in-store dining. The breadth of our service offerings allows us to enjoy low user acquisition cost, enhance user stickiness and grow user lifetime value. Our marketing efficiency improved significantly during the Track Record Period. Our selling and marketing expenses as a percentage of total revenue decreased from 177.7% in 2015 to 64.2% in 2016 and further decreased to 32.2% in 2017, and decreased from 32.3% in the four months ended April 30, 2017 to 25.9% in the same period of 2018. While the number of our Transacting Users increased from 206 million in 2015 to 259 million in 2016 and further increased to 310 million in 2017, and increased from 270 million in the twelve months ended April 30, 2017 to 340 million in the twelve months ended April 30, 2018, our incentives provided to Transacting Users as a percentage of Gross Transaction Volume was 2.5% in 2015, 1.3% in 2016, 1.8% in 2017, 1.4% in the four months ended April 30, 2017 and 1.8% in the same period in 2018. As our business further grows, we believe our massive scale, combined with our strong network effects, will allow us to acquire consumers and merchants more cost-effectively and benefit from substantial economies of scale.

We aim to transform China's service industry by providing merchants with a wide range of solutions. Our solutions include targeted online marketing tools, cost-effective on-demand delivery infrastructure, cloud-based ERP systems, integrated payment systems, and supply chain and financing solutions. We help merchants establish an online presence, engage with consumers in real time and improve operational efficiency. Merchants can grow on our platform beyond the physical boundaries of their stores. As a result, we have sustainably expanded our merchant base over time and fostered long-term merchant loyalty. Our Listed Merchants increased from 3.0 million in 2015 to 5.5 million in 2017, while Active Merchants as a percentage of total Listed Merchants increased from 66% in 2015 to 80% in 2017.

We have built and currently operate the world's largest on-demand delivery network in terms of the number of deliveries in 2017, according to the iResearch Report. Our network had on average approximately 531,000 daily active delivery riders in the fourth quarter of 2017. In 2017, our delivery

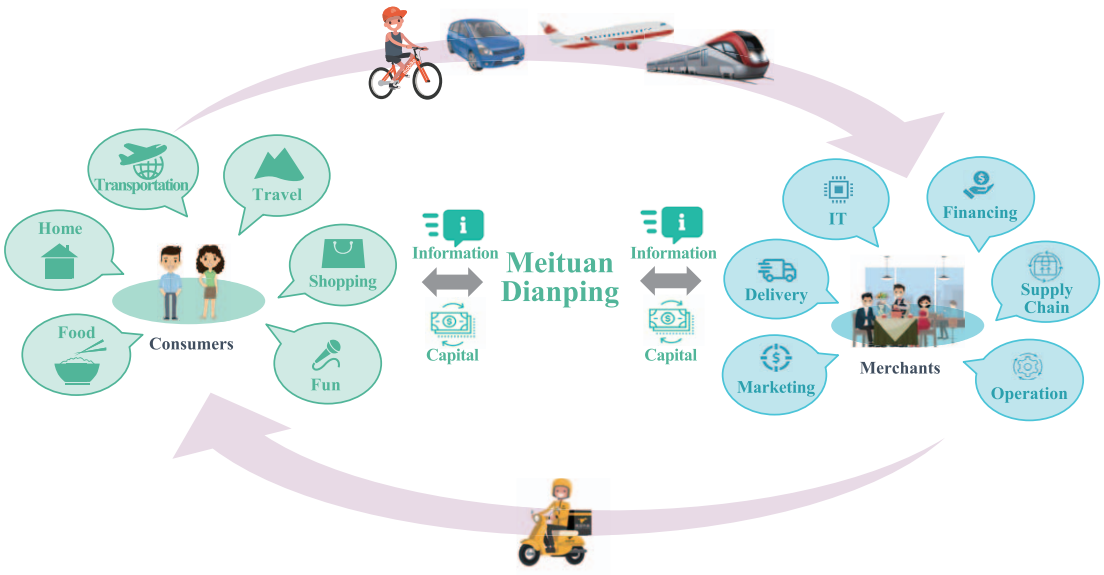
network completed approximately 2.9 billion deliveries, representing over 70% of total on-demand delivery transactions generated on our platform, while the remaining transactions were directly fulfilled by merchants. We continue to reduce cost per delivery and improve the efficiency of our delivery network. In 2017, we achieved an average delivery time of approximately 30 minutes.

We enable the service industry with cutting-edge big data and AI technologies. Our data-driven personalized recommendations improve efficiency for consumers and merchants. Powered by AI technology, our intelligent dispatch system optimizes order-rider matching based on the real-time locations of delivery riders, and performs approximately 2.9 billion times of the route planning algorithm per hour during the daily peak time. We are also utilizing AI-based autonomous driving technology to develop driverless delivery vehicles.

We are a pioneer of the service e-commerce model globally. We have evolved from a single-category service provider to a multi-category service e-commerce platform, and have expanded from large cities to small cities across China, creating a truly "*online + offline*" business model with nationwide coverage. We have extended our platform from serving consumers to serving the supply end, driving internet penetration of the entire service industry value chain.

We have achieved significant growth. We generate revenues from commissions, online marketing services, and other services and sales. Our total revenues increased by 223.2% from RMB4.0 billion in 2015 to RMB13.0 billion in 2016 and further increased by 161.2% to RMB33.9 billion in 2017, and increased by 94.9% from RMB8.1 billion in the four months ended April 30, 2017 to RMB15.8 billion in the same period of 2018.

The following diagram shows our key services and associated core participants. We connect consumers and merchants through our technology platform, which covers both information flow and capital flow. On the consumer side, we offer diversified services covering people's daily lives. On the merchant side, we offer a wide range of solutions to digitize their operations. Our in-store, hotel and travel services bring online consumers to offline merchants, and our on-demand delivery services bring merchants' offerings to consumers. These connections are made possible by our massive on-demand delivery network as well as various transportation services.



Our Scale

The following chart shows the scale of our business:

340M
Annual Transacting Users in LTM 4M 2018[1]

4.7M
Annual Active Merchants in LTM 4M 2018

411B
Annual GTV in RMB in LTM 4M 2018

6.9B
Annual Transactions in LTM 4M 2018

14.1M
Daily Average Food Delivery Transactions in 4M 2018[1]

290M
Total Monthly Active Users[2] in April 2018

235M
Domestic Hotel Room Nights in LTM 4M 2018[3]

539K
Daily Average Active Delivery Riders in 4M 2018

2,800+
Cities and Counties Covered in China as of April 2018

Notes:

(1) "LTM 4M 2018" refers to the last twelve months ended April 30, 2018 and "4M 2018" refers to the four months ended April 30, 2018.

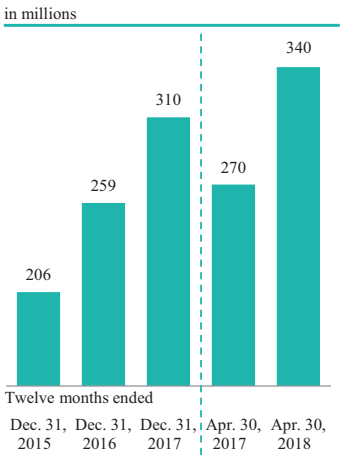
(2) Total MAUs include MAUs of *Meituan* app, *Dianping* app, *Meituan Waimai* app, *Mobike* app and other apps to consumers (excluding *Maoyan* app), after eliminating duplicates, and do not include traffic from Weixin and QQ.

(3) "Domestic Hotel Room Nights" refers to domestic hotel room nights paid by consumers, and does not include cases where the consumers are subsequently refunded.

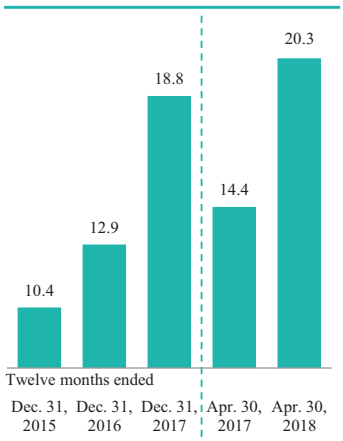
Key Operating Metrics

The following charts show the selected key operating metrics of our business:

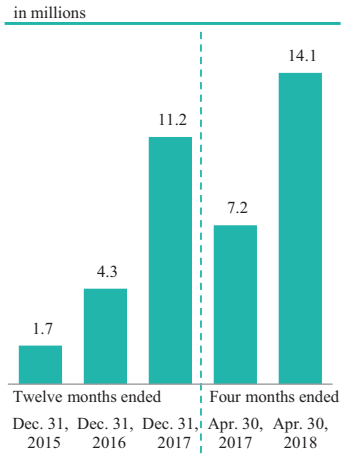
Annual Transacting Users



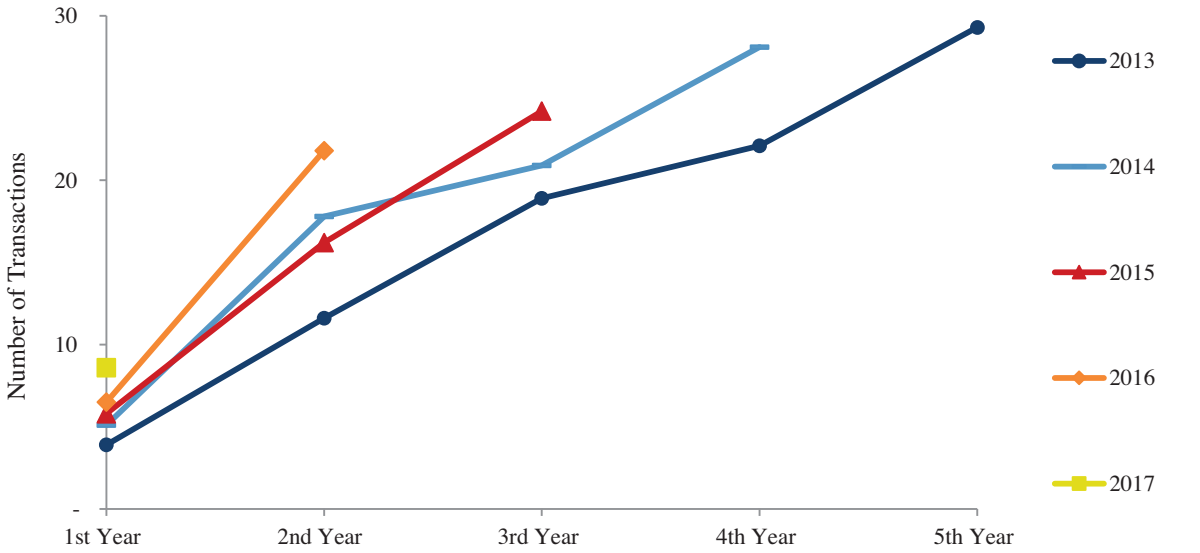
Average Number of Transactions per Annual Transacting User



Daily Average Food Delivery Transactions



The following chart sets forth the transaction frequency of the Transacting Users on our platform for the periods indicated.



Note:

Years denote Transacting User cohort. Figures include Dianping Holdings' data prior to the strategic transaction between Meituan Corporation and Dianping Holdings.

The following tables set forth our key operating data for each of our business segments for the periods indicated:

	Year Ended December 31,			Four Months Ended April 30,	
	2015	2016	2017	2017	2018
			(in millions)		
Number of Transactions:					
Food delivery	637	1,585	4,090	867	1,692
In-store, hotel & travel	1,290	1,439	1,394	416	398
New initiatives and others	222	324	335	100	379
Total	2,149	3,348	5,819	1,383	2,469

	Year Ended December 31,			Four Months Ended April 30,	
	2015	2016	2017	2017	2018
			(in billions of RMB)		
Gross Transaction Volume:					
Food delivery	15.6	58.7	171.1	35.4	75.1
In-store, hotel & travel	127.5	158.4	158.1	50.5	55.1
New initiatives and others	18.0	19.5	28.0	8.0	17.6
Total	161.1	236.6	357.2	93.9	147.8

	Year Ended December 31,			Four Months Ended April 30,	
	2015	2016	2017	2017	2018
Monetization Rate[(1)] (%):					
Food delivery	1.1	9.0	12.3	13.2	12.9
In-store, hotel & travel	3.8	4.4	6.9	6.0	7.9
New initiatives and others	0.4	3.4	7.3	5.2	10.1

	Year Ended December 31, 2017[(2)]	Twelve Months Ended April 30, 2018
	(in millions)	
Number of Transacting Users:		
Food delivery	229	256
In-store, hotel & travel	203	206
New initiatives and others	93	138
Total	310[(3)]	340[(3)]

Notes:

(1) Monetization rate equals the revenues for the year/period divided by the Gross Transaction Volume for the year/period. For purpose of calculating the monetization rate in 2015, our Gross Transaction Volume in 2015

only included *Dianping*'s Gross Transaction Volume from October 2015 to December 2015. For purpose of calculating the monetization rate for the four months ended April 30, 2018, our Gross Transaction Volume only included Mobike's Gross Transaction Volume in April 2018.

(2) Numbers of Transacting Users for each segment prior to the adoption of the current segment reporting structure are not available.

(3) After eliminating duplicates.

During the Track Record Period, we recorded significant growth and improved operational efficiency across all segments. For example, with respect to our food delivery segment, we have built and currently operate the world's largest intra-city on-demand delivery network in terms of number of deliveries in 2017. The number of our food delivery transactions grew from 1,585 million in 2016 to 4,090 million in 2017, and from 867 million in the four months ended April 30, 2017 to 1,692 million in the same period in 2018, which contributed to the 191% increase of the food delivery segment's Gross Transaction Volume in 2017 compared to 2016 and the 112% increase in the four months ended April 30, 2018 compared to the same period in 2017. At the same time, the segment's monetization rate increased steadily from 9.0% in 2016 to 12.3% in 2017 and 12.9% in the four months ended April 30, 2018. The operational efficiency of our food delivery segment has also improved over time. As the scale of our food delivery business further increases, on average, each delivery rider in our network travels shorter distance and spends less time in fulfilling an order. For example, the daily average on-demand deliveries made by each Premium Delivery rider increased 22% in 2017 compared with that in 2016. The high order density of our delivery network enables us to efficiently manage labor cost and provide better user experience.

We had net liabilities of RMB17.7 billion, RMB25.6 billion, RMB40.5 billion and RMB62.1 billion as of December 31, 2015, 2016 and 2017 and April 30, 2018, respectively, primarily due to the significant amount of convertible redeemable preferred shares recorded as liabilities. The convertible redeemable preferred shares will be re-designated from liabilities to equity as a result of the automatic conversion into ordinary shares upon [REDACTED]. In addition, we recorded significant net losses in the amount of RMB10.5 billion, RMB5.8 billion, RMB19.0 billion, RMB8.2 billion and RMB22.8 billion for the years ended December 31, 2015, 2016 and 2017 and for the four months ended April 30, 2017 and 2018, respectively, primarily due to (i) the changes in fair value of our preferred shares, (ii) the substantial amounts of selling and marketing expenses incurred in order to acquire more Transacting Users and to strengthen our market leadership, and (iii) the launch of new product and service categories. We had fair value loss on convertible redeemable preferred shares of RMB0.7 billion, RMB4.3 billion, RMB15.1 billion, RMB7.4 billion and RMB20.5 billion for the years ended December 31, 2015, 2016 and 2017 and for the four months ended April 30, 2017 and 2018, respectively. During the Track Record Period, we also recorded accumulated losses and cash outflow from operating activities, and provided significant incentives to Transacting Users and delivery riders. For the years ended 2015, 2016, 2017 and the four months ended April 30, 2017 and 2018, we provided incentives to Transacting Users in the amount of RMB4.0 billion, RMB3.2 billion, RMB6.4 billion, RMB1.3 billion and RMB2.7 billion, respectively. See the section headed "Financial Information" for more details. In addition, Mobike, which we acquired in April 2018, has incurred losses since its inception. As a result, we expect to continue to record a substantial amount of loss for the years ending December 31, 2018 and 2019. Since our acquisition of Mobike on April 4, 2018, we have only consolidated Mobike's financial results from April 4 to April 30, 2018 in the consolidated financial statements for the four months ended April 30, 2018. The gross loss of Mobike from April 4 to April 30, 2018 was RMB407 million. See "Risk Factors—We have incurred significant losses, and we may

continue to experience significant losses in the future, including as a result of our acquisition of Mobike. Our operating philosophy of thinking long-term and seizing strategic business opportunities may also negatively influence our short-term financial performance." We expect to use the financial resources available to us, including our cash and cash equivalents on hand, short-term investments, existing bank borrowings, and the estimated [REDACTED] from the [REDACTED], to meet our working capital needs during our loss-making period.

Consistent with our operating philosophy of thinking long-term and seizing strategic business opportunities, our efforts have emphasized on expanding our consumer and merchant base, satisfying unmet market demand and enhancing our network. In particular, we plan to continue to identify and further expand our service offerings by leveraging our understanding of consumer demands, our sales network and technology infrastructure, which we believe will both satisfy the unmet needs of existing consumers and attract new consumers to our platform. For example, we are leveraging our existing on-demand delivery network to expand from food delivery to groceries as well as online + offline retail on the consumers' side, and we are leveraging our existing merchant base to promote our cloud-based ERP systems and business-to-business food supply chain solutions on the merchants' side.

OUR INDUSTRY

The consumer service industry in China is underpinned by multiple positive macroeconomic factors

Urbanization. Continued rapid urbanization in China benefits our business as consumer services are increasingly concentrated in populated areas. By the end of 2016, China had 156 cities with a population of over 1 million, as compared to only 10 cities of such size in the U.S., according to the iResearch Report. Population density in urban cities in China was 2,426 people per square kilometer in 2017, over seven times that of the U.S., according to the iResearch Report.

Consumption upgrade. The Chinese economy is shifting from an investment-driven structure to a domestic consumption-driven one. With higher disposable income, consumption spending is upgrading from basic needs to more discretionary expenditures, and from physical goods to consumer services focused on improving people's lives through convenience and ease of access.

Abundant labor supply for the consumer service industry. There is a shift in the labor supply where workers are moving from the traditional agricultural and manufacturing sectors into the consumer service sector. Abundant labor supply for consumer services accelerates the emergence of new business models such as on-demand delivery, where China has comparative advantages in labor costs compared to developed markets.

We believe that the above macroeconomic factors will support the growth of consumer service industry from RMB18.4 trillion in 2017 to RMB33.1 trillion by 2023, implying a CAGR of 10.2%, according to the iResearch Report.

Mass adoption of consumer service e-commerce

Mobile savvy consumers with increasing demand for consumer service e-commerce. China has the world's largest mobile internet population. Combining location-based connectivity enabled by the

mobile internet and global leading mobile payment infrastructure, consumers are able to discover local merchant information, make consumption decisions and complete transactions online and offline via mobile devices. As a result, consumer service e-commerce is becoming an increasingly important part of consumers' daily lives. In addition, Chinese consumers' increased willingness to pay for convenience is propelling the growth of the consumer service e-commerce industry, such as on-demand delivery services.

Consumer service merchants are moving online rapidly. Offline consumer service merchants in China are highly dispersed and fragmented, lack brand recognition and basic technology infrastructure, and the industy is characterized by intense competition and low margins. Internet technology enables merchants to advertise their businesses, promote their brands, compete through quality of services, attract new consumers, increase sales and reduce costs in an efficient way.

We believe more consumers will adopt consumer service e-commerce on a daily basis and expand the frequency and breadth of their use across multiple service categories. The consumer service e-commerce market, totaling RMB2,705 billion in 2017 based on Gross Transaction Volume, is expected to grow at a CAGR of 19.8% to RMB8,011 billion by 2023, according to the iResearch Report. This rapid growth would result from both increased online penetration and market expansion of multiple consumer services.

Food consumption is the most frequented category in consumers' daily lives. China's food retail and service industry, totaling RMB8,735 billion in 2017 with an online penetration rate of 13.4%, is expected to grow to RMB14,132 billion with an online penetration rate of 29.5% by 2023, according to the iResearch Report. Food service e-commerce includes on-demand delivery from restaurants, in-store dining at restaurants and online non-restaurant food retail. Food delivery is expected to increase significantly because consumers, especially younger generations and the working population, are more willing to pay for convenience and technology has made on-demand delivery service more efficient and cost-effective. In-store dining services have also expanded to allow consumers to make reservations, line up virtually, place orders, purchase vouchers and much more, addressing potential consumer demands and improving merchants' service quality. At the same time, merchants are further enabled through technology that improves their IT and operations, accelerating their digitization.

Many other consumer services, such as hotel booking and entertainment, are also expanding rapidly and moving online. This is the result of the adoption of e-commerce and cross-selling through high-frequency and essential services such as on-demand food delivery.

OUR STRENGTHS

We believe the following strengths contribute to our success and differentiate us from our competitors:

- Leader in service e-commerce with tremendous scale and network effects;
- Household brands for high-frequency essential services;
- One-stop platform capturing consumer lifetime value;

- Wide range of solutions enabling merchants to succeed;
- Largest intra-city on-demand delivery network;
- Proprietary and innovative technologies; and
- Management with long-term vision and demonstrated execution capabilities.

OUR STRATEGIES

To achieve our mission and further solidify our leadership, we intend to pursue the following strategies:

- Serve more consumers more frequently;
- Enable more merchants with more solutions;
- Continue technology innovations; and
- Selectively pursue strategic alliances, investments and acquisitions.

WEIGHTED VOTING RIGHTS STRUCTURE

The Company will have a weighted voting rights structure, effective immediately upon the completion of the [REDACTED]. Under this structure, the Company's share capital will comprise Class A Shares and Class B Shares. Each Class A Share will entitle the holder thereof to exercise 10 votes, and each Class B Share will entitle the holder thereof to exercise one vote, on any resolution tabled at the Company's general meetings, except for resolutions with respect to a limited number of Reserved Matters, in relation to which each Share is entitled to one vote.

Immediately upon the completion of the [REDACTED], the WVR Beneficiaries, being the holders of the Class A Shares, will be Wang Xing, Mu Rongjun and Wang Huiwen, whose respective shareholdings and voting rights with respect to shareholder resolutions relating to matters other than the Reserved Matters (in each case assuming the [REDACTED] is not exercised and no Shares are issued under the Pre-[REDACTED] ESOP), will be as follows:

- Wang Xing will beneficially own 573,188,783 Class A Shares, representing approximately [REDACTED]% of the voting rights in the Company,
- Mu Rongjun will beneficially own 125,980,000 Class A Shares, representing approximately [REDACTED]% of the voting rights in the Company, and
- Wang Huiwen will beneficially own 36,400,000 Class A Shares, representing approximately [REDACTED]% of the voting rights in the Company.

For further details, please see the section headed "Share Capital—Weighted Voting Rights Structure" in this document.

The Company's WVR Structure will enable the WVR Beneficiaries to exercise voting control over the Company notwithstanding the WVR Beneficiaries do not hold a majority economic interest in the share capital of the Company. This allows the Company to benefit from the continuing vision and leadership of the WVR Beneficiaries who will control the Company with a view to its long-term prospects and strategy.

Wang Xing is a Co-founder of the Company. Since the inception of the Company, Wang Xing has been responsible for the strategic direction of the Company, as well as promoting the Company's culture. Wang Xing is highly involved in making crucial decisions of the Company, including in areas of investments, talent acquisition and business management. Driven by the mission of helping people eat better, live better, Wang Xing has been steering the Company's business strategy since the launch of *Meituan.com* in 2010, and has led the expansion of the Company into China's leading e-commerce platform for services with a wide range of service offerings, including food delivery, in-store, hotel & travel, as well as new initiatives and others. Wang Xing also introduced strategic and sophisticated Pre-[REDACTED] Investors to the Company, who significantly contributed to the Company's growth.

Mu Rongjun is a Co-founder of the Company. He has a background in computer science and technology and has over 10 years of managerial and operational experience in the internet industry, including his roles as senior software engineer and project manager in Baidu, Inc. prior to co-founding the Company. With his particular skill and knowledge, Mu Rongjun has been instrumental to the success of the Company. During the early phases of the Company's development, Mu Rongjun was responsible for building its technical team and constructing its online platform. As the Company's platform expanded, his role broadened to include talent acquisition and development, as well as management of the Company's human resources, administration, information technology, procurement, legal affairs and government liaison operations. Since co-founding the Company, Mu Rongjun has been assuming an indispensable role in ensuring its compliance with laws and regulations, boosting efficiency at the workplace, safeguarding data security, and maintaining a positive, interactive relationship with external parties including public authorities. Mu Rongjun is currently responsible for the financial services and corporate affairs of the Company. On the financial services front, Mu Rongjun is an advocate of openness and cooperation, with the aim of providing convenient and innovative financial services for consumers and merchants. On the corporate affairs front, Mu Rongjun provides valuable support to the Company by formulating strategies on key aspects such as internal policies, public relations and government affairs.

Wang Huiwen is a Co-founder of the Company. During the early phases of the Company's development, Wang Huiwen established the foundation of its marketing and branding strategies. Wang Huiwen played a key role in the planning and launching of the Company's food delivery services in 2013 and is responsible for the continuous improvement of the food delivery business. Under the leadership of Wang Huiwen, food delivery has become one of the Company's core service categories which has allowed the Company to expand and cross-sell to a wide range of other service categories, making it the world's largest food delivery service provider in terms of number of transactions and operate the world's largest intra-city delivery network, according to the iResearch Report. As the

Company continues to expand service offerings, Wang Huiwen currently leads the Company's various operations including groceries, other non-food delivery and restaurant supply chain services. Wang Huiwen is at the forefront of formulating and implementing high-level business strategies for the on-demand delivery business and certain new initiatives of the Company.

Prospective investors are advised to be aware of the potential risks of investing in companies with a WVR Structure, in particular that the interests of the WVR Beneficiaries may not necessarily always be aligned with those of our Shareholders as a whole, and that the WVR Beneficiaries will be in a position to exert significant influence over the affairs of our Company and the outcome of shareholders' resolutions, irrespective of how other shareholders vote. Prospective investors should make the decision to invest in the Company only after due and careful consideration. For further information about the risks associated with the WVR Structure adopted by the Company, please refer to the sections headed "Risk Factors—Risks Relating to the [REDACTED]—The concentration of our Share ownership limits our shareholders' ability to influence corporate matters" and "Risk Factors—Risks Relating to the [REDACTED]—Holders of our Class A Shares may exert substantial influence over us and may not act in the best interests of our independent Shareholders."

RISK FACTORS

Our business and the [REDACTED] involve certain risks, which are set out in the section headed "Risk Factors." You should read that section in its entirety carefully before you decide to [REDACTED]. Some of the major risks we face are relating to:

- Our ability to sustain our historical growth rates;
- Our ability to manage our growth or execute our strategies effectively;
- The fact that we have incurred significant losses and we may continue to experience significant losses in the future;
- Our ability to hire, retain and motivate our staff;
- Our ability to successfully expand into new businesses;
- Our ability to obtain sufficient capital on acceptable terms to fund our operations;
- The fact that we face intense competition in our businesses and our ability to compete effectively;
- Our ability to adopt new technologies or adapt our mobile apps, websites and systems to changing user requirements or emerging industry standards;
- Our ability to maintain, protect and enhance our brands;

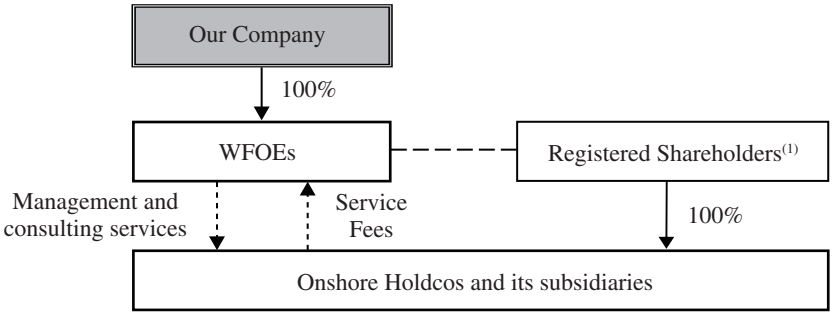
- Our ability to acquire new Transacting Users and Active Merchants in a cost-effective manner, to retain our existing Transacting Users and Active Merchants, and to maintain or increase their engagement; and

- The fact that our strategic alliances, investments or acquisitions involve significant challenges and risks, including our substantial amount of intangible assets, and the potential occurrence of significant goodwill impairment charges and amortization expenses for other intangible assets.

CONTRACTUAL ARRANGEMENTS

Our Company operates or may operate in certain industries that are subject to restrictions under current PRC laws and regulations. In order to comply with such laws, while availing ourselves of international capital markets and maintaining effective control over all of our operations, we control our Consolidated Affiliated Entities through the Contractual Arrangements entered into on August 21, 2018. Hence, we do not directly own any equity interest in our Consolidated Affiliated Entities. Pursuant to the Contractual Arrangements, we have effective control over the financial and operational policies of our Consolidated Affiliated Entities and are entitled to all the economic benefits derived from the Consolidated Affiliated Entities' operations. For further details, please see the section headed "Contractual Arrangements" in this document.

The following simplified diagram illustrates the flow of economic benefits from our Consolidated Affiliated Entities to our Company stipulated under the Contractual Arrangements:



Notes:

(1) Registered Shareholders refer to the registered shareholders of the Onshore Holdcos. Please see the section headed "Contractual Arrangement" for details.

(2) "—>" denotes direct legal and beneficial ownership in the equity interest.

(3) "--->" denotes contractual relationship.

(4) "----" denotes the control by WFOEs over the Registered Shareholders and the Onshore Holdcos through (1) powers of attorney to exercise all shareholders' rights in the Onshore Holdcos, (2) exclusive options to acquire all or part of the equity interests in the Onshore Holdcos and (3) equity pledges over the equity interests in the Onshore Holdcos.

The Ministry of Commerce of the PRC, or MOFCOM, published the proposed Foreign Investment Law, or the Draft Foreign Investment Law, in January 2015, which stipulates restriction of foreign investment in certain industry sectors on the "catalog of special administrative measures," but did not specify the businesses to be included therein. The Draft Foreign Investment Law also provides that entities established in the PRC but "controlled" by foreign investors will be treated as foreign invested entities, whereas an entity organized in a foreign jurisdiction, but cleared by the authority in charge of foreign investment as "controlled" by the PRC entities and/or citizens, would be treated as a PRC domestic entity for investment purposes. As of the Latest Practicable Date, the Draft Foreign Investment Law was a draft only and there is no certainty whether, or timeline when, the Draft Foreign Investment Law will be promulgated and come into effect, and if so, whether it is to be promulgated in the current draft form after it undergoes through further enactment process. Please refer to the sections headed "Risk Factors—Risks Relating to Our Contractual Arrangements" and "Contractual Arrangements—Development in the PRC Legislation on Foreign Investment" for further details.

OUR CONTROLLING SHAREHOLDER

Immediately after the completion of the [REDACTED], Wang Xing, our Co-founder, executive Director, Chief Executive Officer and Chairman of the Board, will be interested in and will control 573,188,783 Class A Shares through two intermediary entities, Crown Holdings and Shared Patience (assuming all ordinary shares other than those held by the WVR Beneficiaries and all Preferred Shares are converted into Class B Shares upon [REDACTED]). Assuming the [REDACTED] is not exercised and no Shares are issued under the Pre-[REDACTED] ESOP, Post-[REDACTED] Share Option Scheme and Post-[REDACTED] Share Award Scheme, Wang Xing's aggregated shareholding will be approximately [REDACTED]% of our issued share capital and he will hold approximately [REDACTED]% of the voting rights in the Company through shares beneficially owned by him capable of being exercised on resolutions in general meetings (except for resolutions with respect to a limited number of Reserved Matters, in relation to which each share is entitled to one vote). Therefore, Wang Xing will be a Controlling Shareholder after the [REDACTED].

For further details about our Controlling Shareholder, please refer to the section headed "Relationship with the Controlling Shareholders."

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth summary financial data from our consolidated financial information for the Track Record Period, extracted from the Accountant's Report set out in Appendix I to this document. The summary consolidated financial data set forth below should be read together with, and is qualified in its entirety by reference to, the consolidated financial statements in this document, including the related notes. Our consolidated financial information was prepared in accordance with IFRS.

Selected Consolidated Income Statement Items

The following table sets forth our consolidated income statements with line items in absolute amounts and as percentages of our revenues for the periods indicated:

	Year Ended December 31,						Four Months Ended April 30,			
	2015		2016		2017		2017		2018	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
							(Unaudited)			
	(in thousands, except percentages)									
Revenues	4,018,959	100.0	12,988,077	100.0	33,927,987	100.0	8,119,582	100.0	15,824,284	100.0
Cost of revenues	(1,239,504)	(30.8)	(7,046,841)	(54.3)	(21,708,483)	(64.0)	(4,742,856)	(58.4)	(11,786,849)	(74.5)
Gross profit	2,779,455	69.2	5,941,236	45.7	12,219,504	36.0	3,376,726	41.6	4,037,435	25.5
Selling and marketing expenses	(7,140,962)	(177.7)	(8,337,132)	(64.2)	(10,908,688)	(32.2)	(2,626,651)	(32.3)	(4,098,373)	(25.9)
Research and development expenses	(1,204,033)	(30.0)	(2,366,674)	(18.2)	(3,646,634)	(10.7)	(949,458)	(11.7)	(1,933,480)	(12.2)
General and administrative expenses	(2,905,420)	(72.3)	(1,722,605)	(13.3)	(2,171,408)	(6.4)	(475,194)	(5.9)	(966,108)	(6.1)
Fair value changes on investments measured at fair value through profit or loss	46,953	1.2	23,550	0.2	472,874	1.4	(176,490)	(2.2)	245,764	1.6
Other (losses)/gains, net	(49,928)	(1.2)	206,212	1.6	208,260	0.6	82,046	1.0	189,042	1.2
Operating loss	(8,473,935)	(210.8)	(6,255,413)	(48.2)	(3,826,092)	(11.3)	(769,021)	(9.5)	(2,525,720)	(16.0)
Finance income	13,541	0.3	21,681	0.2	60,885	0.2	9,437	0.1	72,534	0.5
Finance costs	(56,561)	(1.4)	(55,981)	(0.4)	(19,214)	(0.1)	(1,129)	(0.0)	(11,163)	(0.1)
Fair value changes of convertible redeemable preferred shares	(725,113)	(18.0)	(4,313,365)	(33.2)	(15,138,824)	(44.6)	(7,435,977)	(91.6)	(20,499,801)	(129.5)
Share of (losses)/gains of investments accounted for using the equity method	(661)	(0.0)	(28,018)	(0.2)	(10,418)	(0.0)	43,625	0.5	26,425	0.2
Loss before income tax	(9,242,729)	(230.0)	(10,631,096)	(81.9)	(18,933,663)	(55.8)	(8,153,065)	(100.4)	(22,937,725)	(145.0)
Income tax credits/(expenses)	11,648	0.3	(267,903)	(2.1)	(54,218)	(0.2)	(50,991)	(0.6)	143,070	0.9
Loss for the year/period from continuing operations	(9,231,081)	(229.7)	(10,898,999)	(83.9)	(18,987,881)	(56.0)	(8,204,056)	(101.0)	(22,794,655)	(144.0)
(Loss)/profit from discontinued operation[(1)]	(1,288,257)	(32.1)	5,104,001	39.3	—	—	—	—	—	—
Loss for the year/period	(10,519,338)	(261.7)	(5,794,998)	(44.6)	(18,987,881)	(56.0)	(8,204,056)	(101.0)	(22,794,655)	(144.0)

	Year Ended December 31,						Four Months Ended April 30,			
	2015		2016		2017		2017		2018	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
							(Unaudited)			
	(in thousands, except percentages)									
Non-IFRS Measures:										
Adjusted EBITDA (Unaudited)[2]	(5,693,387)	(141.7)	(4,998,311)	(38.5)	(2,691,811)	(7.9)	(262,613)	(3.2)	(1,726,596)	(10.9)
Adjusted net loss (Unaudited)[3]	(5,914,106)	(147.2)	(5,353,117)	(41.2)	(2,852,716)	(8.4)	(255,094)	(3.1)	(2,019,694)	(12.8)

Notes:

(1) "(Loss)/profit from discontinued operation" refers to Maoyan, the movie ticketing business we disposed of in 2016. See "Financial Information—Description of Major Components of Our Results of Operations—Discontinued Operation" for details.

(2) We define "adjusted EBITDA" as operating loss for the year or period by adding back (i) fair value changes on investments measured at fair value through profit or loss, (ii) other losses/(gains), net, (iii) depreciation of property, plant and equipment, (iv) amortization of intangible assets, and (v) share-based compensation expenses. Adjusted EBITDA is not a measure required by, or presented in accordance with IFRS. The use of adjusted EBITDA has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for analysis of, our results of operations or financial condition as reported under IFRS. See "Financial Information—Non-IFRS Measures: Adjusted EBITDA and Adjusted Net Loss" for details.

(3) We define "adjusted net loss" as loss for the year or period by adding back (i) fair value changes of convertible redeemable preferred shares, (ii) share-based compensation expenses, (iii) fair value (gains)/losses on investments, (iv) (gains)/losses on disposal of investments and subsidiaries, (v) loss/(profit) from discontinued operation, and (vi) amortization of intangible assets resulting from acquisitions. Adjusted net loss is not a measure required by, or presented in accordance with IFRS. The use of adjusted net loss has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for analysis of, our results of operations or financial condition as reported under IFRS. See "Financial Information—Non-IFRS Measures: Adjusted EBITDA and Adjusted Net Loss" for details.

We believe that the presentation of non-IFRS measures facilitate comparisons of operating performance from period to period and company to company by eliminating potential impacts of items that our management does not consider to be indicative of our operating performance such as certain non-cash items and certain impact of investment transactions. The use of these non-IFRS measures have limitations as an analytical tool, and you should not consider them in isolation from, or as a substitute for analysis of, our results of operations or financial conditions as reported under IFRS. In addition, these non-IFRS financial measures may be defined differently from similar terms used by other companies. The following table sets forth the reconciliation of our adjusted EBITDA for the years ended December 31, 2015, 2016 and 2017 and for the four months ended April 30, 2017 and 2018 to the nearest measures prepared in accordance with IFRS:

	Year Ended December 31,			Four Months Ended April 30,	
	2015	2016	2017	2017	2018
	(in thousands of RMB)				
Operating Loss	(8,473,935)	(6,255,413)	(3,826,092)	(769,021)	(2,525,720)
Add:					
Fair value changes on investments measured at fair value through profit or loss	(46,953)	(23,550)	(472,874)	176,490	(245,764)
Other losses/(gains), net	49,928	(206,212)	(208,260)	(82,046)	(189,042)
Depreciation of property, plant and equipment	102,393	266,304	327,696	94,069	566,568
Amortization of intangible assets	75,802	307,485	516,619	111,518	259,275
Share-based compensation expenses	2,599,378	913,075	971,100	206,377	408,087
Adjusted EBITDA	**(5,693,387)**	**(4,998,311)**	**(2,691,811)**	**(262,613)**	**(1,726,596)**

For the reconciliation of our adjusted net loss for the years ended December 31, 2015, 2016 and 2017 and for the four months ended April 30, 2017 and 2018 to the nearest measures prepared in accordance with IFRS, please see "Financial Information—Non-IFRS Measures: Adjusted EBITDA and Adjusted Net Loss" for details.

The following tables set forth our revenues, cost of revenues, gross (loss)/profit and gross margin by segment for the periods indicated:

	Year Ended December 31, 2015			
	Food delivery	In-store, hotel & travel	New initiatives and others	Total
	(in thousands of RMB, except percentages)			
Commission	174,754	3,426,056	—	3,600,810
Online marketing services	—	345,259	31,739	376,998
Other services and sales	—	2,406	38,745	41,151
Revenues in total	174,754	3,773,721	70,484	4,018,959
Cost of revenues	(391,010)	(740,686)	(107,808)	(1,239,504)
Gross (loss)/profit	(216,256)	3,033,035	(37,324)	2,779,455
Gross margin	(123.7%)	80.4%	(53.0%)	69.2%

	Year Ended December 31, 2016			
	Food delivery	In-store, hotel & travel	New initiatives and others	Total
	(in thousands of RMB, except percentages)			
Commission	5,208,994	4,869,575	152,143	10,230,712
Online marketing services	82,975	2,113,106	268,918	2,464,999
Other services and sales	9,024	36,961	246,381	292,366
Revenues in total	5,300,993	7,019,642	667,442	12,988,077
Cost of revenues	(5,706,544)	(1,080,917)	(259,380)	(7,046,841)
Gross (loss)/profit	(405,551)	5,938,725	408,062	5,941,236
Gross margin	(7.7%)	84.6%	61.1%	45.7%

	Year Ended December 31, 2017			
	Food delivery	In-store, hotel & travel	New initiatives and others	Total
	(in thousands of RMB, except percentages)			
Commission	20,283,964	7,135,970	589,196	28,009,130
Online marketing services	710,203	3,649,996	341,476	4,701,675
Other services and sales	37,766	66,844	1,112,572	1,217,182
Revenues in total	21,031,933	10,852,810	2,043,244	33,927,987
Cost of revenues	(19,332,514)	(1,273,331)	(1,102,638)	(21,708,483)
Gross profit	1,699,419	9,579,479	940,606	12,219,504
Gross margin	8.1%	88.3%	46.0%	36.0%

	Four Months Ended April 30, 2017			
	Food delivery	In-store, hotel & travel	New initiatives and others	Total
	(Unaudited)			
	(in thousands of RMB, except percentages)			
Commission	4,547,537	2,124,293	103,987	6,775,817
Online marketing services	105,661	889,069	120,958	1,115,688
Other services and sales	6,483	27,340	194,254	228,077
Revenues in total	4,659,681	3,040,702	419,199	8,119,582
Cost of revenues	(4,234,325)	(371,081)	(137,450)	(4,742,856)
Gross profit	425,356	2,669,621	281,749	3,376,726
Gross margin	9.1%	87.8%	67.2%	41.6%

	Four Months Ended April 30, 2018			
	Food delivery	In-store, hotel & travel	New initiatives and others	Total
	(in thousands of RMB, except percentages)			
Commission	9,310,071	2,681,194	625,756	12,617,021
Online marketing services	355,463	1,657,596	93,914	2,106,973
Other services and sales	20,293	12,377	1,067,620	1,100,290
Revenues in total	9,685,827	4,351,167	1,787,290	15,824,284
Cost of revenues	(8,783,182)	(522,330)	(2,481,337)	(11,786,849)
Gross profit/(loss)	902,645	3,828,837	(694,047)	4,037,435
Gross margin	9.3%	88.0%	(38.8%)	25.5%

Selected Consolidated Balance Sheet Items

The following table sets forth selected information from our consolidated statements of financial position as of the dates indicated:

	As of December 31,			As of April 30,
	2015	2016	2017	2018
	(in thousands of RMB)			
Total non-current assets	21,015,464	28,082,028	29,196,028	51,748,170
Total current assets	21,874,383	23,634,532	54,438,135	46,982,669
Total assets	**42,889,847**	**51,716,560**	**83,634,163**	**98,730,839**
Total non-current liabilities	50,316,796	64,815,964	103,618,175	127,296,253
Total current liabilities	10,242,723	12,475,947	20,517,370	33,567,114
Total liabilities	**60,559,519**	**77,291,911**	**124,135,545**	**160,863,367**
Share capital	93	93	98	98
Share premium	8,463,931	8,567,622	9,338,529	8,678,971
Other reserves	(476,367)	(2,742,872)	466,103	1,877,678
Accumulated losses	(25,657,329)	(31,447,229)	(50,363,846)	(72,725,225)
Equity attributable to equity holders of the Company	**(17,669,672)**	**(25,622,386)**	**(40,559,116)**	**(62,168,478)**
Non-controlling interests	**—**	**47,035**	**57,734**	**35,950**
Total equity and liabilities	**42,889,847**	**51,716,560**	**83,634,163**	**98,730,839**
Net current assets	**11,631,660**	**11,158,585**	**33,920,765**	**13,415,555**

Selected Consolidated Cash Flow Items

The following table sets forth our cash flows for the periods indicated:

	Year Ended December 31,			Four Months Ended April 30,	
	2015	2016	2017	2017	2018
				(Unaudited)	
			(in thousands of RMB)		
Net cash (used in)/generated from operating activities	(4,004,434)	(1,918,024)	(310,200)	55,180	(3,435,900)
Net cash generated from/(used in) investing activities	852,664	(9,556,784)	(15,157,090)	813,618	11,011,035
Net cash generated from/(used in) financing activities	18,505,796	3,805,222	25,507,781	151,561	(183,771)
Net increase/(decrease) in cash and cash equivalents	15,354,026	(7,669,586)	10,040,491	1,020,359	7,391,364
Cash and cash equivalents at the beginning of the year/period	1,331,301	16,804,326	9,376,575	9,376,575	19,408,839
Exchange gain/(loss) on cash and cash equivalents	118,999	241,835	(8,227)	(21,168)	(529,867)
Cash and cash equivalents at the end of the year/period	16,804,326	9,376,575	19,408,839	10,375,766	26,270,336

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios for the periods indicated:

	Year Ended December 31,			Four Months Ended April 30,	
	2015	2016	2017	2017	2018
Monetization rate[(1)] (%)	3.0	5.5	9.5	8.6	10.7
Gross margin[(2)] (%)	69.2	45.7	36.0	41.6	25.5
Selling and marketing expenses to revenues ratio (%)	177.7	64.2	32.2	32.3	25.9
Adjusted EBITDA margin[(3)] (%)	(141.7)	(38.5)	(7.9)	(3.2)	(10.9)

	Year Ended December 31,		Four Months Ended April 30,
	2016	2017	2018
Total revenue growth (%)	223.2	161.2	94.9

Notes:

(1) Monetization rate equals the revenues for the year/period divided by the Gross Transaction Volume for the year/period. For purpose of calculating the monetization rate in 2015, our Gross Transaction Volume in 2015 only included *Dianping*'s Gross Transaction Volume from October 2015 to December 2015. For purpose of calculating the monetization rate for the four months ended April 30, 2018, our Gross Transaction Volume only included Mobike's Gross Transaction Volume in April 2018.

(2) Gross margin equals gross profit for the year/period divided by revenues for the year/period.

(3) Adjusted EBITDA margin equals adjusted EBITDA for the year/period divided by revenues for the year/period.

GOODWILL AND OTHER INTANGIBLE ASSETS

As of April 30, 2018, we had intangible assets of RMB36.0 billion, including goodwill of RMB27.7 billion, which primarily arose from the strategic transaction between Meituan Corporation and Dianping Holdings in 2015 and our acquisitions of Qiandaibao in 2016 and Mobike in 2018. We assess the impairment of goodwill annually, or more frequently if certain events or changes in circumstances indicate that it might be impaired, by comparing the recoverable amounts of cash generating unit to the carrying amounts. For the years ended December 31, 2015, 2016 and 2017 and the four months ended April 30, 2017 and 2018, we recorded impairment losses of nil, RMB143 million, RMB12 million, nil and nil, respectively. These impairment losses were not related to the strategic transaction between Meituan Corporation and Dianping Holdings in 2015 or our acquisitions of Qiandaibao in 2016 and Mobike in 2018. See "Risk Factors—Risks Relating to Our Business and Industry—Change in business prospects of acquisitions may result in goodwill impairment and impairment of our other intangible assets acquired in a business combination, which could negatively affect our results of operations" for more details.

APPLICATION FOR [REDACTED] ON THE [REDACTED]

We have applied to the [REDACTED] of the [REDACTED], and permission to deal in, (i) the Class B Shares in issue and to be issued pursuant to the [REDACTED] (including the additional Class B Shares which may be issued pursuant to the exercise of the [REDACTED]); (ii) the Class B Shares to be issued pursuant to the options and RSUs granted under the Pre-[REDACTED] ESOP; (iii) the Class B Shares which may be issued pursuant to the Post-[REDACTED] Share Option Scheme and the Post-[REDACTED] Share Award Scheme; and (iv) the Class B Shares that are issuable upon conversion of the Class A Shares on a one to one basis. We satisfy the market capitalization/revenue test under Rule 8.05(3) of the Listing Rules with reference to (i) our revenue for the year ended December 31, 2017, being approximately RMB33.9 billion, which is over HK$500 million, and (ii) our expected market capitalization at the time of [REDACTED], which, based on the low-end of the indicative [REDACTED] Range, exceeds HK$[REDACTED].

FUTURE DIVIDENDS

We are a holding company incorporated under the laws of the Cayman Islands. As a result, the payment and amount of any future dividend will also depend on the availability of dividends received from our subsidiaries. PRC laws require that dividends be paid only out of the profit for the year calculated according to PRC accounting principles, which differ in many aspects from the generally accepted accounting principles in other jurisdictions, including the IFRS. PRC laws also require

foreign-invested enterprises to set aside at least 10% of its after-tax profits as the statutory common reserve fund until the cumulative amount of the statutory common reserve fund reaches 50% or more of such enterprises' registered capital, if any, to fund its statutory common reserves, which are not available for distribution as cash dividends.

Dividend distribution to our shareholders is recognized as a liability in the period in which the dividends are approved by our shareholders or Directors, where appropriate. During the Track Record Period, no dividends have been paid or declared by us. We do not currently have an expected dividend payout ratio. Under Cayman law, dividends can be distributed from (a) profits (current period or retained) or (b) share premium. As of April 30, 2018, our share premium was RMB8.7 billion, representing the aggregate amount of the value of the premium at which our shares were issued. See the section headed "Financial Information—Distributable Reserves" for details.

[REDACTED]

This document is published in connection with the [REDACTED] as part of the [REDACTED]. The [REDACTED] comprises of:

(a) the [REDACTED] of initially [REDACTED] (subject to reallocation) in Hong Kong as described below in the section headed "Structure of the [REDACTED]—The [REDACTED]"; and

(b) the [REDACTED] of initially [REDACTED] (subject to reallocation and the [REDACTED]) outside the United States in reliance on [REDACTED] and in the United States to [REDACTED] in reliance on [REDACTED] or other available exemption from the registration requirements of the [REDACTED].

The [REDACTED] will represent approximately [REDACTED]% of the issued share capital of the Company immediately following the completion of the [REDACTED], assuming the [REDACTED] is not exercised and no Shares are issued under the Pre-[REDACTED] ESOP.

RECENT DEVELOPMENTS

On April 4, 2018, the Company, Tollan Holdings Limited, being a then wholly owned subsidiary of the Company, and Mobike entered into a merger agreement pursuant to which Tollan Holdings Limited merged with and into Mobike, with Mobike being the surviving company and becoming a wholly owned subsidiary of the Company. Pursuant to the merger agreement, all issued and outstanding ordinary and preferred shares of Mobike were cancelled in consideration for a combination of cash paid by the Company and an issuance of the newly created Series A-12 Preferred Shares of the Company to the former shareholders of Mobike. In addition, we granted certain share options of the Company to the holders of in-the-money options granted pursuant to the share incentive plan of Mobike prior to the transaction.

Thinking long-term, we focus on establishing and solidifying market leadership in mass-market, essential and high-frequency service categories. With 48.1 million Active Bike Users, 7.1 million Active Bikes and over 1.0 billion rides completed in the four months ended April 30, 2018, Mobike

is a leading player in bike-sharing, a mass-market and high-frequency service category which we previously did not offer. We believe the acquisition of Mobike will further supplement the suite of services offered to consumers and increase our consumer touchpoints, and enable us to acquire and retain users at relatively low costs. We believe Mobike's strong presence in China will further increase our brand awareness, facilitate cross-selling of food delivery and other service offerings, increase our Gross Transaction Volume and revenue, and therefore contribute to our further growth and long-term value. We intend to integrate Mobike into our business by (i) rationalizing the deployment and maintenance of bikes, streamlining operational personnel and potentially optimizing pricing strategies, (ii) continuing to expand Mobike's user base, enhance user experience and increase user stickiness in order to improve operational efficiency, and (iii) integrating Mobike into our leading mobile apps and promoting cross-selling of other service offerings to Mobike users. For example, our *Meituan* app now provides an entry point that allows users to access Mobike's service directly from *Meituan* app. Leveraging our extensive experience and execution capability in launching and marketing new service categories and strong offline operational capability, we believe that we will be able to continue to enhance user experience and increase user stickiness of Mobike while significantly improving its operational efficiency and financial sustainability.

Based on our unaudited consolidated financial statements for the six months ended June 30, 2018, during the six months ended June 30, 2018, our gross profit as a percentage of total revenue decreased compared with the four months ended April 30, 2018, primarily due to the change of mix of our revenues caused by the growth of the new initiatives and others segment and the increased costs related to our bike-sharing service. For the same reason, during the six months ended June 30, 2018, our loss further increased compared with the four months ended April 30, 2018.

After performing sufficient due diligence work which our Directors consider appropriate and after due and careful consideration, our Directors confirm that, up to the date of this document, except as disclosed above, there has been no material adverse change in our financial condition or trading position since April 30, 2018, being the end date of the periods reported on in the Accountant's Report in Appendix I to this document, and there is no event since April 30, 2018 that would materially affect the information as set out in the Accountant's Report in Appendix I to this document.

[REDACTED]

All statistics in the following table are based on the assumptions that (i) the [REDACTED] has been completed and [REDACTED] Class B Shares are issued pursuant to the [REDACTED]; and (ii) [REDACTED] Shares are issued and outstanding following the completion of the [REDACTED].

	Based on an [REDACTED] of HK$[REDACTED] per Share	**Based on an [REDACTED] of HK$[REDACTED] per Share**
Market capitalization of our Shares[(1)]	HK$[REDACTED]	HK$[REDACTED]
Unaudited pro forma adjusted net tangible assets per Share[(2)]	HK$[REDACTED] (RMB[REDACTED])	HK$[REDACTED] (RMB[REDACTED])

Notes:

(1) The calculation of market capitalization is based on [REDACTED] shares expected to be in issue immediately upon completion of the [REDACTED].

(2) The unaudited pro forma adjusted net tangible asset per Share as of April 30, 2018 is calculated after making the adjustments referred to in Appendix II and on the basis that [REDACTED] shares are expected to be in issue immediately upon completion of the [REDACTED].

For the calculation of the unaudited pro forma adjusted net tangible asset value per Share attributed to our Shareholders, see the section headed "A. Unaudited Pro Forma Adjusted Net Tangible Assets" in Appendix II.

[REDACTED]

Based on the mid-point [REDACTED] of HK$[REDACTED], the total estimated [REDACTED] in relation to the [REDACTED] is approximately RMB[REDACTED]. [REDACTED] of approximately RMB[REDACTED] were incurred and charged to our consolidated income statements during the Track Record Period. We estimate that we will further incur [REDACTED] of RMB[REDACTED] of which RMB[REDACTED] will be charged to our consolidated income statement for the remaining period of 2018. The balance of approximately RMB[REDACTED], which mainly includes [REDACTED], is expected to be accounted for as a deduction from equity upon the completion of the [REDACTED].

[REDACTED]

We estimate that we will receive [REDACTED] from the [REDACTED] of approximately HK$[REDACTED] after deducting the [REDACTED] commissions and other estimated expenses paid and payable by us in relation to the [REDACTED], assuming an [REDACTED] of HK$[REDACTED] per Share, being the mid-point of the indicative [REDACTED] range of HK$[REDACTED] to HK$[REDACTED] per Share, and assuming that the [REDACTED] is not exercised. We intend to use the [REDACTED] we will receive from this [REDACTED] for the following purposes:

- approximately 35% (approximately HK$[REDACTED]) to upgrade our technology and enhance our research and development capabilities. Our efforts include hiring computer programming experts, scientists and other talents, expanding our intellectual property portfolio both domestically and internationally, and further investing in our IT infrastructure and AI technologies. We intend to use certain [REDACTED] from this [REDACTED] to fund several major research and development projects involving (i) data analytics, (ii) machine learning and (iii) driverless delivery system. The results of these research and development projects will be applied in the products and services we provide to our consumers and merchants in the future;

- approximately 35% (approximately HK$[REDACTED]) to develop new services and products. We intend to use certain [REDACTED] from this [REDACTED] to develop, among others,

(i) merchant enabling systems and technologies, which provide cloud-based ERP systems and smart payment solutions to merchants; (ii) on-demand delivery of non-restaurant food; and (iii) restaurant supply chain services, which provide raw material procurement and logistics services to restaurants;

- approximately 20% (approximately HK$[REDACTED]) to selectively pursue acquisitions or investments in assets and businesses which are complementary to our business and are in line with our strategies. We intend to continue to identify, invest in and incubate promising companies, such as businesses that can expand the services we offer and strengthen our technological capabilities. See the section headed "Waivers from compliance with the Listing Rules and Exemptions from the Companies (Winding Up and Miscellaneous Provisions) Ordinance—Waiver in respect of companies acquired/to be acquired after the Track Record Period" for details of our proposed acquisition as of the date of this submission. We do not plan to use the [REDACTED] from this [REDACTED] for such proposed acquisition. As of the date of this submission, we do not expect to pursue any imminent acquisitions or investments; and

- approximately 10% (approximately HK$[REDACTED]) for working capital and general corporate purposes.

In the event that the [REDACTED] is set at the high point or the low point of the indicative [REDACTED] range, the [REDACTED] of the [REDACTED] will increase or decrease by approximately HK$[REDACTED], respectively. Under such circumstances, we will increase or decrease the allocation of the [REDACTED] to the above purposes on a pro-rata basis.

If the [REDACTED] is exercised in full, the additional [REDACTED] that we will receive will be approximately HK$[REDACTED] million, assuming an [REDACTED] of HK$[REDACTED] per Share, being the mid-point of the indicative [REDACTED] range. We may be required to issue up to an aggregate of [REDACTED] additional Shares pursuant to the [REDACTED].

In this document, unless the context otherwise requires, the following terms shall have the following meanings.

"affiliate"	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
	[REDACTED]
"Articles" or "Articles of Association"	the articles of association of the Company adopted on August 30, 2018 with effect from [REDACTED], as amended from time to time, a summary of which is set out in the section headed "Summary of the Constitution of the Company and Cayman Companies Law" in Appendix III
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Beijing Kuxun Interaction"	Beijing Kuxun Interaction Technology Co., Ltd. (北京酷訊互動科技有限公司), a limited liability company incorporated under the laws of the PRC on March 29, 2006 and our Consolidated Affiliated Entity
"Beijing Kuxun Technology"	Beijing Kuxun Technology Co., Ltd. (北京酷訊科技有限公司), a limited liability company incorporated under the laws of the PRC on April 27, 2006 and our indirect wholly-owned subsidiary
"Beijing Mobike"	Beijing Mobike Technology Co., Ltd. (北京摩拜科技有限公司), a limited liability company incorporated under the laws of the PRC on January 27, 2015 and our Consolidated Affiliated Entity
"Beijing Qiandaibao"	Beijing Qiandaibao Payment Technology Co., Ltd. (北京錢袋寶支付技術有限公司), a limited liability company incorporated under the laws of the PRC on November 25, 2008 and our Consolidated Affiliated Entity
"Beijing Sankuai Cloud Computing"	Beijing Sankuai Cloud Computing Co., Ltd. (北京三快雲計算有限公司), a limited liability company incorporated under the laws of the PRC on June 17, 2015 and our Consolidated Affiliated Entity

"Beijing Sankuai Online"	Beijing Sankuai Online Technology Co., Ltd. (北京三快在綫科技有限公司), a limited liability company incorporated under the laws of the PRC on May 6, 2011 and our indirect wholly-owned subsidiary
"Beijing Sankuai Technology"	Beijing Sankuai Technology Co., Ltd. (北京三快科技有限公司), a limited liability company incorporated under the laws of the PRC on April 10, 2007 and our Consolidated Affiliated Entity
"Beijing Xinmeida"	Beijing Xinmeida Technology Co., Ltd. (北京新美大科技有限公司), a limited liability company incorporated under the laws of the PRC on March 17, 2016 and our Consolidated Affiliated Entity
"Board"	the board of Directors
"business day"	any day (other than a Saturday, Sunday or public holiday in Hong Kong) on which banks in Hong Kong are generally open for normal banking business
"BVI"	the British Virgin Islands
"Cayman Companies Law"	the Companies Law, Cap. 22 (Law 3 of 1961) of the Cayman Islands, as amended or supplemented from time to time

[REDACTED]

"Charmway Enterprises"	Charmway Enterprises Company Limited, a limited liability company incorporated under the laws of the BVI which is controlled by Mu Rongjun

"Chengdu Meigengmei"	Chengdu Meigengmei Information Technology Co., Ltd.* (成都美更美信息技術有限公司), a limited liability company incorporated under the laws of the PRC on July 18, 2014 and our Consolidated Affiliated Entity
"Class A Shares"	class A shares of the share capital of the Company with a par value of US$0.00001 each, conferring weighted voting rights in the Company such that a holder of a Class A Share is entitled to ten votes per share on any resolution tabled at the Company's general meeting, save for resolutions with respect to any Reserved Matters, in which case they shall be entitled to one vote per share
"Class B Shares"	class B ordinary shares of the share capital of the Company with a par value of US$0.00001 each, conferring a holder of a Class B Share one vote per share on any resolution tabled at the Company's general meeting
"Co-founders"	Wang Xing, Mu Rongjun, Wang Huiwen, Ye Shuhong and Zhang Tao (each a "Co-founder")
"Companies (Winding Up and Miscellaneous Provisions) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company", "our Company", "the Company"	Meituan Dianping (美团点评) (formerly known as Internet Plus Holdings Ltd.), an exempted company with limited liability incorporated under the laws of the Cayman Islands on September 25, 2015, or Meituan Dianping (美团点评) and its subsidiaries and Consolidated Affiliated Entities, as the case may be
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"connected transaction(s)"	has the meaning ascribed to it under the Listing Rules
"Consolidated Affiliated Entities"	the entities we control through the Contractual Arrangements, namely, the Onshore Holdcos and their respective subsidiaries (each a "Consolidated Affiliated Entity"), details of which are set out in the section headed "History, Reorganization and Corporate Structure"

"Contractual Arrangement(s)"	the series of contractual arrangements entered into between WFOEs, Onshore Holdcos and Registered Shareholders (as applicable), details of which are described in the section headed "Contractual Arrangements" in this document
"Controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to Wang Xing and the directly and indirectly held companies through which Wang Xing has an interest in the Company, details of which are set out in the section headed "Relationship with the Controlling Shareholders"
"Crown Holdings"	Crown Holdings Asia Limited, a limited liability company incorporated under the laws of the BVI which is controlled by Wang Xing
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會)
"Dianping Elite HK"	Dianping Elite (Hong Kong) Limited (點評英才(香港)有限公司), a limited liability company incorporated under the laws of Hong Kong on September 8, 2014 and our indirect wholly-owned subsidiary
"Dianping HK"	Dianping (Hong Kong) Limited, a limited liability company incorporated under the laws of Hong Kong on August 11, 2010 and our indirect wholly-owned subsidiary
"Dianping Holdings"	DianPing Holdings Ltd., an exempted company with limited liability incorporated under the laws of the Cayman Islands on December 20, 2005 and our indirect wholly-owned subsidiary
"Director(s)"	the director(s) of the Company
"EU"	European Union
"Existing Articles"	the fifth amended and restated memorandum and articles of association of the Company adopted by special resolution of the Shareholders passed on June 11, 2018
	[REDACTED]
"Group", "our Group" or "the Group", "we", "us", or "our"	the Company and its subsidiaries and Consolidated Affiliated Entities from time to time

[REDACTED]

"Hong Kong dollars" or "HK dollars" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong

[REDACTED]

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

[REDACTED]

"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hucheng IT"	Hucheng Information Technology (Shanghai) Co., Ltd.* (互誠信息技術(上海)有限公司), a limited liability company incorporated under the laws of the PRC on January 11, 2016 and our indirect wholly-owned subsidiary

"IFRS"	International Financial Reporting Standards, as issued from time to time by the International Accounting Standards Board
"Independent Third Party(ies)"	person(s) or company(ies) which, to the best of our Directors' knowledge having made all due and careful enquiries, is/are not connected (within the meaning of the Listing Rules) with our Company

[REDACTED]

"Internet Plus HK"	Internet Plus (Hong Kong) Limited (互聯網加(香港)有限公司), a limited liability company incorporated under the laws of Hong Kong on November 27, 2015 and our direct wholly-owned subsidiary
"iResearch"	Shanghai iResearch Co., Ltd., China, an industry consultant
"iResearch Report"	the industry report in respect of the [REDACTED] issued by iResearch

[REDACTED]

"Joint Sponsors"	Goldman Sachs (Asia) L.L.C., Morgan Stanley Asia Limited and Merrill Lynch Far East Limited
"Kevin Sunny"	Kevin Sunny Holding Limited, a limited liability company incorporated under the laws of the BVI on May 22, 2018 which is wholly owned by Wang Huiwen

[REDACTED]

[REDACTED]

"Meituan Corporation"	Meituan Corporation, an exempted company with limited liability incorporated under the laws of the Cayman Islands on July 29, 2010 and our direct wholly-owned subsidiary
"Meituan Finance"	Beijing Meituan Finance Technology Co., Ltd. (北京美團金融科技有限公司), a limited liability company incorporated under the laws of the PRC on August 9, 2017 and our Consolidated Affiliated Entity
"Memorandum" or "Memorandum of Association"	the memorandum of association of the Company adopted on August 30, 2018 as amended from time to time, a summary of which is set out in the section headed "Summary of the Constitution of the Company and Cayman Companies Law" in Appendix III
"Mobike"	mobike Ltd., an exempted company with limited liability incorporated under the laws of the Cayman Islands on April 2, 2015 and our direct wholly-owned subsidiary
"Mobike Beijing"	Mobike (Beijing) Information Technology Co., Ltd. (摩拜(北京)信息技術有限公司), a limited liability company incorporated under the laws of the PRC on January 12, 2016 and our indirect wholly-owned subsidiary
"MOFCOM"	the Ministry of Commerce of the PRC (中華人民共和國商務部)

[REDACTED]

[REDACTED]

"Onshore Holdcos," each a "Onshore Holdco"	Tianjin Antechu Technology, Shanghai Lutuan, Beijing Kuxun Interaction, Shanghai Sankuai Technology, Meituan Finance, Beijing Sankuai Cloud Computing, Beijing Xinmeida, Chengdu Meigengmei, Beijing Mobike, Beijing Sankuai Technology and Shanghai Hantao

[REDACTED]

"Post-[REDACTED] Share Award Scheme"	the post-[REDACTED] scheme award scheme adopted by the Company on August 30, 2018, the principal terms of which are set out in the section headed "Statutory and General Information — Post-[REDACTED] Share Award Scheme" in Appendix IV
"Post-[REDACTED] Share Option Scheme"	the post-[REDACTED] share option scheme adopted by the Company on August 30, 2018, the principal terms of which are set out in the section headed "Statutory and General Information — Post-[REDACTED] Share Option Scheme" in Appendix IV
"PRC Legal Advisor"	Han Kun Law Offices, legal advisor to the Company as to PRC laws

"Preferred Shares"	collectively, Series A Preferred Shares, Series B Preferred Shares and Series C Preferred Shares
"Pre-[REDACTED] ESOP"	the pre-[REDACTED] employee stock incentive scheme adopted by the Company dated October 6, 2015 as amended from time to time, the principal terms of which are set out in the section headed "Statutory and General Information—Pre-[REDACTED] ESOP" in Appendix IV

[REDACTED]

"Registered Shareholders"	The registered shareholders of the Onshore Holdcos, more particularly set out in the section headed "Contractual Arrangements"

[REDACTED]

"Reserved Matters"	those matters resolutions with respect to which each Share is entitled to one vote at general meetings of the Company pursuant to the Articles of Association, being: (i) any amendment to the Memorandum or Articles, including the variation of the rights attached to any class of shares, (ii) the appointment, election or removal of any independent non-executive Director, (iii) the appointment or removal of the Company's auditors, and (iv) the voluntary liquidation or winding-up of the Company
"RMB" or "Renminbi"	Renminbi, the lawful currency of China
"RSUs"	restricted share units
	[REDACTED]
"SAFE"	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
"Sankuai Cloud Online"	Sankuai Cloud Online Technology Co., Ltd. (三快雲在綫(北京)科技有限公司), a limited liability company incorporated under the laws of the PRC on November 3, 2015 and our indirect wholly-owned subsidiary
"Series A Preferred Shareholder(s)"	the holder(s) of the Series A Preferred Shares
"Series A Preferred Share(s)"	the Series A-1 Preferred Shares, the Series A-2 Preferred Shares, the Series A-3 Preferred Shares, the Series A-4 Preferred Shares, the Series A-5 Preferred Shares, the Series A-6 Preferred Shares, the Series A-7 Preferred Shares, the Series A-8 Preferred Shares, the Series A-9 Preferred Shares, the Series A-10 Preferred Shares, the Series A-11 Preferred Shares and the Series A-12 Preferred Shares
"Series A-1 Preferred Share(s)"	the series A-1 preferred shares of par value US$0.00001 per share in the authorized share capital of the Company, of which 33,935,505 shares are in issue as of the Latest Practicable Date and held by the Series A Preferred Share Shareholders, each having the rights and preferences, privileges and restrictions as set forth in the Pre-[REDACTED] Shareholders' Agreement

"Series A-2 Preferred Share(s)"	the series A-2 preferred shares of par value US$0.00001 per share in the authorized share capital of the Company, of which 95,019,432 shares are in issue as of the Latest Practicable Date and held by the Series A Preferred Share Shareholders, each having the rights and preferences, privileges and restrictions as set forth in the Pre-[REDACTED] Shareholders' Agreement
"Series A-3 Preferred Share(s)"	the series A-3 preferred shares of par value US$0.00001 per share in the authorized share capital of the Company, of which 27,154,537 shares are in issue as of the Latest Practicable Date and held by the Series A Preferred Share Shareholders, each having the rights and preferences, privileges and restrictions as set forth in the Pre-[REDACTED] Shareholders' Agreement
"Series A-4 Preferred Share(s)"	the series A-4 preferred shares of par value US$0.00001 per share in the authorized share capital of the Company, of which 272,000,000 shares are in issue as of the Latest Practicable Date and held by the Series A Preferred Share Shareholders, each having the rights and preferences, privileges and restrictions as set forth in the Pre-[REDACTED] Shareholders' Agreement
"Series A-5 Preferred Share(s)"	the series A-5 preferred shares of par value US$0.00001 per share in the authorized share capital of the Company, of which 416,000,000 shares are in issue as of the Latest Practicable Date and held by the Series A Preferred Share Shareholders, each having the rights and preferences, privileges and restrictions as set forth in the Pre-[REDACTED] Shareholders' Agreement
"Series A-6 Preferred Share(s)"	the series A-6 preferred shares of par value US$0.00001 per share in the authorized share capital of the Company, of which 249,143,568 shares are in issue as of the Latest Practicable Date and held by the Series A Preferred Share Shareholders, each having the rights and preferences, privileges and restrictions as set forth in the Pre-[REDACTED] Shareholders' Agreement
"Series A-7 Preferred Share(s)"	the series A-7 preferred shares of par value US$0.00001 per share in the authorized share capital of the Company, of which 100,615,063 shares are in issue as of the Latest Practicable Date and held by the Series A Preferred Share Shareholders, each having the rights and preferences, privileges and restrictions as set forth in the Pre-[REDACTED] Shareholders' Agreement

"Series A-8 Preferred Share(s)"	the series A-8 preferred shares of par value US$0.00001 per share in the authorized share capital of the Company, of which 62,065,213 shares are in issue as of the Latest Practicable Date and held by the Series A Preferred Share Shareholders, each having the rights and preferences, privileges and restrictions as set forth in the Pre-[REDACTED] Shareholders' Agreement
"Series A-9 Preferred Share(s)"	the series A-9 preferred shares of par value US$0.00001 per share in the authorized share capital of the Company, of which 201,931,252 shares are in issue as of the Latest Practicable Date and held by the Series A Preferred Share Shareholders, each having the rights and preferences, privileges and restrictions as set forth in the Pre-[REDACTED] Shareholders' Agreement
"Series A-10 Preferred Share(s)"	the series A-10 preferred shares of par value US$0.00001 per share in the authorized share capital of the Company, of which 274,892,841 shares are in issue as of the Latest Practicable Date and held by the Series A Preferred Share Shareholders, each having the rights and preferences, privileges and restrictions as set forth in the Pre-[REDACTED] Shareholders' Agreement
"Series A-11 Preferred Share(s)"	the series A-11 preferred shares of par value US$0.00001 per share in the authorized share capital of the Company, of which 221,460,398 shares are in issue as of the Latest Practicable Date and held by the Series A Preferred Share Shareholders, each having the rights and preferences, privileges and restrictions as set forth in the Pre-[REDACTED] Shareholders' Agreement
"Series A-12 Preferred Share(s)"	the series A-12 preferred shares of par value US$0.00001 per share in the authorized share capital of the Company, of which 167,703,791 shares are in issue as of the Latest Practicable Date and held by the Series A Preferred Share Shareholders, each having the rights and preferences, privileges and restrictions as set forth in the Pre-[REDACTED] Shareholders' Agreement
"Series B Preferred Shareholder(s)"	the holder(s) of the Series B Preferred Shares

"Series B Preferred Share(s)"	the series B preferred shares of par value US$0.00001 per share in the authorized share capital of the Company, of which 801,039,606 shares are in issue as of the Latest Practicable Date and held by the Series B Preferred Share Shareholders, each having the rights and preferences, privileges and restrictions as set forth in the Pre-[REDACTED] Shareholders' Agreement
"Series C Preferred Shareholder(s)"	the holder(s) of the Series C Preferred Shares
"Series C Preferred Share(s)"	the series C preferred shares of par value US$0.00001 per share in the authorized share capital of the Company, of which 733,575,936 shares are in issue as of the Latest Practicable Date and held by the Series C Preferred Share Shareholders, each having the rights and preferences, privileges and restrictions as set forth in the Pre-[REDACTED] Shareholders' Agreement
"SFC"	the Securities and Futures Commission of Hong Kong
"Shanghai Hanhai"	Hanhai Information Technology (Shanghai) Co., Ltd. (漢海信息技術(上海)有限公司), a limited liability company incorporated under the laws of the PRC on March 16, 2006 and our indirect wholly-owned subsidiary
"Shanghai Hantao"	Shanghai Hantao Information Consultancy Co., Ltd. (上海漢濤信息諮詢有限公司), a limited liability company incorporated under the laws of the PRC on September 23, 2003 and our Consolidated Affiliated Entity
"Shanghai Juzuo"	Shanghai Juzuo Technology Co., Ltd. (上海駒座科技有限公司), a limited liability company incorporated under the laws of the PRC on April 12, 2018 and our indirect wholly-owned subsidiary
"Shanghai Lutuan"	Shanghai Lutuan Technology Co., Ltd. (上海路團科技有限公司), a limited liability company incorporated under the laws of the PRC on January 12, 2017 and our Consolidated Affiliated Entity
"Shanghai Sankuai Technology"	Shanghai Sankuai Technology Co., Ltd. (上海三快科技有限公司), a limited liability company incorporated under the laws of the PRC on September 19, 2012 and our Consolidated Affiliated Entity
"Share(s)"	the Class A Shares and Class B Shares in the share capital of the Company, as the context so requires

"Shareholder(s)"	holder(s) of the Share(s)
"Shared Patience"	Shared Patience Inc., a limited liability company incorporated under the laws of the BVI which is wholly owned by Wang Xing
"Shared Vision"	Shared Vision Investment Limited, a limited liability company incorporated under the laws of the BVI which is wholly owned by Mu Rongjun
"Shenzhen Sankuai Online"	Shenzhen Sankuai Online Technology Co., Ltd. (深圳三快在綫科技有限公司), a limited liability company incorporated under the laws of the PRC on November 18, 2015 and our indirect wholly-owned subsidiary
"Shenzhen Tencent Computer"	Shenzhen Tencent Computer Systems Co., Ltd. (深圳市騰訊計算機系統有限公司), a company established in the PRC on November 11, 1998 and a wholly-owned subsidiary of Tencent
	[REDACTED]
"Sole Financial Advisor"	China Renaissance Securities (Hong Kong) Limited
"subsidiary(ies)"	has the meaning ascribed to it in section 15 of the Companies Ordinance
"substantial shareholder"	has the meaning ascribed to it in the Listing Rules
"Takeovers Code"	The Code on Takeovers and Mergers issued by the SFC, as amended, supplemented or otherwise modified from time to time
"Tencent Anti-dilution Option"	the anti-dilution option of Tencent to purchase and subscribe for additional Shares at the [REDACTED] until its ownership of the then issued and outstanding share capital of the Company immediately after the [REDACTED] is the same as its aggregate ownership in the Company (on an as-converted and fully-diluted basis) immediately prior to the [REDACTED], as prescribed in the amended and restated shareholders agreement dated April 3, 2018 entered into, among others, by the Company and Tencent
"Tencent Mobility"	Tencent Mobility Limited, a limited liability company incorporated under the laws of Hong Kong and a wholly-owned subsidiary of Tencent

"Tianjin Antechu Technology"	Tianjin Antechu Technology Co., Ltd. (天津安特廚科技有限公司), a limited liability company incorporated under the laws of the PRC on January 17, 2018 and our Consolidated Affiliated Entity
"Tianjin Chenrui Technology"	Tianjin Chenrui Technology Co., Ltd. (天津宸瑞科技有限公司), a limited liability company incorporated under the laws of the PRC on March 15, 2018 and our indirect wholly-owned subsidiary
"Tianjin Sankuai"	Tianjin Sankuai Technology Co., Ltd. (天津三快科技有限公司), a limited liability company incorporated under the laws of the PRC on July 12, 2013 and wholly owned by Beijing Sankuai Technology
"Tianjin Wanlong"	Tianjin Wanlong Technology Co., Ltd. (天津萬龍科技有限公司), a limited liability company incorporated under the laws of the PRC on August 18, 2015 and our indirect wholly-owned subsidiary
"Tianjin Xiaoyi Technology"	Tianjin Xiaoyi Technology Co., Ltd. (天津小蟻科技有限公司), a limited liability company incorporated under the laws of the PRC on February 13, 2018 and our indirect wholly-owned subsidiary
"Tencent"	Tencent Holdings Limited (HKEx Stock Code: 700), or Tencent Holdings Limited and/or its subsidiaries, as the case may be
"Track Record Period"	the three financial years ended December 31, 2015, 2016 and 2017 and the four months ended April 30, 2018

[REDACTED]

"United States", "U.S." or "US"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"US dollars", "U.S. dollars" or "US$"	United States dollars, the lawful currency of the United States
"Valid Ride"	A ride that is no less than one minute in duration

"VIE(s)"	variable interest entity(ies)
"weighted voting right"	has the meaning ascribed to it in the Listing Rules
"WFOEs", each a "WFOE"	Tianjin Xiaoyi Technology, Shanghai Juzuo, Beijing Kuxun Technology, Tianjin Wanlong, Beijing Sankuai Online, Shenzhen Sankuai Online, Shanghai Hanhai, Sankuai Cloud Online and Mobike Beijing

[REDACTED]

"WVR Beneficiaries"	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to Wang Xing, Mu Rongjun and Wang Huiwen, being the holders of the Class A Shares, entitling each to weighted voting rights, details of which are set out in the section headed "Share Capital"
"WVR Structure"	has the meaning ascribed to it in the Listing Rules
Xiamen Sankuai Online	Xiamen Sankuai Online Technology Co., Ltd. (廈門三快在綫科技有限公司), a limited liability company incorporated under the laws of the PRC on March 25, 2014 and our indirect wholly-owned subsidiary
"%"	per cent

Unless otherwise expressly stated or the context otherwise requires, all data in this document is as of the date of this document.

The English names of the PRC entities, PRC laws or regulations, and the PRC governmental authorities referred to in this document are translations from their Chinese names and are for identification purposes. If there is any inconsistency, the Chinese names shall prevail.

Certain amounts and percentage figures included in this document have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

GLOSSARY OF TECHNICAL TERMS

This glossary of technical terms contains definitions of certain terms used in this document in connection with our Company and our business. These terms and their definitions may not correspond to standard industry definitions, and may not be directly comparable to similarly titled terms adopted by other companies operating in the same industries as our Company.

"Active Bike"	a bike that has produced at least one Valid Ride in a given period
"Active Bike User"	a user account that has produced at least one Valid Ride on Mobike's bike-sharing service in a given period
"Active Merchant"	a merchant that meets any of the following conditions in a given period: (i) completed at least one transaction on our platform, (ii) purchased any online marketing services from us, (iii) processed offline payment at least once through our integrated payment systems, or (iv) generated any order through our ERP systems
"AI"	artificial intelligence
"CAGR"	compound annual growth rate
"ERP"	enterprise resource planning
"Gross Transaction Volume" or "GTV"	the value of paid transactions of products and services on our platform by consumers, regardless of whether the consumers are subsequently refunded. This includes delivery charges and VAT, but excludes any payment-only transactions, such as QR code scan payments and point-of-sale payments.
"Listed Merchant"	a merchant that meets any of the following conditions in a given period: (i) an order can be placed with such merchant by a user on our platform, (ii) a merchant who purchased any online marketing services from us, (iii) a merchant who activated any of our integrated payment systems, or (iv) a merchant who activated any of our ERP systems
"Listed POI"	a POI (point of interest, a specific point location that one may find useful or interesting) that can be searched, viewed and is currently valid on our platform
"MAU"	monthly active user, which refers to, with respect to our mobile apps, the aggregate number of unique mobile devices that were used to access certain of our mobile apps at least once in a given month

"Transacting User"	a user account that paid for transactions of products and services on our platform in a given period, regardless of whether the account is subsequently refunded
"transaction"	the number of transactions is generally recognized based on the number of payments made. (i) With respect to our in-store business, one transaction is recognized if a user purchases multiple vouchers with a single payment; (ii) with respect to our hotel-booking business, one transaction is recognized if a user books multiple room nights with a single payment; (iii) with respect to our attraction, movie, air and train ticketing businesses, one transaction is recognized if a user purchases multiple tickets with a single payment; (iv) with respect to our bike-sharing business, if a user uses monthly pass, then one transaction is recognized only when the user purchases or claims the monthly pass, and subsequent rides are not recognized as transactions; if a user does not use monthly pass, then one transaction is recognized for every ride.
"UGC"	user generated content, which refers to the information or content provided by users, including ratings, in-depth comments, recommendations, graphics and videos, as well as information on POIs.

FORWARD-LOOKING STATEMENTS

Certain statements in this document are forward looking statements that are, by their nature, subject to significant risks and uncertainties. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as "will," "expect," "anticipate," "estimate," "believe," "going forward," "ought to," "may," "seek," "should," "intend," "plan," "projection," "could," "vision," "goals," "aim," "aspire," "objective," "target," "schedules" and "outlook") are not historical facts, are forward-looking and may involve estimates and assumptions and are subject to risks (including but not limited to the risk factors detailed in this document), uncertainties and other factors some of which are beyond our Company's control and which are difficult to predict. Accordingly, these factors could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements.

Our forward-looking statements have been based on assumptions and factors concerning future events that may prove to be inaccurate. Those assumptions and factors are based on information currently available to us about the businesses that we operate. The risks, uncertainties and other factors, many of which are beyond our control, that could influence actual results include, but are not limited to:

- our business and growth strategies and our ability to implement such strategies;
- our ability to develop and manage our expanding operations;
- our ability to control operating costs and expenses;
- competition for, among other things, consumer spending, merchants, delivery riders, capital, technology and skilled personnel;
- our ability to maintain and enhance our brands;
- changes to regulatory and operating conditions in the industries in which we operate; and
- all other risks and uncertainties described in the section headed "Risk Factors."

Since actual results or outcomes could differ materially from those expressed in any forward-looking statements, we strongly caution investors against placing undue reliance on any such forward-looking statements. Any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by the Listing Rules, we undertake no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. Statements of or references to our intentions or those of any of our Directors are made as of the date of this document. Any such intentions may change in light of future developments.

All forward-looking statements in this document are expressly qualified by reference to this cautionary statement.

You should carefully consider all of the information in this document, including the following risk factors, before making any [REDACTED] decision in relation to the [REDACTED]. Our business, financial condition or results of operations could be materially and adversely affected by any of these risks. The market price of the [REDACTED] could fall significantly due to any of these risks, and you may lose all or part of your [REDACTED].

We believe that there are certain risks involved in our operations, many of which are beyond our control. We have categorized these risks and uncertainties into: (i) risks relating to our business and industry; (ii) risks relating to doing business in China; (iii) risks relating to our Contractual Arrangements; and (iv) risks related to the WVR Structure, and (v) risks relating to the [REDACTED]. You should consider our business and prospects in light of the challenges we face, including the ones discussed in this section.

Risks Relating to Our Business and Industry

We may not be able to sustain our historical growth rates, and our historical performance may not be indicative of our future growth or financial results.

We have achieved rapid growth since our inception. Our total Gross Transaction Volume increased by 46.8% from RMB161 billion in 2015 to RMB237 billion in 2016 and further increased by 51.0% to RMB357 billion in 2017, while our total revenue increased by 223.2% from RMB4.0 billion in 2015 to RMB13.0 billion in 2016 and further increased by 161.2% to RMB33.9 billion in 2017. Our total Gross Transaction Volume increased by 55.8% from RMB264 billion in the twelve months ended April 30, 2017 to RMB411 billion in the twelve months ended April 30, 2018, while our total revenue increased by 94.9% from RMB8.1 billion in the four months ended April 30, 2017 to RMB15.8 billion in the same period of 2018. However, there is no assurance that we will be able to maintain our historical growth rates in future periods. Our growth rates may decline for any number of possible reasons, including decreasing consumer spending, increasing competition, declining growth of the consumer service industry or consumer service e-commerce industry in China, emergence of alternative business models, or changes in government policies or general economic conditions. If our growth rates decline, investors' perceptions of our business and business prospects may be adversely affected and the market price of our ordinary shares could decline. In addition, as we have a limited operating history in the new service categories we offer, such as bike-sharing and pilot car-hailing services, and we continue to expand our service offerings, it is difficult to evaluate our business and future prospects based on our historical performance.

If we are unable to manage our growth or execute our strategies effectively, our business and prospects may be materially and adversely affected.

Our business has grown substantially in recent years. Since our inception eight years ago, we have evolved from a single-service category provider to a multi-category service e-commerce platform, offering a wide range of services including food delivery, in-store, hotel & travel services, and new initiatives and other services. Almost all aspects of our business, such as food delivery, hotel & travel, bike-sharing and pilot car-hailing services, have experienced rapid growth in recent years.

We expect continued growth in our business, revenues and number of employees. On the consumer side, we plan to further grow our consumer base, expand service offerings and increase consumer wallet share. On the merchant side, we expect to further expand our merchant base and provide more solutions to more merchants.

In addition, as we continue growing our business, we will need to work with existing and an increasingly large number of new merchants and other participants in our network efficiently and establish and maintain mutually beneficial relationships with them. We will also need to continue to expand, train, manage and motivate our growing workforce. To support our expansion, we also expect to implement a variety of new and upgraded managerial, operating, financial and human resource systems, procedures and controls. All these efforts will require significant managerial, financial and human resources.

We cannot assure you that our historical growth rate will be sustainable or achieved at all in the future, that our new business initiatives will be successful, or that we will be able to implement all these managerial, operating, financial and human resource systems, procedures and control measures successfully. If we are not able to manage our growth or execute our strategies effectively, our expansion may not be successful and our business and prospects may be materially and adversely affected.

We have incurred significant losses, and we may continue to experience significant losses in the future, including as a result of our acquisition of Mobike. Our operating philosophy of thinking long-term and seizing strategic business opportunities may also negatively influence our short-term financial performance.

We have incurred losses since our inception. During the years ended December 31, 2015, 2016 and 2017 and the four months ended April 30, 2017 and 2018, we had losses of RMB10.5 billion, RMB5.8 billion, RMB19.0 billion, RMB8.2 billion and RMB22.8 billion, respectively, primarily due to significant fair value changes of convertible redeemable preferred shares and selling and marketing expenses that we incurred to promote our brands and our services. In particular, our losses of RMB5.8 billion in 2016 was positively impacted by a non-recurring profit we recorded from discontinued operation of RMB5.1 billion, primarily attributable to the sale of our equity interest in Maoyan. We also had fair value loss on convertible redeemable preferred shares of RMB0.7 billion, RMB4.3 billion, RMB15.1 billion, RMB7.4 billion and RMB20.5 billion for the years ended December 31, 2015, 2016 and 2017 and for the four months ended April 30, 2017 and 2018, respectively. Our adjusted net loss, which excludes (i) fair value changes of convertible redeemable preferred shares, (ii) share-based compensation expenses, (iii) fair value gains/(losses) on investments, (iv) gains/(losses) on disposal of investments and subsidiaries, (v) (loss)/profit from discontinued operation, and (vi) amortization of intangible assets resulting from acquisitions, was RMB5.9 billion, RMB5.4 billion, RMB2.9 billion, RMB0.3 billion and RMB2.0 billion during the years ended December 31, 2015, 2016 and 2017 and the four months ended April 30, 2017 and 2018, respectively. In addition, Mobike, which we acquired in April 2018, has incurred losses since its inception. We cannot assure you that Mobike or our business as a whole will achieve profitability in the future.

Our ability to achieve profitability will depend in large part on our ability to increase the number and engagement of our Transacting Users, to increase the number of Active Merchants and

monetization from them, to manage our service offering mix as gross margins vary across different business segments, and to take advantage of our operating leverage to realize cost savings. As we continue growing our business in an intensified competitive landscape, we intend to invest heavily for the foreseeable future in the expansion of our consumer and merchant bases, as well as technology innovations and research and development capabilities to support such expansion. As a result, we may continue to incur losses in the future. In addition, any change in the macroeconomic and regulatory environment, competitive dynamics and our inability to respond to these changes in a timely and effective manner may also cause us to incur losses in the future.

Consistent with our operating philosophy of thinking long-term and seizing strategic business opportunities, we may take actions that fail to generate short-term profitability, and we cannot assure you that these actions will produce long-term benefits. Our efforts have emphasized on expanding our customer base, satisfying unmet customer needs and enhancing our network, rather than prioritizing monetization now. We also make investments in and acquire new services and products that may not provide economic benefits to us in the short-term.

Our success depends on the continuing efforts of our key management and experienced and capable personnel generally as well as our ability to preserve our corporate culture and values. As our business expands, we need to continuously recruit talents to develop our online and offline capabilities. If we fail to hire, retain and motivate our staff, our business may suffer.

Our future success is significantly dependent upon the continued service of our key management as well as experienced and capable personnel generally. In particular, Wang Xing, our Co-founder, executive Director, Chief Executive Officer, Chairman of the Board and our Controlling Shareholder, Mu Rongjun, our Co-founder, executive Director and Senior Vice President, and Wang Huiwen, our Co-founder, executive Director and Senior Vice President, have been crucial to the development of our culture and strategic direction. If we lose the services of any member of key management, we may not be able to locate suitable or qualified replacements, and may incur additional expenses to recruit and train new staff, which could severely disrupt our business and growth. If any of our key management joins a competitor or forms a competing business, we may lose customers, know-how and key professionals and staff members. Our management has entered into employment agreements and confidentiality and non-competition agreements with us. However, if any dispute arises between any of our management member and us, we may have to incur substantial costs and expenses in order to enforce such agreements in China or we may be unable to enforce them at all.

We believe that a critical component of our success is our corporate culture and values, which have generated strong cohesiveness that has attracted and retained many talents. As we continue to expand and grow our business, we may find it difficult to maintain these valuable aspects of our corporate culture and values. Any failure to preserve our corporate culture and values could negatively impact our ability to attract and retain employees, which would in turn jeopardize our future success.

Our rapid growth also requires us to hire and retain a wide range of talents who can adapt to a dynamic, competitive and challenging business environment and are capable of helping us develop online and offline capabilities. We will need to continue to attract and retain experienced and capable personnel at all levels as we expand our business and operations. Competition for talent in the Chinese internet industry is intense, and we may need to offer a more attractive compensation and other

benefits package, including share-based compensation, to attract and retain them. Even if we were to offer higher compensation and other benefits, there is no assurance that these individuals will choose to join or continue to work for us. Any failure to attract, retain or motivate key management and experienced and capable personnel could severely disrupt our business and growth.

If our expansion into new businesses is not successful, our business, prospects and growth momentum may be materially and adversely affected.

We have a track record of successfully expanding into and becoming a leader in new service categories, such as on-demand delivery services and in-store dining, hotel & travel services. We cannot assure you, however, that we will be able to maintain this momentum in the future. For example, we recently entered into the car-hailing and retail grocery store markets. In connection with our acquisition of Mobike in April 2018, we also entered into the bike-sharing market. Expansion into new service categories involves new risks and challenges. Our lack of familiarity with, and relevant user data relating to, these services may make it more difficult for us to keep pace with the evolving consumer demands and preferences. We also face the risk that we may not be able to attract a sufficient number of merchants that provide quality services. In addition, there may be one or more existing market leaders in any service category that we decide to expand into. Such companies may be able to compete more effectively than us by leveraging their experience in doing business in that market as well as their deeper data insight and greater brand recognition among consumers and merchants. We may also be subject to new risks, such as personal injury risks with respect to bike-sharing and car-hailing services and inventory and supply chain risks with respect to grocery stores, and will need to comply with new laws and regulations applicable to these businesses. Expansion into any new service category may place significant strain on our management and resources, and failure to expand successfully may also diminish investor confidence in our decision-making and execution capabilities, which could have a material adverse effect on our business and prospects.

We require a significant amount of capital to fund our operations, especially with respect to those new service categories, such as Mobike's bike-sharing business and the pilot car-hailing services. We recorded negative cash flows from operating activities during the Track Record Period. If we cannot obtain sufficient capital on acceptable terms to fund our operations, our business, financial condition and prospects may be materially and adversely affected.

Building a service e-commerce platform with scale is costly and time-consuming. Significant and continuous investments in sales and marketing are required to attract consumers and merchants to visit, use and stay on our platform, especially with respect to new service offerings, such as the pilot car-hailing services we recently launched and the bike-sharing business we recently acquired through the acquisition of Mobike in April 2018. We also invest heavily in technology innovations and research and development, which are the foundation of our business and are essential to our growth. It will typically take a long period of time to realize returns on such investments, if at all.

We experienced significant cash outflow from operating activities during the Track Record Period. We had net cash used in operating activities of RMB4.0 billion, RMB1.9 billion, RMB0.3 billion and RMB3.4 billion in 2015, 2016, 2017 and the four months ended April 30, 2018, respectively. The cost of continuing operations could further reduce our cash position, and an increase in our net cash outflow from operating activities could adversely affect our operations by reducing the

amount of cash available to meet the cash needs for operating our businesses and to fund our investments in our business expansion. We have historically funded our cash requirements principally with capital contribution from shareholders and financing through issuance and sale of the Preferred Shares in private placement transactions. If these resources are insufficient to satisfy our cash requirements, we may seek to sell additional equity or debt securities or obtain a credit facility. The sale of additional equity securities could result in the dilution of our existing shareholders. The incurrence of indebtedness would result in increased debt service obligations and could result in operating and financing covenants that would restrict our operations. It is uncertain whether financing will be available in amounts or on terms acceptable to us, if at all.

Our ability to obtain additional capital in the future, however, is subject to a number of uncertainties, including those relating to our future business development, financial condition and results of operations, general market conditions for financing activities by companies in our industry, and macro-economic and other conditions in China and globally. If we cannot obtain sufficient capital to meet our capital needs, we may not be able to execute our growth strategies, and our business, financial condition and prospects may be materially and adversely affected. In addition, we may experience significant cash outflow to the extent we need to separately manage deposits made by consumers of Mobike or payables to merchants, which may have a significant impact on our liquidity, results of operations and cash flows from period to period.

We face intense competition in our businesses. Although we have a track record of competing effectively in major service categories, we may not be able to do so in the future, in which case we may lose market share and customers, and our business, financial condition and results of operations may be materially and adversely affected.

We primarily compete with Alibaba Group and its portfolio companies for on-demand delivery and in-store services, and with Ctrip.com International, Ltd. for hotel & travel and transportation ticketing services. See the section headed "Business—Competition" in this document for details on our competitive landscape. To obtain and maintain competitive advantage in any of these business segments would require us to divert significant managerial, financial and human resources. In addition, each of our business segments is subject to rapid market changes and the potential development of new business models and the entry of new and well-funded competitors. Some of our current competitors have, and future competitors may have, greater financial, technical or marketing resources, longer operating histories, greater brand recognition or larger consumer bases than we do. Other companies also may enter into business combinations or alliances that strengthen their competitive positions. Increased competition has, in the past, negatively impacted our profitability and may reduce our market share and profitability and require us to increase our marketing and promotional efforts and capital commitment in the future, which could negatively affect our results of operations or force us to incur further losses. Although we have a track record of competing effectively against our competitors, there is no assurance that we will be able to continue to do so in the future against current or future competitors, and such competitive pressures may have a material adverse effect on our business, financial condition and results of operations. Many of the service categories which we currently provide or plan to provide may require large cash spending to subsidize customers in order to maintain or increase our market share, which may create pressure on our cash flow and liquidity.

If we fail to adopt new technologies or adapt our mobile apps, websites and systems to changing user requirements or emerging industry standards, our business may be materially and adversely affected.

Although we have been successful in capturing the market opportunities created by the mobile internet boom, to remain competitive, we must continue to stay abreast of the constantly evolving industry trends and to enhance and improve the responsiveness, functionality and features of our mobile apps, websites and systems. Our competitors are constantly innovating and introducing new services and interface features to increase their user base and enhance user experience. As a result, in order to attract and retain users and compete against our competitors, we must continue to invest significant resources in research and development to enhance our information technology and improve our existing services. The consumer service industry and the consumer service e-commerce industry are characterized by rapid technological evolution, changes in user requirements and preferences, frequent introduction of new services and products embodying new technologies, and the emergence of new industry standards and practices, any of which could render our existing technologies and systems obsolete. Our success will depend, in part, on our ability to identify, develop, acquire or license leading technologies useful in our business, and respond to technological advances and emerging industry standards and practices in a cost-effective and timely way. The development of mobile apps, websites and other proprietary technology entails significant technical and business risks. There can be no assurance that we will be able to use new technologies effectively or adapt our mobile apps, websites, proprietary technologies and systems to meet user requirements or emerging industry standards. If we are unable to adapt in a cost-effective and timely manner in response to changing market conditions or user preferences, whether for technical, legal, financial or other reasons, our business may be materially and adversely affected.

Growth of our business will depend on our strong brands, and any failure to maintain, protect and enhance our brands would limit our ability to retain or expand our customer base, which would materially and adversely affect our business, financial condition and results of operations.

We believe that strong recognition of our brands among consumers and merchants has reduced our user acquisition costs through word-of-mouth marketing and contributed significantly to the growth and success of our business. Accordingly, maintaining, protecting and enhancing the recognition of our household brands is critical to our business and market position. Many factors, some of which are beyond our control, are important to maintaining, protecting and enhancing our brands. These factors include our ability to:

- maintain the breadth, quality and attractiveness of the services we offer;
- maintain the quality and integrity of the UGC, and other information available on our mobile apps and websites;
- increase brand awareness through marketing and brand promotion activities;
- maintain or improve satisfaction with our customer services;
- compete effectively against existing or future competitors;

- preserve our reputation and goodwill generally and in the event of any negative publicity on our services, consumer safety, internet security, or other issues affecting us or other service e-commerce companies in China; and

- maintain our cooperative relationships with other participants.

A public perception that we, merchants on our platform or other participants do not provide satisfactory services to consumers, even if factually incorrect or based on isolated incidents, could damage our reputation, diminish the value of our brands, undermine the trust and credibility we have established and have a negative impact on our ability to attract and retain consumers and merchants, and our business, financial condition and results of operations may be materially and adversely affected.

If we fail to acquire new Transacting Users and Active Merchants in a cost-effective manner, to retain our existing Transacting Users and Active Merchants, or to maintain or increase their engagement, our business, financial condition and results of operations may be materially and adversely affected.

We must continue to attract new Transacting Users and Active Merchants, retain our existing Transacting Users and Active Merchants, and maintain and increase their engagement in order to increase our Gross Transaction Volume, drive revenue growth and achieve profitability. To that end, we plan to continue to broaden and deepen our service offerings, deepen our service penetration, further enrich our UGC database and provide superior customer service. We also cross-sell low-frequency services on our platform by leveraging our market-leading position in those mass-market, high-frequency, essential service categories. Given that we operate in a rapidly evolving industry, we need to anticipate consumer needs and industry changes and respond to such changes in a timely and effective manner. In particular, as we derive a majority of our revenues from our food delivery services, if we fail to continue to provide innovative services that meet the evolving needs and preferences of consumers and retain our consumer base for our food delivery services, our business, financial condition and results of operations may be materially and adversely affected. We must also continue to enable merchants to improve their service quality and operational efficiency, enable them to build online presence and recognition among consumers, and provide them with data insight and effective, targeted marketing tools to attract and retain consumers.

If consumers cannot find the services they are looking for on our platform, if our competitors offer more attractive prices or incentives or better customer services, or if consumers find the mobile apps or websites of our competitors to be more convenient to use or the UGC database to be more relevant or reliable, they may lose interest in us and visit our mobile apps or websites less frequently or even stop visiting our mobile apps or websites. Furthermore, as we rely on our platform's powerful network effects to grow, the decrease in our consumer base will affect our ability to attract merchants to and retain them on our platform and the decrease in our merchant base will in turn attract less consumers. Merchants may choose our competitors if they charge lower commissions, marketing or other fees or offer more attractive incentives, if merchants do not find our marketing and promotional services effective, or if our competitors provide more types of or more effective enabling services. We may also experience attrition in our merchants in the ordinary course of business resulting from reduction in marketing budgets, or closures or bankruptcies of merchants. We may also incur higher user acquisition costs if entry points for our *Dianping*, *Meituan Waimai* and *Mobike* apps on Tencent's Weixin and QQ mobile apps are discontinued or become more costly.

In addition, although we believe that many of our new Transacting Users and Active Merchants originate from word-of-mouth referrals and our broad service offerings and strong brands allow us to enjoy low user acquisition cost, we expect to continue to spend significant amount to acquire additional Transacting Users and Active Merchants. We cannot assure you that the revenue from them will ultimately exceed the cost of acquisition. If we are unable to retain our existing Transacting Users and Active Merchants or to acquire new Transacting Users and Active Merchants in a cost-effective manner, the revenue we generate may decrease and our results of operations will be adversely affected.

If we are unable to continue to provide services to merchants or to implement our strategy to enable more merchants with more solutions, our business and prospects may be materially and adversely affected.

We have been focusing on extending our platform from serving consumers to serving the supply end, driving internet penetration of the entire service industry value chain. Our wide range of services to merchants, such as targeted online marketing tools, cost-effective on-demand delivery infrastructure, cloud-based ERP systems, integrated payment systems, and supply chain and financing solutions, help merchants attract and better serve more consumers more efficiently, increase sales and enhance profitability. We believe such services represent significant market potential and will further enhance consumer experience, thus solidifying our market-leading position. There is no assurance, however, that we will be successful in implementing such business initiatives as a result of the development of new business models or increased competition in this field. If we are unable to continue to provide services to merchants or to implement our strategy to enable more merchants with more solutions, our business and prospects may be materially and adversely affected.

We rely on merchants and other participants in our network to provide quality services to customers. Their illegal actions or misconduct, or any failure by them to provide satisfactory services or maintain their service levels, could materially and adversely affect our business, reputation, financial condition and results of operations.

Merchants are the ultimate providers of services listed on our platform, and our brand and reputation may be harmed by actions taken by merchants that are outside our control. For example, with respect to our food delivery services, we rely upon restaurants to provide quality food to consumers on a timely basis, and to the extent they choose to deliver by themselves, we also rely on them to deliver the food expeditiously. With respect to our in-store, hotel & travel services, we rely on merchants to ensure that the consumers enjoy a positive in-store experience and to reach a satisfactory resolution with consumers in case of any disputes. Any shortcomings of our merchants, such as difficulty in servicing consumer demand, producing safe and quality food, providing timely delivery and good service, or failure to provide services as advertised or generally meet consumer expectations, may be attributed by consumers to us, thus damaging our reputation and brand value and potentially affecting our results of operations. In addition, negative publicity and consumer sentiment generated as a result of fraudulent or deceptive conduct by our merchants could damage our reputation, disrupt our ability to attract new consumers or retain our current consumers, and diminish the value of our brand.

In addition to the services provided by merchants on our platform, we also rely on a large number of other participants in our network, such as delivery riders to perform the on-demand delivery services, drivers to perform the pilot car-hailing services, and ERP and online marketing service providers, to provide various services to merchants. To the extent they are unable to provide satisfactory services to consumers or merchants, which may be due to events that are beyond our or their control, such as inclement weather or transportation disruptions, we may suffer reputational damage, and our business, financial condition and results of operations may be materially and adversely affected. The delivery riders and drivers that we work with may also subject us to additional risks. For example, we may be exposed to claims for personal injury, death or property damage resulting from traffic accidents caused by delivery riders and drivers in performing their services. Such incidents may cause negative publicity in the local community and may negatively affect our brand image and reputation. In addition, as delivery riders and drivers interact directly with our consumers, we may suffer substantial reputational harm from any misconduct, illegal actions or crimes committed by them. Such incidents have occurred during the Track Record Period, and as they are beyond our control, we cannot assure you that they will not occur in the future regardless of the measures we have taken, and will take, to screen and supervise the delivery riders and drivers on our platform. Further, labor disputes initiated by employees and personnel of our participants could also directly or indirectly prevent or hinder our normal operating activities, and, if not resolved in a timely manner, lead to decreases in our revenue. If we are unable to effectively address these risks, our brand image, reputation and financial performance may be materially and adversely affected.

Our strategic alliances, investments or acquisitions may have a material adverse effect on our business, reputation, financial condition and results of operations.

We have acquired and invested in a significant number of businesses, technologies, services and products in recent years, such as the strategic transaction between Meituan Corporation and Dianping Holdings in October 2015 and our acquisition of Mobike in April 2018. We expect to continue to evaluate and consider a wide array of strategic alliances, investments and acquisitions that we believe can extend and solidify our market-leading position as part of our overall business strategy. At any given time we may be engaged in discussions or negotiations with respect to one or more of these types of transactions. These transactions involve significant challenges and risks, including:

- difficulties integrating into our operations the personnel, operations, products, services, technology, internal controls and financial reporting of companies we acquire;

- disrupting our ongoing business, distracting our management and employees and increasing our expenses;

- losing skilled professionals as well as established client relationships of the businesses we invest in or acquire;

- for investments over which we do not obtain management and operational control, we may lack influence over the controlling partner or shareholder, which may prevent us from achieving our strategic goals in such investment;

- new regulatory requirements and compliance risks that we become subject to as a result of acquisitions in new industries or otherwise;

- actual or alleged misconduct or non-compliance by any company we acquire or invest in (or by its affiliates) that occurred prior to our acquisition or investment, which may lead to negative publicity, government inquiry or investigations against such company or against us;

- unforeseen or hidden liabilities or costs that may adversely affect us following our acquisition of such targets;

- regulatory hurdles including in relation to the anti-monopoly and competition laws, rules and regulations of China and other countries in connection with any proposed investments and acquisitions;

- the risk that any of our pending or other future proposed acquisitions does not close;

- the costs of identifying and consummating investments and acquisitions;

- the use of substantial amounts of cash and potentially dilutive issuances of equity securities,

- the occurrence of significant goodwill impairment charges and amortization expenses for other intangible assets; and

- challenges in achieving the expected benefits of synergies and growth opportunities in connection with these acquisitions and investments.

Any such negative developments described above could disrupt our existing business and have a material adverse effect on our business, reputation, financial condition and results of operations.

Our acquisition of Mobike involves risks that may adversely affect our future financial performance and position.

Our acquisition of Mobike in April 2018 involves known and unknown risks that may adversely affect our future financial performance and position. In addition to the risks set forth in "—Risks Relating to Our Business and Industry—Our strategic alliances, investments or acquisitions may have a material adverse effect on our business, reputation, financial condition and results of operations," risks specifically related to our acquisition of Mobike include the facts that Mobike has incurred significant losses since its inception and its business requires significant amount of capital to meet its cash needs. In addition, we may not be able to successfully integrate Mobike into our business in accordance with our business strategy and achieve the expected cost-saving synergy. Any of the risks described above could materially and adversely affect our results of operations, liquidity and cash flows.

Change in business prospects of acquisitions may result in goodwill impairment and impairment of our other intangible assets acquired in a business combination, which could negatively affect our results of operations.

As of April 30, 2018, we had intangible assets of RMB36.0 billion, including goodwill of RMB27.7 billion, which primarily arose from the strategic transaction between Meituan Corporation and Dianping Holdings in 2015 and our acquisitions of Qiandaibao in 2016 and Mobike in 2018. We assess the impairment of goodwill annually, or more frequently if certain events or changes in circumstances indicate that it might be impaired, by comparing the recoverable amounts of cash generating unit to the carrying amounts. For the years ended December 31, 2015, 2016 and 2017 and the four months ended April 30, 2017 and 2018, we recorded impairment losses of nil, RMB143 million, RMB12 million, nil and nil, respectively. These impairment losses were not related to the strategic transaction between Meituan Corporation and Dianping Holdings in 2015 or our acquisitions of Qiandaibao in 2016 and Mobike in 2018. In addition, technological changes and advancements may render our existing technologies less effective or even obsolete, or may cause our services to be less attractive to consumers and merchants, each of which may in turn result in impairment losses for goodwill and intangible assets associated with our cash generating units. For detailed discussion on the impairment testing and sensitivity and headroom on how changes in the valuation parameters will affect the impairment assessment for each cash generating unit, see the sections headed "Financial Information—Critical Accounting Policies and Estimates—Recoverability of Non-financial Assets" and "Financial Information—Discussion of Certain Key Balance Sheet Items—Intangible Assets."

Any significant impairment of goodwill or other intangible assets could have a material adverse effect on our business, financial condition and results of operations.

We have incurred significant costs on a variety of sales and marketing efforts, including significant selling and marketing expenses in order to attract consumers and merchants, and some marketing campaigns and methods may turn out to be ineffective.

We have invested significantly in sales and marketing activities to promote our brands and our services and to deepen our relationships with consumers and merchants, including incurring RMB7.1 billion, RMB8.3 billion, RMB10.9 billion, RMB2.6 billion and RMB4.1 billion in selling and marketing expenses in 2015, 2016, 2017 and the four months ended April 30, 2017 and 2018, respectively. Such selling and marketing expenses represented 177.7%, 64.2%, 32.2%, 32.3% and 25.9% of our total revenues in the corresponding periods. Our sales and marketing activities may not be well received by consumers and merchants, and may not attract additional consumers and merchants as anticipated. The evolving marketing approaches and tools may require us to experiment with new marketing methods to keep pace with industry trends and consumer and merchant preferences. Failure to refine our existing marketing approaches or to introduce new effective marketing approaches in a cost-effective manner could reduce our market share and negatively impact our results of operations. In addition, we have a limited operating history in the new service categories we offer. We may be required to increase our selling and marketing expenses, including providing significant subsidies or discounts to consumers, in promoting our brand awareness as well as our new service categories. There is no assurance that we will be able to recover costs of our sales and marketing activities or that these activities will be effective in generating new consumers and merchants for us.

If our collaboration with any of our strategic partners is terminated or curtailed, or if we are no longer able to benefit from the synergies of our business collaborations with our strategic partners, our business may be adversely affected.

Our business has benefited from our collaborations with our strategic partners, including Tencent, Booking Holdings and Maoyan. We cooperate with them in a number of areas, including joint marketing, payment, user traffic and movie ticketing service. However, we cannot assure you that we will continue to maintain our cooperative relationships with our strategic partners and their respective affiliates in the future. If the services provided by these strategic partners become limited, compromised, restricted, curtailed or less effective or become more expensive or unavailable to us for any reason, our business may be materially and adversely affected. To the extent we cannot maintain our cooperative relationships with these strategic partners, we may need to source other alternative partners to provide such services, which may divert significant management attention from existing business operations.

The proper functioning of our technology infrastructure is essential to our business, and any failure to maintain the satisfactory performance, security and integrity of our technology infrastructure would materially and adversely impair our ability to provide services and affect our business, reputation, financial condition and results of operations.

The proper functioning of our technology infrastructure is essential to the conduct of our business. Specifically, the satisfactory performance, reliability and availability of our mobile apps and websites, our transaction-processing systems and our network infrastructure are critical to our success and our ability to attract and retain users and provide adequate services. Our revenues depend on the user traffic on our mobile apps and websites and the volume of activities that traffic generates.

In addition, our ability to provide users with a high quality online experience depends on the continuing operation and scalability of our network infrastructure and information technology systems. The risks we face in this area include:

- our systems are potentially vulnerable to damage or interruption as a result of earthquakes, floods, fires, extreme temperatures, power loss, telecommunications failures, technical error, computer viruses, hacking and similar events;

- we may encounter problems when upgrading our systems or services and undetected programming errors could adversely affect the performance of the software we use to provide our services. The development and implementation of software upgrades and other improvements to our internet services is a complex process, and issues not identified during pre-launch testing of new services may only become evident when such services are made available to our entire user base; and

- we rely on servers, data centers and other network facilities provided by third parties, and the limited availability of third-party providers with sufficient capacity to house additional network facilities and broadband capacity in China may lead to higher costs or limit our ability to offer certain services or expand our business.

These and other events may lead to interruptions, decreases in connection speed, degradation of our services or the permanent loss of user data and uploaded content. Any system interruptions caused by telecommunications failures, computer viruses, or hacking or other attempts to harm our systems that result in the unavailability of our mobile apps and websites or reduced performance would affect the attractiveness of the services offered on our platform. If we experience frequent or persistent service disruptions, whether caused by failures of our own systems or those of third-party service providers, our reputation or relationships with our users may be damaged and our users may switch to our competitors, which may have a material adverse effect on our business, financial condition and results of operations.

Any lack of requisite approvals, licenses or permits applicable to our business may have a material and adverse impact on our business, financial condition and results of operations.

Our business is subject to governmental supervision and regulation by the relevant PRC governmental authorities. Together, these government authorities promulgate and enforce regulations that cover many aspects of our business operations, including but not limited to online and mobile commerce, food operations, online payment and other financial services, pilot car hailing, internet mapping services, audio-visual program operations, radio and television program services online culture operations, travel agency operations and cloud computing. In addition, governmental authorities are likely to continue to issue new laws, rules and regulations governing these industries, enhance enforcement of existing laws, rules and regulations, and require new and additional approvals, licenses or permits from us or participants on our platform. For detailed discussion of certain licenses and permits relevant to our business, see the section headed "Business—Licenses and Permits" and the relevant discussion in the section headed "Regulations" in this document.

We have made great efforts to obtain all the applicable licenses and permits, but due to the large number of different service categories offered on our platform, we cannot assure you that we have obtained or applied for all the permits and licenses required and necessary for conducting our business or will be able to maintain our existing permits and licenses or obtain any new permits and licenses if required by any future laws or regulations. For example, if we fail to maintain the existing permits and licenses for our car-hailing services, we will have to cease our operation of the car-hailing business in respective cities according to the national and local regulations on online taxi booking. We may also not roll out the car-hailing services in new cities if we fail to obtain new permits and licenses in these cities. During the Track Record Period, we have had incidents of failing to obtain licenses required for our internet audio-visual program services and internet mapping services. See the section headed "Business—Legal Proceedings and Compliance—Compliance" in this document for more details.

In addition, we have in the past been subject to government inquiries, investigations and penalties for the lack of certain licenses required or necessary for operating our business. For example, in 2016, we were ordered by the People's Bank of China to rectify our payment services for engaging in payment settlement and for collecting payments on behalf of merchants without having payment license. We have subsequently obtained the requisite payment license and have been in compliance with the relevant regulations applicable to our payment services in all material respects.

If we fail to obtain and maintain approvals, licenses or permits required for our business, governmental authorities shall have the power to, among other things, levy fines, confiscate our income, revoke our business licenses, and require us to discontinue our relevant business or impose restrictions on the affected portion of our business. Any of these actions may have a material and adverse effect on our business, financial condition and results of operations.

We are subject to regulations, and future regulations may impose additional requirements and other obligations on our business or otherwise that could materially and adversely affect our business, reputation, financial condition and results of operations.

The industries in which we operate are highly regulated. As the consumer service e-commerce industry is evolving rapidly in China, new laws and regulations may be adopted to address new issues that arise from time to time and to impose additional restrictions on our current business. For example, in light of the proliferation of bikes that are posing safety and social problems, the local authorities in certain Chinese cities have introduced more stringent measures to curb the bike-sharing companies' rapid pace of expansion. The PRC government has also issued the Guidance Opinion on Encouraging and Regulating the Development of Internet Rental Bicycle to offer guidance on the operation of the bike-sharing companies, particularly with respect to their management of consumer deposits, and may further adopt new regulations to require bike-sharing companies to manage the deposits made by consumers in a separate account and restrict the use of such deposits for other purposes. Also, we face increased regulation on reserve fund embezzlement with respect to funds received through Meituan Payment. In addition, we have entered into two financial guarantee contracts before the Notice on Regulating and Rectifying "Cash Loan" Business, or Circular 141, was promulgated and took effect on December 1, 2017. The financial guarantee contracts entered into historically may not comply with the requirements of Circular 141 after its promulgation. Although we have not entered into or renewed any financial guarantee contract after Circular 141 took effect, and have spun off the entity which entered into such guarantee contracts, our PRC Legal Advisor is of the opinion that we may still face the risk of being identified as in violation of Circular 141, as a result of which the competent government authorities may ban or order the relevant party to cease its business operation. Failure to comply with the relevant PRC laws and regulations on a timely and adequate basis may subject us to liability, administrative actions or penalties imposed by the relevant authorities. The imposition of any of these penalties may result in a material and adverse effect on our ability to conduct our business and have a material and adverse impact on our business, financial condition and results of operations.

Also, if the PRC government establishes stricter supervision requirements in the future in order for us to conduct our business, we may be required to incur significantly higher compliance costs, and there is no guarantee that we would be able to meet all the supervision requirements in a timely manner, or at all. For example, the People's Republic of China E-Commerce Law, or the E-commerce Law, which regulates e-commerce platform operators was promulgated by the Standing Committee of the National People's Congress in August 2018 and will come into effect on January 1, 2019. The E-Commerce Law provides that, with respect to products or services affecting consumers' life and health, if an e-commerce platform operator fails to examine and verify the qualifications of a merchant operating on such platform, or it fails to fulfill its obligation to assure the safety of consumers, which results in detriments to consumers, the e-commerce platform operator shall take the corresponding liability. Such new legislation and enforcement may result in additional compliance obligations and increased costs or place restrictions upon our current or future operations, and may materially and adversely affect our business, financial condition and results of operations.

In addition, we currently have operations in several overseas markets, primarily as a result of our acquisition of Mobike, and we may enter into new geographic markets in the future. International expansion will subject us to burdens of complying with a variety of local laws and regulations. In particular, although Mobike's operations in the overseas markets have been in compliance with the local laws and regulations historically, these operations may be subject to potential disputes regarding tax reporting and operating permit with relevant local authorities in the future. The occurrence of any of these risks could negatively affect our international operations and consequently our business and operating results.

As we continue to grow in scale and significance, we expect to face increased scrutiny, which will, at a minimum, result in our having to increase our investment in compliance and related capabilities and systems. The increasing sophistication and development of our customer base will also increase the need for higher standards of consumer protection, privacy protection and dispute management. Any increased involvement in inquiries or investigations could result in significantly higher legal and other costs and diversion of management and other resources, as well as negative publicity, which could materially and adversely affect our business, reputation, financial condition and results of operations.

We face potential liability, expenses for legal claims and harm to our business based on the nature of our business.

We face potential liability, expense for legal claims and harm to our business relating to the nature of the service industry. For example, third parties could assert legal claims against us in connection with personal injuries related to food poisoning or tampering. Reports, whether true or not, of food-borne illnesses and injuries caused by food tampering at restaurants that are on our platform, could result in significant negative publicity, and severely diminish consumer confidence in us and the value of our brands. Even if such incidents are solely associated with restaurants that are not on our platform, the negative publicity and consumer sentiment about the restaurant industry in general resulting from such incidents could also materially and adversely affect our business, financial condition and results of operations. Alternatively, we could be subject to legal claims relating to product liability, property damage, breach of contract, unfair competition or other legal claims relating to the service offerings we make available on our platform.

In addition, we face potential liability and expense for claims relating to the information published on our mobile apps and websites, including claims for defamation, libel, negligence, copyright, patent or trademark infringement, fraud, other unlawful activity or other theories and claims based on the nature and content of information to which we link or that may be posted on our mobile apps or websites, generated by our users, or delivered or shared hypertext links to third-party websites, or video or image services, if appropriate licenses and/or third-party consents have not been obtained. For example, we have from time to time been subject to claims for intellectual property infringement, and infringement of right to reputation.

We have been involved in litigation relating principally to third-party intellectual property infringement claims, contract disputes, civil tort disputes, employment-related cases and other matters in the ordinary course of our business. We may also be held liable if other participants in our network, such as delivery riders or drivers, fail to comply with applicable rules and regulations, or for the personal injuries or property damages caused by them.

We have been and expect to continue to be subject to legal claims. Potentially, the frequency of such claims could increase in proportion to the number of consumers and merchants that use our platform. After we become a publicly listed company with a higher profile, we may face additional exposure to claims and lawsuits. These claims could divert management time and attention away from our business and result in significant costs to investigate and defend, regardless of the merits of the claims. In some instances, we may elect or be compelled to remove content or may be forced to pay substantial damages if we are unsuccessful in our efforts to defend against these claims, which could harm our business, financial condition and results of operations.

Our business generates and processes a large amount of data, and the improper use or disclosure of such data could subject us to significant reputational, financial, legal and operational consequences, and deter current and potential customers from using our services.

Our business generates and processes a large quantity of personal, transaction, demographic and behavioral data. We face risks inherent in handling large volumes of data and in protecting the security of such data. In particular, we face a number of challenges relating to data from transactions and other activities on our platform, including:

- protecting the data in and hosted on our system, including against attacks on our system by outside parties or fraudulent behavior by our employees;
- addressing concerns related to privacy and sharing, safety, security and other factors; and
- complying with applicable laws, rules and regulations relating to the collection, use, disclosure or security of personal information, including any requests from regulatory and government authorities relating to such data.

Any systems failure or security breach or lapse that results in the release of user data could harm our reputation and brand and, consequently, our business, in addition to exposing us to potential legal liability. We have encountered user data leakage incidents in the past. Any failure, or perceived failure, by us to comply with our posted privacy policies or with any regulatory requirements or privacy protection-related laws, rules and regulations could result in proceedings or actions against us by governmental entities or others. These proceedings or actions may subject us to significant penalties and negative publicity, require us to change our business practices, increase our costs and severely disrupt our business.

We are subject to domestic and international laws relating to the collection, use, retention, security and transfer of personally identifiable information, or PII, with respect to our customers and employees. In many cases, these laws not only apply to third-party transactions, but also may restrict transfers of PII among us and our international subsidiaries. Several jurisdictions have passed laws in this area, and other jurisdictions are considering imposing additional restrictions. These laws continue to develop and may vary from jurisdiction to jurisdiction. Complying with emerging and changing international requirements may cause us to incur substantial costs or require us to change our business practices. For example, recent legal developments in Europe have created compliance uncertainty regarding certain transfers of personal data. The General Data Protection Regulation, or the GDPR, which came into application in the EU in May 2018, applies to all of our activities conducted from an establishment in the EU or related to services that we offer to EU consumers, which primarily consist of activities conducted by Mobike in the EU. The GDPR created a range of new compliance obligations, which could cause us to change our business practices, and significantly increased financial penalties for non-compliance.

If our expansion into new geographical areas is not successful, our business and prospects may be materially and adversely affected.

We have a track record of successfully expanding into new geographical areas. We cannot assure you, however, that we will be able to maintain this momentum in the future. We are expanding into more lower-tier cities and towns across China. Expansion into new geographical areas involves new risks and challenges. Our lack of familiarity with, and relevant user data relating to, these geographical areas may make it more difficult for us to keep pace with the evolving consumer demands and preferences. In addition, there may be one or more existing market leaders in any geographical area that we decide to expand into. Such companies may be able to compete more effectively than us by leveraging their experience in doing business in that market as well as their deeper data insight and greater brand recognition among consumers.

If we fail to generate sufficient high quality UGC and maintain their authenticity and transparency, we will be unable to provide users with the information they are searching for, which could negatively impact our business.

Our success depends in part on our ability to provide users with the information they seek, which in turn depends on the quantity and quality of the UGC provided by our content contributors. For example, we may be unable to provide users with the information they seek if our users do not contribute content that is helpful and reliable, or if they remove content they previously submitted. Similarly, we may be unable to provide users with the information they seek if our users are unwilling to contribute content, or if the information on our mobile apps and websites is not up-to-date. If our mobile apps and websites do not provide current information about Listed POIs or if users perceive reviews on our mobile apps and websites as less relevant, our brand and our business could be harmed.

If we are unable to provide users with the information they seek, or if they can find equivalent content on other services, they may stop or reduce their use of our platform, and traffic to our mobile apps and websites may decline. If our user traffic declines, merchants may stop or reduce the amount of marketing activities on our platform and our business could be harmed.

Security breaches and attacks against our platform, and any potentially resulting breach or failure to otherwise protect confidential and proprietary information, could damage our reputation and negatively impact our business, as well as materially and adversely affect our financial condition and results of operations.

Although we have employed significant resources to develop our security measures against breaches, our cybersecurity measures may not detect or prevent all attempts to compromise our systems, including distributed denial-of-service attacks, viruses, malicious software, break-ins, phishing attacks, social engineering, security breaches or other attacks and similar disruptions that may jeopardize the security of information stored in and transmitted by our systems or that we otherwise maintain. Breaches of our cybersecurity measures could result in unauthorized access to our systems, misappropriation of information or data, deletion or modification of user information, or a denial of service or other interruption to our business operations. As techniques used to obtain unauthorized access to or sabotage systems change frequently and may not be known until launched against us or our third-party service providers, we may be unable to anticipate, or implement adequate measures to protect against, these attacks.

We have in the past and are likely again in the future to be subject to these types of attacks, although to date no such attack has resulted in any material damages or remediation costs. If we are unable to avert these attacks and security breaches, we could be subject to significant legal and financial liability, our reputation would be harmed and we could sustain substantial revenue loss from lost sales and customer dissatisfaction. We may not have the resources or technical sophistication to anticipate or prevent rapidly evolving types of cyber-attacks. Cyber-attacks may target us, our consumers, merchants or other participants, or the communication infrastructure on which we depend. Actual or anticipated attacks and risks may cause us to incur significantly higher costs, including costs to deploy additional personnel and network protection technologies, train employees, and engage third-party experts and consultants.

The wide variety of payment methods that we accept subjects us to third-party payment processing-related risks.

Our online payment options include, among others, our proprietary payment method, Meituan Payment, other third-party payment methods, such as Weixin Pay, Apple Pay and Union Pay, and credit and debit cards or transfers from an online bank account. For third-party payment methods and credit and debit cards, we pay varying service fees, which may increase over time and raise our operating costs and lower our profit margins. We may also be subject to fraud, security breaches and other illegal activities in connection with the various payment methods we offer. In addition, we are subject to various rules, regulations and requirements, regulatory or otherwise, governing payment processing, which could change or be reinterpreted to make it difficult or impossible for us to comply. If we fail to comply with these rules or requirements, we may be subject to fines and higher transaction fees and lose our ability to accept credit and debit card payments from our customers, process electronic funds transfers or facilitate other types of online payments, and our business, financial condition and results of operations could be materially and adversely affected.

We own loan receivables and have entered into certain financial guarantee contracts in connection with our micro loan business, and the non-performance, or significant underperformance, of those loan receivables or defaults of borrowers for whom we provide financial guarantee services may adversely affect our business and results of operation.

We hold loan receivables and have entered into certain financial guarantee contracts in connection with our micro loan business. As of April 30, 2018, we had RMB2,092 million in loan receivables, and our maximum credit risk from financial guarantee contracts was RMB959 million. During the period that we own the loan receivables or act as guarantor under the financial guarantee contracts, we bear the credit risk in the event that the borrowers default. Additionally, the loan receivables also require us to commit or obtain corresponding funding. In the event that we experience non-performance or significant underperformance of the loan receivables, or that the borrowers for whom we provide financial guarantee services default, our business and results of operation may be materially and adversely affected.

The determination of the fair value changes and impairment of certain of our assets and liabilities requires the use of estimates that are based on unobservable inputs, and therefore inherently involves a certain degree of uncertainty.

We use significant unobservable inputs, such as expected volatility, discount for lack of marketability, risk-free interest rate, expected rate of return and discount rate, in valuing certain of our assets and liabilities, including financial assets at fair value through profit or loss, short-term investments and convertible redeemable preferred shares. The fair value change of financial assets at fair value through profit or loss, short-term investments and convertible redeemable preferred shares may significantly affect our financial position and results of operations. Accordingly, such determination requires us to make significant estimates, which may be subject to material changes, and therefore inherently involves a certain degree of uncertainty. Factors beyond our control can significantly influence and cause adverse changes to the estimates we use and thereby affect the fair value of such assets and liabilities. These factors include, but are not limited to, general economic condition, changes in market interest rates and stability of the capital markets. Any of these factors, as well as others, could cause our estimates to vary from actual results, which could materially and adversely affect our results of operation and financial condition. In addition, the process for determining whether an impairment of financial asset is other-than-temporary usually requires complex and subjective judgments, which could subsequently prove to have been wrong.

We may be subject to intellectual property infringement claims, which may be expensive to defend and may disrupt our business.

We cannot be certain that our operations or any aspects of our business do not or will not infringe upon or otherwise violate trademarks, copyrights or other intellectual property rights held by third parties. We have been, and from time to time in the future may be, subject to legal proceedings and claims relating to the intellectual property rights of others. In addition, there may be other third-party intellectual property that is infringed by services offered by our merchants and our services or other aspects of our business. We cannot assure you that holders of patents purportedly relating to some aspect of our technology infrastructure or business, if any such holders exist, would not seek to enforce such patents against us in China, the United States or any other jurisdictions. Further, the

application and interpretation of China's patent laws and the procedures and standards for granting patents in China are still evolving and are uncertain, and we cannot assure you that PRC courts or regulatory authorities would agree with our analysis. If we are found to have violated the intellectual property rights of others, we may be subject to liability for our infringement activities or may be prohibited from using such intellectual property, and we may incur licensing fees or be forced to develop alternatives of our own. Such infringement or licensing allegations and claims have been and may be brought by our suppliers. Defending against these claims and proceedings is costly and time consuming and may divert management's time and other resources from our business and operations, and the outcome of many of these claims and proceedings cannot be predicted. If a judgment, a fine or a settlement involving a payment of a material sum of money were to occur, or injunctive relief were issued against us, it may result in significant monetary liabilities and may materially disrupt our business and operations by restricting or prohibiting our use of the intellectual property in question, and our business, financial position and results of operations could be materially and adversely affected.

In addition, we allow our users to upload content to our mobile apps and websites. In particular, our *Dianping* mobile app features a vast amount of detailed, authentic and engaging content on merchants and services. However, content posted on our mobile apps and websites may expose us to allegations by third parties of infringement of intellectual property rights, unfair competition, invasion of privacy, defamation and other violations of third-party rights. We have been involved in litigation based on allegations of infringement of third-party copyrights due to the content available on our mobile apps and websites, although to date none of such litigation has resulted in any material adverse impact on us. Our failure to identify unauthorized content posted on our mobile apps and websites may subject us to claims of infringement of third-party intellectual property rights or other rights, defending of which may impose a significant burden on our management and employees, and there can be no assurance that we will obtain final outcomes that are favorable to us. In addition, we may be subject to administrative actions brought by the National Copyright Administration of China or its local branches for alleged copyright infringement.

We use open source software in connection with our products and services. Companies that incorporate open source software into their products and services have, from time to time, faced claims challenging the ownership of open source software and compliance with open source license terms. As a result, we could be subject to suits by parties claiming ownership of what we believe to be open source software or noncompliance with open source licensing terms. Some open source software licenses require users who distribute open source software as part of their software to publicly disclose all or part of the source code to such software and make available any derivative works of the open source code on unfavorable terms or at no cost. Any requirement to disclose our source code or pay damages for breach of contract could be harmful to our business, financial condition and results of operations.

Failure to deal effectively with any fraud perpetrated and fictitious transactions conducted on our platform could harm our business.

We face risks with respect to fraudulent activities engaged by merchants on our platform. Merchants on our platform may engage in fictitious transactions with themselves or collaborate with third parties in order to artificially inflate their sales records, popularity and search results rankings.

Such activity may frustrate other merchants by enabling the perpetrating merchants to be favored over legitimate merchants, and may harm consumers by misleading them to believe that a merchant is more reliable or trustworthy than the merchant actually is. Although we have implemented strict measures to detect and penalize merchants who engaged in fraudulent activities on our platform, there can be no assurance that such measures will be effective in preventing fraudulent transactions.

Moreover, illegal, fraudulent or collusive activities by our employees could also subject us to liability or negative publicity. We have discovered cases in which certain of our employees accepted payments from merchants or other service providers in order to receive preferential treatment on our platform. Although the employees who have been found to be responsible for these incidents have either resigned or have been terminated by us and we have implemented internal controls and policies with regard to the review and approval of merchant accounts, sales activities and other relevant matters, we cannot assure you that our controls and policies will prevent fraud or illegal activity by our employees or that similar incidents will not occur in the future. Any illegal, fraudulent or collusive activity could severely damage our brand and reputation, which could drive consumers away from our platform, and materially and adversely affect our business, financial condition and results of operations.

We may increasingly become a target for public scrutiny, including complaints to regulatory agencies, negative media coverage, and malicious allegations, all of which could severely damage our reputation and materially and adversely affect our business and prospects.

We process an extremely large number of transactions on a daily basis on our platform, and the high volume of transactions taking place on our platform as well as publicity about our business create the possibility of heightened attention from the public, regulators and the media. Heightened regulatory and public concerns over consumer protection and consumer safety issues may subject us to additional legal and social responsibilities and increased scrutiny and negative publicity over these issues, due to the large number of transactions that take place on our platform and the increasing scope of our overall business operations. In addition, changes in our services or policies have resulted and could result in objections by members of the public, the traditional, new and social media, social network operators, merchants on our platform or others. From time to time, these objections or allegations, regardless of their veracity, may result in consumer dissatisfaction, public protests or negative publicity, which could result in government inquiry or substantial harm to our brand, reputation and operations. Moreover, as our business expands and grows, both organically and through acquisitions of and investments in other businesses, domestically and internationally, we may be exposed to heightened public scrutiny in jurisdictions where we already operate as well as in new jurisdictions where we may operate. There is no assurance that we would not become a target for regulatory or public scrutiny in the future or that scrutiny and public exposure would not severely damage our reputation as well as our business and prospects.

If other companies copy information from our mobile apps and websites, and publish or aggregate it with other information for their own benefit, traffic to our mobile apps and websites may decline, and our business and prospects may be materially and adversely affected.

There is no assurance that other companies would not copy information from our mobile apps and websites, through website scraping, robots or other means, and publish or aggregate it with other

information for their own benefit. For example, we have in the past filed lawsuits against third parties for copying and publishing customer comments and other content from our website without our consent. When third parties copy, publish, or aggregate content from our mobile apps and websites, it makes them more competitive, and decreases the likelihood that consumers will use our mobile apps and websites to find the information they seek, which could materially and adversely affect our business and results of operations. We may not be able to detect such third-party conduct in a timely manner and, even if we could, we may not be able to remove it. In addition, we may be required to expend significant financial or other resources to successfully enforce our rights.

Our online marketing services may constitute internet advertisement, which subjects us to laws, rules and regulations applicable to advertising.

We derive a significant portion of our revenues from online marketing services. In July 2016, the State Administration for Market Regulation, or SAIC, formerly known as the State Administration for Industry and Commerce, promulgated the Interim Administrative Measures on Internet Advertising, or the Internet Advertising Measures, effective September 2016, pursuant to which internet advertisements are defined as any commercial advertising that directly or indirectly promotes goods or services through internet media in any form including paid-for search results. See the section headed "Regulations—Regulations on Internet Advertising." Under the Internet Advertising measures, our online marketing services may constitute internet advertisement.

PRC advertising laws, rules and regulations require advertisers, advertising operators and advertising distributors to ensure that the content of the advertisements they prepare or distribute is fair and accurate and is in full compliance with applicable law. Violation of these laws, rules or regulations may result in penalties, including fines, confiscation of advertising fees, orders to cease dissemination of the advertisements and orders to publish corrective information. In circumstances involving serious violations, the PRC government may order a violator to terminate its advertising operation or even suspend or revoke its business license or license for operating advertising business. In addition, the Internet Advertising Measures require paid-for search results to be distinguished from natural search results so that consumers will not be misled as to the nature of these search results. As such, we are obligated to distinguish from others the merchants who purchase online marketing services from us or the relevant listings by these merchants. Complying with these requirements and any penalties or fines for any failure to comply may significantly reduce the attractiveness of our platform and increase our costs and could have a material adverse effect on our business, financial condition and results of operations.

In addition, for advertising content related to specific types of products and services, advertisers, advertising operators and advertising distributors must confirm that the advertisers have obtained the requisite government approvals, including the advertiser's operating qualifications, proof of quality inspection of the advertised products and services, and, with respect to certain industries, government approval of the content of the advertisement and filing with the local authorities. Pursuant to the Internet Advertising Measures, we are required to take steps to monitor the content of advertisements displayed on our mobile apps and websites. This requires considerable resources and time, and could significantly affect the operation of our business, while at the same time also exposing us to increased liability under the relevant laws, rules and regulations. The costs associated with complying with these

laws, rules and regulations, including any penalties or fines for our failure to so comply if required, could have a material adverse effect on our business, financial condition and results of operations. Any further change in the classification of our online marketing services by the PRC government may also significantly disrupt our operations and materially and adversely affect our business and prospects.

We have granted and may continue to grant options, restricted share units and other types of awards under our share option plan, which may result in increased share-based compensation expenses.

We adopted our Pre-[REDACTED] ESOP for the purpose of granting share-based compensation awards to employees, directors and consultants to incentivize their performance and align their interests with ours. We recognize expenses in our consolidated financial statements in accordance with IFRS. Under our Pre-[REDACTED] ESOP, we are authorized to grant options, restricted shares, restricted share units and other types of awards. As of April 30, 2018, the maximum aggregate number of ordinary shares which may be issued pursuant to all awards under our Pre-[REDACTED] ESOP was 719,438,063 ordinary shares, subject to adjustment and amendment. We believe the granting of share-based compensation is important to attract and retain key personnel and employees, and we will continue to grant share-based compensation to employees in the future. As a result, our expenses associated with share-based compensation may increase, which may have an adverse effect on our results of operations.

Certain of our leasehold interests in leased properties have not been registered with the relevant PRC government authorities as required by PRC law, which may expose us to potential fines.

Certain of our leasehold interests in leased properties have not been registered with the relevant PRC government authorities as required by PRC law, which may expose us to potential fines if we fail to remediate after receiving any notice from the relevant PRC government authorities. In case of failure to register or file a lease, the parties to the unregistered lease may be ordered to make rectifications (which would involve registering such leases with the relevant authority) before being subject to penalties. The penalty ranges from RMB1,000 to RMB10,000 for each unregistered lease, at the discretion of the relevant authority. Although we have proactively requested that the applicable lessors complete or cooperate with us to complete the registration in a timely manner, we are unable to control whether and when such lessors will do so. In the event that a fine is imposed on both the lessor and lessee, and if we are unable to recover from the lessor any fine paid by us, such fine will be borne by us.

Our operations depend on the performance of the internet infrastructure and fixed telecommunications networks in China.

Almost all access to the internet in China is maintained through state-owned telecommunication operators under the administrative control and regulatory supervision of the Ministry of Industry and Information Technology. Moreover, we primarily rely on a limited number of telecommunication service providers to provide us with data communications capacity through local telecommunications lines and internet data centers to host our servers. We have limited access to alternative networks or services in the event of disruptions, failures or other problems with China's internet infrastructure or the fixed telecommunications networks provided by telecommunication service providers. With the

expansion of our business, we may be required to upgrade our technology and infrastructure to keep up with the increasing traffic on our website. We cannot assure you that the internet infrastructure and the fixed telecommunications networks in China will be able to support the demands associated with the continued growth in internet usage.

In addition, we have no control over the costs of the services provided by telecommunication service providers. If the prices we pay for telecommunications and internet services rise significantly, our results of operations may be materially and adversely affected. Furthermore, if internet access fees or other charges to internet users increase, our user traffic may decline and our business may be harmed.

A severe or prolonged downturn in China's economy could materially and adversely affect our business, financial condition and results of operations.

The global macroeconomic environment is facing challenges, including the end of quantitative easing by the U.S. Federal Reserve, the economic slowdown in the Eurozone since 2014 and the uncertain impact of "Brexit." The growth of China's economy has slowed down since 2012 and such slowdown may continue. There is considerable uncertainty over the long-term effects of the expansionary monetary and fiscal policies adopted by the central banks and financial authorities of some of the world's leading economies, including the United States and China. There have been concerns over unrest and terrorist threats in the Middle East, Europe and Africa, which have resulted in volatility in oil and other markets. There have also been concerns on the relationship between China and other countries, including the surrounding Asian countries, which may potentially result in foreign investors exiting the China market and other economic effects. Economic conditions in China are sensitive to global economic conditions, as well as changes in domestic economic and political policies and the expected or perceived overall economic growth rate in China. The United States and China have recently been involved in controversy over trade barriers in China that have threatened a trade war between the countries, and have implemented or proposed to implement tariffs on certain imported products. Sustained tension between the United States and China over trade policies could significantly undermine the stability of the global and China's economy. Any severe or prolonged slowdown or instability in the global or China's economy may materially and adversely affect our business, financial condition and results of operations.

We may not be able to prevent others from unauthorized use of our intellectual property, which could harm our business and competitive position.

We regard our trademarks, copyrights, patents, domain names, know-how, proprietary technologies and similar intellectual property as critical to our success, and we rely on a combination of intellectual property laws and contractual arrangements, including confidentiality, invention assignment and non-compete agreements with our employees and others, to protect our proprietary rights. Despite these measures, any of our intellectual property rights could be challenged, invalidated, circumvented or misappropriated, or such intellectual property may not be sufficient to provide us with competitive advantages. In addition, there can be no assurance that (i) our application for the registration of trademarks, patents and other intellectual property rights will be approved, (ii) any intellectual property rights will be adequately protected, or (iii) such intellectual property rights will

not be challenged by third parties or found by a judicial authority to be invalid or unenforceable. Further, because of the rapid pace of technological change in our industry, parts of our business rely on technologies developed or licensed by third parties, and we may not be able to obtain or continue to obtain licenses and technologies from these third parties at all or on reasonable terms.

It is often difficult to register, maintain and enforce intellectual property rights in China. Statutory laws and regulations are subject to judicial interpretation and enforcement and may not be applied consistently due to the lack of clear guidance on statutory interpretation. Confidentiality, invention assignment and non-compete agreements may be breached by counterparties, and there may not be adequate remedies available to us for any such breach. Accordingly, we may not be able to effectively protect our intellectual property rights or to enforce our contractual rights in China. Policing any unauthorized use of our intellectual property is difficult and costly and the steps we take may be inadequate to prevent the infringement or misappropriation of our intellectual property. In the event that we resort to litigation to enforce our intellectual property rights, such litigation could result in substantial costs and a diversion of our management and financial resources, and could put our intellectual property at risk of being invalidated or narrowed in scope. We can provide no assurance that we will prevail in such litigation, and even if we do prevail, we may not obtain a meaningful recovery. In addition, our trade secrets may be leaked or otherwise become available to, or be independently discovered by, our competitors. Any failure in maintaining, protecting or enforcing our intellectual property rights could have a material adverse effect on our business, financial condition and results of operations.

Overall tightening of the labor market or any possible labor unrest may affect our business.

Our business requires a substantial number of personnel. Any failure to retain stable and dedicated labor by us and our delivery partners may lead to disruption to or delay in our services provided to customers. Although we or our delivery partners have not experienced any labor shortage to date, we have observed an overall tightening and increasingly competitive labor market. We have experienced, and expect to continue to experience, increases in labor costs due to increases in salary, social benefits and employee headcount. We and our delivery partners compete with other companies in our industry and other labor-intensive industries for labor, and we and our delivery partners may not be able to offer competitive remuneration and benefits compared to them. If we or our delivery partners are unable to manage and control our labor costs, our business, financial condition and results of operations may be materially and adversely affected.

Our delivery partners have been subject to labor disputes initiated by their employees and personnel from time to time, although none of them, individually or in the aggregate, have had a material adverse impact on us. Our delivery partners may continue to be subject to various legal or administrative proceedings related to labor disputes in the ordinary course of business, which may have a material effect on us due to the magnitude of the labor force involved in our delivery network. Any labor unrest directed against our delivery partners could directly or indirectly prevent or hinder our normal operating activities, and, if not resolved in a timely manner, lead to decreases in our revenue. For example, a delivery rider strike that took place in May 2018 caused a prolonged service suspension in Chongqing, China, and we cannot assure you that similar incidents would not happen

in the future. We and our delivery partners are not able to predict or control any labor unrest. Further, labor unrest may affect general labor market conditions or result in changes to labor laws, which in turn could materially and adversely affect our business, financial condition and results of operations.

We have limited insurance coverage.

Risks associated with our business and operations include, but are not limited to, business interruption due to power shortages or network failure, product liability claims and losses of key personnel, any of which may result in significant costs or business disruption. The insurance industry in China is still at an early stage of development, and insurance companies in China currently offer limited business-related insurance products. In line with general market practice, we do not have any business liability or disruption insurance to cover our operations. We have determined that the costs of insuring for these risks and the difficulties associated with acquiring such insurance on commercially reasonable terms make it impractical for us to have such insurance. In addition, we also do not maintain insurance policies covering damages to our IT infrastructure. Any disruption in our IT infrastructure or natural disasters may cause us to incur substantial costs and divert our resources, and we have no insurance to cover such losses. With respect to our employees, we provide pension insurance, maternity insurance, unemployment insurance, work-related injury insurance and medical insurance, as well as supplemental commercial medical insurance and accident insurance. We maintain various insurance policies with respect to our pilot car-hailing business, including property and casualty insurance for the drivers and passengers in our network. We also require personal accident, third party personal injury and property damage insurance to be purchased for each delivery rider by our delivery partners. Any uninsured risks may result in substantial costs and the diversion of resources, which could adversely affect our results of operations and financial condition.

We face risks related to natural disasters, health epidemics and other outbreaks, which could significantly disrupt our business, financial condition and results of operations.

We and our merchants are vulnerable to natural disasters, health epidemics, and other calamities. Any of such occurrences could cause severe disruption to the daily operations of us and our merchants, and may even require a temporary closure of facilities, which may disrupt our business operations and adversely affect our results of operations. In addition, our results of operations could be adversely affected to the extent that any of these catastrophic events harms China's economy in general.

Risks Relating to Doing Business in China

Adverse changes in economic and political policies of the PRC government could have a material adverse effect on overall economic growth in China, which could materially and adversely affect our business and results of operation.

A significant portion of our operations are conducted in China and the majority of our revenue is sourced from China. Accordingly, our financial condition, results of operations and prospects are influenced by economic, political and legal developments in China. Economic reforms have resulted in significant economic growth in China in the past few decades. However, any economic reform policies or measures in China may from time to time be modified or revised. China's economy differs from the economies of most developed countries in many respects, including with respect to the

amount of government involvement, level of development, growth rate, control of foreign exchange and allocation of resources. While China's economy has experienced significant growth in the past few decades, the rate of growth has slowed down since 2012, and growth has been uneven across different regions and among various economic sectors.

The PRC government exercises significant control over China's economic growth through strategically allocating resources, controlling the payment of foreign currency-denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies. Although China's economy has grown significantly in the past decade, that growth may not continue and any slowdown may have a negative effect on our business. Any adverse changes in economic conditions in China, in the policies of the PRC government or in the laws and regulations in China, could have a material adverse effect on the overall economic growth of China. Such developments could adversely affect our businesses, lead to reduction in demand for our services and adversely affect our competitive position.

The legal system in China embodies uncertainties which could limit the legal protections available to us.

We conduct our business primarily through our PRC subsidiaries and variable interest entities in China. Our operations in China are governed by PRC laws and regulations. The legal system in China is a civil law system based on written statutes. Unlike common law systems, it is a system in which decided legal cases have little precedential value. The legal system in China evolves rapidly, and the interpretations of many laws, regulations and rules may contain inconsistencies. However, these laws, regulations and legal requirements are constantly changing and their interpretation and enforcement involve uncertainties. These uncertainties could limit the legal protections available to us. In addition, we cannot predict the effect of future developments in the PRC legal system, particularly with regard to internet-related industries, including the promulgation of new laws, changes to existing laws or the interpretation or enforcement thereof, or the preemption of local regulations by national laws. Such unpredictability towards our contractual, property (including intellectual property) and procedural rights could adversely affect our business and impede our ability to continue our operations. Furthermore, any litigation in China may be protracted and result in substantial costs and diversion of resources and management attention.

Regulation and censorship of information disseminated over the internet in China may adversely affect our business and subject us to liability for content posted on our mobile apps and websites.

Internet companies in China are subject to a variety of existing and new rules, regulations, policies, and license and permit requirements. In connection with enforcing these rules, regulations, policies and requirements, relevant government authorities may suspend services by, or revoke licenses of, any internet or mobile content service provider that is deemed to provide illicit content online or on mobile devices, and such activities may be intensified in connection with any ongoing government campaigns to eliminate prohibited content online. For example, in July 2016, the Ministry of Public Security launched a "Special Rectification Activities for Live Streaming Websites" campaign. Based on publicly available information, the campaign aims to eliminate illicit or pornographic information and content on live streaming websites by, among other things, holding

liable individuals and corporate entities that facilitate the distribution of illicit or pornographic information and content. For details of regulations on information security and censorship, see the section headed "Regulations—Regulations on Information Security and Privacy Protection."

We endeavor to eliminate illicit content from our mobile apps and websites. However, government standards and interpretations may change in a manner that could render our current monitoring efforts insufficient. We cannot assure you that our business and operations will be immune from government actions or sanctions in the future. If government actions or sanctions are brought against us, or if there are widespread rumors that government actions or sanctions have been brought against us, our reputation and brand image could be harmed, we may lose users and business partners, our revenue and results of operation may be materially and adversely affected.

[REDACTED]

We may be classified as a "PRC resident enterprise" for PRC enterprise income tax purposes, which could result in unfavorable tax consequences to us and our shareholders and have a material adverse effect on our results of operations and the value of your [REDACTED].

Under the People's Republic of China Enterprise Income Tax Law, or the EIT Law, which became effective on January 1, 2008 and was amended on February 24, 2017, an enterprise established outside China whose "de facto management body" is located in China is considered a "PRC resident enterprise" and will generally be subject to the uniform 25% enterprise income tax rate on its global income. Under the implementation rules of the EIT Law, "de facto management body" is defined as the organization body that effectively exercises management and control over such aspects as the business operations, personnel, accounting and properties of the enterprise.

On April 22, 2009, SAT released the Notice Regarding the Determination of Chinese-Controlled Offshore Incorporated Enterprises as People's Republic of China Tax Resident Enterprises on the Basis of De Facto Management Bodies, which was amended on January 29, 2014, or Circular 82, that sets out the standards and procedures for determining whether the "de facto management body" of an enterprise registered outside of China and controlled by PRC enterprises or PRC enterprise groups is located within China. Further to SAT Circular 82, on July 27, 2011, SAT issued the Administrative Measures for Enterprise Income Tax of Chinese-Controlled Offshore Incorporated Resident Enterprises (Trial), or SAT Bulletin 45, to provide more guidance on the implementation of SAT Circular 82; the bulletin became effective on September 1, 2011 and revised on April 17, 2015. SAT Bulletin 45 clarified certain issues in the areas of resident status determination, post-determination administration and competent tax authorities' procedures.

Under Circular 82, a foreign enterprise controlled by a PRC enterprise or PRC enterprise group is considered a PRC resident enterprise if all of the following apply: (i) the senior management and core management departments in charge of daily operations are located mainly within China; (ii) financial and human resources decisions are subject to determination or approval by persons or bodies in China; (iii) major assets, accounting books, company seals and minutes and files of board and shareholders' meetings are located or kept within China; and (iv) at least half of the enterprise's directors with voting rights or senior management reside within China. SAT Bulletin 45 specifies that when provided with a copy of Chinese tax resident determination certificate from a resident Chinese controlled offshore incorporated enterprise, the payer should not withhold 10% income tax when paying the Chinese-sourced dividends, interest, royalties, etc., to the PRC-controlled offshore incorporated enterprise.

Although Circular 82 and SAT Bulletin 45 explicitly provide that the above standards only apply to enterprises which are registered outside of China and controlled by PRC enterprises or PRC enterprise groups, not those controlled by PRC individuals or foreign individuals, Circular 82 and SAT Bulletin 45 may reflect SAT's criteria for how the "de facto management body" test should be applied in determining the tax residence of foreign enterprises in general, regardless of whether they are controlled by PRC enterprises or PRC enterprise groups or by the PRC or foreign individuals. If the PRC tax authorities determine that we are to be treated as a PRC resident enterprise for PRC enterprise income tax purposes, the 25% PRC enterprise income tax on our global taxable income could materially and adversely affect our ability to satisfy any cash requirements we may have.

PRC laws and regulations establish more complex procedures for some acquisitions of PRC companies by foreign investors, which could make it more difficult for us to pursue growth through acquisitions in China.

A number of PRC laws and regulations, including the M&A Rules, the Anti-monopoly Law promulgated by the Standing Committee of the National People's Congress in August 2007, and the Rules of Ministry of Commerce on Implementation of Security Review System of Mergers and Acquisitions of Domestic Enterprises by Foreign Investors promulgated by MOFCOM in August 2011, have established procedures and requirements that are expected to make merger and acquisition activities in China by foreign investors more time-consuming and complex. These include requirements in some instances that the approval from MOFCOM be obtained in circumstances where overseas companies established or controlled by PRC enterprises or residents acquire affiliated domestic companies. PRC laws and regulations also require certain merger and acquisition transactions to be subject to merger control review or security review.

We have grown and may continue to grow our business by acquiring complementary businesses. Complying with the requirements of the above-mentioned regulations and other relevant rules to complete such transactions could be time-consuming, and any required approval processes, including obtaining approval from MOFCOM or its local counterparts, may delay or inhibit our ability to complete such transactions. It is unclear whether our business would be deemed to be in an industry that raises "national defense and security" or "national security" concerns. However, MOFCOM or other government agencies may publish explanations in the future determining that our business is in an industry subject to the security review, in which case our future acquisitions in China, including those by way of entering into contractual control arrangements with target entities, may be closely scrutinized or prohibited. Our ability to expand our business or maintain or expand our market share through future acquisitions would as such be materially and adversely affected.

The heightened scrutiny over acquisition transactions by PRC tax authorities may have a negative impact on our business operations, our acquisition or restructuring strategy or the value of your [REDACTED] in us.

Pursuant to the Notice of State Administration for Taxation on Strengthening Administration of Enterprise Income Tax for Share Transfers by Resident Enterprises outside of China, or SAT Circular 698, issued by SAT in December 2009 with retroactive effect from January 1, 2008, where a non-resident enterprise transfers the equity interests of a PRC resident enterprise indirectly by disposition of the equity interests of an overseas non-public holding company, or an Indirect Transfer, and such overseas holding company is located in a tax jurisdiction that (i) has an effective tax rate of less than 12.5% or (ii) does not impose income tax on the foreign income of its residents, the non-resident enterprise, being the transferor, must report to the competent tax authority of the PRC resident enterprise this Indirect Transfer. Using a "substance over form" principle, the PRC tax authority may disregard the existence of the overseas holding company if it lacks a reasonable commercial purpose and was established for the purpose of reducing, avoiding or deferring PRC tax.

On February 3, 2015, SAT issued the Announcement of SAT on Several Issues concerning the Enterprise Income Tax on Income from the Indirect Transfer of Assets by Non-Resident Enterprises, or SAT Circular 7, which abolished certain provisions in SAT Circular 698, as well as certain other

rules providing clarification on SAT Circular 698. SAT Circular 7 provided comprehensive guidelines relating to, and also heightened the PRC tax authorities' scrutiny over, indirect transfers by a non-resident enterprise of PRC taxable assets. Under SAT Circular 7, the PRC tax authorities are entitled to reclassify the nature of an indirect transfer of PRC taxable assets, when a non-resident enterprise transfers PRC taxable assets indirectly by disposing of equity interests in an overseas holding company directly or indirectly holding such PRC taxable assets, by disregarding the existence of such overseas holding company and considering the transaction to be a direct transfer of PRC enterprise income taxes and without any other reasonable commercial purpose. However, SAT Circular 7 contains certain exemptions, including (i) where a non-resident enterprise derives income from the indirect transfer of PRC taxable assets by acquiring and selling shares of an overseas listed company which holds such PRC taxable assets on a public market; and (ii) where there is an indirect transfer of PRC taxable assets, but if the non-resident enterprise had directly held and disposed of such PRC taxable assets, the income from the transfer would have been exempted from PRC enterprise income tax under an applicable tax treaty or arrangement.

On October 17, 2017, SAT issued the Circular on the Source of Deduction of Income Tax for Non-resident Enterprises, or SAT Circular 37, which became effective on December 1, 2017 and abolished SAT Circular 698 as well as certain provisions in SAT Circular 7. SAT Circular 37 further clarifies the practice and procedure of withholding non-resident enterprise income tax. Pursuant to SAT Circular 37, where the party responsible for deducting such income tax did not or was unable to make such deduction, or the non-resident enterprise receiving such income failed to declare and pay the taxes that should have been deducted to the relevant tax authority, both parties may be subject to penalties. The taxable gain is calculated as balance of the total income from such transfer net deducting the net book value of equity interest.

We have conducted and may conduct acquisitions involving changes in corporate structures, and historically our shares were transferred by certain then shareholders to our current shareholders. We cannot assure you that the PRC tax authorities will not, at their discretion, adjust any capital gains and impose tax return filing obligations on us or require us to provide assistance for the investigation of PRC tax authorities with respect thereto. Any PRC tax imposed on a transfer of our Shares or any adjustment of such gains would cause us to incur additional costs and may have a negative impact on the value of your [REDACTED] in us.

Discontinuation of preferential tax treatments we currently enjoy or other unfavorable changes in tax law could result in additional compliance obligations and costs.

Operating in the high-technology industry, a number of our PRC operating entities enjoy various types of preferential tax treatment according to the prevailing PRC tax laws. Our PRC subsidiaries and VIEs may, if they meet the relevant requirements, qualify for certain preferential tax treatment.

For a qualified high and new technology enterprise, the applicable enterprise income tax rate is 15%. The high and new technology enterprise qualification is re-assessed by the relevant authorities every three years. Moreover, a qualified software enterprise is entitled to a tax holiday consisting of a two-year tax exemption beginning with the first profit-making calendar year and a 50% tax reduction for the subsequent three years. See the section headed "Financial Information—Description of Major

Components of Our Results of Operations—Taxation—China." If such PRC subsidiaries or VIEs fail to maintain their respective qualification under the relevant PRC laws and regulations, their applicable enterprise income tax rates may increase to up to 25%, which could have a material adverse effect on our results of operations.

You may be subject to PRC income tax on dividends from us or on any gain realized on the transfer of our Shares.

Under the EIT Law and its implementation rules, PRC withholding tax at the rate of 10% is generally applicable to dividends from PRC sources paid to investors that are resident enterprises outside of China, which do not have an establishment or place of business in China, or which have such establishment or place of business if the relevant income is not effectively connected with the establishment or place of business. Any gain realized on the transfer of shares by such investors is subject to 10% PRC income tax if such gain is regarded as income derived from sources within China. Under the PRC Individual Income Tax Law and its implementation rules, dividends from sources within China paid to foreign individual investors who are not PRC residents are generally subject to a PRC withholding tax at a rate of 20% and gains from PRC sources realized by such investors on the transfer of shares are generally subject to 20% PRC income tax. Any such PRC tax liability may be reduced by the provisions of an applicable tax treaty.

As discussed above under "— We may be classified as a "PRC resident enterprise" for PRC enterprise income tax purposes, which could result in unfavorable tax consequences to us and our shareholders and have a material adverse effect on our results of operations and the value of your investment," we may be considered a PRC resident enterprise. Although substantially all of our business operations are in China, it is unclear whether dividends we pay with respect to our Shares, or the gain realized from the transfer of our Shares, would be treated as income derived from sources within China and as a result be subject to PRC income tax if we are considered a PRC resident enterprise. If PRC income tax is imposed on gains realized through the transfer of our Shares or on dividends paid to our non-resident investors, the value of your [REDACTED] in our Shares may be materially and adversely affected. Furthermore, our Shareholders whose jurisdictions of residence have tax treaties or arrangements with China may not qualify for benefits under such tax treaties or arrangements.

In addition, pursuant to the Double Tax Avoidance Arrangement between Hong Kong and China and the Notice on Certain Issues with Respect to the Enforcement of Dividend Provisions in Tax Treaties issued on February 20, 2009 by SAT, if a Hong Kong resident enterprise owns more than 25% of the equity interest in a PRC company at all times during the twelve-month period immediately prior to obtaining a dividend from such company, the 10% withholding tax on dividends is reduced to 5% provided certain other conditions and requirements under the Double Tax Avoidance Arrangement between Hong Kong and China and other applicable PRC laws are satisfied at the discretion of the relevant PRC tax authority. However, based on the Notice on Certain Issues with Respect to the Enforcement of Dividend Provisions in Tax Treaties, if the relevant PRC tax authorities determine, in their discretion, that a company benefits from such reduced income tax rate due to a structure or arrangement that is primarily tax-driven, the PRC tax authorities may adjust the preferential tax treatment. Based on the Notice on Issues concerning Beneficial Owner in Tax Treaties, or Circular 9, issued on February 3, 2018 by SAT and effective from April 1, 2018, when determining the applicant's

status of the "beneficial owner" regarding tax treatments in connection with dividends, interests or royalties in the tax treaties, several factors, including without limitation, whether the applicant is obligated to pay more than 50% of his or her income in twelve months to residents in a third country or region, whether the business operated by the applicant constitutes the actual business activities, and whether the counterparty country or region to the tax treaties does not levy any tax or grant tax exemption on relevant incomes or levies tax at an extremely low rate, will be taken into account, and it will be analyzed according to the actual circumstances of the specific cases. If our Hong Kong subsidiaries are determined by PRC government authorities as receiving benefits from reduced income tax rates due to a structure or arrangement that is primarily tax-driven, it would materially and adversely affect the amount of dividends.

PRC regulations of loans and direct investment by offshore holding companies to PRC entities may delay or prevent us from using the proceeds of the [REDACTED] to make loans or additional capital contributions to our PRC subsidiaries, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

We may transfer funds to our PRC subsidiaries or finance our PRC subsidiaries by means of Shareholders' loans or capital contributions after completion of the [REDACTED]. Any loans to our PRC subsidiaries, which are foreign-invested enterprises, or FIEs, cannot exceed a statutory limit, and shall be filed with SAFE or its local counterparts through the online filing system of SAFE after the loan agreement is signed and at least three business days before the borrower withdraws any amount from the foreign loan.

Furthermore, any capital contributions we make to our PRC subsidiaries shall be filed with or approved by MOFCOM or its local counterparts. We may not be able to obtain these government registrations or approvals, or complete these government filings on a timely basis, if at all. If we fail to receive such registrations or approvals or complete such filings, our ability to provide loans or capital contributions to our PRC subsidiaries in a timely manner may be negatively affected, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

On March 30, 2015, SAFE promulgated the Circular on Reforming the Administration Measures on Conversion of Foreign Exchange Registered Capital of Foreign-invested Enterprises, or Circular 19. Circular 19, however, allows foreign-invested enterprises in China to use their registered capital settled in Renminbi converted from foreign currencies to make equity investments, but the registered capital of a foreign-invested company settled in Renminbi converted from foreign currencies remains not allowed to be used for investment in the security markets, offering entrustment loans or purchases of any investment properties, unless otherwise regulated by other laws and regulations. On June 9, 2016, SAFE further issued the Circular of the State Administration of Foreign Exchange on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Accounts, or Circular 16, which, among other things, amended certain provisions of Circular 19. According to Circular 19 and Circular 16, the flow and use of the Renminbi capital converted from foreign currency-denominated registered capital of a foreign-invested company is regulated such that Renminbi capital may not be used for business beyond its business scope or to provide loans to persons other than affiliates unless otherwise permitted under its business scope. If our VIEs require financial support from us or our PRC subsidiaries in the future, and we find it necessary to use foreign currency-denominated capital to provide such financial support, our ability to fund our VIEs'

operations will be subject to statutory limits and restrictions, including those described above. The applicable foreign exchange circulars and rules may limit our ability to transfer the [REDACTED] from the [REDACTED] to our PRC subsidiaries and convert the net proceeds into Renminbi, which may adversely affect our business, financial condition and results of operations.

We may be subject to penalties, including restrictions on our ability to inject capital into our PRC subsidiaries and our PRC subsidiaries' ability to distribute profits to us, if our resident shareholders or beneficial owners in China fail to comply with relevant PRC foreign exchange regulations.

SAFE issued the Notice on Relevant Issues Relating to Domestic Residents' Investment and Financing and Round-Trip Investment through Special Purpose Vehicles, or Circular 37, effective on July 4, 2014. Circular 37 requires PRC residents, including PRC individuals and institutions, to register with SAFE or its local branches in connection with their direct establishment or indirect control of an offshore special purpose vehicle, for the purpose of overseas investment and financing, with such PRC residents' legally owned assets or equity interests in domestic enterprises or offshore assets or interests. In addition, such PRC residents must update their foreign exchange registrations with SAFE or its local branches when the offshore special purpose vehicle in which such residents directly hold the equity interests undergoes material events relating to any change of basic information (including change of such PRC individual shareholder, name and operation term), increases or decreases in investment amount, share transfers or exchanges, or mergers or divisions.

If any shareholder holding interest in an offshore special purpose vehicle, who is a PRC resident as determined by Circular 37, fails to fulfill the required foreign exchange registration with the local SAFE branches, the PRC subsidiaries of that offshore special purpose vehicle may be prohibited from distributing their profits and dividends to their offshore parent company or from carrying out other subsequent cross-border foreign exchange activities, and the offshore special purpose vehicle may be restricted in its ability to contribute additional capital to its PRC subsidiaries. Moreover, failure to comply with the SAFE registration described above could result in liability under PRC laws for evasion of applicable foreign exchange restrictions.

On February 13, 2015, SAFE promulgated a Notice on Further Simplifying and Improving Foreign Exchange Administration Policy on Direct Investment, or SAFE Notice 13, effective June 1, 2015. In accordance with SAFE Notice 13, entities and individuals are required to apply for foreign exchange registration of foreign direct investment and overseas direct investment, including those required under Circular 37, with qualified banks, instead of SAFE. The qualified banks, under the supervision of SAFE, directly examine the applications and conduct the registration.

We may not be fully informed of the identities of all our shareholders or beneficial owners who are PRC residents, and therefore, we may not be able to identify all our shareholders or beneficial owners who are PRC residents to ensure their compliance with Circular 37 or other related rules. In addition, we cannot provide any assurance that all of our shareholders and beneficial owners who are PRC residents will comply with our request to make, obtain or update any applicable registrations or comply with other requirements required by Circular 37 or other related rules in a timely manner. Even if our shareholders and beneficial owners who are PRC residents comply with such request, we cannot provide any assurance that they will successfully obtain or update any registration required by Circular 37 or other related rules in a timely manner due to many factors, including those beyond our

and their control. If any of our shareholders who is a PRC resident as determined by Circular 37 fails to fulfill the required foreign exchange registration, our PRC subsidiaries may be prohibited from distributing their profits and dividends to us or from carrying out other subsequent cross-border foreign exchange activities, and we may be restricted in our ability to contribute additional capital to our PRC subsidiaries, which may adversely affect our business.

We principally rely on dividends and other distributions on equity paid by our PRC subsidiaries to fund any cash and financing requirements we may have. Any limitation on the ability of our PRC subsidiaries to make payments to us could have a material adverse effect on our ability to conduct our business or financial condition.

We are a holding company, and we principally rely on dividends and other distributions on equity that may be paid by our PRC subsidiaries and remittances from our VIEs, for our cash and financing requirements, including the funds necessary to pay dividends and other cash distributions to the holders of our ordinary shares and service any debt we may incur. If our PRC subsidiaries or our VIEs incur debt on their own behalf in the future, the instruments governing the debt may restrict their ability to pay dividends or make other distributions to us.

Under PRC laws and regulations, wholly foreign-owned enterprises in China may pay dividends only out of their retained earnings as determined in accordance with PRC accounting standards and regulations. In addition, a wholly foreign-owned enterprise is required to set aside at least 10% of its after-tax profits each year, after making up previous years' accumulated losses, if any, to fund certain statutory reserve funds, until the aggregate amount of such a fund reaches 50% of its registered capital. At the discretion of the board of directors of the wholly foreign-owned enterprise, it may allocate a portion of its after-tax profits based on PRC accounting standards to staff welfare and bonus funds. These reserve funds and staff welfare and bonus funds are not distributable as cash dividends. Any limitation on the ability of our VIEs to make remittance to our wholly-owned PRC subsidiaries to pay dividends or make other distributions to us could materially and adversely limit our ability to grow, make investments or acquisitions that could be beneficial to our business, pay dividends, or otherwise fund and conduct our business.

Restrictions on the remittance of Renminbi into and out of China and governmental control of currency conversion may limit our ability to pay dividends and other obligations, and affect the value of your [REDACTED].

The PRC government imposes controls on the convertibility of Renminbi into foreign currencies and the remittance of currency out of China. We receive substantially all of our revenue in Renminbi. Under our current corporate structure, our income is primarily derived from dividend payments from our PRC subsidiaries. We may convert a portion of our revenue into other currencies to meet our foreign currency obligations, such as payments of dividends declared in respect of our Shares, if any. Shortages in the availability of foreign currency may restrict the ability of our PRC subsidiaries to remit sufficient foreign currency to pay dividends or other payments to us, or otherwise satisfy their foreign currency denominated obligations.

Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior SAFE approval by complying with certain procedural requirements. However, approval from or registration or filings with competent government authorities is required where Renminbi is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies. Pursuant to Circular 19, a foreign-invested enterprise may convert up to 100% of the foreign currency in its capital account into Renminbi on a discretionary basis according to the actual needs. Circular 16 provides for an integrated standard for conversion of foreign exchange under capital account items on a discretionary basis, which applies to all enterprises registered in China. In addition, Circular 16 has narrowed the scope of purposes for which an enterprise must not use the Renminbi funds so converted, which include, among others, (i) payment for expenditure beyond its business scope or otherwise as prohibited by the applicable laws and regulations, (ii) investment in securities or other financial products other than banks' principal-secured products, (iii) provision of loans to non-affiliated enterprises, except where it is expressly permitted in the business scope of the enterprise, and (iv) construction or purchase of non-self-used real properties, except for real estate developers. The PRC government may at its discretion further restrict access to foreign currencies for current account transactions or capital account transactions in the future. If the foreign exchange control system prevents us from obtaining sufficient foreign currencies to satisfy our foreign currency needs, we may not be able to pay dividends in foreign currencies to our shareholders. Further, there is no assurance that new regulations will not be promulgated in the future that would have the effect of further restricting the remittance of RMB into or out of China.

Fluctuations in exchange rates could result in foreign currency exchange losses.

The value of Renminbi against the Hong Kong dollar, the U.S. dollar and other currencies fluctuates, is subject to changes resulting from the PRC government's policies and depends to a large extent on domestic and international economic and political developments as well as supply and demand in the local market. In July 2005, the PRC government changed its decade-old policy of pegging the value of the Renminbi to the U.S. dollar, and the Renminbi appreciated more than 20% against the U.S. dollar over the following three years. Between July 2008 and June 2010, the exchange rate between the Renminbi and the U.S. dollar had been stable and traded within a narrow band. In June 2010, the People's Bank of China increased the flexibility of the exchange rate and between June 30, 2010 and December 31, 2013, the value of the Renminbi appreciated approximately 12.0% against the U.S. dollar, although the value of the Renminbi depreciated approximately 2.5% against the U.S. dollar in 2014. In August 2015, the People's Bank of China changed the way it calculates the mid-point price of Renminbi against the U.S. dollar, requiring the market-makers who submit for reference rates to consider the previous day's closing spot rate, foreign-exchange demand and supply as well as changes in major currency rates. As a result, in 2015, the value of the Renminbi depreciated approximately 5.8% against the U.S. dollar. On November 30, 2015, the Executive Board of the International Monetary Fund completed the regular five-year review of the basket of currencies that make up the Special Drawing Right, or SDR, and decided that with effect from October 1, 2016, Renminbi is determined to be a freely usable currency and will be included in the SDR basket as a fifth currency, along with the U.S. dollar, the Euro, the Japanese yen, and the British pound. With the

development of the foreign exchange market and progress toward interest rate liberalization and Renminbi internationalization, the PRC government may in the future announce further changes to the exchange rate system, and we cannot assure you that the Renminbi will not appreciate or depreciate significantly in value against the Hong Kong dollar or the U.S. dollar in the future.

During the years ended December 31, 2015, 2016 and 2017 and the four months ended April 30, 2017 and 2018, we incurred foreign exchange (losses)/gains, net, recognized as other (losses)/gains, net, in the consolidated statements of comprehensive loss, in the amount of RMB(95.0) million, RMB(15.3) million, RMB(7.8) million, RMB(4.1) million and RMB1.0 million, respectively. During the same period, we had currency translation losses of RMB1.3 billion and RMB2.8 billion and currency translation gains of RMB3.4 billion, RMB304.6 million and RMB1.6 billion, respectively, recognized as other comprehensive (loss)/income in the consolidated statements of comprehensive loss. See the section headed "Financial Information—Financial Risk Disclosure—Foreign Exchange Risk" for more details on our foreign currency translation losses/gains.

The [REDACTED] from the [REDACTED] will be received in Hong Kong dollars. As a result, any appreciation of the Renminbi against the U.S. dollar, the Hong Kong dollar or any other foreign currencies may result in the decrease in the value of our [REDACTED] from the [REDACTED]. Conversely, any depreciation of the Renminbi may adversely affect the value of, and any dividends payable on, our Shares in foreign currency. In addition, there are limited instruments available for us to reduce our foreign currency risk exposure at reasonable costs. Furthermore, we are also currently required to complete filings with and obtain approvals from SAFE before converting significant sums of foreign currencies into Renminbi. All of these factors could materially and adversely affect our business, financial condition, results of operations and prospects, and could reduce the value of, and dividends payable on, our Shares in foreign currency terms.

It may be difficult to effect service of process upon us or our Directors or officers named in this document who reside in China or to enforce foreign court judgments against them in China.

Most of our assets are situated in China and most of our Directors and officers named in this document reside in, and most of their respective assets are located in, China. As a result, it may be difficult to effect service of process outside China upon most of our Directors and officers, including with respect to matters arising under applicable securities laws. China does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts with the United States, the United Kingdom and many other countries. Consequently, it may be difficult for you to enforce against us or our Directors or officers in China any judgments obtained from courts outside of China.

On July 14, 2006, Hong Kong and China entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements Between Parties Concerned, or the Arrangement, pursuant to which a party with a final court judgment rendered by a Hong Kong court requiring payment of money in a civil and commercial case pursuant to a choice of court agreement in writing may apply for recognition and enforcement of the judgment in China. Similarly, a party with a final judgment rendered by a PRC court requiring payment of money in a civil and commercial case pursuant to a choice of court agreement in writing may apply for recognition and enforcement of the judgment in Hong Kong. A choice of court

agreement in writing is defined as any agreement in writing entered into between parties after the effective date of the Arrangement in which a Hong Kong court or a PRC court is expressly designated as the court having sole jurisdiction for the dispute. Therefore, it is not possible to enforce a judgment rendered by a Hong Kong court in China if the parties in dispute have not agreed to enter into a choice of court agreement in writing. Although the Arrangement became effective on August 1, 2008, the outcome and effectiveness of any action brought under the Arrangement may still be uncertain.

Failure to make adequate contributions to various employee benefit plans as required by PRC regulations may subject us to penalties.

Companies operating in China are required to participate in various government sponsored employee benefit plans, including certain social insurance, housing funds and other welfare-oriented payment obligations, and contribute to the plans in amounts equal to certain percentages of salaries, including bonuses and allowances, of our employees up to a maximum amount specified by the applicable municipal and provincial government from time to time. The requirement of employee benefit plans has not been implemented consistently by the municipal and provincial governments in China given the different levels of economic development in different locations. As a result, we cannot assure you that the relevant local government authorities will not impose penalty for failing to make adequate contributions to such employee benefit plans.

Risks Relating to Our Contractual Arrangements

If the PRC government finds that the agreements that establish the structure for operating our business do not comply with PRC laws and regulations, or if these regulations or their interpretations change in the future, we could be subject to severe penalties or be forced to relinquish our interests in those operations.

Current PRC laws and regulations impose certain restrictions or prohibitions on foreign ownership of companies that engage in value-added telecommunications services and other related businesses, including but not limited to, the provision of internet information services, internet mapping services, radio and television program services and internet cultural services. In particular, under the Guidance Catalog of Industries for Foreign Investment, the operation of certain value-added telecommunications services and internet mapping services are considered "restricted," and the provision of radio and television program services and the internet cultural services are considered "prohibited." We are a company incorporated under the laws of the Cayman Islands. To comply with PRC laws and regulations, we conduct our internet-related business in China through a number of VIEs incorporated in China. The VIEs are owned by PRC citizens who are our Co-Founders or key employees, with whom we have contractual arrangements. The contractual arrangements give us effective control over each of the VIEs and enable us to obtain substantially all of the economic benefits arising from the VIEs as well as to consolidate the financial results of the VIEs in our results of operations. Although the structure we have adopted is consistent with longstanding industry practice, and is commonly adopted by comparable companies in China, the PRC government may not agree that these arrangements comply with PRC licensing, registration or other regulatory requirements, with existing policies or with requirements or policies that may be adopted in the future. These VIEs hold the licenses, approvals and key assets that are essential for the operations of our Relevant Businesses.

Our PRC Legal Advisor has advised us that (i) the ownership structures of our material WFOEs and our material VIEs in China, both currently and immediately after giving effect to this [REDACTED], do not and will not violate any applicable PRC law, regulations or rules currently in effect, and (ii) subject to the risks as disclosed in the section headed "—Risks Relating to Our Contractual Arrangements" and the section headed "Contractual Arrangements," each agreement of the contractual arrangements between our material WFOEs, our material VIEs and their respective equity holders governed by PRC law is valid, binding and enforceable in accordance with its terms and applicable PRC laws and regulations currently in effect and does not violate any applicable PRC law currently in effect. There are, however, substantial uncertainties regarding the interpretation and application of current or future PRC laws and regulations. The relevant PRC regulatory authorities have broad discretion in determining whether a particular contractual structure violates PRC laws and regulations. Thus, we cannot assure you that the PRC government will not ultimately take a view contrary to the opinion of Han Kun. If we are found in violation of any PRC laws or regulations or if the contractual arrangements among our material WFOEs, our material VIEs and their respective equity holders are determined as illegal or invalid by any PRC court, arbitral tribunal or regulatory authorities, the relevant governmental authorities would have broad discretion in dealing with such violation, including, without limitation:

- revoke the agreements constituting the contractual arrangements:
- revoke our business and operating licenses;
- require us to discontinue or restrict operations;
- restrict our right to collect revenue;
- restrict or prohibit our use of the [REDACTED] to fund our business and operations in China;
- shut down all or part of our websites or services;
- levy fines on us and/or confiscate the proceeds that they deem to have been obtained through non-compliant operations;
- require us to restructure the operations in such a way as to compel us to establish a new enterprise, re-apply for the necessary licenses or relocate our businesses, staff and assets;
- impose additional conditions or requirements with which we may not be able to comply; or
- take other regulatory or enforcement actions that could be harmful to our business.

Furthermore, any of the assets under the name of any record holder of equity interest in material VIEs, including such equity interest, may be put under court custody in connection with litigation, arbitration or other judicial or dispute resolution proceedings against that record holder. We cannot be certain that the equity interest will be disposed of in accordance with the contractual arrangements. In addition, new PRC laws, rules and regulations may be introduced to impose additional requirements

that may impose additional challenges to our corporate structure and contractual arrangements. The occurrence of any of these events or the imposition of any of these penalties may result in a material and adverse effect on our ability to conduct internet-related businesses. In addition, if the imposition of any of these penalties causes us to be unable to direct the activities of such VIEs and their respective subsidiaries or the right to receive their economic benefits, we would no longer be able to consolidate such VIEs into our financial statements, which could materially and adversely affect our financial condition and results of operations.

Substantial uncertainties exist with respect to the enactment timetable, interpretation and implementation of draft People's Republic of China Foreign Investment Law and how it may impact the viability of our current corporate structure, corporate governance and business operations.

MOFCOM published the Draft Foreign Investment Law in January 2015 aiming to, upon its enactment, replace the trio of existing laws regulating foreign investment in China, namely, the Sino-foreign Equity Joint Venture Enterprise Law, the Sino-foreign Cooperative Joint Venture Enterprise Law and the Wholly Foreign-invested Enterprise Law, together with their implementation rules and ancillary regulations. The Draft Foreign Investment Law is currently in draft form only. While MOFCOM solicited comments on the Draft Foreign Investment Law in early 2015, substantial uncertainties exist with respect to its enactment timetable, interpretation and implementation. The Draft Foreign Investment Law, if enacted as proposed, may materially impact the viability of our current corporate structure, corporate governance and business operations in many aspects. See the section headed "Contractual Arrangements—Development in the PRC Legislation on Foreign Investment" for further details.

Among other things, the Draft Foreign Investment Law expands the definition of foreign investment and introduces the principle of "actual control" in determining whether a company is considered an FIE. Once an entity is determined to be an FIE, it will be subject to the foreign investment restrictions or prohibitions set forth in a "negative list," to be separately issued by the State Council later, if the FIE is engaged in the industry listed in the negative list, which calls for market entry clearance by MOFCOM.

Under the Draft Foreign Investment Law, variable interest entities that are controlled via contractual arrangement would also be deemed as FIEs, if they are ultimately "controlled" by foreign investors.

Although the Draft Foreign Investment Law was released for consultation purposes, there is substantial uncertainty regarding the Draft Foreign Investment Law, including with respect to its final content (especially the provisions dealing with VIE structure), adoption timeline or effective date. Each of the WVR Beneficiaries is a Chinese national, and they collectively will beneficially own [REDACTED]% of the voting power of our outstanding share capital immediately after the completion of the [REDACTED], and are therefore the "actual controller" of the Company. However, Han Kun advised that it is still unclear as at the Latest Practicable Date as to (i) what level of "actual control" is required to qualify as a domestic enterprise; (ii) how domestic enterprises operated by foreign investors under a contractual arrangement are to be regulated; and (iii) what businesses are to be classified as "restricted business" or "prohibited business" in the negative list under the Draft Foreign Investment Law.

If, upon its enactment, the current Draft Foreign Investment Law (i) does not recognize our structure under our Contractual Arrangements as domestic investment; (ii) does not provide any preferential treatment to investors from Hong Kong, Macau and Taiwan; (iii) requires foreign-invested enterprises to apply for access permission, a government permit that allows foreign investors to invest in "restricted" and/or "prohibited" businesses on the negative list, our Contractual Arrangements may be regarded as invalid and illegal if we have not obtained such access permission. As a result, we may be required to dispose of the Relevant Businesses (as defined in the section headed "Contractual Arrangements") in China, and we would not be able to continue to conduct the Relevant Businesses. For details of the Draft Foreign Investment Law and the negative list and its potential impact on us, and our potential measures to maintain control over and receive economic benefits from our VIEs, please refer to the section headed "Contractual Arrangements—Development in the PRC Legislation on Foreign Investment" in this document.

Given that the relevant government authorities have broad discretion in interpreting the foreign investment laws and there are uncertainties as to the three possible approaches proposed in the explanatory notes on the treatment of existing contractual arrangements before the Foreign Investment Law becomes effective as further described in the section headed "Contractual Arrangements—Development in the PRC Legislation on Foreign Investment" in this document, in the worst case scenario, the Contractual Arrangements may be regarded by the relevant government authorities as invalid and illegal and the Relevant Businesses may be ordered by the relevant government authorities to be discontinued under the existing structure and may not be sustainable. As a result, we will not be able to operate the Relevant Businesses through the Contractual Arrangements and will lose our rights to receive the economic benefits of our material WFOEs and our material VIEs under the Contractual Arrangements, and the financial results of our material VIEs will no longer be consolidated into that of us, and we will have to derecognize their assets and liabilities according to the relevant accounting standards. In such case, the [REDACTED] may also consider our Company to be no longer suitable for [REDACTED] on the [REDACTED] and [REDACTED].

The draft Foreign Investment Law, if enacted as proposed, may also materially impact our corporate governance practice and increase our compliance costs. For instance, the proposed draft Foreign Investment Law imposes stringent ad hoc and periodic information-reporting requirements on foreign investors and the applicable foreign-invested entities. Aside from the investment implementation report and investment amendment report that are required at each investment and alteration of investment specifics, there is a mandatory requirement for filing an annual report, and large foreign investors meeting certain criteria are required to report on a quarterly basis. Any company found to be non-compliant with the information-reporting obligations may potentially be subject to fines and/or administrative or criminal liabilities, and the persons directly responsible may be subject to criminal liabilities.

Our contractual arrangements may not be as effective in providing operational control as direct ownership, and our VIE shareholders may fail to perform their obligations under our contractual arrangements.

Since PRC laws limit foreign equity ownership in the Relevant Businesses in China, we operate our Relevant Businesses in China through our VIEs, in which we have no ownership interest and rely on a series of contractual arrangements with our VIEs and their respective equity holders to control

and operate these businesses. Our revenue and cash flow from our Relevant Businesses are attributed to our VIEs. The contractual arrangements may not be as effective as direct ownership in providing us with control over our VIEs. Direct ownership would allow us, for example, to directly or indirectly exercise our rights as a shareholder to effect changes in the boards of directors of our VIEs, which, in turn, could effect changes, subject to any applicable fiduciary obligations at the management level. However, under the contractual arrangements, as a legal matter, if our VIEs or their respective equity holders fail to perform their respective obligations under the contractual arrangements, we may have to (i) incur substantial costs, (ii) expend significant resources to enforce those arrangements, and (iii) resort to litigation or arbitration and rely on legal remedies under PRC laws. These remedies may include seeking specific performance or injunctive relief and claiming damages, any of which may not be effective. In the event we are unable to enforce these contractual arrangements or we experience significant delays or other obstacles in the process of enforcing these contractual arrangements, we may not be able to exert effective control over our VIEs and may lose control over the assets owned by our VIEs. As a result, we may be unable to consolidate our VIEs in our consolidated financial statements, which could materially and adversely affect our financial condition and results of operations.

We may lose the ability to use, or otherwise benefit from, the licenses, approvals and assets held by our VIEs, which could render us unable to conduct some or all of our business operations and constrain our growth.

Although the significant majority of our revenues are generated, and the significant majority of our operational assets are held, by our offshore subsidiaries and WFOEs, our VIEs hold licenses, approvals and assets that are necessary for the operation of our Relevant Businesses, as well as equity interests in a series of our portfolio companies, to which foreign investments are typically restricted or prohibited under applicable PRC law. The Contractual Arrangements contain terms that specifically obligate the equity holders of the VIEs to ensure the valid existence of the VIEs and restrict the disposition of material assets or any equity interest of the VIEs. However, in the event the equity holders of the VIEs breach the terms of these contractual arrangements and voluntarily liquidate our VIEs, or any of our VIEs declares bankruptcy and all or part of its assets become subject to liens or rights of third-party creditors, or are otherwise disposed of without our consent, we may be unable to operate some or all of our Relevant Businesses or otherwise benefit from the assets held by the VIEs, which could have a material adverse effect on our Relevant Businesses, financial condition and results of operations. Furthermore, if any of our VIEs undergoes a voluntary or involuntary liquidation proceeding, its equity holders or unrelated third-party creditors may claim rights to some or all of the assets of such VIEs, thereby hindering our ability to operate our business as well as constraining our growth.

The contractual arrangements with our VIEs may be subject to scrutiny by the tax authorities in China. Any adjustment of related party transaction pricing could lead to additional taxes, and therefore could substantially reduce our consolidated profit and the value of your [REDACTED].

The tax regime in China is rapidly evolving, and there is significant uncertainty for taxpayers in China as PRC tax laws may be interpreted in significantly different ways. The PRC tax authorities may assert that we or our subsidiaries or VIEs or their equity holders owe and/or are required to pay additional taxes on previous or future revenue or income. In particular, under applicable PRC laws,

rules and regulations, arrangements and transactions among related parties, such as the contractual arrangements with our VIEs, may be subject to audit or challenge by the PRC tax authorities. If the PRC tax authorities determine that any contractual arrangements were not entered into on an arm's length basis and therefore constitute a favorable transfer pricing, the PRC tax liabilities of the relevant subsidiaries and/or VIEs and/or equity holders of the VIEs could be increased, which could increase our overall tax liabilities. In addition, the PRC tax authorities may impose late payment interest. Our profit may be materially reduced if our tax liabilities increase.

The equity holders, directors and executive officers of the VIEs may have potential conflicts of interest with our Company.

The PRC laws provide that a director or an executive officer owes a fiduciary duty to the company he or she directs or manages. The directors and executive officers of the VIEs, including the WVR Beneficiaries, must act in good faith and in the best interests of the VIEs and must not use their respective positions for personal gain. On the other hand, as a director of our Company, each of the WVR Beneficiaries has a duty of care and loyalty to our Company and to our shareholders as a whole under Cayman Islands law. We control our VIEs through contractual arrangements, and the business and operations of our VIEs are closely integrated with the business and operations of our subsidiaries. Nonetheless, conflicts of interests for these individuals may arise due to dual roles both as directors and executive officers of the VIEs and as directors or employees of our Company, and may also arise due to dual roles both as equity holders of the VIEs and as directors or employees of our Company.

We cannot assure you that these individuals will always act in the best interests of our Company should any conflicts of interest arise, or that any conflicts of interest will always be resolved in our favor. We also cannot assure you that these individuals will ensure that the VIEs will not breach the existing contractual arrangements. If we cannot resolve any such conflicts of interest or any related disputes, we would have to rely on legal proceedings to resolve these disputes and/or take enforcement action under the contractual arrangements. There is substantial uncertainty as to the outcome of any such legal proceedings. See the section headed "—We may lose the ability to use, or otherwise benefit from, the licenses, approvals and assets held by our VIEs, which could render us unable to conduct some or all of our business operations and constrain our growth" above.

We conduct our business operations in China through our VIEs by way of contractual arrangements, but certain of the terms of the contractual arrangements may not be enforceable under PRC laws.

All the agreements which constitute the contractual arrangements are governed by PRC laws and provide for the resolution of disputes through arbitration in China. Accordingly, these agreements would be interpreted in accordance with PRC laws and disputes would be resolved in accordance with PRC legal procedures. The legal environment in China is not as developed as in certain other jurisdictions and uncertainties in the PRC legal system could limit our ability to enforce the contractual arrangements. In the event that we are unable to enforce the contractual arrangements, or if we experience significant time delays or other obstacles in enforcing them, it would be difficult to exert effective control over our VIEs, and our ability to conduct our Relevant Businesses and our financial condition and results of operations may be materially and adversely affected.

The contractual arrangements contain provisions to the effect that the arbitral body may award remedies over the shares and/or assets of our VIEs, or grant injunctive relief and/or winding up of our VIEs. These agreements also contain provisions to the effect that courts of competent jurisdictions are empowered to grant interim remedies in support of the arbitration pending the formation of an arbitral tribunal. However, under PRC laws, these terms may not be enforceable. Under PRC laws, an arbitral body does not have the power to grant injunctive relief or to issue a provisional or final liquidation order for the purpose of protecting assets of or equity interests in our VIEs in case of disputes. In addition, interim remedies or enforcement orders granted by overseas courts such as Hong Kong and the Cayman Islands may not be recognizable or enforceable in China. PRC laws do allow the arbitral body to grant an award of transfer of assets of or equity interests in our VIEs in favor of an aggrieved party. Therefore, in the event of breach of any agreements constituting the contractual arrangements by our VIEs and/or their respective equity holders, and if we are unable to enforce the contractual arrangements, we may not be able to exert effective control over our VIEs, which could negatively affect our ability to conduct our business.

If we exercise the option to acquire equity ownership of our VIEs, the ownership transfer may subject us to certain limitations and substantial costs.

Pursuant to the Regulations for the Administration of Foreign-Invested Telecommunications Enterprises, or the FITE Regulations, promulgated by the State Council, foreign investors are not allowed to hold more than 50% of the equity interests of any company providing value-added telecommunications services, including internet content provider services, with the exception of online data processing and transaction processing businesses (operating e-commerce business), which may be 100% owned by foreign investors. In addition, the main foreign investor who invests in a value-added telecommunications business in China must possess prior experience in operating value-added telecommunications businesses and a proven track record of business operations overseas, or the Qualification Requirements. Currently none of the applicable PRC laws, regulations or rules provides clear guidance or interpretation on the Qualification Requirements. Although we have taken many measures to meet the Qualification Requirements, we still face the risk of not satisfying the requirement promptly. If the PRC laws are revised to allow foreign investors to invest in value-added telecommunications enterprises in China, we may be unable to unwind the Contractual Arrangements before we are able to comply with the Qualification Requirements, or if we attempt to unwind the Contractual Arrangements before we are able to comply with the Qualification Requirements we may become ineligible to operate our value-added telecommunication enterprises and may be forced to suspend their operations, which could materially and adversely affect our business, financial condition and results of operations.

Pursuant to the Contractual Arrangements, we have the exclusive right to purchase all or any part of the equity interests in our VIEs from the respective equity holders for a nominal price, unless the relevant government authorities or PRC laws request that another amount be used as the purchase price and in which case the purchase price shall be the lowest amount under such request. Subject to relevant laws and regulations, the respective equity holders shall return any amount of purchase price they have received to our WFOEs. If such a return of purchase price takes place, the competent tax authority may require our WFOEs to pay enterprise income tax for ownership transfer income with reference to the market value, in which case the amount of tax could be substantial.

[REDACTED]

[REDACTED]

[REDACTED]

WAIVERS FROM COMPLIANCE WITH THE LISTING RULES AND EXEMPTIONS FROM THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

In preparation for the [REDACTED], we have sought the following waivers from strict compliance with the relevant provisions of the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance:

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, an issuer must have sufficient management presence in Hong Kong. This normally means that at least two of its executive directors must be ordinarily resident in Hong Kong.

We do not have sufficient management presence in Hong Kong for the purposes of satisfying the requirements under Rule 8.12 of the Listing Rules. The Group's management, business operations and assets are primarily based outside Hong Kong. The principal management headquarters and senior management of the Group are primarily based in mainland China. The Directors consider that the appointment of executive directors who will be ordinarily resident in Hong Kong would not be beneficial to, or appropriate for, the Company and therefore would not be in the best interests of the Company and the Shareholders as a whole. Accordingly, we have applied to the [REDACTED] for, and the [REDACTED] has granted, a waiver from strict compliance with the requirements under Rule 8.12 of the Listing Rules. We will ensure that there is an effective channel of communication between us and the [REDACTED] by way of the following arrangements:

(a) pursuant to Rule 3.05 of the Listing Rules, we have appointed and will continue to maintain two authorised representatives, namely Wang Xing, our executive Director, Chief Executive Officer and Chairman of the Board, and Wang Huiwen, our executive Director and Senior Vice President, to be the principal communication channel at all times between the [REDACTED] and the Company. Each of our authorised representatives will be readily contactable by the [REDACTED] by telephone, facsimile and/or e-mail to deal promptly with enquiries from the [REDACTED]. Both of our authorised representatives are authorised to communicate on our behalf with the [REDACTED];

(b) we will implement a policy to provide the contact details of each Director (such as mobile phone numbers, office phone numbers, residential phone numbers, email addresses and fax numbers) to each of the authorised representatives, to their alternate representative and to the [REDACTED]. This will ensure that each of the authorised representatives, the alternate representative and the [REDACTED] will have the means to contact all the Directors (including the independent non-executive Directors) promptly as and when required, including means to communicate with the Directors when they are travelling;

(c) we will ensure that all Directors who are not ordinarily resident in Hong Kong have valid travel documents to visit Hong Kong and will be able to come to Hong Kong to meet with the [REDACTED] within a reasonable period of time when required;

(d) we have retained the services of a compliance adviser, being Guotai Junan Capital Limited (the "**Compliance Adviser**"), in accordance with Rule 3A.19 of the Listing Rules. The Joint Sponsors submit, on behalf of our Company, that the Compliance Adviser will serve as an

additional channel of communication with the [REDACTED] in addition to the authorised representatives of our Company. The Compliance Adviser will provide our Company with professional advice on ongoing compliance with the Listing Rules. We will ensure that the Compliance Adviser has prompt access to our Company's authorised representatives and Directors who will provide to the Compliance Adviser such information and assistance as the Compliance Adviser may need or may reasonably request in connection with the performance of the Compliance Adviser's duties. The Compliance Adviser will also provide advice in compliance with Rule 3A.23 of the Listing Rules; and

(e) meetings between the [REDACTED] and the Directors could be arranged through the authorised representatives or the Compliance Adviser, or directly with the Directors within a reasonable time frame. Our Company will inform the [REDACTED] as soon as practicable in respect of any change in the authorised representatives and/or the Compliance Adviser in accordance with the Listing Rules.

WAIVER IN RESPECT OF JOINT COMPANY SECRETARIES

Pursuant to Rules 8.17 and 3.28 of the Listing Rules, the company secretary must be an individual who, by virtue of his or her academic or professional qualifications or relevant experiences, is, in the opinion of the [REDACTED], capable of discharging the functions of the company secretary. Pursuant to Note 1 to Rules 3.28 of the Listing Rules, the [REDACTED] considers the following academic or professional qualifications to be acceptable:

(a) a Member of The Hong Kong Institute of Chartered Secretaries;

(b) a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong): or

(c) a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong).

Pursuant to Note (2) to Rule 3.28 of the Listing Rules, in assessing "relevant experience", the [REDACTED] will consider the individual's:

(a) length of employment with the issuer and other issuers and roles he or she played;

(b) familiarity with the Listing Rules and other relevant law and regulations including the Securities and Futures Ordinance, Companies Ordinance, Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;

(c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and

(d) professional qualifications in other jurisdictions.

WAIVERS FROM COMPLIANCE WITH THE LISTING RULES AND EXEMPTIONS FROM THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

Our Company appointed Wang Yixiang and Lau Yee Wa of Tricor Services Limited as joint company secretaries of our Company on June 22, 2018. Lau Yee Wa has over 20 years of experience in the corporate secretarial field. She is a Chartered Secretary and an Associate of both of The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators in the United Kingdom. Hence, she meets the qualification requirements under Note 1 to Rule 3.28 of the Listing Rules and is in compliance with Rule 8.17 of the Listing Rules.

Wang Yixiang has over nine years of experience in corporate finance, communication and investor relations. Before joining the Company, he worked as an associate in the capital markets division of Deutsche Bank from June 2006 to February 2009 and as a director in CCG Investor Relations from March 2009 to May 2012.

Please see the section headed "Director and Senior Management" in this Document for further information regarding the qualifications of Wang Yixiang and Lau Yee Wa.

Accordingly, while Wang Yixiang does not possess the formal qualifications required of a company secretary under Rule 3.28 of the Listing Rules, we have applied to the [REDACTED] for, and the [REDACTED] has granted, a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules such that Wang Yixiang may be appointed as a joint company secretary of our Company.

The waiver was granted for a three-year period on the condition that Lau Yee Wa, as a joint company secretary of our Company, will work closely with, and provide assistance to, Wang Yixiang in the discharge of his duties as a joint company secretary and in gaining the relevant experience under Rule 3.28 of the Listing Rules. The waiver will be revoked immediately if Lau Yee Wa ceases to provide assistance to Wang Yixiang as the joint company secretary for the three-year period after [REDACTED] In addition, Wang Yixiang will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules and will enhance his knowledge of the Listing Rules during the three-year period from the [REDACTED]. Our Company will further ensure that Wang Yixiang has access to the relevant training and support that would enhance his understanding of the Listing Rules and the duties of a company secretary of an [REDACTED] on the [REDACTED]. At the end of the three-year period, the qualifications and experience of Wang Yixiang and the need for on-going assistance of Lau Yee Wa will be further evaluated by our Company. We will liaise with the [REDACTED] to enable it to assess whether Wang Yixiang, having benefited from the assistance of Lau Yee Wa for the preceding three years, will have acquired the skills necessary to carry out the duties of company secretary and the relevant experience within the meaning of Rule 3.28 Note 2 of the Listing Rules so that a further waiver will not be necessary.

WAIVERS FROM COMPLIANCE WITH THE LISTING RULES AND EXEMPTIONS FROM THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

WAIVERS IN RESPECT OF CONTINUING CONNECTED TRANSACTIONS

We have entered into certain transactions which will constitute continuing connected transactions of our Company under the Listing Rules following the completion of the [REDACTED]. We have applied to the [REDACTED] for, and the [REDACTED] has granted, a waiver from strict compliance with (where applicable) (i) the announcement and independent shareholders' approval requirements, (ii) the annual cap requirement, and (iii) the requirement of limiting the term of the continuing connected transactions set out in Chapter 14A of the Listing Rules for such continuing connected transactions. For further details in this respect, please see the section headed "Connected Transactions" in the Document.

WAIVER AND EXEMPTION IN RELATION TO THE PRE-[REDACTED] ESOP

The Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance prescribes certain disclosure requirements in relation to the share options granted by the Company (the "**Share Option Disclosure Requirements**"):

a) Rule 17.02(1)(b) of the Listing Rules stipulates that all the terms of a scheme must be clearly set out in this document. The Company is also required to disclose in this document full details of all outstanding options and their potential dilution effect on the shareholdings upon [REDACTED] as well as the impact on the earnings per share arising from the exercise of such outstanding options.

b) Paragraph 27 of Part A of Appendix 1 to the Listing Rules requires the Company to set out in this document particulars of any capital of any member of the Group that is under option, or agreed conditionally or unconditionally to be put under option, including the consideration for which the option was or will be granted and the price and duration of the option, and the name and address of the grantee.

c) Paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance requires the Company to set out in this document, among other things, details of the number, description and amount of any shares in or debentures of the Company which any person has, or is entitled to be given, an option to subscribe for, together with the certain particulars of the option, namely the period during which it is exercisable, the price to be paid for shares and debentures subscribed for under it, the consideration (if any) given or to be given for it or for the right to it and the names and addresses of the persons to whom it was given.

As of the Latest Practicable Date, our Company had granted options under the Pre-[REDACTED] ESOP to 4,584 grantees, including Directors, senior management and other connected persons of the Company and other employees of our Group, to subscribe for an aggregate of 259,325,919 Shares and a portion of the options corresponding to 139,812,642 Shares have been exercised. As of the date of this document, no Shares have been issued pursuant to the Exercised Options and the Company expects to issue such Shares on a later date to be determined upon [REDACTED]. The Shares underlying the granted options represent [REDACTED]% of the total number of Shares in issue

immediately after completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no Shares are issued under the Pre-[REDACTED] ESOP). For further details of our Pre-[REDACTED] ESOP, see the section headed "Statutory and General Information — Pre-[REDACTED] ESOP" in Appendix IV. In addition, two grantees who are not Directors, members of the senior management or connected persons of the Company have been granted options under the Pre-[REDACTED] ESOP with over 5,000,000 underlying Shares (details of which are more particularly disclosed in the section headed "Statutory and General Information — Pre-[REDACTED] ESOP" in Appendix IV). Other than these two grantees, no other grantee who are not Directors, members of the senior management or connected persons of the Company has been granted options under the Pre-[REDACTED] ESOP with over 5,000,000 underlying Shares.

Our Company has applied to the [REDACTED] and the SFC, respectively for, (i) a waiver from strict compliance with the disclosure requirements under Rule 17.02(1)(b) of, and paragraph 27 of Appendix 1A to, the Listing Rules and the condition to make available a full list of grantees with all the particulars required under paragraph 10(d) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance and Rule 17.02(1)(b) of, and paragraph 27 of Part A of Appendix 1 to, the Listing Rules in relation to the options granted under the Pre-[REDACTED] ESOP; and (ii) a certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance exempting the Company from strict compliance with the disclosure requirements under paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to the options granted under the Pre-[REDACTED] ESOP, on the ground that strict compliance with the above requirements would be unduly burdensome for our Company for the following reasons:

(a) given that 4,584 grantees are involved, strict compliance with such disclosure requirements in setting out full details of all the grantees under the Pre-[REDACTED] ESOP in the document would be costly and unduly burdensome for the Company in light of a significant increase in cost and timing for information compilation, [REDACTED] preparation and printing;

(b) as of the Latest Practicable Date, the grantees under the Pre-[REDACTED] ESOP consist of five management grantees who are Directors and members of the senior management of our Company, and the remaining 4,579 grantees who are current and former employees of our Company and are not connected persons of our Company, and, as such, strict compliance with the Share Option Disclosure Requirements to disclose names, addresses, and entitlements on an individual basis will require substantial number of pages of additional disclosure;

(c) the disclosure of the personal details of each grantee, including the number of options granted, may require obtaining consent from all the grantees in order to comply with personal data privacy laws and principles and it would be unduly burdensome for the Company to obtain such consents given the number of grantees;

(d) the grant and exercise in full of the options under the Pre-[REDACTED] ESOP will not cause any material adverse impact in the financial position of our Company;

(e) non-compliance with the above disclosure requirements would not prevent the Company from providing its potential investors with an informed assessment of the activities, assets, liabilities, financial position, management and prospects of the Company; and

(f) material information relating to the options under the Pre-[REDACTED] ESOP will be disclosed in this document, including the total number of Class B Shares subject to the Pre-[REDACTED] ESOP, the exercise price per Share, the potential dilution effect on the shareholding and impact on earnings per Share upon full exercise of the options granted under the Pre-[REDACTED] ESOP. The Directors consider that the information that is reasonably necessary for the potential investors to make an informed assessment of the Company in their [REDACTED] decision making process has been included in this document.

In light of the above, our Directors are of the view that the grant of the waiver and exemption sought under this application will not prejudice the interests of the investing public.

The Stock Exchange has granted to our Company a waiver from strict compliance with the disclosure requirements under Rule 17.02(1)(b) of the Listing Rules and paragraph 27 of Part A of Appendix 1 to the Listing Rules with respect to the options granted under the Pre-[REDACTED] ESOP on the condition that:

(a) on an individual basis, full details of the options granted under the Pre-[REDACTED] ESOP to each of the Directors, the senior management and other connected persons of the Company will be disclosed in the section headed "Statutory and General Information—Pre-[REDACTED] ESOP" in Appendix IV as required under Rule 17.02(1)(b) of, and paragraph 27 of Appendix 1A to, the Listing Rules, and paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance;

(b) in respect of the options granted under the Pre-[REDACTED] ESOP to other grantees (other than those set out in (a) above), disclosure will be made on an aggregate basis, categorized into lots based on the number of Class B Shares underlying each individual grant, being: (1) 1 to 9,999 Class B Shares; (2) 10,000 to 99,999 Class B Shares; and (3) over 100,000 Class B Shares. For each lot of Class B Shares, the following disclosures will be made on an aggregated basis: (1) the aggregate number of grantees and number of Class B Shares underlying the options under the Pre-[REDACTED] ESOP; (2) the dates of grant of the options under the Pre-[REDACTED] ESOP; (3) the consideration for the grant of options (if any) under the Pre-[REDACTED] ESOP and (4) the exercise period and exercise price of the options granted under the Pre-[REDACTED] ESOP.

(c) as of the Latest Practicable Date, the aggregate number of Class B Shares underlying the options granted under the Pre-[REDACTED] ESOP, the percentage to the Company's total issued share capital represented by such number of Class B Shares and the percentage to the Company's voting rights represented by such number of Class B Shares underlying the options granted pursuant to the Pre-[REDACTED] ESOP will be disclosed in this document;

(d) the dilutive effect and impact on earnings per Share upon the full exercise of the options under the Pre-[REDACTED] ESOP will be disclosed in the section headed "Statutory and General Information—Pre-[REDACTED] ESOP" in Appendix IV;

(e) a summary of the major terms of the Pre-[REDACTED] ESOP will be disclosed in the section headed "Statutory and General Information—Pre-[REDACTED] ESOP" in Appendix IV;

(f) the particulars of the waiver will be disclosed in this document; and

(g) the grant of certificate of exemption under the Companies (Winding Up and Miscellaneous Provisions) Ordinance from the SFC exempting the Company from the disclosure requirements provided in paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

The SFC has agreed to grant to our Company the certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance with respect to the options granted under the Pre-[REDACTED] ESOP on condition that:

(a) on an individual basis, full details of the options under the Pre-[REDACTED] ESOP granted to each of our Directors, the senior management of our Group and other connected persons of the Company will be disclosed in the section headed "Statutory and General Information—Pre-[REDACTED] ESOP" in Appendix IV as required by paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance;

(b) in respect of the options granted under the Pre-[REDACTED] ESOP to other grantees (other than those set out in (a) above), disclosure will be made on an aggregate basis, categorized into lots based on the number of Class B Shares underlying each individual grant, being: (1) 1 to 9,999 Class B Shares; (2) 10,000 to 99,999 Class B Shares; and (3) over 100,000 Class B Shares. For each lot of Class B Shares, the following disclosures will be made on an aggregated basis: (1) the aggregate number of grantees and number of Class B Shares underlying the options under the Pre-[REDACTED] ESOP; (2) the dates of grant of the options under the Pre-[REDACTED] ESOP; (3) the consideration for the grant of the options (if any) under the Pre_[REDACTED] ESOP and (4) the exercise period and exercise price of the options granted under the Pre-[REDACTED] ESOP;

(c) the particulars of the exemption will be disclosed in this document; and

(d) this document is issued on or before September 7, 2018.

Further details of the Pre-[REDACTED] ESOP are set forth in the section headed "Statutory and General Information—Pre-[REDACTED] ESOP" in Appendix IV.

WAIVERS FROM COMPLIANCE WITH THE LISTING RULES AND EXEMPTIONS FROM THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

WAIVER IN RESPECT OF COMPANIES ACQUIRED/TO BE ACQUIRED AFTER THE TRACK RECORD PERIOD

Pursuant to Rules 4.04(2) and 4.04(4)(a) of the Listing Rules, the accountant's report to be included in a listing document must include the income statements and balance sheets of any subsidiary or business acquired, agreed to be acquired or proposed to be acquired since the date to which its latest audited accounts have been made up in respect of each of the three financial years immediately preceding the issue of the listing document (the "**Target Historical Financial Information**").

Pursuant to guidance letter HKEX-GL32-12 issued by the Stock Exchange ("**GL32-12**"), acquisitions of business include acquisitions of associates and any equity interest in another company. Pursuant to GL32-12, the Stock Exchange may consider granting a waiver of the requirements under Rules 4.04(2) and 4.04(4) of the Listing Rules on a case-by-case basis, and having regard to all relevant facts and circumstances. The Stock Exchange will ordinarily grant a waiver in relation to acquisitions of equity securities in the ordinary and usual course of business subject to the following conditions: (i) the percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) of each acquisition are all less than 5% by reference to the most recent financial year of the applicant's trading record period, (ii) the applicant is neither able to exercise any control, nor has any significant influence, over the underlying company or business; and (iii) the listing document should include the reasons for the acquisitions and a confirmation that the counterparties and the ultimate beneficial owners of the counterparties are independent third parties of the applicant and its connected persons. In addition, the Stock Exchange will ordinarily grant a waiver in relation to acquisitions of a business or subsidiary subject to the following conditions: (i) the percentage ratio (as defined under Rule 14.04(9) of the Listing Rules) of the acquired or to be acquired business or subsidiary are all less than 5% by reference to the most recent financial year of the applicant's trading record period; (ii) the historical financial information of the acquired or to be acquired business or subsidiary is not available or would be unduly burdensome to obtain or prepare; and (iii) the listing document should include at least the information that would be required for a discloseable transaction under Chapter 14 of the Listing Rules on each acquisition.

Background to the acquisitions

During the Track Record Period, the Group had made investments in a large number of companies both in mainland China and overseas (the "**Investments**"). These investee companies are generally members of the broader "ecosystem" related to the Group's core business, and provide products, services and/or resources that the Group believes can help them efficiently expand product and service offerings to the Group's users, or have the ability to help the Group enter a new market to expand our international footprint. The Group plans to continue to invest in businesses that are part of the Group's ecosystem and complementary to its business and growth strategies.

The majority of the Investments made by the Group have been passive investments (usually no more than 30% equity interest in the target companies), such that the target companies of the Investments have not been consolidated into the Group, and the Group has no control over the board

of the target companies. During the three years ended December 31, 2017 and the four months ended April 30, 2018, the Group invested in 45 companies that it believes offer significant opportunities to deliver value to its users and growth for the Group. The investment amount of the majority of the Investments is less than RMB100,000,000.

Since April 30, 2018 (being the date to which its latest audited accounts have been made up) and up to the date of this submission, the Group has made or proposed to make a number of Investments, details of which are set out in below:

No.	Name of the target company	Investment amount	Percentage of shareholding / equity interest	Principal business	Basis for determining the investment amount
1.	Company A	RMB22,500,000	15%	SaaS (Software as a service)	Based on the target's market development
2.	Company B	RMB30,000,000	6.67%	Medical and cosmetology software as a service	Based on the future value of projects and development of industry
3.	Company C	To be determined	<5%	Supermarket chain	Based on the stock price
4.	Company D	RMB90,980,049	3.25%	Restaurant software as a service	Based on the future value of projects and development of industry
5.	Bundl Technologies Private Limited	USD24,907,049	1.07%	On-demand delivery service in India	Based on the future value of projects and development of industry
6.	Company E	USD70,000,000	<10%	Supply chain	Based on the future value of projects and development of industry

Each of the above Investments will be settled in cash. To the best of the knowledge, information and belief of the directors of the Company, having made all reasonable enquiries, all of the target companies set out above and their ultimate beneficial owners are third parties independent from the Company and its connected persons. In its ordinary course of business, the Company expects to continue to enter into further Investments subsequent to the date of this document and prior to the issue of this document (together with the Investments listed above, the "**2018 Investments**"). The final terms of the 2018 Investments that have yet to be completed may be subject to change.

The reasons for the investments in the 2018 Investments are to further expand members of the broader "ecosystem" related to the Group's core business such that the Group could create strategic synergy and provide products, services and/or resources that the Group believes can help them efficiently expand product and service offerings to the Group's users, or have the ability to help the Group enter a new market to expand our international footprint.

Conditions to the waivers granted by the Stock Exchange

We have applied to the [REDACTED] for, and the [REDACTED] has agreed to grant, a waiver from strict compliance with Rule 4.04(2) and 4.04(4) of the Listing Rules in respect of the 2018 Investments on the following grounds:

1. ***Ordinary and usual course of business***

Making equity investments of this nature is part of the ordinary course of business of the Company. The Company started making investments in 2013, and conducted 60 Investments to date, 45 of which were made during the three years ended December 31, 2017 and the four months ended April 30, 2018. The Company has an investment team comprising of over 20 members responsible for conducting the Investments on a full-time basis.

The Investments are investments classified as financial assets carried at fair value through profit or loss and are not consolidated into the Group's financial statements. Changes in the fair value are included in profit or loss in the period in which they arise and presented within "Fair value changes on investments" in the income statement. Upon disposal, the difference between the net sale proceeds and the carrying amount is also included in the income statement as "Other (losses)/gains, net."

2. ***The percentage ratios of each acquisition are all less than 5% by reference to the most recent financial year of our Company's Track Record Period***

The percentage ratios for each of the 2018 Investments are all significantly less than 5% by reference to the most recent financial year of the Company's Track Record Period, and any subsequent investments are also expected to be so. To the best knowledge of the Company, the 2018 Investments are not subject to aggregation under Rule 14.22 of the Listing Rules.

Accordingly, the Company considers that the 2018 Investments are immaterial and does not expect them to have any material effect on the business, financial condition or operations of the Group.

3. ***The Company is neither able to exercise any control, nor has any significant influence, over the underlying company or business***

The Company only holds a minority equity interest in each of the target companies under the 2018 Investments and does not control their boards of directors; and this is expected to remain the case for any subsequent investments. Given that the Group is neither able to exercise any control nor has

any significant influence over each of the target companies under the 2018 Investments, the Company would not be able to compel or request the target companies of the 2018 Investments to cooperate with its audit work in order for the Company to comply with the relevant requirements under Rules 4.04(2) and 4.04(4)(a) of the Listing Rules.

4. ***Alternative disclosure in the document***

We have provided in this section alternative information in connection with the 2018 Investments. Such information include, where applicable, those which would be required for a discloseable transaction under Chapter 14 of the Listing Rules including, for example, reasons for the investments and a confirmation that the counterparties and the ultimate beneficial owners of the counterparties are independent third parties of the Company and its connected persons. For the avoidance of doubt, the names of certain companies that are the subject of the 2018 Investments are not disclosed in the document because (i) we have entered into confidentiality agreements with these companies and do not have consent from all of them for such disclosure and/or (ii) given that we have not yet entered into legally binding agreements with respect to all of these investments as of the Latest Practicable Date, disclosure of the names of the relevant companies in this document is commercially sensitive and may jeopardize our ability to consummate the proposed investments and/or (iii) given the competitive nature of the industry in which we operate, it is commercially sensitive to disclose the identities of the companies we invested or propose to invest in to avoid our competitors to anticipate our plans of business growth.

The Company does not expect to use any [REDACTED] from the [REDACTED] to fund such Investments.

WAIVER IN RELATION TO THE DISCLOSURE REQUIREMENTS WITH RESPECT TO THE CHANGE IN THE SHARE CAPITAL

We have applied for, and the [REDACTED] has granted, a waiver from strict compliance with the requirements of paragraph 26 of Part A of Appendix 1 to the Listing Rules in respect of disclosing the particulars of any alterations in the capital of any member of the group within the two years immediately preceding the issue of this document.

The Company has identified eight entities that the Company considers are the major subsidiaries and Consolidated Affiliated Entities primarily responsible for the track record results of the Group (the "**Principal Entities**", and each a "**Principal Entity**"). For further details, please see section headed "History, Reorganization and Corporate Structure—Our Major Subsidiaries and Operating Entities" in the document. Globally, the Group has approximately 140 subsidiaries and Consolidated Affiliated Entities. It would be unduly burdensome for the Company to disclose this information, which would not be material or meaningful to investors. By way of illustration, for the financial year ended December 31, 2017, the aggregate revenue of the Principal Entities in respect of which the relevant information is disclosed represents approximately 93% of the Group's total revenue. Accordingly, the remaining subsidiaries and Consolidated Affiliated Entities in the Group are insignificant to the overall results of the Group.

WAIVERS FROM COMPLIANCE WITH THE LISTING RULES AND EXEMPTIONS FROM THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

As such, the particulars of the changes in the share capital of our Company and the Principal Entities are disclosed in the section headed "Statutory and General Information—Further information about our Company and our subsidiaries and Consolidated Affiliated Entities—Changes in the share capital of our subsidiaries and Consolidated Affiliated Entities" in Appendix IV. Further, all major shareholding changes and reorganization steps taken by our Group have been included in the section headed "History, Reorganization and Corporate Structure."

[REDACTED]

WAIVERS FROM COMPLIANCE WITH THE LISTING RULES AND EXEMPTIONS FROM THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

[REDACTED]

WAIVERS FROM COMPLIANCE WITH THE LISTING RULES AND EXEMPTIONS FROM THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

[REDACTED]

WAIVERS FROM COMPLIANCE WITH THE LISTING RULES AND EXEMPTIONS FROM THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

[REDACTED]

WAIVERS FROM COMPLIANCE WITH THE LISTING RULES AND EXEMPTIONS FROM THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS DOCUMENT

This document, for which our Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) and the Listing Rules for the purpose of giving information to the public with regard to the Group. Our Directors, having made all reasonable enquiries confirm that, to the best of their knowledge and belief, the information contained in this document 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 document misleading.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

EXCHANGE RATE CONVERSION

Solely for your convenience, this document contains conversions among certain amounts denominated in Renminbi, Hong Kong dollars and U.S. dollars. No representation is made that the amounts denominated in one currency could actually be converted into the amounts denominated in another currency at the rates indicated, or at all. Unless indicated otherwise, (i) the conversions between Renminbi and Hong Kong dollars was made at the rate of RMB0.8753 to HK$1.00, being the exchange rate prevailing on August 24, 2018 published by the PBOC for foreign exchange transactions, (ii) the conversions between U.S. dollars and Hong Kong dollars was made at the rate of HK$7.8496 to US$1.00, being the exchange rate as set forth in the H.10 statistical release of the United States Federal Reserve Board on August 24, 2018, and (iii) the translation between U.S. dollars and Renminbi was made at the rate of RMB6.8030 to US$1.00, being the exchange rate as set forth in the H.10 statistical release of the United States Federal Reserve Board on August 24, 2018. Any discrepancies in any table between totals and sums of amounts listed therein are due to rounding.

LANGUAGE

If there is any inconsistency between this document and the Chinese translation of this document, this document shall prevail. Names of any laws and regulations, governmental authorities, institutions, natural persons or other entities which have been translated into English and included in this document and for which no official English translation exists are unofficial translations for your reference only.

ROUNDING

Certain amounts and percentage figures included in this document have been subject to rounding adjustments, or have been rounded to one or two decimal places. Any discrepancies in any table, chart or elsewhere between totals and sums of amounts listed therein are due to rounding.

DIRECTORS

Name	Address	Nationality
Executive Directors		
WANG Xing (王興)	Room 702 No. 3 Bld. 3 Zhuxiyuan No. 1 Xin Dian Road Chaoyang District Beijing China	Chinese
MU Rongjun (穆榮均)	Room 401 Unit 3 No. 205 Wang Jing Dong Yuan Er Qu Chaoyang District Beijing China	Chinese
WANG Huiwen (王慧文)	Room 3-2-3 No. 54 Songjiang Road Ganjingzi District Dalian City Liaoning Province China	Chinese
Non-executive Directors		
LAU Chi Ping Martin (劉熾平)	Flat A 10/F, Block 3 Beverly Villas 16 La Salle Road Kowloon Hong Kong	Chinese (Hong Kong)
Neil Nanpeng SHEN (沈南鵬)	Unit 4B Magazine Court 5-7 Magazine Gap Rd Mid-Levels Hong Kong	Chinese (Hong Kong)

Independent non-executive Directors

ORR Gordon Robert Halyburton	Flat B, 22/F Block 1, Starcrest No. 9 Star Street Wan Chai Hong Kong	British
LENG Xuesong (冷雪松)	Building F Eden View 18 Stanley Village Road, Stanley Hong Kong	Chinese (Hong Kong)
SHUM Heung Yeung Harry (沈向洋)	7807 NE 12th St, Medina WA 98039 USA	Chinese (Hong Kong)

PARTIES INVOLVED IN THE [REDACTED]

Joint Sponsors	**Goldman Sachs (Asia) L.L.C.** 59th Floor, Cheung Kong Center 2 Queen's Road Central Hong Kong
	Morgan Stanley Asia Limited 46/F, International Commerce Centre 1 Austin Road West, Kowloon Hong Kong
	Merrill Lynch Far East Limited 55/F, Cheung Kong Center 2 Queen's Road Central Hong Kong
Sole Financial Advisor	**China Renaissance Securities (Hong Kong) Limited** Units 8107-08, Level 81 International Commerce Centre 1 Austin Road West, Kowloon Hong Kong

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

[REDACTED]

[REDACTED]

Auditor and Reporting Accountant	**PricewaterhouseCoopers** *Certified Public Accountants* 22/F, Prince's Building, Central Hong Kong
Legal Advisers to the Company	*As to Hong Kong and U.S. laws:* **Skadden, Arps, Slate, Meagher & Flom and Affiliates** 42/F, Edinburgh Tower The Landmark 15 Queen's Road Central Hong Kong *As to PRC law:* **Han Kun Law Offices** Beijing office 9/F, Office Tower C1 Oriental Plaza No.1 East Chang An Ave Beijing 100738, the PRC *As to Cayman Islands law:* **Maples and Calder (Hong Kong) LLP** 53rd Floor, The Center 99 Queen's Road Central Hong Kong
Legal Advisers to the Joint Sponsors and the [REDACTED]	*As to Hong Kong and U.S. laws:* **Davis Polk & Wardwell** 18/F, The Hong Kong Club Building 3A Charter Road Hong Kong *As to PRC law:* **Zhong Lun Law Firm** 10-11/F, IFC II NO.8 Century Ave Pudong New District Shanghai PRC

Industry Consultant	**Shanghai iResearch Co., Ltd., China** 3/F, Tower B, Guanghualu SOHO II No. 9 Guanghua Road, Chaoyang District Beijing China

[REDACTED]

CORPORATE INFORMATION

Registered Office	PO Box 309, Ugland House Grand Cayman, KY1-1104 Cayman Islands
Head Office and Principal Place of Business in China	Block B&C, Hengjiweiye Building No.4 Wang Jing East Road Chaoyang District, Beijing 100102, China
Principal Place of Business in Hong Kong	Level 54, Hopewell Centre 183 Queen's Road East Hong Kong
Company's Website	about.meituan.com *(A copy of this document is available on the Company's website. Except for the information contained in this document, none of the other information contained on the Company's website forms part of this document)*
Joint Company Secretaries	WANG Yixiang (王翼翔) 4/F, Building C, No. 492 Anhua Road "Yi-Yuan", Changning District Shanghai 200050 China LAU Yee Wa (劉綺華) (*HKICS, ICSA*) Level 54, Hopewell Centre 183 Queen's Road East Hong Kong
Authorised Representatives	WANG Xing Room 702 No. 3 Bld. 3 Zhuxiyuan No. 1 Xin Dian Road Chaoyang District Beijing China WANG Huiwen Room 3-2-3 No. 54 Songjiang Road Ganjingzi District Dalian City Liaoning Province China
Audit Committee	ORR Gordon Robert Halyburton (*Committee Chairman*) LENG Xuesong (冷雪松) SHUM Heung Yeung Harry (沈向洋)

Remuneration Committee	LENG Xuesong (冷雪松) (*Committee Chairman*) SHUM Heung Yeung Harry (沈向洋) MU Rongjun (穆榮均)
Nomination Committee	LENG Xuesong (冷雪松) (*Committee Chairman*) SHUM Heung Yeung Harry (沈向洋) WANG Huiwen (王慧文)
Corporate Governance Committee	LENG Xuesong (冷雪松) (*Committee Chairman*) ORR Gordon Robert Halyburton SHUM Heung Yeung Harry (沈向洋)
Compliance Adviser	Guotai Junan Capital Limited 27th Floor, Low Block Grand Millennium Plaza 181 Queen's Road Central Hong Kong

[REDACTED]

Principal Banker	China Merchants Bank, Beijing Branch, Shouti Sub-branch 1/F, Tengda Building No. 168 Xizhimenwai Street Haidian District Beijing China

This section contains certain information, statistics and data which are derived from a commissioned report from iResearch, an Independent Third Party. The information from official government publications, industry sources and the iResearch Report may not be consistent with information available from other sources within or outside the PRC and Hong Kong. We believe that the sources of the information in this section are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading in any material respect. However, neither we nor any other party involved in the [REDACTED] have independently verified such information, and neither we nor any other party involved in the [REDACTED] are giving any representation as to the accuracy or completeness of such information. As such, [REDACTED] are cautioned not to place any undue reliance on the information including statistics and estimates, set forth in this section or similar information included elsewhere in this document. For a discussion of risks relating to our industries, see the section headed "Risk Factors—Risks Relating to Our Business and Industry" in this document.

SOURCE OF INFORMATION

We commissioned iResearch to conduct market research concerning the consumer service e-commerce industry. We believe that iResearch has specialized research capabilities and experience in this industry in China's market. Except as otherwise noted, all of the data and forecasts contained in this section are derived from the iResearch Report. We have also referred to certain information in the "Summary," "Risk Factors," "Business" and "Financial Information" sections to provide a more comprehensive presentation of the industry in which we operate.

The iResearch Report

iResearch is an independent market intelligence provider that provides market research, information and advice to companies in various industries, including the consumer service industry. We have agreed to pay a commission fee of approximately RMB560,000 for the iResearch Report, dated as of June 21, 2018. The iResearch Report was compiled using both primary and secondary research conducted in China. The primary research involved expert interviews and company interviews. The secondary research utilized information and statistics published by government departments, industry association, publications and studies by industry experts, public company annual and quarterly reports, iResearch's other research reports, online resources and data from iResearch's research database.

iResearch's projection on the size of each of the related markets in China takes into consideration various factors, including (i) historical market size data, (ii) the public filings of, and other publicly available information regarding, major consumer service e-commerce companies, and those companies' projections of the related industries from iResearch's interviews or communications with them, (iii) the projections of other industry experts, and (iv) iResearch's views and estimates of industry developments. iResearch has prepared the iResearch Report on the assumptions that (i) the social, economic and political environments of China will remain stable during the forecast period, which ensures a sustainable and steady development of China's consumer service industry, (ii) the data quoted from authoritative agencies remain unchanged, (iii) related key industry drivers remains relevant and applicable in the forecast period, and (iv) there will be no subversive changes to the related industries. The reliability of the iResearch Report may be affected by the accuracy of the foregoing assumptions and factors.

Directors' confirmation

Our Directors have confirmed, after making reasonable inquiries and exercising reasonable care, that there is no adverse change in the market information since the date of publication of the iResearch Report, which may qualify, contradict or impact the information in this Industry Overview section.

OUR INDUSTRY AND COMPETITIVE LANDSCAPE

We are an e-commerce company that operates in the consumer service industry in China. There are multiple supply side and demand side macro factors that support the rapid growth of the consumer service industry in China. The combination of favorable macro environment with internet technology creates a massive opportunity for e-commerce penetration in the consumer service industry in China.

Urbanization

The consumer service industry is primarily concentrated in urban areas with high population density. China's massive population and rapid urbanization have led to the emergence of a large number of cities, further accelerating the growth of the consumer service industry across the country. As of the end of 2016, China had 156 cities with a population of over 1 million, as compared to 10 cities with over 1 million population in the U.S., according to the iResearch Report. Population density in urban cities in China was 2,426 people per square kilometer in 2017, over seven times that of the U.S., according to the iResearch Report.

Population Distribution

	China	US
Number of cities with over 1 million residents	156	10
Number of cities with over 10 million residents	4	0

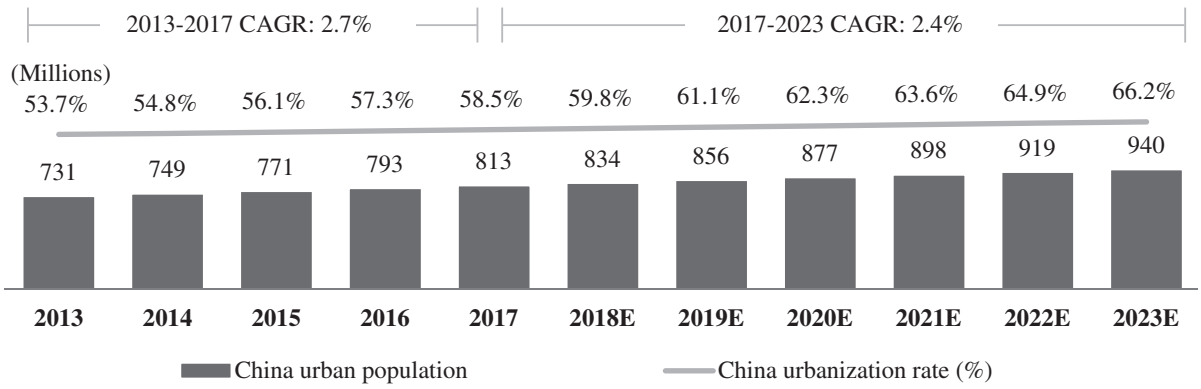
Source: iResearch Report

Population Density in Urban Cities (Population per Square Kilometer)

	2013	2014	2015	2016	2017	2018E	2019E	2020E	2021E	2022E	2023E
China	2,362	2,419	2,399	2,408	2,426	2,440	2,447	2,458	2,467	2,480	2,491
US	320	323	327	330	333	336	339	342	345	348	351

Source: iResearch Report

Urbanization Rate and Urban Population Trend in China

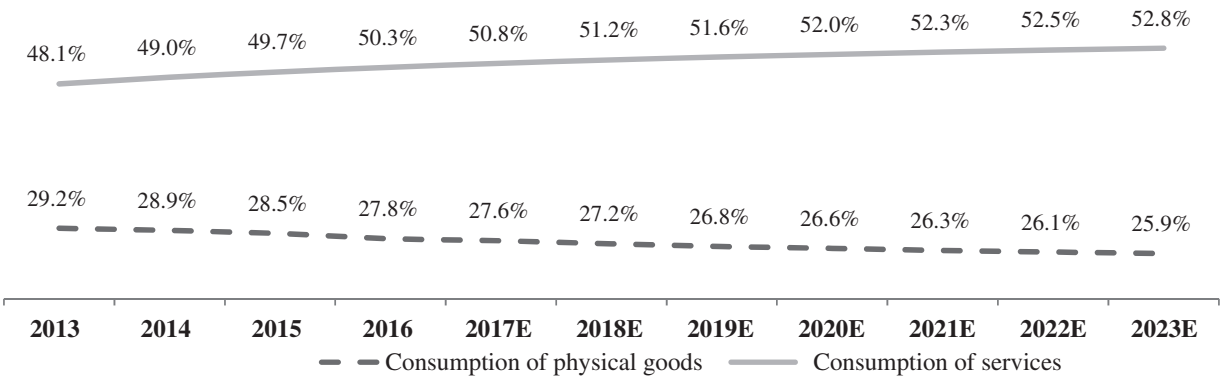


Source: iResearch Report

Consumption upgrade

Private consumption is projected to grow at a CAGR of 8.0% from 2017 to 2023, according to the iResearch Report. There exists a structural shift from an investment-driven economy to a domestic consumption-driven economy in China. The improvement in Chinese consumers' standards of living has led to significant changes in consumption behavior by moving away from basic needs to more discretionary expenditures, from physical goods oriented to consumer and other services and experience oriented. This has led to a proliferation and adoption of consumer and other services that are targeted at improving people's lives.

Mix of Private Consumption per Capita Shifting Towards Service Consumption



Source: iResearch Report

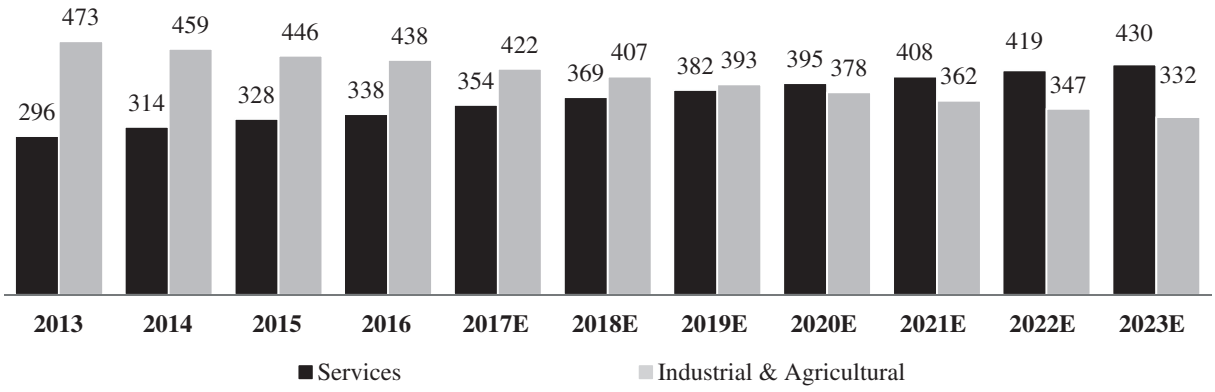
Note: Excludes housing consumption.

Labor supply

In China, there exists a large labor force that has been converting from the "old economy", including agriculture and manufacturing sectors, into the consumer service sector. The movement of

people between rural and urban areas in China further reinforces the labor supply and population density in cities across China. This transition in labor supply is a key driver in the growth of the consumer service industry as the industry is labor intensive in nature.

Labor Supply by Industry



Source: iResearch Report

Abundant labor supply in China also accelerates the development of new business models in the consumer service industry, such as on-demand delivery services. For example, the labor cost for each food delivery order is approximately US$1, compared to US$5 in the US, according to the iResearch Report. In addition, it takes an average of 35 minutes for each delivery order in China compared to 75 minutes in the US, according to the iResearch Report. Since 2013, labor cost per delivery order in China has declined at a CAGR of (7)% from RMB10.3 to RMB7.6 by 2017 and is forecasted to continue to decline to and remain at approximately RMB7 by 2019 and thereafter, according to the iResearch Report. Historical decline in labor cost per food delivery transaction is primarily driven by significant increase in the number of transactions per delivery rider and improvement in logistical systems. Businesses are also adding additional delivery services in non-peak period for food delivery in an effort to lower unit labor cost per transaction by allocating fixed costs throughout the day. Going forward, labor cost per delivery transaction is expected to remain at approximately RMB7, according to the iResearch Report.

Increasing consumers' demand for consumer service e-commerce

In China, the massive mobile internet user base and location-based connectivity enable Chinese consumers to discover and enjoy more services. China's mobile internet population reached 753 million by 2017, and is expected to grow to 1,012 million by 2023, according to the iResearch Report. These represent the largest internet and mobile internet populations globally. In China, mobile internet user base makes up the majority of the active online population, with a penetration rate of 97.5% as of 2017, according to the iResearch Report.

The high penetration of the mobile internet and availability of online payment infrastructure accelerated the adoption of paying for both online and offline transactions via mobile devices. It has also accelerated the growth of e-commerce. The Chinese mobile internet population has a higher adoption rate in terms of shopping on mobile devices as well as making mobile payments compared to the U.S. This trend is forecasted to continue as penetration increases. Mobile payment penetration of mobile internet users in China is 70% in 2017 while it is only approximately 20% in the US, according to the iResearch Report. In addition, mobile payment transaction volume in China is expected to increase from RMB99 trillion in 2017 to RMB678 trillion by 2023, a CAGR of 37.9%, according to the iResearch Report.

Consumer service e-commerce companies help connect consumers with a large number of merchants without the constraint of physical stores and distance. Traditionally, consumer choice has been limited by fragmented and stale information, lack of access to services and the inability to complete transactions efficiently. Consumer service e-commerce platforms now enable consumers with location-based information discovery, decision making and real-time processing to complete transactions on mobile devices, transforming consumers' ways of daily living.

Significant growth in online penetration of consumer service merchants

The number of merchants in China continues to grow as consumers demand more diversity and quality of consumer services. However, the environment for consumer service merchants in China is characterized by high dispersion and fragmentation, a lack of consistent quality offering, a lack of brand names and recognition, a lack of basic infrastructure and intense competition. This provides a vast opportunity for e-commerce to transform these merchants by providing digital infrastructure and value-added solutions.

Through e-commerce, merchants can have a better way to advertise their businesses, promote their brands, establish credibility and build consumer trust, attract new consumers and increase sales. E-commerce is transforming how merchants operate and also significantly improve merchants' operating efficiency. For example, e-commerce enables merchants to market to the right consumers through online channels with measurable return on investments, to better serve consumers' needs by providing high quality of services and allowing them to make the right business decisions, such as choosing the location of a storefront. More importantly, e-commerce helps merchants generate incremental sales through providing critical technology infrastructure. For example, to operate on-demand food delivery in a cost-effective manner requires a highly complex system that aggregates and processes multiple orders across multiple merchants and takes restaurant traffic, order size, wait time, and road traffic into account.

Consumer service merchants are expected to increasingly move online, as the adoption of e-commerce enables them to increase efficiency, while at the same time grow their businesses.

Consumer Service Merchant Storefronts

	2013	2014	2015	2016	2017	2018E	2019E	2020E	2021E	2022E	2023E
(In Millions)											
Service Merchant Storefronts	10.4	10.8	11.1	11.4	11.8	12.1	12.5	12.8	13.1	13.3	13.5
Online Storefront Penetration (%)	7.7%	14.9%	23.4%	32.6%	44.6%	50.2%	55.5%	62.6%	69.7%	74.3%	80.6%

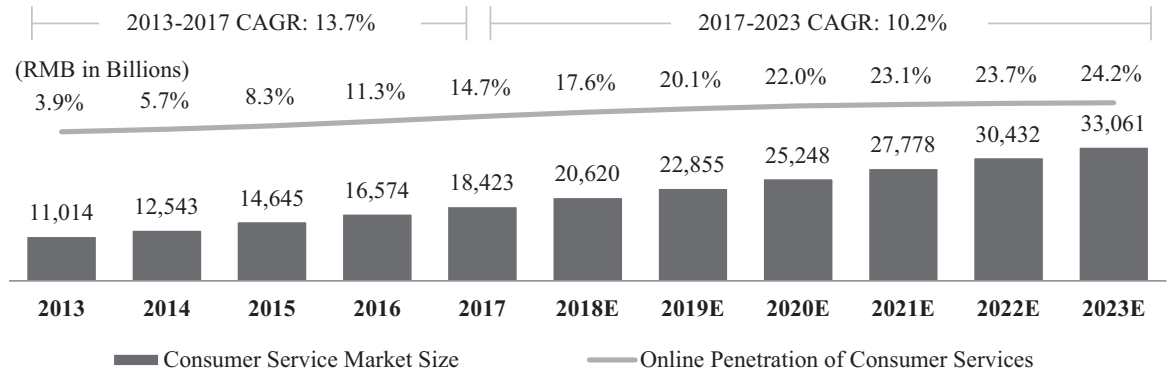
Source: iResearch Report

Note: As at year end. Consumer service merchants include restaurants, hotels, travel agencies, beauty services merchants, karaoke clubs, wedding merchants, movie theatres and laundry stores, parent & child stores, housekeeping service stores, and home renovation stores. Online merchant storefronts refer to active merchants that can be found on service e-commerce platforms.

Rapid Growth of Consumer Service e-Commerce Industry

We believe that the above macro factors will support the consumer service industry to grow from approximately RMB18.4 trillion in 2017 to approximately RMB33.1 trillion by 2023, implying a CAGR of 10.2%. As a result of the above factors, we believe more consumers will increasingly use e-commerce on a daily basis and expand the frequency and breadth of their use across multiple service categories. According to the iResearch Report, the consumer service e-commerce industry reached RMB2,705 billion in 2017 and is forecasted to reach RMB8,011 billion by 2023, implying a CAGR of 19.8%.

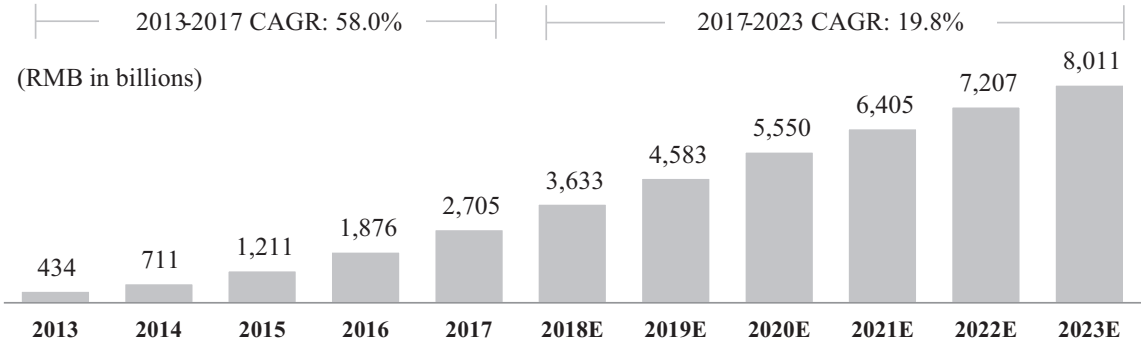
Consumer Service Market Size (Based on Gross Transaction Volume)



Source: iResearch Report

Note: Consumer services include restaurant delivery and dining, food retail, local transportation, flight ticket purchases, hotel booking, train ticket purchases, vacations, beauty services, karaoke clubs, wedding services, parent & child services, laundry services, housekeeping services, car after-sales services, house renovations, movie ticket purchases, and other live entertainment services.

Consumer Service e-Commerce Market Size (Based on Gross Transaction Volume)



Source: iResearch Report

Note: Consumer services include restaurant delivery and dining, food retail, local transportation, flight ticket purchases, hotel booking, train ticket purchases, vacations, beauty services, karaoke clubs, wedding services, parent & child services, laundry services, housekeeping services, car after-sales services, house renovations, movie ticket purchases, and other live entertainment services.

Consumer Service e-Commerce Market Size Breakdown (Based on Gross Transaction Volume)

(RMB in billions)	2013	2014	2015	2016	2017	2018E	2019E	2020E	2021E	2022E	2023E
Food consumption	96	216	441	736	1,166	1,694	2,243	2,832	3,317	3,749	4,176
Hotel booking	57	73	111	143	182	223	263	306	352	388	419
Travel-related services	248	348	517	746	971	1,232	1,482	1,691	1,867	2,041	2,213
Local transportation	5	20	50	113	205	258	316	378	450	525	604
Other services	28	53	93	138	181	226	279	343	418	505	600
Total	**434**	**711**	**1,211**	**1,876**	**2,705**	**3,633**	**4,583**	**5,550**	**6,405**	**7,207**	**8,011**

Note: Travel-related services include flight ticket purchases, train ticket purchases and vacation package purchases. Local transportation includes mobile-enabled ride hailing, private cars, online car rental and bike sharing. Other consumer services include beauty services, karaoke clubs, wedding services, parent & child services, laundry services, housekeeping services, car after-sales services, house renovations, movie ticket purchases and other live entertainment services.

Food and Dining Service e-Commerce Market

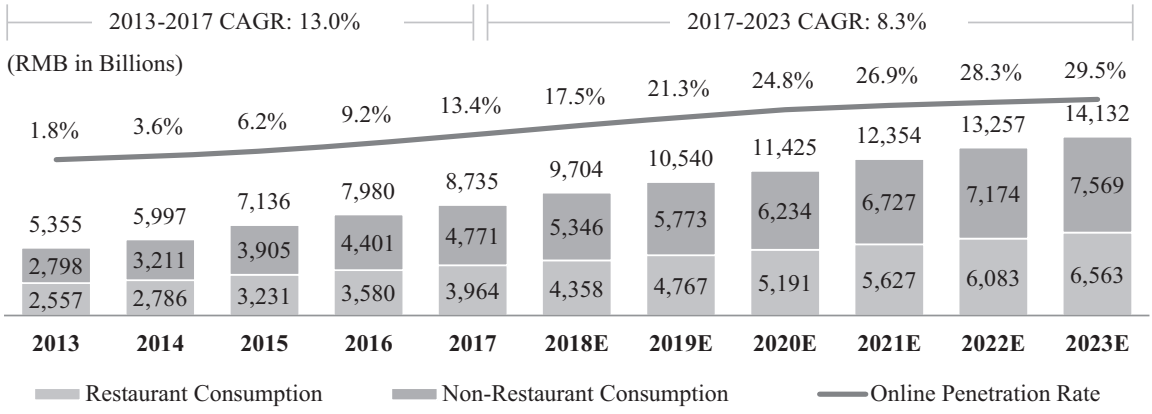
Food consumption is the most essential part of consumers' daily lives today. It is a purchase we make most frequently, whether it is buying groceries, pre-made meals, or restaurant dining, take-out or delivery.

Chinese consumers are spending more on food delivery, in-store dining and food retail as standards of living improve. A major trend is that the increase in the ease and convenience of delivery is leading to more consumers choosing to order food online and receive delivery offline. On-demand food delivery and online non-restaurant food retail are in large ways, replacing cooking at home or buying pre-cooked food from grocery stores because these methods are fast, convenient and in many

cases, more cost effective. This is especially prevalent in younger generations as they have limited amount of time and energy to dedicate to cooking and they are more willing to pay for convenience. On the other hand, as people spend more and more time at work today, many people use these services and change their way of living to be more accustomed to e-commerce.

Over the next few years, restaurant consumption growth of 8.8% CAGR from 2017 to 2023, is expected to outpace non-restaurant food consumption growth of 8.0% CAGR over the same period, according to the iResearch Report.

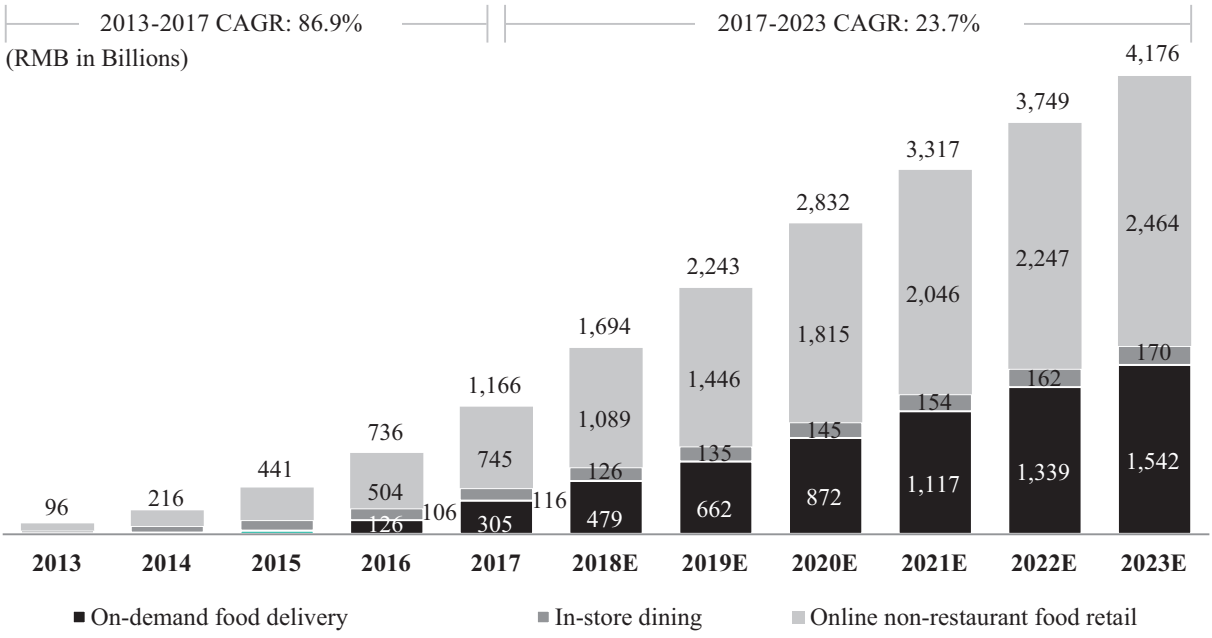
Food Consumption in China (Based on Gross Transaction Volume)



Source: iResearch Report

On-demand food delivery from restaurants is expected to grow at a CAGR of 31.0% from 2017 to 2023, according to the iResearch Report. In addition, online non-restaurant food retail, primarily via delivery, is expected to grow at a CAGR of 22.1% from 2017 to 2023, according to the iResearch Report.

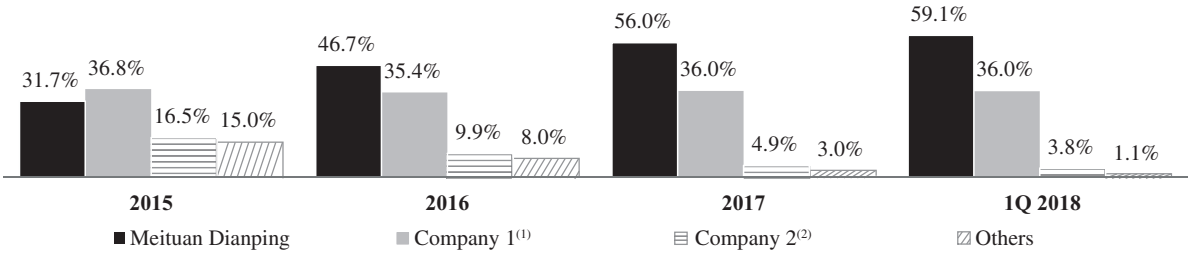
Food Consumption through Consumer Service E-Commerce Platforms in China (Based on Gross Transaction Volume)



Source: iResearch Report

The competitive landscape of on-demand delivery is led by Meituan Dianping that saw its market share increase from 31.7% in 2015 to 59.1% in the three months ended March 31, 2018.

Competitive Landscape of China Online On-Demand Delivery Industry (Based on Gross Transaction Volume)



Source: iResearch Report

(1) Company 1 refers to an online food delivery platform that was recently acquired by a U.S.-listed company.

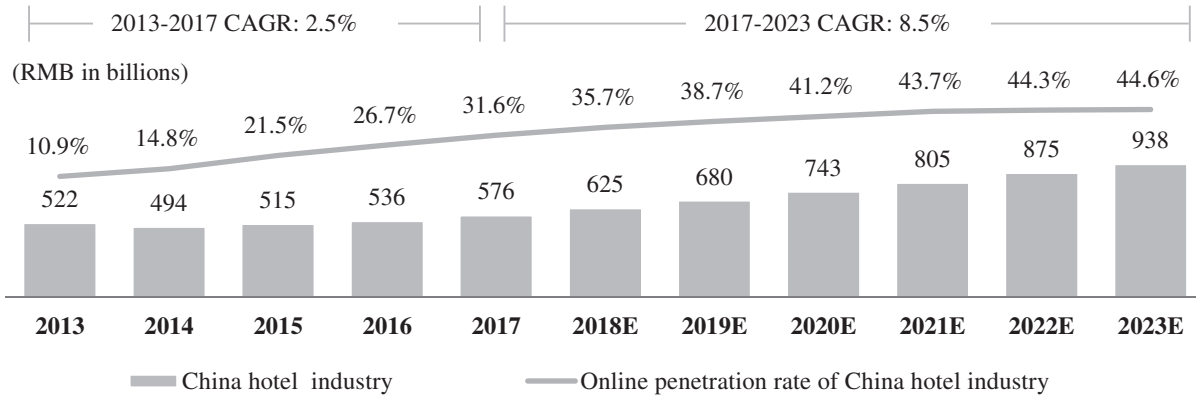
(2) Company 2 refers to an online food delivery platform that was acquired by another online food delivery platform.

For in-store dining, Meituan Dianping maintained its leadership with number one market share in each of the past three years and the first quarter of 2018 in terms of Gross Transaction Volume, according to the iResearch Report. Meituan Dianping has led the development of in-store dining services from both the consumer and merchant ends. The e-commerce of in-store dining services began with e-voucher model that evolved to provide full functionalities including making reservations, lining up virtually, placing orders, offering multiple payment capabilities, and many others to address potential consumer demands and improve merchants' consumer-facing interface. At the same time, merchants are further enabled through technology that improves their IT and operations, accelerating their digitization.

Hotel Service e-Commerce Market

The hotel industry in China has undergone significant growth driven by trends including rising disposable income and standards of living, growing consumer demand for travel, new emerging transportation methods, and supportive government policies.

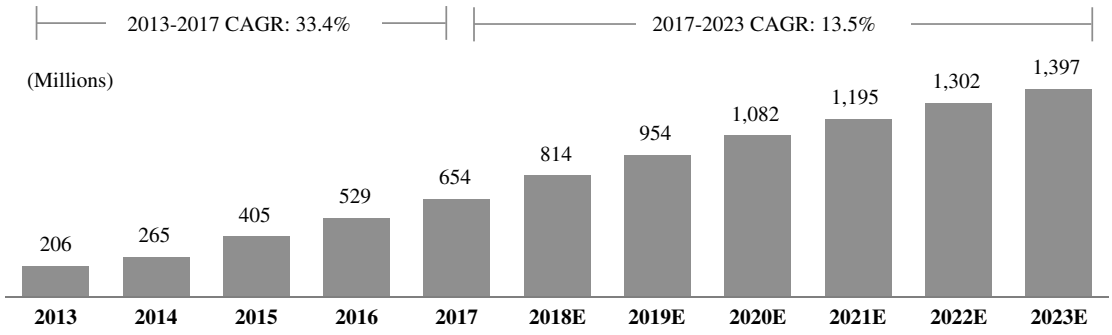
Hotel Industry in China (Based on Gross Transaction Volume)



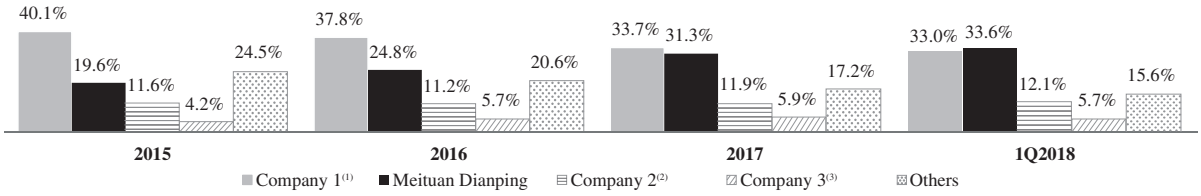
Source: iResearch Report

In particular, the Chinese hotel market is highly fragmented with many more standalone hotels compared to the U.S.. In 2017, the top five hotel groups accounted for a 13.8% market share in terms of retail value in China, as compared to 26.5% in the U.S., according to the iResearch Report. Independent leisure travelers are growing rapidly, which translates to increasing demand for affordable lodging. The overall hotel industry is still highly fragmented while the internet provides an efficient medium for hotels and travel businesses in China to serve all consumers.

Hotel Service e-Commerce Market Size (Based on Number of Domestic Room Nights)



Competitive Landscape of China Online Hotel Industry (Based on Number of Domestic Room Nights)



Source: iResearch Report

(1) Company 1 refers to a U.S.-listed online travel platform.

(2) Company 2 refers to an online travel platform invested by a U.S.-listed company.

(3) Company 3 refers to an online travel platform invested by a U.S.-listed company.

Other local lifestyle service e-commerce market

Demand for a variety of other services such as entertainment, weddings, home renovations, etc. are also growing rapidly as consumers spend an increasing proportion of their incomes on discretionary services. These are important services that are growing and present opportunities for consumer service e-commerce platform to further expand their offerings. Take beauty services for example, it is characterized by high fragmentation, high margins, low frequency compared to previous verticals such as on-demand delivery, with limited marketing capabilities. These merchants often rely

on the internet to acquire customers and the services they provide are becoming an increasingly important part of consumers' daily lives. Through scale and cross selling from high-frequency services, e-commerce consumer services can increase the online penetration of many other consumer services.

Transportation service e-commerce market

Transportation can be categorized into taxi and private cars, buses, bikes, trains, planes, etc. Given the high and growing mobile penetration in China that allows for location-based services, more transportation services, especially local transportation, will be transacted online.

A new market was created through bike sharing, which provides people the means of traveling short distances on bikes without having to own bikes or worry about parking or theft. Long distance travel via trains and planes is also on the rise given the increase in disposable income, standards of living and growing consumer demand.

Key factors affecting competition in consumer service e-commerce market

Key competitive factors among e-commerce players for consumer services are capability to acquire and retain consumers and merchants and delivery capability.

Capability to acquire and retain consumers. Comprehensive, one-stop consumer-centric platforms will be dominant players in the race to capture consumers' daily consumption activities rather than platforms that are only focused on individual verticals. Given the scale and comprehensiveness of the services offered, platforms can expand through cross-selling, which requires cross-marketing capabilities, building strong brand name and recognition more easily through quality and depth of services, and at the same time effectively reducing consumer acquisition cost through word-of-mouth. In addition, platforms also enhance retention and consumer stickiness due to their ease of access and convenience as a one-stop shop. Companies with scale also have significant advantages in user acquisition and ability to invest in new services and capabilities due to economies of scale.

Capability to acquire and retain merchants. Platforms also differentiate through the services they offer merchants. Platforms often possess varying degrees of capabilities, such as on-demand delivery network or supply chain management, that enable merchants to provide comprehensive and effective services to consumers. In addition, many platforms of scale are able to attract and retain merchants by supplying them technology systems, through both software and hardware, which integrate offline and online channels. Lastly, scale and coverage of these platforms, whether it be through delivery infrastructure or amount of merchant information, help merchants in reaching a larger audience, completing transactions and building brand.

Delivery capability. Consumers' increasing demand for higher quality services, ease of access and convenience makes delivery capability a key differentiating factor in today's competitive service e-commerce environment. Delivery capabilities often vary by underlying technology infrastructure, scale of coverage, depth of coverage, delivery speed and service quality. Strong delivery capability creates virtuous cycles for players as it significantly helps improve service quality for consumers,

leading to better consumer retention and acquisition. This also supports merchants' business growth, leading to more sales and revenues for the platforms. In addition, robust technology infrastructure, scale and order density make operations more cost effective by improving efficiency through optimal resource allocation and economies of scale.

REGULATIONS ON VALUE-ADDED TELECOMMUNICATIONS SERVICES AND FOREIGN INVESTMENT RESTRICTIONS

Restrictions on Foreign Investment

On September 25, 2000, the Telecommunications Regulations of the People's Republic of China (《中華人民共和國電信條例》) (the "**Telecom Regulations**"), were issued by the State Council, which was amended and became effective on February 6, 2016, as the primary governing law on telecommunication services. The Telecom Regulations set out the general framework for the provision of telecommunication services by PRC companies. Pursuant to the Telecom Regulations, telecommunications service providers are required to procure operating licenses prior to their commencement of operations. The Telecom Regulations draw a distinction between "basic telecommunications services" and "value-added telecommunications services." The Catalog of Telecommunications Business (《電信業務分類目錄》) was issued concurrently as an attachment to the Telecom Regulations, to categorize telecommunications services as "basic" or "value-added", and online data processing and transaction processing services and information services via public communication networks such as fixed networks, mobile networks and internet are classified as value-added telecommunications services.

Pursuant to the Provisions on Administration of Foreign Invested Telecommunications Enterprises (《外商投資電信企業管理規定》) (the "**FITE Regulation**") promulgated by the State Council on December 11, 2001 and further amended on September 10, 2008 and February 6, 2016, if any foreign investor intends to invest in telecommunications business in China, a foreign-invested telecommunications enterprise must be established, and the ultimate foreign equity ownership in a value-added telecommunications services provider shall not exceed 50%, except for online data processing and transaction processing businesses (operating e-commerce business) which may be 100% owned by foreign investors. Moreover, for a foreign investor to acquire any equity interest in a value-added telecommunications business in China, it must satisfy a number of stringent performance and operational experience requirements, including demonstrating a good track record and experience in operating value-added telecommunications business overseas. Foreign investors that meet these requirements shall obtain approvals from the Ministry of Industry and Information Technology (the "**MIIT**") and the Ministry of Commerce of PRC (the "**MOFCOM**") or their authorized local counterparts, which retain considerable discretion in granting such approvals.

The Guiding Catalog for Foreign Investment Industries (《外商投資產業指導目錄》) (the "**Catalog**") amended by National Development and Reform Commission (the "**NDRC**") and the MOFCOM on June 28, 2017 and took effect on July 28, 2017, also imposes the 50% restrictions on foreign ownership in value-added telecommunications business except for the operation of e-commerce business. In addition, the Catalog amended in 2017 further added services for releasing information by the public through internet into the list of businesses that are prohibited for foreign investors.

On July 13, 2006, the MIIT issued the Circular on Strengthening the Administration of Foreign Investment in and Operation of Value-added Telecommunications Business (《關於加強外商投資經營增值電信業務管理的通知》) (the "**MIIT Circular**"), which requires foreign investors to set up foreign-invested enterprises (the "**FIEs**") and obtain a license for value-added telecommunications

services (the "**VATS License**") to conduct any value-added telecommunications business in China. Pursuant to the MIIT Circular, a domestic company that holds a VATS License is prohibited from leasing, transferring or selling the license to foreign investors in any form, and from providing any assistance, including providing resources, sites or facilities, to foreign investors that conduct value-added telecommunications business illegally in China. Furthermore, the relevant trademarks and domain names that are used in the value-added telecommunications business must be owned by the local VATS License holder or its shareholder. The MIIT Circular further requires each VATS License holder to have the necessary facilities for its approved business operations and to maintain such facilities in the regions covered by its license.

Regulations on the Provision of Internet Content Services

On July 3, 2017, the MIIT promulgated the Administrative Measures for Telecommunications Business Operating Permit (《電信業務經營許可管理辦法》) (the "**Telecom Permit Measures**"), which took effect on September 1, 2017. The Telecom Permit Measures confirm that there are two types of telecom operating licenses for operators in China, namely, license for basic telecommunications services and the VATS License. The operation scope of the license will detail the permitted activities of the enterprise to which it was granted. An approved telecommunication services operator shall conduct its business in accordance with the specifications listed in its VATS License. In addition, a VATS License's holder is required to obtain approval from the original permit-issuing authority in respect of any change to its shareholders.

The Administrative Measures on Internet Information Services (《互聯網信息服務管理辦法》) (the "**Internet Measures**"), which was promulgated by the State Council on September 25, 2000 and amended on January 8, 2011, set out guidelines on the provision of internet information services. Pursuant to the Internet Measures, commercial internet information services operators shall obtain a value-added telecommunications business operating license (the "**ICP License**") from the relevant government authorities before engaging in any commercial Internet information services operations within the PRC.

The content of the internet information is highly regulated in China. Internet information service operators shall guarantee the contents of the information provided is lawful. According to the Internet Measures, violators who provide prohibited internet content may be subject to penalties, including criminal sanctions, operation suspension and rectification, or even revocation of ICP Licenses.

Regulations on e-Commerce services

The Standing Committee of the National People's Congress promulgated the E-Commerce Law of the People's Republic of China (《中華人民共和國電子商務法》), on August 31, 2018, which will take effect on January 1, 2019. The E-commerce Law clarifies obligations for the operators of e-commerce platforms. For example, among other things, an operator of an e-commerce platform shall (i) require merchants that apply to sell products or provide services on its platform to submit truthful information, including the identities, addresses, contacts and licenses; (ii) verify and examine such information; (iii) establish registration archives and verify, examine and update such information on a regular basis; (iv) submit identification information of merchants on its platform to market regulatory authorities and remind merchants that have not registered with market regulatory

authorities to complete the relevant registration; (v) submit identities and tax payment-related information of the merchants on its platform to tax authorities and remind merchants that have not registered with tax authorities to complete the relevant tax registration; (vi) conspicuously display the terms of platform service agreements, transaction rules or links to such information on the homepage of the platform, and ensure that merchants and consumers are able to read and download such information conveniently; and (vii) restrain from deleting any comments made by consumers on any products sold or service provided on its platform. Where an e-commerce platform operator fails to take necessary measures when it knows or should have known that the products or services provided by a merchant on its platform do not meet the requirements regarding personal or property safety, or commits any other acts that impair the lawful rights and interests of consumers, such operator shall be held jointly liable with the merchants on its platform. Where an e-commerce platform operator fails to verify and examine the qualifications of a merchant on its platform or fails to fulfill its obligation to assure the safety of consumers with respect to products or services affecting consumers' life and health, which results in damage to consumers, such operator shall take the corresponding liability. Where an e-commerce platform operator knows or should have known that a merchant on its platform has infringed any intellectual property right of other third parties, it shall take necessary measures, such as deleting or blocking the relevant information, disabling the relevant links, and terminating the relevant transactions and services; otherwise, such operator shall be held jointly liable with the infringing party.

Regulations on Mobile Internet Applications Information Services

In addition to the Telecommunications Regulations and other regulations above, mobile internet applications and the internet application store are specifically regulated by the Administrative Provisions on Mobile Internet Application Information Services (《移動互聯網應用程序信息服務管理規定》) (the "**Mobile Application Administrative Provisions**"), which were promulgated by the Cyberspace Administration of China (the "**CAC**") on June 28, 2016 and took effect on August 1, 2016. Pursuant to the Mobile Application Administrative Provisions, application information service providers shall obtain the relevant qualifications prescribed by laws and regulations, strictly implement their information security management responsibilities and carry out certain duties, including establish and complete user information security protection mechanism and information content inspection and management mechanisms, protect users' right to know and right to choose in the process of usage, and to record users' daily information and preserve it for 60 days. Application store services providers shall, within 30 days of the business going online and starting operations, conduct filing procedures with the local cybersecurity and information department. Furthermore, internet application store service providers and internet application information service providers shall sign service agreements to determinate both sides' rights and obligations.

Furthermore, on December 16, 2016, the MIIT promulgated the Interim Measures on the Administration of Pre-Installation and Distribution of Applications for Mobile Smart Terminals (《移動智能終端應用軟件預置和分發管理暫行規定》) (the "**Mobile Application Interim Measures**"), which took effect on July 1, 2017. The Mobile Application Interim Measures requires, among others, that internet information service providers must ensure that a mobile application, as well as its ancillary resource files, configuration files and user data can be uninstalled by a user on a convenient basis, unless it is a basic function software, which refers to a software that supports the normal functioning of hardware and operating system of a mobile smart device.

REGULATIONS ON INFORMATION SECURITY AND PRIVACY PROTECTION

Internet content in China is regulated and restricted from a state security standpoint. The Standing Committee of the National People's Congress (the "**SCNPC**") enacted the Decisions on the Maintenance of Internet Security (《關於維護互聯網安全的決定》) on December 28, 2000, which was amended on August 27, 2009, that may subject persons to criminal liabilities in China for any attempt to: (i) gain improper entry to a computer or system of strategic importance; (ii) disseminate politically disruptive information; (iii) leak state secrets; (iv) spread false commercial information or (v) infringe upon intellectual property rights. On December 16, 1997, the Ministry of Public Security issued the Administration Measures on the Security Protection of Computer Information Network with International Connections (《計算機信息網絡國際聯網安全保護管理辦法》), which took effect on December 30, 1997 and were amended by the State Council on January 8, 2011 and prohibit using the internet in ways which, among others, result in a leakage of state secrets or a spread of socially destabilizing content. The Ministry of Public Security has supervision and inspection powers in this regard, and relevant local security bureaus may also have jurisdiction. If an ICP License holder violates these measures, the PRC government may revoke its ICP License and shut down its websites.

According to Network Security Law of the People's Republic of China (《中華人民共和國網絡安全法》) promulgated by SCNPC on November 7, 2016 and took into effect on June 1, 2017, network operators shall comply with laws and regulations and fulfill their obligations to safeguard security of the network when conducting business and providing services. Those who provide services through networks shall take technical measures and other necessary measures pursuant to laws, regulations and compulsory national requirements to safeguard the safe and stable operation of the networks, respond to network security incidents effectively, prevent illegal and criminal activities, and maintain the integrity, confidentiality and usability of network data, and the network operator shall not collect the personal information irrelevant to the services it provides or collect or use the personal information in violation of the provisions of laws or agreements between both parties, and network operators of key information infrastructure shall store within the territory of the PRC all the personal information and important data collected and produced within the territory of PRC. The purchase of network products and services that may affect national security shall be subject to national cybersecurity review. On May 2, 2017, the CAC promulgated a trial version of the Measures for the Security Review of Network Products and Services (《網絡產品和服務安全審查辦法(試行)》), which took effect on June 1, 2017, to provide more detailed rules regarding cybersecurity review requirements.

On December 13, 2005, the Ministry of Public Security issued the Regulations on Technological Measures for Internet Security Protection (《互聯網安全保護技術措施規定》) (the "**Internet Protection Measures**") which took effect on March 1, 2006. The Internet Protection Measures require internet service providers to take proper measures including anti-virus, data back-up and other related measures, and to keep records of certain information about their users (including user registration information, log-in and log-out time, IP address, content and time of posts by users) for at least 60 days, discover and detect illegal information, stop transmission of such information, and keep relevant records. Internet services providers are prohibited from unauthorized disclosure of users' information to any third parties unless such disclosure is required by the laws and regulations. They are further required to establish management systems and take technological measures to safeguard the freedom and secrecy of the users' correspondences.

On December 28, 2012, the SCNPC promulgated the Decision on Strengthening Network Information Protection (《關於加強網絡信息保護的決定》), which took into effect on the same date, to enhance the legal protection of information security and privacy on the internet. On July 16, 2013, the MIIT promulgated the Provisions on Protection of Personal Information of Telecommunication and Internet Users (《電信和互聯網用戶個人信息保護規定》), which took into effect on September 1, 2013, to regulate the collection and use of users' personal information in the provision of telecommunication services and internet information services in China and the personal information includes a user's name, birth date, identification card number, address, phone number, account name, password and other information that can be used independently or in combination with other information for identifying a user.

On December 29, 2011, the MIIT promulgated the Several Provisions on Regulation of the Order of Internet Information Service Market (《規範互聯網信息服務市場秩序若干規定》), which took into effect on March 15, 2012. The Provisions stipulate that without the consent of users, internet information service providers shall not collect information relevant to the users that can lead to the recognition of the identity of the users independently or in combination with other information (hereinafter referred to as "personal information of users"), nor shall they provide personal information of users to others, unless otherwise provided by laws and administrative regulations.

On May 8, 2017, the Supreme People's Court and the Supreme People's Procuratorate released the Interpretations of the Supreme People's Court and the Supreme People's Procuratorate on Several Issues Concerning the Application of Law in the Handling of Criminal Cases Involving Infringement of Citizens' Personal Information (《最高人民法院、最高人民檢察院關於辦理侵犯公民個人信息刑事案件適用法律若干問題的解釋》) (the "**Interpretations**"), which took into effect on June 1, 2017. The Interpretations clarify several concepts regarding the crime of "infringement of citizens' personal information" stipulated by Article 253A of the Criminal Law of the People's Republic of China (《中華人民共和國刑法》), including "citizen's personal information", "provision", and "unlawful acquisition." Also, the Interpretations specify the standards for determining "serious circumstances" and "particularly serious circumstances" of this crime.

REGULATION OF THE PAYMENT SERVICES OF NON-FINANCIAL INSTITUTIONS

According to Measures for the Administration of Payment Services of Non-Financial Institutions (《非金融機構支付服務管理辦法》) which were promulgated by the People's Bank of China (the "**PBOC**") on June 14, 2010 and took into effect on September 1, 2010, and Detailed Implementing Rules for the Measures for the Administration of Payment Services of Non-Financial Institution (《非金融機構支付服務管理辦法實施細則》) which were promulgated by the PBOC and took into effect on December 1, 2010, the payment services provided by non-financial institutions refer to some or all of the following monetary capital transfer services provided by the non-financial institutions as intermediary agencies between payers and payees: (i) payment through the internet; (ii) issuance and acceptance of prepaid cards; (iii) bankcard acquiring; and (iv) other payment services as determined by the PBOC. Non-financial institutions which provide payment services shall obtain a "Payment Business License" and become a "payment institution." Payment Business License is valid for five years from the date of issuance. Payment institutions shall carry out business activities in compliance with the scope of business approved by the Payment Business License, and shall not outsource any businesses, transfer, lease, or lend its Payment Business License. Any non-financial

institutions and individuals shall not directly or indirectly engage in the payment business without the approval of the PBOC.

To liberalize the payment service market and explicit policies on entry and supervision of foreign-invested payment institutions, on March 19, 2018, PBOC promulgated Issues Concerning Foreign-invested Payment Institutions (《外商投資支付機構有關事宜》), which took into effect on the same date. Overseas institutions intending to provide electronic payment services for domestic entities shall establish FIEs in the PRC and obtain the Payment Business License pursuant to the Measures for the Administration of Payment Services of Non-Financial Institutions. Foreign-invested payment institutions established by overseas institutions shall: (i) have a secure and compliant business system and disaster recovery system that are capable of independently completing the processing of payment business within the territory of the PRC; and (ii) store, process and analyze the personal information and financial information collected and generated within the territory of the PRC. Where such information needs to be transmitted overseas for the purpose of processing cross-border transactions, foreign-invested payment institutions shall comply with laws, administrative regulations and the provisions of relevant regulatory departments, require overseas parties to fulfill corresponding information confidentiality obligations, and obtain consent from the parties involved in such personal information. Their corporate governance, daily operations, risk management, fund processing, deposit of excess reserves and contingent arrangements shall comply with PBOC's requirements on non-bank payment institutions.

REGULATIONS ON M&A RULES AND OVERSEAS LISTINGS

On August 8, 2006, six PRC regulatory agencies, including the MOFCOM, State-owned Assets Supervision and Administration Commission of the State Council, State Administration of Taxation (the "**SAT**"), State Administration for Market Regulation (the "**SAMR**"), China Securities Regulatory Commission (the "**CSRC**") and State Administration of Foreign Exchange (the "**SAFE**"), issued the Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (《關於外國投資者並購境內企業的規定》) (the "**M&A Rules**"), which took into effect on September 8, 2006 and was amended on June 22, 2009. Foreign investors shall comply with the M&A Rules when they purchase equity interests of a domestic company or subscribe the increased capital of a domestic company, and thus changing the nature of the domestic company into a foreign-invested enterprise; or when the foreign investors establish a foreign-invested enterprise in the PRC, purchase the assets of a domestic company and operate the assets; or when the foreign investors purchase the asset of a domestic company, establish a foreign-invested enterprise by injecting such assets and operate the assets. The M&A Rules purport, among other things, to require offshore special purpose vehicles formed for overseas listing purposes through acquisitions of PRC domestic companies and controlled by PRC companies or individuals, to obtain the approval of CSRC prior to publicly listing their securities on an overseas stock exchange.

REGULATIONS ON COMPANY ESTABLISHMENT AND FOREIGN INVESTMENT

The establishment, operation and management of companies in China is governed by the PRC Company Law, as amended in 1999, 2004, 2005 and 2013. According to the PRC Company Law, companies established in the PRC are either limited liability companies or joint stock limited liability companies. The PRC Company Law applies to both PRC domestic companies and foreign-invested

companies. The establishment procedures, approval procedures, registered capital requirements, foreign exchange matters, accounting practices, taxation and labor matters of a wholly foreign-owned enterprise (the "**WFOE**") are regulated by the Wholly Foreign-owned Enterprise Law of the PRC (《中華人民共和國外資企業法》) which was promulgated on October 31, 2000, and amended on September 3, 2016, and the Implementation Regulation of the Wholly Foreign-owned Enterprise Law (《外資企業法實施細則》), which was promulgated on April 12, 2001, and amended on February 19, 2014. The establishment of a WFOE shall be subject to examination and approval by the Ministry of Foreign Trade and Economic Cooperation of the PRC ("**MOFTEC**", currently known as the "**MOFCOM"**) before the approval certificate is issued.

On September 3, 2016, SCNPC promulgated the Decision on Revising Four Laws including the Wholly Foreign-owned Enterprise Law of the People's Republic of China (《全國人民代表大會常務委員會關於修改<中華人民共和國外資企業法>等四部法律的決定》), which took into effect on October 1, 2016, changes the "filing or approval" procedure for foreign investments in China such that foreign investments in business sectors not subject to special administrative measures will only be required to complete a filing instead of the existing requirements to apply for approval. The special entry management measures shall be promulgated or approved to be promulgated by the State Council. Pursuant to a notice issued by the NDRC and MOFCOM on October 8, 2016, the special entry management measures shall be implemented with reference to the relevant regulations as stipulated in the Catalog in relation to the restricted foreign investment industries, prohibited foreign investment industries and encouraged foreign investment industries. Pursuant to the Provisional Administrative Measures on Establishment and Modifications (Filing) for Foreign Investment Enterprises (《外商投資企業設立及變更備案管理暫行辦法》) promulgated by the MOFCOM and took into effect on October 8, 2016, and amended on July 30, 2017, establishment and changes of foreign investment enterprises not subject to the approval under the special entry management measures shall be filed with the relevant commerce authorities.

REGULATIONS ON FOOD SERVICE

Food Safety Law

According to the Food Safety Law of the People's Republic of China (《中華人民共和國食品安全法》) (the "**Food Safety Law**"), which was promulgated by SCNPC on February 28, 2009, took into effect on June 1, 2009, and amended on April 24, 2015 (the "**New Food Safety Law**"), and the Regulations for the Implementation of the Food Safety Law of the People's Republic of China (《中華人民共和國食品安全法實施條例》) (the "**Implementation Rules**") which were promulgated by the State Council and took into effect on July 20, 2009, and amended on February 6, 2016, businesses engaging in food production and trading shall obtain relevant food production and trading licenses in accordance with the law. The supervision and management of food production and trading activities shall be carried out by the State Council departments of quality supervision, administration of industry and commerce, and food and drug supervision and management.

The main amendments of the New Food Safety Law are relating to online food trades. The New Food Safety Law mandates that online food traders shall register its real name on the platform, and clearly set forth the traders' responsibilities and the platform providers' examination duties. Third party platform providers of online transactions of foodstuffs shall implement real name registration for

participating food business operators, and specify their food safety management responsibilities. Third party platform providers of online transactions of foodstuffs shall, upon discovery of any violation by participating food business operators of the provisions of this Law, promptly stop the offender and forthwith report to the food and drug supervision and administration department of the county People's Government at the locality; upon discovery of a serious illegal act, the third party platform provider shall forthwith cease provision of online trading platform service.

To strengthen the supervision and administration of food safety of online catering services, on November 6, 2017, the SAMR promulgated Measures for the Supervision and Administration of Food Safety of Online Catering Services (《網絡餐飲服務食品安全監督管理辦法》) (the "**Online Catering Services Measures**") which took into effect on January 1, 2018, to regulate the business activities of provider of a third-party online catering services platform (the "**Platform Provider**") and catering service providers who provide catering services through third-party platforms and self-developed websites (the "**Online Catering Service Provider**"). Pursuant to the Online Catering Services Measures, the Platform Provider shall within 30 working days after approval by the competent communications administration, go through record-filing with the provincial food and drug administration at its domicile, review the food business permit of an Online Catering Service Provider and ensure that the authenticity of the information. The Online Catering Service Provider shall have physical stores, operate the food business permit pursuant to the law, and engage in business activities according to the main business model and business items specified in its food business permit. The Platform Provider and an Online Catering Service Provider shall strengthen food safety training and management of food delivery personnel. Where a delivery entity is entrusted with food delivery services, the delivery entity shall strengthen food safety training and management of food delivery personnel. Where a local food and drug administration at or above the county level finds that an Online Catering Service Provider it is investigating and dealing with has committed grave violations of the law, the said administration shall notify the Platform Provider, and require the Platform Provider to immediately stop online transaction platform services for the Online Catering Service Provider. To specify food safety responsibilities, the provider of a third-party online catering services platform shall sign a food safety agreement with an Online Catering Service Provider.

Food Operation Licensing

The Administrative Measures for Food Operation Licensing (《食品經營許可管理辦法》), which were promulgated on August 31, 2015, by the SAMR and took into effect on October 1, 2015, and amended on September 17, 2017, provide that the food operation shall be licensed in accordance with the law to engage in food selling and catering service within the territory of PRC. The principle of one license for one enterprise shall apply to the licensing for food operation, that is, the same food seller engaged in food operation activities shall obtain a food operation license. The Administrative Measures for Food Operation Licensing also provide application requirements regarding operators who engage in the sale of food using vending equipment.

The SAMR shall take charge of the supervision over and guidance to the nationwide food operation licensing administration. Local food and drug regulatory authorities at and above the county level shall take charge of food operation licensing within their respective administrative regions. The date on which the decision on licensing is made shall be the date of issuance of the food operation license. The Food Operation License shall be valid for five years.

REGULATIONS ON TRAVEL AGENCY

The State Council promulgated the Regulations on Travel Agencies (《旅行社條例》) on February 20, 2009, which took into effect on May 1, 2009 and were amended on February 6, 2016 and March 1, 2017. On April 25, 2013, the SCNPC promulgated the Tourism Law of the PRC (《中華人民共和國旅遊法》), which took into effect on October 1, 2013 and was amended on November 7, 2016. Pursuant to the Tourism Law of the PRC, travel agencies may engage in domestic tourism, outbound tourism, border tourism and inbound tourism. According to the Implementing Rules of the Regulations on Travel Agencies (《旅行社條例實施細則》) promulgated by Ministry of Culture and Tourism of the PRC (the "**MCT**") and took into effect on December 12, 2016, outbound tourism business means the travel agencies' businesses of soliciting, organizing, and receiving residents of the mainland of China to travel abroad, and to Hong Kong Special Administrative Region, Macao Special Administrative Region and Taiwan region, and their businesses of soliciting, organizing, and hosting foreigners in the mainland of China, and residents of Hong Kong Special Administrative Region, Macao Special Administrative Region and Taiwan region in the mainland of China to travel outside the mainland of China. Pursuant to such regulations and laws, the travel agency engaging in domestic tourism business and inbound tourism business shall apply for business operation permit for travel agency. After obtaining such business operation permit for travel agency for two years without fines and severe punishment by administrative organs for infringing tourists' legal rights and interests, the travel agency may then apply for outbound tourism business. Further, pursuant to the Measures for Administration of Outbound Tours by Chinese Citizens (《中國公民出國旅遊管理辦法》) promulgated by the State Council on May 27, 2002, took into effect on July 1, 2002 and amended on March 1, 2017, the travel agency applying for operating the outbound tour business shall have obtained the qualification as an international travel agency over one year, have prominent performance of inbound tour business and have no material unlawful acts and major service problems.

REGULATIONS ON TICKET SALES AGENCY

According to Measures for the Recognition of Sales Agency Qualifications (Revised in 2015) (《航空運輸銷售代理資質認可辦法(2015修訂)》) issued by China Air Transport Association (the "**CATA**") on April 15, 2015, to engage in sales agency activities of air transport, sales agencies shall obtain an approval of qualifications issued by the CATA named "Sales Agency Qualifications." Sales Agency Qualifications are classified into Class A Sales Agency Qualifications for Air Transport and Class B Sales Agency Qualifications for Air Transport. "Class A Sales Agency Qualifications for Air Transport" refers to sales agency qualifications for civil air transport of passengers and freight of international air routes or Hong Kong, Macao and Taiwan air routes. "Class B Sales Agency Qualifications for Air Transport" refers to sales agency qualifications for civil air transport of passengers and freight of international air routes other than Hong Kong, Macao and Taiwan air routes. The term of the Sales Agency Qualifications is three years. When the sales agency wants to engage in sales agency activities through internet, besides obtaining the Sales Agency Qualifications, it shall also comply with the requirements listed in the trial version of the Measures on Internet Ticket Transaction (《網絡機票交易管理辦法》(試行)), pursuant to which, the sales agency shall obtain Permit for the Operation of Telecommunication and Information Service Business in the PRC and report the related information to CATA for record.

On April 15, 2015, the CATA promulgated a trial version of the Measures for the Supervision of Air Transport Sales Agency (《航空運輸銷售代理企業監督管理辦法》(試行)) to regulate the air transportation sales agencies, pursuant to which, the sales agency shall not take improper means to falsely book flight seats, sale tickets at a higher price and charge ticket refund fee illegally.

REGULATIONS ON EXPRESS DELIVERY SERVICES

According to the Administrative Measures on Business Licensing for Express Delivery Services (《快遞業務經營許可管理辦法》) promulgated by Ministry of Transport on September 1, 2009, took into effect on October 1, 2009, and amended on April 12, 2013 and June 24, 2015, operators of express delivery services shall obtain the Business License for Express Delivery Services issued by Postal Service Administrations pursuant to the law, and accept the supervision and administration by Postal Service Administrations and other relevant departments. The Business License for Express Delivery Services shall be valid for a period of five years. An enterprise providing express delivery services shall comply with the licensing scope and term of validity as specified in the Business License for Express Delivery Services.

REGULATIONS ON ONLINE TAXI BOOKING SERVICES

Online taxi booking services are a relatively new business model in China. On July 27, 2016, the Ministry of Transport, MIIT, Ministry of Public Security, MOFCOM, SAMR and the CAC jointly promulgated Administrative Measures for the Business of Online Taxi Booking Services (《網絡預約出租車經營服務管理暫行辦法》) which took into effect on November 1, 2016, to regulate the business activities of online taxi booking services, and ensure operational safety for the passengers. Before carrying out online taxi booking services, an online taxi booking service platform company shall obtain the permit for online taxi booking business and complete the record-filing of internet information services to the provincial communications administration in the place of its enterprise registration. When collecting the personal information of drivers and passengers, an online taxi booking service platform enterprise shall not exceed the scope of information requisite for its online taxi booking business. Vehicles engaging the online taxi booking services shall install satellite positioning devices and fulfill the criteria of safe operations. The competent administrative departments of the taxi industry in the service locations of a vehicle owner will issue the transportation permit for online taxi booking services for vehicles that satisfy the prescribed conditions and are registered as vehicles for pre-booked passenger transport by taxi. Drivers engaging in the online taxi booking services shall satisfy the requirement of driving experience, no record of criminal offence and violent crimes to obtain his license for online taxi booking services. Except for the regulation on the national level, many local authorities have promulgated detailed implementing rules to further stipulate the requirements for online taxi booking service platform, vehicles and drivers.

REGULATIONS ON INTERNET ADVERTISING

On July 4, 2016, SAMR promulgated the Interim Measures on Internet Advertising (《互聯網廣告管理暫行辦法》) (the "**Internet Advertising Measures**"), which took into effect on September 1, 2016, regulate any advertisement published on the internet, including but not limited to, through websites, webpage and apps, in the form of word, picture, audio and video and provides more detailed

guidelines to the advertisers, advertising operators and advertising distributors. Internet advertisers, advertising operators and/or advertisement publishers must enter into written contracts in conducting internet advertising business and activities. Internet advertisers are responsible for the authenticity of the content of advertisements and may publish advertisements by setting up a website or an internet medium legally used by them, or by entrusting internet advertising operators or advertising publishers to publish advertisements. Internet information service providers must stop any person from using their information services to publish illegal advertisements if they are aware of, or should reasonably be aware of, such illegal advertisements even though the internet information service provider merely provides information services and is not involved in the internet advertising businesses. The following activities are prohibited pursuant to the Internet Advertising Measures: (i) providing or using applications and hardware to block, filter, skip over, tamper with, or cover up lawful advertisements provided by others; (ii) using network access, network equipment and applications to disrupt the normal transmission of lawful advertisements provided by others or adding or uploading advertisements without permission; or (iii) harming the interests of others by using fake statistics or traffic data. The industry and commerce administrative department is the relevant local administrative authority that supervises and enforces punishments for any illegal act in internet advertising. Any violation of the Internet Advertising Measures may result in fines, prohibition of publishing advertisements for a period of time or withdrawal of business licenses, etc.

REGULATIONS ON INTERNET AUDIO-VISUAL PROGRAM SERVICES

According to the Certain Decisions on the Entry of the Non-state-owned Capital into the Cultural Industry (《關於非公有資本進入文化產業的若干決定》) promulgated by the State Council and took into effect on April 13, 2005, and the Several Opinions on Canvassing Foreign Investment into the Culture Sector (《關於文化領域引進外資的若干意見》) promulgated by the MCT, State Administration of Press, Publication, Radio, Film and Television (the "**SAPPRFT**"), NDRC and MOFCOM and took into effect on July 6, 2005, non-state-owned capital and foreign investors are not allowed to conduct the business of transmitting audio-visual programs via an information network.

On February 17, 2011, the MCT promulgated the Interim Administrative Provisions on Internet Culture (《互聯網文化管理暫行規定》) (the "**Internet Culture Provisions**"). According to the Internet Culture Provisions, internet audio-visual program services are included in internet culture operation, and internet cultural entities are classified into operational internet cultural entities and non-operational internet cultural entities. Operational internet cultural entities shall file an application for establishment to the competent culture administration authorities for approval and must obtain the online culture operating permit.

According to the Administrative Regulations on Internet Audio-Visual Program Service (《互聯網視聽節目服務管理規定》) (the "**Internet Audio-Visual Program Regulations**"), promulgated by the SAPPRFT and the MIIT on December 20, 2007, which took into effect on December 20, 2017, and were amended on August 28, 2015, "internet audio-video program services" means producing, editing and integrating of audio-video programs, supplying audio-video programs to the public via the internet, and providing audio-video programs uploading and transmission services to a third party. Entities providing internet audio-video programs services must obtain an internet audio-video

program transmission license. According to the Internet Audio-Visual Program Regulations and other relevant laws and regulations, audio-video programs provided by the entities supplying internet audio-video program services shall not contain any illegal content or other content prohibited by the laws and regulations, such as any content against the basic principles in the PRC Constitution, any content that damages the sovereignty of the country or national security, and any content that disturbs social order or undermine social stability.

REGULATIONS ON RADIO AND TELEVISION PROGRAMS

On August 11, 1997, the State Council promulgated Administrative Regulations on Radio and Television (《廣播電視管理條例》), which came into effect on September 1, 1997 and were amended on December 7, 2013 and March 1, 2017. Units for the production and management of radio television programs are established upon the approval of the administrative departments for radio and television under the people's governments at or above the provincial level. Only radio stations, television stations and units for the production and management of radio television programs can produce radio and television programs. No radio or television station may broadcast any program produced by units which are not licensed to produce and manage radio or television programs.

According to the Provisions for the Administration of the Production and Distribution of Radio and Television Programs (《廣播電視節目製作經營管理規定》) promulgated by the SAPPRFT on July 19, 2004, which took into effect on August 20, 2004 and was amended on August 28, 2015, any business that produces or operates radio or television programs must first obtain a Radio and Television Program Production and Operation Permit. Entities holding such permits shall conduct their business within the permitted scope as provided in their permits. In addition, foreign-invested enterprises are not allowed to engage in the above-mentioned services.

REGULATIONS ON INTERNET PHARMACEUTICAL INFORMATION SERVICE

The Administration Measures on Pharmaceutical Information Service on the Internet (《互聯網藥品信息服務管理辦法》), promulgated by the SAMR on 8 July 2004, took into effect on the same date and amended on November 17, 2017, define the provision of profit-making and non-profit-making online medicine information services on the internet. Where any website intends to provide internet drug information services, to obtain the Qualification Certificate for Internet Drug Information, it shall first file an application with the food and drug administration department of the province level at the domicile of the website's sponsor, and then apply for an operation permit from the State Council's department in charge of information industry or the telecom administrative authority at the provincial level or complete the procedures for record-filing.

REGULATIONS ON MICROCREDIT INDUSTRY

As of the Latest Practicable Date, there is no nationwide administrative regulatory authority for the microcredit industry. China Banking and Insurance Regulatory Commission (the "**CBIRC**") and PBOC jointly promulgated the Guidance on the Pilot Programs for Microcredit Company (the "**Microcredit Company Guidance**") (《關於小額貸款公司試點的指導意見》) on May 4, 2008. To establish a microcredit company, the investors shall apply to the competent governmental body at provincial level and, upon approval, register at the administration of industry and commerce where the

company will be domiciled and obtain the business license. Within five days after the registration, the microcredit company shall submit relevant materials to the local public security department and local branches of the CBIRC and the PBOC. Microcredit companies shall be subject to public supervision and shall not illegally raise funds in any form.

All provinces, autonomous regions, and municipalities directly under the central government of the PRC must appoint their own regulatory authority for the microcredit industry. Currently, the microcredit industry in the PRC is primarily regulated by the financial affairs offices ("**financial affairs offices**") of the people's governments of the relevant provinces, autonomous regions and municipalities directly under the central government of the PRC. According to the Chongqing Municipal Instructions on Promoting Pilot Microcredit Companies (《重慶市推進小額貸款公司試點指導意見》) promulgated by Chongqing Municipal People's Government on August 1, 2008, Notice on Forwarding "Chongqing Municipal Interim Measures of Pilot Microcredit Companies" by General Office of Chongqing Municipal People's Government" (《重慶市人民政府辦公廳關於轉發重慶市小額貸款公司試點管理暫行辦法的通知》), Notice on Issues concerning the Adjustment of "Chongqing Municipal Interim Measures of Pilot Microcredit Companies" by General Office of Chongqing Municipal People's Government (《重慶市人民政府辦公廳關於調整重慶市小額貸款公司試點管理暫行辦法有關問題的通知》) and Suggestion on Further Promoting the Development of Microcredit Companies by General Office of Chongqing Municipal People's Government (《重慶市人民政府辦公廳關於進一步推進小額貸款公司發展的意見》) promulgated by General Office of Chongqing Municipal People's Government on August 1, 2008, April 27, 2009, and April 12, 2011, respectively, in preparing for the establishment of a microcredit company, all the investors as the applicants shall submit an application to the financial affairs office for approval. Microcredit company with approval of establishment shall put a deposit no less than 10% of its registered capital into a specified account before the establishment. With the approval of the financial affairs office, the microcredit company can carry out the businesses listed as below: 1) granting loans; 2) handling the discounting of negotiable instruments; 3) handling asset transfer. Microcredit companies shall not perform any kind of illegal fund-raising or absorb public deposits in a disguised way. Microcredit companies with good management status and risk-control capability, and with capital equal to or more than RMB200 million, can establish branches in the administrative jurisdiction of Chongqing Municipal and conduct business across counties and autonomous counties after approval. Foreign investors are encouraged to hold shares of or own microcredit companies.

REGULATIONS ON INTERNET MAP SERVICES

According to the Administrative Rules of Surveying Qualification Certificate (《測繪資質管理規定》) promulgated by the Ministry of Natural Resources of the PRC (the "**MNR**") on July 1, 2014 and took into effect on August 1, 2014, the provision of internet map services by any non-surveying and mapping enterprise is subject to the approval of the MNR and requires a surveying and mapping qualification certificate. Internet maps refer to maps called or transmitted through the internet. Pursuant to the Notice on Further Strengthening the Administration of Internet Map Services Qualification (《國家測繪地理資訊局關於進一步加強互聯網地圖服務資質管理工作的通知》) issued by the MNR on December 23, 2011, any entity without a Surveying and Mapping Qualification Certificate for Internet Surveying and Mapping (互聯網地圖服務資質) is prohibited from providing any internet map services. According to the Provisions on the Administration of Examination of Maps (《地圖審核管理規定》) promulgated by MNR on June 23, 2006 and took effect on August 1, 2006 and

amended on November 28, 2017, subject to limited exceptions, an enterprise must first apply for an approval by the relevant regulatory authority, if it intends to engage in any of the following activities: (i) publication, display, production, posting, import or export of a map or a product attached with a map, (ii) re-publication, re-display, re-production, re-posting, re-import or re-export of a map the content of which has been changed after it is approved, or other commercial products attached with such a map, and (iii) publication or display of a map or a product attached with a map overseas. The operator of an approved internet map is required to file the updated contents of the map with the relevant regulatory authority semi-annually, and re-apply for a new approval of the map when the two-year term of the existing approval expires.

REGULATIONS ON BIKE-SHARING

According to the Guiding Opinions on Encouraging and Regulating the Development of Internet Bike Rental (《關於鼓勵和規範互聯網租賃自行車發展的指導意見》) promulgated by the Ministry of Transport, Publicity Department of the Communist Party of China Central Committee, Office of the Central Leading Group for Cyberspace Affairs, NDRC, MIIT, Ministry of Public Security, Ministry of Housing and Urban-rural Development, PBOC, SAMR and MCT and took into effect on August 1, 2017, the internet bike-sharing operators shall establish the users' real name registration mechanism and enter into a service agreement with users to define their respective rights and obligations and specify the requirements on users' riding and parking. To strengthen the protection of the networks and information security, internet bike-sharing operators shall set up their servers within the territory of China, implement the network security hierarchical protection, data security management and personal information protection systems and establish a network and information security management system and technical support measures. Additionally, internet bike-sharing operators shall refine their internal control mechanism, including rigorously distinguish enterprise self-owned funds from deposits and advance from users, open special accounts for user's deposits and advance, and prevent and control user fund risks.

REGULATIONS ON CUSTOMER PROTECTION

The Law of the People's Republic of China on the Protection of Customer Rights and Interests (《中華人民共和國消費者權益保護法》) (the "**Customer Protection Law**"), promulgated by the SCNPC on October 31, 1993, sets out the obligations of business operators and the rights and interests of the customers. Pursuant to the Customer Protection Law, business operators must guarantee the quality, function, usage, term of validity, personal or property safety requirement of the goods and services and provide customers with authentic information about the goods and services. Consumer whose legitimate rights and interests are harmed in the purchase of goods or receipt of services rendered through an online trading platform may seek compensation from the seller or the service provider. Where the online trading platform provider is unable to provide the true name, address and valid contact method of the seller or the service provider, the consumer may seek compensation from the online trading platform provider; where the online trading platfonn provider makes an undertaking which is more favourable to the consumer, the undertaking shall be performed. Upon compensation by

the online trading platform provider, the online trading platfonn provider shall have the right to recover the compensation from the seller or the service provider. Where the online trading platform provider is or should be aware that the seller or the service provider is using its platform to harm the legitimate consumer rights and interests but failed to adopt the requisite measures, the online trading platform provider shall be liable jointly and severally with the seller or the service provider pursuant to the law.

REGULATIONS ON UNFAIR COMPETITION

According to the Law of the People's Republic of China against Unfair Competition (《中華人民共和國反不正當競爭法》) (the "**Anti-Unfair Competition Law**") promulgated by the SCNPC on September 2, 1993 and amended on November 4, 2017, effective from January 1, 2018, operators shall not undermine their competitors by engaging in improper activities, including but not limited to, taking advantage of powers or influence to affect a transaction, market confusion, commercial bribery, misleading false publicity, infringement of trade secrets, price dumping, illegitimate premium sale and commercial libel. Any operators who violate the Anti-Unfair Competition Law by engaging in the foregoing unfair competitive activities shall be ordered to cease such illegal activities, eliminate the influence of such activities or compensate for the damages caused to any party. The competent supervision and inspection authorities may also confiscate the illegal gains or impose fines on such operators.

REGULATIONS RELATING TO FOREIGN EXCHANGE

Regulation on Foreign Currency Exchange

Pursuant to the Foreign Exchange Administration Regulations (《外匯管理條例》) promulgated by the State Council on January 29, 1996, took into effect on April 1, 1996 and last amended on August 5, 2008, Renminbi is freely convertible into other currencies for current account items, including the distribution of dividends, interest payments, trade and service-related foreign exchange transactions, but not for capital account items, such as direct investments, loans, repatriation of investments and investments in securities outside of China, unless prior approval is obtained from SAFE and prior registration with SAFE is made.

Pursuant to the Notice of the SAFE on Further Improving and Adjusting Foreign Exchange Administration Policies for Direct Investment (《國家外匯管理局關於進一步改進和調整直接投資外匯管理政策的通知》) (the "**SAFE Circular No. 59**") promulgated by SAFE on November 19, 2012, which became effective on December 17, 2012 and was further amended on May 4, 2015, approval is not required for the opening of an account entry in foreign exchange accounts under direct investment. SAFE Notice No. 59 also simplified the capital verification and confirmation formalities for foreign invested entities, the foreign capital and foreign exchange registration formalities required for the foreign investors to acquire equities from Chinese party, and further improved the administration on exchange settlement of foreign exchange capital of foreign invested entities.

On March 30, 2015, SAFE promulgated the Circular on Reforming the Administration Measures on Conversion of Foreign Exchange Registered Capital of Foreign-invested Enterprises (《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》) (the "**Circular 19**"), which took into effect on June 1, 2015. SAFE further promulgated the Circular of the State Administration of Foreign Exchange on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Accounts (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) (the "**Circular 16**") on June 9, 2016, which, among other things, amend certain provisions of the Circular 19. According to the Circular 19 and the Circular 16, the flow and use of the Renminbi capital converted from foreign currency denominated registered capital of a foreign-invested company is regulated such that Renminbi capital may not be used for business beyond its business scope or to provide loans to persons other than affiliates unless otherwise permitted under its business scope. Violations of the Circular 19 or Circular 16 could result in administrative penalties.

On January 26, 2017, the SAFE promulgated the Notice on Improving the Check of Authenticity and Compliance to Further Promote Foreign Exchange Control (《關於進一步推進外匯管理改革完善真實合規性審核的通知》) (the "**Circular 3**"), which stipulates several capital control measures with respect to the outbound remittance of profit from domestic entities to offshore entities, including (i) under the principle of genuine transaction, banks shall check board resolutions regarding profit distribution, the original version of tax filing records and audited financial statements; and (ii) domestic entities shall hold income to account for previous years' losses before remitting the profits. Moreover, pursuant to the Circular 3, domestic entities shall make detailed explanations of the sources of capital and utilization arrangements, and provide board resolutions, contracts and other proof when completing the registration procedures in connection with an outbound investment.

Regulations on Dividend Distribution

The principal regulations governing distribution of dividends of foreign-invested enterprises include the PRC Company Law, the Foreign Invested Enterprise Law (《中華人民共和國外資企業法》) promulgated by the National People's Congress (the "**NPC**") and took into effect on April 12, 1986, and amended on October 31, 2000 and October 1, 2016, and the Implementation Rules of the Foreign Invested Enterprise Law (《外資企業法實施細則》) promulgated by the MOFCOM and took into effect on December 12, 1990, and amended on April 12, 2001 and February 19, 2014. Under these laws and regulations, WFOEs in China may pay dividends only out of their accumulated after-tax profits, if any, determined in accordance with PRC accounting standards and regulations. In addition, WFOEs in China are required to allocate at least 10% of their respective accumulated profits each year, if any, to fund certain reserve funds until these reserves have reached 50% of the registered capital of the enterprises. A PRC company shall not distribute any profits until any losses from prior fiscal years have been offset. Profits retained from prior fiscal years may be distributed together with distributable profits from the current fiscal year. Wholly foreign-owned companies may, at their discretion, allocate a portion of their after-tax profits based on PRC accounting standards to staff welfare and bonus funds. These reserves are not distributable as cash dividends.

Regulations on Foreign Exchange Registration of Overseas Investment by PRC Residents

On July 4, 2014, SAFE promulgated the Notice on Relevant Issues Relating to Domestic Residents' Investment and Financing and Round-Trip Investment through Special Purpose

Vehicles (《關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》) (the "**Circular 37**") for the purpose of simplifying the approval process, and for the promotion of the cross-border investment. The Circular 37 supersedes the Notice on Relevant Issues on the Foreign Exchange Administration of Raising Funds through Overseas Special Purpose Vehicle and Investing Back in China by Domestic Residents (《關於境內居民通過境外特殊目的公司融資及返程投資外匯管理有關問題的通知》), and revises and regulates the relevant matters involving foreign exchange registration for round-trip investment. Under Circular 37, (1) a resident in mainland China must register with the local SAFE branch before he or she contributes assets or equity interests in an overseas special purpose vehicle, or an Oversea SPV, that is directly established or indirectly controlled by the PRC resident for the purpose of conducting investment or financing; and (2) following the initial registration, PRC resident must update his or her SAFE registration when the offshore special purpose vehicle undergoes material events relating to any change of basic information (including change of such PRC citizens or residents, name and operation term, increases or decreases in investment amount, transfers or exchanges of shares, or mergers or divisions).

Pursuant to the SAFE Circular Further Simplification and Improvement Foreign Exchange Administration on Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》), promulgated by SAFE on February 13, 2015 and effective on June 1, 2015, the aforementioned registration shall be directly reviewed and handled by qualified banks, and SAFE and its branches shall perform indirect regulation over the foreign exchange registration via qualified banks.

Failure to comply with the registration procedures set forth in the Circular 37 may result in restrictions being imposed on the foreign exchange activities of the relevant onshore company, including the payment of dividends and other distributions to its offshore parent or Affiliate, and may also subject relevant PRC residents to penalties under PRC foreign exchange administration regulations. PRC residents who control the company from time to time are required to register with the SAFE in connection with their investments in the company. Moreover, failure to comply with the various SAFE registration requirements described above could result in liability under PRC law for evasion of foreign exchange controls.

Regulations on Stock Incentive Plans

On February 15, 2012, SAFE promulgated the Notice on Foreign Exchange Administration of PRC Residents Participating in Share Incentive Plans of Offshore Listed Companies (《國家外匯管理局關於境內個人參與境外上市公司股權激勵計劃外匯管理有關問題的通知》) (the "**Stock Option Rules**"). According to the Stock Option Rules, individuals participating in any stock incentive plan of any overseas publicly listed company who are Chinese citizens or foreign citizens who reside in mainland China for a continuous period of not less than one year, subject to a few exceptions, are required to register with SAFE or its local branches and complete certain other procedures through a domestic qualified agent, which could be a Chinese subsidiary of such overseas listed company, and complete certain other procedures. The participants must also retain an overseas entrusted institution to handle matters in connection with their exercise of stock options, the purchase and sale of corresponding stocks or interests and fund transfers. In addition, the agent in mainland China is required to further amend the SAFE registration with respect to the stock incentive plan if there is any material change to the stock incentive plan, the mainland Chinese agent or the overseas entrusted

institution or other material changes. The mainland Chinese agents must, on behalf of the mainland Chinese residents who have the right to exercise the employee share options, apply to SAFE or its local branches for an annual quota for the payment of foreign currencies in connection with the mainland Chinese residents' exercise of the employee share options. The foreign exchange proceeds received by the mainland Chinese residents from the sale of shares under the stock incentive plans granted and dividends distributed by the overseas listed companies must be remitted into the bank accounts in mainland China opened by the mainland Chinese agents before distribution to such mainland Chinese residents. Under the Circular of the State Administration of Taxation on Issues Concerning Individual Income Tax in Relation to Equity Incentives (《國家税務總局關於股權激勵有關個人所得税問題的通知》) promulgated by the SAT and effective from August 24, 2009, listed companies and their domestic organizations shall, according to the individual income tax calculation methods for "wage and salary income" and stock option income, lawfully withhold and pay individual income tax on such income.

REGULATION ON INTELLECTUAL PROPERTY

Copyright and Software Products

On September 7, 1990, the NPC promulgated Copyright Law of the PRC (《中華人民共和國著作權法》) (the "**Copyright Law**"), which took into effect on June 1, 1991, and amended on October 27, 2001 and February 26, 2010, respectively. The Copyright Law provides that Chinese citizens, legal persons, or other organizations shall, whether published or not, enjoy copyright in their works, which include, among others, works of literature, art, natural science, social science, engineering technology and computer software. In addition, internet activities, products disseminated over the internet and software products also enjoys copyright. There is a voluntary registration system administered by the China Copyright Protection Center.

In order to further implement the Computer Software Protection Regulations (《計算機軟件保護條例》) promulgated by the State Council on December 20, 2001, took into effect on March 1, 2013, and amended on January 30, 2013, the State Copyright Bureau issued the Computer Software Copyright Registration Procedures (《計算機軟件著作權登記辦法》) on February 20, 2002 and amended on June 18, 2004, which apply to software copyright registration, license contract registration and transfer contract registration. The National Copyright Administration of China shall be the competent authority for the nationwide administration of software copyright registration and the Copyright Protection Center of China (the "**CPCC**"), is designated as the software registration authority. The CPCC shall grant registration certificates to the Computer Software Copyrights applicants which conforms to the provisions of both the Software Copyright Measures and the Computer Software Protection Regulations (Revised in 2013).

Provisions of the Supreme People's Court on Certain Issues Related to the Application of Law in the Trial of Civil Cases Involving Disputes over Infringement of the Right of Dissemination through Information Networks (《最高人民法院關於審理侵害資訊網絡傳播權民事糾紛案件適用法律若干問題的規定》) provide that web players or web service providers who create works, performances or audio-video products, for which others have the right of dissemination through information networks or are available on any information network without authorization shall be deemed to have infringed upon the right of dissemination through information networks.

Trademarks

Trademarks are protected by the PRC Trademark Law (《中華人民共和國商標法》) promulgated by the NPC on August 23, 1982 and subsequently amended on February 22, 1993, October 27, 2001 and August 30, 2013 as well as the Implementation Regulation of the PRC Trademark Law (《中華人民共和國商標法實施條例》) promulgated by the State Council on August 3, 2002 and amended on April 29, 2014. The Trademark Office handles trademark registrations and grants a term of ten years to registered trademarks and another ten years if requested upon expiry of the first or any renewed ten-year term. Trademark registrant may license its registered trademark to another party by entering into a trademark license agreement. Trademark license agreements must be filed with the Trademark Office to be recorded. The licensor shall supervise the quality of the commodities on which the trademark is used, and the licensee shall guarantee the quality of such commodities. Trademark license agreements must be filed with the Trademark Office for record. The PRC Trademark Law has adopted a "first-to-file" principle with respect to trademark registration. Where a trademark for which a registration has been made is identical or similar to another trademark which has already been registered or been subject to a preliminary examination and approval for use on the same kind of or similar commodities or services, the application for registration of such trademark may be rejected. Any person applying for the registration of a trademark may not prejudice the existing right first obtained by others, nor may any person register in advance a trademark that has already been used by another party and has already gained a "sufficient degree of reputation" through such party's use. Trademark license agreements should be filed with the Trademark Office or its regional offices.

Domain Names

Internet domain name registration and related matters are primarily regulated by the Measures on Administration of Domain Names for the Chinese Internet (《中國互聯網絡域名管理辦法》), promulgated by MIIT on November 5, 2004 and took into effect on December 20, 2004 which was superseded by the Measures on Administration of Internet Domain Names (《互聯網域名管理辦法》) promulgated by MIIT on August 24, 2017 and took into effect on November 1, 2017, and the Implementing Rules on Registration of Domain Names (《中國互聯網絡信息中心域名註冊實施細則》) promulgated by China Internet Network Information Center and took into effect on May 29, 2012. Domain name owners are required to register their domain names and the MIIT is in charge of the administration of PRC internet domain names. The domain name services follow a "first come, first file" principle. Applicants for registration of domain names shall provide their true, accurate and complete information of such domain names to and enter into registration agreements with domain name registration service institutions. The applicants will become the holders of such domain names upon the completion of the registration procedure.

The Patent Law

According to the Patent Law of the PRC (Revised in 2008) (《中華人民共和國專利法》(2008年修訂)) promulgated by the SCNPC on December 27, 2008 and took into effect on October 1, 2009, and its Implementation Rules (Revised in 2010) (《中華人民共和國專利法實施細則》(2010年修訂)) promulgated by the State Council on January 9, 2010 and took into effect on February 1, 2010, the State Intellectual Property Office of the PRC is responsible for administering patents in the PRC. The patent administration departments of provincial or autonomous regions or municipal governments are

responsible for administering patents within their respective jurisdictions. The Patent Law of the PRC and its implementation rules provide for three types of patents, "invention", "utility model" and "design." Invention patents are valid for twenty years, while design patents and utility model patents are valid for ten years, from the date of application. The Chinese patent system adopts a "first come, first file" principle, which means that where more than one person files a patent application for the same invention, a patent will be granted to the person who files the application first. To be patentable, invention or utility models must meet three criteria: novelty, inventiveness and practicability. A third-party player must obtain consent or a proper license from the patent owner to use the patent. Otherwise, the use constitutes an infringement of the patent rights.

REGULATIONS ON TAXES

Enterprise Income Tax

Pursuant to the People's Republic of China Enterprise Income Tax Law (《中華人民共和國企業所得稅法》) (the "**EIT Law**") promulgated by NPC on March 16, 2007, which took into effect on January 1, 2008 and amended on February 24, 2017, and its implementing rules, enterprises are classified into resident enterprises and non-resident enterprises. PRC resident enterprises typically pay an enterprise income tax at the rate of 25% while non-PRC resident enterprises without any branches in the PRC should pay an enterprise income tax in connection with their income from the PRC at the tax rate of 10%.

The Notice Regarding the Determination of Chinese-Controlled Offshore Incorporated Enterprises as People's Republic of China Tax Resident Enterprises on the Basis of De Facto Management Bodies (《關於境外注冊中資控股企業依據實際管理機構標準認定為居民企業有關問題的通知》) promulgated by the SAT on April 22, 2009, took into effect on January 1, 2008, and amended on January 29, 2014, sets out the standards and procedures for determining whether the "de facto management body" of an enterprise registered outside of mainland China and controlled by mainland Chinese enterprises or mainland Chinese enterprise groups is located within mainland China.

On July 27, 2011, SAT issued a trial version of the Administrative Measures for Enterprise Income Tax of Chinese-Controlled Offshore Incorporated Resident Enterprises (《境外註冊中資控股居民企業所得稅管理辦法》(試行)), which came into effect on September 1, 2011, to clarify certain issues in the areas of resident status determination, post-determination administration and competent tax authorities' procedures.

The EIT Law and the implementation rules provide that an income tax rate of 10% will normally be applicable to dividends payable to investors that are "non-resident enterprises," and gains derived by such investors, which (a) do not have an establishment or place of business in the PRC or (b) have an establishment or place of business in the PRC, but the relevant income is not effectively connected with the establishment or place of business to the extent such dividends and gains are derived from sources within the PRC. Such income tax on the dividends may be reduced pursuant to a tax treaty between China and other jurisdictions. Pursuant to the Arrangement Between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) (the "**Double Tax Avoidance Arrangement**") promulgated by the SAT on August 21, 2006, and other applicable PRC

laws, if a Hong Kong resident enterprise is determined by the competent PRC tax authority to have satisfied the relevant conditions and requirements under such Double Tax Avoidance Arrangement and other applicable laws, the 10% withholding tax on the dividends the Hong Kong resident enterprise receives from a PRC resident enterprise may be reduced to 5% upon receiving approval from in-charge tax authority. However, based on the Notice on Certain Issues with Respect to the Enforcement of Dividend Provisions in Tax Treaties (《關於執行税收協定股息條款有關問題的通知》) promulgated and took into effect on February 20, 2009 by the SAT, if the relevant PRC tax authorities determine, in their discretion, that a company benefits from such reduced income tax rate due to a structure or arrangement that is primarily tax-driven, such PRC tax authorities may adjust the preferential tax treatment. Based on the Notice on the Interpretation and Recognition of Beneficial Owners in Tax Treaties (《關於如何理解和認定税收協定中受益所有人的通知》), which was issued on October 27, 2009 by the SAT, and the Announcement on the Recognition of Beneficial Owners in Tax Treaties (《關於認定税收協定中"受益所有人"的公告》), which was issued on June 29, 2012 by the SAT, conduit companies, which are established for the purpose of evading or reducing tax, or transferring or accumulating profits, shall not be recognized as beneficial owners and thus will not be entitled to the abovementioned reduced income tax rate of 5% under the Double Tax Avoidance Arrangement.

According to the EIT Law, the EIT tax rate of a high and new technology enterprise is 15%. Pursuant to the Administrative Measures for the Recognition of High and New Technology Enterprises (《高新技術企業認定管理辦法》) promulgated by Ministry of Science and Technology, Ministry of Finance and SAT on January 29, 2016, which took into effect on January 1, 2016 the Certificate of a High and New Technology Enterprise is valid for three years.

Value-added Tax and Business Tax

According to the Provisional Regulations on Value-added Tax (《增值税暫行條例》) promulgated by the State Council on December 13, 1993 and amended on November 1 2008, January 8, 2011, February 6, 2016, and November 19, 2017, and the Implementing Rules of the Provisional Regulations on Value-added Tax (《增值税暫行條例實施細則》) promulgated by the Ministry of Finance on December 25, 1993 and amended on February 22, 1995, December 15, 2008 and October 28, 2011 (collectively, the "**VAT Law**"), all taxpayers selling goods, providing processing, repairing or replacement services or importing goods within the PRC shall pay value-added tax. For general VAT taxpayers selling or importing goods other than those specifically listed in the VAT Law, the value-added tax rate is 17%.

Pursuant to the Provisional Regulations of the PRC on Business Tax (《中華人民共和國營業税暫行條例》), which took into effect on January 1, 1994 and were subsequently amended on November 10, 2008, and its implementation rules, all institutions and individuals providing taxable services, transferring intangible assets or selling real estate within the PRC shall pay business tax. The scope of services which constitute taxable services and the rates of business tax are prescribed in the List of Items and Rates of Business Tax (《營業税税目税率表》) attached to the regulation.

Since January 1, 2012, the Ministry of Finance and the SAT have implemented the Pilot Plan for Imposition of Value-Added Tax to Replace Business Tax (《營業税改徵增值税試點方案》) (the "**VAT Pilot Plan**"), which imposes VAT in lieu of business tax for certain "modern service industries" in

certain regions and eventually expanded to nation-wide application in 2013. According to the implementation circulars released by the Ministry of Finance and the SAT on the VAT Pilot Program, the "modern service industries" include research, development and technology services, information technology services, cultural innovation services, logistics support, lease of corporeal properties, attestation and consulting services. According to the Notice of the Ministry of Finance and the State Administration of Taxation on Implementing the Pilot Program of Replacing Business Tax with Value-Added Tax in an All-round Manner (《財政部、國家税務總局關於全面推開營業税改徵增值税試點的通知》) promulgated by the Ministry of Finance and SAT and took into effect on May 1, 2016, entities and individuals engaging in the sale of services, intangible assets or fixed assets within the territory of the PRC are required to pay value-added tax instead of business tax.

REGULATIONS RELATING TO EMPLOYMENT AND SOCIAL WELFARE

The Labor Contract Law

Pursuant to the PRC Labor Law (《中華人民共和國勞動法》) promulgated by the SCNPC on July 5, 1994, took into effect on January 1, 1995 and amended on August 27, 2009, the PRC Labor Contract Law (《中華人民共和國勞動合同法》) promulgated by the SCNPC on June 29, 2007, took into effect on January 1, 2008 and amended on December 28, 2012, and the Implementing Regulations of the Employment Contracts Law (《中華人民共和國勞動合同法實施條例》) promulgated by the State Council and took into effect on September 18, 2008, labor relationships between employers and employees must be executed in written form. Wages may not be lower than the local minimum wage. Employers must establish a system for labor safety and sanitation, strictly abide by state standards and provide relevant education to its employees. Employees are also required to work in safe and sanitary conditions.

Social Insurance and Housing Fund

Under PRC laws, rules and regulations, including the Social Insurance Law (《中華人民共和國社會保險法》) promulgated by the State Council on October 28, 2010 and took into effect on July 1, 2011, the Interim Regulations on the Collection and Payment of Social Security Funds (《社會保險費徵繳暫行條例》) promulgated by the State Council and took into effect on January 22, 1990, and the Regulations on the Administration of Housing Accumulation Funds (《住房公積金管理條例》) promulgated by the State Council and took into effect on April 3, 1999, and amended on March 24, 2002, employers are required to contribute, on behalf of their employees, to a number of social security funds, including funds for basic pension insurance, unemployment insurance, basic medical insurance, occupational injury insurance, maternity leave insurance and housing accumulation funds. These payments are made to local administrative authorities and any employer who fails to contribute may be fined and ordered to pay the deficit amount.

OVERVIEW

In 2015, our Company was established in the Cayman Islands under the name China Internet Plus Holdings Ltd. in connection with the strategic transaction of Meituan Corporation and Dianping Holdings. In 2018, we renamed our Company as Meituan Dianping (美团点评).

In 2010, our Co-founders Wang Xing and Mu Rongjun launched *meituan.com* to offer local deals for restaurants, theaters, spas and other services. Prior to founding Meituan Corporation, Wang Xing, our Co-founder, executive Director, Chief Executive Officer and Chairman of the Board, had over 10 years of managerial and operational experience in the internet industry in China and was involved in over a dozen start-up businesses. "Meituan 美团", means "beautiful and together" in Chinese, reflecting Wang Xing's aspiration to make life better for everyone through Meituan. With such vision, our Co-founders Wang Xing, Mu Rongjun and Wang Huiwen led Meituan Corporation to begin the journey to build a one-stop e-commerce platform for services that meets everyone's needs. In 2012, we launched Maoyan, a movie-ticketing service, enabling consumers to reserve seats online. In 2013, we launched a hotel-booking service to offer consumers selections in numerous destinations at attractive prices, and an on-demand food delivery service to offer a new consumer-centric takeout experience. In 2014, we launched our travel-booking service to meet Chinese consumers' growing demand for domestic and international travel.

Our Co-founder Zhang Tao launched *dianping.com* in 2003, and our Co-founder Ye Shuhong joined Dianping Holdings in 2005. Zhang Tao and Ye Shuhong have approximately 20 years of experience in the information technology and internet industries. Central to *Dianping's* platform is a vast amount of authentic, transparent and detailed UGC, such as in-depth reviews of dining experiences and other lifestyle services, local business information, detailed ratings, photos and recommendations, contributed by its highly-engaged user community, particularly in tier-1 and tier-2 cities, over the past decade.

Since Meituan Corporation and Dianping Holdings came together in 2015, we have been continuously providing innovative services on our journey to accomplish our mission: We help people eat better, live better. In 2016, we launched several merchant services including cloud-based ERP services, integrated payment solutions and supply chain solutions. In 2017, we launched our grocery store business and further expanded our on-demand delivery service to grocery and other non-food delivery category. In 2018, we acquired Mobike, China's leading brand for bike-sharing service, further enhancing the portfolio of services we offer to consumers.

Today, we are China's leading e-commerce platform for services. Our platform uses technology to connect consumers and merchants. Service offerings on our platform address people's daily needs for food, and extend to broad lifestyle and travel services.

BUSINESS MILESTONES

The following is a summary of our key business development milestones since our inception in 2003:

Year	Event
2003	*Dianping.com* was launched.
2010	*Meituan.com* was launched.
2012	We introduced our movie-ticketing service.
2013	We introduced our hotel-booking and on-demand food delivery services.
2014	We introduced our travel-booking service.
2015	Meituan Corporation and Dianping Holdings entered into a strategic transaction and expanded our in-store dining and lifestyle services.
2016	We introduced our merchant enabling services such as integrated payment systems and supply chain solutions.
2017	Over 5.8 billion transactions were generated on our platform.
	Our Gross Transaction Volume reached RMB357 billion.
	We served 310 million Transacting Users and 4.4 million Active Merchants.
	Over 200 million domestic hotel room nights were booked through us.
2018	We launched our first Black Pearl Restaurant Guide, a list of 326 top-rated restaurants in 22 cities in China and 5 cities abroad.
	Our daily on-demand delivery transactions reached over 21 million.

OUR MAJOR SUBSIDIARIES AND OPERATING ENTITIES

The principal business activities and date of establishment and commencement of business of each "member of our Group" or "each of our subsidiaries" that made a material contribution to our results of operations during the Track Record Period are shown below:

Name of entity	Principal business activities	Date of establishment and commencement of business
Beijing Sankuai Online	E-commerce service platform	May 6, 2011
Beijing Sankuai Technology	E-commerce service platform	April 10, 2007
Shanghai Hantao	Merchant information advisory services	September 23, 2003
Hucheng IT	In-store lifestyle services	January 11, 2016
Xiamen Sankuai Online	E-commerce service platform	March 25, 2014
Beijing Kuxun Technology	Online hotel and travel booking services	April 27, 2006
Beijing Qiandaibao	Online payment services	November 25, 2008
Mobike Beijing	Bike-sharing services	January 12, 2016

MAJOR SHAREHOLDING CHANGES OF OUR COMPANY

Our Company, Meituan Dianping (美团点评), was incorporated as an exempted company with limited liability in the Cayman Islands on September 25, 2015, with the name China Internet Plus Holdings Ltd. at the time of formation, it had an authorized share capital of US$50,000 divided into 5,000,000,000 Shares with a par value of US$0.00001 each. See the paragraphs headed "—Major Transactions" and "—Pre-[REDACTED] Investments" in this section for subsequent shareholding changes resulting from the strategic transaction between Meituan Corporation and Dianping Holdings in 2015 and acquisition of Mobike in 2018, as well as the relevant Pre-[REDACTED] Investments.

REORGANIZATION

Prior to the establishment of our Company in 2015, our businesses were operated through Meituan Corporation, an exempted company with limited liability incorporated in the Cayman Islands on July 29, 2010 and Dianping Holdings, an exempted company with limited liability incorporated in the Cayman Islands on December 20, 2005. Meituan Corporation received four rounds of Pre-[REDACTED] Investments in which the investors were issued series A to D preferred shares in Meituan Corporation. For further details, see the paragraph headed "—Pre-[REDACTED] Investments" in this section.

On October 5, 2015, the Company, China Internet Plus Merger Co., Ltd. (the "**Merger Subsidiary**"), being a then wholly owned subsidiary of the Company, and Meituan Corporation entered into a merger agreement pursuant to which the Merger Subsidiary shall merge with and into Meituan Corporation, with Meituan Corporation surviving the merger and becoming a wholly owned subsidiary of the Company. Pursuant to the merger agreement, all issued and outstanding ordinary shares and preferred shares of Meituan Corporation were cancelled. In consideration, the Company issued certain ordinary shares, Series A-4, Series A-5, Series A-6 and Series A-11 Preferred Shares to holders of ordinary shares, series A, series B, series C and series D preferred shares in Meituan Corporation, respectively.

The merger was undertaken to consolidate our businesses operated by Meituan Corporation into the Company in preparation for the Company's further expansion into new businesses. As this was a corporate reorganization whereby all of our then shareholders became the shareholders of the Company receiving the same class and number of shares, no consideration was paid for the reorganization.

MAJOR TRANSACTIONS

We have conducted two major transactions to date: the strategic transaction between Meituan Corporation and Dianping Holdings in October 2015 and our acquisition of Mobike in April 2018. For other transactions we have conducted, including minority investments, none of which we consider to be material, please see "Financial Information—Discussion of Certain Key Balance Sheet Items."

1. *Strategic transaction between Meituan Corporation and Dianping Holdings*

On October 6, 2015, the Company, Dianping Holdings and its then shareholders entered into a share purchase agreement pursuant to which the shareholders of Dianping Holdings agreed to sell their ordinary shares and preferred shares representing a 40% equity interest in Dianping Holdings to the Company in exchange for the Company's ordinary shares and Preferred Shares, respectively, and granted the Company an option to acquire the remaining 60% equity interest in Dianping Holdings. Our acquisition of the 40% equity interest in Dianping Holdings was closed on October 6, 2015. In 2017, we exercised our option to acquire the remaining 60% equity interest in Dianping Holdings.

Prior to the transaction, Dianping Holdings received seven rounds of private equity investment in which the investors were issued series A-1, series A-2 and series B to F preferred shares in Dianping Holdings. As a result of the strategic transaction between Meituan Corporation and Dianping Holdings, the Company issued certain ordinary shares, Series A-2, Series A-1, Series A-3, Series A-7, Series A-8, Series A-9 and Series A-10 Preferred Shares to holders of ordinary shares, series A-1, series A-2, series B, series C, series D, series E and series F preferred shares in Dianping Holdings, respectively.

The strategic transaction was undertaken in order to further strengthen our online information and transaction platform business. The consideration of the transaction was determined based on arm's length negotiation among the parties. The Directors confirm that the above strategic transaction was properly and legally completed.

2. ***Our acquisition of Mobike***

On April 4, 2018, the Company, Tollan Holdings, being a then wholly owned subsidiary of the Company, and Mobike entered into a merger agreement pursuant to which Tollan Holdings shall merge with and into Mobike, with Mobike being the surviving company and becoming a wholly owned subsidiary of the Company. Pursuant to the merger agreement, all issued and outstanding ordinary and preferred shares of Mobike were cancelled in consideration for a combination of cash paid by the Company and an issuance of the newly created Series A-12 Preferred Shares of the Company to the former shareholders of Mobike. In addition, we granted certain share options of the Company to the holders of in-the-money options granted pursuant to the share incentive plan of Mobike prior to the transaction. The total consideration for the acquisition was US$2,700,000,000.

The acquisition was undertaken in order to establish our presence in the bike-sharing business and to further expand our service offerings to consumers. The consideration for the acquisition was determined based on arm's length negotiation among the parties. The Directors confirm that the acquisition of Mobike was properly and legally completed.

RECLASSIFICATION AND RE-DESIGNATION OF OUR ORDINARY SHARES

On August 30, 2018, our Shareholders resolved, among other things that, all the issued and unissued ordinary shares will be reclassified as Class A Shares and Class B Shares of US$0.00001 and US$0.00001 par value each of the Company, respectively. The ordinary shares originally held by Crown Holdings, Shared Patience, Charmway Enterprises, Shared Vision and Kevin Sunny shall be reclassified as Class A Shares and all other ordinary shares shall be reclassified as Class B Shares. In addition, our Shareholders resolved that, subject to the [REDACTED] becoming unconditional, all the issued and unissued Preferred Shares will be reclassified and re-designated as Class B Shares. After these changes are effected, the authorized share capital of the Company shall be US$10,000,000,000 divided into (i) 735,568,783 Class A Shares of US$0.00001 par value each and (ii) 9,264,431,217 Class B Shares of US$0.00001 par value each, respectively, and the issued share capital (including those Preferred Shares to be reclassified and re-designated as Class B Shares) shall be US$54,467.24565 divided into (i) 735,568,783 Class A Shares of US$0.00001 par value each and (ii) 4,711,155,782 Class B Shares of US$0.00001 par value each, respectively.

CAPITALIZATION OF THE COMPANY

The following table sets out our shareholding structure on the date of this document and immediately upon completion of the [REDACTED], assuming the [REDACTED] is not exercised and no Shares are issued under the Pre-[REDACTED] ESOP, Post-[REDACTED] Share Option Scheme and Post-[REDACTED] Share Award Scheme and without taking into account subscription of the [REDACTED] by the existing Shareholders and their close associates other than the subscription by Tencent Mobility.

Shareholders	Ordinary shares of par value US$0.00001 each	Series A-1 Preferred Shares	Series A-2 Preferred Shares	Series A-3 Preferred Shares	Series A-4 Preferred Shares	Series A-5 Preferred Shares	Series A-6 Preferred Shares	Series A-7 Preferred Shares	Series A-8 Preferred Shares	Series A-9 Preferred Shares	Series A-10 Preferred Shares	Series A-11 Preferred Shares	Series A-12 Preferred Shares	Series B Preferred Shares	Series C Preferred Shares	Aggregate total number of shares of par value US$0.00001 each as at the date of this document[1]	Aggregate ownership percentage as at the date of this document[1]	Aggregate ownership percentage upon completion of the [REDACTED][2]
Crown Holdings Asia Limited[3]	489,600,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	489,600,000	9.7705%	[REDACTED]%
Shared Patience Inc.[3]	83,588,783	—	—	—	—	—	—	—	—	—	—	—	—	—	—	83,588,783	1.6681%	[REDACTED]%
Charmway Enterprises Group Limited[4]	118,650,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	118,650,000	2.3678%	[REDACTED]%
Shared Vision Investment Limited[4]	7,330,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	7,330,000	0.1463%	[REDACTED]%
Kevin Sunny Holding Limited[5]	36,400,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	36,400,000	0.7264%	[REDACTED]%
Huai River Investment Limited[6]	67,488,105	—	10,206,458	—	29,216,723	6,255,816	7,386,206	2,582,623	524,937	201,931,252	38,808,400	—	—	259,020,385	—	623,420,905	12.4411%	[REDACTED]%
Tencent Mobility Limited[6]	4,783,573	—	—	—	—	—	30,000,000	—	2,443,512	—	30,723,317	—	65,947,725	—	210,232,128	344,130,255	6.8675%	[REDACTED]%
Great Summer Limited[6]	—	—	—	—	—	25,000,000	—	—	—	—	—	—	—	—	—	25,000,000	0.4989%	[REDACTED]%
TPP Follow-on I Holding B Limited[6]	—	—	—	—	—	—	—	—	—	—	—	—	3,150,931	—	—	3,150,931	0.0629%	[REDACTED]%
TPP Follow-on I Holding C Limited[6]	—	—	—	—	—	—	—	—	—	—	—	—	—	—	4,473,024	4,473,024	0.0893%	[REDACTED]%
MORESPARK LIMITED[6]	—	—	—	—	—	—	—	—	—	—	—	—	8,850,245	—	—	8,850,245	0.1766%	[REDACTED]%
Sequoia Capital 2010 CGF Holdco, Ltd.[7]	—	—	—	—	—	—	—	21,460,920	4,362,087	—	—	—	—	—	—	25,823,007	0.5153%	[REDACTED]%
Sequoia Capital 2010 CV Holdco, Ltd.[7]	—	—	—	—	—	51,984,184	—	—	—	—	—	—	—	—	—	51,984,184	1.0374%	[REDACTED]%
Sequoia Capital China I, L.P.[7]	—	—	66,798,708	—	—	—	—	—	—	—	—	—	—	—	—	66,798,708	1.3330%	[REDACTED]%
Sequoia Capital China II, L.P.[7]	—	—	—	—	203,476,665	—	—	—	—	—	—	—	—	—	—	203,476,665	4.0606%	[REDACTED]%
Sequoia Capital China Partners Fund I, L.P.[7]	—	—	7,675,568	—	—	—	—	—	—	—	—	—	—	—	—	7,675,568	0.1532%	[REDACTED]%
Sequoia Capital China Partners Fund II, L.P.[7]	—	—	—	—	5,122,727	—	—	—	—	—	—	—	—	—	—	5,122,727	0.1022%	[REDACTED]%
Sequoia Capital China Principals Fund I, L.P.[7]	—	—	10,338,698	—	—	—	—	—	—	—	—	—	—	—	—	10,338,698	0.2063%	[REDACTED]%
Sequoia Capital China Principals Fund II, L.P.[7]	—	—	—	—	34,183,885	—	—	—	—	—	—	—	—	—	—	34,183,885	0.6822%	[REDACTED]%
Sequoia Capital Global Growth Fund, L.P.[8]	—	—	—	—	—	—	—	—	—	—	—	27,670,528	—	—	—	27,670,528	0.5522%	[REDACTED]%
Sequoia Capital Global Growth Principals Fund, L.P.[8]	—	—	—	—	—	—	—	—	—	—	—	802,952	—	—	—	802,952	0.0160%	[REDACTED]%
SC GGFII Holdco, Ltd.[8]	—	—	—	—	—	—	—	—	—	—	—	—	—	—	35,784,192	35,784,192	0.7141%	[REDACTED]%
SCC Growth 2010 - Top Holdco, Ltd.[7]	—	—	—	—	—	—	61,377,418	—	—	—	—	—	—	—	—	61,377,418	1.2249%	[REDACTED]%
SCC Growth IV 2017-D, L.P.[7]	—	—	—	—	—	—	—	—	—	—	—	—	—	—	23,259,725	23,259,725	0.4642%	[REDACTED]%
SCC Growth IV Holdco A, Ltd[7]	—	—	—	—	—	—	—	—	—	—	—	—	1,347,457	—	—	1,347,457	0.0269%	[REDACTED]%
SCC Growth IV 2017-E, L.P.[7]	—	—	—	—	—	—	—	—	—	—	—	—	—	—	13,776,914	13,776,914	0.2749%	[REDACTED]%
SCC Venture V Holdco I, Ltd.[7]	—	—	—	—	—	—	—	—	—	—	—	—	441,520	—	—	441,520	0.0088%	[REDACTED]%
SCC Venture VI Holdco B, Ltd[7]	—	—	—	—	—	—	—	—	—	—	—	—	422,210	—	—	422,210	0.0084%	[REDACTED]%
SCC VENTURE VI Holdco, Ltd.[7]	—	—	—	—	—	—	—	—	—	—	—	—	2,810,735	—	—	2,810,735	0.0561%	[REDACTED]%
SCGC Capital Holding Company Limited	—	—	—	—	—	—	—	—	—	—	—	—	2,147,051	—	—	2,147,051	0.0428%	[REDACTED]%
SCGE FUND, L.P.	—	—	—	—	—	—	—	—	—	—	—	3,796,464	—	—	—	3,796,464	0.0758%	[REDACTED]%
SCHF (M) Pv, L.P.	—	—	—	—	—	—	—	—	—	—	—	3,796,464	—	—	2,683,814	6,480,278	0.1293%	[REDACTED]%
SCHF CIF, L.P. / CIF 2017 - A SERIES	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1,789,210	1,789,210	0.0357%	[REDACTED]%
TBP China Internet Plus Holdings Ltd.[9]	5,596,541	—	—	—	—	—	—	—	—	—	—	—	—	41,443,261	—	47,039,802	0.9387%	[REDACTED]%
Trustbridge Partners IV, L.P.[9]	10,586,551	—	—	—	—	—	—	55,612,941	19,548,099	—	3,234,034	—	—	—	—	88,981,625	1.7757%	[REDACTED]%
Trustbridge Partners V, L.P.[9]	2,170,049	—	—	—	—	—	—	—	—	—	12,936,134	—	—	—	—	15,106,183	0.3015%	[REDACTED]%
Trustbridge Partners VI L.P.[9]	—	—	—	—	—	—	—	—	—	—	—	—	—	—	28,627,354	28,627,354	0.5713%	[REDACTED]%
Stallion Internet Holdings LLC[10]	29,567,277	10,173,186	—	1,577,186	—	—	—	—	—	—	4,868,068	—	—	—	—	46,185,717	0.9217%	[REDACTED]%

Shareholders	Ordinary shares of par value US$0.00001 each	Series A-1 Preferred Shares	Series A-2 Preferred Shares	Series A-3 Preferred Shares	Series A-4 Preferred Shares	Series A-5 Preferred Shares	Series A-6 Preferred Shares	Series A-7 Preferred Shares	Series A-8 Preferred Shares	Series A-9 Preferred Shares	Series A-10 Preferred Shares	Series A-11 Preferred Shares	Series A-12 Preferred Shares	Series B Preferred Shares	Series C Preferred Shares	Aggregate total number of shares of par value US$0.00001 each as at the date of this document[1]	Aggregate ownership percentage as at the date of this document[1]	Aggregate ownership percentage upon completion of the [REDACTED][2]
Coatue CT XVII LLC[10]	—	—	—	—	—	—	—	—	—	—	14,653,980	—	—	1,699,192	—	16,353,172	0.3263%	[REDACTED]%
Coatue CT XVIII LLC[10]	—	—	—	—	—	8,440,000	—	—	—	—	21,567,195	—	—	1,300,808	—	31,308,003	0.6248%	[REDACTED]%
Coatue CT XX LLC[10]	129,678	—	—	—	—	—	—	—	—	—	—	—	—	—	—	129,678	0.0026%	[REDACTED]%
Coatue CT XXI LLC[10]	—	—	—	—	—	—	—	—	—	—	12,936,134	—	—	18,518,519	35,784,192	67,238,845	1.3418%	[REDACTED]%
Hillhouse MTN Holdings Limited[11]	11,205,475	—	—	—	—	—	—	—	—	—	—	79,092,998	—	—	—	90,298,473	1.8020%	[REDACTED]%
Hillhouse MTN-II Holdings Limited[11]	—	—	—	—	—	—	—	—	—	—	—	—	—	3,885,306	—	3,885,306	0.0775%	[REDACTED]%
Hillhouse MTN-III Holdings Limited[11]	—	—	—	—	—	—	—	—	—	—	—	—	—	—	26,480,302	26,480,302	0.5284%	[REDACTED]%
Hillhouse MTN-Q Holdings Limited[11]	—	—	—	—	—	—	14,716,497	—	—	—	—	9,661,892	—	—	—	24,378,389	0.4865%	[REDACTED]%
HH RSV-IV Holdings Limited[11]	—	—	—	—	—	—	—	—	—	—	—	—	10,671,896	—	—	10,671,896	0.2130%	[REDACTED]%
Internet Fund IIIA Pte. Ltd.[12]	—	—	—	—	—	—	11,450,418	—	—	—	—	2,634,090	—	—	—	14,084,508	0.2811%	[REDACTED]%
Internet Fund IV Pte. Ltd.[12]	—	—	—	—	—	43,920,000	4,394,020	—	—	—	16,288,195	32,293,989	—	24,373,901	17,892,096	139,162,201	2.7771%	[REDACTED]%
DST Asia V[13]	—	—	—	—	—	—	—	—	—	—	—	—	—	25,902,038	—	25,902,038	0.5169%	[REDACTED]%
DST China EC XIII[13]	—	—	—	—	—	—	—	—	—	—	—	—	—	40,787,940	—	40,787,940	0.8140%	[REDACTED]%
DST China EC XIV, L.P.[13]	15,216,638	—	—	—	—	—	—	—	—	—	—	—	—	38,853,057	—	54,069,695	1.0790%	[REDACTED]%
DST Global V Co-invest, L.P.[13]	—	—	—	—	—	—	—	—	—	—	—	—	—	4,540,628	—	4,540,628	0.0906%	[REDACTED]%
DST Investments XVII, L.P.[13]	—	—	—	—	—	—	—	—	—	—	—	—	—	—	11,987,704	11,987,704	0.2392%	[REDACTED]%
CTG Evergreen Investment XIX Limited[14]	4,931,198	—	—	—	—	—	20,324,490	—	—	—	—	4,675,510	—	15,541,223	—	45,472,421	0.9075%	[REDACTED]%
LT Growth Investment XIV Limited[15]	5,233,539	—	—	—	—	—	—	—	31,374,699	—	—	—	—	25,902,038	13,955,835	76,466,111	1.5260%	[REDACTED]%
Iris Investment Pte. Ltd.[15]	291,558	—	—	—	—	—	—	—	—	—	6,350,038	—	—	—	75,146,803	81,788,399	1.6322%	[REDACTED]%
Gamnat Pte. Ltd.[15]	—	—	—	—	—	4,000,000	—	—	—	—	6,468,067	—	—	—	—	10,468,067	0.2089%	[REDACTED]%
Coronado Pte. Ltd.[16]	—	—	—	—	—	—	—	—	—	—	—	—	—	—	80,514,432	80,514,432	1.6068%	[REDACTED]%
Activator Investment Holdings Ltd	6,000,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	6,000,000	0.1197%	[REDACTED]%
Alibaba Investment Limited	—	—	—	—	—	73,852,000	500,299	—	—	—	3,234,034	—	—	—	—	74,352,299	1.4838%	[REDACTED]%
Allegro Signal Limited	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	3,234,034	0.0645%	[REDACTED]%
Alliance Win (Cayman) Limited	431,206	—	—	—	—	—	—	—	—	—	—	—	—	15,541,223	—	15,541,223	0.3101%	[REDACTED]%
Ameba Capital Group Limited	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	431,206	0.0086%	[REDACTED]%
American Funds Insurance Series New World Fund	—	—	—	—	—	—	—	—	—	—	—	—	—	—	239,754	239,754	0.0048%	[REDACTED]%
Anderson Investments Pte. Ltd.	—	—	—	—	—	—	—	—	—	—	—	—	6,110,188	—	—	6,110,188	0.1219%	[REDACTED]%
Ascendent Harbour (Cayman) Limited	—	—	—	—	—	—	—	—	—	—	6,468,067	—	—	—	—	6,468,067	0.1291%	[REDACTED]%
Ascendent Harbour II (Cayman) Limited	—	—	—	—	—	—	—	—	—	—	—	—	—	—	3,220,577	3,220,577	0.0643%	[REDACTED]%
BAI GmbH	—	—	—	—	—	—	—	—	—	—	—	—	818,880	—	—	818,880	0.0163%	[REDACTED]%
BALANCE WORLDWIDE LIMITED	—	—	—	—	—	—	—	—	—	—	—	—	425,306	—	—	425,306	0.0085%	[REDACTED]%
Beijing Freesia Management Consulting Corporation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	17,892,096	17,892,096	0.3571%	[REDACTED]%
BOCOM International Holdings Company Limited	—	—	—	—	—	—	—	—	—	—	—	—	1,639,600	—	—	1,639,600	0.0327%	[REDACTED]%
Booth & Co fbo Fidelity Investment Trust: Fidelity International Discovery Fund	—	—	—	—	—	—	—	—	—	—	—	5,958,244	—	—	—	5,958,244	0.1189%	[REDACTED]%
Booth & Co fbo Fidelity Investment Trust: Fidelity Series Emerging Markets Fund - Consumer Discretionary Sub	—	—	—	—	—	—	—	—	—	—	—	7,577,282	—	—	—	7,577,282	0.1512%	[REDACTED]%
Ceyuan Ventures Advisors Fund III, LLC	—	762,771	—	—	—	—	—	—	—	—	—	—	—	—	—	762,771	0.0152%	[REDACTED]%
Ceyuan Ventures III, L.P.	—	22,999,548	—	—	—	—	—	—	—	—	—	—	—	—	—	22,999,548	0.4590%	[REDACTED]%
CHEN Zhenyu	2,280,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	2,280,000	0.0455%	[REDACTED]%
China Dragon Asia Champion Fund Series SPC	—	—	—	—	—	18,600,000	3,832,000	—	—	—	—	2,432,000	—	2,590,204	—	27,454,204	0.5479%	[REDACTED]%
China-UAE Investment Cooperation Fund, L.P.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	8,946,048	8,946,048	0.1785%	[REDACTED]%
CICC ALPHA ZHUOYUE Investment Limited	—	—	—	—	—	—	—	—	—	—	—	—	—	12,563,927	—	12,563,927	0.2507%	[REDACTED]%
CICC Highland Investment Ltd.	—	—	—	—	—	—	—	—	—	—	—	—	—	12,951,019	—	12,951,019	0.2585%	[REDACTED]%
Clear Fortune Management Limited	—	—	—	—	—	—	—	—	977,405	—	—	—	—	—	—	977,405	0.0195%	[REDACTED]%

Shareholders	Ordinary shares of par value US$0.00001 each	Series A-1 Preferred Shares	Series A-2 Preferred Shares	Series A-3 Preferred Shares	Series A-4 Preferred Shares	Series A-5 Preferred Shares	Series A-6 Preferred Shares	Series A-7 Preferred Shares	Series A-8 Preferred Shares	Series A-9 Preferred Shares	Series A-10 Preferred Shares	Series A-11 Preferred Shares	Series A-12 Preferred Shares	Series B Preferred Shares	Series C Preferred Shares	Aggregate total number of shares of par value US$0.00001 each as at the date of this document[1]	Aggregate ownership percentage as at the date of this document[1]	Aggregate ownership percentage upon completion of the [REDACTED][2]
CMI Asset Management Company Limited	—	—	—	—	—	—	—	—	—	—	—	—	—	5,180,408	—	5,180,408	0.1034%	[REDACTED]%
Coral Gem Holdings Limited	—	—	—	—	—	—	—	—	—	—	—	—	9,138,091	—	—	9,138,091	0.1824%	[REDACTED]%
CPP Investment Board Private Holdings (3) Inc.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	44,730,240	44,730,240	0.8926%	[REDACTED]%
CR High Growth I, L.P.	—	—	—	—	—	—	—	—	—	—	—	—	—	3,885,306	—	3,885,306	0.0775%	[REDACTED]%
DAR Investments Ltd.	—	—	—	—	—	—	—	—	—	—	—	—	586,674	—	—	586,674	0.0117%	[REDACTED]%
Davis Global Fund a series of Davis New York Venture Fund, Inc.	—	—	—	—	—	—	—	—	—	—	—	—	1,753,529	—	—	1,753,529	0.0350%	[REDACTED]%
Davis International Fund a series of Davis New York Ventrue Fund, Inc.	—	—	—	—	—	—	—	—	—	—	—	—	335,611	—	—	335,611	0.0067%	[REDACTED]%
DE Capital Limited	1,476,987	—	—	—	—	—	—	—	—	—	—	—	1,476,987	—	—	1,476,987	0.0295%	[REDACTED]%
Denggao Limited	79,611,217	—	—	—	—	—	—	—	—	—	—	—	456,111	—	—	80,067,328	1.5978%	[REDACTED]%
Di Geng (International) Investment Development Company Limited	—	—	—	—	—	—	—	—	—	—	1,600,000	—	—	—	—	1,600,000	0.0319%	[REDACTED]%
Distinct Talent Global Ltd.	—	—	—	—	—	—	—	—	—	—	—	—	252,246	—	—	252,246	0.0050%	[REDACTED]%
Dragon Ridge Limited	—	—	—	—	—	46,380,000	9,554,000	—	—	—	—	6,066,000	—	—	—	62,000,000	1.2373%	[REDACTED]%
DUNEARN INVESTMENTS (MAURITIUS) PTE LTD	—	—	—	—	—	16,233,000	3,343,900	—	—	—	32,340,333	2,123,100	—	23,311,834	—	77,352,167	1.5437%	[REDACTED]%
Epicure Holdings Limited	99,927	—	—	—	—	—	—	—	—	—	22,638,233	—	—	12,951,019	—	35,689,179	0.7122%	[REDACTED]%
Epicure III Investment Limited	—	—	—	—	—	—	—	—	—	—	—	—	—	—	17,355,333	17,355,333	0.3463%	[REDACTED]%
Everlasting Love Limited	29,788,630	—	—	—	—	—	—	—	—	—	—	—	—	9,951,019	—	9,951,019	0.1986%	[REDACTED]%
Fairness Crest Limited	—	—	—	—	—	—	—	—	—	—	—	305,000	—	—	—	3,108,000	0.0620%	[REDACTED]%
Fidelity China Special Situations PLC	—	—	—	—	—	2,323,000	480,000	—	—	—	—	1,516,500	—	—	—	15,500,000	0.3093%	[REDACTED]%
Financial Giant Limited	—	—	—	—	—	11,595,000	2,388,500	—	—	—	158,184	—	—	—	—	158,184	0.0032%	[REDACTED]%
FLAPPER CO Jbo Pyramis Lifecycle Blue Chip Growth Commingled Pool	—	—	—	—	—	—	—	—	—	—	1,163,711	—	—	—	—	1,163,711	0.0232%	[REDACTED]%
Flowing Stream Limited	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	914,257	0.0182%	[REDACTED]%
FORTUNE TRIUMPH HOLDINGS LIMITED	914,257	—	—	—	—	—	—	—	—	—	—	—	—	—	—	45,497,716	0.9080%	[REDACTED]%
General Atlantic Singapore Fund Pte. Ltd.	—	—	—	—	—	—	36,988,716	—	—	—	8,509,000	—	—	—	—	2,849,224	0.0569%	[REDACTED]%
GF SinoVest Fund SPC-Star 1 SP	—	—	—	—	—	—	—	—	—	—	—	—	—	2,849,224	—	1,262,369	0.0252%	[REDACTED]%
GF SinoVest Fund SPC-Star 2 SP	—	—	—	—	—	—	—	—	—	—	—	—	—	1,262,369	—	534,856	0.0107%	[REDACTED]%
GF SinoVest Fund SPC-Star 3 SP	534,856	—	—	—	—	—	—	—	—	—	—	—	—	—	—	4,221,439	0.0842%	[REDACTED]%
Glade Brook Private Investors XII LP	—	—	—	—	—	495,754	102,166	—	—	—	64,991	1,769,318	—	—	1,789,210	25,577,351	0.5104%	[REDACTED]%
Google Inc.	—	—	—	25,577,351	—	—	—	—	—	—	—	—	—	—	—	16,170,167	0.3227%	[REDACTED]%
Gopher China Special Opportunity Limited	—	—	—	—	—	—	—	—	—	—	16,170,167	—	—	—	—	15,541,223	0.3101%	[REDACTED]%
Great Joint Limited	—	—	—	—	—	—	—	—	—	—	—	—	—	15,541,223	—	3,578,419	0.0714%	[REDACTED]%
H Capital III, L.P.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	3,578,419	22,146,338	0.4420%	[REDACTED]%
H Capital IV, L.P.	—	—	—	—	—	—	—	—	—	—	—	—	—	22,146,338	—	11,004,646	0.2196%	[REDACTED]%
Harvest Investment Management Corporation	—	—	—	—	—	—	—	—	—	—	3,234,034	—	—	7,770,612	—	5,179,865	0.1034%	[REDACTED]%
He Sheng Overseas Holdings Limited	—	—	—	—	—	—	—	—	—	—	—	—	5,179,865	—	—	178,920	0.0036%	[REDACTED]%
Hideto Fukuyama	—	—	—	—	—	—	—	—	—	—	—	—	—	—	178,920	1,954,766	0.0390%	[REDACTED]%
Huaxing Capital Partners, L.P.	—	—	—	—	—	—	—	977,361	977,405	—	—	—	—	—	—	2,325,972	0.0464%	[REDACTED]%
Hundreds TWC Fund Limited Partnership	—	—	—	—	—	—	—	—	—	—	—	—	—	—	2,325,972	746,257	0.0149%	[REDACTED]%
Idea Harvest Investment Limited	746,257	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1,199,374	0.0239%	[REDACTED]%
Ipanema Associates Limited	1,199,374	—	—	—	—	—	—	—	—	—	—	—	—	—	—	70,850	0.0014%	[REDACTED]%
Jack Fuchs	70,850	—	—	—	—	—	—	—	—	—	—	—	—	—	—	31,087,040	0.6204%	[REDACTED]%
JENCAP MT	87,040	—	—	—	—	23,190,000	4,777,000	—	—	—	3,033,000	—	—	233,036	—	632,197	0.0126%	[REDACTED]%
Jin Ji Full Precision Co., Ltd.	—	—	—	—	—	—	—	—	—	—	—	632,197	—	—	—	490,349	0.0098%	[REDACTED]%
JIN Jun	490,349	—	—	—	—	—	—	—	—	—	—	—	—	—	—	41,632,093	0.8308%	[REDACTED]%
Joint Wave Holdings Ltd.	41,632,093	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1,528,020	0.0305%	[REDACTED]%
Joy Capital I, L.P.	—	—	—	—	—	—	—	—	—	—	—	—	1,528,020	—	—	21,696,180	0.4330%	[REDACTED]%
Juntong LP	21,696,180	—	—	—	—	—	—	—	—	—	—	—	—	233,036	—	5,809,425	0.1159%	[REDACTED]%
KY Holding Limited	—	—	—	—	—	—	—	—	—	—	—	—	—	958,375	—			
Kylin Offshore Master Fund Ltd.	—	—	—	—	—	—	—	—	—	—	4,851,050	—	—		—			

Shareholders	Ordinary shares of par value US$0.00001 each	Series A-1 Preferred Shares	Series A-2 Preferred Shares	Series A-3 Preferred Shares	Series A-4 Preferred Shares	Series A-5 Preferred Shares	Series A-6 Preferred Shares	Series A-7 Preferred Shares	Series A-8 Preferred Shares	Series A-9 Preferred Shares	Series A-10 Preferred Shares	Series A-11 Preferred Shares	Series A-12 Preferred Shares	Series B Preferred Shares	Series C Preferred Shares	Aggregate total number of shares of par value US$0.00001 each as at the date of this document[1]	Aggregate ownership percentage as at the date of this document[1]	Aggregate ownership percentage upon completion of the [REDACTED][2]
LI Hao	1,357,434	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1,357,434	0.0271%	[REDACTED]%
LI Shuyun	434,591	—	—	—	—	—	—	—	—	—	—	—	—	—	—	434,591	0.0087%	[REDACTED]%
Lightspeed Venture Partners VIII, L.P.	—	—	—	—	—	—	—	4,546,420	—	—	—	—	—	—	—	4,546,420	0.0907%	[REDACTED]%
LYY Holdings Ltd.	3,052,392	—	—	—	—	—	—	—	—	—	—	—	—	—	—	3,052,392	0.0609%	[REDACTED]%
M Gardiner & Co fbo Fidelity Advisor Series VII: Fidelity Advisor Technology Fund	—	—	—	—	—	—	—	—	—	—	—	1,516,912	—	2,042,487	—	3,559,399	0.0710%	[REDACTED]%
M Gardiner & Co fbo Fidelity Central Investment Portfolios LLC: Fidelity Emerging Markets Equity Central Fund - Consumer Discretionary Sub	—	—	—	—	—	—	—	—	—	—	—	331,980	—	—	—	331,980	0.0066%	[REDACTED]%
M Gardiner & Co fbo Fidelity Central Investment Portfolios LLC: Fidelity Information Technology Central Fund	—	—	—	—	—	—	—	—	—	—	—	2,771,770	—	3,479,801	—	6,251,571	0.1248%	[REDACTED]%
M Gardiner & Co fbo Fidelity Investment Trust: Fidelity Worldwide Fund - Non-US Equity Sub	—	—	—	—	—	—	—	—	—	—	—	369,166	—	—	—	369,166	0.0074%	[REDACTED]%
M Gardiner & Co fbo Variable Insurance Products Fund IV: Technology Portfolio	141,569	—	—	—	—	—	—	—	—	—	—	259,152	—	401,913	—	802,634	0.0160%	[REDACTED]%
M. Gardiner & Co. fbo Fidelity Securities Fund: Fidelity Blue Chip Growth Fund	—	—	—	—	—	—	—	—	—	—	—	3,163,704	—	—	—	3,163,704	0.0631%	[REDACTED]%
Mag & Co fbo Fidelity Investment Trust: Fidelity China Region Fund	—	—	—	—	—	—	—	—	—	—	—	1,983,088	—	—	—	1,983,088	0.0396%	[REDACTED]%
Mag & Co fbo Fidelity Select Portfolios: Technology Portfolio	759,582	—	—	—	—	—	—	—	—	—	—	2,802,162	—	3,918,573	—	7,480,317	0.1493%	[REDACTED]%
Magic Stone Special Opportunity Fund II L.P.	—	—	—	—	—	—	—	—	—	—	—	—	—	12,951,019	—	12,951,019	0.2585%	[REDACTED]%
Maple Universal Limited	88,474	—	—	—	—	—	—	—	—	—	—	—	5,505,260	—	—	5,505,260	0.1099%	[REDACTED]%
Mario Rosati	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	0.0018%	[REDACTED]%
Marvelous Gifts Limited	—	—	—	—	—	—	36,240,528	—	—	—	—	—	—	—	—	36,240,528	0.7232%	[REDACTED]%
Merchant DF Holdings, LP	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1,789,210	1,789,210	0.0357%	[REDACTED]%
mobike Group Ltd.	—	—	—	—	—	—	—	—	—	—	—	—	586,675	—	—	586,675	0.0117%	[REDACTED]%
New World Fund, Inc.	—	—	—	—	—	—	—	—	—	—	—	—	—	10,495,504	—	10,495,504	0.2094%	[REDACTED]%
Northern Light Venture Capital II, Ltd.	—	—	—	—	—	44,880,000	—	—	—	—	—	—	—	—	—	44,880,000	0.8956%	[REDACTED]%
Orient Miracle Ltd.	323,405	—	—	—	—	—	—	—	—	—	—	—	—	—	—	323,405	0.0065%	[REDACTED]%
OZ Internet Services Investor, Ltd.	—	—	—	—	—	—	—	—	—	—	—	—	—	19,426,529	—	19,426,529	0.3877%	[REDACTED]%
Pacven Walden Ventures Parallel VI, L.P.	—	—	—	—	—	2,886,639	—	—	—	—	—	—	—	—	—	2,886,639	0.0576%	[REDACTED]%
Pacven Walden Ventures Parallel VI-KT, L.P.	—	—	—	—	—	374,400	—	—	—	—	—	—	—	—	—	374,400	0.0075%	[REDACTED]%
Pacven Walden Ventures VI, L.P.	—	—	—	—	—	34,178,961	—	—	—	—	—	—	5,460,854	—	—	34,178,961	0.6821%	[REDACTED]%
Panda Junson Fund II, L.P.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	5,460,854	0.1090%	[REDACTED]%
Panda Venture Capital Fund, L.P.	—	—	—	—	—	—	—	—	—	—	—	—	608,148	—	1,789,210	608,148	0.0121%	[REDACTED]%
Pascal Investment L.P.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1,789,210	0.0357%	[REDACTED]%
Peace Unity Investments Limited	—	—	—	—	—	—	—	—	—	—	—	—	—	178,921	—	178,921	0.0036%	[REDACTED]%
PGA China Capital Ltd.	—	—	—	—	—	—	—	—	—	—	—	—	188,377	—	—	188,377	0.0038%	[REDACTED]%
PGA Partners Ltd.	—	—	—	—	—	—	—	—	—	—	—	—	378,369	—	—	378,369	0.0076%	[REDACTED]%
POWER TECH DEVELOPMENTS LIMITED	—	—	—	—	—	—	—	—	—	—	—	—	882,861	—	—	882,861	0.0176%	[REDACTED]%
Prestige Investment Management Holding Ltd.	—	—	—	—	—	—	—	—	—	—	—	—	—	2,590,204	—	2,590,204	0.0517%	[REDACTED]%
Qihui Holdings Ltd	179,662,430	—	—	—	—	—	—	—	—	—	—	—	—	—	—	179,662,430	3.5854%	[REDACTED]%
Qiming Managing Directors Fund II, L.P.	—	—	—	—	—	—	—	147,705	24,520	—	—	—	—	—	—	172,225	0.0034%	[REDACTED]%
QIMING MANAGING DIRECTORS FUND V, L.P.	—	—	—	—	—	—	—	—	—	—	—	—	124,684	—	—	124,684	0.0025%	[REDACTED]%
Qiming Venture Partners II, L.P.	—	—	—	—	—	—	—	10,148,450	1,685,001	—	—	—	—	—	—	11,833,451	0.2362%	[REDACTED]%
Qiming Venture Partners II-C, L.P.	—	—	—	—	—	—	—	888,643	147,548	—	—	—	—	—	—	1,036,191	0.0207%	[REDACTED]%
QIMING VENTURE PARTNERS V, L.P.	—	—	—	—	—	—	—	—	—	—	—	—	4,018,575	—	—	4,018,575	0.0802%	[REDACTED]%

Shareholders	Ordinary shares of par value US$0.00001 each	Series A-1 Preferred Shares	Series A-2 Preferred Shares	Series A-3 Preferred Shares	Series A-4 Preferred Shares	Series A-5 Preferred Shares	Series A-6 Preferred Shares	Series A-7 Preferred Shares	Series A-8 Preferred Shares	Series A-9 Preferred Shares	Series A-10 Preferred Shares	Series A-11 Preferred Shares	Series A-12 Preferred Shares	Series B Preferred Shares	Series C Preferred Shares	Aggregate total number of shares of par value US$0.00001 each as at the date of this document[1]	Aggregate ownership percentage as at the date of this document[1]	Aggregate ownership percentage upon completion of the [REDACTED][2]
Quadratic Investment L.P.	—	—	—	—	—	—	—	—	—	—	—	—	5,427,723	—	—	5,427,723	0.1083%	[REDACTED]%
Qualcomm Global Trading Pte. Ltd.	—	—	—	—	—	—	—	—	—	—	—	—	626,856	—	—	626,856	0.0125%	[REDACTED]%
Ray Galaxy Limited	—	—	—	—	—	—	—	—	—	—	—	—	769,448	—	—	769,448	0.0154%	[REDACTED]%
Rich Grand Holdings Limited	52,261,833	—	—	—	—	—	—	—	—	—	—	—	—	—	—	52,261,833	1.0429%	[REDACTED]%
RiverSunny Technology Limited	856,695	—	—	—	—	—	—	—	—	—	—	—	—	—	—	856,695	0.0171%	[REDACTED]%
SAILBOAT & CO. fbo Fidelity Magellan Fund: Fidelity Magellan Fund	—	—	—	—	—	—	—	—	—	—	—	3,163,704	—	—	—	3,163,704	0.0631%	[REDACTED]%
SCOTTISH MORTGAGE INVESTMENT TRUST PLC.	—	—	—	—	—	—	—	—	—	—	—	—	2,707,830	6,475,510	—	9,183,340	0.1833%	[REDACTED]%
SEATOWN LIONFISH PTE. LTD.	—	—	—	—	—	—	—	—	—	—	—	—	—	2,590,203	536,763	3,126,966	0.0624%	[REDACTED]%
Selected International Fund, Inc.	—	—	—	—	—	—	—	—	—	—	—	—	167,387	—	—	167,387	0.0033%	[REDACTED]%
Shanghai Kunqiong Investment Management LLP	—	—	—	—	—	—	—	—	—	—	—	—	—	6,475,510	—	6,475,510	0.1292%	[REDACTED]%
Shine Raise Limited (Nil-Paid)	—	—	—	—	—	—	—	—	—	—	—	—	—	3,755,700	—	3,755,700	0.0749%	[REDACTED]%
Singularity Holdings Ltd.	—	—	—	—	—	—	—	—	—	—	—	—	6,071,832	—	—	6,071,832	0.1212%	[REDACTED]%
Sinovation Fund III, L.P.	—	—	—	—	—	—	—	—	—	—	—	—	3,062,762	—	—	3,062,762	0.0611%	[REDACTED]%
SKY GALAXY INVESTMENT LIMITED	—	—	—	—	—	—	163,243	—	—	—	—	—	—	—	—	163,243	0.0033%	[REDACTED]%
SOURCE CODE PROMINENT INVESTMENT L.P.	2,099,065	—	—	—	—	—	—	—	—	—	—	—	—	—	—	2,099,065	0.0419%	[REDACTED]%
Speedwin Ltd	—	—	—	—	—	—	—	—	—	—	—	—	—	—	357,842	357,842	0.0071%	[REDACTED]%
STAR HERITAGE HOLDINGS LIMITED	210,213	—	—	—	—	—	—	—	—	—	—	—	—	—	—	210,213	0.0042%	[REDACTED]%
Steady Sonic Limited	—	—	—	—	—	—	—	—	—	—	—	—	—	—	7,367,629	7,367,629	0.1470%	[REDACTED]%
SUZHOU INDUSTRIAL PARK XINHE MEIDA VENTURE CAPITAL	—	—	—	—	—	1,411,246	290,834	—	—	—	—	185,009	—	25,902,038	—	27,789,127	0.5546%	[REDACTED]%
TDR Advisors Inc.	2,160,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	2,160,000	0.0431%	[REDACTED]%
Teng Yue Partners Master Fund, L.P.	—	—	—	—	—	—	666,667	—	—	—	—	—	—	—	—	666,667	0.0133%	[REDACTED]%
Teng Yue Partners RDLT, LP.	—	—	—	—	—	—	166,666	—	—	—	—	—	—	—	—	166,666	0.0033%	[REDACTED]%
Tight Chains Limited	—	—	—	—	—	—	—	—	—	—	—	—	—	—	28,416,563	28,416,563	0.5671%	[REDACTED]%
TKAMC Internet Investment Ltd.	—	—	—	—	—	—	—	—	—	—	—	—	—	12,951,019	—	12,951,019	0.2585%	[REDACTED]%
Ultimate Lenovo Limited.	—	—	—	—	—	—	—	—	—	—	—	—	2,573,208	—	—	2,573,208	0.0514%	[REDACTED]%
United Chartres Holdings Ltd	20,337,148	—	—	—	—	—	—	—	—	—	—	—	—	—	—	20,337,148	0.4059%	[REDACTED]%
Vangoo Target Fund I, L.P.	6,468,068	—	—	—	—	—	—	—	—	—	3,234,034	—	—	—	—	9,702,102	0.1936%	[REDACTED]%
VANGUARD VARIABLE INSURANCE FUNDS	—	—	—	—	—	—	—	—	—	—	—	—	—	2,083,522	—	2,083,522	0.0416%	[REDACTED]%
VANGUARD WORLD FUND	—	—	—	—	—	—	—	—	—	—	—	—	—	18,638,108	—	18,638,108	0.3719%	[REDACTED]%
VERTEX VENTURES CHINA III, L.P.	—	—	—	—	—	—	—	—	—	—	—	—	688,158	—	—	688,158	0.0137%	[REDACTED]%
Vital Stars Group Limited	—	—	—	—	—	—	—	—	—	—	—	—	1,376,316	—	—	1,376,316	0.0275%	[REDACTED]%
Wavechart & Co fbo Fidelity Securities Fund: Fidelity Series Blue Chip Growth Fund	—	—	—	—	—	—	—	—	—	—	—	1,581,852	—	—	—	1,581,852	0.0316%	[REDACTED]%
World Legend Limited	—	—	—	—	—	—	—	4,250,000	—	—	—	—	—	—	—	4,250,000	0.0848%	[REDACTED]%
WS Investment Company, LLC	1,979,052	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1,979,052	0.0395%	[REDACTED]%
XIA Ting	1,086,151	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1,086,151	0.0217%	[REDACTED]%
Xiaomi Ventures Limited	—	—	—	—	—	—	—	—	—	—	12,289,327	—	—	—	—	12,289,327	0.2452%	[REDACTED]%
YANG Xinjun	500,266	—	—	—	—	—	—	—	—	—	—	—	—	—	—	500,266	0.0100%	[REDACTED]%
YE Jiwei	301,046	—	—	—	—	—	—	—	—	—	—	—	—	—	—	301,046	0.0060%	[REDACTED]%
ZHANG Xiao	541,821	—	—	—	—	—	—	—	—	—	—	—	—	—	—	541,821	0.0108%	[REDACTED]%
Zhongrong International Growth Fund SPC-Hangtang Wealth Race Fund SP	—	—	—	—	—	—	—	—	—	—	—	—	—	25,902,038	—	25,902,038	0.5169%	[REDACTED]%
zPark Capital II, L.P.	—	—	—	—	—	—	—	—	—	—	—	—	63,062	—	—	63,062	0.0013%	[REDACTED]%
Other public shareholders pursuant to the [REDACTED]	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	[REDACTED]%
TOTAL	1,354,449,423	33,935,505	95,019,432	27,154,537	272,000,000	416,000,000	249,143,568	100,615,063	62,065,213	201,931,252	274,892,841	221,460,398	167,703,791	801,039,606	733,575,936	5,010,986,565	100%	100.0000%

Notes:

1) Our Company will adopt a WVR structure through two classes of Shares, Class A Shares and Class B Shares. Class A Shares entitle the Shareholders to 10 votes per share and Class B Shares entitle the Shareholders to one vote per share. In all respects Class A Shares and Class B Shares rank pari passu. Each ordinary share otherwise held by Crown Holdings, Shared Patience, Charmway Enterprises, Shared Vision and Kevin Sunny and each Preferred Share will automatically convert into one Class B Share upon completion of the [REDACTED].

2) Assuming the [REDACTED] is not exercised and no Shares are issued under the Pre-[REDACTED] ESOP, Post-[REDACTED] Share Option Scheme and Post-[REDACTED] Share Award Scheme and without considering the subscription for Shares by existing Shareholders in the [REDACTED].

3) The entire interest of Crown Holdings is held on trust established for the benefit of Wang Xing and his family members. Shared Patience is directly wholly owned by Wang Xing.

4) The entire interest of Charmway Enterprises is held on trust established for the benefit of Mu Rongjun and his family members. Shared Vision is directly wholly owned by Mu Rongjun.

5) Kevin Sunny is wholly owned by Wang Huiwen.

6) Huai River Investment Limited, Tencent Mobility, Great Summer Limited and Morespark Limited are direct wholly-owned subsidiaries of Tencent. TPP Follow-on I Holding B Limited and TPP Follow-on I Holding C limited are beneficially owned by Tencent excluding the Shares subscribed by Tencent Mobility as a [REDACTED] by exercising the Tencent Anti-dilution Option. For further information on Tencent Mobility's subscription as a [REDACTED], please refer to the section headed "[REDACTED]".

7) Sequoia Capital China Funds consist of Sequoia Capital China I, L.P., Sequoia Capital China Principals Fund I, L.P., Sequoia Capital China Partners Fund I, L.P., Sequoia Capital China II, L.P., Sequoia Capital China Partners Fund II, L.P., Sequoia Capital China Principals Fund II, L.P., Sequoia Capital 2010 CV Holdco, Ltd., SCC Growth 2010 — Top Holdco, Ltd., Sequoia Capital 2010 CGF Holdco, Ltd., SCC Growth IV 2017-D, L.P., SCC Growth IV Holdco A, Ltd., SCC Growth IV 2017-E, L.P., SCC Venture V Holdco I, Ltd., SCC Venture VI Holdco B, Ltd. and SCC VENTURE VI Holdco, Ltd.

8) Sequoia Capital Global Growth Funds consist of Sequoia Capital Global Growth Fund, L.P., Sequoia Capital Global Growth Principals Fund, L.P., SC GGFII Holdco, Ltd.

9) Trustbridge Partners IV, L.P., Trustbridge Partners V, L.P. and Trustbridge Partners VI, L.P. are US-dollar denominated Cayman Islands limited partnership investment funds focusing on TMT, consumer and healthcare sectors in China. TBP China Internet Plus Holdings Ltd. is held as to 62.5% by CPP Investment Board (USRE IV) Inc. and 37.5% by Trustbridge Partners V, L.P.

10) Stallion Internet Holdings LLC, Coatue CT XVII LLC, Coatue CT XVIII LLC, Coatue CT XX LLC and Coatue CT XXI LLC hold one or more investments that are managed by Coatue Management, L.L.C.

11) Hillhouse MTN Holdings Limited, Hillhouse MTN-Q Holdings Limited, Hillhouse MTN-II Holdings Limited, Hillhouse MTN-III Holdings Limited and HH RSV-IV Holdings Limited are indirectly controlled and managed by Hillhouse Capital Management.

12) Internet Fund IIIA Pte. Ltd. and Internet Fund IV Pte. Ltd. are managed by Tiger Global Singapore Pte. Ltd., which is in turn owned by Tiger Global Management, LLC.

13) DST China EC XIII, DST Asia V, DST China EC XIV, L.P., DST Global V Co-Invest, L.P. and DST Investments XVII, L.P. are controlled by DST Managers V Limited.

14) CTG Evergreen Investment XIX Limited is a wholly-owned subsidiary of Capital Today Evergreen Fund, L.P. LT Growth Investment XIV Limited is a wholly-owned subsidiary of Capital Today China Growth Fund II, L.P.

15) Gamnat Pte. Ltd. is managed by GIC Private Limited. Iris Investment Pte. Ltd. is managed by GIC Special Investments Pte Ltd. which is wholly owned by GIC Private Limited.

16) Coronado Pte Ltd. is wholly owned by Booking Holdings Inc.

PRE-[REDACTED] INVESTMENTS

1. *Overview*

Prior to the Company's incorporation in September 2015, Meituan Corporation had received four rounds of Pre-[REDACTED] Investments which are summarized below. All preferred shares in Meituan Corporation were converted into Preferred Shares in the Company pursuant to our reorganization in October 2015.

Round	Date of initial investment agreement	Closing date	Total number of shares under the investment agreement	Cost per share paid	Amount of consideration	Discount to the [REDACTED][(1)]
1. Series A Preferred Share Purchase Agreement .	September 2, 2010	June 5, 2011	3,400,000 series A preferred shares in Meituan Corporation (adjusted to 136,000,000 series A preferred shares after two share subdivision of Meituan Corporation in June 2011 and October 2014)	US$0.0882 per series A preferred share in Meituan Corporation	US$ 12,000,000	[REDACTED]%
2. Series B Preferred Share Purchase Agreement .	June 17, 2011	June 30, 2011	52,000,000 series B preferred shares in Meituan Corporation (adjusted to 208,000,000 series B preferred shares after the share division in October 2014)	US$0.2404 per series B preferred share in Meituan Corporation	US$ 50,000,000	[REDACTED]%
3. Series C Preferred Share Purchase Agreement .	March 26, 2014	April 11, 2014	31,142,946 series C preferred shares in Meituan Corporation (adjusted to 124,571,784 series C preferred shares after the share division in October 2014)	US$2.0069 per series C preferred share in Meituan Corporation	US$250,000,000	[REDACTED]%
4. Series D Preferred Share Purchase Agreement .	January 26, 2015	February 13, 2015	110,730,199 series D preferred shares in Meituan Corporation	US$6.3217 per series D preferred share in Meituan Corporation	US$700,003,096	[REDACTED]%

Notes:

(1) The discount to the [REDACTED] is calculated based on the assumption that (1) the [REDACTED] is HK$[REDACTED] per Share, being the mid-point of the indicative [REDACTED] range of HK$[REDACTED] to HK$[REDACTED]; (2) each ordinary share, series A, series B, series C and series D preferred share in Meituan Corporation was converted to two ordinary shares, Series A-4, Series A-5, Series A-6 and Series A-11 Preferred Shares in the Company pursuant to the merger agreement between, among others, the Company and Meituan Corporation dated October 5, 2015.

The Company has received two rounds of Pre-[REDACTED] Investments since its incorporation in September 2015, which are summarized below. All of our Pre-[REDACTED] Investors were issued Preferred Shares in our Company pursuant to the below Pre-[REDACTED] Investments.

Round	Date of initial investment agreement	Closing date	Total number of shares under the investment agreement	Cost per share paid[(1)]	Total amount of consideration	Discount to the [REDACTED][(2)]
1. Series B	November 30, 2015	February 15, 2016	801,039,606 Series B Preferred Shares	US$3.8607 per Series B Preferred Share	US$3,092,573,694	[REDACTED]%
2. Series C	October 13, 2017	October 23, 2017	733,575,936 Series C Preferred Shares	US$5.58906 per Series C Preferred Share	US$4,099,999,580	[REDACTED]%

Notes:

(1) As adjusted to reflect subsequent share splits and other capital reorganizations, as applicable.

(2) The discount to the [REDACTED] is calculated based on the assumption that the [REDACTED] is HK$[REDACTED] per Share, being the mid-point of the indicative [REDACTED] range of HK$[REDACTED] to HK$[REDACTED].

Principal terms of the Pre-[REDACTED] Investments and Pre-[REDACTED] Investors' rights

[REDACTED] period	Neither the Company nor any shareholder shall effect any public sale or distribution of the Shares (except as part of the [REDACTED]) until the earlier of (i) such time as the Company and the lead managing [REDACTED] shall agree; and (ii) 180 days from the [REDACTED] and 90 days for all other [REDACTED]. All the principal Pre-[REDACTED] Investors will retain at least an aggregate of 50% of their investment at the time of [REDACTED] for a period of at least six months following the [REDACTED], in accordance with Guidance Letter HKEX-GL93-18. Please see the section headed "Pre-[REDACTED] Investments — 5. Shareholding structure immediately following the [REDACTED]" for further details.
[REDACTED] from the Pre-[REDACTED] Investments	We utilized all of the proceeds from the Pre-[REDACTED] Investments for the operations of our Company and in accordance with the business plan or budget as approved by the Board.
Strategic benefits the Pre-[REDACTED] Investors brought to our Company	At the time of the Pre-[REDACTED] Investments, our Directors were of the view that our Company would benefit from the additional capital provided by the Pre-[REDACTED] Investors' investments in our Company and their knowledge and experience.

Basis of determining the consideration paid	The consideration for the Pre-[REDACTED] investments were determined based on arm's length negotiations between the Company and the Pre-[REDACTED] Investors after taking into consideration the timing of the investments and the status of our business and operating entities.
Conversion	The conversion of Preferred Shares to Class B Shares will be effected at a fixed conversion price and based on the initial conversion ratio of 1:1. The initial conversion ratio, which shall be initially based on the issue price of the Preferred Shares, may be adjusted from time to time by customary events such as share splits, combinations, share dividends and other distributions. In the event of a [REDACTED] as defined in the Shareholders Agreement (as defined below), the adjustment to the conversion ratio of the Preferred Shares is not linked to the [REDACTED] or the market capitalization of our Company and is in line with the principles and requirements under HKEx-GL44-12.

2. ***Special rights of the Pre-[REDACTED] Investors***

All of our Pre-[REDACTED] Investors are currently bound by the terms of the Existing Articles, which will be replaced by our Articles effective upon completion of the [REDACTED]. Pursuant to our amended and restated shareholders agreement dated April 3, 2018 entered into, among others, by the Company, holders of the ordinary shares and Preferred Shares (the "**Shareholders Agreement**"), the Pre-[REDACTED] Investors were granted certain special rights in relation to the Company, including, among others, customary rights of first refusal, co-sale rights, pre-emptive rights and information rights. The Shareholders Agreement and such special rights will terminate effective upon completion of the [REDACTED] in accordance with the terms of the Shareholders Agreement.

In addition, under the Shareholders Agreement, Tencent shall have the anti-dilution option to purchase and subscribe for additional Shares at the [REDACTED] until its ownership of the then issued and outstanding share capital of the Company immediately after the [REDACTED] is the same as its aggregate ownership in the Company (on an as-converted and fully-diluted basis) immediately prior to the [REDACTED] (the "**Tencent Anti-dilution-Option**"). On September 1, 2018, Tencent exercised the Tencent Anti-dilution Option by way of entering into a [REDACTED] with the Company and the [REDACTED]. For further details on Tencent Mobility's subscription as a [REDACTED], please see the section headed " [REDACTED]."

All of the Preferred Shares will convert to Class B Shares of US$0.00001 par value each upon completion of the [REDACTED] at which time our share capital will comprise two classes of shares, Class A Shares and Class B Shares. For further information on the rights attached to our Class A Shares and Class B Shares, please see the section headed "Share Capital."

3. ***Public Float***

Upon the completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no Shares are issued under the Pre-[REDACTED] ESOP, Post-[REDACTED] Share Option Scheme and Post-[REDACTED] Share Award Scheme), the shares held by certain of our shareholders who are, or are indirectly controlled by, our core connected persons, will not be counted towards the public float. Details of these shareholders and their controllers are set out below:

- Crown Holdings and Shared Patience, both of which are controlled by Wang Xing, our executive Director, collectively holding 10.4% of the issued share capital of the Company (on a one share, one vote basis);

- Charmway Enterprises and Shared Vision, both of which are controlled by Mu Rongjun, our executive Director, collectively holding 2.3% of the issued share capital of the Company (on a one share, one vote basis);

- Kevin Sunny, controlled by Wang Huiwen, our executive Director, holding 0.7% of the issued share capital of the Company (on a one share, one vote basis);

- Huai River Investment Limited, Tencent Mobility, Morespark Limited, and Great Summer Limited, which are wholly-owned subsidiaries of Tencent, and TPP Follow-on I Holding B Limited and TPP Follow-on I Holding C Limited, which are beneficially owned by Tencent, collectively holding [REDACTED]% of the issued share capital of the Company (on a one share, one vote basis, having considered Tencent's subscription for the Shares as more particularly set out in the section headed "[REDACTED]" and assuming the [REDACTED] of HK$[REDACTED] per Share, being the mid-point of the indicative [REDACTED] range of HK$[REDACTED] to HK$[REDACTED]);

- Sequoia Capital 2010 CGF Holdco, Ltd., Sequoia Capital 2010 CV Holdco, Ltd., Sequoia Capital China I, L.P., Sequoia Capital China II, L.P., Sequoia Capital China Partners Fund I, L.P., Sequoia Capital China Partners Fund II, L.P., Sequoia Capital China Principals Fund I, L.P., Sequoia Capital China Principals Fund II, L.P., Sequoia Capital Global Growth Principals Fund, L.P., Sequoia Capital Global Growth Fund, L.P., SCC VENTURE VI Holdco, Ltd., SCC Venture VI Holdco B, Ltd., SCC Growth IV Holdco A, Ltd., SCC Venture V Holdco I, Ltd., SC GGFII Holdco, Ltd., SCC Growth IV 2017-D, L.P. SCC Growth IV 2017-E, L.P. and SCC Growth 2010-Top Holdco, Ltd., collectively holding 10.4% of the issued share capital of the Company (on a one share, one vote basis).

Save as provided above, upon the completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no Shares are issued under the Pre-[REDACTED] ESOP, Post-[REDACTED] Share Option Scheme and Post-[REDACTED] Share Award Scheme and no existing Shareholders take part in the [REDACTED] except Tencent), the other Pre-[REDACTED] Investors will collectively hold [REDACTED] Class B Shares or approximately [REDACTED]% of the issued share capital of the Company (on a one share, one vote basis).

Save as disclosed above, no other Pre-[REDACTED] Investor is a core connected person of the Company, as defined in the Listing Rules. Therefore, the Shares held by the other Pre-[REDACTED] Investors will count towards the public float.

4. ***Information on the Principal Pre-[REDACTED] Investors***

Set out below is a description of our Pre-[REDACTED] Investors that are sophisticated investors, being private equity funds and corporations, and that have made meaningful investments in our Company (each holding between approximately [REDACTED]% to [REDACTED]% of our total issued and outstanding Shares immediately prior to the [REDACTED] (assuming all the Preferred Shares are converted into Class B Shares of par value US$0.00001 each)).

Huai River Investment Limited, a company incorporated under the laws of the British Virgin Islands, Tencent Mobility Limited, a company incorporated under the Laws of Hong Kong, Morespark Limited, a company incorporated under the laws of Hong Kong and Great Summer Limited, a company incorporated under the laws of the British Virgin Islands, are direct wholly-owned subsidiaries of Tencent. TPP Follow-on I Holding B Limited and TPP Follow-on I Holding C Limited, companies incorporated under the laws of the Cayman Islands, are beneficially owned by Tencent. As of the date of this document, Huai River Investment Limited, Tencent Mobility Limited, Morespark Limited, Great Summer Limited, TPP Follow-on I Holding B Limited and TPP Follow-on I Holding C Limited collectively hold 20.14% of our total issued and outstanding Shares. Upon the completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no Shares are issued under the Pre-[REDACTED] ESOP, Post-[REDACTED] Share Option Scheme and Post-[REDACTED] Share Award Scheme), Tencent will hold [REDACTED]% of our total issued and outstanding Shares (having considered Tencent's subscription for the Shares as a [REDACTED] as more particularly set out in the section headed "[REDACTED]" and assuming the [REDACTED] of HK$[REDACTED] per Share, being the mid-point of the indicative [REDACTED] range of HK$[REDACTED] to HK$[REDACTED]);

Sequoia Capital China I, L.P., Sequoia Capital China Partners Fund I, L.P., Sequoia Capital China Principals Fund I, L.P., Sequoia Capital China II, L.P., Sequoia Capital China Partners Fund II, L.P., Sequoia Capital China Principals Fund II, L.P., SCC Growth IV 2017-E, L.P. and SCC Growth IV 2017-D, L.P. (all being limited liability partnerships incorporated under the laws of the Cayman Islands), and Sequoia Capital 2010 CV Holdco, Ltd., SCC Venture V Holdco I, Ltd., SCC Venture VI Holdco, Ltd., SCC Venture VI Holdco B, Ltd., SCC Growth 2010-Top Holdco, Ltd., Sequoia Capital 2010 CGF Holdco, Ltd. and SCC Growth IV Holdco A, Ltd. (all being limited liability companies incorporated under the laws of the Cayman Islands) are collectively referred to as the "Sequoia Capital China Funds." Sequoia Capital Global Growth Fund, L.P. and Sequoia Capital Global Growth Principals Fund, L.P. (both being limited liability partnerships incorporated under the laws of the Cayman Islands) and SC GGFII Holdco, Ltd. (a limited liability company incorporated under the laws of the Cayman Islands) are collectively referred to as the "Sequoia Capital Global Growth Funds." The Sequoia Capital China Funds and the Sequoia Capital Global Growth Funds are investment funds whose primary purpose is to make equity investments.

The general partner of each of Sequoia Capital China I, L.P., Sequoia Capital China Partners Fund I, L.P. and Sequoia Capital China Principals Fund I, L.P. is Sequoia Capital China Management I, L.P. ("**SCC Management I**"). The general partner of each of Sequoia Capital China II, L.P., Sequoia

Capital China Partners Fund II, L.P. and Sequoia Capital China Principals Fund II, L.P. is Sequoia Capital China Management II, L.P. ("**SCC Management II**"). The sole shareholder of Sequoia Capital 2010 CV Holdco, Ltd. is Sequoia Capital China Venture 2010 Fund, L.P., whose general partner is SC China Venture 2010 Management, L.P. ("**SCCV 2010 Management**"). The sole shareholder of SCC Venture V Holdco I, Ltd. is Sequoia Capital China Venture Fund V, L.P., whose general partner is SC China Venture V Management, L.P. ("**SCCV V Management**"). The sole shareholder of each of SCC Venture VI Holdco, Ltd. and SCC Venture VI Holdco B, Ltd. is Sequoia Capital China Venture Fund VI, L.P., whose general partner is SC China Venture VI Management, L.P. ("**SCCV VI Management**"). The controlling shareholder of SCC Growth 2010-Top Holdco, Ltd. and the sole shareholder of Sequoia Capital 2010 CGF Holdco, Ltd. is Sequoia Capital China Growth 2010 Fund, L.P., whose general partner is SC China Growth 2010 Management, L.P. ("**SCCGF 2010 Management**"). The sole shareholder of SCC Growth IV Holdco A, Ltd. is Sequoia Capital China Growth Fund IV, L.P., whose general partner is SC China Growth IV Management, L.P. ("**SCCGF IV Management**" and, together with SCC Management I, SCC Management II, SCCV 2010 Management, SCCV V Management, SCCV VI Management and SCCGF 2010 Management, collectively, the "**General Partners**"). The general partner of each of SCC Growth IV 2017-E, L.P. and SCC Growth IV 2017-D, L.P. is SCCGF IV Management. The general partner of each of the General Partners is SC China Holding Limited, which is a wholly-owned subsidiary of SNP China Enterprises Limited. Neil Nanpeng Shen is the sole shareholder of SNP China Enterprises Limited.

The general partner of Sequoia Capital Global Growth Fund, L.P. and Sequoia Capital Global Growth Principals Fund, L.P. is SCGGF Management, L.P., whose general partner is SC US (TTGP), Ltd. The controlling shareholder of SC GGFII Holdco, Ltd. is Sequoia Capital Global Growth Fund II, L.P. The general partner of Sequoia Capital Global Growth Fund II, L.P is SC Global Growth II Management, L.P., whose general partner is SC US (TTGP), Ltd..

As of the date of this document, the Sequoia Capital China Funds and the Sequoia Capital Global Growth Funds collectively hold 11.4% of our total issued and outstanding Shares.

Trustbridge Partners IV, L.P., Trustbridge Partners V, L.P., and Trustbridge Partners VI, L.P. are all US-dollar denominated Cayman Islands limited partnership investment funds focusing on TMT, consumer, and healthcare sectors in China. TBP China Internet Plus Holdings Ltd., a company incorporated under the laws of the British Virgin Islands, is an investment vehicle which is held as to 62.5% by CPP Investment Board (USRE IV) Inc. and 37.5% by Trustbridge Partners V, L.P. As of the date of this document, Trustbridge Partners IV, L.P., Trustbridge Partners V, L.P., Trustbridge Partners VI, L.P. and TBP China Internet Plus Holdings Ltd. collectively hold 3.59% of our total issued and outstanding Shares.

Stallion Internet Holdings LLC, Coatue CT XVII LLC, Coatue CT XVIII LLC, Coatue CT XX LLC and Coatue CT XXI LLC, each a limited liability company formed under the laws of the State of Delaware hold one or more investments that are managed by Coatue Management, L.L.C. ("**Coatue**"). As of the date of this document, Stallion Internet Holdings LLC, Coatue CT XVII LLC, Coatue CT XVIII LLC, Coatue CT XX LLC and Coatue CT XXI LLC collectively hold 3.22% of our total issued and outstanding Shares.

As of the date of this document, Hillhouse MTN Holdings Limited, Hillhouse MTN-Q Holdings Limited, Hillhouse MTN-II Holdings Limited, Hillhouse MTN-III Holdings Limited and HH RSV-IV Holdings Limited (together, the "**Hillhouse Vehicles**") collectively hold 3.11% of our total issued and outstanding Shares. The shareholders of the Hillhouse Vehicles are controlled and managed by Hillhouse Capital Management, Ltd.

Internet Fund IIIA Pte. Ltd, and Internet Fund IV Pte. Ltd., both Singapore private limited companies, are investment companies that focus on investing in internet, technology and software companies. They are managed by Tiger Global Singapore Pte. Ltd., which is in turn owned by Tiger Global Management, LLC. As of the date of this document, Internet Fund IIIA Pte. Ltd. and Internet Fund IV Pte. Ltd. collectively hold 3.06% of our total issued and outstanding Shares.

DST China EC XIII and DST Asia V are Mauritius private companies limited by shares (collectively, "**DST Mauritius Funds**") and DST China EC XIV, L.P., DST Global V Co-Invest, L.P. and DST Investments XVII, L.P. are Cayman Islands exempted limited partnerships (collectively, "**DST Cayman Funds**" and collectively with DST Mauritius Funds, "**DST Shareholders**"). The DST Mauritius Funds are wholly-owned by Cayman Islands exempted limited partnerships, which are each controlled by DST Managers V Limited, their general partner. The DST Cayman Funds are also controlled by DST Managers V Limited, their general partner. The DST Shareholders are all under common control of DST Managers V Limited which is ultimately controlled by Galileo (PTC) Limited, a British Virgin Islands business company, as the trustee of The Cassiopeia Trust (the "**Trust**"). The Trust is an irrevocable discretionary Trust established under the Laws of Jersey in respect of which there are no beneficiaries absolutely entitled to 25% or more of the assets of the Trust. As of the date of this document, the DST Shareholders collectively hold 2.74% of the total issued and outstanding Shares.

CTG Evergreen Investment XIX Limited, a company incorporated under the laws of the British Virgin Islands, is an investment holding company and a wholly-owned subsidiary of Capital Today Evergreen Fund, L.P., a limited partnership organized under the laws of the Cayman Islands. LT Growth Investment XIV Limited, a company incorporated under the laws of the British Virgin Islands, is an investment holding company and a wholly-owned subsidiary of Capital Today China Growth Fund II, L.P., a limited partnership organized under the laws of the Cayman Islands. Both Capital Today Evergreen Fund, L.P. and Capital Today China Growth Fund II, L.P. are venture capital funds focused on investment in internet, retail and consumer companies in China. As of the date of this document, CTG Evergreen Investment XIX Limited and LT Growth Investment XIV Limited collectively hold 2.43% of our total issued and outstanding shares.

Gamnat Pte. Ltd. is an investment vehicle managed by GIC Private Limited ("**GIC**"). Iris Investment Pte. Ltd. is an investment vehicle managed by GIC Special Investments Pte Ltd which is wholly owned by GIC. GIC is a global asset management company established in 1981 to manage Singapore's foreign reserves. As of the date of this document, Gamnat Pte. Ltd. and Iris Investment Pte. Ltd. collectively hold 1.84% of our total issued and outstanding Shares.

Coronado Pte Ltd, a company incorporated under the laws of Singapore, is a wholly-owned subsidiary of Booking Holdings Inc. As of the date of this document, Coronado Pte Ltd holds 1.61% of our total issued and outstanding Shares.

[REDACTED]

[REDACTED]

PRC REGULATORY REQUIREMENTS

According to the Regulations for Merger with and Acquisition of Domestic Enterprises by Foreign Investors (《關於外國投資者並購境內企業的規定》) jointly issued by MOFCOM, the State-owned Assets Supervision and Administration Commission of the State Council, the SAT, the CSRC, the SAIC and the SAFE on August 8, 2006, effective as of September 8, 2006 and amended on June 22, 2009, a foreign investor is required to obtain necessary approvals when it (i) acquires the equity of a domestic enterprise so as to convert the domestic enterprise into a foreign-invested enterprise; (ii) subscribes the increased capital of a domestic enterprise so as to convert the domestic enterprise into a foreign-invested enterprise; (iii) establishes a foreign-invested enterprise through which it purchases the assets of a domestic enterprise and operates these assets; or (iv) purchases the assets of a domestic enterprise, and then invests such assets to establish a foreign-invested enterprise. The M&A Rules, among other things, further purport to require that an offshore special vehicle, or a special purpose vehicle, formed for listing purposes and controlled directly or indirectly by PRC companies or individuals, shall obtain the approval of the CSRC prior to the listing and trading of such special purpose vehicle's securities on an overseas stock exchange, especially in the event that the special purpose vehicle acquires shares of or equity interests in the PRC companies in exchange for the shares of offshore companies.

Our PRC Legal Advisors are of the opinion that, based on its understanding of the current PRC laws and regulations, prior CSRC approval for this offering is not required because (i) our wholly foreign-owned PRC subsidiaries were not established through a merger or acquisition of equity interest or assets of a PRC domestic company owned by PRC companies or individuals as defined under the M&A Rules that are the beneficial owners of our Company, and (ii) no provision in the M&A Rules clearly classifies contractual arrangements as a type of transaction subject to the M&A Rules.

SAFE REGISTRATION IN THE PRC

Pursuant to the Circular of the SAFE on Foreign Exchange Administration of Overseas Investment, Financing and Round-trip Investments Conducted by Domestic Residents through Special Purpose Vehicles (《關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》) (the "**SAFE Circular 37**"), promulgated by SAFE and which became effective on July 14, 2014 and replaced the Circular on Relevant Issues Concerning Foreign Exchange Control on Domestic Residents' Corporate Financing and Roundtrip Investment Through Offshore Special Purpose Vehicles (《關於境內居民通過境外特殊目的公司融資及返程投資外匯管理有關問題的通知》) (the "**SAFE Circular 75**"), (i) a PRC resident must register with the local SAFE branch in connection with their contribution of offshore assets or domestic enterprises' equity interests in an overseas special purpose

vehicle (the "**Overseas SPV**") that is directly established or indirectly controlled by the PRC resident for the purpose of conducting overseas investment or financing, and (ii) following the initial registration, the PRC resident is also required to register with the local SAFE branch for any major change in respect of the Overseas SPV, including, among other things, a change of Overseas SPV's PRC resident shareholder(s), the name of the Overseas SPV, terms of operation, or any increase or reduction of the Overseas SPV's capital, share transfer or swap, and merger or division. Pursuant to SAFE Circular 37, failure to comply with these registration procedures may result in penalties. In addition, the PRC subsidiaries of that Overseas SPV may be prohibited from distributing their profits and dividends to their offshore parent company or from carrying out other subsequent cross-border foreign exchange activities, and the Overseas SPV and its offshore subsidiary may be restricted in their ability to contribute additional capital to their PRC subsidiaries.

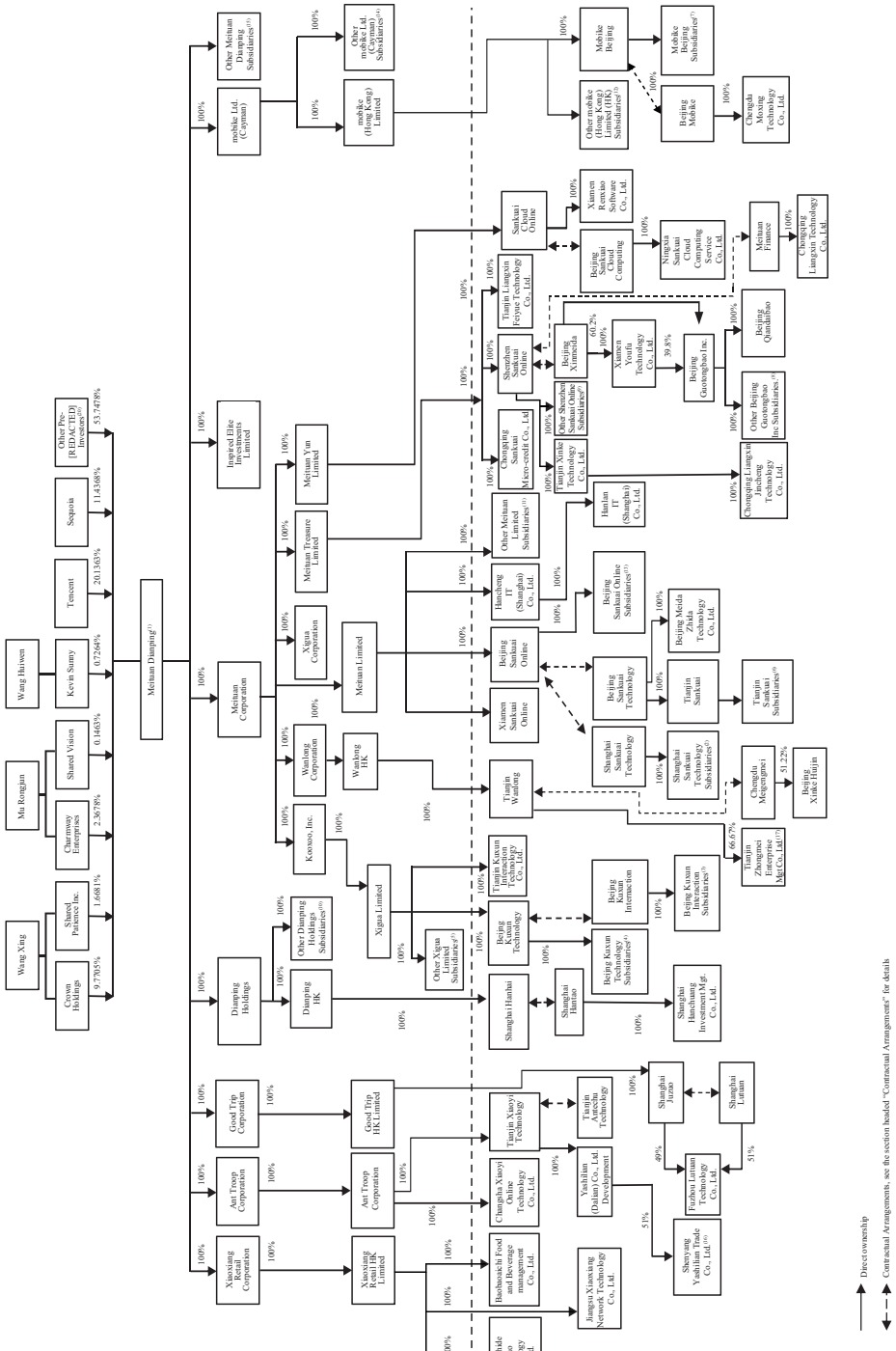
Pursuant to the Circular of the SAFE on Further Simplification and Improvement in Foreign Exchange Administration on Direct Investment (《關於進一步簡化和改進直接投資外匯管理政策的通知》), promulgated by SAFE and effective on June 1, 2015, the power to accept SAFE registration was delegated from local SAFE to qualified banks.

As advised by our PRC Legal Advisor, seven individual Shareholders (including Wang Xing) who indirectly hold shares in our Cayman Islands holding company and who are known to us as being PRC citizens, have completed the registration under the SAFE Circular 75 then in effect.

CORPORATE STRUCTURE

Corporate structure before the [REDACTED]

The following diagram illustrates the simplified corporate and shareholding structure of our Company immediately prior to the completion of the [REDACTED]:



Notes:

(1) The Company will have a weighted voting rights structure, effective immediately upon the completion of the [REDACTED]. For further details, refer to the details contained in the corporate structure immediately following the [REDACTED] and the section headed "Share Capital—Weighted Voting Rights Structure."

(2) Shanghai Sankuai Technology Subsidiaries include:
   a. the following direct wholly-owned subsidiaries of Shanghai Sankuai, all established in the PRC
      i. Beijing Sankuai Daojia Technology Co., Ltd. (北京三快到家科技有限公司);
      ii. Beijing Xiaoyi Online Technology Co., Ltd. (北京小蟻在綫科技有限公司);
      iii. Shanghai Meijisong Express Co., Ltd. (上海美即送速運有限公司); and
   b. Chengdu Zhonghengyuan Commercial Co., Ltd. (成都眾亨源商貿有限公司), which is wholly-owned by Shanghai Meijisong Express Co., Ltd. (上海美即送速運有限公司).

(3) Beijng Kuxun Interaction Subsidiaries include the following subsidiaries, all established in the PRC:
   a. Beijing Xigua International Travel Service Co., Ltd. (北京西瓜國際旅行社有限公司), which is wholly-owned by Beijng Kuxun Interaction ;
   b. Shenzhen Hanglu Information Service Co., Ltd. (深圳航路信息服務有限公司), which is owned by Beijng Kuxun Interaction as to 68.51% and other third parties as to 31.49%; and Shenzhen Hanglu Travel Agency Co., Ltd. (深圳航路旅行社有限公司), which is wholly-owned by Shenzhen Hanglu Information Service Co., Ltd.;
   c. Shanghai Bieyanghong IT Co., Ltd. (上海別樣紅信息技術有限公司), which is wholly-owned by Beijng Kuxun Interaction;
   d. Chengdu Yinlong Changda Technology Co., Ltd. (成都銀隆暢達科技有限公司), which is direct wholly-owned by Beijing Kuxun Interaction; and
   e. Beijing Xinke Huijin Investment Center (LP) (北京信科匯金投資中心(有限合伙)), which is owned by Chengdu Yinlong as to 48.78% and Chengdu Meigengmei as to 51.22%.

(4) Beijing Kuxun Technology Subsidiaries include the following direct wholly-owned subsidiaries, all established in the PRC:
   a. Beijing Woyao Wokong Technology Co., Ltd. (北京我遙我控科技有限公司);
   b. Tianjin Xigua Travel Service Co., Ltd. (天津西瓜旅遊有限責任公司); and
   c. Tianjin Chengyi Travel Co., Ltd. (天津橙一旅遊有限公司).

(5) Other Xigua Limited Subsidiaries include the following direct wholly-owned subsidiaries:
   a. ZhenGuo Limited (榛果有限公司) incorporated in Hong Kong;
   b. ZhenZhu Limited (榛住有限公司) incorporated in Hong Kong;
   c. Meituan Co., Ltd. incorporated in Thailand; and
   d. XIGUA Kabushiki Kaisha (XIGUA株式會社) incorporated in Japan.

(6) Tianjin Sankuai Subsidiaries include the following subsidiaries, all established in the PRC:
   a. Xiamen Zhenguo Holiday Travel Service Co., Ltd. (廈門榛果假期旅行社有限公司), which is wholly-owned by Tianjin Sankuai;
   b. Jilin Sankuai Technology Co., Ltd. (吉林三快科技有限公司), which is wholly-owned by Tianjin Sankuai; and
   c. Beijing Xinping Technology Co., Ltd. (北京屏芯科技有限公司), which is wholly-owned by Tianjin Sankuai.

(7) Mobike Beijing Subsidiaries include the following subsidiaries, all established in the PRC:
   a. Moxing (Shanghai) Enterprise Management Co., Ltd. (摩行(上海)企業管理有限公司), which is wholly-owned by Mobike Beijing;
   b. Wuhan Mobike Sharing Technology Co., Ltd. (武漢摩拜共享技術服務有限公司), which is wholly-owned by Mobike Beijing;
   c. Sichuan Mobike Technology Co., Ltd. (四川摩拜科技有限公司); which is wholly-owned by Mobike Beijing;
   d. Guangzhou Mobike Technology Co., Ltd. (廣州摩拜科技有限公司); which is wholly-owned by Mobike Beijing;
   e. Shenzhen Mobike IT Co., Ltd. (深圳摩拜信息技術有限公司; which is wholly-owned by Mobike Beijing;
   f. Mobike Travel Services Co., Ltd. (摩拜出行服務有限公司); which is wholly-owned by Mobike Beijing;
   g. Mobike Shanghai Smart Technology Co., Ltd. (摩拜(上海)智能技術有限公司); which is wholly-owned by Mobike Beijing; and
   h. Gui'an New District Mobike Travel Technology Co., Ltd. (貴安新區摩拜出行科技有限公司), which is owned by Mobike Beijing as to 67.47% and Gui'an New District New Industrial Development Fund (Limited Partnership) (貴安新區新型產業發展基金(有限合夥)), Chengdu Yiming Dianzhuang Technology Co., Ltd. (成都羿明電莊科技有限公司), Gui'an New District Xinte Electric Vehicle Industry Co., Ltd. (貴安新區新特電動汽車工業有限公司) and FAW Car Stock Co., Ltd. (一汽轎車股份有限公司), who are Independent Third Parties, as to 13.50%, 4.50% and 4.50% and 10.03%, respectively.
   i. Shanghai Mobike Aichi Trip Technology Co., Ltd. (上饒摩拜愛馳出行科技有限公司), which is owned by Mobike Beijing as to 90% and Shanghai Moxing Technology Co., Ltd. (上海初行科技有限公司), who is independent third party as to 10%.

(8) Other Beijing Guotongbao Inc. Subsidiaries include the following subsidiaries, all established in the PRC (with the exception of QianDai Net Technology Co., Limited, which is incorporated in Hong Kong):
   a. Beijing Qiandaibao Investment Co., Ltd. (北京錢袋寶投資有限責任公司);
   b. Beijing Shidai Weilang Technology Co., Ltd. (北京時代威浪信息科技有限公司);

c. Beijing Feiyuefu Electronic Technology Co., Ltd. (北京飛悅付電子技術有限責任公司), directly and wholly owned by Beijing Shidai Weilang Technology Co., Ltd.; and
d. QianDai Net Technology Co., Limited, directly and wholly owned by Beijing Shidai Weilang Technology Co., Ltd..

(9) Other Shenzhen Sankuai Online Subsidiaries the following subsidiaries, all established in the PRC:
a. Shanghai Liangxin Technology Co., Ltd. (上海兩心科技有限公司), which is wholly-owned by Shenzhen Sankuai Online;
b. Tianjin Liangxin Technology Co., Ltd. (天津兩心科技有限公司), which is wholly-owned by Shenzhen Sankuai Online; and
c. Tianjin Jingcheng Hunuo Technology Co., Ltd. (天津金誠互諾科技有限公司), which is wholly-owned by Tianjin Liangxin Technology Co., Ltd..

(10) Other Dian Ping Holdings Subsidiaries include the following:
a. Dian Ping Investment Limited incorporated in BVI; and
b. Dian Ping Elite (Hong Kong) Limited. incorporated in Hong Kong.

(11) Other Meituan Limited Subsidiaries include the following direct wholly-owned subsidiaries, all established in the PRC:
a. Tianjin Hanbo IT Co., Ltd. (天津漢博信息技術有限公司); and
b. the following direct wholly-owned susidiaries of Tianjin Hanbo IT Co., Ltd.
i. Beijing Sankuai Zhihui Restaurant Management Co., Ltd. (北京三快智慧餐飲管理有限公司);
ii. Shanghai Xinhuo Internet Technology Co., Ltd. (上海芯火互聯網科技有限公司);
iii. Tianjin Sankuai Feiyue Technology Co., Ltd. (天津三快飛躍科技有限公司), which is wholly-owned by Shanghai Xinhuo Internet Technology Co., Ltd.; and
iv. Shanghai Xiyi Network Technology Co., Ltd. (上海喜藝網絡技術有限公司), directly and wholly owned by Tianjin Sankuai Feiyue Technology Co., Ltd..
c. Hanping IT (Beijing) Co., Ltd. (漢平信息技術(北京)有限公司).

(12) Other mobike (Hong Kong) Limited (HK) Subsidiaries include the following, all established in the PRC:
a. the following direct wholly-owned subsidiaries of mobike (Hong Kong) Limited
i. Mobike Zhizao Wuxi Co., Ltd. (摩拜智造(無錫)物聯科技有限公司);
ii. Mobike IT Co., Ltd. (摩拜信息技術有限公司);
iii. Tianjin Mobike Financial Leasing Co., Ltd. (天津摩拜融資租賃有限公司);
iv. Tianjin Mobike Commercial Factoring Co., Ltd. (天津摩拜商業保理有限公司); and
b. Mozi(Shanghai) Internet Technology Co., Ltd. (摩資(上海)網絡科技有限公司), which is owned by mobike (Hong Kong) Limited as to 80.0% and Beijing Mobike as to 20.0%.

(13) Beijing Sankuai Online Subsidiaries include the following wholly-owned subsidiaries, all established (will be established) in the PRC:
a. Yangzhou Sankuai OnlineCo., Ltd. (揚州三快在綫信息技術有限公司);
b. Shijiazhuang Sankuai OnlineCo., Ltd. (石家莊三快在綫信息技術有限公司); and
c. Beijing Sankuai Information Technology Co., Ltd. (北京三快信息科技有限公司), which is being established as of the Latest Practicable Date.

(14) Other mobike Ltd. (Cayman) Subsidiaries include the following:
a. mobike (Hong Kong) Holding Ltd. incorporated in Hong Kong;
b. Mobike Holding Ltd. incorporated in Cayman Islands;
c. Mobike Global (HK) Ltd. incorporated in Hong Kong and wholly owned by Mobike Holding Ltd.
d. mobike (Hong Kong) Limited incorporated in Hong Kong;
e. the following subsidiaries of mobike (Hong Kong) Limited
i. SINGAPORE MOBIKE PTE. LTD. incorporated in Singapore and wholly owned by mobike (Hong Kong) Limited;
ii. Mobike Netherlands Investment Technology Coöperatief U.A. incorporated in the Netherlands and owned by mobike (Hong Kong) Limited as to 99.99% and mobike (Hong Kong) Holding Limited as to 0.01% and;
iii. the following subsidiaries of Mobike Netherlands Investment Technology Coöperatief U.A.
a. Mobike B.V. incorporated in the Netherlands and wholly owned by Mobike Netherlands Investment Technology Coöperatief U.A.;
b. Mobike Japan KK incorporated in Japan and owned by Mobike B.V. as to 89.93% and LINE Corporation as to 10.07%;
c. MOBIKE FRANCE SAS incorporated in France and wholly owned by Mobike B.V.;
d. Mobike Germany GmbH incorporated in Germany and wholly owned by Mobike B.V.;
e. Mobike Technology, S.L.U. incorporated in Spain and wholly owned by Mobike B.V.;
f. Mobike Australia Pty Ltd incorporated in Australia and wholly owned by Mobike B.V.;
g. Mobike Korea Co., Ltd. incorporated in Korea and wholly owned by Mobike B.V.;

h. MOBIKE CHILE SpA incorporated in Chile and wholly owned by Mobike B.V.;
i. MOBIKE SDN. BHD. incorporated in Malaysia and owned by Mobike B.V. as to 99% and Hu Weiwei as to 1%;
j. Mobike Inc. incorporated in the United States and wholly owned by Mobike B.V.;
k. MOBIKE MÉXICO S.A. DE C.V incorporated in Mexico and wholly owned by Mobike B.V.;
l. MOBIKE TECHNOLOGY ISRAEL LTD. incorporated in Israel and wholly owned by Mobike B.V.;
m. Mobike Italy S.r.l incorporated in Italy and wholly owned by Mobike B.V.;
n. Mobike Technology UK Limited incorporated in the UK and wholly owned by Mobike B.V.; and
o. Borisat Mobike (Pratedthai) Chamkad (Mobike (Thailand) Ltd.) incorporated in Thailand and owned by Mobike B.V. as to 49.9%, Mr. Sermpol Vatanavorakitkul as to 50.05% and Hu Weiwei as to 0.05%.

(15) Other Meituan Dianping Subsidiaries include the following:
a. Eagle Trade Limited incorporated in Cayman Islands;
b. Internet Plus (Hong Kong) Limited incorporated in Hong Kong;
c. Kangaroo Technology Corporation incorporated in Cayman Islands;
d. Myriad Dragon Corporation Incorporated in Cayman Island;
e. the following direct wholly-owned subsidiaries of Internet Plus (Hong Kong) Limited, all incorporated in the PRC
i. Hucheng IT (Shanghai) Co., Ltd. (互誠信息技術(上海)有限公司);
ii. Huyi IT (Shanghai) Co., Ltd. (互怡信息技術(上海)有限公司); and
iii. Huyang IT (Shanghai) Co., Ltd. (互揚信息技術(上海)有限公司).
f. the following direct wholly-owned subsidiaries of Kangaroo Technology Corporation:
i. Kangaroo Limited incorporated in Hong Kong; and
ii. the following direct wholly-owned subsidiaries of Kangaroo Limited, all incorporated in the PRC
a) Shanghai Sankuai Zhisong Technology Co., Ltd. (上海三快智送科技有限公司); and
b) Tianjin Sankuaidaojia Technology Co., Ltd. (天津三快到家科技有限公司).
g. the following direct wholly-owned subsidiary:
i. Myriad Dragon HK Limited; and
ii. the following direct wholly-owned subsidiary of Myriad Dragon HK Limited, all incorporated in the PRC
a) Tianjin Chenrui Technology Co., Ltd. (天津宸瑞科技有限公司); and
b Tianjin Chen'an Technology Co., Ltd. (天津宸安科技有限公司), a direct wholly-owned subsidiary of Tianjin Chenrui Technology Co., Ltd.

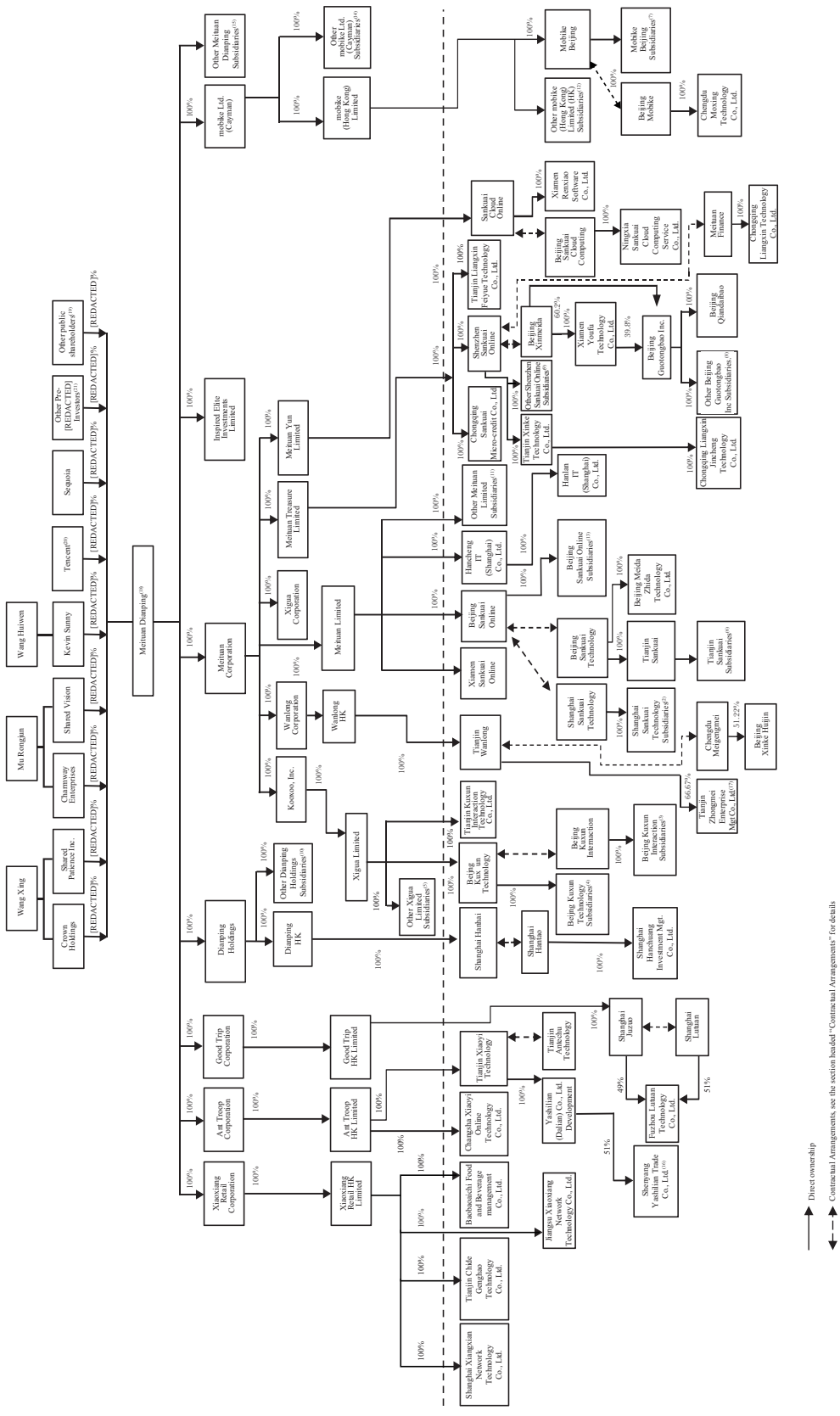
(16) Shenyang Yashilian Trade Co., Ltd. (沈陽亞食聯貿易有限公司) is owned by Yashilian Development (Dalian) Co., Ltd. as to 51%, Shenyang Kuncheng Zhilin Investment Centre as to 39% and Chenlin as to 10%.

(17) Tianjin Zhongmei Enterprise Mgt Co., Ltd. (天津眾美企業管理諮詢有限公司) is owned by Tianjin Wanlong as to 66.67% and Changsha Xiangjiang Longzhu Private Equity Investment Fund (Limited Partnership) (長沙湘江龍珠私募股權投資基金企業(有限合夥)) as to 33.33%.

(18) Shanghai Xiangxian Network Technology Co., Ltd (上海象鮮網絡科技有限公司) is being established as of the Latest Practicable Date.

Corporate structure immediately following the [REDACTED]

The following diagram illustrates the simplified corporate and shareholding structure of our Company immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no Shares are issued under the Pre-[REDACTED] ESOP, Post-[REDACTED] Share Option Scheme and Post-[REDACTED] Share Award Scheme):



Notes (2) to (17): Please refer to the details contained in the preceding pages subject to adjustments for the conversion of the Preferred Shares to Class B Shares.

(18) The Company is controlled through weighted voting rights. Under this structure, the Company's share capital will comprise Class A Shares and Class B Shares. Each Class A Share will entitle the holder thereof to exercise 10 votes, and each Class B Share will entitle the holder thereof to exercise one vote, on any resolution tabled at the Company's general meetings, except for resolutions with respect to a limited number of Reserved Matters, in relation to which each Share is entitled to one vote. For resolutions with respect to matters other than the Reserved Matters, immediately following the [REDACTED], the percentage of voting rights that the WVR Beneficiaries, Wang Xing, Mu Rongjun and Wang Huiwen are capable of exercising through shares beneficially owned by them is [REDACTED]%, [REDACTED]% and [REDACTED]%, respectively. For further details, refer to the section headed "Share Capital—Weighted Voting Rights Structure."

(19) The expected public float immediately following completion of the [REDACTED] is approximately 56.9% on a one share, one vote basis (assuming the [REDACTED] are not exercised and assuming no shares are issued under the Pre-[REDACTED] ESOP, Post-[REDACTED] Share Option Scheme and Post-[REDACTED] Share Award Scheme), which comprises the shares to be held by the other public shareholders and the other Pre-[REDACTED] Investors who are not core connected persons of the Company. Excluding the Shares subscribed by Tencent as a [REDACTED] by exercising the Tencent Anti-dilution Option. For further information on Tencent's subscription as a [REDACTED], please refer to the section headed "[REDACTED] — 2. Tencent".

(20) Including the shares subscribed by Tencent as a [REDACTED] by exercising the Tencent Anti-dilution Option.

(21) Without considering the subscription for Shares by existing Shareholders in the [REDACTED].

Our Mission

Our mission is: "We help people eat better, live better."

We founded our Company with the belief that technology will make everyone's life better. Since then, we have witnessed how technology has improved people's daily lives and small businesses' daily operations. This is just the beginning. We remain excited and steadfast in our mission, and will continue using technology to help people eat better, live better.

Overview

We are China's leading e-commerce platform for services. Our platform uses technology to connect consumers and merchants. Service offerings on our platform address people's daily needs for food, and extend further to broad lifestyle and travel services. In 2017, our platform generated over 5.8 billion transactions, totaling RMB357 billion in Gross Transaction Volume. During the same year, we served 310 million Transacting Users and 4.4 million Active Merchants in over 2,800 cities and counties across China.

We operate the mobile apps *Meituan*, China's leading online marketplace for services by Gross Transaction Volume in 2017, and *Dianping*, China's leading online destination for discovering lifestyle services by monthly active users in 2017, according to the iResearch Report. In addition, we own the *Meituan Waimai* brand for on-demand delivery services and the *Mobike* brand for bike-sharing services. All of the above are household brands in China and among the most popular mobile apps for service e-commerce in terms of monthly active users in 2017, according to the iResearch Report.

We play an important role in consumers' daily lives. We help consumers discover merchant information, make informed decisions, complete online and offline transactions and enjoy on-demand delivery. We focus on *mass-market*, *essential* and *high-frequency* service categories and have established market leadership in these core categories. We are the world's largest on-demand food delivery service provider and China's largest e-commerce platform for in-store dining services in 2017, according to the iResearch Report. Our leadership in these core categories allows us to attract a large and growing consumer base, increase user stickiness and cater to evolving consumption habits. 78% of our Gross Transaction Volume in 2016 was attributable to repeat consumers who were our annual Transacting Users in 2015, and 82% of our Gross Transaction Volume in 2017 was attributable to repeat consumers who were our annual Transacting Users in 2016. On average, the annual number of transactions each Transacting User made on our platform increased from 10.4 transactions in 2015 to 12.9 transactions in 2016, and further to 18.8 transactions in 2017, and increased from 14.4 transactions in the twelve months ended April 30, 2017 to 20.3 transactions in the twelve months ended April 30, 2018. Our top 10% Transacting Users by consumption frequency made an average of 98 transactions in 2017. In addition, 50.4% of our aggregate annual Transacting Users from 2010 to 2013, after eliminating duplicates, remained our Transacting Users in 2017. The longer our Transacting Users stay with us, the more frequently they transact on our platform. For example, on average, Transacting Users who have been with us since 2013 transacted over 29 times in 2017, whereas Transacting Users who have been with us since 2017 transacted approximately nine times in 2017. Our leadership also enables us to expand into new categories efficiently.

Our platform has achieved significant operating leverage. We have been focusing on *mass-market*, *essential* and *high-frequency* service categories, and established many touch points with consumers' lives, which allow us to launch and cross-sell a broad range of additional service categories. For example, in 2017, over 80% of our new hotel-booking Transacting Users and approximately 74% of our new Transacting Users of other lifestyle services were converted from Transacting Users of our core categories of food delivery and in-store dining. The breadth of our service offerings allows us to enjoy low user acquisition cost, enhance user stickiness and grow user lifetime value. Our marketing efficiency improved significantly during the Track Record Period. Our selling and marketing expenses as a percentage of total revenue decreased from 177.7% in 2015 to 64.2% in 2016 and further decreased to 32.2% in 2017, and decreased from 32.3% in the four months ended April 30, 2017 to 25.9% in the same period of 2018. While the number of our Transacting Users increased from 206 million in 2015 to 259 million in 2016 and further increased to 310 million in 2017, and increased from 270 million in the twelve months ended April 30, 2017 to 340 million in the twelve months ended April 30, 2018, our incentives provided to Transacting users as a percentage of Gross Transaction Volume was 2.5% in 2015, 1.3% in 2016, 1.8% in 2017, 1.4% in the four months ended April 30, 2017 and 1.8% in the same period in 2018. As our business further grows, we believe our massive scale, combined with our strong network effects, will allow us to acquire consumers and merchants more cost-effectively and benefit from substantial economies of scale.

We aim to transform China's service industry by providing merchants with a wide range of solutions. Our solutions include targeted online marketing tools, cost-effective on-demand delivery infrastructure, cloud-based ERP systems, integrated payment systems, and supply chain and financing solutions. We help merchants establish an online presence, engage with consumers in real time and improve operational efficiency. Merchants can grow on our platform beyond the physical boundaries of their stores. As a result, we have sustainably expanded our merchant base over time and fostered long-term merchant loyalty. Our Listed Merchants increased from 3.0 million in 2015 to 5.5 million in 2017, while Active Merchants as a percentage of total Listed Merchants increased from 66% in 2015 to 80% in 2017.

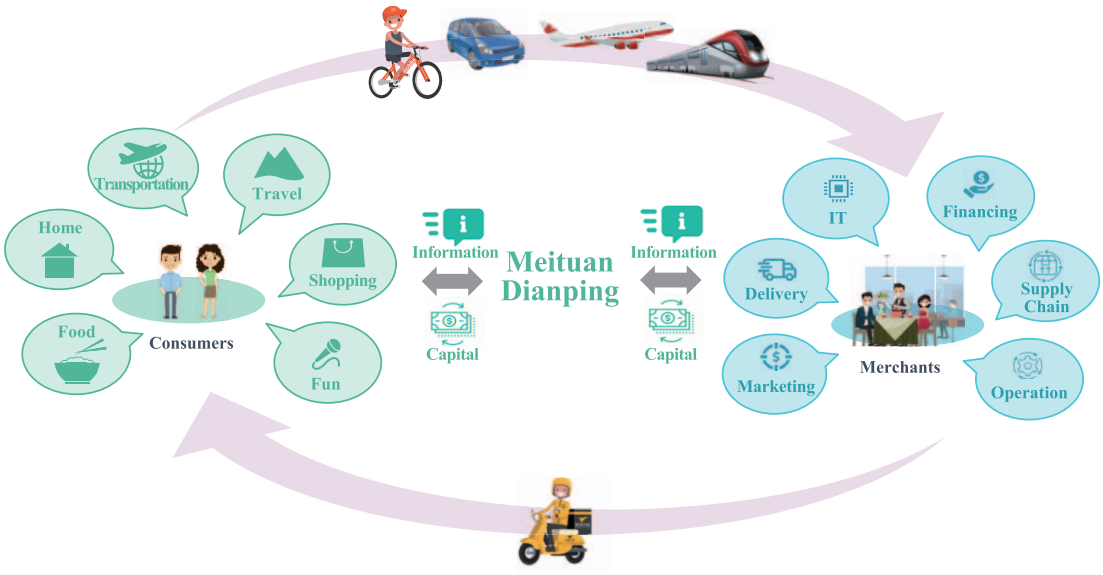
We have built and currently operate the world's largest on-demand delivery network in terms of the number of deliveries in 2017, according to the iResearch Report. Our network had on average approximately 531,000 daily active delivery riders in the fourth quarter of 2017. In 2017, our delivery network completed approximately 2.9 billion deliveries, representing over 70% of total on-demand delivery transactions generated on our platform, while the remaining transactions were directly fulfilled by merchants. We continue to reduce cost per delivery and improve the efficiency of our delivery network. In 2017, we achieved an average delivery time of approximately 30 minutes.

We enable the service industry with cutting-edge big data and AI technologies. Our data-driven personalized recommendations improve efficiency for consumers and merchants. Powered by AI technology, our intelligent dispatch system optimizes order-rider matching based on the real-time locations of delivery riders, and performs approximately 2.9 billion times of the route planning algorithm per hour during the daily peak time. We are also utilizing AI-based autonomous driving technology to develop driverless delivery vehicles.

We are a pioneer of the service e-commerce model globally. We have evolved from a single-category service provider to a multi-category service e-commerce platform, and have expanded from large cities to small cities across China, creating a truly "*online* + *offline*" business model with nationwide coverage. We have extended our platform from serving consumers to serving the supply end, driving internet penetration of the entire service industry value chain.

We have achieved significant growth. We generate revenues from commissions, online marketing services, and other services and sales. Our total revenues increased by 223.2% from RMB4.0 billion in 2015 to RMB13.0 billion in 2016 and further increased by 161.2% to RMB33.9 billion in 2017, and increased by 94.9% from RMB8.1 billion in the four months ended April 30, 2017 to RMB15.8 billion in the same period of 2018.

The following diagram shows our key services and associated core participants. We connect consumers and merchants through our technology platform, which covers both information flow and capital flow. On the consumer side, we offer diversified services covering people's daily lives. On the merchant side, we offer a wide range of solutions to digitize their operations. Our in-store, hotel and travel services bring online consumers to offline merchants, and our on-demand delivery services bring merchants' offerings to consumers. These connections are made possible by our massive on-demand delivery network as well as various transportation services.



Our Scale

The following chart shows the scale of our business:

340M
Annual Transacting Users in LTM 4M 2018[1]

4.7M
Annual Active Merchants in LTM 4M 2018

411B
Annual GTV in RMB in LTM 4M 2018

6.9B
Annual Transactions in LTM 4M 2018

14.1M
Daily Average Food Delivery Transactions in 4M 2018[1]

290M
Total Monthly Active Users[2] in April 2018

235M
Domestic Hotel Room Nights in LTM 4M 2018[3]

539K
Daily Average Active Delivery Riders in 4M 2018

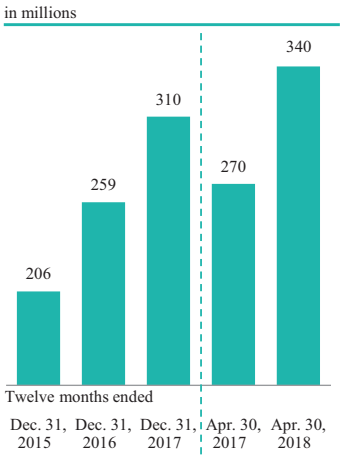
2,800+
Cities and Counties Covered in China as of April 2018

Notes:
(1) "LTM 4M 2018" refers to the last twelve months ended April 30, 2018 and "4M 2018" refers to the four months ended April 30, 2018.
(2) Total MAUs include MAUs of *Meituan* app, *Dianping* app, *Meituan Waimai* app, *Mobike* app and other apps to consumers (excluding *Maoyan* app), after eliminating duplicates, and do not include traffic from Weixin and QQ.
(3) "Domestic Hotel Room Nights" refers to domestic hotel room nights paid by consumers, and does not include cases where the consumers are subsequently refunded.

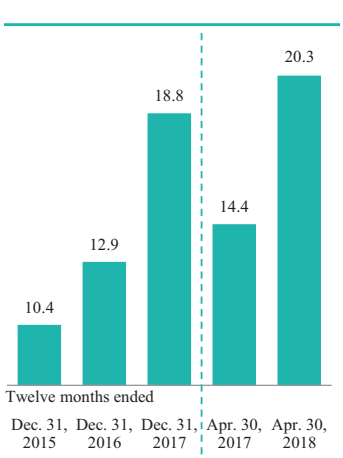
Key Operating Metrics

The following charts show selected key operating metrics of our business:

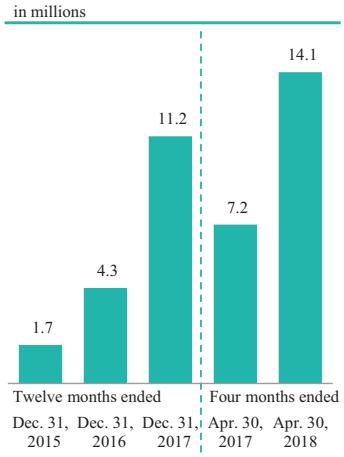
Annual Transacting Users



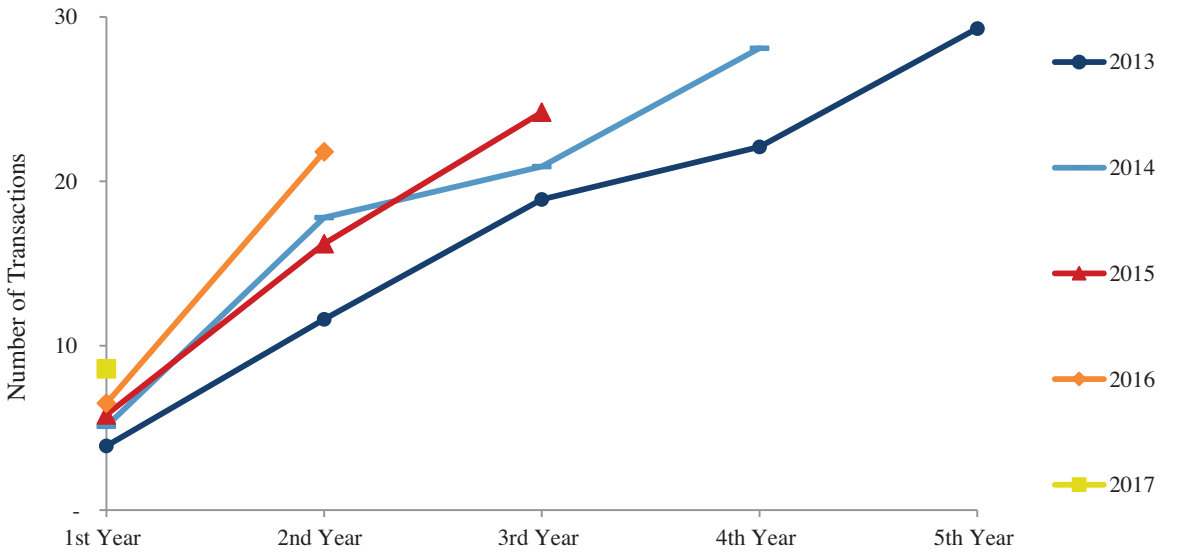
Average Number of Transactions per Annual Transacting User



Daily Average Food Delivery Transactions



The following chart sets forth the transaction frequency of the Transacting Users on our platform for the periods indicated.



Note:
Years denote Transacting Users cohort. Figures include Dianping Holdings' data prior to the strategic transaction between Meituan Corporation and Dianping Holdings.

The following tables set forth our key operating data for each of our business segments for the periods indicated:

	Year Ended December 31,			Four Months Ended April 30,	
	2015	2016	2017	2017	2018
			(in millions)		
Number of Transactions:					
Food delivery	637	1,585	4,090	867	1,692
In-store, hotel & travel	1,290	1,439	1,394	416	398
New initiatives and others	222	324	335	100	379
Total	2,149	3,348	5,819	1,383	2,469

	Year Ended December 31,			Four Months Ended April 30,	
	2015	2016	2017	2017	2018
			(in billions of RMB)		
Gross Transaction Volume:					
Food delivery	15.6	58.7	171.1	35.4	75.1
In-store, hotel & travel	127.5	158.4	158.1	50.5	55.1
New initiatives and others	18.0	19.5	28.0	8.0	17.6
Total	161.1	236.6	357.2	93.9	147.8

	Year Ended December 31,			Four Months Ended April 30,	
	2015	2016	2017	2017	2018
Monetization Rate[(1)] (%):					
Food delivery	1.1	9.0	12.3	13.2	12.9
In-store, hotel & travel	3.8	4.4	6.9	6.0	7.9
New initiatives and others	0.4	3.4	7.3	5.2	10.1

	Year Ended December 31, 2017[(2)]	Twelve Months Ended April 30, 2018
	(in millions)	
Number of Transacting Users:		
Food delivery	229	256
In-store, hotel & travel	203	206
New initiatives and others	93	138
Total	310[(3)]	340[(3)]

Notes:

(1) Monetization rate equals the revenues for the year/period divided by the Gross Transaction Volume for the year/period. For purpose of calculating the monetization rate in 2015, our Gross Transaction Volume in 2015

only included *Dianping*'s Gross Transaction Volume from October 2015 to December 2015. For purpose of calculating the monetization rate for the four months ended April 30, 2018, our Gross Transaction Volume only included Mobike's Gross Transaction Volume in April 2018.

(2) Numbers of Transacting Users for each segment prior to the adoption of the current segment reporting structure are not available.

(3) After eliminating duplicates.

During the Track Record Period, we recorded significant growth and improved operational efficiency across all segments. For example, with respect to our food delivery segment, we have built and currently operate the world's largest intra-city on-demand delivery network in terms of number of deliveries in 2017. The number of our food delivery transactions grew from 1,585 million in 2016 to 4,090 million in 2017, and from 867 million in the four months ended April 30, 2017 to 1,692 million in the same period in 2018, which contributed to the 191% increase of the food delivery segment's Gross Transaction Volume in 2017 compared to 2016 and the 112% increase in the four months ended April 30, 2018 compared to the same period in 2017. At the same time, the segment's monetization rate increased steadily from 9.0% in 2016 to 12.3% in 2017 and 12.9% in the four months ended April 30, 2018. The operational efficiency of our food delivery segment has also improved over time. As the scale of our food delivery business further increases, on average, each delivery rider in our network travels shorter distance and spends less time in fulfilling an order. For example, the daily average on-demand deliveries made by each Premium Delivery rider increased 22% in 2017 compared with that in 2016. The high order density of our delivery network enables us to efficiently manage labor cost and provide better user experience.

Our Strengths

Leader in service e-commerce with tremendous scale and network effects

We are China's leading e-commerce platform for services. We have transformed the way consumers enjoy their daily lives and merchants conduct their businesses. In 2017, our platform generated over 5.8 billion transactions, totaling RMB357 billion in Gross Transaction Volume, and served 310 million Transacting Users and 4.4 million Active Merchants. We operate in over 2,800 cities and counties in China. We have also built an industry-leading on-demand delivery network, consisting of approximately 531,000 daily average active delivery riders in the fourth quarter of 2017. We manage these local operations through our nationwide, on-the-ground sales and operations teams. With our massive scale and online plus offline operational capability, we are well positioned to further penetrate these markets and expand to new cities and counties.

Our platform enjoys network effects that increase the stickiness and loyalty of consumers, merchants and other participants. More merchants on our platform increase the choices available to consumers, and more consumers potentially increase the number of transactions for merchants through a mutually beneficial virtuous cycle. In addition, our large and engaged consumer and merchant bases generate a massive amount of authentic comments and data, which in turn enable consumers to make better decisions and merchants to provide better services. Our network effects are further reinforced by other participants, such as delivery riders, as the delivery experience and unit economics improve when transaction volume and order density increase. Our massive scale, coupled with these network effects, allow us to acquire customers cost-effectively and provide increasingly high entry barriers.

Household brands for high-frequency essential services

We operate the mobile apps *Meituan*, China's leading online marketplace for services by Gross Transaction Volume in 2017, and *Dianping*, China's leading online destination for discovering lifestyle services by monthly active users in 2017. In addition, we own the *Meituan Waimai* brand for on-demand delivery services and the *Mobike* brand for bike-sharing services. These are all household brands in China and among the most popular mobile apps for service e-commerce in terms of monthly active users in 2017, according to the iResearch Report.

We focus on mass-market, essential and high-frequency service categories, particularly food delivery and in-store dining services. These core categories present enormous market opportunities. Our market leadership in these service categories is well established: we are the world's largest on-demand food delivery service provider, and China's largest online platform for in-store dining services, according to the iResearch Report. With our strong presence in these core categories, we are able to increase consumer stickiness as evidenced by the growth in transactions per Transacting User. On average, the annual number of transactions each Transacting User made on our platform increased from 10.4 transactions in 2015 to 12.9 transactions in 2016, and further to 18.8 transactions in 2017, and increased from 14.4 transactions in the twelve months ended April 30, 2017 to 20.3 transactions in the twelve months ended April 30, 2018. Our top 10% Transacting Users by consumption frequency made an average of 98 transactions in 2017. In addition, 50.4% of our aggregate annual Transacting Users from 2010 to 2013, after eliminating duplicates, remained our Transacting Users in 2017.

One-stop platform capturing consumer lifetime value

Our one-stop platform offers diversified services covering consumers' daily lives. Leveraging our market leadership in high-frequency categories, we have been able to quickly and efficiently increase our consumer touchpoints through cross-selling to a broad range of new categories, such as beauty, entertainment, hotel, travel, and many other lifestyle services. For example, over 80% of our new hotel-booking Transacting Users and approximately 74% of our new Transacting Users of other lifestyle services were converted from Transacting Users of our core categories of food delivery and in-store dining in 2017. In 2017, approximately 205 million domestic hotel room nights were booked through our platform, making us the second largest online hotel-booking channel in China, according to the iResearch Report. The breadth of our service offerings allows us to enjoy low user acquisition cost, enhance user stickiness and grow user lifetime value.

Wide range of solutions enabling merchants to succeed

We provide merchants with a variety of solutions, with the goal of transforming China's service industry. We help merchants establish an online presence and engage with consumers in real time. We provide merchants with targeted online marketing tools, a cost-effective on-demand delivery infrastructure, cloud-based ERP systems, integrated payment systems, and supply chain and financing solutions. Our broad selection of merchant enabling services helps them attract and serve more consumers more efficiently, increase sales and enhance profitability. In addition, our platform has

fostered many new merchants and business models tailored to service e-commerce. For example, centralized kitchens designed for takeout food have emerged in response to robust consumer demand. These new merchants are highly loyal to us, as they rely on us as their main marketing and sales channel to provide them with instant access to a large consumer base.

Through these solutions, we have sustainably expanded our merchant base and cultivated long-term loyalty from merchants. We had 3.0 million, 4.4 million and 5.5 million Listed Merchants in 2015, 2016 and 2017, among which 66%, 68% and 80%, respectively, were Active Merchants.

Largest intra-city on-demand delivery network

We have built and currently operate the world's largest intra-city on-demand delivery network in terms of number of deliveries in 2017, according to the iResearch Report. In the fourth quarter of 2017, this network consisted of approximately 531,000 daily average active delivery riders. In 2017, our network completed approximately 2.9 billion deliveries, representing over 70% of the total on-demand delivery transactions generated on our platform, while the remaining transactions were directly delivered by merchants. We have entered into multiple types of arrangements with our delivery partners, which give us the flexibility to scale up the delivery network quickly and enable us to complete additional deliveries at low incremental costs. We believe this network creates a significant entry barrier for others to replicate, and lays the foundation for a comprehensive intra-city on-demand logistics platform spanning all types of consumer goods.

Proprietary and innovative technologies

We use technology to help people eat better, live better. We enhance traditional service industries with cutting-edge big data and AI technology.

We utilize our extensive data and proprietary algorithms across all of our service categories. Our data-driven personalized recommendations help consumers quickly discover desired services, holistically evaluate choices and make informed decisions. Our targeted marketing solutions help merchants acquire customers more effectively. Our data analytics capabilities also help merchants better understand consumer behavior, enabling them to operate more intelligently and efficiently. Additionally, the data insights from consumers' full consumption patterns and UGC also allow us to successfully expand into new service categories and enter into new geographic markets. The massive amount of data also creates a multitude of use cases, enabling us to continuously upgrade our application of AI technology and enhance our data analytics capabilities.

Powered by AI technology, our intelligent dispatch system optimizes order-rider matching based on the real time locations of delivery riders, and performs approximately 2.9 billion times of the route planning algorithm per hour during the daily peak time. We are also exploring the application of a series of other cutting-edge technologies, such as intelligent hardware, internet of things, robotics, image and voice recognition, and driverless delivery system.

Management with long-term vision and demonstrated execution capabilities

Our management team pioneered the service e-commerce model globally. Led by their vision, we have evolved from a single-category service provider to a multi-category service e-commerce

platform. We have expanded from large cities to small cities across China, creating a truly "*online + offline*" operating model with nationwide coverage. We have extended our platform from serving consumers to serving the supply end, driving internet penetration of the entire service industry value chain. We are promoting the development of next-generation infrastructure for the service industry.

We have demonstrated strong execution capabilities to capture emerging business opportunities. We competed with over 1,000 group-buying players in the early 2010s. Meituan and Dianping emerged as the two ultimate winners with much larger scale and better user experience across the country. In addition, we have been able to successfully expand into and become a leader in many new service categories, including movie ticketing, hotel and travel booking, and on-demand delivery services. Today, we are managing a complex on-demand delivery network and bike-sharing network, as well as an integrated sales and customer service workforce.

Our management believes the fundamental measure of our success is the value we create for consumers, merchants and the society over the long term, and this requires patience and persistence. We continue to improve ourselves, and are committed to pursuing long term success over short-term interests.

Our Strategy

The key elements of our strategy to further grow our business are:

Serve more consumers more frequently

Growth in our consumer base and its consumption frequency is a fundamental driver for our business. We intend to attract new consumers and increase their consumption frequency through the following strategies:

Grow our consumer base. We had 310 million Transacting Users in 2017, while there were 772 million internet users in China by the end of 2017, according to the iResearch Report. We will continue to attract new consumers through the diversified and high-quality service offerings on our platform, word-of-mouth promotion by consumers, and effective online and offline marketing. Our close collaborations with our strategic partners, such as the entry points for our *Dianping*, *Meituan Waimai* and *Mobike* apps on Tencent's Weixin, will also help us grow our consumer base.

Expand our service offerings. We strive to grow into a full-category service e-commerce company. We will continue to add new service categories covering more use cases in consumers' daily lives. We also plan to further broaden service selections within our current service categories. We believe expanding service offerings will improve consumer stickiness and lead to more cross-selling.

Increase consumer wallet share. We strive to gain greater wallet share of consumers through attracting more frequent consumption, including across more service categories. In particular, we intend to increase consumer wallet share in the on-demand delivery category, which we believe presents promising growth potential. We intend to cultivate consumer loyalty through improving our

service quality, including the efficiency of on-demand delivery and the content quality of user reviews and merchant information on our platform. We also intend to increase cross-selling through more effective targeted marketing and personalized recommendations. We plan to launch a membership program to further maximize the lifetime value of each consumer.

Enable more merchants with more solutions

Merchants are critical to the success of our business. We intend to expand our merchant base and strengthen our relationships with them through the following strategies:

Expand our merchant base. We had approximately 4.4 million Active Merchants in 2017, accounting for approximately 37% of the 11.8 million total service merchants in China, according to the iResearch Report. We seek to attract new merchants to our platform and convert our existing Listed Merchants to Active Merchants by offering them access to our massive consumer base. We also intend to deepen our service penetration through enlisting more local merchants in more locations for each category of service we decide to enter.

Provide more solutions to more merchants. We plan to provide more value-added solutions to merchants and further improve the functionalities and quality of our existing solutions in targeted online marketing, on-demand delivery, cloud-based ERP systems, integrated payment systems, and supply chain and financing solutions. For example, we will continue to refine our on-demand delivery algorithm to further optimize delivery routing and reduce delivery time. We are also developing full-service managed-payment solutions, which include powerful point-of-sale software and services that help merchants manage the entire payment cycle and make informed business decisions through data analytics.

Continue technology innovations

We aim to further strengthen our platform through technology innovations. We will continue to invest in technology, including AI, and further develop our data analytics capabilities to effectively utilize the massive amount of user and transaction data generated on our platform. We plan to recruit top-notch industry talent, including industry-leading researchers, experienced engineers and top graduates from world-renowned institutions.

We plan to continue technology innovations to enhance user experience and improve operational efficiency. We intend to leverage our massive datasets and big data analytics capabilities to enhance personalized recommendations, increase user conversion from visits to transactions, and improve consumer loyalty. For example, we plan to embed our AI-powered smart assistant into various services to optimize personalized recommendations and enrich user experience. In addition, we intend to further improve our intelligent dispatch system, develop driverless delivery technology, and launch pilot programs to increase delivery efficiency.

Selectively pursue strategic alliances, investments and acquisitions

To complement our organic growth strategy, we will continue to selectively pursue strategic alliances, investments and acquisitions that we believe can solidify and extend our market leadership

position. We intend to focus on alliances, investments and acquisitions that can attract new customers to our platform and broaden our service offerings. For example, our recent acquisition of Mobike is a strategic move for us to further enhance our transportation service offerings and to realize synergies with our other location-based services. In addition, we plan to continue to invest in merchant-enabling solutions that can improve overall service industry efficiency. For example, we have made strategic investments in companies in areas such as payment, ERP systems and supply chain management systems.

Our Platform

We are China's leading e-commerce platform for services. Our platform uses technology to connect consumers and merchants. Service offerings on our platform address people's daily needs for food, and further extend to broad lifestyle and travel services.

Value Proposition to Consumers

Driven by our mission to help people eat better, live better, we have established and continue to expand our one-stop platform of services.

- ***All-encompassing offering***. During 2017, there were approximately 4.4 million Active Merchants on our platform across over 2,800 cities and counties in China. These merchants provide consumers with a wide range of services that encompass all aspects of their everyday needs, such as food delivery, in-store, hotel & travel services, and new initiatives and other services.

- ***Convenience***. Consumers can search, discover, review, select, reserve and pay for a wide variety of services wherever they are, whenever they want. We make consumers' lives even easier by delivering food and other merchandise straight to their doorsteps through our extensive on-demand delivery network. We also offer transportation services to help consumers get to their destinations conveniently.

- ***Trusted services***. We take various measures both online and offline to verify the merchants on our platform to ensure the accuracy of their service descriptions online and evaluate the consumer experience they provide. These efforts are well recognized by our consumers, building deep trust in the quality of our service offerings.

- ***Informed decision-making***. We have built a rich UGC database that contained approximately 4.6 billion user comments as of April 30, 2018, as well as highly active and engaged communities of review contributors. These provide consumers with detailed, authentic and reliable information on Listed POIs, enabling them to make informed consumption decisions. Utilizing our unique consumer data insight and big data analytics capacity, we also make personalized recommendations to consumers, enabling them to find the services they desire effortlessly.

- ***Value for money***. Services on our platform are offered at competitive prices. Deals in forms of e-vouchers and promotions are conspicuously featured on the relevant merchant's storefront page, helping consumers maximize savings.

Value Proposition to Merchants

As the providers of services, merchants are indispensable to our platform. Merchants come to and stay on our platform to establish and maintain an online presence as well as to gain access to a broader consumer base. We enable merchants to boost operational efficiency through online and offline solutions, which in turn helps them better serve the needs of consumers.

- ***Effective consumer acquisition***. On our platform, merchants, whether large or small, are discoverable by our large number of users with a simple search and click on their mobile devices. In addition, merchants are able to reach their most valuable target audience—local or nearby consumers—at the specific moment they are looking for the relevant services. We also provide merchants with unique data insight and effective targeted marketing tools to attract and retain consumers. Additionally, when consumers purchase and enjoy one category of service on our platform, they are also exposed to and may become interested in other categories of services, generating strong cross-selling effects.

- ***Operational enhancement***. We enhance the operation of merchants in a number of ways. Through our delivery services, we help merchants reach a broader consumer base and increase average sales per unit area. Through our cloud-based ERP systems, we enable merchants to integrate online and offline transactions, which simplifies transaction management and improves in-store consumer experience and service efficiency. The various functions of our ERP systems, such as membership management and operating data analysis, also allow merchants to further optimize their operations management. Through our integrated payment systems, which integrate multiple payment methods, we enable merchants to enjoy the convenience of the latest payment technology, saving time needed for account reconciliation and enhancing their operational efficiency.

- ***Other value-added services***. We offer merchants a variety of value-added services, such as supply chain and financing solutions, to help them better manage their procurement, inventory and working capital and to allow them to expand their business scale.

Value Proposition to Other Participants

- ***Delivery riders***. We are a pioneer in cultivating the takeout delivery habit of the Chinese population, which resulted in delivery personnel, whom we refer to as "delivery riders," becoming a thriving occupation amid the food delivery boom. Since our inception, approximately five million job opportunities have been created for delivery riders in our network.

- ***Delivery partners***. As our delivery network expands in scale, we have fostered a large number of third-party delivery partners, who work with delivery riders or merchants, or

help restaurants design takeout menus and dishes, optimize marketing activities or streamline the kitchen flow. These new business models enable many small enterprises and self-employed individuals to participate in our network and benefit from our rapid growth and strong performance.

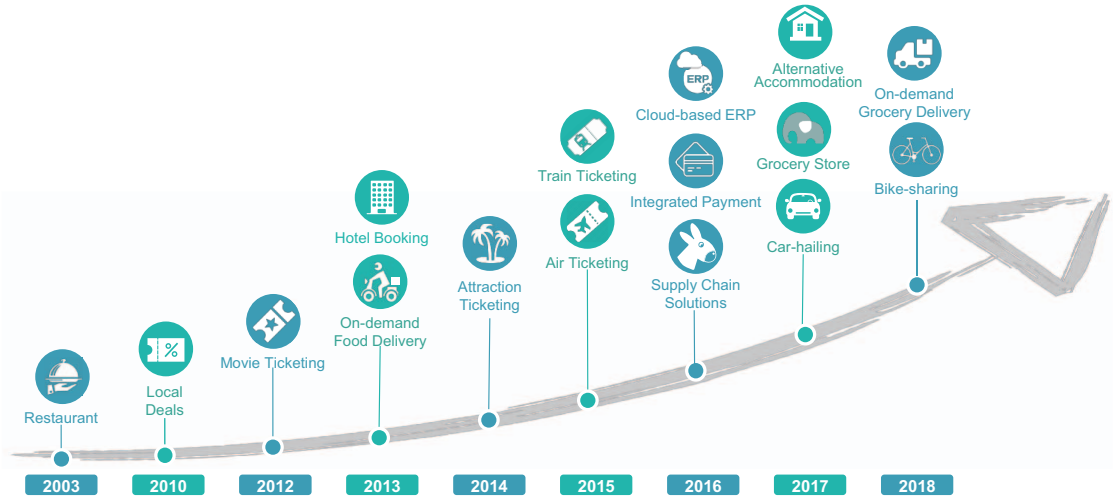
- ***ERP implementation service providers***. We have developed cloud-based ERP systems that integrate a large number of ERP implementation service providers, which help merchants install and maintain hardware and software, and provide training and after-sales support.

Our Service Offerings

Our platform offers a wide selection of daily-life services to consumers, such as food delivery, in-store, hotel & travel services, and new initiatives and other services. We enable merchants with a wide range of solutions, such as marketing and sales services, cloud-based ERP systems, integrated payment systems, and supply chain and financing solutions.

The following chart illustrates the expansion of our service offering categories:

Expansion of Our Service Categories



Consumers' Access to Our Services

Consumers may access all of our service offerings through our *Meituan* and *Dianping* mobile apps.

Meituan (美團)

- Online marketplace for services

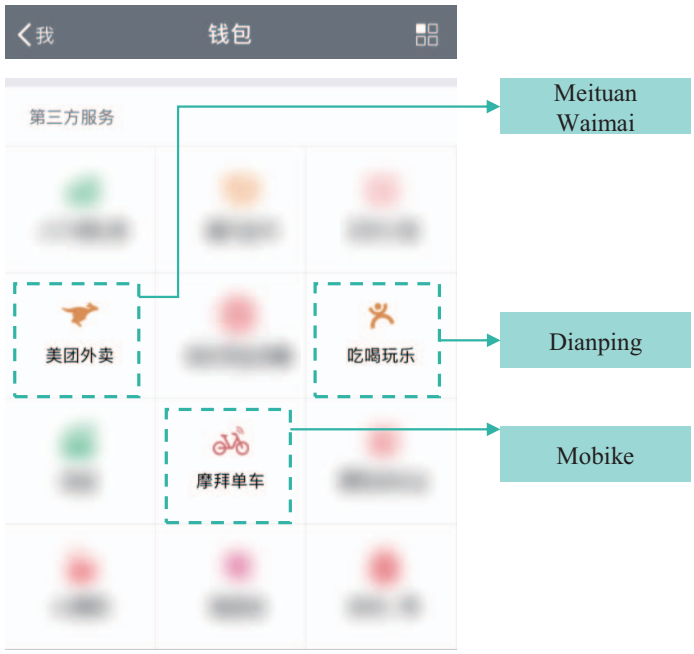
Dianping (大眾點評)	• Online destination for discovering lifestyle services

We also offer various mobile apps dedicated to certain specific categories of our service offerings, as set forth below:

Meituan Waimai (美團外賣)	• Provides on-demand delivery services
Mobike (摩拜單車)	• Provides bike-sharing services
Meituan Paotui (美團跑腿)	• Provides peer-to-peer intra-city courier services
Ella Supermarket (小象生鮮)	• Provides groceries and fresh food via both offline grocery stores and mobile app
Hazelnut B&B (榛果民宿)	• Provides alternative accommodation booking services
Meituan Dache (美團打車)	• Provides pilot car-hailing services

Consumers can also access our service offerings through mobile apps operated by third parties. Through our strategic alliance with Tencent, access to our *Meituan Waimai*, *Dianping* and *Mobike* apps is embedded into Tencent's Weixin and QQ mobile apps. Weixin and QQ are the top online social networks in China. At the end of the fourth quarter of 2017, Weixin and WeChat combined had 989 million monthly active users, and QQ had 783 million monthly active users, based on publicly available data. The strategic alliance enables us to broaden our user reach leveraging the vast, high-frequency user base of both Weixin and QQ. We are the only third-party service provider that has three different entry points on Weixin Pay, the digital payment service embedded in Weixin that allows users to purchase, transact, perform mobile payments and transfer money between accounts.

Access to Meituan Dianping's Platforms on Weixin



Merchants' Access to Our Services

Our services may be accessed by merchants through the following mobile products:

On-demand delivery

Meituan Waimai for Merchants (美團外賣商家版)	• Mobile and PC portal of operations management system for Meituan Waimai merchants
Meituan Premium Delivery (美團專送)	• Mobile app for Meituan Premium Delivery riders

In store, hotel & travel

Meituan Guanjia (美團管家)	• Mobile and PC portal of Meituan Dianping cloud-based ERP systems
Kaidianbao (開店寶)	• Mobile and PC portal for merchants to manage Meituan Dianping platform's services including package deals and e-vouchers, online reservation and online ordering
Meituan Hotel for Merchants (美團酒店商家版)	• Mobile and PC portal for hotel merchants to manage Meituan Dianping platform's services, including hotel reservation, review management, reporting and data analytics
Bieyanghong (別樣紅)	• Cloud-based property management system for hotels

New initiatives & others

Meituan Paotui (美團跑腿)	• Peer-to-peer intra-city courier services
Kuailv Jinhuo (快驢進貨)	• Business-to-business food supply chain solutions

Service Offerings to Consumers

Our platform offers a broad selection of daily-life services to consumers, such as food delivery, in-store, hotel & travel services, and new initiatives and other services. We have also built a rich UGC database which provides consumers with a vast amount of detailed, authentic and transparent information on Listed POIs.

We operate in over 2,800 cities and counties in China, creating a truly "online + offline" operating model with nationwide coverage. We offer a multitude of service categories in local markets to address consumer demands. Our business is widely dispersed across the cities and counties where we operate. For example, in 2017, the Gross Transaction Volume and number of transactions of our food delivery segment from Beijing, Shanghai, Guangzhou and Shenzhen combined represented approximately 23% and 18% of the segment's total Gross Transaction Volume and number of transactions, respectively. In addition, in 2017, the Gross Transaction Volume and number of transactions of our food delivery segment from certain tier 2 cities in China, including Chengdu, Chongqing, Fuzhou, Hangzhou, Nanjing, Suzhou, Tianjin, Wuhan, Xi'An and Zhengzhou combined, represented approximately 22% and 21% of the segment's total Gross Transacting Volume and number of transactions, respectively.

Food Delivery

Food delivery mainly includes delivery of ready-to-eat meals prepared by restaurants. We are the world's largest on-demand food delivery service provider in terms of number of transactions, according to the iResearch Report, with an average of 13.5 million daily transactions across approximately 2,500 cities and counties in China during the twelve months ended April 30, 2018. During 2017 and the twelve months ended April 30, 2018, the annual Gross Transaction Volume of our food delivery services was RMB171 billion and RMB211 billion, respectively.

Meituan Mobile App: Food Delivery Services (Consumer Version)

During 2017, approximately 89% of our food delivery transactions were generated on our mobile apps, *Meituan*, *Meituan Waimai* and *Dianping*, and the rest of transactions were primarily generated through Tencent's Weixin and QQ entry portals. Users enter or confirm the GPS-positioned delivery address and are presented with restaurants that provide takeout services. Utilizing our data and analytics capability, we provide users with personalized content and interface that match their consuming habits, taste preferences and time sensitivity. Consumers can further filter the results based on cuisine types, popularity, proximity and certain other features, such as delivery speed, delivery fee, ratings and average spending per person. They can also search merchant names or menu items directly. Available discounts and e-vouchers are displayed on merchant storefront page or on the menu directly and can be applied or redeemed immediately at check-out. Once consumers have found what they are looking for, they can provide specific instructions and make payments through various payment channels. Once an order is received, we transmit it to the restaurant, while saving the consumers' preferences for future orders.

Leveraging our proprietary real-time intelligent dispatch system, in 2017, all restaurant orders placed on our platform are delivered to consumers in an average of approximately 30 minutes after they are placed. See the section headed "—Our Delivery Network" in this document for more details.

Food safety is at the core of our business. We have introduced various pre-sale and post-sale mechanisms to enhance food safety. We work with governmental authorities in their efforts to improve overall food safety. For example, we developed the Sky Net (天網) System which establishes e-archives for Listed Merchants operating on our platform and digitalizes merchants' operations licenses. We have established a dedicated food safety supervisory team that tracks the full cycle of Listed Merchants' activities on our platform. We are also in the process of integrating the Sky Net System with local regulatory database, which facilitates our verification process and allows us on a real-time basis to continuously track Listed Merchants' qualifications according to government records. Utilizing big data, we have also developed the Sky Eye (天眼) System, which makes semantic analysis of consumers' review data, to quantify and categorize content related to food safety, especially negative reviews. In cooperation with local regulatory authorities, we provide food safety training materials to merchants, and work with our delivery partners to arrange delivery riders to distribute food safety booklets offline to consumers, which promote joint food safety awareness. We have also set up a fast-track claim compensation mechanism that selectively issues refunds to consumers as soon as they report a food safety problem.

In-Store, Hotel & Travel

Our platform offers everyday consumption activities, including in-store dining, hotel and travel booking, beauty, wedding planning and a variety of other lifestyle services. Our in-store, hotel and travel services bring online consumers to offline merchants. "In-store" refers to the specific use case from a consumer perspective to consume the services offline in a physical location where the merchants conduct their businesses. On our platform, consumers can search and discover merchants, make reservations, purchase e-vouchers, order food, make online payments and write reviews. During 2017 and the twelve months ended April 30, 2018, our in-store, hotel & travel business had an annual Gross Transaction Volume of RMB158 billion and RMB163 billion, respectively.

Dining

We operate the largest online platform for in-store dining services in China in terms of the Gross Transaction Volume, according to the iResearch Report. On our mobile apps or websites, consumers can browse restaurants as well as filter results by a number of criteria, such as type(s) of cuisine, package deals/promotions, available for reservations, new restaurants only and good for groups. Consumers can also sort the listed restaurants by price, proximity, popularity and ratings. With input from our review contributors, most of the restaurants are tagged with relevant features such as free parking, free WiFi, baby chairs, smoke-free or late evening dining. Users can also take advantage of the various themed posts where local foodies in our communities share their dining experiences. In addition, consumers can quickly and conveniently book tables at restaurants using our mobile apps for free or make reservations at certain high-end restaurants for a fee, without having to call restaurants. Using our mobile apps, consumers can also put their names on a restaurant's waiting list and monitor the lineup remotely, and even browse menus and order food online, without having to visit and queue at the restaurant.

Many other categories of our in-store, hotel & travel services share similar information discovery and review functions as those of the dining category.

Dianping Mobile App: Storefront Page of a Restaurant

Consumers can purchase package deals and e-vouchers that can be redeemed in store, make reservations and settle bills directly through our mobile apps, typically at discounted prices compared with making in-store payments to the restaurants directly.

In January 2018, we launched our first Black Pearl Restaurant Guide, which highlights a total of 326 restaurants in 22 cities in China and 5 cities abroad. Restaurants are selected through a vigorous critiquing process by anonymous master chefs, culinary experts and special advisors. We do not pay the judges for their review. The Black Pearl Restaurant Guide reflects the highest culinary standards from a Chinese perspective. The launch of the Black Pearl Restaurant Guide further solidified our authority and influence in China's dining sector and enables us to better serve the high-end consumers in China.

Other Lifestyle Services

Leveraging the large number of consumers in the high-frequency service categories, we cross-sell lower-frequency and high-value services covering a wide range of categories, such as leisure and entertainment, beauty, wedding planning and parent & child services. Consumers make purchases principally in forms of package deals and e-vouchers.

- ***Leisure and Entertainment***. We connect consumers with merchants that meet a variety of consumers' leisure and entertainment needs, ranging from karaoke clubs, spas, bars and teahouses to internet cafés and board game cafés.

- ***Beauty***. Consumers visit our beauty category to discover and transact with beauty businesses such as hairdressers, salons, mani-pedis, and beauty clinics.

- ***Wedding Planning***. We were one of the first online-to-offline companies to target the wedding service market in China. On our platform, wedding planning services are offered in approximately 2,100 cities and counties. Wedding service providers are organized according to the types of services provided, such as gown rental, engagement photos, wedding banquets and wedding planning.

- ***Parent & Child***. We launched our parent & child channel in January 2015 in light of the rapid growth in spending by Chinese parents on child-raising. We connect parents with merchants providing early child development, tutoring, prenatal care and parent & child class services.

Other Lifestyle Services

Hotel Reservation

We are China's second largest hotel reservation platform, in terms of domestic room nights, according to the iResearch Report. As of April 30, 2018, we had secured room supply relationships with approximately 355,600 hotels in China. During 2017 and the twelve months ended April 30, 2018, approximately 205 million and 235 million domestic hotel room nights were booked on our platform, representing a 56% increase from 2016 and a 54% increase from the twelve months ended April 30, 2017, respectively, with a record of 1.97 million domestic hotel room nights booked on a single day. In 2017, over 80% of our new hotel-booking Transacting Users were converted from Transacting Users of our core categories of food delivery and in-store dining.

Our major type of arrangements with hotels is the pre-paid model, under which consumers book and pre-pay for hotel room nights. Payments to the hotels are collected by us first, which will be remitted to hotels after deducting our commissions.

The quality and depth of our hotel network enable us to offer a wide selection of hotel accommodations, from four- and five-star upscale hotels to mass-market hotels to family-run and small boutique hotels. We have expanded our hotel network into more upscale hotels as a result of the increasing purchasing power of our Transacting Users on the demand side and our enhanced cooperation arrangements with leading international and domestic hotel chains on the supply side, such as InterContinental Hotels Group plc. In addition, we expect to further extend our network in lower-tier cities in China, which we believe represent significant unmet customer needs for accommodation as the overall online penetration in those cities remains very low.

Hotel Reservation

Travel

Our platform also provides online domestic attraction and excursion package ticketing services. As of April 30, 2018, we covered approximately 336 cities and approximately 17,630 attractions across China. We provide a convenient, secure and inexpensive means for consumers to purchase attraction and excursion package tickets nationwide. During 2017 and the twelve months ended April 30, 2018, we sold approximately 97 million and 104 million domestic attraction tickets, respectively.

We offer leisure outbound travelers group tours, semi-group tours and package tours with different transportation arrangements, such as flights and cruises. We also offer a variety of value-added services, such as transportation at destinations and attraction tickets. In addition, travelers seek guidance from our mobile apps and websites on overseas attractions, dining and shopping options in 213 countries and regions. Our *Dianping* app, which covers more than 900 cities overseas, is among the most used apps by Chinese tourists when travelling abroad.

Travel

New Initiatives and Others (Services to Consumers)

Our new initiatives and other services primarily include grocery and other non-food delivery services, transportation ticketing, bike-sharing and pilot car-hailing services.

Grocery and Other Non-Food Delivery Services

In addition to food (see the section headed "—Service Offerings to Consumers—Food Delivery"), consumers can also order other merchandise through the various channels on our platform, such as supermarket, grocery and flowers.

Grocery and Other Non-Food Delivery Services

Consumers can also order food and other merchandise on our *Meituan Paotui* (美團跑腿) app, a peer-to-peer intra-city courier platform. *Meituan Paotui* allows consumers to direct delivery riders to purchase the desired merchandise at specified or any nearby stores and deliver to them, which typically takes less than one hour after an order is placed. Leveraging our developed on-demand delivery network and existing large consumer base, we are able to offer such services efficiently and at low marginal cost.

In 2017, we opened our first offline grocery store, Ella Supermarket, in Beijing. Ella Supermarket represents a new "online + offline" model of grocery store which is equipped with seamlessly integrated online and offline information technology system. Leveraging smart logistics technology and our developed logistics network nationwide, the store aims to serve a consumer base within a 3-5 kilometer radius and deliver fresh food within 30-60 minutes by means of high-efficiency delivery services. Consumers who prefer in-store experience can visit Ella Supermarket to hand-pick fresh produce and other products. Every item in Ella Supermarket is tagged with a scannable bar code. Consumers can scan the code at automated checkouts and make payments online.

User experience and operational efficiency at Ella Supermarket are enhanced through big data. On our mobile apps, every purchase by consumers is logged and their preferences are saved. On the consumer side, analytics offer a personalized product page, and on the delivery side, machine algorithms plan delivery routes.

Transportation Ticketing

We offer transportation ticketing services for domestic and international flights, trains, buses and boats. We sell air tickets for all major Chinese domestic airlines and many international airlines operating flights that originate from cities in China and abroad. Consumers can also book train, long-distance bus and boat tickets, and purchase flight and train insurance with us.

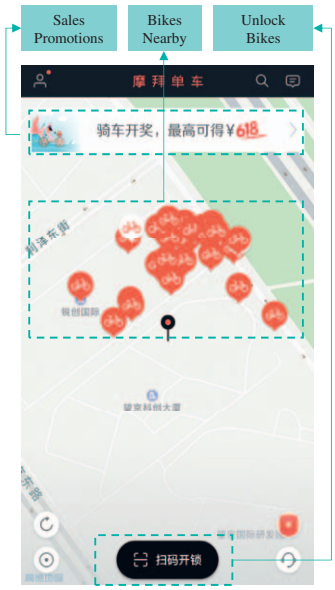
Bike-Sharing

In April 2018, we acquired Mobike, a Chinese bike-sharing company that had over 232 million registered users across 200 cities worldwide. In the four months ended April 30, 2018, Mobike had 48.1 million Active Bike Users and 7.1 million Active Bikes. In the same period, Mobike's users completed over 1.0 billion rides in total. We believe the acquisition will allow us to acquire new platform users at relatively low costs, and further supplement the suite of services we provide to consumers and increase our consumer touchpoints.

Using Mobike, consumers can unlock the dockless bikes by scanning a QR code with a mobile app. The embedded GPS allows the bikes to be tracked and dispatched to locations of higher demands. From the original Classic Mobike to the second-generation Mobike Lite, and then the third-generation model Mobike ACO, Mobike's bike models feature stylish designs with a focus on the safety and durability of the bikes. After the acquisition, Mobike has continued to operate under its own brand while we and Mobike share technology, operations, marketing and customer service resources, which we believe will generate cost-saving synergies. We intend to integrate Mobike into our business by (i) rationalizing the deployment and maintenance of bikes, streamlining operational personnel and potentially optimizing pricing strategies, (ii) continuing to expand Mobike's user base, enhance user experience and increase user stickiness in order to improve operational efficiency, and (iii) integrating Mobike into our leading mobile apps and promoting cross-selling of other service offerings to Mobike users. For example, our *Meituan* app now provides an entry point that allows users to access Mobike's service directly from *Meituan* app. Users can also unlock the dockless bikes by scanning a QR code with *Meituan* app directly. Leveraging our extensive experience and execution capability in launching and marketing new service categories and strong offline operational capability, we believe that we will be able to continue to enhance user experience and increase user stickiness for Mobike while significantly improving its operational efficiency and financial sustainability.

Meituan Mobile App: Mobike Portal

Mobike Mobile App: Bike-Sharing Services



Pilot Car-Hailing Services

We currently offer pilot car-hailing services in Nanjing and Shanghai, China. Through our pilot programs, we are evaluating the synergistic value car-hailing services could bring to our platform. Based on current market dynamics, we do not expect to further expand this service.

Pilot Car-Hailing Services

UGC

Capitalizing on *Dianping's* over 15 years of experience in building a rich UGC database, we provide consumers with a vast amount of detailed, authentic and transparent information on Listed POIs. This includes in-depth reviews, recommendations, detailed ratings, photos and videos. We have also built highly active and engaged local communities of review contributors.

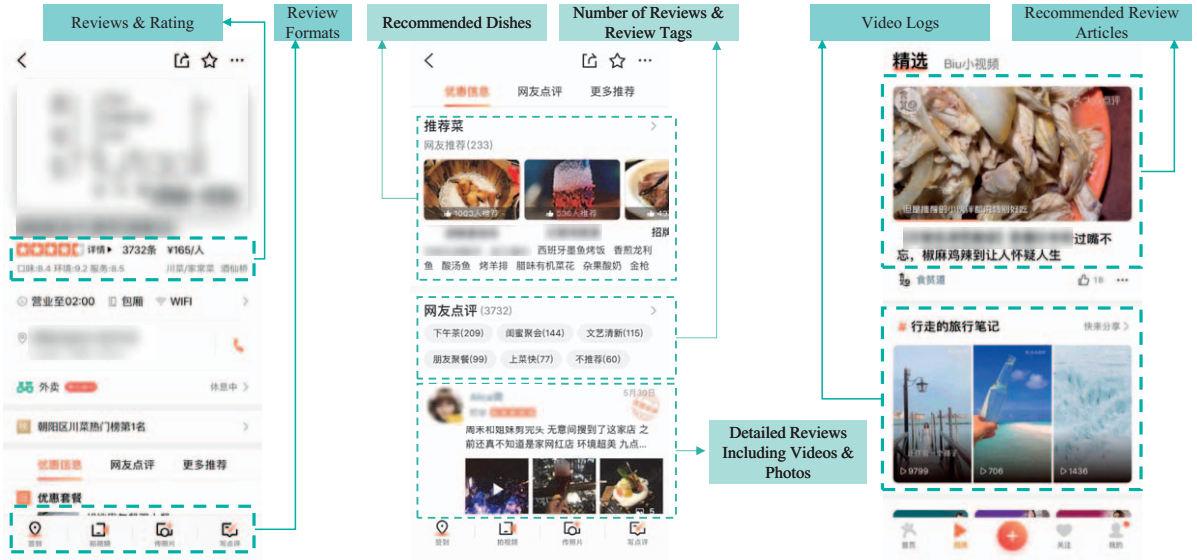
Some of the distinguishing characteristics of our UGC include:

- *Quality*. We attract authentic and transparent UGC to foster an environment of trust by not engaging in sponsored arrangements that may distort ratings or reviews. Contributors, many of whom are opinion leaders passionate about lifestyles, introduce new Listed POIs to our platform through in-depth reviews, detailed ratings and photos. Our massive database and proprietary algorithm further allow us to filter fraudulent reviews and ensure consumers have access to the most useful information. Users are incentivized to continuously contribute and maintain accurate information in order to establish and maintain status and credibility on our platform.

- *Depth*. We set forth criteria, including minimum word count, to ensure the depth of contributed information. To post a review, we require a review contributor to write an in-depth review and provide ratings of a Listed POI under multiple criteria, such as location, taste, ambience, facilities, cleanliness and services, as well as an overall rating. A contributor can also choose to add a new Listed POI and upload photos or videos of a new or existing Listed POI without contributing a review. The level of details enhances consumers' search experience and enables them to rely on us for a variety of everyday purchasing decisions.

- *Breadth*. We have compiled a comprehensive database of merchant information. As of April 30, 2018, our UGC database contained approximately 4.6 billion user comments, including approximately 1.5 billion in-depth reviews, 648 million photos and 5.3 million videos regarding more than 13.7 million Listed POIs in over 2,800 cities and counties in China and over 900 cities abroad.

UGC



Payment

Consumers have various payment options both online and offline. Our online payment options include our proprietary payment method Meituan Payment, other third-party payment methods, such as Weixin Pay, Apple Pay and UnionPay, and credit and debit cards or transfers from an online bank account. Using the integrated payment systems that we developed for merchants which provide

all-channel checkout services, consumers can make offline payments through our smart POS terminal, Xiaomei Box and Meituan QR codes. See the section headed "—Service Offerings to Merchants—Information Technology—Integrated payment systems" in this document for more details of our payment systems.

Payment Channels

Service Offerings to Merchants

Merchant enabling is an important component of our value proposition for merchants. We offer merchants a wide range of functionalities and services that increase their operational efficiencies.

The creation of listings on our platform is typically free of charge. We enter into legally binding onboarding agreements with Listed Merchants who elect to purchase our services, such as marketing, order taking, bill settlement or reservation services. The initial term of the agreement is typically six months or one year and may be renewed on an annual basis unless either party disagrees. There is no

minimum purchase commitment required for merchants. The agreement can be terminated upon consent of both parties. We also have the right to terminate the agreement upon 15 or 30 days' prior written notice or if the merchant fails to cure its breach of the agreement within the period specified by us.

Marketing and Sales

Using our platform, merchants can establish their online presence, and promote and sell services and products directly to consumers online. We offer merchants multiple advertisement options in order to meet their various marketing needs. Leveraging our large user base and user review and rating database, we provide merchants with a consumer acquisition channel through which they can gain customer traffic by providing exceptional services. In addition, by selling discounted services and goods, merchants can also use our platform as a marketing and promotional channel in order to attract new customers. Utilizing our unique data and big data analytics capacity, our system is able to make personalized recommendations to consumers, which serves as an effective targeted marketing tool to attract and retain consumers.

Marketing and Sales

On-Demand Delivery Infrastructure

We help merchants fulfill the transactions placed on our platform. See the section headed "—Our Delivery Network" in this document for more details on our delivery network and delivery arrangements with merchants.

On-demand Delivery Services: Merchant Version Mobile App

Information Technology

We offer IT services primarily through our cloud-based ERP systems and integrated payment systems. These services offer a combination of hardware and software solutions that enables merchants to accept payments, streamline operations and analyze business information.

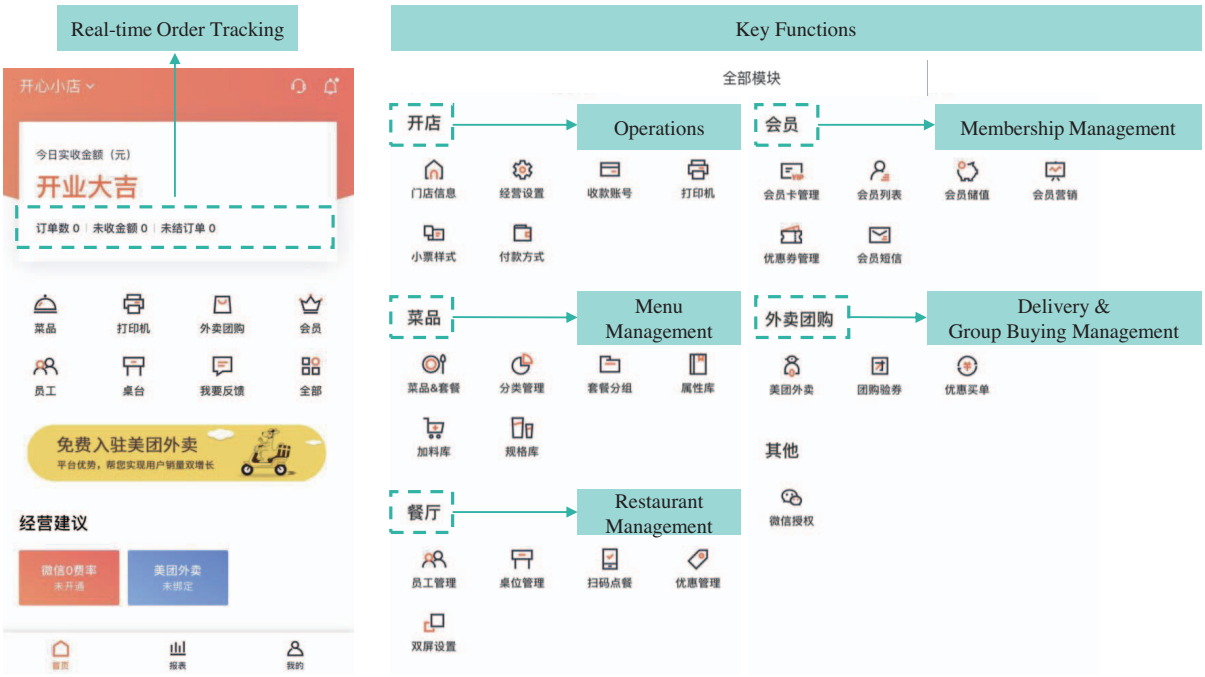
Cloud-based ERP systems

We have developed cloud-based ERP systems for merchants. The systems include hardware and software that integrate table booking, digital menu, order placement, queue management, takeout delivery, multiple payment methods, and inventory, payroll and customer relationship management into one system with cloud connection, thus streamlining merchants' offline and online operations, improving merchants' efficiencies and lowering costs. Our cloud-based ERP systems feature comprehensive iOS/Android ERP functionality. We also provide merchants with a variety of POS hardware supplies with pre-installed cloud-based ERP systems. These hardware supplies include touch screen monitors, cash drawers, cashiers and barcode scanners. For merchants that still use Windows-based software, we also provide open application programming interfaces, or APIs, which make our system compatible and capable of directly connecting with these merchants' existing ERP

systems, in order to help them perform certain cloud-based functions, such as online order placement. In addition, through the use of cloud-based analytics of stock keeping unit level merchant data, our ERP systems help merchants make informed business decisions to stay competitive. Payment data of merchants are also factored into the rankings of these merchants on our platform. Once a payment is completed, the merchant is able to further utilize the established point of contact with the consumer by soliciting reviews or distributing e-vouchers, which helps the merchants convert offline transactions into online user traffic and expand sales channels. We expect to further drive the adoption and penetration of our cloud-based ERP systems across all merchants on our platform by ourselves or through our investee companies.

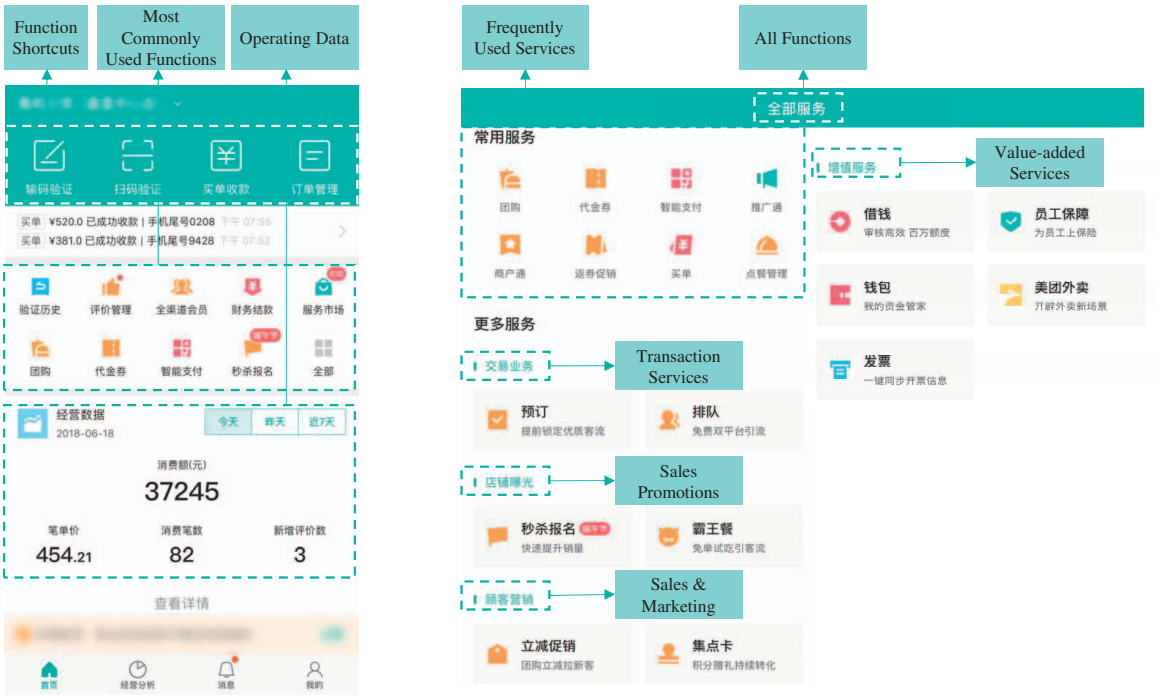
The following graphics illustrate the user interfaces and modules of *Meituan Guanjia*, the proprietary mobile portal of our ERP systems:

Meituan Guanjia Mobile App



The followings graphics illustrate the user interfaces and modules of *Kaidianbao*:

Kaidianbao Mobile App



Integrated payment systems

We also developed integrated payment systems which provide all-channel checkout services. These systems include the smart POS terminal, Xiaomei Box and Meituan QR Codes. The handheld smart POS terminal takes an average of only 0.1 second to read credit cards, compared to three to five seconds for traditional payment systems. It also allows the merchants to perform various marketing activities such as distributing e-vouchers to consumers. Xiaomei Box is placed at merchants' cashiers and facilitates the checkout process by allowing consumers to scan QR codes through the device. Meituan QR Codes can be displayed at cashiers or dining tables, which allow consumers to fully utilize the convenience and efficiency of QR codes that have been widely embraced by large and small merchants alike across China. Our integrated payment systems support a wide range of payment methods, such as Meituan Payment, bank cards, Weixin Pay, Alipay, Apple Pay and UnionPay QuickPass.

Our Integrated Payment Systems

Smart POS Terminal

Xiaomei Box

Meituan QR Codes

Other Services

Supply Chain Management

We aim to help merchants establish and maintain a more efficient supply chain. To that end, we have rolled out our supply chain management mobile app, *Kuailv Jinhuo* (快驢進貨). *Kuailv* is focused on providing business-to-business services to the restaurant industry. It allows restaurants to order raw materials, food ingredients and disposable restaurant supplies from a large variety of vendors, and also provides delivery services for these items.

Micro Loan

We obtained our micro loan license in November 2016. Our micro loan business, Meituan Xiaodai, provides uncollateralized micro loans to users and small and medium-sized merchants on our platform. Leveraging our risk management capabilities based on big data and our insight into user profile and their behavioral data, we are well-positioned to evaluate borrowers' creditworthiness.

We provide micro loan services to merchants, which help them scale their businesses and improve their business operations. We offer a credit limit of up to RMB1.0 million per merchant and credit terms of 6 months, 12 months or 18 months. The monthly interest rate is 1.5% and borrowers make repayments in equal installments. As of April 30, 2018, the average loan amount was RMB72,400 and the average loan term was 12 months. As of April 30, 2018 , the aggregate amount of loan receivables with respect to micro loans to merchants on our balance sheet was RMB1.4 billion.

We also provide micro loan services to users, which cater to their evolving consumption needs on our platform. We offer a credit limit of up to RMB50,000 per user and credit terms of 3 months, 6 months or 12 months. The daily interest rate is 0.05% and borrowers make repayments in equal installments on a monthly basis. As of April 30, 2018, the average loan amount was approximately RMB5,000 and the average loan term was approximately 9 months. As of April 30, 2018, the aggregate amount of loan receivables with respect to micro loans to users on our balance sheet was RMB0.7 billion.

In addition to extending credit to merchants and users directly, we also refer some borrowers to other financial institutions. Such financial institutions provide uncollateralized micro loans at a daily interest rate of 0.05% and with varying credit terms, and borrowers make repayments in equal installments on a monthly basis. As of April 30, 2018, the average loan amount of such loans was approximately RMB2,500.

Our Delivery Network

We have built and operate the world's largest intra-city on-demand delivery network in terms of number of deliveries in 2017, according to the iResearch Report. During the fourth quarter of 2017, our network had on average approximately 531,000 daily active delivery riders. This network also lays the foundation for an intra-city on-demand logistics platform spanning all types of consumer goods, which we believe represents promising growth opportunities.

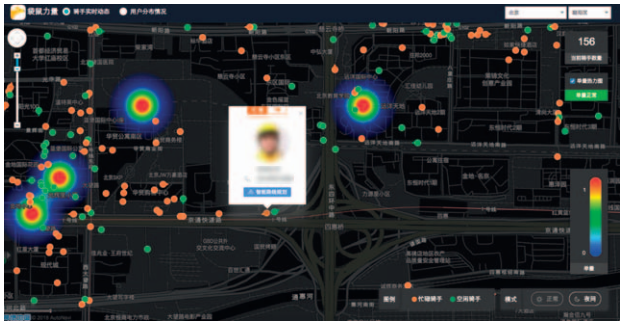
Leveraging big data, AI, cloud computing and our innovative technologies such as accurate rider modeling and distributed interactive simulation, we have developed a proprietary real-time intelligent dispatch system. The system tracks the direction and location of each delivery rider on a real-time basis and calculates optimized delivery routes based on the locations of the delivery rider, the merchant and the consumer. Orders placed on our platform are generally dispatched automatically by our proprietary real-time intelligent dispatch system, and in 2017, these orders are delivered to consumers in an average of 30 minutes after they are placed. The system also reduces delivery time fluctuations resulting from human factors and therefore delivers consistent user experience. The daily average on-demand deliveries made by each Premium Delivery (as defined below) rider increased 22% in 2017 compared with that in 2016.

Delivery Rider Order-Tracking

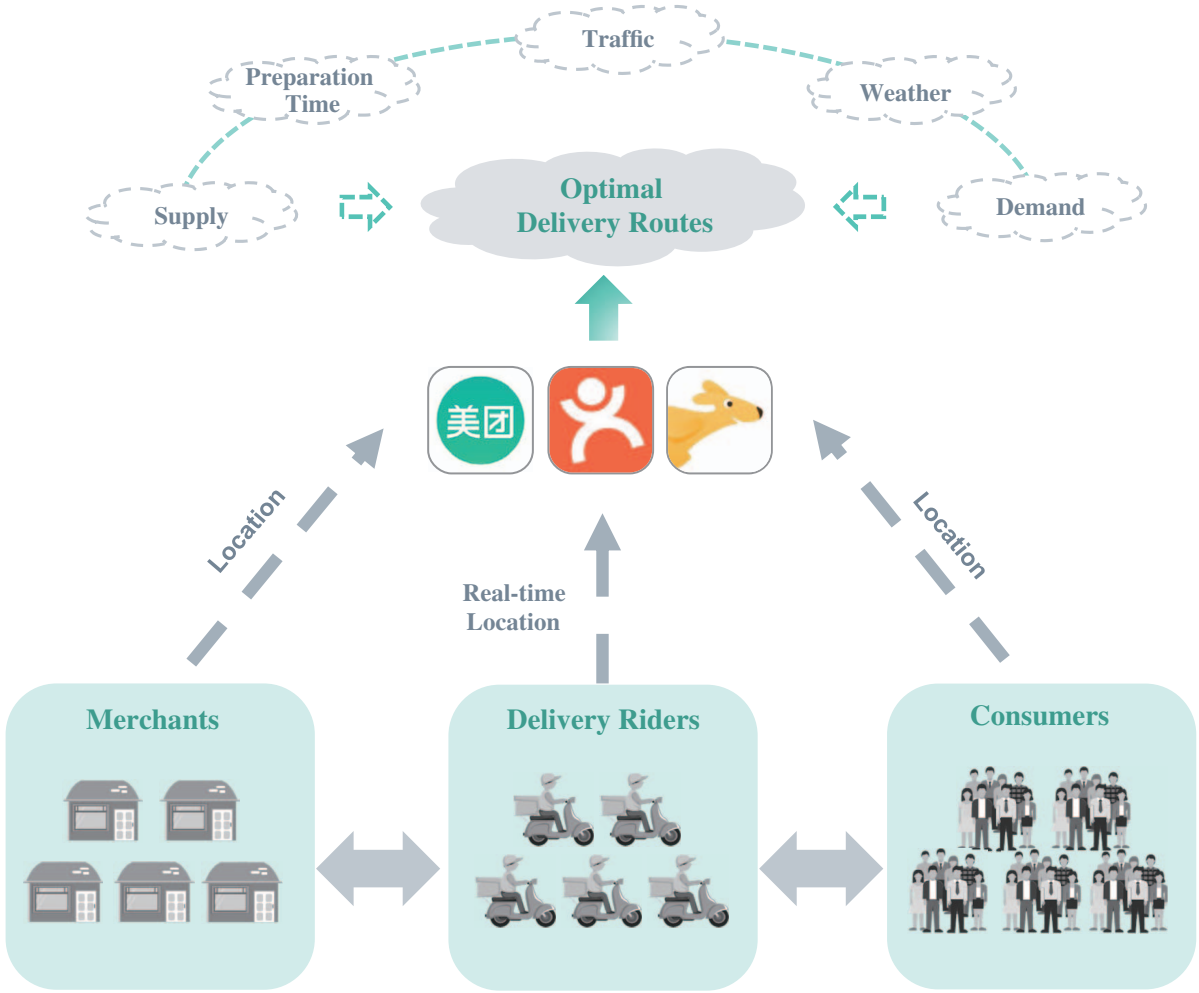
Order Dispatch

Map Directory

Real-time Tracking



The below chart illustrates key features of this dispatch system:



Merchants on our platform have the option to either engage us to provide the delivery service or deliver by themselves. In 2017, over 70% of the on-demand delivery transactions generated on our platform were fulfilled by us. The delivery arrangements with merchants are structured under two models: Premium Delivery (專送) and Speedy Delivery (快送). We require our delivery partners to establish strict recruiting standards and regular training programs for the delivery riders. We do not enter into employment agreements with delivery riders under either the Premium Delivery model or the Speedy Delivery model.

- ***Premium Delivery (專送)***. The delivery riders are engaged by our delivery partners as full-time employees or contractors. We license our trade name to our delivery partners, who agree to abide by the operating standards specified by us. We also require our delivery partners to incentivize and supervise the delivery riders according to our standards. We provide our delivery partners with high-quality support and resources in order to ensure merchants who select Premium Delivery enjoy the highest level of delivery service.

- ***Speedy Delivery (快送)***. Under this model, we enter into agreements with our delivery partners, who engage the delivery riders as contractors. Orders are fulfilled by delivery riders through a crowdsourcing platform established by us. The crowdsourced delivery riders are typically not full-time delivery riders. The delivery riders are also required to abide by the delivery service standards set by our delivery partners.

Technology

Technology is the foundation of our company and a key component of our strengths. We have used off-the-shelf technology as well as internally developed proprietary technology in building our technology infrastructure. Our research and development team comprises of engineers, product managers, user interface and user experience designers. We incurred RMB1.2 billion, RMB2.4 billion, RMB3.6 billion, RMB0.9 billion and RMB1.9 billion in research and development expenses in 2015, 2016, 2017 and the four months ended April 30, 2017 and 2018, respectively.

Key components of our technology include:

Standardized Core Infrastructure Environment

Our standardized core-infrastructure includes service-oriented architecture, or SOA, governance, middleware services such as Key-Value, various research and development tools such as deployment systems and data infrastructure such as Hadoop cluster. Our standardized core infrastructure facilitates our research and development activities, service calls across business groups and data onboarding.

SOA Infrastructure

Based on our standardized core-infrastructure, we have built an SOA infrastructure that is highly scalable and capable of rapid iteration in order to meet our business development needs. The SOA infrastructure also enables easier monitoring and maintenance. During 2017, our daily remote procedure calls reached a record of 400 billion.

AI and Deep Learning

We leverage AI and deep learning to deliver an optimized user experience.

We use deep-learning-powered natural language processing to perform text analysis, semantic matching and search engine ranking to return the most relevant merchant and services when a user conducts a search. Given a search phrase may mean totally different things in different scenarios, we use the users' activities on our platform in the past to guide our semantic match model optimization when building deep learning models. We use computer vision to enhance text and object recognition, image classification and image quality ranking to present the most attractive pictures of a merchant or service to a consumer based on his or her sensitivity and preference with image properties, such as color, resolution and composition.

Utilizing the aforementioned technologies, we have developed a series of innovative systems and products, such as our real-time intelligent dispatch system and driverless delivery vehicles.

Real-time Intelligent Dispatch System

Leveraging big data, AI, cloud computing and our innovative technologies, such as delivery rider accurate portrait modeling and distributed interactive simulation, we have developed our proprietary real-time intelligent dispatch system which serves as the "super brain" of delivery riders. Powered by AI technology, our intelligent dispatch system optimizes order-rider matching based on the real time locations of delivery riders, and is able to perform approximately 2.9 billion times of the route planning algorithm per hour during the daily peak time and calculate as many as 97% of the optimized delivery routes in an average of 0.552 milliseconds. The system is also self-learning and self-adaptive. Using big data and AI, we have built an industry-leading two dimensional space-time dispatching capacity. Our intelligent dispatch system integrates order pool controlling, order dispatching and order re-dispatching and is able to automatically detect delivery delay risks and re-dispatch accordingly.

Driverless Delivery Vehicle

We are exploring the use of autonomous driving vehicles for driverless delivery. As of the Latest Practicable Date, we have applied for more than 40 patents related to autonomous driving vehicle technologies. Driverless delivery vehicles have to tackle automatic driving technology-related issues as well as challenges from complex actual application scenarios, and typically involve advanced technologies such as scenario-specific vehicle chassis, multi-sensor fusion, high-definition maps and AI-based driving. We expect to further invest in driverless delivery and start implementing driverless delivery in particular scenarios, with the ultimate goal of large-scale adoption.

Customer Service

We continuously strive to improve consumers' level of satisfaction by offering high-quality customer services. Our dedicated in-house team of customer service associates and contracted customer service staff serve consumers and merchants through telephone hotlines and online inquiry systems. We also offer self-service tools and AI-powered automated customer service which can solve our customers' problems more efficiently.

Our management team evaluate customers' feedback on a regular basis and perform root cause analysis to identify the underlying reasons for consumer dissatisfaction. Once the root causes have been identified, we focus on improving our services until such issues are resolved.

We give our customer service staff the authority and flexibility needed to adapt instantly to situations, responding with better services and experiences for our customers. For example, if our customer service staff receive complaints about merchants refusing to serve customers, once such complaints are confirmed, our customer service staff have the authority to suspend such merchants' listing on our platform. Our customer service staff are also able to provide compensation within certain limits to consumers whose consumption experience is not as expected or promised.

We also allow merchants and delivery riders to contact consumers in real time to ensure consumers' issues are resolved expeditiously. We are promoting the use of virtual numbers to better protect the privacy of consumers.

Customers and Suppliers

Our top customers are primarily merchants. We have a broad base of customers, and our top five customers accounted for less than 30% of our total revenues for each of the years ended December 31, 2015, 2016 and 2017 and for the four months ended April 30, 2018. Our top suppliers are primarily our delivery partners and payment processing service providers. Our top five suppliers accounted for less than 30% of our purchases for each of the years ended December 31, 2015, 2016 and 2017 and for the four months ended April 30, 2018.

Marketing and Sales

We maintain a two-tiered marketing team. Our marketing department at the group level is responsible for marketing activities that promote our brands as a whole, aiming at attracting more users to our platform. Our marketing teams at each business segment level is responsible for the marketing activities specific to such segment's business, aiming at converting users on our platform to Transacting Users.

We believe that our one-stop platform, wide variety of services offered and positive customer experience are our best and most effective marketing tools, allowing us to benefit from strong word-of-mouth referrals. We employ a variety of marketing activities to promote our brands and services. Our online marketing activities consist of paid marketing through internet navigation sites and various popular search engines in China and display advertisements. Our offline marketing activities include promotions via traditional mainstream media, such as outdoor advertisements, public relations activities, as well as sponsored events to increase our visibility and promote our brand. We regularly monitor the effectiveness of our marketing activities to control the overall costs of our marketing programs. We utilize an automated tracking system to monitor the traffic directed through our advertisements and promptly adjust our spending in different marketing channels based on the results with strategic and pricing considerations.

We acquire users through our marketing efforts, search engines and through our pre-installed apps on mobile devices through our collaboration with all major mobile device brands in China.

We develop relationships with merchants through the following ways: (i) offline direct sales, such as the business development activities by our local on the ground sales force, telemarketing and key account sales; (ii) online direct sales, such as sales of our integrated payment system hardware through online marketplaces; (iii) distribution agents in certain cities, who engage sales force to acquire merchants; and (iv) merchant self-service onboarding platform. We keep improving the efficiencies of our sales force, which is evidenced by the increasing number of merchants each sales person serves.

The merchant onboarding process on our platform is streamlined and transparent, and more and more merchants complete this process through self-service. Merchants can register with us using mobile phone numbers, claim the restaurants or stores they own from our database and submit paperwork for certification electronically. A decision is usually made within three days.

Intellectual Property

Intellectual property rights are fundamental to our business, and we devote significant time and resources to their development and protection. We rely on a combination of patent, trademark, copyright and domain name protection in China and other jurisdictions, as well as confidentiality procedures and contractual provisions to protect our intellectual property. In general, our employees must enter into a standard employment contract which includes a clause acknowledging that all inventions, trade secrets, developments and other processes generated by them on our behalf are our properties, and assigning to us any ownership rights that they may claim in those works. Despite our precautions, however, third parties may obtain and use intellectual property that we own or license without our consent. During the Track Record Period, we did not find any material breaches of our intellectual property rights. However, unauthorized use of our intellectual property by third parties and the expenses incurred in protecting our intellectual property rights from such unauthorized use may adversely affect our business and results of operations. See "Risk Factors — Risks Relating to Our Business and Industry — We may not be able to prevent others from unauthorized use of our intellectual property, which could harm our business and competitive position."

As of the Latest Practicable Date, we had 387 patents registered with the State Intellectual Property Office of China and 955 pending patent applications in mainland China. Globally, we had 18 patents registered and 136 pending patent applications in various overseas countries and jurisdictions.

As of the Latest Practicable Date, we owned 1,086 trademarks in various categories and registered with the China Trademark Office. In addition, we had 1,921 trademark applications, each in various categories, pending with China Trademark Office as of the Latest Practicable Date. In addition, we had 178 registered trademarks in various overseas countries and international jurisdictions.

As of the Latest Practicable Date, we held 234 software copyrights and 33 other copyrights registered with the State Copyright Bureau of China.

As of the Latest Practicable Date, we owned 338 registered domain names. We generally renew our domain name registrations once every year and applications for their renewal are usually approximately made one to three months prior to their expiration. Under normal circumstances, the domain name registrations take effect immediately after the payment of renewal fees. As of the Latest Practicable Date, 338 of our registered domain names are in effect. If any of our domain name registrations cannot be renewed for any reason, the domain name registrar may deregister the relevant domain name.

We did not have any material disputes or any other pending legal proceedings of intellectual property rights with third parties during the Track Record Period and up to the Latest Practicable Date.

Please see "Appendix IV — Statutory and General Information —B. Further Information about Our Business —2. Intellectual property rights" for details of our material intellectual property rights.

Competition

Although there is no single competitor that can provide the broad range of services similar to us, we face competition in each of our business segments. The number of competitors in each business segment has decreased in the past few years as smaller market players dropped out or consolidated. However, there remain multiple existing market players, and there may be new entrants emerging, in each of our business segments, and these market players compete to attract, engage and retain consumers and merchants. Some of these competitors are backed by internet giants in China. Key competitive factors among e-commerce players for services are scale and breadth of services provided, technology and data, and execution capabilities. For additional details regarding competitive landscape of the industries in which we operate, see the section headed "Industry Overview" in this document.

We primarily compete with Alibaba Group, a company listed on the New York Stock Exchange which owns and operates Ele.me and Koubei. We compete with Ele.me, an online delivery and local service platform in China, for food delivery services, and with Koubei, an in-store services marketplace. Ele.me acquired Baidu Waimai in 2017. Didi Chuxing, a mobile transportation platform, also recently entered the food delivery market. We compete with Ctrip.com International, Ltd., a company listed on the Nasdaq Global Selected Market and a travel service provider for accommodation reservation, transportation ticketing, packaged tours and corporate travel management in China, for hotel & travel and transportation ticketing services. Each of our businesses is subject to rapid market change and the potential development of new business models and the entry of new and well-funded competitors. Other companies also may enter into business combinations or alliances that strengthen their competitive positions. Some of our current competitors have, and future competitors may have, greater financial, technical or marketing resources, longer operating histories, greater brand recognition or larger consumer bases than we do. According to a recent announcement of Alibaba Group dated August 23, 2018, Alibaba Group has established a company to hold Ele.me and Koubei as its combined flagship local services vehicle, which it plans to separately capitalize with investments from Alibaba, Ant Financial and third-party investors. As of the time of the announcement, it had received over US$3 billion in new investment commitments, including from Alibaba and SoftBank. Alibaba Group's plan is to gain market share and execute deep integration into its ecosystem of service offerings. Such development may further intensify the competition of the consumer service e-commerce industry in China. See "Risk Factors—Risks Relating to Our Business and Industry—We face intense competition in our businesses. Although we have a track record of competing effectively in major service categories, we may not be able to do so in the future, in which case we may lose market share and customers, and our business, financial condition and results of operations may be materially and adversely affected."

Path to Profitability

During the Track Record Period, we generated revenues from three operating segments: food delivery, in-store, hotel & travel, and new initiatives and others. These three segments are characterized by their different stages of development.

Food delivery. The food delivery segment is rapidly growing and is the major contributor to our revenue growth in 2016, 2017 and the four months ended April 30, 2018. During the four months

ended April 30, 2018, the segment recorded a 107.9% growth rate in terms of revenue compared with the same period in 2017. The segment's gross margin also improved from (7.7%) in 2016 to 8.1% in 2017 and further to 9.3% in the four months ended April 30, 2018. Our strategic focus for the food delivery segment is business expansion and market share gain as well as increase in monetization.

In-store, hotel & travel. The in-store, hotel & travel segment has entered the maturity stage but still recorded year-over-year revenue growth rate of over 43% in the four months ended April 30, 2018 and high profitability, as evidenced by its gross margin of over 80% throughout the Track Record Period. Our strategic focus for the in-store, hotel & travel segment is to enhance services to merchants and increase monetization.

New initiatives and others. The new initiatives and others segment is in the early exploration stage. The development of this segment is in line with our strategies of expanding our service offerings to more consumers and enabling more merchants with more solutions. We believe tapping into these new markets can present opportunities that lead to further success. For example, we launched our food delivery service in 2013 as a strategic initiative and have since then successfully grown into the world's largest on-demand food delivery service provider in terms of number of transactions in 2017, according to iResearch.

Our one-stop platform has achieved significant operating leverage. We have been focusing on *mass-market*, *essential* and *high-frequency* service categories, and established many touch points with consumers' lives, which allow us to launch and cross-sell a broad range of additional service categories. For example, in 2017, over 80% of our new hotel-booking Transacting Users and approximately 74% of our new Transacting Users of other lifestyle services were converted from Transacting Users of our core categories of food delivery and in-store dining. The breadth of our service offerings allows us to enjoy low user acquisition cost, enhance user stickiness and grow user lifetime value. Our marketing efficiency improved significantly during the Track Record Period. Our selling and marketing expenses as a percentage of total revenue decreased from 177.7% in 2015 to 64.2% in 2016 and further decreased to 32.2% in 2017, and decreased from 32.3% in the four months ended April 30, 2017 to 25.9% in the same period of 2018. While the number of our Transacting Users increased from 206 million in 2015 to 259 million in 2016 and further increased to 310 million in 2017, and increased from 270 million in the twelve months ended April 30, 2017 to 340 million in the twelve months ended April 30, 2018, our incentives to Transacting Users as a percentage of Gross Transaction Volume decreased during this period. As our business further grows, we believe our massive scale, combined with our strong network effects, will allow us to acquire consumers and merchants more cost-effectively and benefit from substantial economies of scale.

Although there is no single competitor that can provide a broad range of services comparable to ours, we face competition in each of our business segments.

Food Delivery

	Year Ended December 31,			Four Months Ended April 30,	
(In millions of RMB unless otherwise specified)	**2015**	**2016**	**2017**	**2017**	**2018**
Gross Transaction Volume	15,557	58,718	171,088	35,415	75,064
Number of transactions (million)	637	1,585	4,090	867	1,692
Average transaction value (RMB)	24	37	42	41	44
Monetization rate (%)[(1)]	1.1%	9.0%	12.3%	13.2%	12.9%
Active Merchants (million)[(2)]	0.5	1.4	2.8	1.3	2.1
Revenue	175	5,301	21,032	4,660	9,686
Cost of revenues	391	5,707	19,333	4,234	8,783
Gross (loss)/profit	(216)	(406)	1,699	425	903
Gross margin	(123.7%)	(7.7%)	8.1%	9.1%	9.3%

Note:

(1) Monetization rate equals the revenues for the year/period divided by the Gross Transaction Volume for the year/period. For purpose of calculating the monetization rate in 2015, our Gross Transaction Volume in 2015 only included *Dianping*'s Gross Transaction Volume from October 2015 to December 2015.

(2) Active Merchants denotes annual Active Merchants for the years ended December 31, 2015, 2016 and 2017 and Active Merchants for the four months ended April 30, 2017 (Jan 1 - Apr 30, 2017) and April 30, 2018 (Jan 1 - Apr 30, 2018).

Our food delivery segment generates revenue primarily from (i) commission from merchants for orders placed on our platform, which are generally determined as a percentage of the value of the transaction completed, (ii) online marketing services in various advertising formats provided to merchants, and (iii) delivery fees from Transacting Users and merchants for delivery services provided by us.

Revenue of the food delivery segment is primarily driven by Gross Transaction Volume, which is in turn determined by the number of transactions and the average transaction value, as well as our ability to increase monetization rate. During the Track Record Period, the year-over-year growth in the number of transactions of the food delivery segment was 149%, 158% and 95% for 2016, 2017 and the four months ended April 30, 2018, respectively. During the same period, the food delivery segment's average transaction value increased steadily as well. In addition, monetization rate of the food delivery segment was 1.1%, 9.0%, 12.3%, 13.2% and 12.9% during 2015, 2016 and 2017 and the four months ended April 30, 2017 and 2018, respectively.

Cost of revenue for the food delivery segment primarily consists of (i) food delivery rider costs, (ii) payment processing costs, (iii) employee benefits expenses of customer services and other personnel, (iv) depreciation of property, plant and equipment, and (v) bandwidth and server custody fees.

The majority of cost of revenue of the food delivery segment is attributable to food delivery rider costs, which accounted for 95%, 95% and 93% of the segment's total cost of revenue in 2017 and the four months ended April 30, 2017 and 2018, respectively. During the Track Record Period, food delivery rider costs as a percentage of food delivery revenue decreased from 158.4% in 2015 to 96.9% in 2016 and further to 87.1% in 2017, and decreased from 86.2% during the four months ended April 30, 2017 to 84.4% during the same period in 2018. During the Track Record Period, the segment's gross margin improved significantly from (123.7%) in 2015 to 9.3% in the four months ended April 30, 2018. As our food delivery segment grew significantly over the Track Record Period, we were able to achieve economies of scale due to our high operating leverage.

In the food delivery business, we compete primarily with Ele.me, which entered this market four years ahead of us. Ele.me was recently acquired by Alibaba Group. Didi Chuxing, a mobile transportation platform, also recently entered the food delivery market. Through our successful execution of our business strategies both online and offline, we were able to capture large market share despite intense competition in the food delivery market. From 2015 to the first quarter of 2018, our market share in terms of Gross Transaction Volume increased from 31.7% to 59.1%, according to iResearch. We believe we are well-positioned to compete due to our large consumer and merchant bases and industry-leading on-demand delivery network. In addition, we started investing in our delivery infrastructure since the launch of our food delivery business and we believe that our large on-demand delivery network and advanced order dispatch system are our key competitive advantages over our competitors.

Leveraging our technology platform, we have established the world's largest on-demand delivery network in terms of number of deliveries in 2017. Underlying our food delivery network, we make food deliveries through our delivery partners under our trade name or under a crowdsourcing platform established by us. Our delivery partners under our trade name operate according to our standards and we provide them with high-quality support and resources to ensure the highest level of delivery service quality. Through the crowdsourcing platform established by us, we leverage the delivery capacity of the crowdsourced, typically non-full-time delivery riders as supplement to Premium Delivery riders, which provides us the flexibility to accommodate demand and supply fluctuations. These two delivery models work seamlessly together to reinforce our delivery network and ensure our quality of service. Our daily average active delivery riders increased from approximately 14,000 in the fourth quarter of 2015 to 172,000 in the fourth quarter of 2016 and further to 531,000 in the fourth quarter of 2017. The scale of our delivery network allows us to serve more consumers and merchants and at the same time serve them better. The orders placed on our platform are generally dispatched automatically by our proprietary real-time intelligent dispatch system, and in 2017, these orders were delivered to consumers in an average of 30 minutes after they were placed. Powered by AI technology, our intelligent dispatch system optimizes order-rider matching based on the real-time locations of delivery riders, and performs approximately 2.9 billion times of the route planning algorithm per hour during the daily peak time. In addition, our on-the-ground sales force and business development team

help us on-board, educate and engage with merchants across the country and maintain close relationship with these merchants. We also provide a wide selection of services, such as cloud-based ERP systems and integrated payment systems, to the merchants listed on our platform to help them improve their operational efficiency.

In order to further grow our market share and solidify our market leadership, we plan to continue to improve our technology platform, expand our delivery network, enhance our service offerings to merchants and expand our user base. We expect our food delivery segment's profitability to continue to improve, as demonstrated by the improvement of the segment's gross margin during Track Record Period. Specifically, we expect that the food delivery segment's average transaction value to remain relatively stable and the total number of transactions to continue to grow, which will be mainly driven by the growing demand for food delivery services in China. According to iResearch, the total number of on-demand food delivery transactions is projected to grow at an annual rate of 50% and 37% in 2018 and 2019, respectively. We plan to further enhance our services to merchants and enable them to recognize greater value from our services, such as access to a large consumer base as well as improved operating efficiency. In addition, we believe merchants benefit from promotion and advertising services on our platform to attract more customers. As we offer more incremental value to our merchants and enable them to lower their costs, we expect we can increase our monetization rate over time. We also expect our selling and marketing expenses to further increase due to our business growth and intensified competition. See the section headed "—Competition."

In-store, hotel & travel

(In millions of RMB unless otherwise specified)	Year Ended December 31,			Four Months Ended April 30,	
	2015	2016	2017	2017	2018
Revenue	3,774	7,020	10,853	3,041	4,351
Cost of revenues	741	1,081	1,273	371	522
Gross profit	3,033	5,939	9,579	2,670	3,829
Gross margin	80.4%	84.6%	88.3%	87.8%	88.0%

Our in-store, hotel & travel segment generates revenue primarily from (i) commissions from merchants for vouchers, coupons, tickets and reservations sold on our platform, which are generally determined as a percentage of the value of the transaction completed, and (ii) online marketing services to merchants, including performance-based and display-based marketing services, as well as marketing services provided under annual plans. Cost of revenue for the in-store, hotel & travel segment primarily consists of (i) payment processing costs, (ii) online traffic costs, (iii) employee benefits expenses of customer services and other personnel, (iv) depreciation of property, plant and equipment, and (v) bandwidth and server custody fees.

We further break down the in-store, hotel & travel segment into two sub-segments: (i) in-store and travel, and (ii) hotel booking. Our travel business primarily includes online domestic attraction and excursion package ticketing service, which only contributed to a very small portion of our Gross Transaction Volume and revenues during the Track Record Period.

In-store and travel

(In millions of RMB unless otherwise specified)	Year Ended December 31,			Four Months Ended April 30,	
	2015	2016	2017	2017	2018
Gross Transaction Volume	114,044	136,646	121,613	40,513	38,846
Monetization rate (%)[1]	3.4%	4.1%	6.7%	5.7%	8.2%
Active Merchants (million)[2]	1.6	1.8	1.7	1.1	1.3
Revenue	3,010	5,602	8,140	2,320	3,175
Cost of revenues	619	888	918	280	340
Gross profit	2,391	4,714	7,222	2,041	2,835
Gross margin	79.4%	84.2%	88.7%	87.9%	89.3%

Notes:

(1) Monetization rate equals the revenues for the year/period divided by the Gross Transaction Volume for the year/period. For purpose of calculating the monetization rate in 2015, our Gross Transaction Volume in 2015 only included *Dianping*'s Gross Transaction Volume from October 2015 to December 2015.

(2) Active Merchants denotes annual Active Merchants for the years ended December 31, 2015, 2016 and 2017 and Active Merchants for the four months ended April 30, 2017 (Jan 1 - Apr 30, 2017) and April 30, 2018 (Jan 1 - Apr 30, 2018).

During the Track Record Period, with respect to our in-store and travel businesses, the year-over-year growth in the Active Merchants was 15.1%, (5.8%) and 11.8% for 2016, 2017 and the four months ended April 30, 2018, respectively; the year-over-year increase in revenue per Active Merchant was 61.7%, 54.2% and 22.4% for 2016, 2017 and the four months ended April 30, 2018, respectively; and the monetization rate grew from 4.1% in 2016 to 6.7% in 2017 and further to 8.2% during the four months ended April 30, 2018.

As this sub-segment has entered the maturity stage, its margin profile has been strong. Its gross margin increased from 79.4% in 2015 to 89.3% in the four months ended April 30, 2018. As our platform expanded over the Track Record Period to serve more consumers and merchants, this sub-segment's performance also improved due to economies of scale.

We primarily compete with Koubei for our in-store business, which is owned by Alibaba Group. We have been the market leader in the in-store service market since the strategic transaction between Meituan and Dianping in 2015. With respect to our in-store dining business, which is the largest business line under this sub-segment, we were the market leader with significant market share ahead of the second-placed market player in terms of Gross Transaction Volume during the period from 2015 to the first quarter of 2018, according to the iResearch Report. In addition to our scale, we believe we are well-positioned to compete against Koubei due to our relationship with merchants and brand recognition among consumers. Our local on-the-ground sales force help engage with merchants and maintain good relationship with them. We also provide a wide range of solutions to merchants which

help them improve operational efficiency. The large amount of UGC accumulated on our platform also enables consumers to make better decisions, which bring significant new user traffic and incremental sales to merchants. We were able to maintain our market leadership during the Track Record Period due to our ability to cover merchants locally and offline as well as to grow our user base. We plan to continue to enhance our service offerings to merchants in addition to growing our user base in order to maintain our market leadership.

We expect the number of annual Active Merchants in this sub-segment to continue to grow as a result of the continuous expansion of our in-store service categories and the further adoption by merchants of our platform to meet their online marketing needs. We expect our monetization rate will continue to improve as (i) we expect higher revenue contribution from our online marketing services, and (ii) we expect to enter into more service categories with higher per transaction value and with merchants having higher consumer acquisition costs, which make merchants in these categories more willing to use our online marketing services. Major cost items are expected to increase in proportion to revenue for this sub-segment. In order to improve this sub-segment's performance, we expect to further enhance our economies of scale, reduce consumer acquisition cost by cross-selling from our food delivery segment, and improve customer retention.

Hotel booking

	Year Ended December 31,			Four Months Ended April 30,	
(In millions of RMB unless otherwise specified)	**2015**	**2016**	**2017**	**2017**	**2018**
Gross Transaction Volume	13,448	21,791	36,531	9,964	16,255
Number of domestic hotel room nights (million)[(1)]	82	132	205	57	87
Monetization rate (%)[(2)]	5.7%	6.5%	7.4%	7.2%	7.2%
Active Merchants (million)[(3)]	0.2	0.3	0.3	0.3	0.3
Revenue	764	1,418	2,713	720	1,176
Cost of revenues	122	193	356	91	182
Gross profit	642	1,225	2,357	629	994
Gross margin	84.1%	86.4%	86.9%	87.3%	84.5%

Note:

(1) "Domestic hotel room nights" refers to domestic hotel room nights paid by consumers, and does not include cases where the consumers are subsequently refunded.

(2) Monetization rate equals the revenues for the year/period divided by the Gross Transaction Volume for the year/period. For purpose of calculating the monetization rate in 2015, our Gross Transaction Volume in 2015 only included Dianping's Gross Transaction Volume from October 2015 to December 2015.

(3) Active Merchants denotes annual Active Merchants for the years ended December 31, 2015, 2016 and 2017 and Active Merchants for the four months ended April 30, 2017 (Jan 1 - Apr 30, 2017) and April 30, 2018 (Jan 1 - Apr 30, 2018).

Revenue of our hotel booking sub-segment is primarily driven by the total number of domestic hotel room nights booked on our platform as well as monetization rate.

During the Track Record Period, the year-over-year growth in the number of domestic hotel room nights was 61.2%, 55.8% and 51.5% for 2016, 2017 and the four months ended April 30, 2018, respectively, and the monetization rate remained stable at above 7.0% since 2017.

As this sub-segment has entered maturity stage, its margin profile has been strong. Its gross margin remained stable at above 80% during the Track Record Period. As our platform expanded over the Track Record Period to serve more consumers and merchants, this sub-segment's profitability also improved due to economies of scale.

We primarily compete with Ctrip.com International, Ltd. in this sub-segment. While online travel agencies such as Ctrip.com International, Ltd. mainly focus on high-frequency business travelers and high-end hotels, we entered the highly fragmented hotel industry market in 2013 by capturing unmet demand for lower-end hotels and young leisure travelers. Through our wide national coverage of merchants as part of our overall strategy for key service offerings, we are able to cover hotels in lower-tier cities, including many independent hotels and to fulfill the unmet demands of young leisure travelers. In addition, we are able to acquire users cost-effectively through cross-selling. For example, in 2017, over 80% of our new hotel-booking Transacting Users and approximately 74% of our new Transacting Users of other lifestyle services were converted from Transacting Users of our core catagories of food delivery and in-store dining. As a result, we were able to increase our market share in terms of number of domestic room nights from 19.6% in 2015 to 33.6% by the first quarter of 2018, making us the largest player in the hotel booking market in China. We are also expanding steadily to mid to high-end hotels to satisfy consumer needs.

We plan to continue to enhance our service offerings to merchants in addition to growing our user base.We expect the number of room nights booked on our platform to continue to grow as we convert more active Transacting Users of other services into Transacting Users of our hotel booking sub-segment. We also expect to continue to acquire market share in the online hotel booking market in China as we expand our hotel supply, especially the high-end hotels. As the disposable income of our users grows, they tend to spend more on upscale hotels. We expect the monetization rate to remain at a stable level. Major cost items are expected to increase in proportion to the total revenue for this sub-segment. In order to improve this sub-segment's performance, we expect to further enhance our economies of scale, reduce consumer acquisition cost by cross-selling, and improve customer retention.

New initiatives and others

(In millions of RMB unless otherwise specified)	Year Ended December 31,			Four Months Ended April 30,	
	2015	2016	2017	2017	2018
Active Merchants (million)[1]	—	0.1	0.6	0.2	0.8
Revenues					
Services to merchants	—	57	901	200	416
Other services to consumers	70	611	1,142	219	1,224
Bike-sharing[2]	—	—	—	—	147
Total revenues	70	667	2,043	419	1,787
Cost of revenues	108	259	1,103	137	2,481
Gross (loss)/profit					
Services to merchants	—	(1)	232	54	116
Other services to consumers	(37)	409	709	227	(403)
Bike-sharing[2]	—	—	—	—	(407)
Total gross (loss)/profit	(37)	408	941	282	(694)
Gross margin	(53.0%)	61.1%	46.0%	67.2%	(38.8%)

Notes:

(1) Active Merchants denotes annual active merchants for the years ended December 31, 2015, 2016 and 2017 and Active Merchants for the four months ended April 30, 2017 (Jan 1 - Apr 30, 2017) and April 30, 2018 (Jan 1 - Apr 30, 2018).

(2) Includes numbers from April 4, 2018, the completion date of the Mobike acquisition, to April 30, 2018.

The development of our new initiatives and others segment is in line with our strategies of expanding service offerings to more consumers and enabling more merchants with more solutions. Given the nascent nature of the service offerings we introduce and provide, we take a prudent approach to operating this segment by carefully evaluating each new service offering through a pilot program, where we deploy resources with caution over a period of time, in order to determine the feasibility of achieving profitability, potential synergies and growth for our platform, and the overall resources required.

Revenues from this segment are primarily derived from services to consumers, such as grocery and other non-food delivery services, as well as pilot car-hailing services, and services to merchants, such as supply chain management and cloud-based ERP systems. We also began generating revenue from the bike-sharing service after our acquisition of Mobike in April 2018.

With respect to services to merchants, given the nascent nature of our products and services to merchants and the small number of Active Merchants compared to the total number of Active Merchants on our platform, we expect significant growth in the number of Active Merchants in this segment. We expect the rapid growth in the number of Active Merchants to be driven by our investment and enhanced marketing initiatives aimed at expanding and promoting our products and services to existing and new merchants. In addition, the average revenue per Active Merchant is also expected to increase, which is expected to be primarily driven by the expansion of service solutions to merchants from cloud-based ERP systems to additional services, such as supply chain management service.

With respect to other services to consumers, revenues are mainly driven by the total number of transactions and the average transaction value. As more Transacting Users choose to use our grocery and non-food delivery services, we expect such business to further grow in the future. Our car-hailing service is currently offered as a pilot program in only two cities. We regularly evaluate the synergistic value car-hailing services could bring to our platform. Based on current market dynamics, we do not expect to further expand this service.

Cost of revenue primarily consists of (i) car-hailing driver costs, (ii) depreciation of property, plant and equipment, (iii) other outsourcing labor costs, (iv) costs of goods sold, and (v) payment processing costs.

Gross margin is expected to improve over time as our new initiatives and others businesses become more developed, which will result in higher revenue and lower cost of revenues.

Mobike

(In millions of RMB unless otherwise specified)	**Four Months Ended April 30[(1)], 2018**
Number of rides (million)	260
Revenue per ride (RMB)	0.56
Revenue	147
Depreciation of bike and vehicle	(396)
Operating costs	(158)
Gross (loss)/profit	(407)
Gross margin	(277.2%)

Note:

(1) Includes numbers from April 4, 2018, the completion date of the Mobike acquisition, to April 30, 2018.

We intend to integrate Mobike into our business by (i) rationalizing the deployment and maintenance of bikes, streamlining operational personnel and potentially optimizing pricing strategies, (ii) continuing to expand Mobike's user base, enhance user experience and increase user stickiness in order to improve operational efficiency, and (iii) integrating Mobike into our leading mobile apps and promoting cross-selling of other service offerings to Mobike users. For example, our *Meituan* app now provides an entry point that allows users to access Mobike's service directly from *Meituan* app. Users can also unlock the dockless bikes by scanning a QR code with *Meituan* app directly.

We primarily compete with ofo and Hello Bike in the bike-sharing market. While the competition is expected to continue to be intense, given the synergies that can be achieved from our platform and the cross-selling opportunities to consumers of our other high-frequency services, we expect to enjoy improved consumer acquisition and retention economics and become more competitive in this market.

Leveraging our extensive experience and execution capability in launching and marketing new service categories and strong offline operational capability, we believe that we will be able to continue to enhance user experience and increase user stickiness for Mobike while significantly improving its operational efficiency and financial sustainability. We expect the average daily Active Bike Users to continue to increase and revenue per ride to remain relatively stable. In addition, we plan to increase the utilization rate of Active Bikes by further streamlining our operations and optimizing bike usage, and we expect the total number of bikes in circulation to reduce as a result of such increased operational efficiency, which will lead to reduced operational costs. We also expect to achieve cost-saving synergies as we and Mobike have started to share technology, operations, marketing and customer services resources. Gross margin is therefore expected to improve as a result of these operational improvements.

Strategic Partners

Tencent

We have formed a strategic alliance with Tencent, a leading provider of internet value added services in China. As of the Latest Practicable Date, Tencent, through its wholly-owned or beneficially owned entities, indirectly controlled an aggregate of 20.1% of our issued and outstanding shares. Upon the completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no Shares are issued under the Pre-[REDACTED] ESOP, Post-[REDACTED] Share Option Scheme and Post-[REDACTED] Share Award Scheme), Tencent will hold [REDACTED]% of our total issued and outstanding Shares (having considered the Shares subscribed by Tencent as a [REDACTED] by exercising the Tencent Anti-dilution Option).

Through our strategic alliance with Tencent, access to our *Meituan Waimai*, *Dianping* and *Mobike* apps is embedded into Tencent's Weixin and QQ mobile apps. Under such alliance, we benefit from Tencent's vast user base, while Tencent benefits from enhanced customer experience. In addition, Tencent provides mapping services, advertisement solicitation services, promotion services, payment services, cloud services and other technical services to us. For example, the payment services allow our consumers to make online payment for our service offerings through Tencent's payment channels on both mobile devices and personal computers or directly on Tencent's payment interface embedded

on our mobile apps and websites. Our high-frequency customer base also contributed to Tencent's revenue increase in payment business for commercial transactions. See the section headed "Connected Transactions—Partially-Exempt Continuing Connected Transactions" in this document for more information on our relationship with Tencent. Tencent has also invested in and entered into a strategic cooperation with Didi Chuxing.

Booking Holdings

In October 2017, we received a $450 million investment from Booking Holdings Inc., or Booking Holdings, formerly known as Priceline Group, a world leading provider of online travel and related services. In connection with Booking Holdings' investment in us, we entered into a commercial relationship with Agoda.com, Booking Holdings' accommodation reservation brand based in Asia. By gaining access to Agoda's vast inventory of hotels, we expect to further expand the international presence of our hotel & travel business. Booking Holdings has also invested in Ctrip.com International, Ltd. and Didi Chuxing.

Maoyan

We hold a minority interest of 8.27% in Maoyan as of April 30, 2018, an online movie-ticketing platform in China. We founded and incubated Maoyan, and divested it in 2016. We divested Maoyan as it may realize higher commercial value and potential by integrating with upstream businesses such as film production, marketing and distribution, in which markets we did not have prior experience. By tapping into these upstream businesses with the support of Enlight Media, Maoyan has the opportunity to expand along the industry value chain and build a fully integrated entertainment platform. After the disposition, we continue to provide portal access to Maoyan on our platform in order to meet consumer demands for the mass-market, high-frequency movie ticketing services, which contributes to building our one-stop service e-commerce platform.

Maoyan's platform is accessible through its own mobile app, *Meituan* or *Dianping* app as well as Tencent's Weixin and QQ mobile apps. We have agreed to grant an exclusive movie ticketing channel on our platform to Maoyan. Through such collaboration, we are able to better serve the needs of consumers in entertainment and further enhance user experience on our platform.

Employees

As of April 30, 2018, we had a total of 46,662 full-time employees. Substantially all of our employees are based in China, primarily at our headquarters in Beijing and Shanghai, with the rest in Xiamen, Shijiazhuang, Yangzhou, Chengdu and other cities.

The following table sets out the breakdown of our full-time employees by function as of April 30, 2018:

Function	Number of Employees[(1)]	% of Total
Sales, marketing and business development	28,458	61.0%
Research and development	10,343	22.2%
Administration	2,844	6.1%
Customer service	2,538	5.4%
Others	2,479	5.3%
Total	46,662	100.0%

Note:

(1) The number of employees presented in this table does not include the delivery riders, who are not our employees. See "—Our Delivery Network" for more details on our arrangements with delivery riders.

Our success depends on our ability to attract, retain and motivate qualified personnel. As part of our recruiting and retention strategy, we offer employees competitive salaries, performance-based cash bonuses and certain other incentives.

We primarily recruit our employees through recruitment agencies, on-campus job fairs and online channels, including our corporate website and social networking accounts. We have adopted a training program, pursuant to which employees regularly receive trainings from management, technology, regulatory and other internal speakers or external consultants.

As required under the PRC regulations, we participate in housing fund and various employee social security plans that are organized by applicable local municipal and provincial governments, including housing, pension, medical, maternity, work-related injury and unemployment benefit plans, under which we make contributions at specified percentages of the salaries of our employees. We also purchase commercial health and accidental insurance for our employees. Bonuses are generally discretionary and based in part on employee performance and in part on the overall performance of our business. We have granted and plan to continue to grant share-based incentive awards to our employees in the future to incentivize their contributions to our growth and development.

None of our employees are currently represented by labor unions. We believe that we maintain a good working relationship with our employees and we did not experience any significant labor disputes or any difficulty in recruiting staff for our operations.

Our Values, Vision and Social Responsibility

Our Values

We believe a critical component of our success has been our core values:

- *Customer-centric* — We must always choose to do the right things for our customers, and not the easy things for ourselves.

- *Integrity* — We expect our people to be honest and have a high level of integrity.
- *Win-win cooperation* — We are a platform that works together with merchants to serve consumers. We are committed to pursuing long-term success over short-term interests.
- *Striving for excellence* — We never stop learning and always push ourselves for the best.

Our Vision

We aim to be the smart assistant for people's daily lives. Whether it is delivering food, reserving seats, booking hotel rooms or arranging transportation, our technology infrastructure will make those services more affordable and more intelligent to everyone.

Our Social Responsibility

Our achievements and initiatives in the area of corporate social responsibility include the following:

Job Opportunities

As a China's leading e-commerce platform for services, the growth of our business is driven by, and creates demand for, a large number of people with various skill sets and educational backgrounds. Specifically, we provide trainings to people from socially disadvantaged backgrounds to equip them with relevant skills that help them improve their lives.

Our Co-founder, executive Director, Chief Executive Officer and Chairman of the Board, Wang Xing, strongly believes in giving back to social causes and communities in need. Creating job opportunities in the communities we serve has been a key area where we focus our efforts. As our company expands, the increasing types of service providers have created many employment opportunities. In particular, we are one of the few companies that pioneered in cultivating the takeout delivery habit of the Chinese population, which resulted in delivery rider becoming a thriving occupation amid the food delivery boom. Since our inception, approximately five million job opportunities have been created for delivery riders in our network.

Merchants

We offer merchants in all service categories an opportunity to be connected directly to our large user base, significantly expanding their consumer acquisition channel and providing them with effective marketing tools and brand building opportunities. This opportunity is especially beneficial to small enterprises and self-employed individuals with limited resources. The operational enhancement services we provide to merchants also help them operate more efficiently. Our platform has fostered many new merchants and business models tailored to service e-commerce, such as centralized kitchens designed for takeout food.

Consumers

We deliver food right to the doorsteps of our consumers, saving them the time and efforts from cooking at home or visiting restaurants in person. In addition, our delivery services also help resolve the dining problems for people with specific needs, such as people with disabilities, elderly people or children.

To protect consumers' personal and property safety, we have developed a mini-program that assists security guards in local communities in verifying the identities of delivery riders in order to guard against criminals posing as delivery riders.

Delivery Rider Safety

Delivery riders are not our employees. Delivery riders' safety, however, is important to us. We have implemented various measures to enhance the ground transportation safety of delivery riders, such as a voice-controlled smart headset, which allows delivery riders to accept orders hands-free. We require personal accident, third party personal injury and property damage insurance to be purchased for each delivery rider, the premium of which is paid by our delivery partners or deducted from payments to delivery riders in our crowdsourcing platform, depending on the delivery method used. We provide periodic safety training to delivery riders.

Environmental Protection

We launched the "Lush Mountain Plan" in 2017, which is aimed at reducing plastic pollution caused by takeout packaging. We provide consumers with the option of "No Utensils" when ordering food, and display advertisements on Meituan Waimai from time to time to promote social awareness of eco-friendly packaging for takeout.

Data Privacy and Protection

We are committed to protecting our users' personal information and privacy. We collect personal information and data from users only with their prior consent, and we offer our users opt-out or opt-in choices. We have established and implemented a strict company-wide policy on data collection and processing.

Properties

As of Latest Practicable Date, we operated our businesses through 1,169 leased properties in Beijing, Shanghai and various other cities in China. We do not own any properties. Our leased properties in China serve as our offices. These properties are used for non-property activities as defined under Rule 5.01(2) of the Listing Rules and are principally used as office premises for our business operations. We believe that there is sufficient supply of properties in China. Furthermore, even if we experience temporary interruption to our usage of any of our leased office space, we believe that our employees can continue to perform the material aspects of their duties remotely, given that our offices do not carry out any production, manufacturing or physical retail activities; and through our technology infrastructure our offices in other locations can adequately support the functioning of our business operations in areas where we experience temporary office space interruptions. Therefore, we do not rely on the existing leases for our business operations, and we do not believe a contingency relocation plan is required. Our servers and network facilities used for providing services to our users are not kept in any of our aforementioned leased properties.

As of April 30, 2018, our leased properties had a total gross floor area of approximately 422,124 square meters, and each leased property ranged from a gross floor area of approximately 2 square meters to 41,676 square meters. The relevant lease agreements have lease expiration dates ranging from May 1, 2018 to April 30, 2025.

As of the Latest Practicable Date, 787 of the lessors of our leased properties in China had not provided us with valid title certificates or relevant authorization documents evidencing their rights to lease the properties to us. As a result, these leases may not be valid, and there are risks that we may not be able to continue to use such properties.

Pursuant to the applicable PRC laws and regulations, property lease contracts must be registered with the local branch of the Ministry of Housing and Urban-Rural Development of the PRC. As of the Latest Practicable Date, we had not obtained any lease registration for 1,167 properties we leased in China, primarily due to the difficulty of procuring our lessors' cooperation to register such leases. The registration of such leases will require the cooperation of our lessors. We will take all practicable and reasonable steps to ensure that the unregistered leases are registered. Our PRC Legal Advisor has advised us that the lack of registration of the lease contracts will not affect the validity of the lease agreements under PRC laws, and has also advised us that a maximum penalty of RMB10,000 may be imposed for non-registration of each lease. The estimated total maximum penalty is RMB10.8 million.

As of April 30, 2018, none of the properties held or leased by us had a carrying amount of 15% or more of our consolidated total assets. Therefore, according to Chapter 5 of the Listing Rules and section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Cap. 32L of the Laws of Hong Kong), this document is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance which requires a valuation report with respect to all our interests in land or buildings.

Insurance

We consider our insurance coverage to be adequate as we have in place all the mandatory insurance policies required by Chinese laws and regulations and in accordance with the commercial practices in our industry. Our employee-related insurance consists of pension insurance, maternity insurance, unemployment insurance, work-related injury insurance, medical insurance and housing funds, as required by Chinese laws and regulations. We also purchase supplemental commercial medical insurance and accident insurance for our employees.

We maintain various insurance with respect to our pilot car-hailing business, including property and casualty insurance for the drivers and passengers in our network. We also require personal accident, third party personal injury and property damage insurance to be purchased for each delivery rider by our delivery partners.

In line with general market practice, we do not maintain any business interruption insurance or product liability insurance, which are not mandatory under PRC laws. See the section headed "Risk Factors—Risks Relating to Our Business and Industry—We have limited insurance coverage" in this

document. We do not maintain keyman life insurance, insurance policies covering damages to our network infrastructures or information technology systems or any insurance policies for our properties. We also do not maintain insurance policies against risks relating to the Contractual Arrangements. During the Track Record Period, we did not make any material insurance claims in relation to our business.

Health, Safety and Environmental Matters

We are subject to numerous environmental, health and safety laws and regulations. For example, we are required to obtain food operation licenses and are subject to the requirements provided by the laws and regulations governing food safety in connection with our food delivery services, the onsite food processing activities at Ella Supermarket and our supply of raw materials to restaurants. We also face environmental risks resulting from takeout packaging pollution, and we have been subject to claims for violation of environmental protection laws.

We rely on delivery riders in our network to fulfill deliveries. Delivery riders are not our employees. Their safety, however, is important to us. We have implemented various measures to protect the personal safety of delivery riders and we require personal accident insurance to be purchased for them. See the section headed "—Our Values, Vision and Social Responsibility—Delivery Rider Safety" in this document for details.

To ensure compliance with applicable laws and regulations, from time to time, our human resources department would, if necessary and after consultation with our legal advisors, adjust our human resources policies to accommodate material changes to relevant labor and safety laws and regulations. During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material fines or other penalties due to non-compliance with health, safety or environmental regulations.

Legal Proceedings and Compliance

Legal Proceedings

From time to time we may become involved in legal proceedings or be subject to claims arising in the ordinary course of our business. We are not presently a party to any legal proceedings that, if determined adversely to us, would individually or taken together have a material adverse effect on our business, results of operations, financial condition or cash flows. Regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.

Compliance

During the Track Record Period and up to the Latest Practicable Date, we have had incidents of non-compliance relating to our operation. As required by the applicable PRC laws and regulations, any entity that conducts the business of providing internet audio-visual program services is required to hold a License for Transmission of Audio-Visual Programs through Information Network (信息網絡傳播視聽節目許可證), or the Audio-Visual License. We operate online video streaming

businesses, which involve the transmission of audio-visual programs through the internet and would be required to hold an Audio-Visual License. However, according to the applicable PRC laws and regulations, only entities wholly owned or controlled, directly or indirectly, by the PRC government, are eligible to apply for an Audio-Visual License. As such, we are not eligible to apply for and currently do not hold such an Audio-Visual License. As advised by our PRC Legal Advisor, the maximum potential penalty for operating without the Audio-Visual License includes order to suspend the related business operations for rectification, confiscation of our equipment for carrying out such businesses and fines.

In addition, as required by the applicable PRC laws and regulations, an entity providing internet surveying and mapping services, such as geographic positioning, the uploading of geographic information or markings and the development of a public map database, is required to obtain a Surveying and Mapping Qualification Certificate for Internet Surveying and Mapping (互聯網地圖服務資質) and perform within the scope of the certificate. Any entity that has not yet applied for or obtained a Surveying and Mapping Qualification Certificate for internet surveying and mapping services is prohibited from providing any internet surveying or mapping services. The business of Shanghai Hantao involves provision of mapping information on *Dianping* mobile app and website for the convenience of users to locate certain merchants and service providers. As advised by our PRC Legal Advisor, Shanghai Hantao would be required to hold a Surveying and Mapping Qualification Certificate for such business. However, as of the date of this document, the Surveying and Mapping Qualification Certificate of Shanghai Hantao has expired, and Shanghai Hantao is in the process of preparing an application for such certificate. Our PRC Legal Advisor is of the opinion that, there is no legal impediment for us to obtain the Surveying and Mapping Qualification Certificate, provided that our application materials are complete pursuant to the requirements for obtaining the Surveying and Mapping Qualification Certificate. In addition, as Beijing Sankuai Technology, one of our Onshore Holdcos, possesses a Surveying and Mapping Qualification Certificate, it has signed a cooperation agreement with Shanghai Hantao to provide relevant mapping services in the interim before Shanghai Hantao obtains such certificate.

The internet audio-visual program services and internet surveying and mapping services are ancillary and peripheral services provided by the Company, and did not generate any revenue for the years ended December 31, 2015, 2016 and 2017 and generated minimal revenue for the four months ended April 30, 2018. Our Directors take the view that the non-compliance incidents set forth above did not have a material adverse effect on our business, financial condition or results of operations during the Track Record Period.

Risk Management and Internal Control

We have devoted ourselves to establishing and maintaining risk management and internal control systems consisting of policies and procedures that we consider to be appropriate for our business operations, and we are dedicated to continuously improving these systems.

We have adopted and implemented comprehensive risk management policies in various aspects of our business operations, such as financial reporting, information system, internal control, human resources and investment management.

Financial Reporting Risk Management

We have in place a set of accounting policies in connection with our financial reporting risk management, such as financial reporting management policies, budget management policies, treasury management policies, financial statements preparation policies and finance department and staff management policies. We have various procedures and IT systems in place to implement our accounting policies, and our finance department reviews our management accounts based on such procedures. We also provide regular training to our finance department employees to ensure that they understand our financial management and accounting policies and implement them in our daily operations.

Information System Risk Management

Sufficient maintenance, storage and protection of user data and other related information is critical to our business. We have implemented various internal procedures and controls to ensure that user data is protected and that leakage and loss of such data is avoided.

We believe it is crucial that our users understand how we handle their information so that they can make informed choices in deciding how such information is used and shared. To this end, we collect personal information and data from users only with their prior consent, and we offer our users opt-out or opt-in options. We have established and implemented a strict company-wide policy on data collection, usage, disclosure, transfer and storage. In accordance with our policy, we are required to go through the following procedures: (i) providing adequate notice to users as to why and how their data is being collected and used, (ii) providing users with the choice to opt-out or opt-in, (iii) making continuous efforts to prevent loss or leakage of any user data, and (iv) providing users with access to their own personal information.

We have implemented a network of process and software controls to protect individual personal information and privacy. We encrypt user data in network transmission. For back-end storage, we also use various encryption technologies at software and hardware levels to protect sensitive user data. To minimize the risk of data loss or leakage, we conduct regular data backup and data recovery tests.

We prioritize user data security and privacy by strictly following our defined policy. We have a dedicated team to enforce our privacy practices. We have obtained the ISO 27001 and National Information System Security Level Protection Level 3 Certification. We have established a coordination mechanism with third-party agencies to handle information security threats in a timely manner.

At the enterprise level, we established a systematic and universal user account authorization and management mechanism based on which we periodically review the status of user accounts and the related authorization information. We regularly perform security configuration assessment on our databases and servers and implement procedures for system log management.

We have put in place a series of back-up management procedures. For our AI and cloud platforms, we deploy different back-up mechanisms, including local back-ups and offsite back-ups, depending on the needs of our business, to minimize the risk of user data loss or leakage. For our Site

Reliability Engineering department, we establish protocols for the design, implementation and monitoring of offsite back-ups. We also require any access to or processing of user data to go through strict assessment and approval procedures in order to ensure that only valid and legitimate requests are executed.

We perform data recovery tests on a regular basis and we retain relevant records. We provide information security training to our employees and conduct ongoing trainings, and we discuss any issues or necessary updates from time to time. We also have an emergency response mechanism to evaluate critical risks, formulate disaster response plans and perform emergency drills on a regular basis.

Our information security department is responsible for ensuring that the usage, maintenance and protection of user data are in compliance with our internal rules and the applicable laws and regulations. The head of our information security department has over 20 years of experience in the field.

Internal Control Risk Management

We have designed and adopted strict internal procedures to ensure the compliance of our business operations with the relevant rules and regulations. Our internal control team works closely with our business units to (i) perform risk assessments and give advice on risk management strategies, (ii) improve business process efficiency and monitor internal control effectiveness, and (iii) promote risk awareness throughout our Company.

In accordance with our internal procedures, our in-house legal department performs the basic function of reviewing and updating the form of contracts we enter into with our consumers, merchants and relevant third-parties. Our legal department examines the contract terms and reviews relevant documents for our business operations, and the necessary underlying due diligence materials, before we enter into any contract or business arrangements. In addition, our quality control teams under each business group are also responsible for reviewing the licenses and permits of the relevant counterparties and proposed commercial terms before we enter into any contract or business arrangements.

Our in-house legal department reviews our services for regulatory compliance before they are made available to the general public. Our in-house legal department and administrative department are responsible for obtaining any requisite governmental pre-approvals or consents, including preparing and submitting all necessary documents for filing with relevant government authorities within the prescribed regulatory timelines.

We also have certain compliance teams for our internet finance business, which are responsible for the formulation and implementation of internet finance-related policies and analysis of the regulatory environment with respect to services we provide.

We continually review the implementation of our risk management policies and measures to ensure our policies and implementation are effective and sufficient.

Human Resources Risk Management

We provide regular and specialized training tailored to (i) the needs of our employees in different departments, and (ii) our anti-bribery & corruption policy. We have a training center which regularly organizes internal training sessions conducted by senior employees or outside consultants on topics of interest that employees can vote on. The training center schedules regular online and classroom trainings, reviews the content of the trainings, follows up with employees to evaluate the impact of such training and rewards lecturers for positive feedback. Through these trainings, we ensure that our staff's skill sets and knowledge level of our anti-bribery & corruption policy remain up-to-date, enabling them to better discover and meet consumers' and merchants' needs.

We have in place an employee handbook and a code of conduct approved by our management and have distributed them to all our employees. The handbook contains internal rules and guidelines regarding work ethics, fraud prevention mechanisms, negligence and corruption. We provide employees with regular training, as well as resources to explain the guidelines contained in the employee handbook.

We have in place an anti-bribery and corruption policy to safeguard against any corruption within our Company. The policy explains potential bribery and corruption conduct and our anti-bribery and corruption measures. We make our internal reporting channel open and available for our staff to report any bribery and corruption acts, and our staff can also make anonymous reports to our anti-fraud department. Our anti-fraud department is responsible for investigating the reported incidents and taking appropriate measures.

Investment Risk Management

We invest in or acquire businesses that are complementary to our business, such as businesses that can expand the services we offer and strengthen our technological capabilities.

In general, we intend to hold our investments for the long term, and our investments are made in forms of preferred shares (for companies incorporated outside China) or equity interest with preference rights (for companies incorporated in China). In order to protect our interests as shareholders and control the potential risks associated with our investments, we generally request for all or some of the following rights:

- rights to appoint directors;
- veto rights in board and shareholder meetings on significant matters;
- information rights;
- liquidation preference;
- redemption rights;
- anti-dilution rights;

- pre-emptive rights;
- rights of first refusal and co-sale rights;
- sale transfer restriction on founders of investee companies; and
- restriction on the timing and minimum market capitalization of their initial public offerings.

Depending on our discussions with the investee companies, we may not be granted all of the rights requested.

Our investment department is responsible for monitoring the deal performance on a regular basis. Our portfolio development team cooperates with deal team on deal analysis, communication, execution, risk control and reporting. Any material factors will be timely reported to the investment committee for further decision.

With our surplus cash on hand, we make investments in wealth management products denominated in U.S. dollars, such as certificates of deposit, time deposit and money market funds with original maturities between three and six months. The majority of such wealth management products are contractually principal-protected. The primary objective of short-term investments is to generate finance income at a yield higher than current deposit bank interest rates, with an emphasis on capital preservation, Each investment decision is made based on comprehensive and sufficient discussions, considering factors such as market dynamics, competition, return expectation and risks involved.

In assessing a proposal to invest in wealth management products, a number of criteria must be met, including, but not limited to:

- investment in high risk products are prohibited;
- the primary objectives of investment activities are safety, liquidity and reasonable yield;
- the proposed investment must not interfere with our business operations or capital expenditures; and
- the wealth management products should be issued by a reputable bank.

We believe that our internal policies regarding investment in wealth management products and the related risk management mechanism are adequate. We may make investments in wealth management products that meet the above criteria as part of our treasury management where we believe it is prudent to do so after the [REDACTED].

Audit Committee Experience and Qualification and Board Oversight

We have established an audit committee to monitor the implementation of our risk management policies across our company on an ongoing basis to ensure that our internal control system is effective in identifying, managing and mitigating risks involved in our business operations. The audit committee consists of three members, namely Orr Gordon Robert Halyburton, Leng Xuesong and Shum Heung Yeung Harry, all of whom are independent non-executive Directors. Orr Gordon Robert Halyburton is the chairman of the audit committee. For the professional qualifications and experiences of the members of our audit committee, see the section headed "Directors and Senior Management" in this document.

We also maintain an internal audit department which is responsible for reviewing the effectiveness of internal controls and reporting to the audit committee and senior management on any issues identified. Our internal audit department members hold regular meetings with management to discuss any internal control issues we face and the corresponding measures to implement toward resolving such issues. The internal audit department reports to the audit committee to ensure that any major issues identified are channeled to the committee on a timely basis. The audit committee then discusses the issues and reports to the board of directors, if necessary.

Ongoing Measures to Monitor the Implementation of Risk Management Policies

Our audit committee, internal audit department and senior management together monitor the implementation of our risk management policies on an ongoing basis to ensure our policies and implementation are effective and sufficient.

Licenses and Permits

As of the Latest Practicable Date, we had obtained all requisite licenses, approvals and permits from relevant authorities that are material to our operations in China, expect as disclosed in this document.

The following table sets out a list of material licenses and permits currently held by us:

No.	Holder	Name of the License	Expiration Date	Description of the License
1.	Beijing Qiandaibao Payment Technology Co., Ltd.	Third-Party Payment License	2021/5/2	License for non-bank financial institutions to run online payment businesses
2.	Beijing Sankuai Technology Co., Ltd.	Food Operation License	2021/7/3	License for conducting food operation business
3.	Beijing Baobaoaichi Food and Beverage Management Co., Ltd.	Food Operation License	2021/7/10	License for conducting food operation business

No.	Holder	Name of the License	Expiration Date	Description of the License
4.	Beijing Xiaoyizaixian Technology Co., Ltd.	Food Operation License	2021/11/2	License for conducting food operation business
5.	Yashilian Development (Dalian) Co., Ltd.	Food Operation License	2021/11/6	License for conducting food operation business
6.	Beijing Sankuai Technology Co., Ltd.	Publication Operation License	2022/4/30	License for distributing publications
7.	Chengdu Zhonghengyuan Trade Co., Ltd.	Express Delivery Operation License	2022/7/19	License for providing express delivery services
8.	Beijing Sankuai Technology Co., Ltd.	Surveying and Mapping Qualification Certificate	2019/12/31	License for conducting internet mapping activities and uploading and labelling of geographic information
9.	Beijing Sankuai Technology Co., Ltd.	Internet Content Provider License	2022/11/23	License for providing internet information services
10.	Beijing Sankuai Cloud Computing Co., Ltd.	Internet Content Provider License	2021/9/14	License for providing internet information services
11.	Beijing Kuxunhudong Technology Co., Ltd.	Internet Content Provider License	2021/4/18	License for providing internet information services
12.	Beijing Guotongbao Inc.	Internet Content Provider License	2020/1/20	License for providing internet information services
13.	Beijing Qiandaibao Payment Technology Co., Ltd.	Internet Content Provider License	2019/1/26	License for providing internet information services
14.	Beijing Xiaoyizaixian Technology Co., Ltd.	Value-added Telecommunication Business License	2022/5/17	License for providing internet information services
15.	Beijing Sankuai Technology Co., Ltd.	Value-added Telecommunication Business License	2022/9/19	License for providing online data processing and transaction processing services
16.	Beijing Sankuai Technology Co., Ltd.	Value-added Telecommunication Business License	2019/8/18	License for providing internet data center services, internet access services and information services

No.	Holder	Name of the License	Expiration Date	Description of the License
17.	Beijing Sankuai Cloud Computing Co., Ltd.	Value-added Telecommunication Business License	2021/4/28	License for providing internet data center services, content delivery network services, domestic internet virtual private network services, and internet access services
18.	Beijing Qiandaibao Payment Technology Co., Ltd.	Value-added Telecommunication Business License	2019/9/12	License for providing domestic call center business
19.	Shanghai Hantao Information Consulting Co., Ltd.	Value-added Telecommunication Business License	2018/11/27	License for providing internet information services
20.	Beijing Sankuai Technology Co., Ltd.	Radio and Television Program Production and Operation License	2018/7/5	License for producing and operating ratio and television programs
21.	Xiamen Zhenguo Holiday Travel Agency Co., Ltd.	Travel Agency Operation License	N/A	License for operating travel agencies
22.	Beijing Xigua International Travel Service Co., Ltd.	Travel Agency Operation License	N/A	License for operating travel agencies
23.	Tianjin Xigua Travel Co., Ltd.	Travel Agency Operation License	N/A	License for operating travel agencies
24.	Shanghai Lutuan Technology Co., Ltd.	Online Taxi-Booking License	2020/7/5	License for operating online taxi-booking business
25.	Beijing Sankuai Technology Co., Ltd.	Internet Medicine Information Service License	2022/7/31	License for providing online information on medicines
26.	Shanghai Hantao Information Consulting Co., Ltd.	Internet Medicine Information Service License	2022/4/17	License for providing online information on medicines
27.	Shanghai Hantao Information Consulting Co., Ltd.	Online Culture Operating License	2020/3/27	License for operating internet cultural business

No.	Holder	Name of the License	Expiration Date	Description of the License
28.	Beijing Woyao Wokong Technology Co., Ltd.	Air Transport Sales Agency License	2019/12/22	License for sales of passenger tickets of international flights
29.	Beijing Woyao Wokong Technology Co., Ltd.	Air Transport Sales Agency License	2020/01/15	License for sales of passenger tickets of domestic flights
30.	Chongqing Sankuai Micro-credit Co., Ltd.	Approvals for Establishment and Conducting Micro-credit Business	N/A	License for operating micro-credit business
31.	Beijing Mobike Technology Co., Ltd.	Value-added Telecommunication Business License	2022/1/17	License for providing internet information services

Shenzhen Hanglu Information Service Co., Ltd. (深圳航路信息服務有限公司) has applied for and is in the process of obtaining an Internet Content Provider License.

Awards and Recognition

During the Track Record Period, we have received recognition for the quality and popularity of our products and services. Some of the significant awards and recognition we or our senior management have received are set forth below.

Award/Recognition	Award Year	Awarding Institution/Authority	Entity/Product/Person
Ranked top 3 of "Chinese 40 Business Elites below 40" ("中國40位40歲以下的商界精英")	2015	"Fortune" (Chinese version) (《財富》)	Wang Xing
"The Top 10 O2O Lifestyle Brands" and "Market Leading Brand" ("生活服務O2O十大品牌"和"行業領先品牌")	2015	Beijing Business Today, Beijing Daily Messenger, and BBT Commercial Research Institute (北京商報社, 北京娛樂信報社及北商研究院)	Meituan/Meituan Waimai
"The Top 10 Most Influential Figures in the Chinese Internet Age" ("2015中國互聯網十大風雲人物")	2015	Post & Telecom Press (人民郵電)	Wang Xing

Award/Recognition	Award Year	Awarding Institution/Authority	Entity/Product/Person
"Great Potential Award" in the China Application Development Forum 2015 (中國APP發展論壇評選的2015年度"最具潛力獎")	2016	Xinhua News Agency (新華社)	Meituan
"The Top 50 Most Influential Business Leaders in China" (中國最具影響力的50位商界領袖)	2016	"Fortune" (《財富》)	Wang Xing
"2017-2018 e-Commerce Model Enterprises" (2017-2018年度電子商務示範企業)	2017	Ministry of Commerce (商務部)	Beijing Sankuai Online
"2017 China Outstanding Innovation Contribution Award" (2017中國自主創新傑出貢獻獎)	2017	China Science & Technology Structure Reform Committee of Sichuan Province, Zhong Guan Cun Magazine, and Sina.com. (中國科技體制改革研究會、中關村雜誌社和新浪網聯合主辦)	Meituan Dianping

CONTRACTUAL ARRANGEMENTS

BACKGROUND TO THE CONTRACTUAL ARRANGEMENTS

Our Consolidated Affiliated Entities are currently the Onshore Holdcos and their respective subsidiaries, which were all established under the PRC laws.

As described below, investment in certain areas of the industry in which we currently and may operate are subject to restrictions under the current PRC laws and regulations. After consultation with our PRC Legal Advisor, Han Kun Law Offices, we determined that it was not viable for our Company to hold our Consolidated Affiliated Entities directly through equity ownership. Instead, we decided that, in line with common practice in industries in the PRC subject to foreign investment restrictions, we would gain effective control over, and receive all the economic benefits generated by the businesses currently operated by our Consolidated Affiliated Entities through the Contractual Arrangements between the WFOEs, on the one hand, and our Consolidated Affiliated Entities and the Registered Shareholders, on the other hand.

In order to comply with the PRC laws and regulations, while availing ourselves of international capital markets and maintaining effective control over all of our operations, we commenced a series of reorganization activities. The Contractual Arrangements currently in effect were entered into on August 21, 2018, whereby the WFOEs acquired effective control over the financial and operational policies of our Consolidated Affiliated Entities and have become entitled to all the economic benefits derived from their operations. As a result, we do not directly own any equity interest in our Consolidated Affiliated Entities.

Our Directors believe that the Contractual Arrangements are fair and reasonable because: (i) the Contractual Arrangements were freely negotiated and entered into between the WFOEs and our Consolidated Affiliated Entities; (ii) by entering into the Exclusive Business Cooperation Agreement (as defined below) with the WFOEs, which are PRC subsidiaries of our Company, our Consolidated Affiliated Entities will enjoy better economic and technical support from us, as well as a better market reputation after the [REDACTED], and (iii) a number of other companies use similar arrangements to accomplish the same purpose.

PRC LAWS AND REGULATIONS RELATING TO FOREIGN OWNERSHIP RESTRICTIONS

Foreign investment activities in the PRC are mainly governed by the Guidance Catalog of Industries for Foreign Investment (the "**Catalog**"), which was promulgated and is amended from time to time jointly by the MOFCOM and the NDRC. The Catalog divides industries into four categories in terms of foreign investment, namely, "encouraged", "restricted", "prohibited" and "permitted" (the last category of which includes all industries not listed under the "encourage", "restricted" and "prohibited" categories).

As confirmed by our PRC Legal Advisor, our Consolidated Affiliated Entities conduct the following businesses which are considered "prohibited" where foreign investment is strictly prohibited: (i) operation of online culture business; and (ii) radio and television program services (collectively the "**Prohibited Businesses**").

As confirmed by our PRC Legal Advisor, our Consolidated Affiliated Entities conduct e-commerce platform services, cloud storage service and other value-added telecommunications service businesses which are considered "restricted" where foreign investors are restricted from holding more than 50% equity interests in companies providing such services or shall meet certain qualification requirements (the "**Restricted Businesses**").

As confirmed by our PRC Legal Advisor, our Consolidated Affiliated Entities also conduct the outbound tourism and departure businesses which is subject to qualification requirements that we do not satisfy (together with the Prohibited Businesses and the Restricted Businesses, the "**Relevant Businesses**").

We operate the Relevant Businesses under the Contractual Arrangements and are of the view that the Contractual Arrangements are narrowly tailored for the reasons below.

(i) ***E-commerce platform service, cloud storage service and other value-added telecommunications service business***

We operate e-commerce platform for services. The provision of internet information services in the PRC is mainly regulated by the Administrative Measures on Internet Information Services (互聯網信息服務管理辦法), according to which "Internet Information Services" are categorized into (i) "Operational Internet Information Services", which are defined as services involving the provision of information or website-design services through the internet to internet-users for a fee; and (ii) "Non-operational Internet Information Services", which are defined as services involving the provision of public and sharable information through the internet to internet-users free of charge. Pursuant to the Internet Measures, a provider of Operational Internet Information Services is required to obtain an ICP License, while a provider of Non-operational Internet Information Services is only subject to a filing requirement (i.e., the filing of the domain name with the competent bureau of telecommunications). We conducted an interview in May 2018 with the MIIT which is the ultimate authority to approve applications for the operation of Internet Information Services. The MIIT confirmed to us that our Consolidated Affiliated Entities which operate e-commerce platform services shall hold ICP Licenses.

With respect to our cloud storage service business, we provide cloud data backup services to our clients. The provision of these services are regarded as the business of internet data centre under the Telecommunication Business Catalogue 2015 (電信業務分類目錄(2015年)) and are regarded as value-added telecommunication services. The running of this business would require the Value-added Telecommunication Business Operation Permit with Internet Data Center services (including internet resources cooperation services) ("**IDC License**"). The MIIT has confirmed to us that we are currently unable to obtain an IDC License by using a sino-foreign equity joint venture or wholly-owned foreign investment entity. Therefore we are of the view that the Contractual Arrangements are narrowly tailored and we are required to carry out our cloud storage service business through the Contractual Arrangements.

With respect to our other value-added telecommunications services business such as sales of food and medicine, booking of hotel rooms, internet mapping services, tourism and car-hailing and bike-sharing, and third-party payment services through our online platform, as advised by our PRC

Legal Advisor, they involve the provision of internet information services and therefore require an ICP License under relevant PRC laws and regulations. The MIIT has confirmed that we currently are practically unable to obtain an ICP License through any sino-foreign equity joint venture or wholly-owned foreign investment entity.

As mentioned above, we are of the view that the Contractual Arrangements are narrowly tailored because it is currently not feasible for us to apply for an ICP License through a sino-foreign equity joint venture or wholly-owned foreign investment entity structure and we are therefore required to carry out our e-commerce platform services, cloud storage services and other value-added telecommunications services through the Contractual Arrangements.

(ii) ***Minority investments***

Furthermore, in our ordinary course of business we make minority investments in a large number of companies. These investments are primarily made through subsidiaries of our consolidated affiliated entity Shanghai Hantao and Beijing Sankuai Technology. The investments are passive, non-controlling interests that are classified as financial assets carried at fair value and are neither consolidated in our financial statements nor form part of our Group. None of the investments are material to us. Given their immateriality and the fact that we do not consolidate or control them, and for the reasons outlined above, our Directors consider that our Contractual Arrangements are narrowly tailored.

These investments are primarily investments classified as financial assets carried at fair value through profit or loss and are not consolidated into our Group's financial statements. Changes in the fair value are included in profit or loss in the period in which they arise and presented within "Fair value changes on investments" in the income statement. Upon disposal, the difference between the net sale proceeds and the carrying amount is also included in the income statement as "Other (losses)/gains, net."

By way of illustration that none of the investments held under the Contractual Arrangements are material to us, the long-term investments measured at fair value through profit or loss held under the Contractual Arrangements accounts for approximately 1.92%, 5.19% and 4.05% of our total assets as of December 31, 2015, 2016 and 2017, respectively, and the fair value changes on investments measured at fair value through profit or loss held under the Contractual Arrangements accounts for approximately 1.17%, 1.24% and 0.26% of our total revenue for the years ended December 31, 2015, 2016 and 2017, respectively. The long-term investments measured at fair value through profit or loss attributed by the top 5 investments held under the Contractual Arrangements in aggregate accounts for approximately 1.64%, 4.62% and 3.65% of our total assets as of December 31, 2015, 2016 and 2017, respectively, and the fair value changes on investments measured at fair value through profit or loss attributed by the top 5 investments held under the Contractual Arrangements in aggregate accounts for approximately 1.04%, 1.34% and 0.47% of our total revenue for the years ended December 31, 2015, 2016 and 2017, respectively.

To the extent that we acquire control over an investee company in the future, and depending on the nature of the business conducted by the investee company, we will consider restructuring the ownership of the investee company to a direct or indirect subsidiary of our Company.

Therefore, we are of the view that the Contractual Arrangements are narrowly tailored, as they are used to enable our Group to conduct businesses in industries that are subject to foreign investment restrictions in the PRC. We will unwind and terminate the Contractual Arrangements wholly or partially once our businesses are no longer prohibited or restricted from foreign investment.

QUALIFICATION REQUIREMENTS UNDER THE FITE REGULATIONS

On December 11, 2001, the State Council promulgated the Regulations for the Administration of Foreign-Invested Telecommunications Enterprises (the "**FITE Regulations**"), which were amended on September 10, 2008 and February 6, 2016. According to the FITE Regulations, foreign investors are not allowed to hold more than 50% of the equity interests in a company providing value-added telecommunications services, including internet content provision services. In addition, a foreign investor who invests in a value-added telecommunications business in the PRC must possess prior experience in operating value-added telecommunications businesses and a proven track record of business operations overseas (the "**Qualification Requirements**"). Currently none of the applicable PRC laws, regulations or rules provides clear guidance or interpretation on the Qualification Requirements. According to our consultation with the MIIT in May 2018, it confirms that there is no clear guidance about how a foreign investor could meet the Qualification Requirements, and it applies a relatively strict standard for identifying whether foreign investors meet the Qualification Requirements.

Despite the lack of clear guidance or interpretation on the Qualification Requirements, we have been gradually building up our track record of overseas telecommunications business operations for the purposes of being qualified, as early as possible, to acquire the entire equity interests in the Onshore Holdcos or any of our Consolidated Affiliated Entities when the relevant PRC laws allow foreign investors to invest and to hold any equity interests in enterprises which engage in the value-added telecommunications business. For the purposes of meeting the Qualification Requirements, we have established and accumulated overseas operation experience, for example:

(i) Meituan Limited and Xigua Limited have been incorporated in Hong Kong in November 2010 and September 2015, respectively, for the purposes of establishing and expanding the Company's operations overseas.

(ii) Xigua Limited has rented an office for the expansion of our business overseas.

(iii) Xigua Limited, the company's Hong Kong subsidiary, has purchased three domain names outside of the PRC for display and promotion of our services since June 2015.

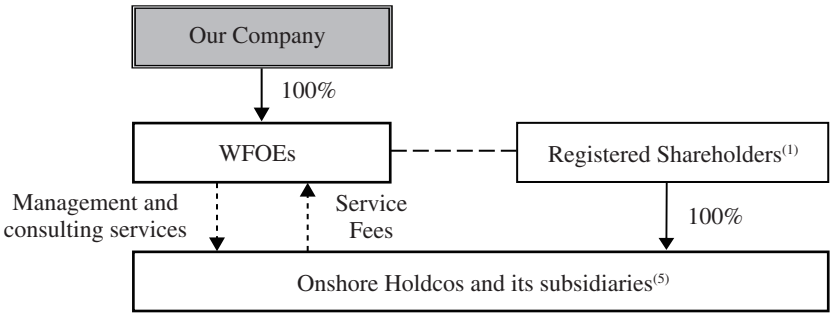
In addition, we are in the process of constructing our overseas website primarily for introducing our business to users. We plan to utilize this website to help overseas investors better understand its products and business, and this website will have links to re-direct the users to our domestic website.

In our consultation with the MIIT, the MIIT encouraged us to establish overseas company to gradually build up our track record of overseas telecommunications business operations and accumulate the experience in providing value-added telecommunications services in overseas markets. The MIIT also confirmed that such steps may be generally deemed to be one of the factors to prove that the Qualification Requirements are fulfilled, subject to a substantive examination by the MIIT in accordance with the approval procedures under PRC laws and regulations. The Company's PRC Legal Advisor is of the opinion that the steps taken by the Company are reasonable, appropriate and sufficient to demonstrate compliance with the Qualification Requirements.

We will, as applicable and when necessary, disclose the progress of our overseas business plans and any updates to the Qualification Requirements in our annual and interim reports to inform Shareholders and other investors after the [REDACTED]. We will also make periodic inquiries to relevant PRC authorities to understand any new regulatory development and assess whether our level of overseas experience is sufficient to meet the Qualification Requirements.

CONTRACTUAL ARRANGEMENTS

The following simplified diagram illustrates the flow of economic benefits from our Consolidated Affiliated Entities to our Group stipulated under the Contractual Arrangements.



Notes:

(1) Registered Shareholders refer to the registered shareholders of the Onshore Holdcos, namely, (i) Tianjin Antechu Technology; (ii) Shanghai Lutuan; (iii) Beijing Kuxun Interaction; (iv) Shanghai Sankuai Technology; (v) Meituan Finance; (vi) Beijing Sankuai Cloud Computing; (vii) Beijing Xinmeida; (viii) Chengdu Meigengmei; (ix) Beijing Mobike; (x) Beijing Sankuai Technology; and (xi) Shanghai Hantao.

(i) Tianjin Antechu Technology is owned by Wang Xing as to 95% and Mu Rongjun as to 5%;

(ii) Shanghai Lutuan is owned by Wang Xing as to 95% and Mu Rongjun as to 5%;

(iii) Beijing Kuxun Interaction is owned by Wang Xing as to 95% and Mu Rongjun as to 5%;

(iv) Shanghai Sankuai Technology is owned by Wang Xing as to 95% and Mu Rongjun as to 5%;

(v) Meituan Finance is owned by Wang Xing as to 95% and Mu Rongjun as to 5%;

(vi) Beijing Sankuai Cloud Computing is owned by Wang Xing as to 95% and Mu Rongjun as to 5%;

(vii) Beijing Xinmeida is owned by Wang Xing as to 95% and Mu Rongjun as to 5%;

(viii) Chengdu Meigengmei is owned as to 50% and 50% by Li Huijuan (李慧娟) and Fu Dongping (付棟平), respectively, both of whom are current employees of the Company. The arrangement was the result of a commercial decision as agreed between Chengdu Meigengmei and its investee companies when Chengdu Meigengmei commenced operations.

(ix) Beijing Mobike is owned by Wang Xing as to 95% and Mu Rongjun as to 5%;

(x) Beijing Sankuai Technology is owned by Wang Xing as to 95% and Mu Rongjun as to 5%;

(xi) Shanghai Hantao is owned by Zhang Tao as to 29.19%, Li Jing (李璟) as to 8.10%, Long Wei (龍偉) as to 8.61%, Ye Shuhong (葉樹蕻) as to 11.06% Zhang Bo (張波) as to 23.05% and Shenzhen Litong Industrial Investment Fund Co., Ltd.* (深圳利通產業投資基金有限公司) as to 20.0%. Zhang Tao, Li Jing, Long Wei, Ye Shuhong and Zhang Bo are indirect shareholders of the Company who hold their interests in the Company through their respective special purpose vehicles. Shenzhen Litong Industrial Investment Fund Co., Ltd. is a subsidiary of Tencent. The shareholding arrangement of Shanghai Hantao, being the onshore holding company of Dianping Holdings, resulted from the historical fact that Zhang Tao, Li Jing, Long Wei, Ye Shuhong and Zhang Bo founded *Dianping* and contributed to its early development.

(2) "—>" denotes direct legal and beneficial ownership in the equity interest.

(3) "--->" denotes contractual relationship.

(4) "----" denotes the control by WFOEs over the Registered Shareholders and the Onshore Holdcos through (1) powers of attorney to exercise all shareholders' rights in the Onshore Holdcos, (2) exclusive options to acquire all or part of the equity interests in the Onshore Holdcos and (3) equity pledges over the equity interests in the Onshore Holdcos.

(5) These include certain companies which do not currently carry out any business operations but are intended to carry out businesses which are subject to foreign investment restrictions in accordance with the Guidance Catalog of Industries for Foreign Investment. For further details of the subsidiaries of the Onshore Holdcos, see the section headed "History, Reorganization and Corporate Structure — Corporate Structure."

SUMMARY OF THE MATERIAL TERMS OF THE CONTRACTUAL ARRANGEMENTS

A description of each of the specific agreements that comprise the Contractual Arrangements entered into by each of the WFOEs and the Onshore Holdcos is set out below.

Exclusive Business Cooperation Agreements

Under the exclusive business cooperation agreements dated August 21, 2018 between the Onshore Holdcos and the WFOEs (the "**Exclusive Business Cooperation Agreements**"), pursuant to which, in exchange for a monthly service fee, the Onshore Holdcos agreed to engage the WFOEs as its exclusive provider of technical support, consultation and other services, including the following services:

(i) the use of any relevant software legally owned by the WFOEs;

(ii) development, maintenance and updating of software in respect of the Onshore Holdcos' business;

(iii) design, installation, daily management, maintenance and updating of network systems, hardware and database design;

(iv) providing technical support and staff training services to relevant employers of the Onshore Holdcos;

(v) providing assistance in consultancy, collection and research of technology and market information (excluding market research business that wholly foreign owned enterprises are prohibited from conducting under the PRC laws);

(vi) providing business management consultation;

(vii) providing marketing and promotional services;

(viii) providing customer order management and customer services;

(ix) transfer, leasing and disposal of equipment or properties; and

(x) other relevant services requested by the Onshore Holdcos from time to time to the extent permitted under the PRC laws.

Under the Exclusive Business Cooperation Agreements, the service fee shall consist of 100% of the total consolidated profit of the Onshore Holdcos, after the deduction of any accumulated deficit of the Consolidated Affiliated Entities in respect of the preceding financial year(s), operating costs, expenses, taxes and other statutory contributions. Notwithstanding the foregoing, the WFOEs may adjust the scope and amount of services fees according to the PRC tax law and tax practices, and the Onshore Holdcos will accept such adjustments. The WFOEs shall calculate the service fee on a monthly basis and issue a corresponding invoice to the Onshore Holdcos. Notwithstanding the payment arrangements in the Exclusive Business Cooperation Agreements, the WFOEs may adjust the payment time and payment method, and the Onshore Holdcos will accept any such adjustment.

In addition, absent the prior written consent of the WFOEs, during the term of the Exclusive Business Cooperation Agreements, with respect to the services subject to the Exclusive Business Cooperation Agreements and other matters, the Onshore Holdcos shall not directly or indirectly accept the same or any similar services provided by any third party and shall not establish cooperation relationships similar to that formed by the Exclusive Business Cooperation Agreements with any third party. The WFOEs may appoint other parties, who may enter into certain agreements with the Onshore Holdcos, to provide the Onshore Holdcos with the services under the Exclusive Business Cooperation Agreements.

The Exclusive Business Cooperation Agreements also provide that the WFOEs have the exclusive proprietary rights to and interests in any and all intellectual property rights developed or created by the Onshore Holdcos during the performance of the Exclusive Business Cooperation Agreement.

The Exclusive Business Cooperation Agreements shall remain effective unless terminated (a) in accordance with the provisions of the Exclusive Business Cooperation Agreements; (b) in writing by the WFOEs; or (c) renewal of the expired business period of either the WFOE or the Onshore Holdcos is denied by relevant government authorities, at which time the Exclusive Business Cooperation Agreements will terminate upon termination of that business period.

Exclusive Option Agreements

Under the exclusive option agreements dated August 21, 2018 among the Onshore Holdcos, the WFOEs and the Registered Shareholders (the "**Exclusive Option Agreements**"), the WFOEs have the rights to require the Registered Shareholders to transfer any or all their equity interests in the Onshore Holdcos to the WFOEs and/or a third party designated by it, in whole or in part at any time and from time to time, for considerations equivalent to the respectively outstanding loans owed to the

Registered Shareholders (or part of the loan amounts in proportion to the equity interests being transferred) or, if applicable, for a nominal price, unless the relevant government authorities or the the PRC laws request that another amount be used as the purchase price, in which case the purchase price shall be the lowest amount under such request.

The Onshore Holdcos and the Registered Shareholders, among other things, have covenanted that:

(i) without the prior written consent of the WFOEs, they shall not in any manner supplement, change or amend the constitutional documents of the Onshore Holdcos, increase or decrease their registered capital, or change the structure of their registered capital in other manner;

(ii) they shall maintain the Onshore Holdcos' corporate existence in accordance with good financial and business standards and practices, obtain and maintain all necessary government licenses and permits by prudently and effectively operating their business and handling their affairs;

(iii) without the prior written consent of the WFOEs, they shall not at any time following the signing of the Exclusive Option Agreements sell, transfer, pledge or dispose of in any manner any material assets of the Onshore Holdcos or legal or beneficial interest in the material business or revenues of the Onshore Holdcos of more than RMB1,000,000, or allow the encumbrance thereon of any security interest;

(iv) without the prior written consent of the WFOEs, the Onshore Holdcos shall not incur, inherit, guarantee or assume any debt, except for debts incurred in the ordinary course of business other than payables incurred by a loan;

(v) the Onshore Holdcos shall always operate all of their businesses during the ordinary course of business to maintain their asset value and refrain from any action/omission that may adversely affect the Onshore Holdcos' operating status and asset value;

(vi) without the prior written consent of the WFOEs, they shall not cause the Onshore Holdcos to execute any material contract with a value above RMB1,000,000, except the contracts executed in the ordinary course of business;

(vii) without the prior written consent of the WFOEs, they shall not cause the Onshore Holdcos to provide any person with any loan or credit;

(viii) they shall provide the WFOEs with information on the Onshore Holdcos' business operations and financial condition at the request of the WFOEs;

(ix) if requested by the WFOEs, they shall procure and maintain insurance in respect of the Onshore Holdcos' assets and business from an insurance carrier acceptable to the WFOE, at an amount and type of coverage typical for companies that operate similar businesses;

(x) without the prior written consent of the WFOEs, they shall not cause or permit the Onshore Holdcos to merge, consolidate with, acquire or invest in any person;

(xi) they shall immediately notify the WFOEs of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to the Onshore Holdcos' assets, business or revenue;

(xii) to maintain the ownership by the Onshore Holdcos of all of its assets, they shall execute all necessary or appropriate documents, take all necessary or appropriate actions and file all necessary or appropriate complaints or raise necessary and appropriate defenses against all claims;

(xiii) without the prior written consent of the WFOEs, the Onshore Holdcos shall not in any manner distribute dividends to their shareholders, provided that upon the written request of the WFOEs, the Onshore Holdcos shall immediately distribute all distributable profits to their shareholders;

(xiv) at the request of the WFOEs, they shall appoint any persons designated by the WFOEs as the directors and/or senior management of the Onshore Holdcos;

(xv) without the written consent of the WFOEs, they shall not engage in any business in competition with the WFOEs or its affiliates; and

(xvi) unless otherwise mandatorily required by the PRC laws, the Onshore Holdcos shall not be dissolved or liquidated without prior written consent by the WFOEs.

In addition, the Registered Shareholders, among other things, have covenanted that:

(i) without the written consent of the WFOEs, they shall not sell, transfer, pledge or dispose of in any other manner the legal or beneficial interest in the Onshore Holdcos, or allow the encumbrance thereon of any security interest, except for the Equity Pledge Agreements (as defined below) and the interests prescribed in the Powers of Attorney (as defined below), and procure the shareholders' meeting and the board of directors of the Onshore Holdcos not to approve such matters;

(ii) for each exercise of the equity purchase option, to cause the shareholders' meeting of the Onshore Holdcos to vote on the approval of the transfer of equity interests and any other action requested by the WFOEs;

(iii) they shall relinquish the pre-emptive right (if any) he/she is entitled to in relation to the transfer of equity interest by any other shareholders to the Onshore Holdcos and give consent to the execution by each other shareholder of the Onshore Holdcos with the WFOEs and the Onshore Holdcos exclusive option agreements, equity interest pledge agreements and powers of attorney similar to the Exclusive Option Agreements, the Equity Pledge Agreements and the Powers of Attorney, and accept not to take any action in conflict with such documents executed by the other shareholders (if any); and

(iv) each of the Registered Shareholders will transfer to the WFOEs or its appointee(s) by way of gift any profit or dividend in accordance with the PRC law.

The Registered Shareholders have also undertaken that, subject to the relevant laws and regulations, they will return to the WFOEs any consideration they receive in the event that the WFOEs exercise the options under the Exclusive Option Agreements to acquire the equity interests in the Onshore Holdcos.

The Exclusive Option Agreements shall remain effective unless terminated in the event that the entire equity interests held by the Registered Shareholders in the Onshore Holdcos have been transferred to the WFOEs or their appointee(s).

Equity Pledge Agreements

Under the equity pledge agreements dated August 21, 2018 entered into between the WFOEs, the Registered Shareholders and the Onshore Holdcos (the "**Equity Pledge Agreements**"), the Registered Shareholders agreed to pledge all their respective equity interests in the Onshore Holdcos that they own, including any interest or dividend paid for the shares, to the WFOEs as a security interest to guarantee the performance of contractual obligations and the payment of outstanding debts.

The pledge in respect of the Onshore Holdcos takes effect upon the completion of registration with the relevant administration for industry and commerce and shall remain valid until after all the contractual obligations of the Registered Shareholders and the Onshore Holdcos under the relevant Contractual Arrangements have been fully performed and all the outstanding debts of the Registered Shareholders and the Onshore Holdcos under the relevant Contractual Arrangements have been fully paid.

Upon the occurrence and during the continuance of an event of default (as defined in the Equity Pledge Agreements), the WFOEs shall have the right to require the Onshore Holdcos' shareholders (i.e. the Registered Shareholders) to immediately pay any amount payable by the Onshore Holdcos under the Exclusive Business Cooperation Agreement, repay any loans and pay any other due payments, and the WFOEs shall have the right to exercise all such rights as a secured party under any applicable PRC law and the Equity Pledge Agreements, including without limitations, being paid in priority with the equity interests based on the monetary valuation that such equity interests are converted into or from the proceeds from auction or sale of the equity interest upon written notice to the Registered Shareholders.

We expect the registration of the Equity Pledge Agreements as required by the relevant laws and regulations will be completed in accordance with the terms of the Equity Pledge Agreements and the PRC laws and regulations before the [REDACTED].

Powers of Attorney

The Registered Shareholders have executed powers of attorney dated August 21, 2018 (the "**Powers of Attorney**"). Under the Powers of Attorney, the Registered Shareholders irrevocably appointed the WFOEs and their designated persons (including but not limited to Directors and their

successors and liquidators replacing the Directors but excluding those non-independent or who may give rise to conflict of interests) as their attorneys-in-fact to exercise on their behalf, and agreed and undertook not to exercise without such attorneys-in-fact's prior written consent, any and all right that they have in respect of their equity interests in the Onshore Holdcos, including without limitation:

(i) to convene and attend shareholders' meetings of the Onshore Holdcos;

(ii) to file documents with the relevant companies registry;

(iii) to exercise all shareholder's rights and shareholder's voting rights in accordance with law and the constitutional documents of the Onshore Holdcos, including but not limited to the sale, transfer, pledge or disposal of any or all of the equity interests in the Onshore Holdcos;

(iv) to execute any and all written resolutions and meeting minutes and to approve the amendments to the articles of associations in the name and on behalf of such shareholder; and

(v) to nominate or appoint the legal representatives, directors, supervisors, general manager and other senior management of the Onshore Holdcos.

Further, the Powers of Attorney shall remain effective for so long as each shareholder holds equity interest in the Onshore Holdcos.

Loan Agreements

Other than in the case of Beijing mobike, Shanghai Hantao and Chengdu Meigengmei, the relevant WFOEs and their Registered Shareholders entered into loan agreements dated August 21, 2018 (the "**Loan Agreements**"), pursuant to which the WFOEs agreed to provide loans to the Registered Shareholders, to be used exclusively as investment in the relevant Onshore Holdcos. The loans must not be used for any other purposes without the relevant lender's prior written consent.

The term of each loan commences from the date of the agreement and ends on the date the lender exercises its exclusive call option under the relevant Exclusive Option Agreement, or when certain defined termination events occur, such as if the lender sends a written notice demanding repayment to the borrower, or upon the default of the borrower, whichever is earlier.

After the lender exercises his exclusive call option, the borrower may repay the loan by transferring all of its equity interest in the relevant Onshore Holdco to the lender, or a person or entity nominated by the lender, and use the proceeds of such transfer as repayment of the loan. If the proceeds of such transfer is equal to or less than the principal of the loan under the relevant Loan Agreement, the loan is considered interest-free. If the proceeds of such transfer is higher than the principal of the loan under the relevant Loan Agreement, any surplus is considered interest for the loan under the relevant Loan Agreement.

Confirmations from the Registered Shareholders

Each of the Registered Shareholders has confirmed to the effect that (i) his/her spouse does not have the right to claim any interests in the respective Onshore Holdcos (together with any other interests therein) or exert influence on the day-to-day management and voting matters of the respective Onshore Holdcos; and (ii) in the event of his/her death, incapacity, divorce or any other event which causes his/her inability to exercise his/her rights as a shareholder of the respective Onshore Holdcos, he/her will take necessary actions to safeguard his/her interests in the respective Onshore Holdcos (together with any other interests therein) and his/her successors (including his/her spouse) will not claim any interests in the respective Onshore Holdcos (together with any other interests therein) to the effect that the Registered Shareholder's interests in the Onshore Holdcos shall not be affected.

Spouse undertakings

The spouse of each of the Registered Shareholders, where applicable, has signed an undertaking (the "**Spouse Undertakings**") to the effect that (i) the respective Registered Shareholder's interests in the respective Onshore Holdcos (together with any other interests therein) do not fall within the scope of communal properties, and (ii) he/she has no right to or control over such interests of the respective Registered Shareholder and will not have any claim on such interests.

Dispute Resolution

Each of the agreements under the Contractual Arrangements contains a dispute resolution provision. Pursuant to such provision, in the event of any dispute arising from the performance of or relating to the Contractual Arrangements, any party has the right to submit the relevant dispute to the Beijing Arbitration Commission for arbitration, in accordance with the then effective arbitration rules. The arbitration shall be confidential and the language used during arbitration shall be Chinese. The arbitration award shall be final and binding on all parties. The dispute resolution provisions also provide that the arbitral tribunal may award remedies over the shares or assets of our Onshore Holdcos or injunctive relief (e.g. limiting the conduct of business, limiting or restricting transfer or sale of shares or assets) or order the winding up of our Onshore Holdcos; any party may apply to the courts of Hong Kong, the Cayman Islands (being the place of incorporation of our Company), the PRC and the places where the principal assets of the WFOEs or our Onshore Holdcos are located for interim remedies or injunctive relief.

However, our PRC Legal Advisor has advised that the above provisions may not be enforceable under the PRC laws. For instance, the arbitral tribunal has no power to grant such injunctive relief, nor will it be able to order the winding up of our Consolidated Affiliated Entities pursuant to the current PRC laws. In addition, interim remedies or enforcement order granted by overseas courts such as Hong Kong and the Cayman Islands may not be recognizable or enforceable in the PRC.

As a result of the above, in the event that the Onshore Holdcos or the Registered Shareholders breach any of the Contractual Arrangements, we may not be able to obtain sufficient remedies in a timely manner, and our ability to exert effective control over our Consolidated Affiliated Entities and conduct our business could be materially and adversely affected. See the section headed "Risk Factors — Risks Relating to our Contractual Arrangements" in this document for further details.

Conflict of Interest

Each of the Registered Shareholders has given their irrevocable undertakings in the Powers of Attorney which address potential conflicts of interests that may arise in connection with the Contractual Arrangements. For further details, see the sub-paragraph headed "—Powers of Attorney" above.

Loss Sharing

Under the relevant PRC laws and regulations, none of our Company and the WFOEs is legally required to share the losses of, or provide financial support to, our Consolidated Affiliated Entities. Further, our Consolidated Affiliated Entities are limited liability companies and shall be solely liable for their own debts and losses with assets and properties owned by them. The WFOEs intend to continuously provide to or assist our Consolidated Affiliated Entities in obtaining financial support when deemed necessary. In addition, given that our Group conducts a substantial portion of its business operations in the PRC through our Consolidated Affiliated Entities, which hold the requisite the PRC operational licenses and approvals, and that their financial position and results of operations are consolidated into our Group's financial statements under the applicable accounting principles, our Company's business, financial position and results of operations would be adversely affected if our Consolidated Affiliated Entities suffer losses.

However, as provided in the Exclusive Option Agreements, without the prior written consent of the WFOEs, the Onshore Holdcos shall not, among others, (i) sell, transfer, pledge or dispose of in any manner any of its material assets of more than RMB1,000,000; (ii) execute any material contract with a value above RMB1,000,000, except those entered into in the ordinary course of business; (iii) provide any loan, credit or guarantees in any form to any third party, or allow any third party create any other security interest on its assets or equity; (iv) incur, inherit, guarantee or allow any debt that is not incurred in the ordinary course of business; (v) enter into any consolidation or merger with any third party, or being acquired by or invest in any third party; and (vi) increase or reduce its registered capital, or alter the structure of the registered capital in any other way. Therefore, due to the relevant restrictive provisions in the agreements, the potential adverse effect on the WFOEs and our Company in the event of any loss suffered from the Onshore Holdcos can be limited to a certain extent.

Liquidation

Pursuant to the Exclusive Option Agreements, in the event of a mandatory liquidation required by the PRC laws, the shareholders of our Consolidated Affiliated Entities shall give the proceeds they received from liquidation as a gift to the WFOEs or its designee(s) to the extent permitted by the PRC laws.

Insurance

Our Company does not maintain an insurance policy to cover the risks relating to the Contractual Arrangements.

Our Confirmation

As of the Latest Practicable Date, we had not encountered any interference or encumbrance from any PRC governing bodies in operating its businesses through our Consolidated Affiliated Entities under the Contractual Arrangements.

LEGALITY OF THE CONTRACTUAL ARRANGEMENTS

Based on the above, our PRC Legal Advisor is of the opinion that the Contractual Arrangements are narrowly tailored to minimize the potential conflict with relevant PRC laws and regulations and that:

(i) parties to each of the Contractual Arrangements have obtained all necessary approvals and authorisations to execute and perform the Contractual Arrangements;

(ii) parties to each of the agreements are entitled to execute the agreements and perform their respective obligations thereunder. Each of the agreements is binding on the parties thereto and none of them would be deemed as "concealment of illegal intentions with a lawful form" and void under Contract Law of the People's Republic of China (《中華人民共和國合同法》) ("**China Contract Law**");

(iii) none of the Contractual Arrangements violates any provisions of the articles of association of our Onshore Holdcos or our WFOEs;

(iv) the parties to each of the Contractual Arrangements are not required to obtain any approvals or authorisations from the PRC governmental authorities, except that:

  (a) the exercise of the option by our WFOEs of their rights under the Exclusive Option Agreements to acquire all or part of the equity interests in our Onshore Holdcos are subject to the approvals of, consent of, filing with and/or registrations with the PRC governmental authorities;

  (b) any share pledge contemplated under the share pledge agreements are subject to the registration with competent administration bureau for industry and commerce;

  (c) the arbitration awards/interim remedies provided under the dispute resolution provision of the Contractual Arrangements shall be recognized by the PRC courts before compulsory enforcement.

(v) Each of the Contractual Arrangements is valid, legal and binding under the PRC laws, except for the following provisions regarding dispute resolution and the liquidating committee:

  (a) the Contractual Arrangements provide that any dispute shall be submitted to the Beijing Arbitration Commission for arbitration, in accordance with the then effective arbitration rules. The arbitration shall be conducted in Beijing. They also provide that

the arbitrator may award interim remedies over the shares or assets of our Onshore Holdcos or injunctive relief (e.g. for the conduct of business or to compel the transfer of assets) or order the winding up of our Consolidated Affiliated Entities; and the courts of Hong Kong, the Cayman Islands (being the place of incorporation of our Company) and the PRC (being the place of incorporation of our Onshore Holdcos) also have jurisdiction for the grant and/or enforcement of the arbitral award and the interim remedies against the shares or properties of our Onshore Holdcos. However, our PRC Legal Advisor has advised that the interim remedies or enforcement order granted by overseas courts such as those of Hong Kong and the Cayman Islands may not be recognisable or enforceable in the PRC; and

(b) the Contractual Arrangements provide that the shareholders of our Onshore Holdcos undertake to appoint a committee designated by our WFOEs as the liquidation committee upon the winding up of our Onshore Holdcos to manage their assets. However, in the event of a mandatory liquidation required by the PRC laws or bankruptcy liquidation, these provisions may not be enforceable under the PRC laws.

Notwithstanding the foregoing, in May and June 2018, representatives of our Company and of the Joint Sponsors consulted the Ministry of Culture and Tourism, MIIT and Beijing Municipal Bureau of Press, Publication, Radio, Film and Television, respectively. Our PRC Legal Advisor has advised us that (i) all of them are competent government authorities for the Company's principal business activities and are competent and authorized to interpret the relevant PRC laws, regulations and rules for the industry in which our Company operates its business; and (ii) the relevant authorities have confirmed that the adoption of the Contractual Arrangements does not constitute a breach of the PRC laws and regulations. Our PRC Legal Advisor is of the view that the use of the Contractual Arrangements does not constitute a breach of the relevant PRC laws and regulations.

Based on the above analysis and advice from Our PRC Legal Advisor, the Directors are of the view that the adoption of the Contractual Arrangements is unlikely to be deemed ineffective or invalid under the applicable PRC laws and regulations. See the section headed "Risk Factors—Risks Relating to Our Contractual Arrangements—If the PRC government finds that the agreements that establish the structure for operating our businesses in China do not comply with PRC laws and regulations, or if these regulations or their interpretations change in the future, we could be subject to severe penalties or be forced to relinquish our interest in those operations."

We are aware of a Supreme People's Court ruling (the "**Supreme People's Court Ruling**") made in October 2012 and two arbitral decisions from the Shanghai International Arbitration Center made in 2010 and 2011 which invalidated certain contractual agreements for the reason that the entry into of such agreements with the intention of circumventing foreign investment restrictions in the PRC contravene the prohibition against "concealing an illegitimate purpose under the guise of legitimate acts" set out in Article 52 of the China Contract Law and the General Principles of the PRC Civil Law. It has been further reported that these court rulings and arbitral decisions may increase (i) the possibility of the PRC courts and/or arbitration panels taking similar actions against contractual structures commonly adopted by foreign investors to engage in restricted or prohibited businesses in the PRC and (ii) the incentive for the Registered Shareholders under such contractual structures to renege on their contractual obligations. Pursuant to Article 52 of the China Contract Law, a contract

is void under any of the following five circumstances: (i) the contract is concluded through the use of fraud or coercion by one party and thereby damages the interest of the State; (ii) malicious collusion is conducted to damage the interest of the State, a collective unit or a third party; (iii) the contract damages the public interest; (iv) an illegitimate purpose is concealed under the guise of legitimate acts; or (v) the contract violates the mandatory provisions of the laws and administrative regulations. Our PRC Legal Advisor is of the view that the relevant terms of our Contractual Arrangements do not fall within the above five circumstances. In particular, our PRC Legal Advisor is of the view that the Contractual Arrangements would not be deemed as "concealing illegal intentions with a lawful form" such that they also do not fall within circumstance (iv) above under Article 52 of the China Contract Law because the Contractual Arrangements were not entered into for illegitimate purposes. The purpose of the Contractual Arrangements are (a) to enable our Onshore Holdcos to transfer its economic benefits to the WFOEs as service fees for engaging the WFOEs as their exclusive service provider and (b) to ensure that the Registered Shareholders do not take any actions that are contrary to the interests of the WFOEs. In accordance with Article 4 of the China Contract Law, which is a section of the Part One (General Principles) of the China Contract Law setting forth fundamental principles under the China Contract Law, the parties to the Contractual Arrangements have the right to enter into contracts in accordance with their own wishes and no person may illegally interfere with such right. In addition, the effect of the Contractual Arrangements, which is to allow our Company to list on the Stock Exchange while obtaining the economic benefits of our Consolidated Affiliated Entities, is not for an illegitimate purpose, as evidenced by the fact that a number of currently listed companies also adopt similar contractual arrangements. In conclusion, our PRC Legal Advisor is of the view that the Contractual Arrangements do not fall within any of the five circumstances set forth in Article 52 of the China Contract Law.

DEVELOPMENT IN THE PRC LEGISLATION ON FOREIGN INVESTMENT

Draft Foreign Investment Law

Background

The MOFCOM published the Draft Foreign Investment Law (中華人民共和國外國投資法) in January 2015 aiming to, upon its enactment, replace the major existing laws and regulations governing foreign investment in the PRC. The MOFCOM has solicited comments on this draft in early 2015 and substantial uncertainties exist with respect to its final form, enactment timetable, interpretation and implementation. The Draft Foreign Investment Law, if enacted as proposed, may materially impact the entire legal framework regulating foreign investments in the PRC.

Negative list

The Draft Foreign Investment Law stipulates restriction of foreign investment in certain industry sectors on the "catalog of special administrative measures" (i.e. the "negative list"). The "catalog of special administrative measures" set out in the Draft Foreign Investment Law classifies the relevant prohibited and restricted industries into the Catalog of Prohibitions and the Catalog of Restrictions, respectively.

Foreign investors are not allowed to invest in any sector set out in the Catalog of Prohibitions. Where any foreign investor directly or indirectly holds shares, equities, properties or other interests or voting rights in any domestic enterprise, such domestic enterprise is not allowed to invest in any sector set out in the Catalog of Prohibitions, unless otherwise specified by the State Council.

Foreign investors are allowed to invest in sectors set out in the Catalog of Restrictions, provided that they fulfil certain conditions and apply for permission before making such investment.

However, the Draft Foreign Investment Law does not specify the businesses to be included in the Catalog of Prohibitions and the Catalog of Restrictions.

Principle of "actual control"

Among other things, the Draft Foreign Investment Law purports to introduce the principle of "actual control" in determining whether a company is considered a foreign invested enterprise or a foreign invested entity or "FIE." It specifically provides that entities established in the PRC but "controlled" by foreign investors will be treated as FIEs, whereas an entity organized in a foreign jurisdiction, but cleared by the authority in charge of foreign investment as "controlled" by the PRC entities and/or citizens, would nonetheless be treated as a PRC domestic entity for investment in the Catalog of Restrictions, subject to the examination of the relevant authority in charge of foreign investment. For these purposes, "control" is defined in the Draft Foreign Investment Law to cover any of the following summarized categories:

(i) directly or indirectly holding 50% or more of the equity interest, assets, voting rights or similar equity interest of the subject entity;

(ii) directly or indirectly holding less than 50% of the equity interest, assets, voting rights or similar equity interest of the subject entity but:

  (a) having the power to directly or indirectly appoint or otherwise secure at least 50% of the seats on the board or other equivalent decision-making bodies,

  (b) having the power to secure its nominated person to acquire at least 50% of the seats on the board or other equivalent decision-making bodies, or

  (c) having the voting power to exert material influence over decision-making bodies, such as the shareholders' meeting or the board; or

(iii) having the power to exert decisive influence, via contractual or trust arrangements, over the subject entity's operations, financial, staffing and technology matters.

In respect of "actual control", the Draft Foreign Investment Law looks at the identity of the ultimate natural person or enterprise that controls the FIE. "Actual control" refers to the power or

position to control an enterprise through investment arrangements, contractual arrangements or other rights, and decision-making arrangements. Article 19 of the Draft Foreign Investment Law defines "actual controllers" as the natural persons or enterprises that directly or indirectly control foreign investors or FIEs.

If an entity is determined to be a FIE and its investment amount exceeds certain threshold or its business operation falls within the "catalog of special administrative measures" to be issued by the State Council in the future, market entry clearance by the authority in charge of foreign investment would be required.

Impact of the Draft Foreign Investment Law on VIE

The "variable interest entity" structure ("**VIE structure**"), has been adopted by many PRC-based companies. Under the Draft Foreign Investment Law, variable interest entities that are controlled via contractual arrangements would also be deemed as FIEs, if they are ultimately "controlled" by foreign investors. As far as the new VIE structures operating in industry sectors that are in the Catalog of Restrictions are concerned, if the ultimate controlling person(s) of a domestic enterprise under the VIE structure is/are of the PRC nationality (either the PRC state-owned enterprises or agencies, or PRC citizens), such domestic enterprise may be treated as a Chinese investor and therefore the VIE structures may be considered as legitimate. Conversely, if ultimate controlling person(s) is/are of foreign nationalities, such domestic enterprise may be treated as a foreign investor or FIE, and therefore the operation of such domestic enterprise through VIE structures without obtaining necessary permission may be considered as illegal.

Neither the Draft Foreign Investment Law nor its accompanying explanatory notes (the "**Explanatory Notes**") provides a clear direction in dealing with VIE structures existing before the Draft Foreign Investment Law becoming effective. However, the Explanatory Notes contemplate three possible approaches in dealing with FIEs with existing VIE structures and conducting business in an industry falling within the "catalog of special administrative measures":

(i) requiring them to make a filing (申報) to the competent authority that the actual control is vested with Chinese investors, after which the VIE structures may be retained;

(ii) requiring them to apply to the competent authority for certification that their actual control is vested with Chinese investors and, upon verification (認定) by the competent authority, the VIE structures may be retained; and

(iii) requiring them to apply to the competent authority for permission (准入許可) to continue to use the VIE structure. The competent authority together with the relevant departments will then make a decision after taking into account the actual control of the FIE and other factors.

To further clarify, under the first possible approach, "making a filing" is simply an information disclosure obligation, which means the enterprise does not have to receive any confirmation or permission from the competent authorities, whilst for the second and third approaches, the enterprise

has to receive either the confirmation or the access permission from the competent authorities. For the latter two approaches, the second approach focuses on the nationality of the controller, whereas the third approach may take factors in addition to the nationality of the controller (which are not clearly defined in the Draft Foreign Investment Law or the Explanatory Notes) into consideration.

The three possible approaches above are set out in the Explanatory Notes to solicit public opinion on the treatment of existing contractual arrangements, have not been formally adopted and may be subject to revisions and amendments taking into account the results of the public consultation.

Where foreign investors and FIEs circumvent the provisions of the Draft Foreign Investment Law by entrusted holding, trust, multi-level re-investment, leasing, contracting, financing arrangements, protocol control, overseas transaction or otherwise, make investments in sectors specified in the Catalog of Prohibitions, or make investments in sectors specified in the Catalog of Restrictions without permission or violate the information reporting obligations specified therein, penalty shall be imposed in accordance with Article 144 (Investments in Sectors Specified in the Catalog of Prohibitions), Article 145 (Violation of Provisions on Access Permission), Article 147 (Administrative Legal Liability for Violating the Information Reporting Obligation) or Article 148 (Criminal Legal Liability for Violating the Information Reporting Obligation) of the Draft Foreign Investment Law, as the case may be.

If foreign investors make investments in the sectors specified in the Catalog of Prohibitions or the Catalog of Restrictions without obtaining necessary permission, the competent authorities for foreign investment in the province, autonomous region and/or municipality directly under the central government at the place where the investments are made shall order them to cease the implementation of the investments, dispose of any equity or other assets within a prescribed time limit, confiscate any illegal gains and impose a fine of not less than RMB100,000 but not more than RMB1 million or in a sum not more than 10% of illegal investments.

If foreign investors or FIEs are in violation of the provisions of the Draft Foreign Investment Law, including by way of failing to perform on schedule or evading the performance of the information reporting obligation, or concealing the truth or providing false or misleading information, the competent authorities for foreign investment in the province, autonomous region and/or municipality directly under the central government of the PRC at the place where the investments are made shall order them to make rectifications within a prescribed time limit. If they fail to make rectifications within the prescribed time limit or the circumstances are serious, such competent authorities shall impose a fine of not less than RMB50,000 but not more than RMB500,000 or in a sum not more than 5% of the investments.

If foreign investors or FIEs are in violation of the provisions of the Draft Foreign Investment Law, including by way of evading the performance of the information reporting obligation, or concealing the truth or providing false or misleading information, and if the circumstances are extremely serious, a fine shall be imposed on the foreign investors or FIEs and the directly responsible person-in-charge and other persons liable shall be sentenced to fixed-term imprisonment of not more than one year or criminal detention.

Status of promulgation of the Draft Foreign Investment Law

As of the Latest Practicable Date, there was no certainty whether, or timeline when, the Draft Foreign Investment Law will be promulgated and come into effect, and if so, whether it is to be promulgated in the current draft form after it undergoes through further enactment process. Furthermore, the MOFCOM has not issued any definite rules or regulations to govern existing contractual arrangements.

Potential impact of the Draft Foreign Investment Law on our Company

Whether our Company is controlled by the PRC entities and/or citizens

If the Draft Foreign Investment Law is promulgated in the current draft form, on the basis that (i) Wang Xing, Mu Rongjun and Wang Huiwen, our WVR Beneficiaries, who are of Chinese nationality, will control an aggregate of [REDACTED]% of voting rights of our Company upon completion of the [REDACTED] (Assuming the [REDACTED] is not exercised and no Shares are issued under the Pre-[REDACTED] ESOP, Post-[REDACTED] Share Option Scheme and Post-[REDACTED] Share Award Scheme) and therefore complies with the first limb of the "control" requirement under the Draft Foreign Investment Law by virtue of our WVR Beneficiaries (all being PRC nationals) indirectly holding 50% or more of the equity interest, assets, voting rights or similar equity interest of our Company; (ii) our Company through the WFOEs exercise effective control over our Consolidated Affiliated Entities pursuant to the Contractual Arrangements and can exert decisive influence on the Onshore Holdco and therefore complies with the third limb of the "control" requirement under the Draft Foreign Investment Law by virtue of Mr. Wang having the power to exert decisive influence pursuant to the Contractual Arrangements, our PRC Legal Advisor is of the view that we can apply for the recognition of the Contractual Arrangements as a domestic investment and it is likely that the Contractual Arrangements will be considered as legal.

Whether the Relevant Businesses are on the "catalog of special administrative measures" to be issued by the State Council

If the operation of our Relevant Businesses is not on the "catalog of special administrative measures" and we can legally operate such business under the PRC Laws, our WFOEs will exercise the call option under the Exclusive Option Agreements to acquire the equity interest of our Consolidated Affiliated Entities and unwind the Contractual Arrangements subject to re-approval by the relevant authorities.

If the operation of our Relevant Businesses is on the "catalog of special administrative measures", depending on the definition of "control" that may be adopted in the foreign investment law as finally enacted and the treatment of VIE structures existing before the new foreign investment law becoming effective, the Contractual Arrangements may be regarded as prohibited or restricted foreign investment and therefore may be considered as invalid and illegal. As a result, we will not be able to operate our Relevant Businesses through the Contractual Arrangements and would lose our rights to

receive the economic benefits of our Consolidated Affiliated Entities. As such, the financial results of those entities would no longer be consolidated into our Group's financial results and we would have to derecognize their assets and liabilities according to the relevant accounting standards. An investment loss would be recognized as a result of such de-recognition.

Sustainability of our business

If the new foreign investment law as finally promulgated and the "catalog of special administrative measures" as finally issued mandate further actions for us to retain the Contractual Arrangements, we will take all reasonable measures and actions to comply with the foreign investment law then in force and to minimize the adverse effect of such laws on our Company. However, there is no assurance that we can fully comply with such law. In the worst case scenario, we will not be able to operate the Relevant Businesses through the Contractual Arrangements and will lose our rights to receive the economic benefits from our Consolidated Affiliated Entities. In such case, the Stock Exchange may also consider our Company to be no longer suitable for [REDACTED] on the Stock Exchange and delist our Shares. See the section headed "Risk Factors—Risks Relating to Our Contractual Arrangements" in this document for details.

Nevertheless, considering that a number of existing entities are operating under contractual arrangements and some of which have obtained [REDACTED] status abroad, our Directors are of the view that it is unlikely, if the Draft Foreign Investment Law is promulgated, that the relevant authorities will take retrospective effect to require the relevant enterprises to remove the contractual arrangements. Our PRC Legal Advisor believes that the PRC government is likely to take a relatively cautious attitude towards the supervision of foreign investments and the enactment of laws and regulations impacting them, and make decisions according to different situations in practice.

Our Directors undertake that our Company will, to the extent that our Company would be required to announce such information pursuant to Part XIVA of the SFO after the [REDACTED], timely announce (i) any updates or material changes to the Draft Foreign Investment Law and (ii) in the event that the new foreign investment law has been promulgated, a clear description and analysis of the law, specific measures adopted by our Company to comply with the law (supported by advice from our PRC Legal Advisor, Han Kun Law Offices), as well as its impact on our business operation and financial position.

DECISION ON AMENDING FOUR INBOUND INVESTMENT LAWS

On September 3, 2016, the Standing Committee of the National People's Congress of the People's Republic of China (全國人大常務委員會) published the Decision of the Standing Committee of the National People's Congress on Revising Four Laws Including the "Law of the People's Republic of China on Wholly Foreign-Owned Enterprises" (《全國人大常務委員會關於修改<中華人民共和國外資企業法>等四部法律的決定》) which came into effect on October 1, 2016 and seeks to revise the current foreign investment legal regime.

ACCOUNTING ASPECTS OF THE CONTRACTUAL ARRANGEMENTS AND CONSOLIDATION OF FINANCIAL RESULTS OF OUR CONSOLIDATED AFFILIATED ENTITIES

According to IFRS 10 — Consolidated Financial Statements, a subsidiary is an entity that is controlled by another entity (known as the parent). An investor controls an investee when it is

exposed, or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee Although our Company does not directly or indirectly own the Consolidated Affiliated Entities, the Contractual Arrangements as mentioned above enable our Company to exercise control over the Consolidated Affiliated Entities.

Under the Exclusive Business Cooperation Agreements, it was agreed that, in consideration of the services provided by WFOEs, each of our Onshore Holdcos will pay services fees to the WFOEs. The services fees, subject to the WFOEs' adjustment, are equal to the entirety of the total consolidated profit of our Onshore Holdcos (net of accumulated deficit of the Consolidated Affiliated Entities in the previous financial years (if any), costs, expenses, taxes and payments required by the relevant laws and regulations to be reserved or withheld). WFOEs may adjust the services scopes and fees at its discretion in accordance with the PRC tax law and practice as well as the needs of the working capital of our Consolidated Affiliated Entities. WFOEs also have the right to periodically receive or inspect the accounts of our Consolidated Affiliated Entities. Accordingly, the WFOEs have the ability, at its sole discretion, to extract all of the economic benefit of our Onshore Holdcos through the Exclusive Business Cooperation Agreements.

In addition, under the Exclusive Business Cooperation Agreements and the Exclusive Option Agreements, the WFOEs have absolute contractual control over the distribution of dividends or any other amounts to the equity holders of our Consolidated Affiliated Entities as WFOEs' prior written consent is required before any distribution can be made. In the event that the Registered Shareholders receive any profit distribution or dividend from our Consolidated Affiliated Entities, the Registered Shareholders must immediately pay or transfer such amount (subject to the relevant tax payment being made under the relevant laws and regulations) to our Company.

As a result of these Contractual Arrangements, our Company has obtained control of our Consolidated Affiliated Entities through WFOE and, at our Company's sole discretion, can receive all of the economic interest returns generated by our Consolidated Affiliated Entities. Accordingly, our Consolidated Affiliated Entities' results of operations, assets and liabilities, and cash flows are consolidated into our Company's financial statements.

In this regard, our Directors consider that our Company can consolidate the financial results of our Consolidated Affiliated Entities into our Group's financial information as if they were our Company's subsidiaries. The basis of consolidating the results of our Consolidated Affiliated Entities is disclosed in note 1 to the Accountant's Report in Appendix I to this document.

COMPLIANCE WITH THE CONTRACTUAL ARRANGEMENTS

Our Group has adopted the following measures to ensure the effective operation of our Group with the implementation of the Contractual Arrangements and our compliance with the Contractual Arrangements:

(i) major issues arising from the implementation and compliance with the Contractual Arrangements or any regulatory enquiries from government authorities will be submitted to our Board, if necessary, for review and discussion on an occurrence basis;

(ii) our Board will review the overall performance of and compliance with the Contractual Arrangements at least once a year;

(iii) our Company will disclose the overall performance and compliance with the Contractual Arrangements in our annual reports; and

(iv) our Company will engage external legal advisers or other professional advisers, if necessary, to assist the Board to review the implementation of the Contractual Arrangements, review the legal compliance of WFOE and our Consolidated Affiliated Entities to deal with specific issues or matters arising from the Contractual Arrangements.

You should read the following discussion and analysis with our consolidated financial information, including the notes thereto, included in the Accountant's Report in Appendix I to this document. Our consolidated financial information has been prepared in accordance with IFRS.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on our assumptions and analysis in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties, many of which we cannot control or foresee. In evaluating our business, you should carefully consider all of the information provided in this document, including the sections headed "Risk Factors" and "Business."

For the purpose of this section, unless the context otherwise requires, references to 2015, 2016 and 2017 refer to our financial years ended December 31 of such years. Unless the context otherwise requires, financial information described in this section is described on a consolidated basis.

OVERVIEW

We are China's leading e-commerce platform for services. Our platform uses technology to connect consumers and merchants. Service offerings on our platform address people's daily needs for food, and extend to broad lifestyle and travel services. In 2017, our platform generated over 5.8 billion transactions, totaling RMB357 billion in Gross Transaction Volume. During the same year, we served 310 million Transacting Users and 4.4 million Active Merchants in over 2,800 cities and counties across China.

We help consumers discover merchant information, make informed decisions, complete online and offline transactions and enjoy on-demand delivery. We focus on mass-market, essential and high-frequency service categories, particularly food delivery and in-store dining services. We provide merchants with a wide range of solutions, including targeted online marketing tools, cost-effective on-demand delivery infrastructure, cloud-based ERP systems, integrated payment systems, and supply chain and financing solutions. We have built and currently operate the world's largest on-demand delivery network in terms of the number of deliveries in 2017, according to the iResearch Report. Our network had on average approximately 531,000 daily active delivery riders in the fourth quarter of 2017. See the section headed "Business" in this document for a detailed discussion of our business.

During our Track Record Period, our total revenues increased from RMB4.0 billion in 2015 to RMB13.0 billion in 2016 and further increased to RMB33.9 billion in 2017, and increased from RMB8.1 billion in the four months ended April 30, 2017 to RMB15.8 billion in the same period of 2018. Our loss was RMB10.5 billion, RMB5.8 billion, RMB19.0 billion, RMB8.2 billion and RMB22.8 billion for 2015, 2016 and 2017 and the four months ended April 30, 2017 and 2018, respectively. Excluding the impacts of (i) fair value changes of convertible redeemable preferred shares, (ii) share-based compensation expenses, (iii) fair value gains/(losses) on investments, (iv) gains/(losses) on disposal of investments and subsidiaries, (v) profit/(loss) from discontinued operation, and (vi) amortization of intangible assets resulting from acquisitions, we had adjusted net loss of RMB5.9 billion, RMB5.4 billion, RMB2.9 billion, RMB0.3 billion and RMB2.0 billion in 2015, 2016 and 2017 and the four months ended April 30, 2017 and 2018, respectively. Our adjusted EBITDA, which excludes (i) fair value changes on investments measured at fair value through profit or loss, (ii) other gains/(losses), net, (iii) depreciation of property, plant and equipment, (iv) amortization of intangible assets and (v) share-based compensation expenses, was RMB(5.7) billion, RMB(5.0) billion, RMB(2.7) billion, RMB(0.3) billion and RMB(1.7) billion in 2015, 2016 and 2017 and the four months ended April 30, 2017 and 2018, respectively. See "Consolidated Income Statements" and "—Non-IFRS Measures: Adjusted EBITDA and Adjusted Net Loss" for details.

BASIS OF PREPARATION

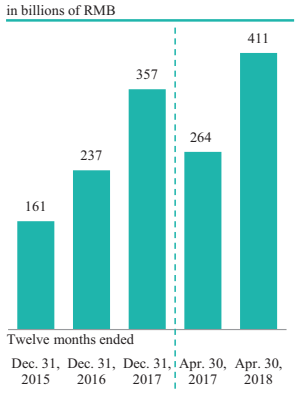
The historical financial information of our Company has been prepared in accordance with applicable International Financial Reporting Standards ("**IFRS**"), issued by the International Accounting Standards Board. The historical financial information has been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss, which are carried at fair value.

The preparation of the historical financial information in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying our Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the historical financial information are disclosed in Notes 2 and 4 to the Accountant's Report included in Appendix I to this document.

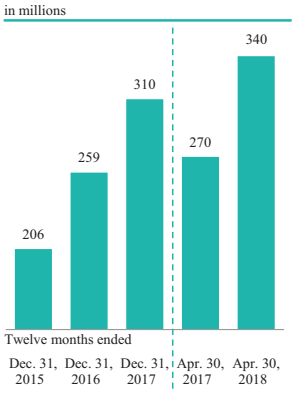
TRENDS IN OPERATING METRICS

We have experienced significant growth across our key operating metrics:

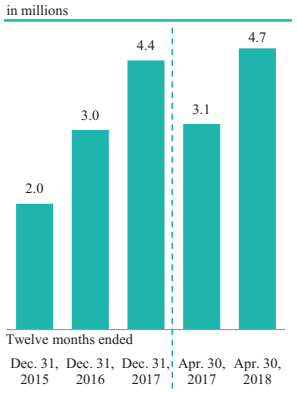
Gross Transaction Volume



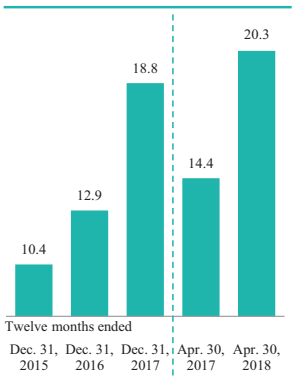
Annual Transacting Users



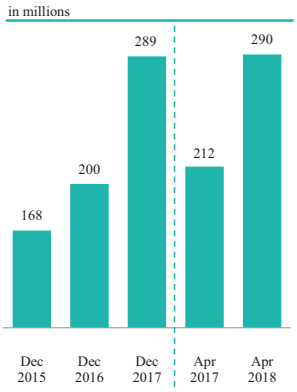
Annual Active Merchants



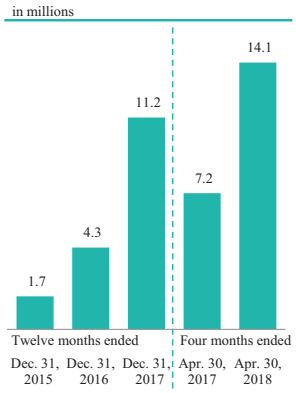
Average Number of Transactions per Annual Transacting User



Meituan Dianping Monthly Active Users[(1)]



Daily Average Food Delivery Transactions



Note:

(1) Meituan Dianping MAUs include MAUs of *Meituan* app, *Dianping* app, *Meituan Waimai* app and other apps to consumers (excluding *Maoyan* app), after eliminating duplicates, and do not include traffic from Weixin and QQ. MAUs in April 2018 include MAUs of *Mobike* app, after eliminating duplicates. MAUs for each twelve-month period ended December 31, 2015, 2016 and 2017 and April 30, 2017 and 2018 refer to those in December 2015, 2016 and 2017 and April in 2017 and 2018.

KEY OPERATING DATA

The following tables set forth our key operating data for each of our business segments for the periods indicated:

	Year Ended December 31,			Four Months Ended April 30,	
	2015	2016	2017	2017	2018
			(in millions)		
Number of Transactions:					
Food delivery	637	1,585	4,090	867	1,692
In-store, hotel & travel	1,290	1,439	1,394	416	398
New initiatives and others	222	324	335	100	379
Total	2,149	3,348	5,819	1,383	2,469

	Year Ended December 31,			Four Months Ended April 30,	
	2015	2016	2017	2017	2018
			(in billions of RMB)		
Gross Transaction Volume:					
Food delivery	15.6	58.7	171.1	35.4	75.1
In-store, hotel & travel	127.5	158.4	158.1	50.5	55.1
New initiatives and others	18.0	19.5	28.0	8.0	17.6
Total	161.1	236.6	357.2	93.9	147.8

	Year Ended December 31,			Four Months Ended April 30,	
	2015	2016	2017	2017	2018
Monetization Rate[(1)] (%):					
Food delivery	1.1	9.0	12.3	13.2	12.9
In-store, hotel & travel	3.8	4.4	6.9	6.0	7.9
New initiatives and others	0.4	3.4	7.3	5.2	10.1

	Year Ended December 31, 2017[2]	Twelve Months Ended April 30, 2018
	(in millions)	
Number of Transacting Users:		
Food delivery	229	256
In-store, hotel & travel	203	206
New initiatives and others	93	138
Total	310[3]	340[3]

Notes:

(1) Monetization rate equals the revenues for the year/period divided by the Gross Transaction Volume for the year/period. For purpose of calculating the monetization rate in 2015, our Gross Transaction Volume in 2015 only included *Dianping*'s Gross Transaction Volume from October 2015 to December 2015. For purpose of calculating the monetization rate for the four months ended April 30, 2018, our Gross Transaction Volume only included Mobike's Gross Transaction Volume in April 2018.

(2) Numbers of Transacting Users for each segment prior to the adoption of the current segment reporting structure are not available.

(3) After eliminating duplicates.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations have been, and are expected to continue to be, materially affected by a number of factors, many of which are outside of our control, including the following:

General Factors

Our business and results of operations are affected by general factors affecting the broad consumer service industry in China, including China's overall economic growth, the increase in per capita disposable income and the growth in consumer spending in China. In addition, they are also affected by factors driving the consumer service e-commerce industry, such as the growth of mobile internet usage and penetration rate and increasing adoption of mobile payment. Unfavorable changes in any of these general factors could materially and adversely affect our results of operations.

Specific Factors

Our results of operations are also affected by certain company-specific factors, including the following major factors:

Number and Engagement of Transacting Users on Our Platform

Growth in the Gross Transaction Volume on our platform is the key driver of our revenue growth, which is in turn driven by the number and engagement of Transacting Users on our platform. Our total Gross Transaction Volume increased by 46.8% from RMB161 billion in 2015 to RMB237 billion in

2016 and further increased by 51.0% to RMB357 billion in 2017, and increased by 55.8% from RMB264 billion in the twelve months ended April 30, 2017 to RMB411 billion in the twelve months ended April 30, 2018. The increases were primarily driven by the increase in the number of Transacting Users during the same periods. The number of Transacting Users increased from 206 million in 2015 to 259 million in 2016 and further to 310 million in 2017, and increased from 270 million in the twelve months ended April 30, 2017 to 340 million in the twelve months ended April 30, 2018. The Gross Transaction Volume on our platform is also affected by the engagement of Transacting Users, as evidenced by the average number of transactions per Transacting User. On average, the annual number of transactions per Transacting User made on our platform increased from 10.4 transactions in 2015 to 12.9 transactions in 2016, and further to 18.8 transactions in 2017, and increased from 14.4 transactions in the twelve months ended April 30, 2017 to 20.3 transactions in the twelve months ended April 30, 2018.

Our ability to increase the number and engagement of Transacting Users mainly depends on our ability to broaden and deepen the service offerings on our platform. Consumers are attracted to our platform by the breadth and depth of the service offerings on our platform, as well as the convenience and value provided to them. We focus on mass-market, essential and high-frequency service categories, particularly food delivery and in-store dining services, and have expanded to a broad range of additional service categories, such as hotel and travel bookings and many other daily-life services. We plan to continue adding new service categories on our one-stop platform to cover a wider spectrum of consumption scenarios in consumers' daily lives, and further enrich the selections within existing service categories.

Active Merchant Base and Our Ability to Increase Monetization

In addition to the number and engagement of Transacting Users, growth in the Gross Transaction Volume is also driven by the Active Merchant base on our platform. The number of Active Merchants increased from 2.0 million in 2015 to 3.0 million in 2016 and further increased to 4.4 million in 2017, and increased from 3.1 million in the twelve months ended April 30, 2017 to 4.7 million in the twelve months ended April 30, 2018. Merchants are attracted to our platform by our strong user traffic as well as targeted online marketing and other value-added services that help them to succeed. We will enhance these value-added services, including targeted online marketing tools, on-demand delivery infrastructure, cloud-based ERP systems, integrated payment systems and supply chain and financing solutions, to help merchants acquire consumers, improve operational efficiency and provide high-quality services.

We monetize the Gross Transaction Volume on our platform mainly through commission charged as a percentage of the Gross Transaction Volume and online marketing fees. We currently have three business segments, consisting of (i) food delivery, (ii) in-store, hotel & travel, and (iii) new initiatives and others. Food delivery and in-store, hotel & travel are the two largest segments among our three business segments, generating 61.2% and 27.5%, respectively, of our total revenues in the four months ended April 30, 2018. For these two segments, we generate revenues primarily from charging merchants commission based on a percentage of the Gross Transaction Volume on our platform and from our online marketing services. In addition, we have recently expanded to new initiatives and other services. We also charge consumers and merchants delivery fees to the extent the on-demand delivery is fulfilled by us, and service fees for bike-sharing and pilot car-hailing services. With such

a variety of service offerings on our platform, we were able to achieve a monetization rate of 3.0%, 5.5%, 9.5%, 8.6% and 10.7% in 2015, 2016 and 2017 and the four months ended April 30, 2017 and 2018, respectively, as measured by our total revenues divided by the total Gross Transaction Volume on our platform for each period. See the section headed "—Key Financial Ratios" for further details of our monetization rates.

Generally, revenues may be viewed as the fees merchants are willing to pay to establish online presence, acquire more consumers, build their brands, promote their services, and improve their operational efficiency through our platform. The willingness of a merchant to pay these fees is a function of the sales and profit the merchant expects to generate through our platform. As a result, our ability to increase monetization is mainly driven by our ability to provide more effective services to merchants, and to broaden and deepen the service offerings on our platform to capture more monetization opportunities. Moreover, monetization rate may also be affected by the intensity of market competition.

Mix of Service Offerings

The mix of service offerings on our platform affects our results of operations, including in particular the gross margin. Meituan started business operations as a group-buy company in 2010, and we have since then further expanded such business into our current in-store, hotel & travel segment. Since 2013, we have adjusted our business strategy to focus on transaction fulfilment and extended our service offerings to food delivery. More recently, we started to provide bike-sharing services in 2018. We are also exploring new business initiatives and opportunities.

Our gross margins vary across different business segments. Food delivery is our largest business segment in terms of revenue contribution with a gross margin of 9.3% in the four months ended April 30, 2018, as we incur significant cost of revenues for the delivery services provided. Our second largest business segment, in-store, hotel & travel, is the most established segment among the three with a gross margin of 88.0% in the four months ended April 30, 2018. We had an overall gross margin of 25.5% in the four months ended April 30, 2018.

We believe the fundamental measure of our success will be the value we create over the long-term rather than short-term profitability. Thinking long-term, we focus on establishing and solidifying market leadership in mass-market, essential and high-frequency service categories, such as on-demand delivery and in-store dining. Market leadership in these categories also allows us to expand into lower-frequency service categories quickly and efficiently. Strong presence in the high-frequency service categories and expansion into the lower-frequency service categories will drive the increase of Gross Transaction Volume on our platform and thus our revenue, and lay a solid foundation for our further growth and long-term value.

Operating Leverage of Our Platform

Our platform has significant operating leverage and enables us to realize structural cost savings. We have been focusing on mass-market, essential and high-frequency service categories, and established many touch points with consumers' lives, which allow us to launch and cross-sell a broad range of additional service categories, such as hotel and travel bookings, and many other lifestyle

services. More service categories offered and more merchants on our platform increase the choices available to consumers, and more consumers on our platform increase the potential transactions for merchants through a mutually beneficial virtuous cycle. As we operate in intensely competitive markets, we need to provide incentives to attract consumers, merchants and other platform participants, and conduct promotion and advertising activities to enhance our brand awareness. The self-reinforcing network effects of our platform and associated operating leverage allow us to compete effectively by enjoying low user acquisition cost and growing user lifetime value. Although our selling and marketing expenses in absolute amount increased from RMB7.1 billion in 2015 to RMB8.3 billion in 2016 and further to RMB10.9 billion in 2017 and increased from RMB2.6 billion in the four months ended April 30, 2017 to RMB4.1 billion in the same period of 2018, the selling and marketing expenses as a percentage of our total revenues decreased from 177.7% in 2015 to 64.2% in 2016 and further to 32.2% in 2017 and decreased from 32.3% in the four months ended April 30, 2017 to 25.9% in the same period of 2018. As our business further grows, we believe our massive scale, coupled with the network effects, will allow us to acquire consumers and merchants more cost-effectively and benefit from substantial economies of scale.

Our Investment in Research and Development and Technology

We have made, and will continue to make, significant investments in research and development and technology, to solidify our market leadership. As our business grows, and as we continue to expand and enhance our platform, research and development talent attraction and retention are critical for our business, operations and growth prospects. We intend to continue to invest in our people, particularly engineers, personnel with specific technology expertise, and other research and development personnel. In addition, we have dedicated and will continue to dedicate significant resources to research and development efforts, focusing on developing innovative applications, products and services aimed at providing more convenience to consumers and enabling merchants to improve their service quality and operational efficiency, as well as advancing our technologies such as big data and AI capabilities. In 2015, 2016 and 2017 and the four months ended April 30, 2017 and 2018, we incurred research and development expenses of RMB1.2 billion, RMB2.4 billion, RMB3.6 billion, RMB0.9 billion and RMB1.9 billion, respectively. Moreover, we will also continue to invest significant resources in the expansion and enhancement of our technology infrastructure to support the growth of our business.

Strategic Investments and Acquisitions

Over the Track Record Period, we made a large number of strategic investments and acquisitions to expand our customer base and add complementary services and technologies. For example, Meituan Corporation and Dianping Holdings entered into a strategic transaction in October 2015, and we acquired Mobike recently in April 2018. We have successfully navigated the business and personnel reorganization and achieved synergies through post-acquisition integration. We expect to continue to make strategic investments in and acquire other businesses that we believe can expand the service offerings on our platform, attract more consumers and merchants to our platform, and otherwise enhance our network, such as in those areas that could further enable our merchants and improve operational efficiency within the industry value chain.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Some of our accounting policies require us to apply estimates and assumptions as well as complex judgments relating to accounting items. The estimates and assumptions we use and the judgments we make in applying our accounting policies have a significant impact on our financial position and results of operations. Our management continually evaluates such estimates, assumptions and judgments based on past experiences and other factors, including industry practices and expectations of future events that are believed to be reasonable under the circumstances. There has not been any material deviation between our management's estimates or assumptions and actual results, and we have not made any material changes to these estimates or assumptions during the Track Record Period. We do not expect any material changes in these estimates and assumptions in the foreseeable future.

Set forth below are discussions of the accounting policies that we believe are of critical importance to us or involve the most significant estimates, assumptions and judgments used in the preparation of our financial statements. Other significant accounting policies, estimates, assumptions and judgments, which are important for understanding our financial condition and results of operations, are set forth in detail in Notes 2 and 4 to the Accountant's Report in Appendix I to this document.

Revenue Recognition

Revenue is recognized when or as the control of the goods or services is transferred to a customer.

The following is a description of the accounting policy for our principal revenue streams:

Commission

We are a service e-commerce company that enables merchants to sell their services or products to Transacting Users on our platform. These consist of on-demand delivery services (including food and non-food delivery services), in-store, hotel & travel services, and other services. For each of these services, we generate revenues from commission fees, generally charged as a percentage of the value of transactions placed by Transacting Users on our platform. They are detailed as follows.

On-demand delivery services (including food and non-food delivery)

For our on-demand delivery services, merchants pay commission based on a percentage of the value of transactions placed by Transacting Users through our platform. Transacting Users pay the price for food or other goods, and also the delivery service fee. Participating merchants can choose to either provide delivery service on their own or engage us.

In instances where we are not responsible for delivery, we identify only the merchant as the customer for platform service. We only earn commission revenue from the participating merchants for the provision of the platform service and recognize platform commission revenue when the orders are placed online and payments are received from Transacting Users.

When we are responsible for delivery, merchants pay an aggregated fee both for platform and delivery services. The Transacting Users also pay a delivery fee. Accordingly, we identify both the Active Merchants and the Transacting Users as our customers for the platform service and delivery service. We perform two obligations: 1) platform service that displays food and other goods information to Transacting Users; and 2) delivery service. As these two performance obligations are satisfied at the same time, we determined that it is not necessary to allocate the transaction price to each performance obligation, and therefore we recognize the aggregated commission from a merchant and delivery fee charged to a Transacting User as revenues once a transaction is completed.

Upon the completion of a transaction, the amount to be remitted to a third-party merchant is recorded as payable to merchants, after netting the amount attributable to revenue from the cash payment received from the Transacting User.

In-store, hotel & travel

We identify merchants as the customer for sales of vouchers and reservation services. We recognize commission revenues when the vouchers and reservations are redeemed by Transacting Users to enjoy the goods or services. For hotel reservations, commission revenue is recognized upon room check-in. Commission revenue from sales of package tours is recognized on the departure date of the tour.

Under all circumstances, cash payments received from Transacting Users are initially recorded as "Advance from transacting users," as unredeemed vouchers can be returned by Transacting Users at any time. When revenues are recognized at the point in time as determined above, the amounts to be remitted to third-party merchants are recorded as payables to merchants.

Online marketing services

We generate online marketing revenues through all the aforementioned services primarily by delivering marketing services on our platform.

We identify merchants or online marketing customers as the customers for online marketing services. Some of the customers pay us for performance-based marketing, which means that a customer pays us only when a user clicks on the customer's link on our platform or when the advertisement is viewed by a pre-determined number of users. For these customers, we recognize revenue each time a user clicks on the customer link or when the customer information is viewed by a pre-determined number of users.

We also offer display-based marketing services in the form of key words search, banners, and textual or graphical links of online marketing customers. Customers pay us based on the period their advertisements are displayed on our mobile apps and/or websites. For these customers, revenue is recognized on a pro-rata basis over the contractual service period, starting on the date when the advertisement is first displayed on our mobile apps and/or websites.

For a number of merchants, we provide marketing services under an annual plan, and charge an annual fee for the plan. We recognize revenue as the marketing services are provided over the plan period.

For arrangements where consideration is paid in advance of the marketing service period, we record a contract liability (deferred revenue) when the payment is received.

Other services and sales

Other services and sales consist primarily of revenues generated from cloud-based ERP systems, integrated payment systems, supply chain solutions to merchants, micro loan business, local transportation services, and other products or services. We recognize revenues when the respective services are rendered, or when the control of the products are transferred to the customers.

Through our platform, we assist with offering loans to merchants or individuals who utilize our platform. In certain cases, we facilitate loans funded by certain financing partners to these merchants or individuals. In such instances, we do not record financing receivables arising from these loans nor loans payable to the financing partners. For these transactions, we earn loan facilitation fees from the customers. In other cases, we directly fund loans to our customers without involving a third-party financing partner, and accordingly record these as on-balance sheet loans. We generate interest income from these on-balance sheet loans.

Our local transportation services mainly provide car-hailing and bike-sharing services to Transacting Users. Currently, for car-hailing service related to private cars and bike-sharing services, we recognize revenues for the fees collected from Transacting Users. As it relates to the taxi services, we act as an agent by connecting Transacting Users with taxi drivers, and do not earn any fee from either party, and therefore recognize no revenue. Please refer to the below section headed "—Critical Accounting Policies and Estimates—Principal versus Agent Considerations" for further details on the principal versus agent consideration in these transactions.

We also generate other revenue from a long-term business cooperation agreement with Maoyan, which provides that Maoyan shall be our exclusive business partner for the movie ticketing business. Through this cooperation agreement, we provide Maoyan with user traffic and other resources over the cooperation period.

Principal versus Agent Considerations

In accordance with the principal versus agent considerations prescribed by IFRS 15, we are required to determine whether we act as the principal or agent in each of our revenue streams. The principal is the entity that has promised to provide goods or services to its customers. An agent arranges for goods or services to be provided by the principal to its end customer. An agent normally receives a commission or fee for these activities.

As noted above, we earn commission by providing a platform that enables third-party merchants to sell their services or products to Transacting Users. We generally do not promise to provide the underlying goods or services to the Transacting Users. Instead, we perform our role as an agent to connect third-party merchants with Transacting Users.

For the food delivery services and in-store, hotel & travel services, we enter into arrangements with certain business partners for certain regions within the PRC. In these arrangements, the business partners are held responsible for operating our platform and providing delivery services, as applicable, within these designated regions. The business partners are also responsible for the business development and customer relationship with merchants in these regions. Having considered the relevant facts and circumstances, our management considers that we do not obtain control of the business partners' services before they are transferred to the merchants or Transacting Users, as the case may be. Accordingly, related revenues are presented net of the amount retained by the business partners.

For pilot car-hailing services related to private cars and bike-sharing services, we are primarily responsible for fulfilling the services and have discretion in establishing prices. Accordingly, we act as a principal, and the related service revenue is presented on a gross basis.

Incentives

We provide various types of incentives to Transacting Users and delivery riders, including coupons and direct payment discounts. We record these incentives as reduction of revenue or selling and marketing expenses. Please refer to Note 2.27.3 to the Accountant's Report in Appendix I to this document for details on accounting treatment for incentives.

The following table sets forth the total amount of incentives offered to Transacting Users during the periods indicated:

	Year Ended December 31,			Four Months Ended April 30,	
	2015	2016	2017	2017	2018
	(in thousands of RMB)				
Reduction of revenue	98,122	544,831	2,172,266	373,362	1,161,831
Selling and marketing expenses	3,931,258	2,622,400	4,208,921	941,698	1,488,337

There were no incentives recorded as cost of revenue offered to Transacting Users.

The major accounting policies for incentives are described as follows:

On-demand delivery services (including food and non-food delivery)

Since we identify Transacting Users as our customers for food and non-food delivery services when we are responsible for the delivery services, the incentives offered to Transacting Users are considered as payment to customers and recorded as reduction of revenues on a transaction by transaction basis, to the extent of the delivery fees collected from the Transacting Users. The amount in excess of the revenues earned from the Transacting User is recorded as selling and marketing expenses.

When incentives are provided to users in transactions where we are not responsible for delivery, the Transacting Users are not considered as our customers, and such incentives are recorded as selling and marketing expenses.

We also offer a crowdsourcing delivery platform, which connects merchants with crowdsourced delivery riders. We currently do not charge merchants a separate fee for the use of this system. We also use this system to crowdsource delivery riders to fulfil delivery services for which we are responsible. We provide incentives to these delivery riders. In situations where we are not responsible for the delivery service, the incentive is recognized as a reduction of revenues because the merchant is our customer and the delivery rider is the merchant's vendor, and accordingly the incentive represents a payment on behalf of a customer. In situations where we are responsible for delivery service, the incentive is recognized as cost of revenues as it is part of our fulfilment costs for completion of the delivery performance obligation.

In-store, hotel & travel

For revenue in this segment, Transacting Users are not our customers, and therefore the incentives offered to Transacting Users are not considered as payments to customer but as selling and marketing expenses.

New initiatives and others

Within the new initiatives and others segment, we have local transportation services, and provide incentives to both drivers and Transacting Users of our pilot car-hailing service related to private cars and bike-sharing services. As the Transacting Users are considered as our customers, incentives to them are considered a payment to customer and therefore recorded as reduction of revenues. Drivers are considered as our vendors, and accordingly, incentives paid to drivers are recorded as cost of revenues.

For all the business lines, we may facilitate cash refunds or incentives to our Transacting Users for unsatisfactory goods or services rendered by the merchants, but the merchants are contractually responsible and liable for the quality of the goods or services. We also hold the contractual right to claim reimbursements from the merchants. For those which are not refunded by the merchants, the refunds or incentives from us to Transacting Users are recorded as a reduction of revenues unless there is objective evidence that they are not paid on behalf of merchants.

The accounting treatment for incentives to Transacting Users occurs upon the time when they are applied to purchases. We do not accrue for expenses upon the coupon issuance as we do not have an obligation to the Transacting Users until they make purchases.

Recognition of Share-based Compensation Expenses

We set up the 2015 Share Incentive Plan and granted restricted share units and options to employees and other qualifying participants. The fair value of the options and restricted share units are determined by the Black-Scholes option-pricing model at the grant date, and is expected to be expensed over the respective vesting period. Significant estimate on assumptions, including underlying equity value, risk-free interest rate, expected volatility, dividend yield, and terms, are made by the directors and third-party valuer.

We have also authorized the repurchase of ordinary shares from certain employees, founders, and shareholders of the Company. Judgment is required to determine whether the repurchase establishes "past practice" for which we have now created an obligation to settle in cash, and accordingly reclassify all outstanding awards to cash-settled. We have determined that no valid expectation for the Company to settle such share-based awards in cash is created. As such, all awards remain equity-settled awards.

Estimation of the Fair Value of Financial Assets and Financial Liabilities

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. We use our judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Changes in these assumptions and estimates could materially affect the respective fair value of these financial assets.

The convertible redeemable preferred shares issued by the Company are not traded in an active market and the respective fair value is determined by using valuation techniques. We applied the discounted cash flow method to determine the underlying equity value of the Company and adopted option-pricing method and equity allocation model to determine the fair value of the convertible redeemable preferred shares. Key assumptions such as the timing of the liquidation, redemption or initial public offering event as well as the probability of the various scenarios were based on our best estimates.

Impairment Provision for Trade Receivables and Prepayments, Deposits and Other Assets

The loss allowances for trade receivables and prepayments, deposits and other assets are based on assumptions about risk of default and expected loss rates. We use judgement in making these assumptions and selecting the inputs to the impairment calculation, based on past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in Note 3.1 to the Accountant's Report in Appendix I to this document.

Recoverability of Non-financial Assets

We test whether goodwill has suffered any impairment on an annual basis. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the

carrying value may not be recoverable. The recoverable amount of a cash generating unit ("**CGU**") is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period.

The recoverable amounts of CGUs containing goodwill for each year/period end

The recoverable amounts of CGUs containing goodwill for (i) food delivery, (ii) in-store, hotel & travel, (iii) Mobike, (iv) micro loan business and (v) cloud-based ERP systems and supply chain solutions to merchants for the periods presented are as follows:

	Year Ended December 31,			Four Months Ended April 30,
	2015	2016	2017	2018
	(in billions of RMB)			
Food delivery	8.2	21.1	39.6	54.9
In-store, hotel & travel	26.1	34.0	36.2	50.1
Mobike	N/A	N/A	N/A	13.5
Micro loan business	N/A	0.14	0.9	N/A*
Cloud-based ERP systems and supply chain solutions to merchants	N/A	1.3	2.5	N/A*

The headroom of CGUs containing goodwill for (i) food delivery, (ii) in-store, hotel & travel, (iii) Mobike, (iv) micro loan business and (v) cloud-based ERP systems and supply chain solutions to merchants for the periods presented is as follows:

	Year Ended December 31,			Four Months Ended April 30,
	2015	2016	2017	2018
	(in billions of RMB)			
Food delivery	5.3	17.8	34.8	48.5
In-store, hotel & travel	10.9	18.6	21.0	27.6
Mobike	N/A	N/A	N/A	1.26
Micro loan business	N/A	0.06	0.8	N/A*
Cloud-based ERP systems and supply chain solutions to merchants	N/A	0.7	2.1	N/A*

Sensitivity analysis

We perform the sensitivity analysis based on the assumption that (i) revenue amount, (ii) terminal value or (iii) the discount rate has changed. Had the estimated key assumption during the forecast period been changed as shown below, the headroom would have been decreased to the following amounts:

	Year Ended December 31,			Four Months Ended April 30,
	2015	2016	2017	2018
	(in billions of RMB)			
Food delivery				
Revenue amount decrease by 10%	3.50	15.0	30.7	39.8
Terminal value decrease by 10%	4.30	16.3	32.8	45.4
Discount rate increases by 5%	4.20	16.0	32.1	44.9
In-store, hotel & travel				
Revenue amount decrease by 10%	8.00	14.3	16.4	22.9
Terminal value decrease by 10%	10.0	17.6	20.0	26.0
Discount rate increases by 5%	9.50	17.0	19.3	25.2
Mobike				
Internal Revenue amount decrease by 10%	N/A	N/A	N/A	0.46
Terminal value decrease by 10%	N/A	N/A	N/A	0.46
Discount rate increases by 5%	N/A	N/A	N/A	0.16
Micro loan business				
Revenue amount decrease by 10%	N/A	0.05	0.73	N/A*
Terminal value decrease by 10%	N/A	0.03	0.83	N/A*
Discount rate increases by 5%	N/A	0.03	0.73	N/A*
Cloud-based ERP systems and supply chain solutions to merchants				
Revenue amount decrease by 10%	N/A	0.42	1.63	N/A*
Terminal value decrease by 10%	N/A	0.52	1.93	N/A*
Discount rate increases by 5%	N/A	0.52	1.83	N/A*

As at April 30, 2018, a 14.8% decrease in estimated revenue, a 13.2% decrease in estimated terminal value, or a 6.1% increase in estimated discount rate (all changes taken in isolation in the value-in-use calculations), would remove the remaining headroom for Mobike.

As at December 31, 2016, a 37.2% decrease in estimated revenue, a 17.5% decrease in estimated terminal value, or a 10.0% increase in estimated discount rate (all changes taken in isolation in the value-in-use calculations), would remove the remaining headroom for the micro loan business.

As at December 31, 2016, a 31.9% decrease in estimated revenue, a 33.0% decrease in estimated terminal value, or a 21.5% increase in estimated discount rate (all changes taken in isolation in the value-in-use calculations), would remove the remaining headroom for businesses related to cloud-based ERP systems and supply chain solutions to merchants.

Reasonable possible changes in key assumptions would not lead to impairment as of December 31, 2015, 2016 and 2017 and as of April 30, 2018, respectively.

Note:

* We normally perform goodwill impairment test in the fourth quarter of each year, and there is no indicator for impairment for micro loan business, and cloud-based ERP systems and supply chain solutions to merchants as of April 30, 2018.

The details are disclosed in Note 16 to the Accountant's Report in Appendix I to this document.

Business Combinations

Business combinations are accounted for under acquisition method. The determination and allocation of fair values to the identifiable assets acquired and liabilities assumed is based on various assumptions and valuation methodologies requiring considerable management judgment. The most significant variables in these valuations are discount rates, terminal values, the number of years on which to base the cash flow projections, as well as the assumptions and estimates used to determine the cash inflows and outflows. We determine discount rates to be used based on the risk inherent in the related activity's current business model and industry comparisons. Terminal values are based on the expected life of assets and forecasted life cycle and forecasted cash flows over that period. Although we believe that the assumptions applied in the determination are reasonable based on information available at the date of acquisition, actual results may differ from the forecasted amounts and the difference could be material.

Useful Lives and Amortization of Intangible Assets

Our management determines the estimated useful lives and related amortization for our intangible assets with reference to the estimated periods that we intend to derive future economic benefits from the use of these assets. Management will revise the amortization charges where useful lives are different from that of previously estimated, or it will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives. Periodic review could result in a change in useful lives and therefore amortization expense in future periods.

Current and Deferred Income Tax

We are subject to income taxes in several jurisdictions. Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in such period in which such determination is made.

Deferred tax assets relating to certain temporary differences in tax losses are recognized when management considers that it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilized.

New and Amended Standards Adopted by the Group

IFRS 15

IFRS 15 "Revenue from Contracts with Customers" replaces the prior revenue standards IAS 18 "Revenue" and IAS 11 "Construction Contracts" and related interpretations. The standard is effective for annual periods beginning on or after January 1, 2018 and has been adopted throughout the Track Record Period.

IFRS 15 establishes a comprehensive framework for determining when to recognize revenue and how much revenue to recognize through a five-step approach. The core principle is that a company should recognize revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. We have assessed the effects of adopting IFRS 15 on our financial statements and we considered that the adoption did not have a significant impact on our financial position and results of operations.

More specifically, we have considered the following:

- A contract asset is the Group's right to consideration in exchange for the goods and services that the Group has transferred to a customer. A receivable is recorded when the Group has an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due. Based on almost all of the contract arrangements between the Group and its customers, the Group has unconditional right to consideration upon the transfer of control of goods and service to customers, and therefore the contract assets of the Group are immaterial;

- The Group generally expenses contract acquisition costs when incurred because the amortization period of such costs would have been one year or less. The only contract terms that are greater than one year relate to the Group's micro loan business, which do not have any significant customer acquisition costs. Accordingly, the Group does not capitalize any incremental costs to obtain a contract; and

- The Group included additional disclosures including disaggregation of revenue as required by IFRS 15.

IFRS 9

We applied IFRS 9 "Financial Instruments" for the first time commencing January 1, 2018.

IFRS 9 replaces the provisions of IAS 39 "Financial Instruments," or IAS39, that relate to the recognition, classification and measurement of financial assets and financial liabilities; derecognition of financial instruments; impairment of financial assets and hedge accounting. IFRS 9 also significantly amends other standards dealing with financial instruments, such as IFRS 7 "Financial Instruments — Disclosures." Our accounting policies were amended to comply with IFRS 9.

We have assessed the effects of adopting IFRS 9 on our financial statements and identified the following areas that have been affected:

(i) Classification and measurement of financial instruments

Management has assessed the business models and contractual terms of cash flows applying to the financial assets held by us at the date of initial application of IFRS 9 (January 1, 2018) and has classified our financial instruments into the appropriate IFRS 9 categories. According to the classification, our financial assets measured at fair value through profit or loss or amortized cost under IAS 39 continue to be measured on the same basis under IFRS 9.

We designated the Preferred Shares as financial liabilities at fair value through profit or loss. They are initially recognized at fair value. Any directly attributable transaction costs are recognized as finance costs in profit or loss. Before January 1, 2018, all fair value changes are recognized in profit or loss under IAS 39. From January 1, 2018, the component of fair value changes relating to our own credit risk is recognized in other comprehensive income. Reclassification of RMB424 million of fair value change relating to our own credit risk from accumulated losses to other comprehensive income were adjusted in the opening accumulated losses.

(ii) Impairment of financial assets

For loan receivables outstanding at January 1, 2018, adjustments of RMB12 million of provisions for loan receivables were recognized in the opening accumulated losses.

For trade receivables and other receivables excluding tax prepayments and loan receivables, the impact is not material applying the expected credit loss model.

Based on the above assessment, the adoption of IFRS 9 did not have a significant impact on our financial position and results of operations.

CONSOLIDATED INCOME STATEMENTS

The following table sets forth our consolidated income statements with line items in absolute amounts and as percentages of our revenues for the periods indicated:

	Year Ended December 31,						Four Months Ended April 30,			
	2015		2016		2017		2017		2018	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(in thousands, except percentages)									
Revenues	4,018,959	100.0	12,988,077	100.0	33,927,987	100.0	8,119,582	100.0	15,824,284	100.0
Cost of revenues	(1,239,504)	(30.8)	(7,046,841)	(54.3)	(21,708,483)	(64.0)	(4,742,856)	(58.4)	(11,786,849)	(74.5)
Gross profit	2,779,455	69.2	5,941,236	45.7	12,219,504	36.0	3,376,726	41.6	4,037,435	25.5
Selling and marketing expenses	(7,140,962)	(177.7)	(8,337,132)	(64.2)	(10,908,688)	(32.2)	(2,626,651)	(32.3)	(4,098,373)	(25.9)
Research and development expenses	(1,204,033)	(30.0)	(2,366,674)	(18.2)	(3,646,634)	(10.7)	(949,458)	(11.7)	(1,933,480)	(12.2)

	Year Ended December 31,						Four Months Ended April 30,			
	2015		2016		2017		2017		2018	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(in thousands, except percentages)									
General and administrative expenses	(2,905,420)	(72.3)	(1,722,605)	(13.3)	(2,171,408)	(6.4)	(475,194)	(5.9)	(966,108)	(6.1)
Fair value changes on investments measured at fair value through profit or loss	46,953	1.2	23,550	0.2	472,874	1.4	(176,490)	(2.2)	245,764	1.6
Other (losses)/gains, net	(49,928)	(1.2)	206,212	1.6	208,260	0.6	82,046	1.0	189,042	1.2
Operating loss	(8,473,935)	(210.8)	(6,255,413)	(48.2)	(3,826,092)	(11.3)	(769,021)	(9.5)	(2,525,720)	(16.0)
Finance income	13,541	0.3	21,681	0.2	60,885	0.2	9,437	0.1	72,534	0.5
Finance costs	(56,561)	(1.4)	(55,981)	(0.4)	(19,214)	(0.1)	(1,129)	(0.0)	(11,163)	(0.1)
Fair value changes of convertible redeemable preferred shares	(725,113)	(18.0)	(4,313,365)	(33.2)	(15,138,824)	(44.6)	(7,435,977)	(91.6)	(20,499,801)	(129.5)
Share of (losses)/gains of investments accounted for using the equity method	(661)	(0.0)	(28,018)	(0.2)	(10,418)	(0.0)	43,625	0.5	26,425	0.2
Loss before income tax	(9,242,729)	(230.0)	(10,631,096)	(81.9)	(18,933,663)	(55.8)	(8,153,065)	(100.4)	(22,937,725)	(145.0)
Income tax credits/(expenses)	11,648	0.3	(267,903)	(2.1)	(54,218)	(0.2)	(50,991)	(0.6)	143,070	0.9
Loss for the year/period from continuing operations	(9,231,081)	(229.7)	(10,898,999)	(83.9)	(18,987,881)	(56.0)	(8,204,056)	(101.0)	(22,794,655)	(144.0)
(Loss)/profit from discontinued operation	(1,288,257)	(32.1)	5,104,001	39.3	—	—	—	—	—	—
Loss for the year/period	(10,519,338)	(261.7)	(5,794,998)	(44.6)	(18,987,881)	(56.0)	(8,204,056)	(101.0)	(22,794,655)	(144.0)
Non-IFRS Measures:										
Adjusted EBITDA (unaudited)(1)	(5,693,387)	(141.7)	(4,998,311)	(38.5)	(2,691,811)	(7.9)	(262,613)	(3.2)	(1,726,596)	(10.9)
Adjusted net loss (unaudited)(2)	(5,914,106)	(147.2)	(5,353,117)	(41.2)	(2,852,716)	(8.4)	(255,094)	(3.1)	(2,019,694)	(12.8)

Notes:

(1) We define "adjusted EBITDA" as operating loss for the year or period by adding back (i) fair value changes on investments measured at fair value through profit or loss, (ii) other (losses)/gains, net, (iii) depreciation on property, plant and equipment, (iv) amortization of intangible assets, and (v) share-based compensation expenses. Adjusted EBITDA is not a measure required by, or presented in accordance with IFRS. The use of adjusted EBITDA has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for analysis of, our results of operations or financial condition as reported under IFRS. See "—Non-IFRS Measures: Adjusted EBITDA and Adjusted Net Loss" for details.

(2) We define "adjusted net loss" as loss for the year or period by adding back (i) fair value changes of convertible redeemable preferred shares, (ii) share-based compensation expenses, (iii) fair value (gains)/losses on investments, (iv) (gains)/losses on disposal of investments and subsidiaries, (v) loss/(profit) from discontinued operation, and (vi) amortization of intangible assets resulting from acquisitions. Adjusted net loss is not a measure required by, or presented in accordance with IFRS. The use of adjusted net loss has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for analysis of, our results of operations or financial condition as reported under IFRS. See "—Non-IFRS Measures: Adjusted EBITDA and Adjusted Net Loss" for details.

DESCRIPTION OF MAJOR COMPONENTS OF OUR RESULTS OF OPERATIONS

Our business activities, for which discrete financial information is available, are regularly reviewed and evaluated by the chief operating decision-maker, who is responsible for allocating resources and assessing performance of our operating segment. Our chief operating decision-maker has been identified as our executive directors who make strategic decisions. As a result of this evaluation, we determined that we have three operating segments.

Revenues

Revenues by Segment

During the Track Record Period, we generated revenues from three operating segments: food delivery, in-store, hotel & travel, and new initiatives and others. Food delivery and in-store, hotel & travel are the two largest segments, generating 61.2% and 27.5%, respectively, of our total revenues in the four months ended April 30, 2018.

The following table sets forth segment revenues both in absolute amount and as a percentage of our revenues for the periods presented.

	Year Ended December 31,						Four Months Ended April 30,			
	2015		2016		2017		2017		2018	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(in thousands, except percentages)									
Revenues:										
Food delivery	174,754	4.3	5,300,993	40.8	21,031,933	62.0	4,659,681	57.4	9,685,827	61.2
In-store, hotel & travel	3,773,721	93.9	7,019,642	54.0	10,852,810	32.0	3,040,702	37.4	4,351,167	27.5
New initiatives and others	70,484	1.8	667,442	5.2	2,043,244	6.0	419,199	5.2	1,787,290	11.3
Total	**4,018,959**	**100.0**	**12,988,077**	**100.0**	**33,927,987**	**100.0**	**8,119,582**	**100.0**	**15,824,284**	**100.0**

Food delivery

The food delivery segment was the major contributor to our revenue increases in 2016, 2017 and the four months ended April 30, 2018. Revenues from the food delivery segment are primarily derived from (i) commission from merchants for orders placed on our platform, which are generally determined as a percentage of the value of the transaction completed, (ii) online marketing services in various advertising formats provided to merchants, and (iii) delivery fees from Transacting Users and merchants for delivery services provided by us.

Our revenues from the food delivery segment are primarily driven by the segment's Gross Transaction Volume, which is in turn determined by the number of Transacting Users and the average number of transactions per Transacting User in this segment, as well as the number of Active Merchants and our ability to increase monetization from them.

In-store, hotel & travel

Revenues from the in-store, hotel & travel segment are primarily derived from (i) commission from merchants for vouchers, coupons, tickets and reservations sold on our platform, which are generally determined as a percentage of the value of the transaction completed, and (ii) online marketing services to merchants, including performance-based and display-based marketing services, as well as marketing services provided under annual plans.

Revenues from the in-store, hotel & travel segment are driven by increases in the number of Active Merchants as well as monetization rate.

New initiatives and others

Revenues from the new initiatives and others segment are primarily derived from (i) cloud-based ERP systems, (ii) integrated payment systems, (iii) supply chain solutions to merchants, (iv) grocery store and non-food delivery services, (v) local transportation services, and (vi) other products and services.

We derive revenues from these new initiatives based on a number of revenue models. (i) For cloud-based ERP systems, we earn a subscription fee for the initial installation and an annual fee for the ongoing services provided to the merchants. (ii) For integrated payment systems, we charge merchants a payment processing fee based on a fixed percentage of the payment processed on our systems. (iii) For supply chain solutions, we offer raw materials, food ingredients and disposable restaurant supplies from a large variety of vendors and sell them to restaurants. (iv) For our grocery store business, we derive revenues from selling groceries in our offline retail stores and for our non-food delivery business, which provides delivery services of groceries we sell as well as other non-food merchandise sold by merchants on our platform, we have a revenue model similar to our food delivery business. (v) Our local transportation services primarily include Mobike's bike-sharing service, pilot car-hailing service and transportation ticketing service (such as air and train ticketing). For Mobike's bike-sharing service, we charge users a fee based on duration of the rides, sell a monthly pass to frequent users and also generate revenues from marketing services from online marketing customers. For pilot car-hailing service, we charge users a fare for rides in private cars, but do not charge any fee for taxis. For transportation ticketing service, we earn commission fees from merchants based on a fixed percentage of the value of the tickets sold on our platform. We have included the transportation ticketing service in the new initiatives and others segment as it was launched more recently compared to the services in the in-store, hotel & travel segment and is still in its early stage of development. (vi) Our other products and services primarily include micro loan business, from which we primarily derive revenues from interests earned on the loans we extend to merchants and users.

We plan to continue to expand and promote these products and services through a variety of initiatives. For example, we plan to continue to introduce our ERP systems and supply chain solutions to more merchants by leveraging the long-term relationship that we have cultivated with merchants through our services on the consumer side and the deep insights into merchants gained through years of close cooperation. In addition, we also plan to expand our non-food delivery service and connect with more retail merchants by leveraging our massive user base, extensive on-demand delivery network and strong offline business development and operational capability.

Revenues by Type

The following table sets forth our revenues by type both in absolute amount and as a percentage of our revenues for the periods presented.

	Year Ended December 31,						Four Months Ended April 30,			
	2015		2016		2017		2017		2018	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(in thousands, except percentages)									
Revenues:										
Commission	3,600,810	89.6	10,230,712	78.8	28,009,130	82.6	6,775,817	83.5	12,617,021	79.7
Online Marketing Services	376,998	9.4	2,464,999	19.0	4,701,675	13.9	1,115,688	13.7	2,106,973	13.3
Others Services and Sales	41,151	1.0	292,366	2.2	1,217,182	3.5	228,077	2.8	1,100,290	7.0
Total	**4,018,959**	**100.0**	**12,988,077**	**100.0**	**33,927,987**	**100.0**	**8,119,582**	**100.0**	**15,824,284**	**100.0**

Commission

Commission was the major contributor of our revenues increases in 2016, 2017 and the four months ended April 30, 2018. Commission is generally charged as a percentage of the value of transactions placed by Transacting Users on our platform. Commission increases during the periods presented were primarily due to increases in the Gross Transaction Volume on our platform from RMB161 billion in 2015 to RMB237 billion in 2016 and further to RMB357 billion in 2017 and from RMB94 billion in the four months ended April 30, 2017 to RMB148 billion in the four months ended April 30, 2018, which was in turn driven by increases in (i) the monetization rate from 3.0% in 2015 to 5.5% in 2016 and further to 9.5% in 2017 and from 8.6% in the four months ended April 30, 2017 to 10.7% in the same period of 2018, (ii) the number of Transacting Users from 206 million in 2015 to 259 million in 2016 and further to 310 million in 2017 and from 270 million in the twelve months ended April 30, 2017 to 340 million in the twelve months ended April 30, 2018, (iii) the average number of transactions per annum per Transacting User from 10.4 in 2015 to 12.9 in 2016 and further to 18.8 in 2017 and from 14.4 in the twelve months ended April 30, 2017 to 20.3 in the twelve months ended April 30, 2018, and (iv) the number of Active Merchants from 2.0 million in 2015 to 3.0 million in 2016 and further to 4.4 million in 2017 and from 3.1 million in the twelve months ended April 30, 2017 to 4.7 million in the twelve months ended April 30, 2018.

Online Marketing Services

We generate online marketing revenues by delivering marketing services to merchants on our platform. Increases in our revenues for online marketing services during the periods presented were primarily attributable to increase in the number of online marketing customers.

Other Services and Sales

Our revenues for other services and sales comprise primarily of revenue generated from cloud-based ERP systems, supply chain solutions to merchants, micro loan business, local transportation services, and other products and services. Increases in revenues from other services and sales during the periods presented were primarily attributable to the expansion of our services offerings during such periods.

Cost of Revenues

Our cost of revenues for the food delivery segment primarily consists of (i) food delivery rider costs, (ii) payment processing costs, (iii) employee benefits expenses of customer services and other personnel, (iv) depreciation of property, plant and equipment, and (v) bandwidth and server custody fees.

Our cost of revenues for the in-store, hotel & travel segment primarily consists of (i) payment processing costs, (ii) online traffic costs, (iii) employee benefits expenses of customer services and other personnel, (iv) depreciation of property, plant and equipment, and (v) bandwidth and server custody fees.

Our cost of revenues for the new initiatives and others segment primarily consists of (i) car-hailing driver costs, (ii) depreciation of property, plant and equipment, (iii) other outsourcing labor costs, (iv) costs of goods sold, and (v) payment processing costs.

The significant increase in cost of revenues during the Track Record Period reflected the growth of our business. The following table sets forth our cost of revenues by segment both in absolute amount and as a percentage of our total cost of revenues for the periods indicated:

	Year Ended December 31,						Four Months Ended April 30,			
	2015		2016		2017		2017		2018	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(in thousands, except percentages)									
Food delivery	391,010	31.5	5,706,544	81.0	19,332,514	89.1	4,234,325	89.3	8,783,182	74.5
In-store, hotel & travel	740,686	59.8	1,080,917	15.3	1,273,331	5.9	371,081	7.8	522,330	4.4
New initiatives and others	107,808	8.7	259,380	3.7	1,102,638	5.0	137,450	2.9	2,481,337	21.1
Total	**1,239,504**	**100.0**	**7,046,841**	**100.0**	**21,708,483**	**100.0**	**4,742,856**	**100.0**	**11,786,849**	**100.0**

The following table sets forth a breakdown of our cost of revenues for the periods indicated:

	Year Ended December 31,						Four Months Ended April 30,			
	2015		2016		2017		2017		2018	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(in thousands, except percentages)									
Food delivery rider costs	276,779	22.3	5,134,840	72.9	18,324,065	84.4	4,014,696	84.6	8,176,784	69.4
Depreciation of property plant and equipment	55,058	4.4	208,645	3.0	267,807	1.2	74,530	1.6	544,015	4.6
Payment processing costs	406,501	32.8	671,560	9.5	1,023,889	4.7	255,599	5.4	475,988	4.0
Car-hailing driver costs	—	0.0	—	0.0	293,306	1.4	5,409	0.1	975,946	8.3
Others	501,166	40.5	1,031,796	14.6	1,799,416	8.3	392,622	8.3	1,614,116	13.7
Total	**1,239,504**	**100.0**	**7,046,841**	**100.0**	**21,708,483**	**100.0**	**4,742,856**	**100.0**	**11,786,849**	**100.0**

Gross (Loss)/Profit and Gross Margin

The following table sets forth our gross (loss)/profit both in absolute amount and as a percentage of revenues, or gross margin, by segment for the periods indicated:

	Year Ended December 31,						Four Months Ended April 30,			
	2015		2016		2017		2017		2018	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(in thousands, except percentages)									
Gross (loss)/profit:										
Food delivery	(216,256)	(123.7)	(405,551)	(7.7)	1,699,419	8.1	425,356	9.1	902,645	9.3
In-store, hotel & travel	3,033,035	80.4	5,938,725	84.6	9,579,479	88.3	2,669,621	87.8	3,828,837	88.0
New initiatives and others	(37,324)	(53.0)	408,062	61.1	940,606	46.0	281,749	67.2	(694,047)	(38.8)
Total	**2,779,455**	**69.2**	**5,941,236**	**45.7**	**12,219,504**	**36.0**	**3,376,726**	**41.6**	**4,037,435**	**25.5**

With respect to the food delivery segment, the improvement of gross margin during the periods indicated reflect the different development stages of our food delivery business during the Track Record Period. In 2015, our food delivery business was still in its early stage. In 2016, our food delivery business experienced significant growth, but still operated in a very competitive environment. Since 2017, we have established a leading position in terms of market share and therefore were able to improve operating efficiency and profitability. The slight decrease in gross margin from 9.1% in the four months ended April 30, 2017 to 8.1% in 2017 was primarily attributable to the increase in the use of delivery arrangements with higher costs as part of our efforts to enhance user experience for our on-demand delivery service. The gross margin increased to 9.3% in the four months ended April 30, 2018 primarily attributable to the increased operational efficiencies under the new mix of delivery arrangements as well as our improved bargaining power due to enhanced user experience.

With respect to the in-store, hotel & travel segment, the gross margin remained relatively stable during the periods presented due to the mature business model, and we were able to improve the gross margin steadily during the Track Record Period.

With respect to the businesses within the new initiatives and others segment, some of them are still in the early stage of development. As a result, the gross margin experienced fluctuations during the Track Record Period, depending on the different stages of businesses in this segment. The improvement of gross margin in 2016 was driven by the growth of our integrated payment systems and micro loan business. The decrease in gross margin in 2017 and four months ended April 30, 2018 was primarily attributable to the launch of new product and service categories within the new initiatives and others segment. For the four months ended April 30, 2018, we had gross loss margin of 38.8%, which was primarily attributable to Mobike's bike-sharing service and our pilot car-hailing service. The gross loss for bike-sharing service was primarily due to the increase in the depreciation of the acquired bike fleet and the gross loss for pilot car-hailing service was primarily due to the increase in car-hailing driver costs.

Selling and Marketing Expenses

The following table sets forth a breakdown of our selling and marketing expenses for the periods indicated:

	Year Ended December 31,						Four Months Ended April 30,			
	2015		2016		2017		2017		2018	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(in thousands, except percentages)									
Employee benefits expenses	1,817,406	25.5	3,385,942	40.6	3,467,174	31.8	1,006,787	38.3	1,386,209	33.8
Transacting user incentives	3,931,258	55.1	2,622,400	31.5	4,208,921	38.6	941,698	35.9	1,488,337	36.3
Promotion and advertising	1,041,657	14.6	1,738,713	20.9	2,277,969	20.9	467,642	17.8	756,310	18.5
Others	350,641	4.8	590,077	7.0	954,624	8.7	210,524	8.0	467,517	11.4
Total	**7,140,962**	**100.0**	**8,337,132**	**100.0**	**10,908,688**	**100.0**	**2,626,651**	**100.0**	**4,098,373**	**100.0**

Our selling and marketing expenses primarily consist of employee benefits expenses for our sales, marketing and business development personnel, Transacting User incentives including discounts and coupons, and promotion and advertising fees related to online app store listings and smartphone app pre-installations and branding campaigns. We provide discounts and coupons from time to time to attract new users, facilitate traffic flow of our platform and promote our new service offerings. We select the merchants or deals to which the promotion is applied and generally do not need approval from merchants for conducting such promotions. The decrease of Transacting User incentives from 2015 to 2016 was primarily attributable to the significant amount of incentives incurred in 2015 as a result of the competition between *Meituan* and *Dianping* prior to the strategic transaction. The increase of Transacting User incentives from 2016 to 2017 and from the four months ended April 30, 2017 to the four months ended April 30, 2018 was primarily attributable to our business expansion and the launch of new service categories. In the periods following the completion of the strategic transaction, our marketing efficiency improved significantly, and Transacting User incentives (recorded as selling and marketing expenses) as a percentage of revenues decreased from 98% in 2015 to 20% in 2016, and further to 12% in 2017, and from 12% in the four months ended April 30, 2017 to 9% in the same period of 2018.

Our selling and marketing expenses increased over the Track Record Period primarily due to (i) the increase in discounts and coupons we provided to Transacting Users as incentives, (ii) an expanded selling and marketing team dedicated to promoting our brands, products and services along with the rapid expansion of our service categories, and (iii) increased online and offline branding campaigns as we continued to enhance our brand recognition. During the Track Record Period, due to the significant increase of our revenues, our selling and marketing expenses to revenues ratio decreased. See the section headed "—Key Financial Ratios" for more details.

Research and Development Expenses

The following table sets forth a breakdown of our research and development expenses for the periods indicated:

	Year Ended December 31,						Four Months Ended April 30,			
	2015		2016		2017		2017		2018	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(in thousands, except percentages)									
Employee benefits expenses	1,070,779	88.9	2,160,476	91.3	3,407,416	93.4	877,524	92.4	1,838,574	95.1
Rental, facility and utilities	55,547	4.6	82,330	3.5	104,008	2.9	33,589	3.5	46,136	2.4
Depreciation of property, plant and equipment	26,673	2.2	29,397	1.2	29,555	0.8	8,042	0.8	12,648	0.7
Others	51,034	4.3	94,471	4.0	105,655	2.9	30,303	3.3	36,122	1.8
Total	**1,204,033**	**100.0**	**2,366,674**	**100.0**	**3,646,634**	**100.0**	**949,458**	**100.0**	**1,933,480**	**100.0**

Research and development expenses consist primarily of employee benefits expenses for our research and development personnel, rental expenses and other expenses incurred by us to develop, improve, maintain and manage our platform and technology infrastructure. During the Track Record Period, we expensed all costs incurred during the planning and implementation phases of product development, and development of software for internal use.

Our research and development expenses increased over the Track Record Period primarily due to the increase in the number of research and development personnel.

General and Administrative Expenses

The following table sets forth a breakdown of our general and administrative expenses for the periods indicated:

	Year Ended December 31,						Four Months Ended April 30,			
	2015		2016		2017		2017		2018	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(in thousands, except percentages)									
Employee benefits expenses	2,467,509	84.9	722,251	41.9	1,303,174	60.0	282,567	59.5	563,997	58.4
Tax surcharge expenses	20,335	0.7	98,727	5.7	216,208	10.0	52,963	11.1	70,599	7.3
Amortization of intangible assets	39,288	1.4	153,381	8.9	157,544	7.3	52,908	11.1	66,325	6.9
Rental, facility and utilities	117,095	4.0	150,184	8.7	101,027	4.7	24,076	5.1	57,265	5.9
Provision for doubtful accounts	58,222	2.0	280,696	16.3	64,371	3.0	(10,022)	(2.1)	79,314	8.2
Professional fees	131,829	4.5	39,789	2.3	58,826	2.7	11,853	2.5	24,659	2.6
Others	71,142	2.5	277,577	16.2	270,258	12.3	60,849	12.8	103,949	10.7
Total	**2,905,420**	**100.0**	**1,722,605**	**100.0**	**2,171,408**	**100.0**	**475,194**	**100.0**	**966,108**	**100.0**

General and administrative expenses primarily consist of employee benefits expenses for employees engaged in management and administration positions, tax surcharge expenses, amortization of intangible assets, rental, facility and utilities, provision for doubtful accounts, professional service fees, and other general corporate expenses. The significant amount of employee benefits expenses in 2015 was attributable to the compensation in the amount of RMB1.54 billion paid to shareholders of Dianping Holdings, which was a one-time charge recorded as a result of the strategic transaction between Meituan Corporation and Dianping Holdings. The compensation of RMB1.54 billion paid to shareholders of Dianping Holdings in 2015 was recorded as employee benefits expenses due to the fact that as part of the strategic transaction between Meituan Corporation and Dianping Holdings, certain employee shareholders of Dianping Holdings received a favourable conversion rate of the Company's ordinary shares for their ordinary shares of Dianping Holdings, as compared to other non-employee ordinary shareholders of Dianping Holdings. The favourable conversion rate to the employee shareholders resulted in an excess in fair value of RMB1.54 billion. Accordingly, the incremental payment was treated as a share-based compensation paid to these employee shareholders.

Fair Value Changes on Investments Measured at Fair Value Through Profit or Loss

Fair value changes on investments measured at fair value through profit or loss represent the gains or losses arising from changes in the fair value of financial assets measured at fair value through profit or loss. The following table sets forth a breakdown of our fair value changes on investments measured at fair value through profit or loss for the periods indicated:

	Year ended December 31,			Four months ended April 30,	
	2015	2016	2017	2017	2018
	(in thousands of RMB)				
Fair value changes on investments in associates at fair value through profit or loss	5,000	(163,019)	22,455	—	(248)
Fair value changes on other investments measured at fair value through profit or loss	41,953	186,569	450,419	(176,490)	246,012
Total	**46,953**	**23,550**	**472,874**	**(176,490)**	**245,764**

Other (Losses)/Gains, Net

Other (losses)/gains consist of the following:

	Year ended December 31,			Four months ended April 30,	
	2015	2016	2017	2017	2018
	(in thousands of RMB)				
Fair value changes of short-term investments measured at fair value through profit or loss	3,613	181,956	329,348	102,313	69,847

	Year ended December 31,			Four months ended April 30,	
	2015	2016	2017	2017	2018
	(in thousands of RMB)				
Interest income from short-term investments measured at amortized cost	—	—	17,027	—	46,236
Gains/(losses) from the disposal of investments	—	9,714	(144,482)	—	29,968
Gains from the disposal of subsidiaries	32,964	—	125,649	—	—
Dilution gain	—	—	104,758	—	—
Change in fair value from contingent consideration	—	(42,339)	25,099	—	4,208
Foreign exchange (losses)/gains, net	(94,971)	(15,263)	(7,819)	(4,093)	978
Government subsidies	5,470	74,695	45,585	3,739	19,407
Losses from the cancellation of put and call option for Maoyan	—	—	(222,264)	—	—
Change in fair value from put and call option for Maoyan	—	(7,000)	(61,000)	(22,000)	—
Others	2,996	4,449	(3,641)	2,087	18,398
Total	**(49,928)**	**206,212**	**208,260**	**82,046**	**189,042**

Finance (Costs)/Income, Net

Finance (costs)/income, net, primarily consists of interest income from bank deposits, including bank balance and term deposits, offset by bank charges and issuance cost of Preferred Shares.

Fair Value Changes of Convertible Redeemable Preferred Shares

Fair value changes of convertible redeemable preferred shares represents changes in fair value of the Preferred Shares issued by us. We designated the Preferred Shares as financial liabilities at fair value through profit or loss. They are initially recognized at fair value. Any directly attributable transaction costs are recognized as finance costs in the consolidated income statements. Subsequent to initial recognition, the Preferred Shares are carried at fair value with changes in fair value recognized in the consolidated income statements.

For 2015, 2016, 2017 and the four months ended April 30, 2017 and 2018, our fair value changes of convertible redeemable preferred shares was RMB725.1 million, RMB4.3 billion, RMB15.1 billion, RMB7.4 billion and RMB20.5 billion, respectively. Prior to the [REDACTED], the Preferred Shares are not traded in an active market and the fair value at respective reporting dates is determined using valuation techniques. We applied the discounted cash flow method to determine the underlying equity

value of the Company and adopted option-pricing method and equity allocation model to determine the fair value of the Preferred Shares. Please refer to Note 3.3 to the Accountant's Report in Appendix I to this document for details of the key assumptions of the valuations. Upon the completion of the [REDACTED], all of the Preferred Shares will be automatically converted to our ordinary shares.

Taxation

We had income tax credit of RMB11.6 million in 2015, income tax expenses of RMB267.9 million in 2016 and income tax expenses of RMB54.2 million in 2017. We had income tax expenses of RMB51.0 million in the four months ended April 30, 2017 and income tax credit of RMB143.1 million in the same period of 2018. As of the Latest Practicable Date, we did not have any disputes with any tax authority.

We are subject to various rates of income tax under different jurisdictions. The following summarizes major factors affecting our applicable tax rates in the Cayman Islands, the British Virgin Islands, Hong Kong and China.

Cayman Islands

We are incorporated under the laws of the Cayman Islands as an exempted company with limited liability under the Companies Law and are not subject to tax on income or capital gain. Additionally, the Cayman Islands does not impose a withholding tax on payments of dividends to shareholders.

British Virgin Islands

Under the current laws of the British Virgin Islands, entities incorporated in British Virgin Islands are not subject to tax on their income or capital gains.

Hong Kong

Hong Kong profits tax rate was 16.5% in 2015, 2016, 2017 and the four months ended April 30, 2018. No provision for Hong Kong profits tax was made as we had no estimated assessable profit that was subject to Hong Kong profits tax during the Track Record Period.

China

Under the EIT Law effective from January 1, 2008, our PRC subsidiaries, and controlled affiliated entities and their subsidiaries are subject to the statutory rate of 25%, subject to preferential tax treatments available to qualified enterprises in certain encouraged sectors of the economy.

Enterprises that qualify as "high and new technology enterprises" under the EIT Law are entitled to a preferential enterprise income tax rate of 15% for three years. Shanghai Hanhai, Shanghai Hantao, Beijing Sankuai Online, Beijing Sankuai Technology, Shanghai Bie Yang Hong Information Technology Co. Ltd., Beijing Guotongbao Inc., Beijing Pingxin Technology Co., Ltd. and Beijing Qiandaibao Payment Technology Co., Ltd. were certified as "high and new technology enterprises" successively from September 2015 to December 2017, and each of their certificates has a term of three

years. As a result, such PRC companies were eligible for a preferential enterprise income tax rate of 15% for their respective tax holiday. Beijing Sankuai Cloud Computing has registered as a software enterprise and is entitled to a two-year enterprise income tax exemption and a three-year preferential enterprise income tax rate of 12.5% from 2019 to 2021.

Our remaining PRC entities were subject to enterprise income tax at a rate of 25% in 2015, 2016, 2017 and the four months ended April 30, 2018. Pursuant to the EIT Law, a 10% withholding tax is levied on dividends declared to foreign investors from China effective from January 1, 2008. The withholding tax rate may be lowered to a minimum of 5% if there is a tax arrangement between China and the jurisdiction of the foreign investors. However, the 5% withholding tax rate does not automatically apply and certain requirements must be satisfied. During the Track Record Period, we incurred net accumulated operating losses and did not have any profit distribution plan.

Discontinued Operation

In July 2016, we completed the sale of 67.4% equity interest we held in Maoyan to Shanghai Enlight Investment Holdings Co., Ltd. ("**Shanghai Enlight Media**"), and Beijing Enlight Media Co., Ltd. ("**Beijing Enlight Media**"), for a total consideration of RMB4.3 billion. As a result of the transaction, we disposed of our movie ticketing business.

Concurrent with the disposal transaction in July 2016, we entered into a five-year business cooperation agreement with Maoyan, which allows Maoyan to continue to use the portal access through our platform with no charge. We determined that part of the disposal consideration received was for this cooperation arrangement, and therefore has deferred a portion of the consideration equal to the fair value of this cooperation arrangement as deferred revenue. The fair value was determined to be RMB1.2 billion and will be recognized as revenue over the cooperation period. In addition, we obtained a put option to sell, and Shanghai Enlight Media obtained a call option to purchase, our retained interest in Maoyan at a future date.

Our management concluded that the disposal represented a strategic shift and had a major impact on our operations and financial results, and therefore should be reported as discontinued operation for the period ended July 31, 2016 and the year ended December 31, 2015.

Subsequently, in August 2017, we sold 19.7% of equity interests in Maoyan for a total consideration of approximately RMB1.8 billion in cash. Subsequently, Maoyan received a new financing from other investors which further diluted our retained interest in Maoyan to 8.27%, resulting in a dilution gain. Both parties exercised a portion of this put and call option valued at RMB341 million, and cancelled the remaining portion of the put and call option valued at RMB222 million. As a result of the series of transactions, we recorded a net loss of RMB324 million in "Other gains/(losses), net" in the consolidated statements of comprehensive loss. The transaction also provided for a 14-month extension of the business cooperation agreement, which resulted in an increase of deferred revenues of RMB191 million.

Refer to Note 35 to the Accountant's Report in Appendix I to this document for further details on our discontinued operation.

NON-IFRS MEASURES: ADJUSTED EBITDA AND ADJUSTED NET LOSS

To supplement our consolidated results which are prepared and presented in accordance with IFRS, we also use adjusted EBITDA and adjusted net loss as additional financial measures, which are not required by, or presented in accordance with IFRS. We believe that these non-IFRS measures facilitate comparisons of operating performance from period to period and company to company by eliminating potential impacts of items that our management does not consider to be indicative of our operating performance such as certain non-cash items and certain impact of investment transactions. The use of these non-IFRS measures have limitations as an analytical tool, and you should not consider them in isolation from, or as a substitute for analysis of, our results of operations or financial conditions as reported under IFRS. In addition, these non-IFRS financial measures may be defined differently from similar terms used by other companies.

The following tables set forth the reconciliations of our non-IFRS financial measures for the years ended December 31, 2015, 2016 and 2017 and for the four months ended April 30, 2017 and 2018 to the nearest measures prepared in accordance with IFRS:

	Year ended December 31,			Four Months Ended April 30,	
	2015	2016	2017	2017	2018
	(in thousands of RMB)				
Operating Loss	(8,473,935)	(6,255,413)	(3,826,092)	(769,021)	(2,525,720)
Add:					
Fair value changes on investments measured at fair value through profit or loss	(46,953)	(23,550)	(472,874)	176,490	(245,764)
Other losses/(gains), net	49,928	(206,212)	(208,260)	(82,046)	(189,042)
Depreciation of property, plant and equipment	102,393	266,304	327,696	94,069	566,568
Amortization of intangible assets	75,802	307,485	516,619	111,518	259,275
Share-based compensation expenses	2,599,378	913,075	971,100	206,377	408,087
Adjusted EBITDA	**(5,693,387)**	**(4,998,311)**	**(2,691,811)**	**(262,613)**	**(1,726,596)**

	Year ended December 31,			Four Months Ended April 30,	
	2015	2016	2017	2017	2018
	(in thousands of RMB)				
Loss for the year/period	(10,519,338)	(5,794,998)	(18,987,881)	(8,204,056)	(22,794,655)
Add:					
Fair value changes of convertible redeemable preferred shares	725,113	4,313,365	15,138,824	7,435,977	20,499,801
Share-based compensation expenses	2,599,378	913,075	971,100	206,377	408,087
Fair value (gains)/losses on investments[(1)]	(46,953)	25,789	(541,731)	198,490	(249,972)
(Gains)/losses on disposal of investments and subsidiaries[(2)]	(32,964)	(9,714)	241,097	—	(29,968)
Loss/(profit) from discontinued operation	1,288,257	(5,104,001)	—	—	—
Amortization of intangible assets resulting from acquisitions	72,401	303,367	325,875	108,118	147,013
Adjusted net loss	**(5,914,106)**	**(5,353,117)**	**(2,852,716)**	**(255,094)**	**(2,019,694)**

Notes:

(1) Represents unrealized gains or losses from fair value change on investments, including (i) fair value changes on investments measured at fair value through profit or loss; (ii) dilution gain; (iii) change in fair value from contingent consideration; and (iv) change in fair value from put and call option for Maoyan. For items (ii), (iii) and (iv), see Note 9 to the Accountant's Report in Appendix I to this document.

(2) Represents realized gains or losses from disposal of investments and subsidiaries, including gains or losses from the disposal of investments, gains from the disposal of subsidiaries, and loss from the cancellation of put and call option for Maoyan. See Note 9 to the Accountant's Report in Appendix I to this document.

PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

Four Months Ended April 30, 2018 Compared to Four Months Ended April 30, 2017

Revenues

Our revenues increased by 94.9% from RMB8.1 billion in the four months ended April 30, 2017 to RMB15.8 billion in the same period of 2018. The increase was primarily driven by (i) the increase in Gross Transaction Volume on our platform from RMB94 billion in the four months ended April 30, 2017 to RMB148 billion in the same period of 2018, (ii) the increase in monetization rate from 8.6% in the four months ended April 30, 2017 to 10.7% in the same period of 2018, and (iii) the increase in the number of Active Merchants during this period. In the four months ended April 30, 2018, our food delivery segment continued to be the major contributor to our revenue increase.

Food delivery. Revenues from the food delivery segment increased by 107.9% from RMB4.7 billion in the four months ended April 30, 2017 to RMB9.7 billion in the same period of 2018, primarily due to significant increase in the number of transactions of the food delivery segment. The increase in the number of transactions resulted from the organic growth of demand from both consumers and merchants as well as our marketing and promotional efforts.

In-store, hotel & travel. Revenues from the in-store, hotel & travel segment increased by 43.1% from RMB3.0 billion in the four months ended April 30, 2017 to RMB4.4 billion in the same period of 2018, which was primarily due to increase in the number of Active Merchants as well as monetization rate of the in-store, hotel & travel segment.

New initiatives and others. Revenues from the new initiatives and others segment increased by 326.4% from RMB419.2 million in the four months ended April 30, 2017 to RMB1.8 billion in the same period of 2018, primarily due to the increases in revenues from non-food delivery services, supply chain solutions, and pilot car-hailing services.

Cost of revenues

Our cost of revenues increased by 148.5% from RMB4.7 billion in the four months ended April 30, 2017 to RMB11.8 billion in the same period of 2018. The increase was caused by our revenue growth in the four months ended April 30, 2018, especially the strong revenue growth of our food delivery segment.

Food delivery. Cost of revenues from the food delivery segment increased by 107.4% from RMB4.2 billion in the four months ended April 30, 2017 to RMB8.8 billion in the same period of 2018, primarily due to the increases in food delivery rider costs from RMB4.0 billion in the four months ended April 30, 2017 to RMB8.2 billion in the same period of 2018 as a result of the increase in the number of food deliveries made by us.

In-store, hotel & travel. Cost of revenues from the in-store, hotel & travel segment increased by 40.8% from RMB371.1 million in the four months ended April 30, 2017 to RMB522.3 million in the same period of 2018. The increase was primarily due to increase in online traffic costs, which was generally in line with the revenue growth from online marketing services, and increases in employee benefits expenses and depreciation of property, plant and equipment.

New initiatives and others. Cost of revenues from the new initiatives and others segment increased from RMB137.5 million in the four months ended April 30, 2017 to RMB2.5 billion in the same period of 2018, primarily due to increases in car-hailing driver costs from RMB5.4 million in the four months ended April 30, 2017 to RMB975.9 million in the same period of 2018, depreciation of property, plant and equipment from RMB17.4 million in the four months ended April 30, 2017 to RMB440.6 million in the same period of 2018 primarily as a result of our acquisition of Mobike, increase in other outsourcing labor costs from RMB0.07 million to RMB396.9 million due to expansion of our non-food delivery services, and payment processing costs from RMB40.1 million in the four months ended April 30, 2017 to RMB150.5 million in the same period of 2018 as a result of the growth of other sales and services.

Gross profit and gross margin

As a result of the foregoing, our gross profits in the four months ended April 30, 2017 and 2018 were RMB3.4 billion and RMB4.0 billion, respectively, and our gross margin was 41.6% and 25.5%, respectively. The decrease of our gross margin was primarily due to the change of mix of our revenues caused by the rapid growth of our food delivery segment as well as the launch of new product and service categories within the new initiatives and others segment.

Selling and marketing expenses

Our selling and marketing expenses increased by 56.0% from RMB2.6 billion in the four months ended April 30, 2017 to RMB4.1 billion in the same period of 2018, primarily due to the increases in Transaction User incentives, promotion and advertising expenses, and employee benefits expenses. Transacting Users incentives increased by 58.0% from RMB0.9 billion in the four months ended April 30, 2017 to RMB1.5 billion in the same period of 2018 as we continued to drive the rapid growth of the food delivery segment in the four months ended April 30, 2018. Promotion and advertising expenses increased by 61.7% from RMB467.6 million in the four months ended April 30, 2017 to RMB756.3 million in the same period of 2018 primarily due to the increase in our marketing and branding campaigns.

Research and development expenses

Our research and development expenses increased by 103.6% from RMB949.5 million in the four months ended April 30, 2017 to RMB1.9 billion in the same period of 2018, primarily due to the increase in employee benefits expenses from RMB877.5 million in the four months ended April 30, 2017 to RMB1,838.6 million in the same period of 2018 as a result of the increases in the headcount of our research and development personnel to support our business growth and the average salaries and benefits of our research and development personnel.

General and administrative expenses

Our general and administrative expenses increased by 103.3% from RMB475.2 million in the four months ended April 30, 2017 to RMB966.1 million in the same period of 2018, primarily due to (i) the increase in employee benefits expenses from RMB282.6 million in the four months ended April 30, 2017 to RMB564.0 million in the same period of 2018 as a result of the increases in headcount and the average salaries and benefits of our administrative personnel, (ii) the increase in provision of doubtful amounts of our micro loan business due to business expansion as well as the adoption of IFRS 9.

Fair value changes on investments measured at fair value through profit or loss

Our fair value changes on investments measured at fair value through profit or loss changed from loss of RMB176.5 million in the four months ended April 30, 2017 to gain of RMB245.8 million in the same period of 2018, primarily due to fair value gains from our investee companies.

Other (losses)/gains, net

Our other (losses)/gains, net, increased by 130.4% from a gain of RMB82.0 million in the four months ended April 30, 2017 to a gain of RMB189.0 million in the same period of 2018. The increase was primarily due to gain from disposal of investee company, and increased income from short-term investments measured at fair value through profit or loss.

Operating loss

As a result of the foregoing, our operating loss in the four months ended April 30, 2018 was RMB2.5 billion, increased by 228.4% from RMB769.0 million in the same period of 2017.

Finance (costs)/income, net

We had net finance income of RMB61.4 million in the four months ended April 30, 2018, compared to net finance income of RMB8.3 million in the same period of 2017, primarily due to increased interest earnings from bank deposits.

Fair value changes of convertible redeemable preferred shares

Our fair value changes of convertible redeemable preferred shares increased by 175.7% from loss of RMB7.4 billion in the four months ended April 30, 2017 to loss of RMB20.5 billion in the same period of 2018, primarily due to changes in the valuation of our Company. See "—Description of Major Components of Our Results of Operations—Fair Value Changes of Convertible Redeemable Preferred Shares" for detailed information on the accounting treatment of the Preferred Shares.

Loss before income tax

Primarily as a result of the foregoing, our loss before income tax in the four months ended April 30, 2018 was RMB22.9 billion, increased by 181.3% from RMB8.2 billion in the same period of 2017.

Income tax credits/(expenses)

We had income tax credits of RMB143.1 million in the four months ended April 30, 2018, compared to income tax expenses of RMB51.0 million in the same period of 2017, primarily due to increase in the recognition of deferred tax assets as we expect certain subsidiaries to make profit and therefore utilize the accumulated losses carried forward.

Loss from continuing operations

As a result of the foregoing, our loss from continuing operations increased by 177.8% from RMB8.2 billion in the four months ended April 30, 2017 to RMB22.8 billion in the same period of 2018.

Loss for the period

As a result of the foregoing, our loss increased by 177.8% from RMB8.2 billion in the four months ended April 30, 2017 to RMB22.8 billion in the same period of 2018.

Year Ended December 31, 2017 Compared to Year Ended December 31, 2016

Revenues

Our revenues increased by 161.2% from RMB13.0 billion in 2016 to RMB33.9 billion in 2017. The increase was primarily driven by (i) the increase in Gross Transaction Volume on our platform from RMB237 billion in 2016 to RMB357 billion in 2017 as a result of the increase in the number of Transacting Users from 259 million in 2016 to 310 million in 2017, (ii) the increase in the number of Active Merchants from 3.0 million in 2016 to 4.4 million in 2017 and (iii) the increase in monetization rate from 5.5% in 2016 to 9.5% in 2017. In 2017, our food delivery segment continued to be the major contributor to our revenues increase.

Food delivery. Revenues from the food delivery segment increased by 296.8% from RMB5.3 billion in 2016 to RMB21.0 billion in 2017, primarily due to significant increase in the number of transactions of the food delivery segment as well as increased monetization rate. The increase in the number of transactions was primarily attributable to the organic growth of demand from both consumers and merchants as well as our marketing and promotional efforts. The increase in the monetization rate was primarily attributable to our enhanced ability to provide more high-quality and value-added services to capture more monetization opportunities.

In-store, hotel & travel. Revenues from the in-store, hotel & travel segment increased by 54.6% from RMB7.0 billion in 2016 to RMB10.9 billion in 2017, which was primarily due to increases in the number of Active Merchants as well as monetization rate of the in-store, hotel & travel segment.

New initiatives and others. Revenues from the new initiatives and others segment increased by 206.1% from RMB667.4 million in 2016 to RMB2.0 billion in 2017, primarily due to the increase in revenues from cloud-based ERP systems and micro loan business.

Cost of revenues

Our cost of revenues increased by 208.1% from RMB7.0 billion in 2016 to RMB21.7 billion in 2017. The increase was caused by our revenue growth in 2017, especially the strong revenue growth from the food delivery segment.

Food delivery. Cost of revenues from the food delivery segment increased by 238.8% from RMB5.7 billion in 2016 to RMB19.3 billion in 2017, primarily due to the increase in food delivery rider costs from RMB5.1 billion in 2016 to RMB18.3 billion in 2017 as a result of the increase in the number of food deliveries made by us from 593 million in 2016 to 2,319 million in 2017.

In-store, hotel & travel. Cost of revenues from the in-store, hotel & travel segment increased by 17.8% from RMB1.1 billion in 2016 to RMB1.3 billion in 2017. The increase was primarily due to increase in online traffic costs, which was generally in line with the revenue growth from online marketing services, and increase in bandwidth and server custody fees, which was attributable to the increase in bandwidth and server capacity to keep pace with the expansion of our user base of the in-store, hotel & travel segment.

New initiatives and others. Cost of revenues from the new initiatives and others segment increased by 325.1% from RMB259.4 million in 2016 to RMB1.1 billion in 2017, primarily due to the increases in car-hailing driver costs from nil in 2016 to RMB293.3 million in 2017 as we launched our pilot car-hailing service in 2017, cost of goods sold from RMB0.4 million in 2016 to RMB273.4 million in 2017 and payment processing costs from RMB103.1 million in 2016 to RMB237.9 million in 2017 as a result of the growth of other sales and services.

Gross profit and gross margin

As a result of the foregoing, our gross profits in 2016 and 2017 were RMB5.9 billion and RMB12.2 billion, respectively, and our gross margin was 45.7% and 36.0%, respectively. The decrease of our gross margin was primarily due to the change of mix of our revenues caused by the rapid growth of our food delivery segment. During this period, the gross margin of each of our two major segments, food delivery and in-store, hotel & travel, improved. The gross margin of the in-store, hotel & travel segment increased from 84.6% in 2016 to 88.3% in 2017 while the gross margin of the food delivery segment increased from (7.7)% in 2016 to 8.1% in 2017.

Selling and marketing expenses

Our selling and marketing expenses increased by 30.8% from RMB8.3 billion in 2016 to RMB10.9 billion in 2017, primarily due to the increases in incentives as well as promotion and advertising expenses. Transacting Users incentives increased by 60.5% from RMB2.6 billion in 2016 to RMB4.2 billion in 2017 as part of our efforts to drive the rapid growth of the food delivery segment in 2017. Promotion and advertising expenses increased by 31.0% from RMB1.7 billion in 2016 to RMB2.3 billion in 2017 primarily due to the increase in our marketing and branding campaigns.

Research and development expenses

Our research and development expenses increased by 54.1% from RMB2.4 billion in 2016 to RMB3.6 billion in 2017, primarily due to the increase in employee benefits expenses from RMB2.2 billion in 2016 to RMB3.4 billion in 2017 as a result of the increases in the headcount of our research and development personnel to support our business growth and the average salaries and benefits of our research and development personnel.

General and administrative expenses

Our general and administrative expenses increased by 26.1% from RMB1.7 billion in 2016 to RMB2.2 billion in 2017, primarily due to the increase in employee benefits expenses from RMB722.3 million in 2016 to RMB1.3 billion in 2017 as a result of the increases in the headcount and the average salaries and benefits of our administrative personnel.

Fair value changes on investments measured at fair value through profit or loss

Our fair value changes on investments measured at fair value through profit or loss increased substantially from RMB23.6 million in 2016 to RMB472.9 million in 2017, primarily due to fair value gains from our investee companies.

Other (losses)/gains, net

Our other (losses)/gains, net, increased by 1.0% from a gain of RMB206.2 million in 2016 to a gain of RMB208.3 million in 2017. The increase was primarily due to increased income from short-term investments measured at fair value through profit or loss and gains from disposal of our subsidiaries, offset by the cancellation of the put and call option in relation to Maoyan as a result of the sale of our 19.7% equity interests in Maoyan in 2017.

Operating loss

As a result of the foregoing, our operating loss in 2017 was RMB3.8 billion, decreased by 38.8% from RMB6.3 billion in 2016.

Finance (costs)/income, net

We had net finance income of RMB41.7 million in 2017, compared to net finance costs of RMB34.3 million in 2016, primarily due to increased interest earnings from bank deposits.

Fair value changes of convertible redeemable preferred shares

Our fair value changes of convertible redeemable preferred shares increased by 251.0% from RMB4.3 billion in 2016 to RMB15.1 billion in 2017, primarily due to changes in the valuation of our Company. See "—Description of Major Components of Our Results of Operations—Fair Value Changes of Convertible Redeemable Preferred Shares" for detailed information on the accounting treatment of the Preferred Shares.

Loss before income tax

Primarily as a result of the foregoing, our loss before income tax in 2017 was RMB18.9 billion, increased by 78.1% from RMB10.6 billion in 2016.

Income tax credits/(expenses)

We had income tax expense of RMB54.2 million in 2017, compared to income tax expenses of RMB267.9 million in 2016, primarily due to recognition of deferred tax assets based on the evaluation of our future taxable income.

Loss from continuing operations

As a result of the foregoing, our loss from continuing operations increased by 74.2% from RMB10.9 billion in 2016 to RMB19.0 billion in 2017.

(Loss)/profit from discontinued operation

(Loss)/profit from discontinued operation changed from a profit of RMB5.1 billion in 2016 to nil in 2017. The profit from discontinued operation in 2016 was due to the sale of our equity interest in Maoyan.

Loss for the year

As a result of the foregoing, our loss increased by 227.7% from RMB5.8 billion in 2016 to RMB19.0 billion in 2017.

Year Ended December 31, 2016 Compared to Year Ended December 31, 2015

On October 6, 2015, Meituan Corporation and Dianping Holdings entered into a strategic transaction. As a result, we have consolidated the financial results of Dianping Holdings since then.

Revenues

Our revenues increased by 223.2% from RMB4.0 billion in 2015 to RMB13.0 billion in 2016. The increase was primarily driven by (i) the increase in Gross Transaction Volume on our platform from RMB161 billion in 2015 to RMB237 billion in 2016 as a result of the increase in the number of Transacting Users from 206 million in 2015 to 259 million in 2016, and (ii) the increase in the number of Active Merchants from 2.0 million in 2015 to 3.0 million in 2016 and the increase in monetization rate from 3.0% in 2015 to 5.5% in 2016. In 2016, our revenues increase was primarily attributable to the strong growth of our food delivery segment.

Food delivery. Revenues from the food delivery segment increased substantially from RMB174.8 million in 2015 to RMB5.3 billion in 2016, primarily due to significant growth in the number of transactions of the food delivery segment. The increase in the number of transactions resulted from the organic growth of demand from both consumers and merchants as well as our marketing and promotional efforts.

In-store, hotel & travel. Revenues from the in-store, hotel & travel segment increased by 86.0% from RMB3.8 billion in 2015 to RMB7.0 billion in 2016, which was primarily due to increase in the number of Active Merchants of the in-store, hotel & travel segment in 2016 and increase in the monetization rate.

New initiatives and others. Revenues from the new initiatives and others segment increased substantially from RMB70.5 million in 2015 to RMB667.4 million in 2016, primarily due to the increases in revenues from micro loan business and other sales of products and services.

Cost of revenues

Our cost of revenues increased by substantially from RMB1.2 billion in 2015 to RMB7.0 billion in 2016. The increase was caused by our revenue growth in 2016, especially the strong revenue growth of our food delivery segment.

Food delivery. Cost of revenues from the food delivery segment increased substantially from RMB391.0 million in 2015 to RMB5.7 billion in 2016, primarily due to the increases in food delivery rider costs from RMB276.8 million in 2015 to RMB5.1 billion in 2016 as a result of increase in the number of deliveries made by us in the food delivery segment.

In-store, hotel & travel. Cost of revenues from the in-store, hotel & travel segment increased by 45.9% from RMB740.7 million in 2015 to RMB1.1 billion in 2016, which was in line with revenue growth of our in-store, hotel & travel segment.

New initiatives and others. Cost of revenues from the new initiatives and others segment increased by 140.6% from RMB107.8 million in 2015 to RMB259.4 million in 2016, primarily due to the increases in bandwidth and server custody fees and payment processing costs as a result of the growth of other sales and services.

Gross profit and gross margin

As a result of the foregoing, our gross profit in 2015 and 2016 were RMB2.8 billion and RMB5.9 billion, respectively, and our gross margin was 69.2% and 45.7%, respectively. The decrease of our gross margin was primarily due to the change of mix of our revenues caused by the rapid growth of our food delivery segment. During this period, the gross margin of each of our two major segments, food delivery and in-store, hotel & travel, improved. The gross margin of the in-store, hotel & travel segment increased from 80.4% in 2015 to 84.6% in 2016 while the gross margin of the food delivery segment increased from (123.7)% in 2015 to (7.7)% in 2016.

Selling and marketing expenses

Our selling and marketing expenses increased by 16.8% from RMB7.1 billion in 2015 to RMB8.3 billion in 2016, primarily due to increases in employee benefits as well as promotion and advertising expenses. Employee benefits expenses increased by 86.3% from RMB1.8 billion in 2015 to RMB3.4 billion in 2016, primarily due to the increase in headcount of our sales, marketing and business development personnel. Promotion and advertising expenses increased by 66.9% from RMB1.0 billion in 2015 to RMB1.7 billion in 2016, primarily due to the increase in our marketing and branding campaigns.

Research and development expenses

Our research and development expenses increased by 96.6% from RMB1.2 billion in 2015 to RMB2.4 billion in 2016, primarily due to the increase in employee benefits expenses from RMB1.1 billion in 2015 to RMB2.2 billion in 2016 as a result of the increase in the headcount of our research and development personnel to support our business growth and the average salaries and benefits of our research and development personnel.

General and administrative expenses

Our general and administrative expenses decreased by 40.7% from RMB2.9 billion in 2015 to RMB1.7 billion in 2016, primarily due to the decrease in employee benefit expenses from RMB2.5 billion in 2015 to RMB722.3 million in 2016 as a result of the decrease in share-based compensation expenses in 2016.

Fair value changes on investments measured at fair value through profit or loss

Our fair value changes on investments measured at fair value through profit or loss decreased by 49.8% from RMB47.0 million in 2015 to RMB23.6 million in 2016, primarily due to fair value losses from our investee companies.

Other (losses)/gains, net

Our other (losses)/gains, net, increased from a loss of RMB49.9 million in 2015 to a gain of RMB206.2 million in 2016. The increase was primarily attributable to an increase of RMB178.3 million in investment income from short-term investments measured at fair value through profit or loss and an increase in government subsidies we received.

Operating loss

As a result of the foregoing, our operating loss in 2016 was RMB6.3 billion, decreased by 26.2% from RMB8.5 billion in 2015.

Finance (costs)/income, net

We had net finance costs of RMB34.3 million in 2016, compared to net finance costs of RMB43.0 million in 2015, primarily due to increased interest earnings from bank deposits.

Fair value changes of convertible redeemable preferred shares

Our fair value changes of convertible redeemable preferred shares increased substantially from RMB725.1 million in 2015 to RMB4.3 billion in 2016, primarily due to changes in the valuation of our Company. See "—Description of Major Components of Our Results of Operations—Fair Value Changes of Convertible Redeemable Preferred Shares" for detailed information on our accounting treatment of the Preferred Shares.

Loss before income tax

Primarily as a result of the foregoing, our loss before income tax in 2016 was RMB10.6 billion, increased by 15.0% from RMB9.2 billion in 2015.

Income tax credits/(expenses)

We had income tax expenses of RMB267.9 million in 2016, compared to income tax credits of RMB11.6 million in 2015, primarily due to the recognition of deferred tax liabilities arising from the change in fair value of the retained interest in Maoyan.

Loss from continuing operations

As a result of the foregoing, our loss from continuing operations increased by 18.1% from RMB9.2 billion in 2015 to RMB10.9 billion in 2016.

(Loss)/profit from discontinued operation

(Loss)/profit from discontinued operation changed from a loss of RMB1.3 billion in 2015 to a profit of RMB5.1 billion in 2016. The change was due to the recognition of a gain of RMB5.9 billion in connection with our disposition of 67.4% equity interest we held in Maoyan in 2016, as well as a decrease in Maoyan's loss after income tax from RMB1.3 billion in 2015 to RMB808.7 million in 2016.

Loss for the year

As a result of the foregoing, our loss decreased by 44.9% from RMB10.5 billion in 2015 to RMB5.8 billion in 2016.

DISCUSSION OF CERTAIN KEY BALANCE SHEET ITEMS

The table below sets forth selected information from our consolidated statements of financial position as of the dates indicated, which have been extracted from our audited consolidated financial statements included in Appendix I to this document:

	As of December 31,			As of April 30,
	2015	2016	2017	2018
	(in thousands of RMB)			
Total non-current assets	21,015,464	28,082,028	29,196,028	51,748,170
Total current assets	21,874,383	23,634,532	54,438,135	46,982,669
Total assets	**42,889,847**	**51,716,560**	**83,634,163**	**98,730,839**
Total non-current liabilities	50,316,796	64,815,964	103,618,175	127,296,253
Total current liabilities	10,242,723	12,475,947	20,517,370	33,567,114
Total liabilities	**60,559,519**	**77,291,911**	**124,135,545**	**160,863,367**
Share capital	93	93	98	98
Share premium	8,463,931	8,567,622	9,338,529	8,678,971
Other reserves	(476,367)	(2,742,872)	466,103	1,877,678
Accumulated losses	(25,657,329)	(31,447,229)	(50,363,846)	(72,725,225)
Equity attributable to equity holders of the Company	**(17,669,672)**	**(25,622,386)**	**(40,559,116)**	**(62,168,478)**
Non-controlling interests	**—**	**47,035**	**57,734**	**35,950**
Total equity and liabilities	**42,889,847**	**51,716,560**	**83,634,163**	**98,730,839**

The following table sets forth our assets and liabilities as of the dates indicated:

	As of December 31,			As of April 30,
	2015	2016	2017	2018
	(in thousands of RMB)			
Non-current assets:				
Property, plant and equipment	446,470	511,230	915,682	6,259,591
Intangible assets	17,788,854	19,148,840	19,852,974	35,999,413
Deferred tax assets	4,258	398,836	243,263	249,504
Investments accounted for using the equity method	156,891	2,384,674	1,952,175	2,108,480
Financial assets at fair value through profit or loss	2,511,740	5,569,886	5,919,594	6,803,812
Prepayments, deposits and other assets	107,251	68,562	312,340	327,370
Total non-current assets	**21,015,464**	**28,082,028**	**29,196,028**	**51,748,170**
Current assets:				
Inventories	7,860	36,581	88,374	265,675
Trade receivables	278,459	266,413	432,494	462,091
Financial assets at fair value through profit or loss	—	—	25,099	—
Prepayments, deposits and other assets	3,996,836	1,021,804	4,186,391	7,129,655
Short-term investments	784,400	12,607,872	25,838,177	6,718,661
Restricted cash	2,502	325,287	4,458,761	6,136,251
Cash and cash equivalents	16,804,326	9,376,575	19,408,839	26,270,336
Total current assets	**21,874,383**	**23,634,532**	**54,438,135**	**46,982,669**
Non-current liabilities:				
Deferred tax liabilities	442,579	1,173,439	1,050,119	1,085,298
Deferred revenues	—	860,000	833,500	759,411
Redemption liabilities	—	369,636	316,264	322,466
Convertible redeemable preferred shares	49,874,217	62,412,889	101,418,292	125,120,953
Other non-current liabilities	—	—	—	8,125
Total non-current liabilities	**50,316,796**	**64,815,964**	**103,618,175**	**127,296,253**
Current liabilities:				
Trade payables	441,565	1,299,747	2,666,799	3,673,603
Payables to merchants	4,473,281	4,305,336	9,363,873	10,238,089
Advance from transacting users	2,421,097	2,043,751	2,290,160	2,612,947
Deposit from transacting users	—	—	—	7,579,302
Other payables and accruals	1,265,383	2,339,447	3,920,323	5,862,930
Borrowings	—	1,000	162,000	1,217,000
Deferred revenues	472,390	1,212,548	2,114,215	2,383,243
Redemption liabilities	1,169,007	—	—	—
Convertible redeemable preferred shares	—	1,274,118	—	—
Total current liabilities	**10,242,723**	**12,475,947**	**20,517,370**	**33,567,114**
Net current assets	**11,631,660**	**11,158,585**	**33,920,765**	**13,415,555**

The following table sets forth our current assets and current liabilities as of the dates indicated:

	As of December 31,			As of April 30,	As of July 31,
	2015	2016	2017	2018	2018
		(in thousands of RMB)			*(unaudited)*
Current assets:					
Inventories	7,860	36,581	88,374	265,675	369,171
Trade receivables	278,459	266,413	432,494	462,091	493,938
Financial assets at fair value through profit or loss	—	—	25,099	—	—
Prepayments, deposits and other assets	3,996,836	1,021,804	4,186,391	7,129,655	7,363,691
Short-term investments	784,400	12,607,872	25,838,177	6,718,661	19,060,153
Restricted cash	2,502	325,287	4,458,761	6,136,251	3,153,834
Cash and cash equivalents	16,804,326	9,376,575	19,408,839	26,270,336	14,371,343
Total current assets	21,874,383	23,634,532	54,438,135	46,982,669	44,812,130
Current liabilities:					
Trade payables	441,565	1,299,747	2,666,799	3,673,603	4,611,879
Payables to merchants	4,473,281	4,305,336	9,363,873	10,238,089	6,850,796
Advance from transacting users	2,421,097	2,043,751	2,290,160	2,612,947	3,050,434
Deposit from transacting users	—	—	—	7,579,302	5,067,617
Other payables and accruals	1,265,383	2,339,447	3,920,323	5,862,930	6,106,096
Borrowings	—	1,000	162,000	1,217,000	1,267,000
Deferred revenues	472,390	1,212,548	2,114,215	2,383,243	2,681,280
Redemption liabilities	1,169,007	—	—	—	—
Convertible redeemable preferred shares	—	1,274,118	—	—	—
Total current liabilities	10,242,723	12,475,947	20,517,370	33,567,114	29,635,102
Net current assets	11,631,660	11,158,585	33,920,765	13,415,555	15,177,028

We had net current assets as of December 31, 2015, 2016 and 2017, April 30 and July 31, 2018. Our net current assets position as of each of these dates was primarily attributable to our large balance of cash and cash equivalents and short-term investments, partially offset by our payables to merchants, other payables and accruals, advance from transacting users and deposit from transacting users.

Our net current assets remained stable from 2015 to 2016. Our net current assets were RMB11.2 billion as of December 31, 2016, compared to RMB11.6 billion as of December 31, 2015. Our net current assets increased from RMB11.2 billion as of December 31, 2016 to RMB33.9 billion as of December 31, 2017 primarily due to the increases in cash and cash equivalents of RMB10.0 billion and short-term investments of RMB13.2 billion. Our net current assets decreased from RMB33.9 billion as of December 31, 2017 to RMB13.4 billion as of April 30, 2018 primarily due to cash payment to Mobike's shareholders for the acquisition and change in working capital resulted from business operations. Our net current assets increased to RMB15.2 billion as of July 31, 2018 due to operating loss, change in working capital and net cash received from investing activities during the three months ended July 31, 2018.

Property, Plant and Equipment

Our property, plant and equipment primarily consist of bikes and vehicles, computer equipment, furniture and appliances, leasehold improvements and assets under construction. Our property, plant and equipment increased by 583.6% from RMB0.9 billion as of December 31, 2017 to RMB6.3 billion as of April 30, 2018, primarily due to the increase in the carrying value of bikes and vehicles in connection with our acquisition of Mobike.

Intangible Assets

Our intangible assets primarily consist of trade name, UGC, software and others, online payment licenses, technology and licenses, user list, supplier relationship and goodwill. The following table sets forth a breakdown of our intangible assets as of the dates indicated:

	As of December 31,			As of April 30,
	2015	2016	2017	2018
	(in thousands of RMB)			
Trade name	3,368,850	3,234,710	3,095,645	4,636,838
UGC	465,500	367,500	269,500	236,833
Software and others	16,040	23,516	1,120,726	1,492,700
Online payment licenses	—	379,167	353,167	344,500
Technology and licenses	94,602	133,584	82,310	715,245
User list	63,650	50,250	36,850	858,383
Supplier relationship	237	6,610	25,179	23,839
Goodwill	13,779,975	14,953,503	14,869,597	27,691,075
Total	**17,788,854**	**19,148,840**	**19,852,974**	**35,999,413**

Each of trade name, software and others, online payment license and supplier relationship has a useful life of 2 to 25 years, 5 to 10 years, 15 years and 2 to 8 years, respectively. When determining the length of useful life of an intangible asset, the management takes into account (i) the estimated period during which such asset can bring economic benefits to the Group, and (ii) the useful life

estimated by comparable companies in the market. The major item of our intangible assets is the trademark related to *Dianping*, which was established in 2003. Based on the history of *Dianping* and its dominant position in local deals, both the management and valuer have determined that it is reasonable to assign a useful life of 25 years.

Our intangible assets increased by 81.3% from RMB19.9 billion as of December 31, 2017 to RMB36.0 billion as of April 30, 2018, primarily due to our acquisition of Mobike.

Our intangible assets increased by 3.7% from RMB19.1 billion as of December 31, 2016 to RMB19.9 billion as of December 31, 2017, primarily due to the increase in the carrying value of software and others, primarily as a result of the entry of a five-year strategic cooperation agreement with one of our business partners in 2017.

Our intangible assets increased by 7.6% from RMB17.8 billion as of December 31, 2015 to RMB19.1 billion as of December 31, 2016, primarily as a result of our acquisition of Qiandaibao in 2016.

During 2015, 2016 and 2017 and the four months ended April 30, 2017 and 2018, we incurred amortization expenses of RMB11.2 million, RMB54.8 million, RMB76.0 million, RMB25.4 million and RMB36.2 million that were charged to cost of revenues, RMB24.6 million, RMB98.1 million, RMB281.4 million, RMB32.8 million and RMB156.1 million that were charged to selling and marketing expenses, RMB0.8 million, RMB1.2 million, RMB1.7 million, RMB0.5 million and RMB0.7 million that were charged to research and development expenses, and RMB39.2 million, RMB153.4 million, RMB157.5 million, RMB52.9 million and RMB66.3 million that were charged to general and administrative expenses, respectively.

Financial Assets at Fair Value through Profit or Loss

During the Track Record Period, we made investments in certain convertible redeemable preferred shares or ordinary shares with preferential rights issued by the investee companies. We maintained significant influence in these companies. We also have interests in certain investee companies in the form of ordinary shares without significant influence, which are managed and their performance are evaluated on a fair value basis. The Company designated the whole instruments as financial assets at fair value through profit or loss.

In connection with our disposal of Maoyan in 2016, we obtained a put option to sell, and Shanghai Enlight Media obtained a call option to purchase, our retained interest in Maoyan at a future date. This put and call option was initially and subsequently measured at fair value and the fair value changes were recognized as "Other (losses)/gains, net" of the consolidated income statements. Subsequently, in August 2017, the two parties exercised a portion of the put and call option and cancelled the remaining portion of the put and call option.

Contingent consideration represents consideration adjustment made at a subsequent closing in connection with our acquisition of Qiandaibao in 2016.

The following table sets forth our financial assets at fair value through profit or loss as of the dates indicated:

	As of December 31,			As of April 30,
	2015	2016	2017	2018
	(in thousands of RMB)			
Non-current:				
Investments at fair value through profit or loss	2,511,740	4,945,886	5,919,594	6,803,812
Put and call option for Maoyan	—	624,000	—	—
Current:				
Contingent consideration	—	—	25,099	—
Total	**2,511,740**	**5,569,886**	**5,944,693**	**6,803,812**

Our financial assets at fair value through profit or loss increased by 121.8% from RMB2.5 billion as of December 31, 2015 to RMB5.6 billion as of December 31, 2016, by 6.7% to RMB5.9 billion as of December 31, 2017 and further by 14.5% to RMB6.8 billion as of April 30, 2018, primarily due to increased investments in private investee companies.

Short-Term Investments

Short-term investments consist of wealth management products issued by major and reputable commercial banks without guaranteed returns, which are measured at fair value through profit or loss, and certificate of deposit and term deposits above three months and within one year, which are measured at amortized cost. The following table sets forth our short-term investments as of the dates indicated:

	As of December 31,			As of April 30,
	2015	2016	2017	2018
	(in thousands of RMB)			
Short-term investments measured at				
Fair value through profit or loss	784,400	12,607,872	17,030,574	4,382,479
Amortized cost	—	—	8,807,603	2,336,182
Total	**784,400**	**12,607,872**	**25,838,177**	**6,718,661**

Our short-term investments increased substantially from RMB0.8 billion as of December 31, 2015 to RMB12.6 billion as of December 31, 2016, and further by 104.9% to RMB25.8 billion as of December 31, 2017, primarily due to increased purchase of wealth management products from banks. Our short-term investments decreased by 74.0% from RMB25.8 billion as of December 31, 2017 to RMB6.7 billion as of April 30, 2018, primarily due to payment for our acquisition of Mobike.

Prepayments, Deposits and Other Assets

Prepayments, deposits and other assets primarily consist of loan receivables, long-term receivables, rental deposits, prepayment for assets under construction, prepayment for investments, tax prepayments, receivables from third-party payment service providers, deposits, prepayments to merchants, amounts due from related parties, and receivables from investment disposal. Long-term receivables are mainly employee loan receivables which will be settled within 2-3 years.

The following table sets forth our prepayments, deposits and other assets as of the dates indicated:

	As of December 31,			As of April 30,
	2015	2016	2017	2018
	(in thousands of RMB)			
Non-current:				
Loan receivables	—	—	137,968	80,543
Long-term receivables	6,500	551	83,778	86,762
Rental deposits	85,495	65,091	85,785	95,542
Prepayment for assets under construction	—	—	—	58,883
Prepayment for investments	5,111	—	2,284	2,588
Others	10,145	2,920	2,525	3,052
Total	**107,251**	**68,562**	**312,340**	**327,370**
Current:				
Tax prepayments	15,346	166,877	829,659	2,885,693
Receivables from third-party payment service providers	278,985	167,588	45,705	79,516
Deposits	201,689	100,706	83,285	140,308
Loan receivables	—	73,905	1,592,997	2,011,211
Prepayments to merchants	3,075,075	238,232	107,808	156,904
Amounts due from related parties	146,576	9,767	89,216	87,543
Receivables from investment disposal	—	—	887,885	887,885
Others	279,165	264,729	549,836	880,595
Total	**3,996,836**	**1,021,804**	**4,186,391**	**7,129,655**

Our prepayments, deposits and other assets increased by 65.8% from RMB4.5 billion as of December 31, 2017 to RMB7.5 billion as of April 30, 2018, primarily due to the increase in tax prepayments in connection with our acquisition of Mobike and the increase in loan receivables as a result of the growth of our micro loan business.

Our prepayments, deposits and other assets increased by 312.6% from RMB1.1 billion as of December 31, 2016 to RMB4.5 billion as of December 31, 2017, primarily due to the increase in loan receivables as a result of the growth of our micro loan business in 2017, and the increase in receivables from investment disposal in connection with our disposal of Maoyan, and the increase in tax prepayments.

Our prepayments, deposits and other assets decreased by 73.4% from RMB4.1 billion as of December 31, 2015 to RMB1.1 billion as of December 31, 2016 primarily because of our shift from the merchant prepayment model as we strengthened our market position after the completion of the strategic transaction between Meituan Corporation and Dianping Holdings.

As at the Latest Practicable Date, a substantial majority of non-trade balance due from related parties had been settled. All non-trade balance due from related parties will be settled prior to the [REDACTED].

Trade Receivables

Trade receivables represent amounts due from customers for services performed in the ordinary course of business. Trade receivables are generally due for settlement within one year and therefore are all classified as current. The following table sets forth our trade receivables as of the dates indicated:

	As of December 31,			As of April 30,
	2015	2016	2017	2018
	(in thousands of RMB)			
Trade receivables	278,509	314,106	461,955	511,262
Less: allowance for impairment of trade receivables	(50)	(47,693)	(29,461)	(49,171)
	278,459	266,413	432,494	462,091

Our trade receivables increased slightly by 6.8% from RMB432.5 million as of December 31, 2017 to RMB462.1 million as of April 30, 2018, primarily due to our acquisition of Mobike.

Our trade receivables increased by 62.3% from RMB266.4 million as of December 31, 2016 to RMB432.5 million as of December 31, 2017, primarily due to the increase in branding advertisement customers.

Our trade receivables decreased slightly by 4.3% from RMB278.5 million as of December 31, 2015 to RMB266.4million as of December 31, 2016, primarily due to the increase in the allowance for impairment of trade receivables due to credit policy adjustment, partially offset by the increase in online marketing revenues.

As of December 31, 2015, 2016 and 2017, receivables with amounts that are individually significant have been separately assessed for impairment. Allowance was set up against impaired receivables arising from credit default of several customers who are in financial difficulties.

Since January 1, 2018, we have applied the simplified approach permitted by IFRS 9, which requires the expected lifetime losses to be recognized from initial recognition of the assets. This provision matrix is determined based on historical observed default rates over the expected life of the contract assets and trade receivables with similar credit risk characteristics and is adjusted for forward-looking estimates.

We allow a credit period of 90 to 150 days to our customers. Aging analysis of trade receivables (net of allowance for impairment of trade receivables) based on invoice date is as follows:

	As of December 31,			As of April 30,
	2015	2016	2017	2018
		(in thousands of RMB)		
Trade receivables				
Up to three months	47,738	125,353	283,649	330,687
Three to six months	186,695	53,055	84,428	93,725
Six months to one year	44,026	70,933	56,958	31,786
Over one year	—	17,072	7,459	5,893
Total	**278,459**	**266,413**	**432,494**	**462,091**

As of December 31, 2015, 2016 and 2017, trade receivables of RMB133.3 million, RMB151.9 million and RMB175.1 million, respectively, were past due but not impaired. These relate to a number of independent customers for whom there is no significant financial difficulty, and based on past experience, the management believes the overdue amounts can be recovered. The aging analysis of these trade receivables is as follows:

	As of December 31,		
	2015	2016	2017
		(in thousands of RMB)	
Trade receivables			
Up to three months	68,911	24,234	81,662
Three to six months	58,556	45,921	31,461
Six months to one year	5,879	65,485	57,045
Over one year	—	16,243	4,883
Total	**133,346**	**151,883**	**175,051**

RMB275.9 million, or 59.7% of our trade receivables as of April 30, 2018, had been settled as of July 31, 2018.

Payables to Merchants

Payables to merchants represent the amounts that have been paid by Transacting Users but yet to be paid to merchants.

Our payables to merchants increased by 117.5% from RMB4.3 billion as of December 31, 2016 to RMB9.4 billion as of December 31, 2017, and further by 9.3% to RMB10.2 billion as of April 30, 2018, primarily due to the growth of our business which resulted in higher balance of payables to merchants. Our payables to merchants decreased by 3.8% from RMB4.5 billion as of December 31, 2015 to RMB4.3 billion as of December 31, 2016, primarily due to the shorter payment terms.

Advance from Transacting Users

Advance from transacting users represents the cash payment from consumers before the prepaid vouchers are redeemed. When the vouchers are redeemed, the amounts to be remitted to third-party merchants are recorded as payable to merchants.

Advance from transacting users increased by 12.1% from RMB2.0 billion as of December 31, 2016 to RMB2.3 billion as of December 31, 2017, and further by 2.7% to RMB2.4 billion as of April 30, 2018, primarily due to the growth of our business which resulted in higher balance of advance from transacting users. Advance from transacting users decreased by 15.6% from RMB2.4 billion as of December 31, 2015 to RMB2.0 billion as of December 31, 2016, primarily due to the decrease in redemption cycle time as a result of changes of product offerings.

Other Payables and Accruals

Other payables and accruals primarily consist of salaries and benefits payable, tax payables, deposits, accrued expenses, amounts due to related parties and payables for acquisition. The following table sets forth our other payables and accruals as of the dates indicated:

	As of December 31,			As of April 30,
	2015	2016	2017	2018
	(in thousands of RMB)			
Payables for acquisition	—	272,945	37,305	2,044,846
Salaries and benefits payable	791,187	1,022,054	1,691,320	1,635,488
Deposits	100,914	344,878	665,013	848,916
Tax payables	86,085	299,079	828,014	554,311
Amounts due to related parties	21,502	181,052	212,984	258,882
Accrued expenses	236,204	84,792	239,217	166,757
Others	29,491	134,647	246,470	353,730
Total	1,265,383	2,339,447	3,920,323	5,862,930

Our other payables and accruals increased by 49.6% from RMB3.9 billion as of December 31, 2017 to RMB5.9 billion as of April 30, 2018, primarily due to increase in payables to Mobike former shareholders in connection with our acquisition of Mobike.

Our other payables and accruals increased by 67.6% from RMB2.3 billion as of December 31, 2016 to RMB3.9 billion as of December 31, 2017, primarily due to increases in our headcount, deposits from merchants and tax payables as a result of the growth of our business, partially offset by reduced turnover days.

Our other payables and accruals increased by 84.9% from RMB1.3 billion as of December 31, 2015 to RMB2.3 billion as of December 31, 2016 primarily due to increases in our headcount, deposits from merchants as a result of the growth of our food delivery business, tax payables as a result of the growth of our business, and payables in connection with our investments in certain ERP service providers.

As at the Latest Practicable Date, a substantial majority of non-trade balance due to related parties had been settled. All non-trade balance due to related parties will be settled prior to the [REDACTED].

Deposit from Transacting Users

Deposit from transacting users are the deposits received from Transacting Users of bike-sharing services, which are redeemable at any time upon the requests from Transacting Users.

Convertible Redeemable Preferred Shares

In October 2015, in connection with the strategic transaction between Meituan Corporation and Dianping Holdings, the previously issued preferred shares of Meituan Corporation and Dianping Holdings were converted into the Preferred Shares, which resulted in a total of 1,954,217,809 shares of Series A-1 through A-11 Preferred Shares.

From November 2015 to August 2016, in connection with our Series B round of financing, we issued an aggregate of 801,039,606 shares of Series B Preferred Shares for approximately US$3.1 billion.

In October 2017, in connection with our Series C round of financing, we issued an aggregate of 733,575,936 shares of Series C Preferred Shares for approximately US$4.1 billion.

In April 2018, in connection with our acquisition of Mobike, we issued an aggregate of 167,703,791 shares of Series A-12 Preferred Shares. Upon issuance of Series A-12 Preferred Shares, a total of 2,121,921,600 Series A Preferred Shares were issued (Series A-1 through A-12, "**Series A Preferred Shares**").

Our convertible redeemable preferred shares increased by 23.4% from RMB101.4 billion as of December 31, 2017 to RMB125.1 billion as of April 30, 2018, primarily due to issuance of Series A-12 Preferred Shares, and change in fair value of our Preferred Shares.

Our convertible redeemable preferred shares increased by 59.2% from RMB63.7 billion as of December 31, 2016 to RMB101.4 billion as of December 31, 2017, primarily due to issuance of Series C Preferred Shares, and change in fair value of our Preferred Shares.

Our convertible redeemable preferred shares increased by 27.7% from RMB49.9 billion as of December 31, 2015 to RMB63.7 billion as of December 31, 2016, primarily due to issuance of Series B Preferred Shares, and change in fair value of our Preferred Shares.

Holders of Series B and C Preferred Shares are entitled to receive a liquidation preference amount upon any liquidation, dissolution, winding up, or any deemed liquidation event of the Company, whether voluntary or involuntary, before any distribution or payment shall be made to ordinary shareholders. The Preferred Shares can be converted into ordinary shares of the Company at any time at the option of the holders at an initial conversion ratio of 1:1 subject to certain adjustments. The Preferred Shares will be automatically converted into the Company's ordinary shares upon the earlier of (i) the closing of a Qualified [REDACTED] (see Note 29 to the Accountant's Report in Appendix I to this document for the definition of "Qualified [REDACTED]"), or (ii) the date specified by written consent or agreement of holders of a majority of the outstanding Preferred Shares, provided, however, that (a) no Series B Preferred Shares can be automatically converted into ordinary shares without the prior written consent or agreement of holders of a majority of the outstanding Series B Preferred Shares, voting as a separate class, and (b) no Series C Preferred Shares can be automatically converted into ordinary shares without the prior written consent or agreement of holders of a majority of the outstanding Series C Preferred Shares, voting as a separate class. See in Note 29 to the Accountant's Report in Appendix I to this document for the key terms of the Preferred Shares.

We designated the Preferred Shares as financial liabilities at fair value through profit or loss. They are initially recognized at fair value. Any directly attributable transaction costs are recognized as finance costs in the consolidated income statement. Subsequent to initial recognition, the Preferred Shares are carried at fair value with changes in fair value recognized in the consolidated income statement.

We applied the discounted cash flow method to determine the underlying equity value of the Company and adopted option-pricing method and equity allocation model to determine the fair value of the convertible redeemable preferred shares. See in Note 29 to the Accountant's Report in Appendix I to this document for the key assumptions used to determine the fair value of the convertible redeemable preferred shares.

Trade Payables

Trade payables represent liabilities for goods and services provided to us prior to the end of financial year which are unpaid. Trade payables are recognized initially at their fair value and are subsequently measured at amortized cost using the effective interest method. The following table sets forth our trade payables as of the dates indicated:

	As of December 31,			As of April 30,
	2015	2016	2017	2018
	(in thousands of RMB)			
Trade payables	441,565	1,299,747	2,666,799	3,673,603

As of December 31, 2015, 2016 and 2017 and April 30, 2018, the aging analysis of the trade payables based on invoice date was as follows:

	As of December 31,			As of April 30,
	2015	2016	2017	2018
	(in thousands of RMB)			
Trade payables				
Up to 3 months	435,630	1,037,902	1,995,402	2,641,806
3 to 6 months	4,349	239,340	662,168	867,602
6 months to 1 year	1,496	15,462	2,523	155,136
Over 1 year	90	7,043	6,706	9,059
	441,565	1,299,747	2,666,799	3,673,603

Our trade payables increased by 37.8% from RMB2.7 billion as of December 31, 2017 to RMB3.7 billion as of April 30, 2018, increased by 105.2% from RMB1.3 billion as of December 31, 2016 to RMB2.7 billion as of December 31, 2017, and increased by 194.4% from RMB441.6 million as of December 31, 2015 to RMB1.3 billion as of December 31, 2016, primarily due to the growth of our business, which resulted in higher balance of trade payables.

RMB3.2 billion, or 88.3% of our trade payables as of April 30, 2018, had been settled as of July 31, 2018.

Deferred Revenues

Deferred revenues represent online marketing services in advance of the contract service period and advance payments received in connection with the business cooperation agreements with our strategic partners. The following table sets forth our deferred revenues as of the dates indicated:

	As of December 31,			As of April 30,
	2015	2016	2017	2018
		(in thousands of RMB)		
Non-Current				
Business cooperation agreement with Maoyan	—	860,000	833,500	759,411
Current				
Online marketing services	472,390	972,548	1,891,948	2,128,813
Business cooperation agreement with Maoyan	—	240,000	222,267	222,267
Others	—	—	—	32,163
Total	**472,390**	**2,072,548**	**2,947,715**	**3,142,654**

Our deferred revenues increased by 42.2% from RMB2.1 billion as of December 31, 2016 to RMB2.9 billion as of December 31, 2017, and further by 6.6% to RMB3.1 billion as of April 30, 2018, primarily due to the growth of our online marketing services.

Our deferred revenues increased by 338.7% from RMB472.4 million as of December 31, 2015 to RMB2.1 billion as of December 31, 2016, primarily due to our business cooperation with Maoyan.

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios for the periods indicated:

	Year Ended December 31,			Four Months Ended April 30,	
	2015	2016	2017	2017	2018
Monetization rate[(1)] (%)	3.0	5.5	9.5	8.6	10.7
Gross margin[(2)] (%)	69.2	45.7	36.0	41.6	25.5
Selling and marketing expenses to revenues ratio (%)	177.7	64.2	32.2	32.3	25.9
Adjusted EBITDA margin[(3)] (%)	(141.7)	(38.5)	(7.9)	(3.2)	(10.9)

	Year Ended December 31,		Four Months Ended April 30,
	2016	2017	2018
Total revenue growth (%)	223.2	161.2	94.9

Notes:

(1) Monetization rate equals the revenues for the year/period divided by the Gross Transaction Volume. For purpose of calculating the monetization rate in 2015, our Gross Transaction Volume in 2015 only included *Dianping*'s Gross Transaction Volume from October 2015 to December 2015. For purpose of calculating the monetization rate in the four months ended April 30, 2018, our Gross Transaction Volume only included Mobike's Gross Transaction Volume for April 2018.

(2) Gross margin equals gross profit for the year/period divided by revenues for the year/period.

(3) Adjusted EBITDA margin equals adjusted EBITDA for the year/period divided by revenues for the year/period.

See "—Period-to-period Comparison of Results of Operations—Four Months Ended April 30, 2018 Compared to Four Months Ended April 30, 2017," "—Period-to-period Comparison of Results of Operations—Year Ended December 31, 2017 Compared to Year Ended December 31, 2016" and "—Period-to-period Comparison of Results of Operations—Year Ended December 31, 2016 Compared to Year Ended December 31, 2015" for a discussion of the factors affecting our results of operations during the respective periods.

LIQUIDITY AND CAPITAL RESOURCES

During the Track Record Period and up to the Latest Practicable Date, we had historically funded our cash requirements principally from capital contribution from shareholders and financing through issuance and sale of preferred shares in private placement transactions. We had cash and cash equivalents of RMB16.8 billion, RMB9.4 billion, RMB19.4 billion and RMB26.3 billion as of December 31, 2015, 2016 and 2017 and April 30, 2018, respectively.

Going forward, we believe that our liquidity requirements will be satisfied by using a combination of cash generated from operating activities, other funds raised from the capital markets from time to time and the net proceeds received from the [REDACTED]. We currently do not have any plans for material additional external financing.

The following table sets forth our cash flows for the periods indicated:

	Year Ended December 31,			Four Months Ended April 30,	
	2015	2016	2017	2017	2018
				(Unaudited)	
			(in thousands of RMB)		
Net cash (used in)/generated from operating activities	(4,004,434)	(1,918,024)	(310,200)	55,180	(3,435,901)
Net cash generated from/(used in) investing activities	852,664	(9,556,784)	(15,157,090)	813,618	11,011,035
Net cash generated from/(used in) financing activities	18,505,796	3,805,222	25,507,781	151,561	(183,771)
Net increase/(decrease) in cash and cash equivalents	15,354,026	(7,669,586)	10,040,491	1,020,359	7,391,364
Cash and cash equivalents at the beginning of the year	1,331,301	16,804,326	9,376,575	9,376,575	19,408,839
Exchange gain/(loss) on cash and cash equivalents	118,999	241,835	(8,227)	(21,168)	(529,867)
Cash and cash equivalents at the end of the year/period	16,804,326	9,376,575	19,408,839	10,375,766	26,270,336

Net Cash (Used in)/Generated from Operating Activities

Net cash used in operating activities primarily consists of our loss for the period and non-cash items, such as depreciation and amortization, and adjusted by changes in working capital.

For the four months ended April 30, 2018, net cash used in operating activities was RMB3.4 billion, which was primarily attributable to our loss before income tax from continuing operations of RMB22.9 billion, as adjusted by (i) non-cash items, which primarily comprised fair value changes of convertible redeemable preferred shares of RMB20.5 billion; and (ii) changes in working capital, which primarily comprised an increase in restricted cash of RMB1.3 billion, an increase in prepayments, deposits and other assets of RMB1.1 billion, an increase in trade payables of RMB592.1 million, and an increase in payables to merchants of RMB874.2 million.

For 2017, net cash used in operating activities was RMB310.2 million, which was primarily attributable to our loss before income tax from continuing operations of RMB18.9 billion, as adjusted by (i) non-cash items, which primarily comprised fair value changes of convertible redeemable preferred shares of RMB15.1 billion; and (ii) changes in working capital, which primarily comprised an increase in restricted cash of RMB4.1 billion, an increase in prepayments, deposits and other assets of RMB2.5 billion, an increase in trade payables of RMB1.4 billion, and an increase in payables to merchants of RMB5.1 billion.

For 2016, net cash used in operating activities was RMB1.9 billion, which was attributable to our loss before income tax from continuing operations and discontinued operation of RMB5.5 billion, as adjusted by (i) non-cash items, which primarily comprised gain from business and investment disposals related to Maoyan of RMB5.9 billion and fair value changes of convertible redeemable preferred shares of RMB4.3 billion; and (ii) changes in working capital, which primarily comprised a decrease in prepayments, deposits and other assets of RMB1.7 billion and an increase in trade payables of RMB0.9 billion.

For 2015, net cash used in operating activities was RMB4.0 billion, which was attributable to our loss before income tax from continuing operations and discontinued operation of RMB10.5 billion, as adjusted by (i) the non-cash items, which primarily comprised compensation to shareholders of RMB1.5 billion; and (ii) changes in working capital, which primarily comprised an increase in payables to merchants of RMB2.2 billion.

Net Cash Generated from/(Used in) Investing Activities

For the four months ended April 30, 2018, net cash generated from investing activities was RMB11.0 billion, which was mainly attributable to proceeds from disposals of short-term investments of RMB31.4 billion, partially offset by purchase of short-term investments of RMB12.5 billion and payments for business combinations, net of cash acquired of RMB6.6 billion.

For 2017, net cash used in investing activities was RMB15.2 billion, which was mainly attributable to purchase of short-term investments of RMB65.6 billion, partially offset by proceeds from disposals of short-term investments of RMB51.4 billion.

For 2016, net cash used in investing activities was RMB9.6 billion, which was mainly attributable to purchase of short-term investments of RMB54.0 billion, partially offset by proceeds from disposals of short-term investments of RMB42.9 billion.

For 2015, net cash generated from investing activities was RMB0.9 billion, which was mainly attributable to net cash acquired from business combinations in an aggregate amount of RMB1.8 billion and proceeds from disposals of short-term investments of RMB5.3 billion, partially offset by purchase of short-term investments of RMB5.1 billion.

Net Cash Generated from/(Used in) Financing Activities

For the four months ended April 30, 2018, net cash used in financing activities was RMB183.8 million, which primarily comprised repurchase of ordinary shares of RMB846.3 million and repayments of borrowings of RMB140.0 million, partially offset by proceeds from borrowings of RMB805.0 million.

For 2017, net cash generated from financing activities was RMB25.5 billion, which primarily comprised proceeds from issuance of preferred shares of RMB25.8 billion.

For 2016, net cash generated from financing activities was RMB3.8 billion, which primarily comprised proceeds from issuance of preferred shares of RMB5.6 billion, which were partially offset by the repurchase of ordinary shares of RMB1.8 billion.

For 2015, net cash generated from financing activities was RMB18.5 billion, which primarily comprised proceeds from issuance of preferred shares of RMB18.8 billion.

INDEBTEDNESS

Borrowings

As of July 31, 2018, we had a total of RMB1,267 million of bank borrowings, representing bank loans from three commercial banks, which include (i) short-term bank loans in the total amount of RMB285 million from China Merchants Bank Co., Ltd, Chongqing Branch, which were secured by structured deposit in the amount of RMB300 million, (ii) short-term bank loans in the total amount of RMB482 million from China Merchants Bank Co., Ltd., Beijing Branch, which were secured by overseas letter of guarantee in the amount of US$116.7 million, and (iii) short-term unsecured bank loans in the total amount of RMB500 million from Bank of Qingdao. These bank loans bore a weighted average interest rate of 5.474% per annum. As of Latest Practicable Date, we had unutilized bank facilities of RMB1,318 million.

As of December 31, 2017, we had a total of RMB162.0 million of bank borrowings, representing the one-year term loan our subsidiary, Chongqing Sankuai Micro-credit Co., Ltd., borrowed from China Merchants Bank Co. Ltd. The interest rate was 4.785% per annum. The loan was secured by a pledge of wealth management product in an amount of US$250.0 million.

As of December 31, 2016, we had a total of RMB1.0 million of bank borrowings, representing the one-year term loan our subsidiary, Beijing Puzhaotianxing Technology Co., Ltd., borrowed from the Bank of Beijing. The interest rate was 5.655% per annum. We mainly used the proceeds of the loan for working capital purposes. The loan was fully repaid by us in 2017.

As of December 31, 2015, we had nil in bank borrowings.

During the Track Record Period and up to the Latest Practicable Date, we had not been in violation of any of the covenants pursuant to the applicable agreement we entered with each of the lenders mentioned above. Our Directors confirm that we are not subject to other material covenants under any agreements with respect to any bank loans or other borrowings. Our Directors also confirm that there was no delay or default in the repayment of borrowings during the Track Record Period. Taking into consideration our financial position, our Directors are of the opinion that we are able to abide by these covenants amid current market conditions and that our capital raising abilities were not materially affected as of December 31, 2017.

Except as discussed above, we did not have any material mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptances (other than normal trade bills), acceptance credits, which are either guaranteed, unguaranteed, secured or unsecured, or guarantees or other contingent liabilities as of the Latest Practicable Date.

Convertible Redeemable Preferred Shares

As of December 31, 2015, 2016 and 2017 and April 30, 2018, the Preferred Shares had fair values of RMB49.9 billion, RMB63.7 billion, RMB101.4 billion and RMB125.1 billion, respectively. For further information regarding the Preferred Shares, see Note 29 to the Accountant's Report in Appendix I to this document. From April 30, 2018 to July 31, 2018, we did not issue or repurchase any Preferred Shares.

CONTINGENT LIABILITIES

As of December 31, 2015, 2016 and 2017 and July 31, 2018, we did not have any material contingent liabilities.

CAPITAL EXPENDITURES AND LONG-TERM INVESTMENTS

The following table sets forth our capital expenditures and long-term investments for the periods indicated:

	Year Ended December 31,			Four Months Ended April 30,	
	2015	2016	2017	2017	2018
	(in thousands of RMB)				
Purchase of property, plant and equipment	356,082	352,806	737,680	108,157	566,888
Purchase of intangible assets	2,168	2,819	8,251	459	5,971
Payments for business combinations	175,531	594,375	335,274	—	7,417,696
Acquisition of investments accounted for using the equity method	—	50,900	785,568	606,218	135,875
Acquisition of investments measured at fair value	794,707	512,879	379,577	26,801	829,657
Total	**1,328,488**	**1,513,779**	**2,246,350**	**741,635**	**8,956,087**

The increase of RMB8,214.5 million in our total capital expenditures and long-term investments from the four months ended April 30, 2017 to the same period in 2018 was primarily due to the increase in payment for business combinations of RMB7,418 million as a result of our acquisition of Mobike.

The increase of RMB732.6 million in our total capital expenditures and long-term investments from 2016 to 2017 was primarily due to (i) the increase in our purchase of property, plant and equipment of RMB384.9 million as a result of our further expansion of our business during 2017; and (ii) the increase in our investments accounted for using the equity method of RMB734.7 million due to increased investments in various private companies.

The increase of RMB185.3 million in our total capital expenditures and long-term investments from 2015 to 2016 was primarily due to the increase in payment for business combinations of RMB418.8 million as a result of our acquisitions of certain online payment service provider and ERP service providers in 2016, partially offset by the decrease in our investments measured at fair value of RMB281.8 million due to fair value losses from our investee companies.

Each of our long-term investments was made in accordance with our general strategy of investing or acquiring businesses that we believe can enhance our ecosystem. See "—Major Factors Affecting Our Results of Operations—Strategic Investments and Acquisitions" for details of our investment strategy. We do not consider any one of these investments material to our Company as a whole.

We plan to fund our planned capital expenditures and long-term investments using cash generated from operating activities and net proceeds received from the [REDACTED]. See the section headed "Future Plans and [REDACTED]" in this document for more details. We may reallocate the fund to be utilized on capital expenditure and long-term investments based on our ongoing business needs.

See "Business—Risk Management and Internal Control—Investment Risk Management" for a discussion of our investment policy and investment risk management.

CONTRACTUAL OBLIGATIONS

Capital Commitments

The table below sets forth our capital commitments as of the dates indicated:

	As of December 31,			As of April 30,
	2015	2016	2017	2018
	(in thousands of RMB)			
Within one year	23,563	17,444	24,368	27,885
One to two years	15,238	512	2,535	903
Total	**38,801**	**17,956**	**26,903**	**28,788**

Operating Lease Commitments

Our commitments primarily relate to the leases of office buildings under non-cancellable operating lease agreements. The lease terms under those agreements are between one and ten years, and a majority of them are renewable at the end of the applicable lease period at the then market rate.

Our future aggregate minimum lease payments under non-cancellable operating lease agreements with initial terms of one year or more are as follows:

	As of December 31,			As of April 30,
	2015	2016	2017	2018
	(in thousands of RMB)			
Within one year	137,076	188,117	268,529	401,274
One to five years	452,384	453,317	529,647	596,094
Over five years	503,244	394,922	299,185	192,937
Total	1,092,704	1,036,356	1,097,361	1,190,305

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of July 31, 2018, we had no off-balance sheet commitments other than off-balance sheet financial guarantee contracts of RMB1,179.0 million.

MATERIAL RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. During the Track Record Period, we have entered into a number of related party transactions in relation to the sales and purchases of services with our associates, our connected persons, and one of our shareholders. In 2015, 2016, 2017 and the four months ended April 30, 2018, (i) sales of services to related parties amounted to RMB3.6 million, RMB48.0 million, RMB384.1 million and RMB136.8 million, respectively, and (ii) purchases of services from related parties amounted to RMB92.0 million, RMB248.5 million, RMB413.3 million and RMB191.1 million, respectively. As of December 31, 2015, 2016 and 2017 and April 30, 2018, (i) other receivables from related parties amounted to RMB146.6 million, RMB9.8 million, RMB89.2 million and RMB87.5 million, respectively, and (ii) other payables to related parties amounted to RMB21.5 million, RMB181.1 million, RMB213.0 million and RMB258.9 million. For more details about our related party transactions, see Note 39 to the Accountant's Report in Appendix I to this document.

Our Directors believe that our transactions with related parties during the Track Record Period were conducted on an arm's length basis, and they did not distort our results of operations or make our historical results not reflective of our future performance.

FINANCIAL RISK DISCLOSURE

We are exposed to a variety of financial risks, including market risks (such as foreign exchange risk, cash flow and fair value interest rate risk, and price risk), credit risk and liquidity risk.

Foreign Exchange Risk

Foreign exchange risk arises when future commercial transactions or recognized assets and liabilities are denominated in a currency that is not our functional currency. Functional currency is determined by the currency of the primary economic environment in which an entity operates. Accordingly, the Company's functional currency is U.S. dollars as its key activities and transactions are denominated in U.S. dollars, whereas the functional currency of subsidiaries operating in the PRC is Renminbi. We manage our foreign exchange risk by performing regular reviews of our net foreign exchange exposures and try to minimize these exposures through natural hedges, wherever possible, and may enter into forward foreign exchange contracts, when necessary. We operate mainly in the PRC with most of the transactions settled in Renminbi, and our management considers that our business is not exposed to any significant foreign exchange risk as no significant financial assets or liabilities are denominated in currencies other than the respective functional currencies of our entities. We did not hedge against any fluctuation in foreign currency during the Track Record Period.

In 2015, 2016 and 2017 and the four months ended April 30, 2017 and 2018, we had currency translation losses of RMB1.3 billion and RMB2.8 billion and currency translation gain of RMB3.4 billion, RMB0.3 billion and RMB1.6 billion, respectively, recognized as other comprehensive (loss)/income in the consolidated statements of comprehensive loss. Such currency translation differences primarily arose from the translation differences from the functional currency, which is USD, to the presentation currency, which is RMB, of the Company when preparing the consolidation financial statements and were primarily related to the Preferred Shares issued by the Company. The currency translation losses recognized as other comprehensive loss for 2015 and 2016 were mainly attributable to the depreciation of U.S. dollars against Renminbi.

Cash Flow and Fair Value Interest Rate Risk

Our income and operating cash flows are substantially independent of changes in market interest rates, and we have no significant interest-bearing assets except for term deposits, cash and cash equivalents, restricted cash and short-term investments measured at amortized cost, details of which are disclosed in Notes 24 and 20 to the Accountant's Report in Appendix I to this document.

Our exposure to changes in interest rates is also attributable to our borrowings, details of which is disclosed in Note 32 to the Accountant's Report in Appendix I to this document. Borrowings carried at floating rates expose us to cash flow interest rate risk whereas those carried at fixed rates expose us to fair value interest rate risk.

As of April 30, 2018, our borrowings were borrowings that carried at fixed rates, which did not expose us to cash flow interest rate risk.

Price Risk

We are exposed to price risk in respect of financial assets at fair value through profit or loss and short-term investments measured at fair value through profit or loss held by us. We are not exposed to commodity price risk. To manage our price risk arising from the investments, we diversify our portfolio. Each investment is managed by senior management on a case by case basis.

Credit Risk

We are exposed to credit risk in relation to our cash and cash equivalents, restricted cash, short-term investments measured at amortized cost, trade receivables, prepayments, deposits and other assets, and financial assets at fair value through profit or loss. The carrying amounts of each class of the above financial assets represent our maximum exposure to credit risk in relation to financial assets. We are also exposed to credit risk in relation to our financial guarantee contracts.

To manage risk arising from cash and cash equivalents, restricted cash and short-term investments measured at amortized cost, we only transact with state-owned or reputable financial institutions in mainland China and reputable international financial institutions outside of mainland China. There has been no recent history of default in relation to these financial institutions.

To manage risk arising from trade receivables, we have policies in place to ensure that credit terms are made to counterparties with an appropriate credit history and the management performs ongoing credit evaluations of our counterparties. The credit period granted to the customers is usually no more than 150 days and the credit quality of these customers is assessed, which takes into account their financial position, past experience and other factors. In view of the sound collection history of receivables due from them, our management believes that the credit risk inherent in our outstanding trade receivable balances due from them is not significant.

For prepayments, deposits and other assets, management makes periodic collective assessments as well as individual assessments on the recoverability of other receivables and prepayments to merchants based on historical settlement records and past experiences. In view of the history of cooperation with debtors and the collection history of receivables due from them, our management believes that the credit risk inherent in our outstanding prepayments, deposits and other assets due from them is not significant.

To manage risks arising from loan receivables, we perform standardized credit management procedures. For pre-approval investigations, we utilize big data technology to optimize the review process, including credit analysis, assessment of collectability of borrowers, and monitoring borrowers' cash flows, and the possibility of misconduct and fraudulent activities. In terms of credit examining management, we have established specific policies and procedures to assess loans offerings, and we continue to monitor the cash flow and operation status of each borrower. Once the loan is issued, the borrower is assessed by us using our fraud examination model in order to prevent fraudulent behaviors. with respect to post-loan supervision, we have established a risk-monitoring alert system which allows us to perform periodical monitoring. The estimation of credit exposure for risk management purposes is complex and requires the use of models as the exposure varies with changes in market conditions, expected cash flows and passage of time. For the movement of the allowance for loan receivables, refer to Note 21 to the Accountant's Report in Appendix I to this document.

We also provide referral services to financial institutions to help them source potential borrowers, and provide financial guarantee services for certain of these borrowers. For the financial guarantee contracts, we have taken measures to manage credit risk, including credit examination, fraud examination and risk monitoring alert. Our maximum credit risk from financial guarantee contracts as of April 30, 2018 was RMB959 million, the majority of which were not credit-impaired on initial recognition and were not subsequently subject to significant increase in credit risk. We have recognized allowance for impairment at each of the reporting dates.

Liquidity Risk

We aim to maintain sufficient cash and cash equivalents. Due to the dynamic nature of the underlying business, our policy is to regularly monitor our liquidity risk and to maintain adequate cash and cash equivalents or adjust financing arrangements to meet our liquidity requirements. During the Track Record Period, we have primarily funded our cash requirements principally from cash generated from operating activities, capital contribution from shareholders and financing through issuance and sale of preferred shares in private placement transactions.

The table below analyzes our non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
	(in thousands of RMB)			
As of December 31, 2015				
Trade payables	441,565	—	—	441,565
Payables to merchants	4,473,281	—	—	4,473,281
Advance from transacting users	2,421,097	—	—	2,421,097
Other payables and accruals (excluding salaries and benefits payables and tax payable)	388,111	—	—	388,111
Redemption liabilities	1,169,007	—	—	1,169,007
Total	**8,893,061**	**—**	**—**	**8,893,061**

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
	(in thousands of RMB)			
As of December 31, 2016				
Trade payables	1,299,747	—	—	1,299,747
Payables to merchants	4,305,336	—	—	4,305,336
Advance from transacting users	2,043,751	—	—	2,043,751
Other payables and accruals (excluding salaries and benefits payables and tax payable)	1,018,314	—	—	1,018,314
Borrowings	1,000	—	—	1,000
Redemption liabilities	—	—	494,656	494,656
Off-balance sheet financial guarantee contracts	734,553	35,941	—	770,494
Total	**9,402,701**	**35,941**	**494,656**	**9,933,298**

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
		(in thousands of RMB)		
As of December 31, 2017				
Trade payables	2,666,799	—	—	2,666,799
Payables to merchants	9,363,873	—	—	9,363,873
Advance from transacting users	2,290,160	—	—	2,290,160
Other payables and accruals (excluding salaries and benefits payables and tax payable)	1,400,989	—	—	1,400,989
Borrowings	162,000	—	—	162,000
Redemption liabilities	—	—	399,275	399,275
Off-balance sheet financial guarantee contracts	1,235,097	88,804	—	1,323,901
Total	**17,118,918**	**88,804**	**399,275**	**17,606,997**

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
		(in thousands of RMB)		
As of April 30, 2018				
Trade payables	3,673,603	—	—	3,673,603
Payables to merchants	10,238,089	—	—	10,238,089
Advance from transacting users	2,612,947	—	—	2,612,947
Deposit due to transacting users	7,579,302	—	—	7,579,302
Other payables and accruals (excluding salaries and benefits payable, and tax payable)	3,673,812	—	—	3,673,812
Borrowings	1,217,000	—	—	1,217,000
Redemption liabilities	—	—	399,275	399,275
Other non-current liabilities	—	3,336	5,839	9,175
Off balance sheet financial guarantee contracts	922,729	36,056	—	958,785
Total	**29,917,482**	**39,392**	**405,114**	**30,361,988**

Details of the description of Preferred Shares are presented in Note 29 to the Accountant's Report in Appendix I to this document.

FUTURE DIVIDENDS

We are a holding company incorporated under the laws of the Cayman Islands. As a result, the payment and amount of any future dividend will also depend on the availability of dividends received from our subsidiaries. PRC laws require that dividends be paid only out of the profit for the year calculated according to PRC accounting principles, which differ in many aspects from the generally accepted accounting principles in other jurisdictions, including IFRS. PRC laws also require foreign-invested enterprises to set aside at least 10% of its after-tax profits, if any, to fund its statutory reserves, which are not available for distribution as cash dividends. Dividend distribution to our shareholders is recognized as a liability in the period in which the dividends are approved by our shareholders or Directors, where appropriate. During the Track Record Period, no dividends have been paid or declared by us.

WORKING CAPITAL CONFIRMATION

Taking into account the financial resources available to us, including our cash and cash equivalents on hand, existing bank borrowings, and the estimated net proceeds from the [REDACTED], our Directors are of the view that we have sufficient working capital to meet our present needs and for the next twelve months from the date of this document. We had negative cash flows from operations during the Track Record Period. Our net cash used in operating activities was RMB4.0 billion, RMB1.9 billion, RMB0.3 billion and RMB3.4 billion, respectively, during 2015, 2016, 2017 and the four months ended April 30, 2018. Our Directors confirm that we had no material defaults in payment of trade and non-trade payables and bank borrowings, or any breach of finance covenants during the Track Record Period.

[REDACTED]

[REDACTED]

[REDACTED]

For the purpose of this unaudited pro forma adjusted net tangible assets, the amounts stated in RMB are converted into Hong Kong dollars at a rate of HK$1.00 to RMB0.8753. No representation is made that RMB amounts have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate.

NO MATERIAL ADVERSE CHANGE

After performing sufficient due diligence work which our Directors consider appropriate and after due and careful consideration, the Directors confirm that, up to the date of this document, there has been no material adverse change in our financial or trading position or prospects since April 30, 2018, which is the end date of the periods reported on in the Accountant's Report included in Appendix I to this document, and there is no event since April 30, 2018 that would materially affect the information as set out in the Accountant's Report included in Appendix I to this document.

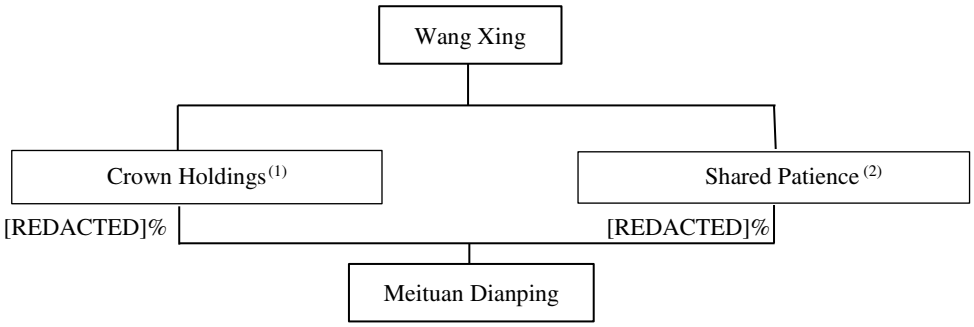
DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that, except as otherwise disclosed in this document, as of the Latest Practicable Date, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

CONTROLLING SHAREHOLDERS

Immediately after the completion of the [REDACTED], Wang Xing, our Co-founder, executive Director, Chief Executive Officer and Chairman of the Board, will be interested in and will control 573,188,783 Class A Shares through two intermediary entities, Crown Holdings and Shared Patience. Each Class A Share has 10 votes per share and each Class B Share has one vote per share, capable of being exercised on resolutions in general meeting. For certain Reserved Matters, the Class A Shares beneficially owned by Wang Xing carry one vote per share, and in relation to the Reserved Matters, the aggregate percentage of voting rights Wang Xing may exercise is approximately [REDACTED]%. Assuming the [REDACTED] is not exercised and no Shares are issued under the Pre-[REDACTED] ESOP, Post-[REDACTED] Share Option Scheme and Post-[REDACTED] Share Award Scheme, Wang Xing's aggregated shareholding will be approximately [REDACTED]% of our issued share capital and he will hold approximately [REDACTED]% of the voting rights in the Company through shares beneficially owned by him capable of being exercised on resolutions in general meetings (except for resolutions with respect to a limited number of Reserved Matters, in relation to which each share is entitled to one vote). Therefore, Wang Xing will be a Controlling Shareholder after the [REDACTED].

The following diagram illustrates the ultimate beneficial interest of our Controlling Shareholders' voting rights for resolutions in general meetings with respect to matters other than the Reserved Matters, immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no Shares are issued under the Pre-[REDACTED] ESOP, Post-[REDACTED] Share Option Scheme and Post-[REDACTED] Share Award Scheme):



Notes:

(1) Immediately after the completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no Shares are issued under the Pre-[REDACTED] ESOP, Post-[REDACTED] Share Option Scheme and Post-[REDACTED] Share Award Scheme), Crown Holdings will hold 489,600,000 Class A Shares, representing approximately [REDACTED]% of the voting rights in the Company capable of being exercised on resolutions in general meetings and approximately [REDACTED]% of the voting rights in the Company in relation to Reserved Matters. Crown Holdings is directly wholly owned by Songtao Limited. The entire interest in Songtao Limited is held through a trust which was established by Wang Xing (as the settlor) for the benefit of Wang Xing and his family.

(2) Immediately after the completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no Shares are issued under the Pre-[REDACTED] ESOP, Post-[REDACTED] Share Option Scheme and Post-[REDACTED] Share Award Scheme), Shared Patience will hold 83,588,783 Class A Shares, representing approximately [REDACTED]% of the voting rights in the Company capable of being exercised on resolutions in general meetings and approximately [REDACTED]% of the voting rights in the Company in relation to Reserved Matters. Shared Patience is directly wholly owned by Wang Xing.

For further information about the weighted voting rights attached to the Class A Shares, please refer to the section headed "Share Capital."

INDEPENDENCE FROM CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that we are capable of carrying on our business independently from our Controlling Shareholders and its close associates after the [REDACTED].

Management Independence

Our business is managed and conducted by our Board and senior management. Upon [REDACTED], our Board will consist of eight Directors comprising three executive Directors, two non-executive Directors and three independent non-executive Directors. For more information, please see the section headed "Directors and Senior Management."

Our Directors consider that our Board and senior management will function independently from our Controlling Shareholders because:

(a) each Director is aware of his fiduciary duties as a director which require, among other things, that he acts for the benefit and in the interest of our Company and does not allow any conflict between his duties as a Director and his personal interests;

(b) our daily management and operations are carried out by a senior management team, all of whom have substantial experience in the industry in which our Company is engaged, and will therefore be able to make business decisions that are in the best interests of our Group;

(c) we have three independent non-executive Directors and certain matters of our Company must always be referred to the independent non-executive Directors for review;

(d) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and our Directors or their respective associates, the interested Director(s) is required to declare the nature of such interest before voting at the relevant Board meetings of our Company in respect of such transactions; and

(e) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and our Controlling Shareholders which would support our independent management. Please see " Corporate Governance Measures" in this section for further information.

Based on the above, our Directors believe that our Board as a whole and together with our senior management team are able to perform the managerial role independently from our Controlling Shareholders.

Operational Independence

Our Group is not operationally dependent on the Controlling Shareholders. Save as disclosed in the sections headed "Business — Our Business — Licenses and Permits", "Business — Our Business — Intellectual Property" and "Business — Our Business — Legal Proceedings and Compliance — Compliance", our Group (through our subsidiaries and Consolidated Affiliated Entities) holds all material licenses and owns all relevant intellectual properties and research and development facilities necessary to carry on our business. We have sufficient capital, facilities, equipment and employees to operate our business independently from our Controlling Shareholders. We also have independent access to our customers and an independent management team to operate our business.

Based on the above, our Directors believe that we are able to operate independently of our Controlling Shareholders.

Financial Independence

We have independent internal control and accounting systems. We also have an independent finance department responsible for discharging the treasury function. We are capable of obtaining financing from third parties, if necessary, without reliance on our Controlling Shareholders.

No loans or guarantees provided by, or granted to, our Controlling Shareholders or their respective associates will be outstanding as of the [REDACTED] Date.

Based on the above, our Directors are of the view that they and our senior management are capable of carrying on our business independently of, and do not place undue reliance, on our Controlling Shareholders and their respective close associates after the [REDACTED].

DISCLOSURE UNDER RULE 8.10 OF THE LISTING RULES

Our Controlling Shareholders confirm that as of the Latest Practicable Date, they did not have any interest in a business, apart from the business of our Group, which competes or is likely to compete, directly or indirectly, with our business that would require disclosure under Rule 8.10 of the Listing Rules.

CORPORATE GOVERNANCE MEASURES

Our Directors recognize the importance of good corporate governance in protecting our Shareholders' interests. We have adopted the following measures to ensure good corporate governance standards and to avoid potential conflicts of interest between our Group and our Controlling Shareholders:

(a) under the Articles, where a Shareholders' meeting is to be held for considering proposed transactions in which our Controlling Shareholders or any of their respective associates has a material interest, the relevant Controlling Shareholders or associate will not vote on the relevant resolutions;

(b) our Company has established internal control mechanisms to identify connected transactions. Upon the [REDACTED], if our Company enters into connected transactions with our Controlling Shareholders or any of its associates, our Company will comply with the applicable Listing Rules;

(c) the independent non-executive Directors will review, on an annual basis, whether there are any conflicts of interests between the Group and our Controlling Shareholders and provide impartial and professional advice to protect the interests of our minority Shareholders;

(d) our Controlling Shareholders will undertake to provide all information necessary, including all relevant financial, operational and market information and any other necessary information as required by the independent non-executive Directors for the purpose of their annual review;

(e) our Company will disclose decisions on matters reviewed by the independent non-executive Directors either in its annual reports or by way of announcements as required by the Listing Rules;

(f) where our Directors reasonably request the advice of independent professionals, such as financial advisors, the appointment of such independent professionals will be made at our Company's expense;

(g) we have appointed Guotai Junan Capital Limited as our compliance advisor to provide advice and guidance to us in respect of compliance with the applicable laws and regulations, as well as the Listing Rules, including various requirements relating to corporate governance; and

(h) we have established our audit committee, remuneration committee, nomination committee and corporate governance committee with written terms of reference in compliance with the Listing Rules and the Corporate Governance Code and Corporate Governance Report in Appendix 14 to the Listing Rules. All of the members of our audit committee, including the chairman, are independent non-executive Directors.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest that may arise between our Group and our Controlling Shareholders, and to protect our minority Shareholders' interests after the [REDACTED].

Pursuant to Chapter 14A of the Listing Rules, the transactions that we enter into with our connected persons will constitute connected transactions upon the [REDACTED].

SUMMARY OF OUR CONNECTED PERSONS

The table below sets forth parties who will become, or we have agreed to treat as, our connected persons upon [REDACTED] and the nature of their relationship with our Company. We have entered into certain transactions which will constitute our continuing connected transactions following the [REDACTED] with the following connected persons:

Name	Connected relationship
Shenzhen Tencent Computer	subsidiary of Tencent, one of our Substantial Shareholders

SUMMARY OF OUR CONTINUING CONNECTED TRANSACTIONS

	Transaction	Applicable Listing Rule	Waiver sought	Proposed annual cap for the years ending December 31, (RMB) 2018	2019	2020
	Partially-exempt continuing connected transactions					
1.	Marketing and Promotion Services Framework Agreement	Rule 14A.35 Rule 14A.76(2) Rule 14A.105	Announcement	450,000,000	500,000,000	560,000,000
2.	Cloud Services and Technical Services Framework Agreement	Rule 14A.35 Rule 14A.76(2) Rule 14A.105	Announcement	200,000,000	320,000,000	500,000,000
	Non-exempt continuing connected transactions					
1.	Payment Services Framework Agreement	Rule 14A.35 Rule 14A.36 Rule 14A.53 Rule 14A.105	Announcement, circular and independent shareholders' approval	1,100,000,000	1,700,000,000	2,500,000,000
2.	Contractual Arrangements	Rule 14A.35 Rule 14A.36 Rule 14A.52 Rule 14A.53 Rule 14A.105	Announcement and independent shareholders' approval, circular, annual cap, limiting the term to three years	N/A	N/A	N/A

PARTIALLY-EXEMPT CONTINUING CONNECTED TRANSACTIONS

1. Marketing and Promotion Services Framework Agreement

Description of the Agreement

On September 1, 2018, Meituan Dianping (for itself and on behalf of other members of our Group) entered into a framework agreement with Shenzhen Tencent Computer (for itself and on behalf of other members of Tencent), pursuant to which Tencent would provide marketing and promotion services for us (including but not limited to advertisement solicitation services on Tencent's social media network, provision of links to our platform, technical support to enable us to give virtual "red packets" to our users via our platform and mobile apps, and grant of access to Tencent's platform to provide our services to Tencent's clients) (the "**Marketing and Promotion Services Framework Agreement**"). The precise scope of service, service fee calculation, method of payment and other details of the service agreement will be agreed between the relevant parties separately.

The term of the Marketing and Promotion Services Framework Agreement shall commence on the [REDACTED] Date and expire on December 31, 2020.

In return for these marketing and promotion services, we would pay certain promotion service fees in one or more of the following manners:

- Cost-Per-Time: charged on the basis of length of duration of marketing and promotion services provided by Tencent;
- Cost-Per-Click: charged on the basis of the price of each click and number of clicks of online users;
- Cost-Per-Mille: charged on the basis of the number of impressions (expressed in thousands) generated by online users;
- Cost-Per-Sale: charged on the basis of revenue generated from the users procured through Tencent; and
- Cost-Per-Download: charged on the basis of actual download volumes of our services.

The marketing and promotion services fees will be determined after arm's length negotiation between the parties with reference to the market rates.

Reasons for the Transactions

Given that Tencent is a leading provider of Internet value added services in the PRC internet across social, games and media platforms, the use of marketing and promotion services on its platforms would enable us to promote our brands and services to Tencent's vast and high-frequency user base, hence attracting more consumers and merchants to our platform and enhancing our business

growth. Many of our users and potential new users are users of Tencent's platforms through which we deliver our services. We believe that the marketing and promotion services provided by Tencent will enable us to increase our users and potential new users' awareness of and familiarity with our platform, mobile apps and services which will be crucial to the success of our business.

Pricing Policy

Before entering into any marketing and promotion services agreement pursuant to the Marketing and Promotion Services Framework Agreement, we will assess our business needs and compare the marketing and promotion services fees rates proposed by Tencent with the fees rates offered by at least one other comparable service providers. In addition, we will take into account a number of factors, including but not limited to (i) the effectiveness of the services offered by different online marketing and promotion services providers; (ii) the breadth of user base of various online advertising platforms; and (iii) the rates of marketing and promotion services fees. We will only enter into a marketing and promotion services agreement with Tencent if (i) the fees rates and quality of marketing and promotion services provided by Tencent are no less favourable than those from other independent third party service provider; and (ii) it is in the best interests of our Company and the Shareholders as a whole.

Historical Amounts and Basis of Annual Caps

For the years ended December 31, 2015, 2016 and 2017, and for the four months ended April 30, 2018, the aggregate amounts of the marketing and promotion services fees paid to Tencent by us were RMB51.6 million, RMB128.1 million, RMB87.8 million and RMB20.6 million, respectively. For the years ended December 31, 2015, 2016 and 2017, the aggregate amounts of the marketing and promotion services fees paid to Tencent by us accounted for approximately 1.3%, 1.0% and 0.3% of the total revenue, respectively. The historical transactions between Mobike and Tencent are not reflected for the years ended December 31, 2015, 2016 and 2017 as Mobike was not part of our group prior to its acquisition by us. However, since our acquisition of Mobike in April 2018, transactions between Mobike and Tencent have been recorded as our connected transactions starting from the month ended April 30, 2018.

For the years ending December 31, 2018, 2019 and 2020, the relevant annual caps are expected to be RMB450 million, RMB500 million and RMB560 million, respectively. The aggregate amount of promotion services fees paid to Tencent for the three years ended December 31, 2015, 2016 and 2017 did not fully reflect our actual demand for marketing and promotion services. In the past, we engaged a number of external marketing agencies to promote our services through advertisements. These agencies are independent third parties to the Company and hence our transactions with them were not counted as connected transactions. Starting from 2018, our Company decided to change our online marketing strategy from engaging multiple traditional marketing & advertising agencies to cooperating with integrated online marketing and advertising services providers in order to enjoy the benefit of a broader reach of internet users. In light of Tencent's leading position in the internet, social network and media entertainment industries in the PRC, the Company has decided to engage Tencent as one of its core marketing and promotion services provider. The annual caps for the years ending December 31, 2018, 2019 and 2020 are derived with reference to the historical marketing and promotion services fees paid to Tencent as a percentage of our total revenue. We expect that such percentage will significantly increase from 2017 to 2018 primarily as result of (i) our engagement of

Tencent, being a connected person of the Company, as our core marketing and promotion services provider as discussed above, and (ii) the increasing demand for marketing and promotion services arising from the expansion in product and service categories as well as growth of our new initiatives and other services segment. We expect that such percentage will gradually decrease from 2018 to 2020 as a result of improvement in our cross-selling capabilities, and economies of scale. Our Directors therefore consider that the proposed annual caps are fair and reasonable.

Since the highest of the applicable percentage ratios calculated under Chapter 14A of the Listing Rules will be 0.1% or more but less than 5%, pursuant to Rule 14A.76(2) of the Listing Rules, the transactions contemplated under the Marketing and Promotion Services Framework Agreement will be exempt from the circular (including the opinion and recommendation from an independent financial advisor) and the independent shareholders' approval requirements, but are subject to the announcement requirements under Rule 14A.35 of the Listing Rules and the annual reporting requirements under Rules 14A.49, 14A.71 and 14A.72 of the Listing Rules. We have applied for, and the Stock Exchange has granted, waivers from these requirements as described below.

2. **Cloud Services and Technical Services Framework Agreement**

Description of the Agreement

On September 1, 2018, Meituan Dianping (for itself and on behalf of other members of our Group) entered into a framework agreement with Shenzhen Tencent Computer (for itself and on behalf of other members of Tencent), pursuant to which Tencent agreed to provide cloud services, cloud storage and cloud services related technical support to us for service fees (the "**Cloud Services and Technical Services Framework Agreement**"). The precise scope of service, service fee calculation, method of payment and other details of the service arrangement will be agreed between the relevant parties separately.

The term of the Cloud Services and Technical Services Framework Agreement shall commence on the [REDACTED] Date and expire on December 31, 2020.

The service fees will be determined after arm's length negotiation between the parties with reference to the market rates.

Reasons for the Transactions

There are limited choices of cloud service providers in the PRC. Tencent is a leading integrated service provider for a wide range of cloud services and technical services in the PRC and is able to provide reliable and cost-efficient services. Considering our business has undergone and is expected to undergo rapid growth, we believe that obtaining such outsourced services from an integrated service provider is a cost-effective alternative to build all supporting technology infrastructure internally. We will be able to reduce unnecessary management resources and costs incurred from the purchase of additional technology hardware and tools, and recruitment of additional full-time information technology and maintenance staff. We therefore entered into the Cloud Services and Technical Services Framework Agreement to govern any cloud services and technical services to be provided by Tencent to us.

Pricing Policy

Before entering into any cloud services and technical services agreement pursuant to the Cloud Services and Technical Services Framework Agreement, we will assess our business needs and compare the cloud services and technical services fees proposed by Tencent with the fees offered by at least one other comparable service providers. In addition, we will take into account a number of factors, including but not limited to (i) the quality and stability of cloud and technical services of different service providers; and (ii) the service fee rates. We will only enter into a cloud services and technical services agreement with Tencent if (i) the fees rates and quality of the cloud services and technical services provided by Tencent are no less favourable than those from other independent third party service provider; and (ii) it is in the best interests of our Company and the Shareholders as a whole.

Historical Amounts and Basis of Annual Caps

For the years ended December 31, 2015, 2016 and 2017, and for the four months ended April 30, 2018, the aggregate amounts of fees relating to cloud services and technical services paid to Tencent by us were nil, RMB9.5 million, RMB18.8 million and RMB10.3 million, respectively. For each of the years ended December 31, 2016 and 2017, the aggregate amounts of fees relating to cloud services and technical services paid to Tencent by us accounted for approximately 0.1% of the total revenue. The historical transactions between Mobike and Tencent are not reflected for the three years ended December 31, 2015, 2016 and 2017 as Mobike was not part of our group prior to its acquisition by us. However, since our acquisition of Mobike in April 2018, transactions between Mobike and Tencent have been recorded as our connected transactions starting from the month ended April 30, 2018.

For the years ending December 31, 2018, 2019 and 2020, the relevant annual caps are expected to be RMB200 million, RMB320 million and RMB500 million, respectively. While the aggregate amount of fees relating to cloud services and technical services paid to Tencent by us in 2017 amounted to RMB18.8 million, the annual cap for 2018 is expected to be RMB200 million, primarily due to our acquisition of Mobike in April 2018. Mobike has been utilizing technical services provided by Tencent as part of Mobike's core business operations. Our Directors take the view that it will be in the best interest of the Company that, for the sake of operational stability, Mobike continues to procure cloud and technical services from Tencent in light of its existing cooperative relationship with Tencent in this field. The annual caps for the years ending December 31, 2018, 2019 and 2020 are calculated by reference to the historical cloud services and technical services fees paid to Tencent as a percentage of our total revenue. We expect a significant one-off increase of such percentage from 2017 to 2018 as a result of our acquisition of Mobike as discussed above and our estimated demand for cloud and technical services in support of the growth of our new initiatives and other services segment. We expect that the estimated amount of fees will increase in proportion with the overall organic growth of our businesses and our corresponding demand for cloud services and technical services from 2018 to 2020. Our Directors therefore consider that the proposed annual caps are fair and reasonable.

Since the highest of the applicable percentage ratios calculated under Chapter 14A of the Listing Rules will be 0.1% or more but less than 5%, pursuant to Rule 14A.76(2) of the Listing Rules, the transactions contemplated under the Cloud Services and Technical Services Framework Agreement will be exempt from the circular (including the opinion and recommendation from an independent financial advisor) and the independent shareholders' approval requirements, but are subject to the announcement requirements under Rule 14A.35 of the Listing Rules and the annual reporting requirements under Rules 14A.49, 14A.71 and 14A.72 of the Listing Rules. We have applied for, and the Stock Exchange has granted, waivers from these requirements as described below.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

1. Payment Services Framework Agreement

Description of the Agreement

On September 1, 2018, Meituan Dianping (for itself and on behalf of other members of our Group) entered into a framework agreement with Shenzhen Tencent Computer (for itself and on behalf of other members of Tencent), pursuant to which Tencent agreed to provide us with payment services in order to enable our consumers to make online payment for our service offerings through Tencent payment channels on both mobile devices and personal computers or directly on Tencent payment interface embedded on our mobile apps and website (the "**Payment Services Framework Agreement**"). We shall in return pay payment service commissions to Tencent. The precise scope of service, commission rate, the applicable payment channel and other details of the arrangement shall be agreed between the relevant parties.

The term of the Payment Services Framework Agreement shall commence on the [REDACTED] and expire on December 31, 2020.

The payment service commissions will be determined after arm's length negotiation between the parties with reference to the market rates. The commission rate and calculation method shall be agreed between the parties separately.

Reasons for the Transactions

There are limited choices of online payment channels in the PRC. Given that Tencent is a leading player in the PRC online payment service industry and many of our users use Tencent's online payment services, such cooperation will enable us to provide our users with the best available payment methods and therefore enhance our users' satisfaction with our services.

Pricing Policy

Before entering into any payment service agreement pursuant to the Payment Services Framework Agreement, we will assess our business needs and compare the payment service commissions proposed by Tencent with the commissions offered by at least one other comparable service providers. In addition, we will take into account a number of factors, including but not limited to (i) the efficiency of payment channels operated by different online payment service providers (ii)

consumers' preference among different online payment service providers; and (iii) the payment service commission rates. We will only enter into a payment service agreement with Tencent if (i) the fees rates and quality of the payment services provided by Tencent are no less favourable than those from other independent third party service provider; and (ii) it is in the best interests of our Company and the Shareholders as a whole.

Historical Amounts and Basis of Annual Caps

For the years ended December 31, 2015, 2016 and 2017, and for the four months ended April 30, 2018, the aggregate amounts of the payment service commissions in connection with payment services paid to Tencent by us and Mobike were RMB39.3 million, RMB102.1 million, RMB306.7 million and RMB157.3 million, respectively. The historical transactions between Mobike and Tencent are not reflected for the years ended December 31, 2015, 2016 and 2017 as Mobike was not part of our group prior to its acquisition by us. However, since our acquisition of Mobike in April 2018, transactions between Mobike and Tencent have been recorded as our connected transactions starting from the month ended April 30, 2018.

For the years ending December 31, 2018, 2019 and 2020, the relevant annual caps are expected to be RMB1.1 billion, RMB1.7 billion and RMB2.5 billion, respectively. The annual caps for the years ending December 31, 2018, 2019 and 2020 are primarily multiples of (i) the expected Gross Transaction Volume for the years ending December 31, 2018, 2019 and 2020; (ii) the historical percentage of GTV with payment made through Tencent's payment channels which we expect to continue to be the main payment method chosen by our Transacting Users going forward; and (iii) the estimated commission rate charged by Tencent, with reference to the current market rates. Our Directors therefore consider that the proposed annual caps are fair and reasonable.

The transactions contemplated under the Payment Services Framework Agreement are continuing connected transactions of our Company. The transactions are conducted in the ordinary and usual course of business on normal commercial terms or better and our Directors currently expect that the highest applicable percentage ratios under the Listing Rules in respect of the transactions associated with the Payment Services Framework Agreement will be more than 5%. As such, the transactions will be subject to the reporting, annual review, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

2. **Contractual Arrangements**

a) ***Background***

As disclosed in the section headed "Contractual Arrangements" in this document, due to regulatory restrictions on foreign ownership in the PRC, we conduct a substantial portion of our business through our Consolidated Affiliated Entities in the PRC.

We do not hold any equity interests in our Consolidated Affiliated Entities. The Contractual Arrangements among us, the WFOEs, our Consolidated Affiliated Entities and shareholders of our Consolidated Affiliated Entities enable us to (i) receive substantially all of the economic benefits from

our Consolidated Affiliated Entities in consideration for the services provided by the WFOEs to the Onshore Holdcos; (ii) exercise effective control over our Consolidated Affiliated Entities through the Onshore Holdco; and (iii) hold an exclusive option to purchase all or part of the equity interests in the Onshore Holdcos when and to the extent permitted by PRC laws.

See the section headed "Contractual Arrangements" in this document for detailed terms of the Contractual Arrangements.

b) ***Listing Rules Implications***

For the purposes of Chapter 14A of the Listing Rules, and in particular the definition of "connected person", the Consolidated Affiliated Entities will be treated as our Company's wholly-owned subsidiary, and its directors, chief executives or substantial shareholders (as defined in the Listing Rules) and their respective associates will be treated as our Company's "connected persons."

The transactions contemplated under the Contractual Arrangements are continuing connected transactions of the Company. The highest applicable percentage ratios (other than the profits ratio) under the Listing Rules in respect of the transactions associated with the Contractual Arrangements are expected to be more than 5%. As such, the transactions will be subject to the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

c) ***Waiver Applications***

i. *Reasons for the waiver application*

Our Directors (including the independent non-executive Directors) are of the view that the Contractual Arrangements and the transactions contemplated therein are fundamental to our Group's legal structure and business, that such transactions have been and will be entered into in the ordinary and usual course of business of our Group, are on normal commercial terms and are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

Our Directors also believe that our structure, whereby the financial results of the Consolidated Affiliated Entities are consolidated into our financial statements as if they were our Company's wholly owned subsidiaries, and all the economic benefits of their business flows to our Group, places our Group in a special position in relation to the connected transactions rules. Accordingly, notwithstanding that the transactions contemplated under the Contractual Arrangements technically constitute continuing connected transactions under Chapter 14A of the Listing Rules, our Directors consider that it would be unduly burdensome and impracticable and would add unnecessary administrative costs to our Company, for all the transactions contemplated under the Contractual Arrangements to be subject to strict compliance with the requirements set out under Chapter 14A of the Listing Rules, including, among other things, the announcement and approval of independent Shareholders.

In addition, given the Contractual Arrangements were entered into prior to the [REDACTED] and are disclosed in this document, and potential investors of our Company will participate in the [REDACTED] on the basis of such disclosure, our Directors consider that compliance with the announcement and the independent Shareholders' approval requirements in respect thereof immediately after [REDACTED] would add unnecessary administrative costs to our Company.

To ensure sound and effective operation of our Group after the adoption of the Contractual Arrangements, the management of our Group plans to take the following measures:

- as part of the internal control measures, major issues arising from implementation and performance of the Contractual Arrangements will be reviewed by the Board on a regular basis which will be no less frequent than on a quarterly basis. Our Board will determine, as part of its periodic review process, whether legal advisors and/or other professionals will need to be retained to assist the Group to deal with specific issues arising from the Contractual Arrangements;

- matters relating to compliance and regulatory enquiries from governmental authorities, if any, will be discussed by the Board on a regular basis which will be no less frequent than on a quarterly basis;

- the relevant business units and operation divisions of our Group will report regularly, which will be no less frequent than on a monthly basis, to the senior management of our Company on the compliance and performance conditions under the Contractual Arrangements and other related matters; and

- our Company shall comply with the conditions prescribed under the waiver granted by the Stock Exchange in connection with the continuing connected transactions contemplated under the Contractual Arrangements.

ii. *Conditions of the waiver application*

In view of the Contractual Arrangements, we have applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with (i) the announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of the transactions contemplated under the Contractual Arrangements pursuant to Rule 14A.105 of the Listing Rules, (ii) the requirement of setting an annual cap for the transactions under the Contractual Arrangements under Rule 14A.53 of the Listing Rules, and (iii) the requirement of limiting the term of the Contractual Arrangements to three years or less under Rule 14A.52 of the Listing Rules, for so long as our Shares are listed on the Stock Exchange subject however to the following conditions.

No change without independent non-executive Directors' approval

No change to the Contractual Arrangements (including with respect to any fees payable to the WFOEs thereunder) will be made without the approval of the independent non-executive Directors.

No change without independent Shareholders' approval

Save as described below, no change to the agreements governing the Contractual Arrangements will be made without the approval of our independent Shareholders. Once independent Shareholders' approval of any change has been obtained, no further announcement or approval of the independent Shareholders, except for those described above, will be required under Chapter 14A of the Listing Rules unless and until further changes are proposed. The periodic reporting requirement regarding the Contractual Arrangements in the annual reports of our Company will however continue to be applicable.

Economic benefits and flexibility

The Contractual Arrangements shall continue to enable our Group to receive the economic benefits derived by the Consolidated Affiliated Entities through (i) our Group's options (if and when so allowed under the applicable PRC laws) to acquire, all or part of the entire equity interests in the Consolidated Affiliated Entities for nil consideration or the minimum amount of consideration permitted by applicable PRC laws and regulations, (ii) the business structure under which the profit generated by the Consolidated Affiliated Entities is substantially retained by our Group, such that no annual cap shall be set on the amount of service fees payable to the WFOEs by the Consolidated Affiliated Entities under the Exclusive Business Cooperation Agreement, and (iii) our Group's right to control the management and operation of, as well as, in substance, all of the voting rights of the Consolidated Affiliated Entities.

Renewal and reproduction

On the basis that the Contractual Arrangements provide an acceptable framework for the relationship between our Company and its subsidiaries in which our Company has direct shareholding, on the one hand, and the Consolidated Affiliated Entities, on the other hand, that framework may be renewed and/or reproduced without obtaining the approval of the Shareholders: (i) upon the expiry of the existing arrangements or (ii) in relation to any existing, newly established or acquired wholly foreign-owned enterprise or operating company (including branch company), engaging in the same business as that of our Group. Such renewal and/or reproduction is justified by business expediency. The directors, chief executive or substantial shareholders of any existing or new wholly foreign-owned enterprise or operating company (including branch company) engaging in the same business as that of our Group which our Group may establish will, upon renewal and/or reproduction of the Contractual Arrangements, however be treated as connected persons of our Group and transactions between these connected persons and our Group other than those under similar Contractual Arrangements shall comply with Chapter 14A of the Listing Rules. This condition is subject to relevant PRC laws, regulations and approvals.

Any renewed or reproduced framework will be on substantially the same terms and conditions as the existing Contractual Arrangements.

Ongoing reporting and approvals

We will disclose details relating to the Contractual Arrangements on an on-going basis:

- the Contractual Arrangements in place during each financial period will be disclosed in our Company's annual report and accounts in accordance with the relevant provisions of the Listing Rules;

- our independent non-executive Directors will review the Contractual Arrangements annually and confirm in our Company's annual report and accounts for the relevant year that (i) the transactions carried out during such year have been entered into in accordance with the relevant provisions of the Contractual Arrangements, (ii) no dividends or other distributions have been made by our Consolidated Affiliated Entities to the holders of its equity interests which are not otherwise subsequently assigned or transferred to our Group, and (iii) any new contracts entered into, renewed or reproduced between our Group and the Consolidated Affiliated Entities during the relevant financial period above are fair and reasonable, or advantageous to our Shareholders, so far as our Group is concerned and in the interests of the Shareholders as a whole;

- our Company's auditors will carry out review procedures in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants annually on the transactions carried out pursuant to the Contractual Arrangements and will provide a letter to our Directors with a copy to the Stock Exchange confirming that the transactions have received the approval of our Directors, have been entered into in accordance with the relevant Contractual Arrangements and that no dividends or other distributions have been made by our Consolidated Affiliated Entities to the holders of its equity interests which are not otherwise subsequently assigned or transferred to our Group;

- for the purpose of Chapter 14A of the Listing Rules, and in particular the definition of "connected person", our Consolidated Affiliated Entities will be treated as our Company's subsidiaries, but at the same time, the directors, chief executives or substantial shareholders of the Consolidated Affiliated Entities and its associates will be treated as connected persons of our Company as applicable under the Listing Rules (excluding for this purpose, the Consolidated Affiliated Entities), and transactions between these connected persons and our Group (including for this purpose, the Consolidated Affiliated Entities), other than those under the Contractual Arrangements, will be subject to requirements under Chapter 14A of the Listing Rules; and

- our Consolidated Affiliated Entities will undertake that, for so long as the Shares are listed on the Stock Exchange, the Consolidated Affiliated Entities will provide our Group's management and our Company's auditors full access to its relevant records for the purpose of our Company's auditor's review of the connected transactions.

WAIVERS

We have applied for, and the Stock Exchange has granted us in respect of the Marketing and Promotion Services Framework Agreement and Cloud Services and Technical Services Framework Agreement waivers from strict compliance with the announcement requirements under the Listing Rules in respect of the partially-exempt continuing connected transactions mentioned above.

We have applied for, and the Stock Exchange has granted us, in respect of the Payment Services Framework Agreement, a waiver from strict compliance with the announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

We have applied for, and the Stock Exchange has granted us, in respect of the Contractual Arrangements, (i) a waiver from strict compliance with the announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules; (ii) a waiver from strict compliance with the requirement to set a term of not exceeding three years under Rule 14A.52 of the Listing Rules; and (iii) a waiver from strict compliance with the requirements to set monetary annual caps under Rule 14A.53(1) of the Listing Rules.

DIRECTORS' CONFIRMATION

Our Directors (including independent non-executive Directors) are of the view that the continuing connected transactions set out above have been entered into in our ordinary and usual course of business on normal commercial terms or better which are fair and reasonable and in the interests of our Company and our Shareholders as a whole, and the proposed monetary annual caps or alternative caps (if any) in respect of the partially-exempt and non-exempt continuing connected transactions are fair and reasonable and in the interests of us and our Shareholders as a whole.

JOINT SPONSORS' CONFIRMATION

Based on the documentation and data provided by us, having made reasonable inquiries and after due and careful consideration, the Joint Sponsors are of the view that, as of the date of this document, the aforesaid continuing connected transactions have been entered into in the ordinary and usual course of business of our Company on normal commercial terms (or better) which are fair and reasonable, and in the interests of our Company and our Shareholders as a whole, and the proposed monetary annual caps or alternative caps (if any) in respect of the continuing connected transactions are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

AUTHORIZED AND ISSUED SHARE CAPITAL

The following is a description of the authorized and issued share capital of our Company immediately prior to and upon the completion of the [REDACTED], assuming that (i) the [REDACTED] becomes unconditional and the [REDACTED] are issued pursuant to the [REDACTED], (ii) the [REDACTED] is not exercised, (iii) no Shares are issued under the Pre-[REDACTED] ESOP, Post-[REDACTED] Share Option Scheme and Post-[REDACTED] Share Award Scheme, (iv) each ordinary share held by Crown Holdings, Shared Patience, Charmway Enterprises, Shared Vision and Kevin Sunny is converted into one Class A Share of US$0.00001; (v) each ordinary share held by shareholders other than those listed in above and each Preferred Share is converted into one Class B Share of US$0.00001 each; and (vi) no Class A Shares are converted to Class B Shares.

1. Share capital at the date of this document

(i) ***Authorized share capital***

Number	Description of Shares	Approximate aggregate nominal value of shares
6,258,998,598	ordinary shares of US$0.00001 par value each	US$62,589.98598
3,741,001,402	Preferred Shares of US$0.00001 par value each	US$37,410.01402
Total		**US$100,000**

(ii) ***Issued, fully paid or credited to be fully paid***

Number	Description of Shares	Approximate aggregate nominal value of shares
1,354,449,423	ordinary shares of US$0.00001 par value each	US$13,544.49423
3,656,537,142	Preferred Share of US$0.00001 par value each	US$36,565.37142
Total		**US$50,109.86565**

2. Share capital immediately following the completion of the [REDACTED]

(i) ***Authorized share capital***

Number	Description of Shares	Approximate aggregate nominal value of shares
735,568,783	Class A Share	US$7,355.68783
9,264,431,217	Class B Share	US$92,644.31217
Total		**US$100,000**

(ii) ***Issued fully paid or credited to be fully paid***

Number	Description of Shares	Approximate aggregate nominal value of shares
735,568,783	Class A Share in issue	US$7,355.68783
4,275,417,782	Class B Share in issue	US$42,754.17782
[REDACTED]	Class B Shares to be issued pursuant to the [REDACTED]	US$[REDACTED]
Total		US$[REDACTED]

The tables above do not take into account any Shares that may be issued or repurchased by the Company under the general mandates granted to our Directors referred to below.

WEIGHTED VOTING RIGHTS STRUCTURE

The Company is proposing to adopt a weighted voting rights structure effective immediately upon the completion of the [REDACTED]. Under this structure the Company's share capital will comprise Class A Shares and Class B Shares. Each Class A Share will entitle the holder to exercise 10 votes, and each Class B Share will entitle the holder to exercise one vote, respectively, on any resolution tabled at the Company's general meetings, except for resolutions with respect to a limited number of Reserved Matters, in relation to which each Share is entitled to one vote.

The Reserved Matters are:

(i) any amendment to the Memorandum or Articles, including the variation of the rights attached to any class of shares;

(ii) the appointment, election or removal of any independent non-executive Director;

(iii) the appointment, election or removal of the Company's auditors; and

(iv) the voluntary liquidation or winding-up of the Company.

In addition, Shareholders, including holders of Class B Shares, holding not less than one-tenth of the paid up capital of the Company that carries the right of voting at general meetings are entitled to convene an extraordinary general meeting of the Company and add resolutions to the meeting agenda.

For further details, see the summary of the Articles of Association in Appendix III.

The table below sets out the ownership and voting rights to be held by the WVR Beneficiaries upon the completion of the [REDACTED]:

	Number of Shares	Approximate percentage of issued share capital (1)	Approximate percentage of voting rights(1)(2)
Class A Shares held by the WVR Beneficiaries	735,568,783	[REDACTED]%	[REDACTED]%

Notes:

(1) Assuming the [REDACTED] Option is not exercised and no Shares are issued under the Pre-[REDACTED] ESOP, Post-[REDACTED] Share Option Scheme and Post-[REDACTED] Share Award Scheme.

(2) On the basis that Class A Shares entitle the Shareholder to 10 votes per share and Class B Shares entitle the Shareholder to one vote per share.

Class A Shares may be converted into Class B Shares on a one to one ratio. Upon the conversion of all the issued and outstanding Class A Shares into Class B Shares, the Company will issue 735,568,783 Class B Shares, representing approximately [REDACTED]% the total number of issued and outstanding Class B Shares (assuming the [REDACTED] is not exercised and no Shares are issued under the Pre-[REDACTED] ESOP, Post-[REDACTED] Share Option Scheme and Post-[REDACTED] Share Award Scheme):

The weighted voting rights attached to our Class A Shares will cease when none of the WVR Beneficiaries have beneficial ownership of any of our Class A Shares, in accordance with Listing Rule 8A.22. This may occur:

(i) upon the occurrence of any of the circumstances set out in Listing Rule 8A.17, in particular where the WVR Beneficiary is: (1) deceased; (2) no longer a member of our Board; (3) deemed by the Stock Exchange to be incapacitated for the purpose of performing his duties as a director; or (4) deemed by the Stock Exchange to no longer meet the requirements of a director set out in the Listing Rules;

(ii) when the holders of Class A Shares have transferred to another person the beneficial ownership of, or economic interest in, all of the Class A Shares or the voting rights attached to them, other than in the circumstances permitted by Listing Rule 8A.18;

(iii) where a vehicle holding Class A Shares on behalf of a WVR Beneficiary no longer complies with Listing Rule 8A.18(2); or

(iv) when all of the Class A Shares have been converted to Class B Shares.

WVR Beneficiaries

Immediately upon the completion of the [REDACTED], the WVR Beneficiaries will be Wang Xing, Mu Rongjun and Wang Huiwen.

- Wang Xing will beneficially own [REDACTED] Class A Shares, representing approximately [REDACTED]% of the voting rights in the Company (assuming the [REDACTED] is not exercised and no Shares are issued under the Pre-[REDACTED] ESOP, Post-[REDACTED] Share Option Scheme and Post-[REDACTED] Share Award Scheme) with respect to shareholder resolutions relating to matters other than the Reserved Matters. The Class A Shares beneficially owned by Wang Xing are held by (i) Crown Holdings, a company indirectly wholly-owned by a trust established by Wang Xing (as settlor) for the benefit of Wang Xing and his family; and (ii) Shared Patience, a company directly wholly-owned by Wang Xing.

- Mu Rongjun will beneficially own [REDACTED] Class A Shares, representing approximately [REDACTED]% of the voting rights in the Company (assuming the [REDACTED] is not exercised and no Shares are issued under the Pre-[REDACTED] ESOP, Post-[REDACTED] Share Option Scheme and Post-[REDACTED] Share Award Scheme) with respect to shareholder resolutions relating to matters other than the Reserved Matters. The Class A Shares beneficially owned by Mu Rongjun are held by (i) Charmway Enterprises, a company indirectly wholly-owned by a trust established by Mu Rongjun (as settlor) for the benefit of Mu Rongjun and his family; and (ii) Shared Vision, a company directly wholly-owned by Mu Rongjun.

- Wang Huiwen will beneficially own [REDACTED] Class A Shares, representing approximately [REDACTED]% of the voting rights in the Company (assuming the [REDACTED] is not exercised and no Shares are issued under the Pre-[REDACTED] ESOP, Post-[REDACTED] Share Option Scheme and Post-[REDACTED] Share Award Scheme) with respect to shareholder resolutions relating to matters other than the Reserved Matters. The Class A Shares beneficially owned by Wang Huiwen are held by Kevin Sunny, a company directly wholly-owned by Wang Huiwen.

The Company is adopting the WVR structure to enable the WVR Beneficiaries to exercise voting control over the Company notwithstanding the WVR Beneficiaries do not hold a majority economic interest in the share capital of the Company. This will enable the Company to benefit from the continuing vision and leadership of the WVR Beneficiaries who will control the Company with a view to its long-term prospects and strategy.

Prospective investors are advised to be aware of the potential risks of investing in companies with weighed voting rights structures, in particular that interests of the WVR Beneficiaries may not necessarily always be aligned with those of our Shareholders as a whole, and that the WVR Beneficiaries will be in a position to exert significant influence over the affairs of our Company and the outcome of shareholders' resolutions, irrespective of how other shareholders vote. Prospective investors should make the decision to invest in the Company only after due and careful consideration. For further information about the risks associated with the WVR structure adopted by the Company, please refer to sections headed "Risk Factors — Risks Relating to the [REDACTED] — The concentration of our Share ownership limits our shareholders' ability to influence corporate matters" and "Risk Factors — Risks Relating to the [REDACTED] — Holders of our Class A Shares may exert substantial influence over us and may not act in the best interests of our independent Shareholders."

Save for the weighted voting rights attached to Class A Shares, the rights attached to all classes of Shares are identical. For further information about the rights, preferences, privileges and restrictions of the Class A Shares and Class B Shares, please see the section headed "Summary of the Constitution of our Company and Cayman Companies Law — Articles of Association" in Appendix III for further details.

Undertakings by the WVR Beneficiaries

Pursuant to Rule 8A.43 of the Listing Rules, each WVR Beneficiary is required to give a legally enforceable undertaking to the Company that he will comply with the relevant requirements as set out in Rule 8A.43, which is intended to be for the benefit of and enforceable by the Shareholders. On August 31, 2018, each of Wang Xing, Mu Rongjun and Wang Huiwen made an undertaking to the Company (the "**Undertaking**"), that for so long as he is a WVR Beneficiary:

1. he shall comply with (and, if the shares to which the weighted voting rights that he is beneficially interested in are attached are held through a limited partnership, trust, private company or other vehicle, use his best endeavors to procure that such limited partnership, trust, private company or other vehicle complies with) all applicable requirements under Rules 8A.09, 8A.14, 8A.15, 8A.17, 8A.18 and 8A.24 of the Listing Rules from time to time in force (the "**Requirements**"); and

2. he shall use his best endeavors to procure that the Company complies with all applicable Requirements.

For the avoidance of doubt, the Requirements are subject to Rule 2.04 of the Listing Rules. Each WVR Beneficiary acknowledged and agreed that the Shareholders rely on the Undertaking in acquiring and holding their shares. Each WVR Beneficiary acknowledged and agreed that the Undertaking is intended to confer a benefit on the Company and all Shareholders and may be enforced by the Company and/or any Shareholder against the WVR Beneficiary.

The Undertaking shall automatically terminate upon the earlier of (i) the date of delisting of the Company from the Stock Exchange; and (ii) the date on which the WVR Beneficiary ceases to be a beneficiary of weighted voting rights in the Company. For the avoidance of doubt, the termination of the Undertaking shall not affect any rights, remedies, obligations or liabilities of the Company and/or any Shareholder and/or the WVR Beneficiary himself that have accrued up to the date of termination, including the right to claim damages and/or apply for any injunction in respect of any breach of the Undertaking which existed at or before the date of termination.

The Undertaking shall be governed by the laws of Hong Kong and all matters, claims or disputes arising out of the Undertaking shall be subject to the exclusive jurisdiction of the courts of Hong Kong.

RANKING

The [REDACTED] will rank *pari passu* in all respects with all Class B Shares currently in issue or to be issued as mentioned in this document, and will qualify and rank equally for all dividends or other distributions declared, made or paid on the Shares on a record date which falls after the date of this document.

SHARE CAPITAL

ALTERATIONS OF CAPITAL

Pursuant to the Cayman Companies Law and the terms of the Memorandum of Association and Article of Association, our Company may from time to time by ordinary resolution of shareholders (i) increase its capital; (ii) consolidate and divide its capital into shares of larger amount; (iii) divide its shares into several classes; (iv) subdivide its shares into shares of smaller amount; and (v) cancel any shares which have not been taken. In addition, our Company may, subject to the provisions of the Cayman Companies Law, reduce its share capital or capital redemption reserve by its shareholders passing a special resolution. See the section headed "Summary of the Constitution of our Company and Cayman Companies Law — Alteration of Capital" in Appendix III for further details.

SHARE OPTION SCHEMES

The Company has adopted the Pre-[REDACTED] ESOP. See the sections headed "Statutory and General Information—Pre-[REDACTED] ESOP" in Appendix IV for further details.

[REDACTED]

SHARE CAPITAL

[REDACTED]

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the [REDACTED] assuming the [REDACTED] is not exercised and no Shares are issued under the Pre-[REDACTED] ESOP, Post-[REDACTED] Share Option Scheme and Post-[REDACTED] Share Award Scheme, each Ordinary Share held by Crown Holdings, Shared Patience, Charmway Enterprises, Shared Vision and Kevin Sunny will automatically convert into one Class A Share of US$0.00001 each, and each Ordinary Share held by all other shareholders and each Preferred Share will automatically convert into one Class B Share of US$0.00001 each, the following persons will have interests and/or short positions (as applicable) in the Shares or underlying shares of our Company that (i) would fall to be disclosed to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or, (ii) will be, directly or indirectly, interested in 10% or more of the nominal value of any class of our share capital carrying rights to vote in all circumstances at general meetings of our Company or any other member of our Group:

Name of substantial shareholder	Capacity/ Nature of Interest	Number and class of shares held[1]	Approximate percentage of shareholding of each class of shares in our Company[1]
Class A Shares - Wang Xing			
Crown Holdings Asia Limited[2]	Beneficial interest	489,600,000 Class A Shares	[REDACTED]%
Shared Patience Inc.[2]	Beneficial interest	83,588,783 Class A Shares	[REDACTED]%
Songtao Limited[2]	Interest in a controlled corporation	489,600,000 Class A Shares	[REDACTED]%
TMF (Cayman) Ltd.	Trustee	489,600,000 Class A Shares	[REDACTED]%
Wang Xing	Beneficiary of a trust[2]	489,600,000 Class A Shares	[REDACTED]%
	Founder of a trust[2]	489,600,000 Class A Shares	[REDACTED]%
	Interest in a controlled corporation[2]	83,588,783 Class A Shares	[REDACTED]%
Class A Shares - Mu Rongjun			
Charmway Enterprises Company Limited[3]	Beneficial interest	118,650,000 Class A Shares	[REDACTED]%
Shared Vision Investment Limited[3]	Beneficial interest	7,330,000 Class A Shares	[REDACTED]%

SUBSTANTIAL SHAREHOLDERS

Name of substantial shareholder	Capacity/ Nature of Interest	Number and class of shares held[1]	Approximate percentage of shareholding of each class of shares in our Company[1]
Day One Holdings Limited[3]	Interest in a controlled corporation	118,650,000 Class A Shares	[REDACTED]%
TMF (Cayman) Ltd.	Trustee	118,650,000 Class A Shares	[REDACTED]%
Mu Rongjun	Beneficiary of a trust[3]	118,650,000 Class A Shares	[REDACTED]%
	Founder of a trust[3]	118,650,000 Class A Shares	[REDACTED]%
	Interest in a controlled corporation[3]	7,330,000 Class A Shares	[REDACTED]%
Class B Shares - Tencent			
Huai River Investment Limited[4]	Beneficial interest	623,420,905 Class B Shares	[REDACTED]%
Tencent Mobility Limited[4][5]	Beneficial interest	[REDACTED] Class B Shares	[REDACTED]%
Morespark Limited[4]	Beneficial interest	8,850,245 Class B Shares	[REDACTED]%
Great Summer Limited[4]	Beneficial interest	25,000,000 Class B Shares	[REDACTED]%
TPP Follow-on I Holding B Limited[4]	Beneficial interest	3,150,931 Class B Shares	[REDACTED]%
TPP Follow-on I Holding C Limited[4]	Beneficial interest	4,473,024 Class B Shares	[REDACTED]%
Class B Shares - Sequoia			
Sequoia Capital China Funds and Sequoia Capital Global Growth Funds[6]	Beneficial interest	573,097,093 Class B Shares	[REDACTED]%

Notes:

(1) The table above assumes the [REDACTED] is not exercised and no Shares are issued under the Pre-[REDACTED] ESOP, Post-[REDACTED] Share Option Scheme and Post-[REDACTED] Share Award Scheme, each Ordinary Share held by Crown Holdings, Shared Patience, Charmway Enterprises, Shared Vision and Kevin Sunny will automatically convert into one Class A Share, and each Ordinary Share held by all other shareholders and each Preferred Share will automatically convert into one Class B Share, upon the [REDACTED] becoming unconditional.

(2) Crown Holdings is wholly-owned by Songtao Limited which is in turn wholly-owned by TMF (Cayman) Ltd. The entire interest in Songtao Limited is held by TMF (Cayman) Ltd. as trustee for a trust established by Wang Xing (as settlor) for the benefit of Wang Xing and his family. Wang Xing is deemed to be interested in the 489,600,000 Class A Shares held by Crown Holdings under the SFO. Shared Patience is wholly-owned by Wang Xing.

(3) Charmway Enterprises is wholly-owned by Day One Holdings Limited which is in turn wholly-owned by TMF (Cayman) Ltd. The entire interest in Day One Holdings Limited is held by TMF (Cayman) Ltd. as trustee for a trust established by Mu Rongjun (as settlor) for the benefit of Mu Rongjun and his family. Mu Rongjun is deemed to be interested in the 118,650,000 Class A Shares held by Charmway Enterprises under the SFO. Shared Vision is wholly-owned by Mu Rongjun.

(4) Huai River Investment Limited, a company incorporated under the laws of the British Virgin Islands, Tencent Mobility Limited, a company incorporated under the laws of Hong Kong, Morespark Limited, a company incorporated under the laws of Hong Kong and Great Summer Limited, a company incorporated under the laws of the British Virgin Islands, are direct wholly-owned subsidiaries of Tencent. TPP Follow-on I Holding B Limited and TPP Follow-on I Holding C Limited, companies incorporated under the laws of the Cayman Islands, are beneficially owned by Tencent.

(5) Include Shares subscribed by Tencent Mobility as a [REDACTED] through exercising the Tencent Anti-dilution Option, assuming the [REDACTED] of HK$[REDACTED] per Share, being the mid point of the indicative [REDACTED] range of HK$[REDACTED] to HK$[REDACTED].

(6) Includes Shares held by: (1) Sequoia Capital China I, L.P., Sequoia Capital China Partners Fund I, L.P., Sequoia Capital China Principals Fund I, L.P., Sequoia Capital China II, L.P., Sequoia Capital China Partners Fund II, L.P., Sequoia Capital China Principals Fund II, L.P., Sequoia Capital 2010 CV Holdco, Ltd., SCC Venture V Holdco I, Ltd., SCC Venture VI Holdco, Ltd., SCC Venture VI Holdco B, Ltd., SCC Growth 2010-Top Holdco, Ltd., Sequoia Capital 2010 CGF Holdco, Ltd., SCC Growth IV Holdco A, Ltd., SCC Growth IV 2017-E, L.P. and SCC Growth IV 2017-D, L.P. (collectively referred to as the "**Sequoia Capital China Funds**"), which will hold approximately [REDACTED]%, [REDACTED]%, [REDACTED]%, [REDACTED]%, [REDACTED]%, [REDACTED]%, [REDACTED]%, [REDACTED]%, [REDACTED]%, [REDACTED]%, [REDACTED]%, [REDACTED]%, [REDACTED]%, [REDACTED]% and [REDACTED]%, respectively, of the outstanding Shares immediately following the completion of the [REDACTED]; and (2) Sequoia Capital Global Growth Fund, L.P., Sequoia Capital Global Growth Principals Fund, L.P. and SC GGFII Holdco, Ltd. (collectively referred to as the "**Sequoia Capital Global Growth Funds**"), which will hold approximately [REDACTED]%, [REDACTED]% and [REDACTED]%, respectively, of the outstanding Shares immediately following the completion of the [REDACTED]. The Sequoia Capital China Funds and the Sequoia Capital Global Growth Funds may act together with respect of the holding, disposal and casting of vote rights of the Shares. Accordingly, the Sequoia Capital China Funds and the Sequoia Capital Global Growth Funds together control a [REDACTED]% interest in the share capital of the Company (or [REDACTED]% of the total issued Class B Shares) immediately following the completion of the [REDACTED] and as a result, each of the Sequoia Capital China Funds and each of the Sequoia Capital Global Growth Funds is deemed to be interested in such [REDACTED]% interest in the share capital of the Company (or [REDACTED]% of the total issued Class B Shares).

The general partner of each of Sequoia Capital China I, L.P., Sequoia Capital China Partners Fund I, L.P. and Sequoia Capital China Principals Fund I, L.P. is Sequoia Capital China Management I, L.P. ("**SCC Management I**"). The general partner of each of Sequoia Capital China II, L.P., Sequoia Capital China Partners Fund II, L.P. and Sequoia Capital China Principals Fund II, L.P. is Sequoia Capital China Management II, L.P. ("**SCC Management II**"). The sole shareholder of Sequoia Capital 2010 CV Holdco, Ltd. is Sequoia Capital China Venture 2010 Fund, L.P., ("**China Venture 2010 Fund**") whose general partner is SC China Venture 2010 Management, L.P. ("**SCCV 2010 Management**"). The sole shareholder of SCC Venture V Holdco I, Ltd. is Sequoia Capital China Venture Fund V, L.P. ("**China Venture Fund V**"), whose general partner is SC China Venture V Management, L.P. ("SCCV V Management"). The sole shareholder of each of SCC Venture VI Holdco, Ltd. and SCC Venture VI Holdco B, Ltd. is Sequoia Capital China Venture Fund VI, L.P. ("**China Venture Fund VI**"), whose general partner is SC China Venture VI Management, L.P. ("**SCCV VI Management**"). The controlling shareholder of SCC Growth 2010-Top Holdco, Ltd. and the sole shareholder of Sequoia Capital 2010 CGF Holdco, Ltd. is Sequoia Capital China Growth 2010 Fund, L.P. ("**China Growth Fund 2010**"), whose general partner is SC China Growth 2010 Management, L.P. ("**SCCGF 2010 Management**"). In respect of the casting of votes held by China Growth Fund 2010 in SCC Growth 2010-Top Holdco, Ltd., China Growth Fund 2010 is accustomed to act in accordance with the instructions of Sequoia Capital China Growth Fund I, L.P. ("**China Growth Fund I**"). The sole shareholder of SCC Growth IV Holdco A, Ltd. is Sequoia Capital China Growth Fund IV, L.P. ("**China Growth Fund IV**"), whose general partner is SC China Growth IV Management, L.P. ("**SCCGF IV Management**" and, together with SCC Management I, SCC Management II, SCCV 2010 Management, SCCV V

Management, SCCV VI Management and SCCGF 2010 Management, collectively, the "**General Partners**"). The general partner of each of SCC Growth IV 2017-E, L.P. and SCC Growth IV 2017-D, L.P. is SCCGF IV Management. The general partner of each of the General Partners is SC China Holding Limited, which is a wholly-owned subsidiary of SNP China Enterprises Limited. Neil Nanpeng Shen is the sole shareholder of SNP China Enterprises Limited. In addition, China Growth Fund IV is interested in more than 33.3% limited partnership interest in SCC Growth IV 2017-D, L.P., Neil Nanpeng Shen is interested in more than 33.3% limited partnership interest in Sequoia Capital China Partners Fund I, L.P., and Joy Halo Limited is interested in more than 33.3% limited partnership interest in SCC Growth IV 2017-E, L.P. Each of Gopher Global Secondary Opportunities Fund II LP (which is controlled by its general partner, Gopher Global Secondary Opportunities Fund II GP Limited) and Gopher China Special Opportunity Fund V LP (which is controlled by its general partner, Gopher China Special Opportunity Fund V GP Limited) is interested in more than 33.3% of Joy Halo Limited. Each of Gopher Global Secondary Opportunities Fund II GP Limited and Gopher China Special Opportunity Fund V GP Limited is wholly-owned by Gopher GP Holdings Limited, which is wholly-owned by Gopher Fund Holdings Limited, which is in turn wholly-owned by Noah Holdings Limited (a company incorporated in Cayman Islands whose shares are listed on the New York Stock Exchange). Therefore, each of China Venture 2010 Fund, China Venture Fund V, China Venture Fund VI, China Growth Fund I, China Growth Fund 2010, China Growth Fund IV, the General Partners, SC China Holding Limited, SNP China Enterprises Limited, Neil Nanpeng Shen, Joy Halo Limited, Gopher Global Secondary Opportunities Fund II LP, Gopher Global Secondary Opportunities Fund II GP Limited, Gopher China Special Opportunity Fund V LP, Gopher China Special Opportunity Fund V GP Limited, Gopher GP Holdings Limited, Gopher Fund Holdings Limited and Noah Holdings Limited is deemed to be interested in the [REDACTED]% interest in the share capital of the Company (or [REDACTED]% of the total issued Class B Shares) immediately following the completion of the [REDACTED].

The general partner of Sequoia Capital Global Growth Fund, L.P. and Sequoia Capital Global Growth Principals Fund, L.P. is SCGGF Management, L.P., whose general partner is SC US (TTGP), Ltd. Therefore, each of SCGGF Management, L.P. and SC US (TTGP), Ltd. is deemed to be interested in the [REDACTED]% interest in the share capital of the Company (or [REDACTED]% of the total issued Class B Shares) immediately following the completion of the [REDACTED].

The controlling shareholder of SC GGFII Holdco, Ltd. is Sequoia Capital Global Growth Fund II, L.P. The general partner of Sequoia Capital Global Growth Fund II, L.P is SC Global Growth II Management, L.P., whose general partner is SC US (TTGP), Ltd. Therefore, each of Sequoia Capital Global Growth Fund II, L.P., SC Global Growth II Management, L.P. and SC US (TTGP), Ltd. is deemed to be interested in the [REDACTED]% interest in the share capital of the Company (or [REDACTED]% of the total issued Class B Shares) immediately following the completion of the [REDACTED].

Except as disclosed above, our Directors are not aware of any other person who will, immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no Shares are issued under the Pre-[REDACTED] ESOP, Post-[REDACTED] Share Option Scheme and Post-[REDACTED] Share Award Scheme), each Ordinary Share held by Crown Holdings, Shared Patience, Charmway Enterprises, Shared Vision and Kevin Sunny will automatically convert into one Class A Share of US$0.00001 each, and each Ordinary Share held by all other shareholders and each Preferred Share will automatically convert into one Class B Share of US$0.00001 each), have any interest and/or short positions in the Shares or underlying shares of our Company which would fall to be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who is, directly or indirectly, interested in 10% or more of the nominal value of any class of our share capital carrying rights to vote in all circumstances at general meetings of our Company. Our Directors are not aware of any arrangement which may at a subsequent date result in a change of control of our Company or any other member of our Group.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

DIRECTORS AND SENIOR MANAGEMENT

Upon [REDACTED], our Board will consist of eight Directors, including three executive Directors, two non-executive Directors and three independent non-executive Directors. The following table provides certain information about our Directors:

Name	Age	Position	Roles and responsibilities	Date of joining the Company	Date of appointment as Director
WANG Xing (王興)	39	Co-founder, executive Director, Chief Executive Officer and Chairman of the Board	Responsible for the overall strategic planning, business direction and management of our Company.	March 2010	October 6, 2015
MU Rongjun (穆榮均).	38	Co-founder, executive Director and Senior Vice President	Responsible for the financial services and corporate affairs of our Company.	March 2010	June 6, 2018
WANG Huiwen (王慧文).	39	Co-founder, executive Director and Senior Vice President	Responsible for the on-demand delivery and certain new initiatives of our Company.	December 2010	October 6, 2015
LAU Chi Ping Martin (劉熾平).	45	Non-executive Director	Providing advice on business and investment strategies, general market trends, and other matters subject to the board guidance and approval.	N/A	October 23, 2017
Neil Nanpeng Shen (沈南鵬).	50	Non-executive Director	Providing advice on investment and business strategies, financial discipline, and other matters subject to the board guidance and approval.	N/A	October 6, 2015
ORR Gordon Robert Halyburton . .	55	Independent non-executive Director	Providing independent advice on financial and accounting affairs and corporate governance matters, and other matters subject to the board guidance and approval.	N/A	Date of this document (1)

Name	Age	Position	Roles and responsibilities	Date of joining the Company	Date of appointment as Director
LENG Xuesong (冷雪松)	49	Independent non-executive Director	Providing independent advice on finance, executive compensation and corporate governance matters, and other matters subject to the board guidance and approval.	N/A	Date of this document (1)
SHUM Heung Yeung Harry (沈向洋).	51	Independent non-executive Director	Providing independent advice on technology innovation, the global technology and internet industry trends, and other matters subject to the board guidance and approval.	N/A	Date of this document (1)

Note:

(1) The appointment of Orr Gordon Robert Halyburton, Leng Xuesong and Shum Heung Yeung Harry as independent non-executive Directors will take effect from the date of this document.

None of our Directors and members of senior management are related to other Directors or members of senior management.

Executive Directors

Wang Xing (王興), aged 39, is a Co-founder, an executive Director, the Chief Executive Officer and Chairman of the Board. Wang Xing is responsible for the overall strategic planning, business direction and management of our Company. He oversees the senior management team. Wang Xing founded *meituan.com* in 2010 and currently holds directorship in various subsidiaries, Consolidated Affiliated Entities and operating entities of our Company.

Wang Xing has over 10 years of managerial and operational experience in the internet industry. Prior to co-founding our Company, he co-founded *xiaonei.com* (校內網), China's first college social network website in December 2005 and worked there as chief executive officer from December 2005 to April 2007. *xiaonei.com* (校內網) was sold to China InterActive Corp in October 2006 which was later renamed as Renren Inc. (NYSE Ticker: RENN). Wang Xing also co-founded *fanfou.com* (飯否網), a social media company specializing in microblogging, in May 2007 and was responsible for the management and operation of this company from May 2007 to July 2009.

Wang Xing received his bachelor's degree in electronic engineering from Tsinghua University in July 2001 and his master's degree in computer engineering from University of Delaware in January 2005.

Mu Rongjun (穆榮均), aged 38, is a Co-founder, an executive Director and a Senior Vice President of our Company. He is responsible for the financial services and corporate affairs of our Company.

Mu Rongjun has over 10 years of managerial and operational experience in the internet industry. Prior to co-founding our Company, he worked as senior software engineer and project manager in Baidu, Inc. (NASDAQ Ticker: BIDU), the leading Chinese language internet search provider, from July 2005 to May 2007. Mu Rongjun was also a co-founder and the engineering director of *fanfou.com* (飯否網), a social media company specializing in microblogging, from May 2007 to July 2009.

Mu Rongjun received his bachelor's degree in automation engineering from Tsinghua University in July 2002 and his master's degree in computer science and technology from Tsinghua University in July 2005.

Wang Huiwen (王慧文), aged 39, is a Co-founder, an executive Director and a Senior Vice President of our Company. He is responsible for the on-demand delivery and certain new initiatives of our Company.

Wang Huiwen has over 10 years of managerial and operational experience in the internet industry. Prior to co-founding our Company, he co-founded *xiaonei.com* (校內網), China's first college social network website, in December 2005 and worked there as co-founder from December 2005 to October 2006. *xiaonei.com* (校內網) was sold to China InterActive Corp in October 2006 which was later renamed as Renren Inc. (NYSE Ticker: RENN). In January 2009, Wang Huiwen co-founded *taofang.com* and worked there from June 2008 to October 2010.

Wang Huiwen received his bachelor's degree in electronic engineering from Tsinghua University in July 2001.

Non-executive Directors

Lau Chi Ping Martin (劉熾平), aged 45, is a non-executive Director. He is responsible for providing advice on business and investment strategies, general market trends, and other matters subject to the board guidance and approval.

Lau Chi Ping Martin joined Tencent in 2005 as the Chief Strategy and Investment Officer. In 2006, Lau Chi Ping Martin was promoted as the president of Tencent to manage the day-to-day operation of Tencent. In 2007, he was appointed as an executive director of Tencent. Prior to joining Tencent, Lau Chi Ping Martin was an executive director at Goldman Sachs (Asia) L.L.C.'s investment banking division and the Chief Operating Officer of its Telecom, Media and Technology Group. Prior to that, he worked at McKinsey & Company, Inc. as a management consultant.

Lau Chi Ping Martin received a Bachelor of Science degree in Electrical Engineering from the University of Michigan in July 1994, a Master of Science degree in Electrical Engineering from Stanford University in July 1995 and an MBA degree from Kellogg Graduate School of Management, Northwestern University in June 1998.

In July 2011, Lau Chi Ping Martin was appointed as a non-executive director of Kingsoft Corporation Limited (HKEX Stock Code: 3888), an internet based software developer, distributor and software service provider listed in Hong Kong. In March 2014, Lau Chi Ping Martin was appointed as a director of JD.com, Inc. (NASDAQ Ticker: JD). In March 2014, Lau Chi Ping Martin was appointed as a director of Leju Holdings Limited (NYSE Ticker: LEJU), In December 2017, Lau Chi Ping Martin was appointed as a director of Vipshop Holdings Limited (NYSE Ticker: VIPS), an online discount retailer company listed on the New York Stock Exchange.

Neil Nanpeng Shen (沈南鵬), aged 50, is a non-executive Director. He is responsible for providing advice on investment and business strategies, financial discipline, and other matters subject to the board guidance and approval.

Neil Nanpeng Shen founded Sequoia Capital China in September 2005 and has been serving as the founding managing partner since then. Prior to founding Sequoia Capital China, he co-founded Ctrip.com International, Ltd., or Ctrip (NASDAQ Ticker: CTRP), a leading travel service provider in China, in 1999. Neil Nanpeng Shen served as Ctrip's president from August 2003 to October 2005 and its chief financial officer from 2000 to October 2005. Neil Nanpeng Shen also co-founded and served as non-executive Co-Chairman of Homeinns Hotel Group, a leading economy hotel chain in China, which commenced operations in July 2002.

Neil Nanpeng Shen received his bachelor's degree in applied mathematics from Shanghai Jiao Tong University in July 1988 and his master's degree from Yale University in September 1992.

Neil Nanpeng Shen has been an independent non-executive director of Ctrip (NASDAQ Ticker: CTRP) since October 2008, an independent non-executive director of Momo Inc. (NASDAQ Ticker: MOMO) since May 2014, a non-executive director of Noah Holdings Limited (NYSE Ticker: NOAH) since January 2016, a non-executive director of BTG Hotels Group (SHSE Stock Code: 600258) since January 2017, a non-executive director of 360 Security Technology Inc. (SHSE Stock Code: 601360) since February 2018, and an independent non-executive director of Pinduoduo Inc. (NASDAQ Ticker: PDD) since April 2018.

Neil Nanpeng Shen was the non-executive director of Homeinns Group from 2006 to 2017 and non-executive director of PPDAI Group Inc. (NYSE Ticker: PPDF) from 2017 to August 2018.

Independent Non-executive Directors

Orr Gordon Robert Halyburton, aged 55, is an independent non-executive Director. He is responsible for providing independent advice on financial and accounting affairs and corporate governance matters, and other matters subject to the board guidance and approval.

Orr Gordon Robert Halyburton joined Mckinsey & Company in 1986 and served as senior partner of Mckinsey & Company from July 1998 until August 2015 when he retired. He was a member of McKinsey's global shareholder board from July 2003 until June 2015.

Orr Gordon Robert Halyburton acquired extensive corporate governance experience during his position as a senior partner of McKinsey & Company, as well as a director and member of board

committees in Lenovo Group Limited (HKEx Stock Code: 992) and Swire Pacific Limited (HKEx Stock Code: 00019 and 00087). His corporate governance experience includes, among others, (i) reviewing, monitoring and making recommendations as to the companies' policies, practices and compliance; (ii) proposing measures to ensure effective communication between the board and shareholders; (iii) opining on proposed connected transactions; and (iv) understanding requirements of the Listing Rules and directors' duty to act in the best interest of the company and the shareholders as a whole.

Orr Gordon Robert Halyburton received his bachelor's degree in engineering science from Oxford University in June 1984 and his master's degree in business administration from Harvard University in June 1986.

Orr Gordon Robert Halyburton has been a non-executive director of Lenovo Group Limited (HKEx Stock Code: 992) since September 2015 and an independent non-executive director of Swire Pacific Limited (HKEx Stock Code: 00019 and 00087) since August 2015. He is also a board member of China-Britain Business Council.

Orr Gordon Robert Halyburton was responsible for the following areas in his capacity as a senior partner of Mckinsey & Company from July 1998 to August 2015, through which he has gained the financial management expertise required under Rule 3.10(2) of the Listing Rules:

- Reviewing and analyzing financial statements, business plans and financial projections of client companies in the context of their overall strategy;

- Responsible for formulating and providing assistance in the implementation of the business, financial and investment strategies of client companies; and

- Working closely with client companies to review and analyze financial statements of the target companies as part of the negotiation of corporate finance transactions.

In addition, Gordon has also served as a member of the audit committee of Swire Pacific Limited (HKEx Stock Code: 00019 and 00087) since August 2015 and a member of the audit committee of Lenovo Group Limited (HKEx Stock Code: 992) since September 2016, which demonstrated his experience in reviewing and analyzing audited financial statements of public companies.

Leng Xuesong (冷雪松), aged 49, is an independent non-executive Director. He is responsible for providing independent advice on finance, executive compensation and corporate governance matters, and other matters subject to the board guidance and approval.

Leng Xuesong joined Warburg Pincus, an international private equity firm, in September 1999 as an associate and served as managing director when he left in August 2007. From September 2007 to December 2014, he served as managing director at General Atlantic LLC, where he focused on investment opportunities in North Asia. In January 2015, Leng Xuesong founded Lupin Capital, a China-focused private equity fund.

Leng Xuesong acquired extensive corporate governance experience through his position as managing director of private equity funds and as non-executive director of various listed companies in Hong Kong and the US. He has accumulated corporate governance experience in (i) reviewing, monitoring and providing recommendations as to the companies' policies and compliance; (ii) facilitating effective communication between the board and shareholders; and (iii) understanding requirements of the Listing Rules and directors' duty to act in the best interest of the company and the shareholders as a whole.

Leng Xuesong received his bachelor's degree in international industrial trade from Shanghai Jiao Tong University in July 1992 and his master's degree in business administration from the Wharton School of the University of Pennsylvania in May 1999.

Leng Xuesong served as non-executive director of China Huiyuan Juice Group Limited (HKEx Stock Code: 1886) from July 2006 to August 2007 and Zhongsheng Group Holdings Limited (HKEx Stock Code: 881) from August 2008 to June 2015. He served as non-executive director of Wuxi Pharmatech (Cayman) Inc. (NYSE Ticker: WX) from March 2008 to December 2015 and Soufun Holdings Ltd. (NYSE Ticker: SFUN) from September 2010 to December 2014.

Shum Heung Yeung Harry (沈向洋), aged 51, is an independent non-executive Director. He is responsible for providing independent advice on technology innovation, the global technology and internet industry trends, and other matters subject to the board guidance and approval.

Shum Heung Yeung Harry joined Microsoft Research in November 1996 as a researcher based in Redmond, Washington. In November 1998, he moved to Beijing as one of the founding members of Microsoft Research China (later renamed Microsoft Research Asia) and spent nine years there first as a researcher, subsequently moving on to become managing director of Microsoft Research Asia and a distinguished engineer of Microsoft Corporation. From October 2007 to November 2013, Shum Heung Yeung Harry served as the corporate vice president responsible for Bing search product development. He has been the executive vice president of Microsoft Corporation since November 2013.

Shum Heung Yeung Harry has acquired corporate governance experience in his capacity as the executive vice president of Microsoft Corporation. His key corporate governance experience includes (i) making recommendations as to internal control systems and policies; (ii) regular communication with the board of directors; and (iii) implementing corporate governance measures.

Shum Heung Yeung Harry received his Ph.D. in Robotics from Carnegie Mellon University in August 1996. He was elected into the National Academy of Engineering of United States in February 2017.

SENIOR MANAGEMENT

The following table provides information about members of the senior management of the Company:

Name	Age	Position	Roles and Responsibilities	Date of joining the Company
WANG Xing (王興) . . .	39	Co-founder, executive Director, Chief Executive Officer and Chairman of the Board	Responsible for the overall strategic planning, business direction and management of our Company	March 2010
MU Rongjun (穆榮均) .	38	Co-founder, executive Director and Senior Vice President	Responsible for the financial services and corporate affairs of our Company	March 2010
WANG Huiwen (王慧文)	39	Co-founder, executive Director and Senior Vice President	Responsible for the on-demand delivery and certain new initiatives of our Company	December 2010
CHEN Shaohui (陳少暉)	37	Chief Financial Officer and Senior Vice President	Responsible for the finance, strategic planning, investments and capital market activities of our Company	November 2014
CHEN Liang (陳亮) . . .	38	Senior Vice President	Responsible for the hotel and travel businesses of our Company	January 2011
ZHANG Chuan (張川) .	42	Senior Vice President	Responsible for the in-store services business for our Company	January 2017

Wang Xing (王興), aged 39, is a Co-founder, an executive Director, the Chief Executive Officer and Chairman of the Board. For further details, please see the paragraph headed "—Executive Directors" in this section.

Mu Rongjun (穆榮均), aged 38, is a Co-founder, an executive Director and a Senior Vice President of our Company. For further details, please see the paragraph headed "—Executive Directors" in this section.

Wang Huiwen (王慧文), aged 39, is a Co-founder, an executive Director and a Senior Vice President of our Company. For further details, please see the paragraph headed "—Executive Directors" in this section.

Chen Shaohui (陳少暉), aged 37, is the Chief Financial Officer and a Senior Vice President of the Company. He is responsible for overseeing the Company's finance, strategic planning, investments and capital market activities.

Before joining the Company in November 2014, Chen Shaohui worked as an analyst in A.T. Kearney from June 2004 to October 2005, an investment manager in WI Harper from October 2005 to August 2008 and an investment director in Tencent from January 2011 to October 2014.

In July 2018, Chen Shaohui was appointed as a director of Beijing Enlight Media Co., Ltd. (SZSE Stock Code: 300251).

Chen Shaohui received his bachelor's degree in economics from Peking University in June 2004 and his master's degree in business administration from Harvard University in May 2010.

Chen Liang (陳亮), aged 38, is a Senior Vice President and is responsible for overseeing the Company's hotel and travel businesses.

Prior to joining the Company in January 2011, Chen Liang worked as a software engineer in Guangzhou Institute of Communications (廣州通信研究所) from August 2002 to November 2004 and the chief technology officer in Shenzhen Tianshitong Technology Co., Ltd. (深圳天時通科技有限公司) from November 2004 to December 2005. He co-founded *xiaonei.com* (校內網) in December 2005 and worked there from January 2006 to October 2006. *xiaonei.com* (校內網) was subsequently sold to China InterActive Corp which was later renamed as Renren Inc. (NYSE Ticker: RENN). Chen Liang worked as the research and development manager of the communication division in Beijing Yahoo Network Information Technology Co., Ltd. from May 2007 to June 2008. After that, he co-founded taofang.com (淘房網) in June 2008 and worked there from 2008 to 2010.

Chen Liang received his bachelor's degree in mechatronic engineering from South China University of Technology in July 2002.

Zhang Chuan (張川), aged 42, is a Senior Vice President and is responsible for overseeing the Company's in-store services business.

Before joining the Company in January 2017, Zhang Chuan worked as development manager in the Information Centre of Ministry of Education from September 1997 to 2005, senior product manager at Yonyou Software Co., Ltd. (SHSE Stock Code: 600588) from May 2005 to August 2006, product director at Baidu, Inc. (NASDAQ Ticker: BIDU) from August 2006 to October 2011, and executive vice president at 58.com Inc. (NYSE Ticker: WUBA) from October 2011 to December 2016.

Zhang Chuan received his bachelor's degree in computer science from Beijing Normal University in July 1997 and his master's degree in business administration from Tsinghua University in June 2003.

JOINT COMPANY SECRETARIES

Wang Yixiang (王翼翔), aged 33, has been appointed as our joint company secretary with effect from June 22, 2018. Wang Yixiang joined our Group in May 2014 as a Senior Director of our investor relations department. Wang Yixiang has over nine years of experience in corporate finance, communication and investor relations in Hong Kong and China. Before joining the Company, he worked as associate in capital markets division of the Deutsche Bank in New York from June 2006 to February 2009 and director in CCG Investor Relations from March 2009 to May 2012.

Wang Yixiang received his bachelor's degree of science in economics from the Wharton School of University of Pennsylvania in May 2006.

Lau Yee Wa (劉綺華), aged 45, has been appointed as our joint company secretary with effect from June 22, 2018. Lau Yee Wa is a senior manager of corporate services division of Tricor Services Limited. Lau Yee Wa has over 20 years of experience in the corporate secretarial field and has been providing professional corporate secretarial services to listed companies as well as multinational, private and offshore companies. Lau Yee Wa joined Tricor Services Limited in January 2005. She is currently the company secretary of other companies listed on the Stock Exchange.

Lau Yee Wa received her bachelor's degree in business administrative management from University of South Australia in April 2003. She is a Chartered Secretary and an Associate of both of The Hong Kong Institute of Chartered Secretaries ("**HKICS**") and The Institute of Chartered Secretaries and Administrators in the United Kingdom.

MANAGEMENT AND CORPORATE GOVERNANCE

Board Committees

Audit Committee

We have established an audit committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules. The primary duties of the audit committee are to review and supervise the financial reporting process and internal controls system (including risk management) of the Company, review and approve connected transactions and provide advice and comments to the Board. The audit committee consists of three members, namely Orr Gordon Robert Halyburton, Leng Xuesong and Shum Heung Yeung Harry. Orr Gordon Robert Halyburton has been appointed as the chairman of the audit committee and is our independent non-executive Director with the appropriate professional qualifications.

Remuneration Committee

We have established a remuneration committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules. The primary duties of the remuneration committee are to review and make recommendations to the Board the terms of remuneration packages,

bonuses and other compensation payable to our Directors and other senior management. The remuneration committee consists of three members, namely Shum Heung Yeung Harry, Leng Xuesong and Mu Rongjun. Leng Xuesong has been appointed as the chairman of the remuneration committee.

Nomination Committee

We have established a nomination committee with written terms of reference in compliance with the Code on Corporate Governance and Corporate Governance Report in Appendix 14 to the Listing Rules. The primary duties of the nomination committee are to make recommendations to our Board on the appointment of Directors and management of Board succession. The nomination committee consists of three members, namely Leng Xuesong, Shum Heung Yeung Harry and Wang Huiwen. Leng Xuesong has been appointed as the chairman of the nomination committee.

Corporate Governance Committee

We have established a corporate governance committee in compliance with Chapter 8A of the Listing Rules. The primary duties of the corporate governance committee are to ensure that the Company is operated and managed for the benefit of all shareholders and to ensure the Company's compliance with the Listing Rules and safeguards relating to the weighted voting rights structures of the Company.

The corporate governance committee comprises three independent non-executive Directors, namely Leng Xuesong, Orr Gordon Robert Halyburton and Shum Heung Yeung Harry. Leng Xuesong is the chairman of the corporate governance committee. For details of their experience in corporate governance related matters, please refer to the biographies of our independent non-executive Directors in the section headed "— Independent Non-Executive Directors" above.

In accordance with Rule 8A.30 of the Listing Rules and the Corporate Governance Code set out in Appendix 14 of the Listing Rules, the work of our corporate governance committee as set out in its terms of reference includes:

a) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;

b) to review and monitor the training and continuous professional development of Directors and senior management;

c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors;

e) to review the Company's compliance with the Corporate Governance Code and disclosure in the Corporate Governance Report;

f) to review and monitor whether the Company is operated and managed for the benefit of all of its shareholders;

g) to confirm, on an annual basis, that the WVR Beneficiaries have been members of the Company's board of Directors throughout the year and that no matters under Rule 8A.17 of the Listing Rules have occurred during the relevant financial year;

h) to confirm, on an annual basis, whether or not the WVR Beneficiaries have complied with Rules 8A.14, 8A.15, 8A.18 and 8A.24 of the Listing Rules throughout the year;

i) to review and monitor the management of conflicts of interests and make a recommendation to the board of Directors on any matter where there is a potential conflict of interest between the Company, its subsidiary or consolidated affiliated entity and/or shareholder on one hand and any WVR Beneficiary on the other;

j) to review and monitor all risks related to the Company's WVR structure, including connected transactions between the Company and/or its subsidiary or consolidated affiliated entity on one hand and any WVR Beneficiary on the other and make a recommendation to the board of Directors on any such transaction;

k) to make a recommendation to the board of Directors as to the appointment or removal of the Compliance Adviser;

l) to seek to ensure effective and on-going communication between the Company and its shareholders, particularly with regards to the requirements of Rule 8A.35 of the Listing Rules;

m) to report on the work of the corporate governance committee on at least a half-yearly and annual basis covering all areas of its terms of reference, including disclosing, on a comply or explain basis, its recommendations to the Board in respect of the matters in items (i) to (k) above.

Pursuant to Rule 8A.32 of the Listing Rules, the Corporate Governance Report prepared by our Company for inclusion in our interim and annual reports after Listing will include a summary of the work of the corporate governance committee for the relevant period.

Role of our Independent Non-executive Directors

Pursuant to Rule 8A.26 of the Listing Rules, the role of the independent non-executive directors of a listed company with WVR structure must include, but is not limited to, the functions described in code provisions A.6.2, A.6.7 and A.6.8 of the Corporate Governance Code. The functions of our independent non-executive Directors include:

a) participating in board meetings to bring an independent judgment to bear on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct;

b) taking the lead where potential conflicts of interests arise;

c) serving on the audit, remuneration, nomination and other governance committees, if invited;

d) scrutinizing our Company's performance in achieving agreed corporate goals and objectives, and monitoring performance reporting;

e) giving the Board and any committees on which they serve the benefit of their skills, expertise and varied backgrounds and qualifications through regular attendance and active participation;

f) making a positive contribution to the development of the Company's strategy and policies through independent, constructive and informed comments; and

g) attending general meetings and developing a balanced understanding of the views of our Shareholders.

Corporate Governance Code

We aim to achieve high standards of corporate governance which are crucial to our development and safeguard the interests of our Shareholders. In order to accomplish this, save as disclosed below, we expect to comply with the Corporate Governance Code set out in Appendix 14 of the Listing Rules after the Listing. Pursuant to code provision A.2.1 of the Corporate Governance Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the responsibilities between the chairman and the chief executive officer should be segregated and should not be performed by the same individual. We do not have a separate chairman and chief executive officer and Wang Xing currently performs these two roles. Our Board believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within our Group and enables more effective and efficient overall strategic planning for our Group. Our Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable our Company to make and implement decisions promptly and effectively. Our Board will continue to review and consider splitting the roles of chairman of our Board and the chief executive officer of our Company at a time when it is appropriate by taking into account the circumstances of our Group as a whole.

Management presence

According to Rule 8.12 of the Listing Rules, we must have sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong.

Since the principal business operations of our Company are conducted in the PRC, members of our senior management are, and are expected to continue to be, based in the PRC. Further, as our executive Directors have a vital role in our Company's operations, it is crucial for them to remain in close proximity to our Company's central management located in the PRC. Our Company does not

and, for the foreseeable future, will not have a sufficient management presence in Hong Kong. We have applied for, and the [REDACTED] has granted, a waiver from compliance with Rule 8.12 of the Listing Rules. For further details, please see the section headed "Waivers from Compliance with the Listing Rules and Exemptions from the Companies (Winding Up and Miscellaneous Provisions) Ordinance—Waiver in respect of management presence in Hong Kong."

COMPLIANCE ADVISOR

We have appointed Guotai Junan Capital Limited as our Compliance Advisor pursuant to Rule 8A.33 of the Listing Rules. The Compliance Advisor will provide us with guidance and advice as to compliance with the requirements under the Listing Rules and applicable Hong Kong laws. Pursuant to Rules 3A.23 and 8A.34 of the Listing Rules, the Compliance Advisor will advise our Company, among others, in the following circumstances:

(a) before the publication of any regulatory announcement, circular, or financial report;

(b) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases;

(c) where we propose to use the proceeds of the [REDACTED] in a manner different from that detailed in this document or where the business activities, development or results of our Company deviate from any forecast, estimate or other information in this document;

(d) where the [REDACTED] makes an inquiry to the Company regarding unusual movements in the price or trading volume of its listed securities or any other matters in accordance with Rule 13.10 of the Listing Rules;

(e) the WVR structure;

(f) transactions in which any beneficiary of weighted voting rights in the Company has an interest; and

(g) where there is a potential conflict of interest between the Company, its subsidiary and/or Shareholders (considered as a group) on one hand and any beneficiary of weighted voting rights in the Company on the other.

The term of appointment of the Compliance Advisor shall commence on the [REDACTED]. Pursuant to Rule 8A.33 of the Listing Rules, the Company is required to engage a compliance advisor on a permanent basis.

DIRECTORS' REMUNERATION

Our Directors and senior management receive remuneration, including salaries, allowances and benefits in kind, including our contribution to the pension plan on their behalf.

The aggregate amount of remuneration (including wages, salaries, bonuses, pension costs, other employee benefits, and share-based compensation expenses) for our Directors for the years ended December 31, 2015, 2016 and 2017 was approximately RMB68.8 million, RMB51.4 million and RMB105.6 million, respectively. None of our Directors waived any remuneration during the aforesaid periods.

The aggregate amount of remuneration (including wages, salaries, bonuses, pension costs, other employee benefits, and share-based compensation expenses) for the five highest paid individuals (including Directors) for the years ended December 31, 2015, 2016 and 2017 was approximately RMB339.6 million, RMB297.9 million and RMB282.4 million, respectively.

Save as disclosed above, no other payments have been paid or are payable, in respect of the years ended December 31, 2015, 2016 and 2017 by our Company to our Directors or senior management.

No remuneration was paid to our Directors or the five highest paid individuals as an inducement to join, or upon joining, our Company. No compensation was paid to, or receivable by, our Directors or past directors for the Track Record Period for the loss of office as director or any member of our Company or of any other office in connection with the management of the affairs of any member of our Company. None of our Directors waived any emoluments during the same period.

See the section headed "Statutory and general information — Pre-[REDACTED] ESOP" in Appendix IV for details regarding the incentive plan for senior management.

COMPETITION

Neil Nanpeng Shen is a non-executive director of Ctrip.com International, Ltd., a travel service provider in China. We are of the view that the business of Ctrip competes or is likely to compete, either directly or indirectly, with our business.

We are of the view that the competing interest disclosed above will not result in any material conflict of interest because, in his capacity as a non-executive director, Neil Nanpeng Shen does not participate in the day-to-day management of Ctrip.

Save as disclosed above, each of our executive and non-executive Directors confirms that as of the Latest Practicable Date, he did not have any interest in a business which competes or is likely to compete, directly or indirectly, with our business, and requires disclosure under Rule 8.10 of the Listing Rule.

FUTURE PLANS AND USE OF [REDACTED]

FUTURE PLANS

See the section headed "Business—Our Strategy" for a detailed description of our future plans.

[REDACTED]

We estimate that we will receive net [REDACTED] from the [REDACTED] of approximately HK$[REDACTED] after deducting the [REDACTED] and other estimated expenses paid and payable by us in relation to the [REDACTED], assuming an [REDACTED] of HK$[REDACTED] per Share, being the mid-point of the indicative [REDACTED] range of HK$[REDACTED] to HK$[REDACTED] per Share, and that the [REDACTED] is not exercised. We intend to use the [REDACTED] we will receive from this [REDACTED] for the following purposes:

- approximately [REDACTED]% (approximately HK$[REDACTED] million) to upgrade our technology and enhance our research and development capabilities. Our efforts include hiring computer programming experts, scientists and other talents, expanding our intellectual property portfolio both domestically and internationally, and further investing in our IT infrastructure and AI technologies. We intend to use certain [REDACTED] from this [REDACTED] to fund several major research and development projects involving (i) data analytics, (ii) machine learning and (iii) driverless delivery system. The results of these research and development projects will be applied in the products and services we provide to our consumers and merchants in the future;

- approximately 35% (approximately HK$[REDACTED]) to develop new services and products. We intend to use certain [REDACTED] from this [REDACTED] to develop, among others, (i) merchant enabling systems and technologies, which provide cloud-based ERP systems and smart payment solutions to merchants; (ii) on-demand delivery of non-restaurant food; and (iii) restaurant supply chain services, which provide raw material procurement and logistics services to restaurants;

- approximately 20% (approximately HK$[REDACTED]) to selectively pursue acquisitions or investments in assets and businesses which are complementary to our business and are in line with our strategies. We intend to continue to identify, invest in and incubate promising companies, such as businesses that can expand the services we offer and strengthen our technological capabilities. See the section headed "Waivers from Compliance with the Listing Rules and Exemptions from the Companies (Winding Up and Miscellaneous Provisions) Ordinance—Waiver in respect of companies acquired/to be acquired after the Track Record Period" for details of our proposed acquisition as of the date of this submission. We do not plan to use the [REDACTED] from this [REDACTED] for such proposed acquisition. As of the date of this submission, we do not expect to pursue any imminent acquisitions or investments; and

- approximately 10% (approximately HK$[REDACTED]) for working capital and general corporate purposes.

In the event that the [REDACTED] is set at the high point or the low point of the indicative [REDACTED] range, the [REDACTED] of the [REDACTED] will increase or decrease by approximately HK$[REDACTED], respectively. Under such circumstances, we will increase or decrease the allocation of the [REDACTED] to the above purposes on a pro-rata basis.

If the [REDACTED] is exercised in full, the additional net [REDACTED] that we will receive will be approximately HK$[REDACTED], assuming an [REDACTED] of HK$[REDACTED] per Share, being the mid-point of the indicative [REDACTED] range. We may be required to issue up to an aggregate of [REDACTED] additional Shares pursuant to the [REDACTED].

To the extent that the [REDACTED] of the [REDACTED] are not immediately required for the above purposes or if we are unable to put into effect any part of our plan as intended, we may hold such funds in short-term deposits so long as it is deemed to be in the best interests of the Company. In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

Since we are an offshore holding company, we will need to make capital contributions and loans to our PRC subsidiaries or through loans to our Consolidated Affiliated Entities such that the [REDACTED] of this [REDACTED] can be used in the manner described above. Such capital contributions and loans are subject to a number of limitations and approval processes under PRC laws and regulations. There are no costs associated with registering loans or capital contributions with relevant PRC authorities, other than nominal processing charges. Under PRC laws and regulations, the PRC governmental authorities are required to process such approvals or registrations or deny our application within a prescribed period, which are usually less than 90 days. The actual time taken, however, may be longer due to administrative delay. We cannot assure you that we can obtain the approvals from the relevant governmental authorities, or complete the registration and filing procedures required to use our [REDACTED] as described above, in each case on a timely basis, or at all. This is because PRC regulation of loans and direct investment by offshore holding companies to PRC entities may delay or prevent us from using the [REDACTED] of this [REDACTED] to make loans or additional capital contributions to our PRC subsidiaries or Consolidated Affiliated Entities, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

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[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

The following is the text of a report set out on pages I-1 to I-3, received from the Company's reporting accountant, PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document. It is prepared and addressed to the directors of the Company and to the Joint Sponsors pursuant to the requirements of HKSIR 200 Accountants' Reports on Historical Financial Information in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants.

[REDACTED]

ACCOUNTANT'S REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF MEITUAN DIANPING, [REDACTED]

Introduction

We report on the historical financial information of Meituan Dianping (the "Company") and its subsidiaries (together, the "Group") set out on pages I-4 to I-146, which comprises the consolidated statements of financial position as at December 31, 2015, 2016 and 2017 and April 30, 2018, the Company's statements of financial position as at December 31, 2015, 2016 and 2017 and April 30, 2018 and the consolidated statements of comprehensive loss, the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the periods then ended (the "Track Record Period") and a summary of significant accounting policies and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-4 to I-146 forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [REDACTED] (the "document") in connection with the initial listing of shares of the Company on the [REDACTED] of The [REDACTED] of Hong Kong Limited.

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and preparation set out respectively in Notes 1.3 and 2.1 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountant's responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200, Accountants' Reports on Historical Financial Information in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountant's judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountant considers internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and preparation set out respectively in Notes 1.3 and 2.1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion the Historical Financial Information gives, for the purposes of the accountant's report, a true and fair view of the financial position of the Company as at December 31, 2015, 2016 and 2017 and April 30, 2018 and the consolidated financial position of the Group as at December 31, 2015, 2016 and 2017 and April 30, 2018 and of its consolidated financial performance and its consolidated cash flows for the Track Record Period in accordance with the basis of presentation and preparation set out respectively in Notes 1.3 and 2.1 to the Historical Financial Information.

Review of stub period comparative financial information

We have reviewed the stub period comparative financial information of the Group which comprises the consolidated statements of comprehensive loss, the consolidated statements of changes in equity and the consolidated statements of cash flows for the four months ended April 30, 2017 and other explanatory information (the "Stub Period Comparative Financial Information"). The directors of the Company are responsible for the preparation and presentation of the Stub Period Comparative Financial Information in accordance with the basis of presentation and preparation set out in Notes 1.3 and 2.1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the International Auditing

and Assurance Standards Board ("IAASB"). A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purposes of the accountant's report, is not prepared, in all material respects, in accordance with the basis of presentation and preparation set out in Notes 1.3 and 2.1 to the Historical Financial Information.

Report on matters under [REDACTED] on The [REDACTED] of Hong Kong Limited (the "Listing Rules") and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

Dividends

We refer to Note 34 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Track Record Period.

No statutory financial statements for the Company

No statutory financial statements have been prepared for the Company since its date of incorporation.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong, [REDACTED]

I HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Set out below is the Historical Financial Information which forms an integral part of this accountant's report.

The financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by PricewaterhouseCoopers Zhong Tian LLP (普華永道中天會計師事務所(特殊普通合夥) in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board ("Underlying Financial Statements").

The Historical Financial Information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED INCOME STATEMENTS

	Note	Year ended December 31,			Four months ended April 30,	
		2015	2016	2017	2017	2018
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*Unaudited*)	*RMB'000*
Continuing operations						
Revenues	6	4,018,959	12,988,077	33,927,987	8,119,582	15,824,284
Cost of revenues	7	(1,239,504)	(7,046,841)	(21,708,483)	(4,742,856)	(11,786,849)
Gross profit		2,779,455	5,941,236	12,219,504	3,376,726	4,037,435
Selling and marketing expenses	7	(7,140,962)	(8,337,132)	(10,908,688)	(2,626,651)	(4,098,373)
Research and development expenses	7	(1,204,033)	(2,366,674)	(3,646,634)	(949,458)	(1,933,480)
General and administrative expenses	7	(2,905,420)	(1,722,605)	(2,171,408)	(475,194)	(966,108)
Fair value changes on investments measured at fair value through profit or loss	19	46,953	23,550	472,874	(176,490)	245,764
Other (losses)/gains, net	9	(49,928)	206,212	208,260	82,046	189,042
Operating loss		(8,473,935)	(6,255,413)	(3,826,092)	(769,021)	(2,525,720)
Finance income	10	13,541	21,681	60,885	9,437	72,534
Finance costs	10	(56,561)	(55,981)	(19,214)	(1,129)	(11,163)
Fair value changes of convertible redeemable preferred shares	29	(725,113)	(4,313,365)	(15,138,824)	(7,435,977)	(20,499,801)
Share of (losses)/gains of investments accounted for using equity method	12	(661)	(28,018)	(10,418)	43,625	26,425
Loss before income tax		(9,242,729)	(10,631,096)	(18,933,663)	(8,153,065)	(22,937,725)
Income tax credits/(expenses)	13	11,648	(267,903)	(54,218)	(50,991)	143,070
Loss for the year/period from continuing operations		(9,231,081)	(10,898,999)	(18,987,881)	(8,204,056)	(22,794,655)
(Loss)/profit from discontinued operation	35	(1,288,257)	5,104,001	—	—	—
Loss for the year/period		(10,519,338)	(5,794,998)	(18,987,881)	(8,204,056)	(22,794,655)
Loss for the year/period attributable to:						
Equity holders of the Company		(10,519,338)	(5,789,900)	(18,916,617)	(8,176,928)	(22,772,750)
Non-controlling interests		—	(5,098)	(71,264)	(27,128)	(21,905)
		(10,519,338)	(5,794,998)	(18,987,881)	(8,204,056)	(22,794,655)
Loss per share for loss for the year/period attributable to the equity holders for the company						
Basic and diluted (loss)/earning per share (RMB)						
Continuing operations	14	(8.68)	(7.50)	(12.37)	(5.45)	(14.76)
Discontinued operation	14	(1.21)	3.52	—	—	—
Total		(9.89)	(3.98)	(12.37)	(5.45)	(14.76)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

	Note	Year ended December 31,			Four months ended April 30,	
		2015	2016	2017	2017	2018
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*Unaudited*)	*RMB'000*
Other comprehensive (loss)/income:						
Items that may not be reclassified to profit or loss						
Currency translation differences	26	(1,255,004)	(2,847,936)	3,429,486	304,601	1,574,276
Preferred shares fair value change due to own credit risk	29	—	—	—	—	(149,880)
Other comprehensive (loss)/income for the year/period, net of tax		(1,255,004)	(2,847,936)	3,429,486	304,601	1,424,396
Total comprehensive loss for the year/period		(11,774,342)	(8,642,934)	(15,558,395)	(7,899,455)	(21,370,259)
Total comprehensive loss for the year/period is attributable to:						
Equity holders of the Company		(11,774,342)	(8,637,836)	(15,487,131)	(7,872,327)	(21,348,354)
Non-controlling interests		—	(5,098)	(71,264)	(27,128)	(21,905)
		(11,774,342)	(8,642,934)	(15,558,395)	(7,899,455)	(21,370,259)
Total comprehensive (loss)/profit for the year/period attributable to equity holders of the Company arises from:						
Continuing operations		(10,486,085)	(13,741,837)	(15,487,131)	(7,872,327)	(21,348,354)
Discontinued operation		(1,288,257)	5,104,001	—	—	—
		(11,774,342)	(8,637,836)	(15,487,131)	(7,872,327)	(21,348,354)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	As of December 31, 2015	2016	2017	As of April 30, 2018
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
ASSETS					
Non-current assets					
Property, plant and equipment	15	446,470	511,230	915,682	6,259,591
Intangible assets	16	17,788,854	19,148,840	19,852,974	35,999,413
Deferred tax assets	18	4,258	398,836	243,263	249,504
Investments accounted for using the equity method	12	156,891	2,384,674	1,952,175	2,108,480
Financial assets at fair value through profit or loss	19	2,511,740	5,569,886	5,919,594	6,803,812
Prepayments, deposits and other assets	21	107,251	68,562	312,340	327,370
		21,015,464	28,082,028	29,196,028	51,748,170
Current assets					
Inventories	22	7,860	36,581	88,374	265,675
Trade receivables	23	278,459	266,413	432,494	462,091
Financial assets at fair value through profit or loss	19	—	—	25,099	—
Prepayments, deposits and other assets	21	3,996,836	1,021,804	4,186,391	7,129,655
Short-term investments	20	784,400	12,607,872	25,838,177	6,718,661
Restricted cash	24(b)	2,502	325,287	4,458,761	6,136,251
Cash and cash equivalents	24(a)	16,804,326	9,376,575	19,408,839	26,270,336
		21,874,383	23,634,532	54,438,135	46,982,669
Total assets		42,889,847	51,716,560	83,634,163	98,730,839
EQUITY					
Share capital	25	93	93	98	98
Share premium	25	8,463,931	8,567,622	9,338,529	8,678,971
Other reserves	26	(476,367)	(2,742,872)	466,103	1,877,678
Accumulated losses		(25,657,329)	(31,447,229)	(50,363,846)	(72,725,225)
Equity attributable to equity holders of the Company		(17,669,672)	(25,622,386)	(40,559,116)	(62,168,478)
Non-controlling interests		—	47,035	57,734	35,950
Total equity		(17,669,672)	(25,575,351)	(40,501,382)	(62,132,528)

	Note	As of December 31, 2015	2016	2017	As of April 30, 2018
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
LIABILITIES					
Non-current liabilities					
Deferred tax liabilities	18	442,579	1,173,439	1,050,119	1,085,298
Deferred revenues	28	—	860,000	833,500	759,411
Redemption liabilities	27	—	369,636	316,264	322,466
Convertible redeemable preferred shares	29	49,874,217	62,412,889	101,418,292	125,120,953
Other non-current liabilities		—	—	—	8,125
		50,316,796	64,815,964	103,618,175	127,296,253
Current liabilities					
Trade payables	30	441,565	1,299,747	2,666,799	3,673,603
Payables to merchants		4,473,281	4,305,336	9,363,873	10,238,089
Advance from transacting users		2,421,097	2,043,751	2,290,160	2,612,947
Deposit from transacting users	2.14	—	—	—	7,579,302
Other payables and accruals	31	1,265,383	2,339,447	3,920,323	5,862,930
Borrowings	32	—	1,000	162,000	1,217,000
Deferred revenues	28	472,390	1,212,548	2,114,215	2,383,243
Redemption liabilities	27	1,169,007	—	—	—
Convertible redeemable preferred shares	29	—	1,274,118	—	—
		10,242,723	12,475,947	20,517,370	33,567,114
Total liabilities		60,559,519	77,291,911	124,135,545	160,863,367
Total equity and liabilities		42,889,847	51,716,560	83,634,163	98,730,839

STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Note	As of December 31, 2015	2016	2017	As of April 30, 2018
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
ASSETS					
Non-current assets					
Investments in subsidiaries	11, 41(a)	41,463,776	43,328,988	45,684,536	61,607,941
Prepayments, deposits and other assets	41(c)	4,128,037	9,809,558	21,107,233	17,338,689
		45,591,813	53,138,546	66,791,769	78,946,630
Current assets					
Short-term investments		—	5,445,420	18,819,750	2,359,932
Prepayments, deposits and other assets	41(c)	—	—	124,422	43,935
Cash and cash equivalents	41(b)	10,443,929	3,656,961	2,992,032	13,859,600
		10,443,929	9,102,381	21,936,204	16,263,467
Total assets		56,035,742	62,240,927	88,727,973	95,210,097
EQUITY					
Share capital	25	93	93	98	98
Share premium	25	8,463,931	8,567,622	9,338,529	8,678,971
Other reserves	41(d)	(388,675)	(2,175,504)	1,034,659	2,248,583
Accumulated losses		(3,206,891)	(7,841,497)	(23,077,808)	(43,039,159)
Equity attributable to equity holders of the Company		4,868,458	(1,449,286)	(12,704,522)	(32,111,507)
LIABILITIES					
Non-current liabilities					
Convertible redeemable preferred shares	29	49,874,217	62,412,889	101,418,292	125,120,953
Current liabilities					
Trade payables		330	—	—	—
Other payables and accruals		123,730	3,206	14,203	2,200,651
Convertible redeemable preferred shares		—	1,274,118	—	—
Redemption liabilities	27	1,169,007	—	—	—
		1,293,067	1,277,324	14,203	2,200,651
Total liabilities		51,167,284	63,690,213	101,432,495	127,321,604
Total equity and liabilities		56,035,742	62,240,927	88,727,973	95,210,097

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

		Attributable to equity holders of the Company						
	Note	Share capital	Share premium	Other reserves	Accumulated losses	Sub-total	Non-controlling interests	Total
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As of January 1, 2015		—	—	306,227	(15,137,991)	(14,831,764)	—	(14,831,764)
Loss for the year		—	—	—	(10,519,338)	(10,519,338)	—	(10,519,338)
Issuance of ordinary shares		59	—	(59)	—	—	—	—
Business combinations	37	33	8,212,754	792,509	—	9,005,296	—	9,005,296
Repurchase of ordinary shares	27	—	—	(747,572)	—	(747,572)	—	(747,572)
Share-based compensation expenses	33	—	—	678,038	—	678,038	—	678,038
Exercise of option and restricted share units ("RSU") vesting		1	251,177	(250,506)	—	672	—	672
Currency translation differences		—	—	(1,255,004)	—	(1,255,004)	—	(1,255,004)
As of December 31, 2015		93	8,463,931	(476,367)	(25,657,329)	(17,669,672)	—	(17,669,672)
As of January 1, 2016		93	8,463,931	(476,367)	(25,657,329)	(17,669,672)	—	(17,669,672)
Loss for the year		—	—	—	(5,789,900)	(5,789,900)	(5,098)	(5,794,998)
Business combinations	37	4	992,609	—	—	992,613	52,133	1,044,746
Repurchase of ordinary shares	25	(6)	(1,409,688)	747,572	—	(662,122)	—	(662,122)
Share-based compensation expenses	33	—	—	710,710	—	710,710	—	710,710
Exercise of option and RSU vesting		2	520,770	(507,215)	—	13,557	—	13,557
Transaction with non-controlling interests		—	—	(369,636)	—	(369,636)	—	(369,636)
Currency translation differences		—	—	(2,847,936)	—	(2,847,936)	—	(2,847,936)
As of December 31, 2016		93	8,567,622	(2,742,872)	(31,447,229)	(25,622,386)	47,035	(25,575,351)
As of January 1, 2017		93	8,567,622	(2,742,872)	(31,447,229)	(25,622,386)	47,035	(25,575,351)
Loss for the year		—	—	—	(18,916,617)	(18,916,617)	(71,264)	(18,987,881)
Business combinations	37	—	—	—	—	—	12,948	12,948
Repurchase of ordinary shares	25	(1)	(526,738)	—	—	(526,739)	—	(526,739)
Share-based compensation expenses	33	—	—	746,465	—	746,465	—	746,465
Exercise of option and RSU vesting		6	1,297,645	(1,070,615)	—	227,036	—	227,036
Transaction with non-controlling interests		—	—	20,810	—	20,810	67,652	88,462
Disposal of a subsidiary		—	—	—	—	—	1,363	1,363
Share of equity movement in an associate		—	—	82,829	—	82,829	—	82,829
Currency translation differences		—	—	3,429,486	—	3,429,486	—	3,429,486
As of December 31, 2017		98	9,338,529	466,103	(50,363,846)	(40,559,116)	57,734	(40,501,382)

		Attributable to equity holders of the Company						
	Note	Share capital	Share premium	Other reserves	Accumulated losses	Sub-total	Non-controlling interests	Total
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
(Unaudited)								
As of January 1, 2017		93	8,567,622	(2,742,872)	(31,447,229)	(25,622,386)	47,035	(25,575,351)
Loss for the period		—	—	—	(8,176,928)	(8,176,928)	(27,128)	(8,204,056)
Repurchase of ordinary shares	25	—	(63,968)	—	—	(63,968)	—	(63,968)
Share-based compensation expenses	33	—	—	175,957	—	175,957	—	175,957
Exercise of option and RSU vesting		4	843,525	(681,436)	—	162,093	—	162,093
Transaction with non-controlling interests		—	—	(7,250)	—	(7,250)	—	(7,250)
Share of equity movement in an associate		—	—	82,829	—	82,829	—	82,829
Currency translation differences		—	—	304,601	—	304,601	—	304,601
As of April 30, 2017		97	9,347,179	(2,868,171)	(39,624,157)	(33,145,052)	19,907	(33,125,145)
As of January 1, 2018		98	9,338,529	466,103	(50,363,846)	(40,559,116)	57,734	(40,501,382)
Adjustment on adoption of IFRS9, net of tax	2.1.1	—	—	(423,731)	411,371	(12,360)	—	(12,360)
As of January 1, 2018		98	9,338,529	42,372	(49,952,475)	(40,571,476)	57,734	(40,513,742)
Loss for the period		—	—	—	(22,772,750)	(22,772,750)	(21,905)	(22,794,655)
Business combination	37	—	—	231,736	—	231,736	—	231,736
Repurchase of ordinary shares	25	(2)	(811,142)	—	—	(811,144)	—	(811,144)
Share-based compensation expenses	33	—	—	359,427	—	359,427	—	359,427
Exercise of option and RSU vesting		2	180,891	(161,481)	—	19,412	—	19,412
Transaction with non-controlling interests		—	—	(18,772)	—	(18,772)	217	(18,555)
Cancellation of ordinary shares	25	—	(29,307)	—	—	(29,307)	—	(29,307)
Preferred shares fair value change due to own credit risk		—	—	(149,880)	—	(149,880)	—	(149,880)
Currency translation differences		—	—	1,574,276	—	1,574,276	(96)	1,574,180
As of April 30, 2018		98	8,678,971	1,877,678	(72,725,225)	(62,168,478)	35,950	(62,132,528)

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Note	Year ended December 31,			Four months ended April 30,	
		2015	2016	2017	2017	2018
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Cash flows from operating activities						
Cash (used in)/generated from operations	38	(4,004,093)	(1,913,711)	(291,640)	70,227	(3,426,668)
Income tax paid		(341)	(4,313)	(18,560)	(15,047)	(9,232)
Net cash flows (used in)/generated from operating activities		(4,004,434)	(1,918,024)	(310,200)	55,180	(3,435,900)
Cash flows from investing activities						
Purchase of property, plant and equipment		(356,082)	(352,806)	(737,680)	(108,157)	(566,888)
Proceeds from disposals of property, plant and equipment		27,381	5,841	3,731	2,010	3,653
Purchase of intangible assets		(2,168)	(2,819)	(8,251)	(459)	(5,971)
Proceeds from disposals of intangible assets		26	—	173	—	—
Payments for business combinations, net of cash acquired	31, 37	1,758,469	(150,168)	(320,801)	—	(6,583,164)
Purchase of short-term investments		(5,118,600)	(54,007,994)	(65,566,920)	(18,890,383)	(12,545,294)
Proceeds from disposals of short-term investments		5,331,773	42,914,393	51,407,015	20,341,313	31,384,599
Acquisition of investments accounted for using the equity method		—	(50,900)	(785,568)	(606,218)	(135,875)
Proceeds from disposal of investments accounted for using the equity method		—	—	887,885	—	—
Acquisition of investments measured at fair value		(794,707)	(512,879)	(379,577)	(26,801)	(829,657)
Proceeds from disposal of investments measured at fair value		—	24,092	13,185	—	159,248
Cash inflow/(outflow) arising from disposal of subsidiaries	11	8,070	2,394,500	(26,362)	—	—
Interest income received		3,613	181,956	346,375	102,313	116,083
Dividends received		—	—	11,989	—	14,605
Increase in prepayment for investments		(5,111)	—	(2,284)	—	(304)
Net cash flows generated from/(used in) investing activities		852,664	(9,556,784)	(15,157,090)	813,618	11,011,035
Cash flows from financing activities						
Proceeds from borrowings		—	—	312,000	150,000	805,000
Repayments of borrowings		(300,000)	—	(151,000)	(300)	(140,000)
Finance costs paid		—	—	(9,783)	(678)	(9,250)
Proceeds from issuance of convertible redeemable preferred shares		18,805,796	5,590,974	25,802,523	—	—
Exercise of option and RSU vesting		—	—	170,251	96,391	19,412
Repurchase of ordinary shares		—	(1,785,752)	(651,300)	(93,852)	(846,305)
Proceeds from disposals of non-controlling interests		—	—	60,000	—	—
Payment for acquisition of non-controlling interests		—	—	(24,910)	—	(12,628)
Net cash flows generated from/(used in) financing activities		18,505,796	3,805,222	25,507,781	151,561	(183,771)
Net increase/(decrease) in cash and cash equivalents		15,354,026	(7,669,586)	10,040,491	1,020,359	7,391,364
Cash and cash equivalents at the beginning of the year/period		1,331,301	16,804,326	9,376,575	9,376,575	19,408,839
Exchange gain/(loss) on cash and cash equivalents		118,999	241,835	(8,227)	(21,168)	(529,867)
Cash and cash equivalents at the end of the year/period	24	16,804,326	9,376,575	19,408,839	10,375,766	26,270,336

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1 General information, reorganization and basis of presentation

1.1 *General information*

Meituan Dianping (formerly known as China Internet Plus Holdings Ltd. and then Internet Plus Holdings Ltd.) (the "Company") was incorporated in the Cayman Islands on September 25, 2015 as an exempted company with limited liability. The registered office is at Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KYl-1104, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries, including structured entities (collectively, the "Group"), provides platform which uses technology to connect consumers and merchants and offer diversified daily services, including food delivery, in-store dining, hotel and travel booking and other services (the "[REDACTED] Business").

1.2 *History and Reorganization of the Group*

Prior to the incorporation of the Company, the [REDACTED] Business was operated by Meituan Corporation ("Meituan") in the People's Republic of China (the "PRC"). The directors consider the ultimate controlling party to be Wang Xing, who is also the executive director of the Company (the "Controlling Shareholder").

The Group underwent a reorganization ("Reorganization") to establish the Company as the ultimate holding company of the [REDACTED] Business , operated by Meituan, which principally involved the following:

- On September 25, 2015, the Company was incorporated in the Cayman Islands with an authorized share capital of USD50,000, consisting of 5,000,000,000 ordinary shares of US dollar ("USD") 0.00001 par value each, of which 1 share had been issued.

- On October 5, 2015, Meituan and China Internet Plus Merger Co., Ltd ("the Merger Subsidiary"), being the then wholly owned subsidiary of the Company, entered into an agreement with the Company, pursuant to which the Merger Subsidiary merged with Meituan and Meituan become the wholly-owned subsidiary of the Company. Pursuant to the agreement, all issued and outstanding ordinary shares and preferred shares of Meituan were cancelled. In consideration, the Company issued the following ordinary shares on October 5, 2015 and preferred shares on October 6, 2015 to Meituan's then shareholders:

  - 939,414,168 ordinary shares to holders of ordinary shares; and

  - 272,000,000 Series A-4 Preferred Shares to the then Series A Preferred Shares holders; and

  - 416,000,000 Series A-5 Preferred Shares to the then Series B Preferred Shares holders; and

- 249,143,568 Series A-6 Preferred Shares to the then Series C Preferred Shares holders; and

- 221,460,398 Series A-11 Preferred Shares to the then Series D Preferred Shares holders.

The Reorganization was undertaken to consolidate the [REDACTED] Business operated by Meituan into the Company in preparation for the Company's further expansion into new businesses. Upon the completion of the above procedures, the Company became the ultimate holding company of Meituan and its subsidiaries.

Subsequent to October 5, 2015, the Group undertook certain significant acquisitions and disposals of subsidiaries, for details, please refer to Note 37 and Note 11.

1.3 ***Basis of presentation***

Immediately prior to the Reorganization, the [REDACTED] Business was carried out by Meituan and its subsidiaries which were under the control of the Controlling Shareholder. Pursuant to the Reorganization, the [REDACTED] Business is transferred to and held by the Company.

The Company has not been involved in any other business prior to the Reorganization and its operations do not meet the definition of a business. The Reorganization is merely a recapitalization of the [REDACTED] Business operated by Meituan and does not result in any changes in business substance. Accordingly, the Group resulting from the Reorganization is regarded as a continuation of the [REDACTED] Business under Meituan, and, for the purpose of this report, the Historical Financial Information of the Company now comprising the Group is presented using the carrying value of the [REDACTED] Business for all periods presented as if the Reorganization has been completed before the Track Record Period.

For companies acquired from or disposed to a third party during each of the years ended December 31, 2015, 2016 and 2017 and the four months ended April 30, 2017 and 2018, they are included in or excluded from the financial statements of the Group from the date of acquisition or disposal.

Intercompany transactions, balances and unrealized gains/losses on transactions between Group companies are eliminated on consolidation.

2 **Summary of significant accounting policies**

The principal accounting policies applied in the preparation of the Historical Financial Information are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 ***Basis of preparation***

The principal accounting policies applied in the preparation of the Historical Financial Information which are in accordance with the International Financial Reporting Standards ("IFRS"), issued by International Accounting Standards Board ("IASB") are set out below. The Historical Financial Information has been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss, which are carried at fair value.

The preparation of the Historical Financial Information in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in Note 4.

2.1.1 ***Changes in accounting policies***

All effective standards, amendments to standards and interpretations, which are mandatory for the financial year beginning on January 1, 2018, are consistently applied to the Group for the Track Record Period, except for IFRS 9.

IFRS 15, "Revenue from Contracts with Customers" replaces the previous revenue standards IAS 18 "Revenue" and IAS "Construction Contracts" and related interpretations. The standard is effective for annual periods beginning on or after January 1, 2018 and has been adopted throughout the Track Record Period.

The Group had assessed the effects of adoption of IFRS 15 on its financial statements and it considered the adoption did not have a significant impact on its financial position and results of operations.

(a) *New and amended standards adopted by the Group*

The Group has applied IFRS 9 Financial Instruments for the first time commencing January 1, 2018.

IFRS 9 replaces the provisions of IAS 39 Financial Instruments ("IAS 39") that relate to the recognition, classification and measurement of financial assets and financial liabilities; derecognition of financial instruments; impairment of financial assets and hedge accounting. IFRS 9 also significantly amends other standards dealing with financial instruments such as IFRS 7 Financial Instruments — Disclosures. The accounting policies were changed to comply with IFRS 9.

In accordance with the transitional provision in IFRS 9, comparative figures have not been restated. Any adjustments to carrying amounts of financial assets or liabilities are recognised at the beginning of the current reporting period, with the difference recognised in opening accumulated losses and other reserve.

(i) *Classification and measurement of financial instruments*

The total impact on the Group's accumulated losses due to classification and measurement of financial instruments as at January 1, 2018 is as follows:

	Note	RMB'000
Opening accumulated losses — IAS 39		50,363,846
Increase in provision for loan receivables, net of tax	(ii)	12,360
Increase in provision for trade receivables, net of tax	(ii)	—
Increase in provision for prepayments, deposits and other assets (excluding tax prepayments and loan receivables), net of tax	(ii)	—
Reclassify preferred shares fair value change due to own credit risk from accumulated losses to other comprehensive income		(423,731)
Opening accumulated losses — IFRS 9		49,952,475

Management has assessed the business models and the contractual terms of the cash flows applying to the financial assets held by the Group at the date of initial application of IFRS 9 (January 1, 2018) and has classified its financial instruments into the appropriate IFRS 9 categories. According to the classification, the Group's financial assets measured at fair value through profit or loss (FVPL) or amortised cost under IAS 39 continues to be measured on the same basis under IFRS 9.

(ii) *Impairment of financial assets*

The Group has three types of financial assets at amortised cost subject to IFRS 9's new expected credit loss model:

- loan receivables
- trade receivables
- prepayments, deposits and other assets (excluding tax prepayments and loan receivables)

The Group revised its impairment methodology under IFRS 9 for each of these classes of assets. Although cash and cash equivalents, restricted cash and short-term investments measured at amortized costs are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

- Loan receivables

For loan receivables outstanding at January 1, 2018, adjustments of RMB12 million of provisions for loan receivables were recognized in the opening accumulated losses. Impairment methodology applied has been described in Note 3.1(b).

- Trade receivables

For trade receivables, the Group applies the simplified approach to measure expected credit losses ('ECL') prescribed by IFRS 9, which requires the use of the lifetime expected loss provision for all trade receivables. The impact is not material applying the ECL model for those trade receivables as of January 1, 2018.

- Prepayments, deposits and other assets (excluding tax prepayments and loan receivables)

For prepayments, deposits and other assets (excluding tax prepayments and loan receivables) already in place at January 1, 2018, the Group applies a three stage approach to measure ECL prescribed by IFRS 9. The impact is not material applying the ECL model for those other receivables as of January 1, 2018.

(b) *New standards and amendments not yet adopted by the management of the Group*

A number of new standards and amendments to existing standards have been issued but are not yet effective for the Track Record Period, and have not been early adopted by the Group's management. These new standards and amendments are set out below:

	Effective for accounting year beginning on or after
IAS19 — Employee benefits on plan amendment, curtailment or settlement	January 1, 2019
IFRS 16 — Leases	January 1, 2019
IFRIC 23 — Uncertainty over income tax treatments	January 1, 2019
Amendments to IAS 28 — 'Investments in associates', on long term interests in associates and joint ventures	January 1, 2019
Annual Improvements to IFRS Standards 2015-2017 Cycle	January 1, 2019
Amendment to IFRS 9 — Financial instruments on prepayment features with negative compensation.	January 1, 2019
Amendments to IFRS 10 and IAS 28 — Sale or contribution of assets between an investor and its associate or joint venture	To be determined

Except as disclosed below, the Group is in the process of assessing potential impact of the above other new standards and amendments to standards that is relevant to the Group upon initial application. According to the preliminary assessment made by the directors of the Company, management does not anticipate any significant impact on the Group's financial positions and results of operations upon adopting the above new standards amendments to existing standards. The management of the Group plans to adopt these new standards and amendments to existing standards when they become effective.

(i) *IFRS 16*

IFRS 16, "Leases" addresses the definition of a lease, recognition and measurement of leases and establishes principles for reporting useful information to users of financial statements about the leasing activities of both lessees and lessors. A key change arising from IFRS 16 is that most operating leases will be accounted for on statement of financial position for lessees. The Group is a lessee of various properties which are currently classified as operating leases. The Group's current accounting policy for such leases is set out in Note 2.30. As at April 30, 2018, the Group had non-cancelable operating lease commitments of RMB1,190 million. IFRS 16 provides new provisions for the accounting treatment of leases and will in the future no longer allow lessees to recognize certain leases outside of the balance sheet. Instead, almost all leases must be recognized in the form of an asset (for the right of use) and a financial liability (for the payment obligation). Thus each lease will be mapped in the Group's consolidated statements of financial position. Short-term leases of less than twelve months and leases of low-value assets are exempt from the reporting obligation. The new standard will therefore result in an increase in assets and financial liabilities in the consolidated statements of financial position. As for the financial performance impact in the consolidated income statements, the operating lease expenses will decrease, while depreciation and amortization and the interest expense will increase. The new standard is not expected to apply until the financial year 2019.

The directors anticipate that the application of IFRS 16 in the future will result in an increase in financial assets and financial liabilities, which is likely to have significant impact on the Group's financial position. However, the directors anticipate that the net impact on the Group's financial performance is limited.

2.2 ***Subsidiaries***

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement (including structured entities) with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statements, consolidated statements of comprehensive loss, statement of changes in equity and consolidated statements of financial position respectively.

2.2.1 ***Subsidiaries controlled through Contractual Arrangements***

In order to comply with the PRC laws and regulations which prohibit or restrict foreign control of companies involved in provision of internet content and other restricted businesses, the Group operates its website and other restricted businesses in the PRC through certain PRC operating entities, whose equity interests are held by certain management members of the Group ("Nominee Shareholders"). Historically, the Group obtained control over these PRC operating entities via a series of the contractual arrangements signed ("Old Contractual Arrangements") between certain indirectly held subsidiaries of the Company in the PRC, PRC operating entities operating restricted business and their respective Nominee Shareholders (collectively, "VIE parties"). In preparation for listing in Hong Kong, on August 21, 2018, the VIE parties entered into a series of contractual arrangements (the "Revised Contractual Arrangements") which replaced the Old Contractual arrangements. The Revised Contractual Arrangements, includes exclusive business cooperation agreements, exclusive option agreements, equity pledge agreements, loan agreements and powers of attorney, which enables those indirectly held subsidiaries of the Company in the PRC, and the Group to:

- govern the financial and operating policies of the PRC operating entities,
- exercise equity holder's voting rights of the PRC operating entities,
- receive substantially all of the economic interest returns generated by the PRC entities in consideration of the exclusive business cooperation agreements,
- obtain an irrevocable and exclusive right to purchase part or all of the equity interests in the PRC operating entities at any time and from time to time, for considerations equivalents to the respectively outstanding loans to each nominee Shareholders ,
- obtain a pledge over all of its equity interests from its respective Nominee Shareholders as collaterals for all of the PRC entities' payments due to the Group to secure performance of entities' obligation under the Old Contractual Arrangements and the Revised Contractual Arrangements.

As a result of the Old Contractual Arrangements and Revised Contractual Arrangements, the Group has rights to exercise power over these PRC operating entities, receive variable returns from its involvement with these entities, has the ability to affect those returns through its power over the entities and is considered to control the entities. Consequently, the Company regarded these PRC operating entities and their subsidiaries as controlled structured entities and consolidated the financial position and results of operations of these entities in the Historical Financial Information of the Group during the Track Record Period.

Nevertheless, there are still uncertainties regarding the interpretation and application of current and future PRC laws and regulations. The Director of the Group, based on the advice of its legal counsel, consider that the use of the both the Old Contractual Arrangements and New Contractual Arrangements does not constitute a breach of the relevant laws and regulations.

2.2.2 ***Business combinations***

The Group applies the acquisition method to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, amount of any non-controlling interest in the acquiree, and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognized in profit or loss. Amounts classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognized in profit or loss.

2.2.3 ***Changes in ownership interests in subsidiaries without change of control***

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized in a separate reserve within equity attributable to owners of the Company.

2.2.4 ***Disposal of subsidiaries***

When the Group ceases to consolidate a subsidiary because of a loss of control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/ permitted by applicable IFRSs.

2.3 ***Associates***

Associates are all entities over which the Group has significant influence but not control or joint control. The Group's investments in associates in the form of redeemable instruments are financial assets designated at fair value through profit or loss. All investments in associates in the form of ordinary shares with significant influence are accounted for using the equity method of accounting, after initially being recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses of the investee, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognized as a reduction in the carrying amount of the investment.

When the Group's share of losses in an investment accounted for using the equity method equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealized gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Group determines at each reporting date whether there is any objective evidence that investments accounted for using the equity method are impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the investment and its carrying value and recognizes the amount in "Other (losses)/gains, net" in the consolidated income statements.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income are reclassified to profit or loss where appropriate.

2.4 ***Joint arrangements***

The Group has applied IFRS 11 to all joint arrangements. Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. The Group's investments in joint ventures include goodwill identified on acquisition. Upon the acquisition of the ownership interest in a joint venture, any difference between the cost of the joint venture and the Group's share of the net fair value of the joint venture's identifiable assets and liabilities is accounted for as goodwill. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealized gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.5 ***Separate financial statements***

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.6 ***Segment reporting***

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("CODM"). The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as executive directors of the Company.

2.7 ***Foreign currency translation***

2.7.1 ***Functional and presentation currency***

Items included in the Historical Financial Information of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The Company's functional currency is USD as it key activities and transaction are denominated in USD. The Company's primary subsidiaries were incorporated in the PRC and these subsidiaries considered RMB as their functional currency. Historical Financial Information is presented in Renminbi, which is the Group's presentation currency.

2.7.2 ***Transactions and balances***

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in consolidated income statements on a net basis within "Other (losses)/gains, net".

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognized in consolidated income statements as part of the "Fair value changes on investments measured at fair value through profit or loss".

2.7.3 ***Group companies***

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position.

- income and expenses for each income statement and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

- all resulting exchange differences are recognized in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognized in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified into income statement, as part of "Other (losses)/gains, net".

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.8 ***Property, plant and equipment***

All property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

• computer equipment (including servers)	3 years
• furniture and appliances	5 years
• leasehold improvements	lesser of the term of the lease or the estimated useful lives of the assets
• bike and vehicle	2-4 years

Property, plant and equipment arising from business acquisition is depreciated over the remaining useful life.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount, and are recognized in "Other (losses)/gains, net" in the consolidated income statements.

2.9 ***Intangible assets***

2.9.1 *Goodwill*

Goodwill arises on the acquisition of subsidiaries represents the excess of the aggregate purchase consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes at the operating segments.

2.9.2 *Other intangible assets*

Other intangible assets mainly include trade name, user generated content, software purchased from third parties, online payment license, technology and licenses, user list and supplier relationship. They are initially recognized and measured at cost or fair value if they are acquired in business combinations. Other intangible assets are amortized over their estimated useful lives using the straight-line method which reflects the pattern in which the intangible asset's future economic benefits are expected to be consumed.

The Group amortizes intangible assets with a limited useful life using the straight-line method over the following periods:

- trade name 2 - 25 years
- user generated content 5 years
- software and others 3 - 10 years
- online payment license 15 years
- technology and licenses 2 - 5 years
- user list 5 years
- supplier relationship 2 - 8 years

Each of trade name, software and others, online payment license and supplier relationship has a useful life of 2 to 25 years, 5 to 10 years, 15 years and 2 to 8 years, respectively. When determining the length of useful life of an intangible asset, management take into account the (i) estimated period during which such asset can bring economic benefits to the Group; and (ii) the useful life estimated by comparable companies in the market.

Management determined the trademark related to Dianping (note 37) to have a useful life of 25 years based on the long history of Dianping which was established in 2003 and its dominant position in local deals.

2.9.3 *Research and development*

Research expenditures are recognized as an expenses as incurred. Costs incurred on development projects are capitalized as intangible assets when recognition criteria are met, including (a) it is technically feasible to complete the software so that it will be available for use; (b) management intends to complete the software and use or sell it; (c) there is an ability to use or sell the software; (d) it can be demonstrated how the software will generate probable future economic benefits; (e) adequate technical, financial and other resources to complete the development and to use or sell the software are available; and (f) the expenditure attributable to the software during its development can be reliably measured. Other development costs that do not meet those criteria are expensed as incurred. There were no development costs meeting these criteria and capitalized as intangible assets as of December 31, 2015, 2016 and 2017 and April 30, 2018.

2.10 ***Impairment of non-financial assets***

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.11 ***Discontinued operation***

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the consolidated income statements.

2.12 ***Financial assets***

2.12.1 *Accounting policies applied from January 1, 2018*

(i) Classification

From January 1, 2018, the group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and

- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income (OCI). For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

The Group derecognizes a financial asset, if the part being considered for derecognition meets one of the following conditions: (i) the contractual rights to receive the cash flows from the financial asset expire; or (ii) the contractual rights to receive the cash flows of the financial asset have been transferred, the Group transfers substantially all the risks and rewards of ownership of the financial asset; or (iii) the Group retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to the eventual recipient in an agreement that meets all the conditions of de-recognition of transfer of cash flows("pass through" requirements) and transfers substantially all the risks and rewards of ownership of the financial asset.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other (losses)/gains together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other (losses)/gains. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other (losses)/gains and impairment expenses are presented as separate line item in the statement of profit or loss.

- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within "Other (losses)/gains, net" in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss when the Group's right to receive payments is established.

Changes in the fair value of financial assets measured at FVPL are recognised in other (losses)/gains in profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iv) Impairment

The Group has three types of financial assets that are subject to IFRS 9's new ECL model (Note 3.1 (b)):

- loan receivables
- trade receivables
- prepayments, deposits and other assets (excluding tax prepayments and loan receivables)

The Group was required to revise its impairment methodology under IFRS 9 for each of these classes of assets. The impact of the change in impairment methodology on the Group's opening accumulated losses is disclosed in Note 2.1.1(b).

While cash and cash equivalents, restricted cash and short-term investments measured at amortized costs are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

2.12.2 *Accounting policies applied until December 31, 2017*

(i) Classification

The Group classifies its financial assets into the following categories:

- financial assets at fair value through profit or loss
- loans and receivables

The classification depends on the purpose for which the financial assets were acquired. Management determines the classification at initial recognition.

(a) *Financial assets at fair value through profit or loss*

The Group classifies financial assets at fair value through profit or loss if they are acquired principally for the purpose of selling in the short term, i.e., are held for trading. The Group has investments in certain ordinary shares with preferential rights or convertible redeemable preferred shares issued by investee companies, which are hybrid instruments with embedded derivatives not closely related to the host contract. The Group designated the whole instruments as financial assets at fair value through profit or loss instead of bifurcating the embedded derivatives from the host contract.

The Group also has interests in certain investees in the form of ordinary shares without significant influence. The Group managed and evaluated their performance on a fair value basis. The Group designated these instruments as financial assets at fair value through profit or loss.

Derivative financial instruments are recognized initially at fair value. At the end of each reporting period the fair value is remeasured. Assets in this category are presented as current assets if they are expected to be sold within 12 months after the end of the reporting period; otherwise they are presented as non-current assets.

(b) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. If the loans and receivables are expected to be collected within 1 year, they are classified as current assets. If not, they are presented as non-current assets. The Group's loans and receivables comprise of trade receivables, prepayments, deposits and other assets, cash and cash equivalents, restricted cash and short-term investments measured at amortized cost.

(ii) Recognition and derecognition

Regular purchases and sales of financial assets are recognized on trade date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred, and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Loans and receivables are subsequently carried at amortized cost using the effective interest method.

Financial assets at fair value through profit or loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value are recognized in the consolidated income statements within "Fair value changes on investments measured at fair value through profit or loss."

Dividends on financial assets at fair value through profit or loss are recognized in "Other (losses)/gains, net" in the consolidated income statements, when the Group's right to receive payments is established.

(iv) Impairment

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. For loans and receivables, the amount of

the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in profit or loss. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in profit or loss.

2.13 ***Offsetting financial instruments***

Financial assets and liabilities are offset and the net amount reported in the balance sheet where the Group currently has a legally enforceable right to offset the recognized amounts, and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The Group has also entered into arrangements that do not meet the criteria for offsetting but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or the termination of a contract.

2.14 ***Deposit from transacting users***

Deposit from transacting users are the deposits received from transacting users of bike-sharing services, which are redeemable at any time upon the requests from transacting users.

2.15 ***Inventories***

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.16 ***Trade and other receivables***

Trade receivables are amounts due from customers for services performed in the ordinary course of business.

Trade and other receivables are generally due for settlement within 1 year and therefore are all classified as current.

Trade and other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less allowance for impairment.

2.17 ***Cash and cash equivalents and restricted cash***

Cash and cash equivalents includes cash in hand, deposits held at call with banks within three months, certain amounts of cash held in accounts managed by other financial institutions in connection with the provision of services and sale of goods.

Cash that restricted from withdrawal, use or pledged as security is reported separately on the face of the consolidated statements of financial position, and is not included in the total cash and cash equivalents in the consolidated statements of cash flows. The Group's restricted cash mainly represents (a) security deposits held in designated bank accounts for letter of guarantee and related to payment service; and (b) cash held in the name of other parties.

2.18 ***Share capital***

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or share options are shown in equity as a deduction from the proceeds. Convertible redeemable preferred shares are classified as liabilities (Note 29).

2.19 ***Trade and other payables***

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

2.20 ***Borrowings***

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2.21 ***Convertible redeemable preferred shares ("Preferred Shares")***

Holders of Series A, B, and C Preferred Shares issued by the Company are redeemable upon occurrence of certain future events. These instruments can also be converted into ordinary shares of the Company at any time at the option of the holders, or automatically upon occurrence of an initial [REDACTED] of the Company, or when agreed by majority of the holders as detailed in Note 29.

The Group designated the Preferred Shares as financial liabilities at fair value through profit or loss. They are initially recognized at fair value. Any directly attributable transaction costs are recognized as finance costs in profit or loss. Before January 1, 2018, all fair value changes are recognised in profit or loss under IAS 39. From January 1, 2018, the component of fair value changes relating to the company's own credit risk is recognised in OCI. Amounts recorded in OCI related to credit risk are not subject to recycling in profit or loss, but are transferred to retained earnings when realised. Fair value changes relating to market risk are recognised in profit or loss.

The Preferred Shares were classified as non-current liabilities unless the Preferred Shares holders can demand the Company to redeem the Preferred Shares within 12 months after the end of the reporting period.

2.22 ***Redemption liability***

Redemption liability arises from put options granted by the Group, where the counterparties have the right to request the Group to purchase the equity instrument held by the counterparty for cash or other financial assets when certain conditions are met. As the Group does not have the unconditional right to avoid delivering cash or another financial assets under the put options, the Group recognized a financial liability at the present value of the estimated future cash outflows of the redemption obligation. Subsequently, if the Group revises its estimates of payments, the Group will adjust the carrying amount of the financial liability to reflect the present value of revised estimated future cash outflows at the financial instrument's original effective interest rate, and the adjustments will be recognized as "Other (losses)/gains, net" in the consolidated income statements. If the put option expires without delivery, the carrying amount of the liability is reclassified to equity. The redemption liabilities are classified as current liabilities unless the put options can only be exercised 12 months after the end of the reporting period.

2.23 ***Current and deferred income tax***

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

2.23.1 *Current income tax*

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2.23.2 *Deferred income tax*

(a) *Inside basis differences*

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

(b) *Outside basis differences*

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only when there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference in the foreseeable future, deferred tax liability in relation to taxable temporary differences arising from the subsidiaries and associates' undistributed profits is not recognized.

Deferred income tax assets are recognized on deductible temporary differences arising from investments in subsidiaries and associates only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilized.

(c) *Offsetting*

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.24 ***Employee benefits***

2.24.1 *Employee leave entitlement*

Employee entitlements to annual leave are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period. Employee entitlements to sick and maternity leave are not recognized until the time of leave.

2.24.2 *Pension obligations and other social welfare benefits*

The Group contributes on a monthly basis to various defined contribution plans organised by the relevant governmental authorities. The Group's liability in respect of these plans is limited to the contributions payable in each period. Contributions to these plans are expensed as incurred. Assets of the plans are held and managed by government authorities and are separated from those of the Group.

2.24.3 *Bonus plan*

The expected cost of bonuses is recognized as a liability when the Group has a present legal or constructive obligation for payment of bonuses as a result of services rendered by employees and a reliable estimate of the obligation can be made. Liabilities for bonuses are expected to be settled within 1 year and are measured at the amounts expected to be paid when they are settled.

2.25 ***Share-based payments***

The Group has operated two share incentive plans during the Track Record Period. The 2011 Stock Incentive Plan (or the "Meituan Plan") was administered until the Reorganization, after which it was replaced by the Internet Plus Holdings Ltd. 2015 Share Incentive Plan (or the "2015 Share Incentive Plan"). Share-based compensation benefits are provided to employees via the Meituan Plan and the 2015 Share Incentive Plan, both of which include a share option scheme and an RSU scheme. The Group receives services from employees and other qualifying participants as consideration for equity instruments (including share options and RSUs) of the Group. The fair value of the services received in exchange for the grant of the equity instruments is recognized as an expense in the consolidated income statements.

2.25.1 *Share options*

For grant of share options, the total amount to be expensed is determined by reference to the fair value of the options granted by using option-pricing models:

- including any market performance conditions
- excluding the impact of any service and non-market performance vesting conditions, and
- including the impact of any non-vesting conditions

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

2.25.2 *RSUs*

For grant of RSUs, the total amount to be expensed is determined by reference to the fair value of the Company's shares at the grant date.

In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognizing the expense during the period between service commencement period and grant date.

2.25.3 *Modifications and Cancellations*

The Group may modify the terms and conditions on which share incentive awards were granted. If a modification increases the fair value of the equity instruments granted, the incremental fair value granted is included in the measurement of the amount recognized for the services received over the remainder of the vesting period.

A grant of share incentive awards, that is cancelled or settled during the vesting period, is treated as an acceleration of vesting. The Group immediately recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period.

2.25.4 *Compound financial instrument*

When the Company grants put options to certain employee shareholders to sell the Company's ordinary shares held by them, the Company is considered to have issued a compound financial instrument with a debt component (to the extent that the counterparty has a right to demand cash, as redemption liabilities) and an equity component (to the extent that the counterparty has a right to demand settlement in equity instruments by giving up its right to cash). The Company first establishes the value of the debt component when valuing the compound financial instrument. The equity component is then measured as the difference between that amount and the value of the instrument as a whole.

2.26 ***Provisions***

Provisions for service warranties and make good obligations are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

2.27 ***Revenue recognition***

Revenue is recognized when or as the control of the goods or services is transferred to a customer. Depending on the terms of the contract and the laws that apply to the contract, control of the goods and services may be transferred over time or at a point in time. Control of the goods and services is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates and enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods and services transfers over time, revenue is recognized over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognized at a point in time when the customer obtains control of the goods and services.

Contracts with customers may include multiple performance obligations. For such arrangements, the Group allocates revenue to each performance obligation based on its relative standalone selling price. The Group generally determines standalone selling prices based on the prices charged to customers. If the standalone selling price is not directly observable, it is estimated using expected cost plus a margin or adjusted market assessment approach, depending on the availability of observable information. Assumptions and estimations have been made in estimating the relative selling price of each distinct performance obligation, and changes in judgements on these assumptions and estimates may impact the revenue recognition.

When either party to a contract has performed, the Group presents the contract in the statement of financial position as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment.

A contract asset is the Group's right to consideration in exchange for goods and services that the Group has transferred to a customer. A receivable is recorded when the Group has an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the Group transfers a good or service to the customer, the Group presents the contract liability when the payment is made or a receivable is recorded (whichever is earlier). A contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. The Group's contract liabilities were mainly resulted from the business cooperation agreement with Tianjin Maoyan Culture Media Co., Ltd. (the "Maoyan"), and online marketing services, which is recorded as deferred revenue.

2.27.1 *The accounting policy for the Group's principal revenue sources*

(a) *Commissions*

The Group provides an e-commerce platform that enables merchants to sell their services or products to transacting users through the platform. The Group generates revenue from commission fees, generally charged as a percentage of the value of transactions placed by transacting users on the Group's platform. They are detailed as follows.

On-demand delivery services (including food and non-food delivery)

The on-demand delivery services offer food and non-food ordering and delivery service through the Group's platform. Merchants pay commissions based on a percentage of the value of transactions placed by transacting users through the Group's platform. Transacting users pay the price for food or other goods, and also the delivery service fee. Merchants can choose to either provide delivery service on their own or engage the Group to provide delivery service.

In instances where the Group is not responsible for delivery, it identifies only the merchant as the customer for platform service. The Group only earns commission revenue from merchants for the provision of the platform service and recognizes platform commission revenue when the orders are placed online and payments are received from transacting users.

When the Group is responsible for delivery, merchants pay an aggregated fee both for platform and delivery services. Transacting users also pay a delivery fee. In this instance, the Group identifies both merchants and transacting users as its customers for the platform service and delivery service. The Group performs two obligations: (a) platform service to display the food or other goods information to transacting users; and (b) delivery service. As the two performance obligations are satisfied at the same time, the Group determined it is not necessary to allocate the transaction price to each performance obligation, and therefore, the Group recognizes both aggregated commission from the merchant and delivery fee charged to transacting users as revenues once a transaction is completed.

Upon the completion of a transaction, the amounts to be remitted to third-party merchants are recorded as payable to merchants, after netting the amount attributable to revenue from the cash payments received from transacting users.

In-store, hotel & travel services

The Group's in-store, hotel & travel services provides merchants platform to sell vouchers and make reservations for services or hotel accommodations. Transacting users purchase the vouchers or make reservations via the Group's platform, and redeem the vouchers or reservations for underlying goods or services at the merchants' sites. The Group identifies merchants as the customer for such services.

The Group recognizes commission revenues when the vouchers and reservations are redeemed by transacting users to enjoy the goods or services. For hotel reservations, commission revenues are recognized upon room check-in. Commission revenues from sale of packaged tours are recognized on the departure date of the tour.

Under all circumstances, cash payments received from transacting users are initially recorded as advances from transacting users, as unredeemed vouchers can be returned by users at any time. When revenues are recognized at the point in time as determined above, the amounts to be remitted to third-party merchants are recorded as payables to merchants.

(b) *Online marketing services*

The Group generates online marketing revenue through all the aforementioned services primarily by delivering marketing services on its platform.

The Group identifies merchants or marketers as the customers for online marketing services. Some of the customers pay the Group for performance-based marketing, which means that a marketer pays the Group only when a user clicks on marketer's link on the Group's websites or/and mobile applications, or when the advertisement is viewed by a pre-determined number of users. For these customers, the Group recognizes revenue each time a user clicks on the marketer's link or when the customers' information is viewed by pre-determined amount of users.

The Group also offers display-based marketing services in the form of key words search, banners, and textual or graphical marketer's link. Customers pay the Group based on the period their advertisements are displayed on the Group's websites and/or mobile applications. For these customers, revenue is recognized on a pro-rata basis over the contractual service period, starting on the date when the advertisement is first displayed on the Group's websites and/or mobile applications.

For a number of merchants, the Group provides marketing services under an annual plan, and charges an annual fee for the plan. The Group recognizes revenue as the marketing services are provided over the plan period.

For arrangements where consideration is paid in advance of the marketing service period, the Group records a contract liability (deferred revenue) when the payment is received.

(c) *Other services and sales*

Other services and sales comprise primarily revenue generated from cloud-based ERP systems, integrated payment systems, supply chain solutions to merchants, micro loan business, local transportation services and other products or services. The Group recognizes revenues when the respective services are rendered, or when the control of the products are transferred to the customers.

Through the Group's platform, the Group assists with offering loans to merchants or individuals who utilize its online platform. In certain cases, the Group facilitates loans funded by certain financing partners to these merchants or individuals. In such instances, the Group does not record financing receivables arising from these loans nor loans payable to the financing partners. For these transactions, the Group earns loan facilitation fees from the customers. In other cases, the Group directly funds loans to its customers without involving a third-party financing partner, and accordingly records these as on-balance sheet loans. The Group generates interest income from these on-balance sheet loans.

The Group's local transportation services mainly provide car-hailing and bike-sharing services to its transacting users. Currently, for car-hailing service related to private cars and bike-sharing services, the Group recognizes revenues for the fees collected from transacting users. As it relates to the taxi services, the Group acts as an agent by connecting transacting users with taxi drivers, and does not earn any fee from either party, and therefore recognize no revenue. Please refer to the below section for further details on the principal versus agent consideration in these transactions.

The Group also generate other revenue from a long-term business cooperation agreement with Maoyan, which provides that Maoyan shall be our exclusive business partner for the movie ticketing business. Through this cooperation agreement, we provide Maoyan with user traffic and other sources over the cooperation period. Please refer to Note 28 for further details.

2.27.2 *Principal versus agent considerations*

In accordance with the principal versus agent considerations prescribed by IFRS 15, the Group determines whether it acts as the principal or agent in each of its revenue streams. The principal is the entity that has promised to provide goods or services to its customers. An agent arranges for goods or services to be provided by the principal to its end customer. An agent normally receives a commission or fee for these activities.

As noted above, the Group earns commissions by providing an online platform that enables third-party merchants to sell their services or products to transacting users. The Group generally does not promise to provide the underlying goods or services to the transacting users; instead, the Group performs its role as an agent to connect third-party merchants with transacting users.

For the food delivery services and in-store, hotel and travel services, the Group enters into arrangements with certain business partners ("Business Partners") for certain regions within the PRC. In these arrangements, the Business Partners are held responsible for operating the Group's online

platform and provide delivery service, as applicable within these designated regions. The Business Partners are also responsible for the business development and customer relationship with merchants in these regions. Having considered the relevant facts and circumstances, related revenue is presented net the amount retained by the Business Partners.

For car-hailing services related to private cars and bike-sharing services, the Group is primarily responsible for fulfilling the services and has discretion in establishing prices. Accordingly, the Group acts as a principal, and the related service revenue is presented on a gross basis.

2.27.3 *Incentives*

The Group provides various types of incentives to transacting users and delivery riders, including coupons and direct payment discounts. The major accounting policy for incentives is described as follows:

(a) *On-demand delivery services (including food and non-food delivery)*

Since the Group identifies transacting users as one of its customers for on-demand delivery services when the Group is responsible for the delivery service, the incentives offered to transacting users are considered as payment to customers and recorded as reduction of revenue on a transaction by transaction basis, to the extent of the delivery fees collected from the transacting users. The amount in excess of the revenue earned from the transacting users is recorded as selling and marketing expenses.

When incentives are provided to transacting users where the Group is not responsible for delivery, the transacting users are not considered as customers of the Group, and such incentives are recorded as selling and marketing expenses.

The Group offers a crowdsourcing delivery system, which connects merchants with crowdsourced delivery riders. The Group currently does not charge merchants a separate fee for the use of the system. The system is also used by the Group to crowdsource delivery riders to fulfil delivery services for which the Group is responsible. The Group provides incentives to these delivery riders. In situations where the Group is not responsible for the delivery service, the incentive is recognized as a reduction of revenue because the merchant is the Group's customer and the delivery rider is the merchant's vendor, and accordingly the incentive represents a payment on behalf of a customer. In situations where the Group is responsible for the delivery service, the incentive is recognized as cost of revenue as it is part of the Group's fulfilment costs for completion of the delivery performance obligation.

(b) *In-store, hotel & travel services*

For this revenue stream, transacting users are not the Group's customer, and therefore the incentives offered to Transacting Users are not considered as payment to customer but as selling and marketing expenses instead.

(c) *New initiatives and others*

In connection with local transportation services, the Group provides incentives to both drivers and transacting users of the car-hailing service related to private cars and bike-sharing services. As transacting users are considered as the Group's customer, incentives to them are considered as a payment to customer and therefore recorded as a reduction of revenue. Drivers are the Group's vendor, and accordingly, incentives paid to drivers are recorded as cost of revenue.

For all the business lines, the Group may facilitate cash refunds or incentives to its transacting users for unsatisfactory goods or services rendered by the merchants, but merchants are contractually responsible and liable for the quality of the goods or services. The Group also holds the contractual right to claim reimbursements from merchants. For those which are not refunded by merchants, the refunds or incentives from the Group to transacting users are recorded as a reduction of revenue unless there are objective evidence that they are not paid on behalf of merchants.

The accounting treatment for incentives to transacting users occurs when the incentives are applied to purchases.

The total incentives recorded as reduction of revenue are RMB98 million, RMB710 million, RMB2.2 billion, RMB374 million and RMB1.2 billion for the years ended December 31, 2015, 2016 and 2017 and the four months ended April 30, 2017 and 2018.

Other incentives recorded as selling and marketing expenses which have not been recognised as reduction of revenue have been included in Note 7 — Transacting user incentives.

2.27.4 *Practical Expedients and Exemptions*

The Group generally expenses contract acquisition cost when incurred because the amortization period would have been 1 year or less. The only contract terms that are greater than 1 year come from the Group's micro loan business, which do not have any significant customer acquisition costs. Accordingly, the Group does not capitalize any incremental costs to obtain a contract.

The transaction price allocated to the performance obligations that are unsatisfied, or partially unsatisfied, has not been disclosed, as substantially all of the Group's contracts have a duration of 1 year or less. The unsatisfied performance obligation related to the Maoyan cooperation agreement has been included in deferred revenue (Note 28).

2.28 ***Interest income***

2.28.1 *Accounting policies applied since January 1, 2018*

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Any other interest income is included in "Other (losses)/gains, net".

2.28.2 *Accounting policies applied until December 31, 2017*

Interest income is recognized using the effective interest method. When the loan receivables are impaired, the Group reduces the carrying amount to their recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognized using the original effective interest rate.

2.29 ***Dividend income***

Dividends are recognized when the right to receive payment is established.

2.30 ***Lease***

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Lease income from operating leases where the Group is a lessor is recognized as income on a straight-line basis over the lease term. The respective leased assets are included in the balance sheet based on their nature.

2.31 ***Dividends distribution***

Dividend distribution to the company's shareholders is recognized as a liability in the Group's financial statements in the period in which the dividends are approved by the company's shareholders or directors, where appropriate.

2.32 ***Government subsides***

Subsidies from the government are recognized at their fair value where there is a reasonable assurance that the subsidies will be received and the Group will comply with all attached conditions. Under these circumstances, the subsidies are recognized as income or matched with the associated costs which the subsidies are intended to compensate.

2.33 ***Financial guarantee contracts***

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of

- the amount determined in accordance with the expected credit loss model under IFRS 9 Financial Instruments and

- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15 Revenue from Contracts with Customers.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

3 **Financial risk management**

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk, and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. Risk management is carried out by the senior management of the Group.

3.1 ***Financial risk factors***

(a) *Market risk*

i) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions or recognized assets and liabilities are denominated in a currency that is not the Group entities' functional currency. The functional currency of the Company is USD whereas functional currency of the subsidiaries operating in the PRC is RMB. The Group manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposures and tries to minimize these exposures through natural hedges, wherever possible and may enter into forward foreign exchange contracts, when necessary.

The Group operates mainly in the PRC with most of the transactions settled in RMB, management considers that the business is not exposed to any significant foreign exchange risk as there are no significant financial assets or liabilities of the Group are denominated in the currencies other than the respective functional currencies of the Group's entities.

ii) Cash flow and fair value interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates and the Group has no significant interest-bearing assets except for cash and cash equivalents, restricted cash and short-term investments measured at amortized cost, and details of which have been disclosed in Note 24 and Note 20, respectively.

The Group's exposure to changes in interest rates is also attributable to its borrowings, details of which has been disclosed in Note 32. Borrowings carried at floating rates expose the Group to cash flow interest rate risk whereas those carried at fixed rates expose the Group to fair value interest rate risk.

As of April 30, 2018, the Group's borrowings were carried at fixed rates, which did not expose the Group to cash flow interest rate risk.

iii) Price risk

The Group is exposed to price risk in respect of financial assets at fair value through profit or loss and short-term investments measured at fair value through profit or loss held by the Group. The Group is not exposed to commodity price risk. To manage its price risk arising from the investments, the Group diversifies its portfolio. Each investment is managed by senior management on a case by case basis. The sensitivity analysis is performed by management, see Note 3.3 for detail.

(b) *Credit risk*

The Group is exposed to credit risk in relation to its cash and cash equivalents, restricted cash, short-term investment measured at amortized cost, trade receivables, prepayments, deposits and other assets, and financial assets at fair value through profit or loss. The carrying amounts of each class of the above financial assets represent the Group's maximum exposure to credit risk in relation to financial assets. The Group is also exposed to credit risk in relation to its financial guarantee contracts.

To manage risk arising from cash and cash equivalents, restricted cash, short-term investments measured at amortized cost, the Group only transacts with state-owned or reputable financial institutions in mainland China and reputable international financial institutions outside of mainland China. There has been no recent history of default in relation to these financial institutions. These instruments are considered to have low credit risk because they have a low risk of default and the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term. The identified credit losses are immaterial.

To manage risk arising from trade receivables, the Group has policies in place to ensure that credit terms are made to counterparties with an appropriate credit history and the management performs ongoing credit evaluations of its counterparties. The credit period granted to the customers is usually no more than 150 days and the credit quality of these customers is assessed, which takes into account their financial position, past experience and other factors. In view of the sound collection history of receivables due from them, to measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments for a period of greater than 3 years past due. Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

For prepayments, deposits and other assets (excluding loan receivables, tax prepayments), management makes periodic collective assessments as well as individual assessment on the recoverability of other receivables and prepayments to merchants based on historical settlement records and past experiences.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counter party's ability to meet its obligations
- actual or expected significant changes in the operating results of the counter party
- significant increases in credit risk on other financial instruments of the same counter party
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant changes in the expected performance and behaviour of the counter party, including changes in the payment status of borrower in the group and changes in the operating results of the counter party.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

	Group definition of category		
Category	**Other receivables excluding loan receivables and prepayments to merchants**	**Prepayment to merchants**	**Basis for recognition of expected credit loss provision**
Performing	Customers have a low risk of default and a strong capacity to meet contractual cash flows		12 months expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime
Underperforming	There is a significant increase in credit risk is presumed if repayment are 30 days past due	The Group terminate its cooperation with merchants	Lifetime expected losses
Non-performing	Repayments are 360 days past due	The Group terminate its cooperation with merchants for more than 60 days	Lifetime expected losses
Write-off	Repayments are 3 years past due and there is no reasonable expectation of recovery	The Group terminate its cooperation with merchants for more than 3 years and there is no reasonable expectation of recovery	Asset is write-off

To manage risk arising from loan receivables and financial guarantee contracts, standardized credit management procedures are performed. For pre-approval investigation, the Group optimizes the review process by using big data technology through its platform and system, including credit analysis, assessment of collectability of borrowers, monitoring the cash flow status of the merchants, possibility of misconduct and fraudulent activities. In terms of credit examining management, specific policies and procedures are established to assess loans offering. For subsequent monitoring, the Group monitor the cash flow and operation status of each borrowers. Once the loan was issued, all borrowers would be assessed by fraud examination model to prevent fraudulent behaviors. In post-loan supervision, the Group establishes risk monitoring alert system through periodical monitoring. The estimation of credit exposure for risk management purposes is complex and requires use of models as the exposure varies with changes in market conditions, expected cash flows and passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of

defaults occurring, of the associated loss ratios and of default corrections between counterparties. The Group measures credit risk using Probability of Default ("PD"), Exposure at Default ("EAD") and Loss Given Default ("LGD"). This is consistent with the general approach used for the purposes of measuring ECL under IFRS 9. The maximum credit risk from financial guarantee contracts as of April 30, 2018 was RMB959 million, the majority of which were not credit-impaired on initial recognition and not significant increase in credit risk subsequently. The Group has recognized guarantee liability at each of the reporting date.

i) ECL model for loan receivables, as summarized below:

- The loan receivables that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Group. The expected credit loss is measured on a 12-month basis.

- If a significant increase in credit risk (as defined below) since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired. The expected credit loss is measured on lifetime basis.

- If the financial instrument is credit-impaired (as defined below), the financial instrument is then moved to 'Stage 3'. The expected credit loss is measured on lifetime basis.

- In Stages 1 and 2, interest income is calculated on the gross carrying amount (without deducting the loss allowance). If a financial asset subsequently becomes credit-impaired (Stage 3), the Group is required to calculate the interest income by applying the effective interest method in subsequent reporting periods to the amortized cost of the financial asset (the gross carrying amount net of loss allowance) rather than the gross carrying amount.

The impairment of loan receivables was provided based on the 'three-stages' model by referring to the changes in credit quality since initial recognition.

The key judgments and assumptions adopted by the Group in addressing the requirements of the standard are discussed below:

(1) Significant increase in credit risk (SICR)

The Group considers loan receivables to have experienced a significant increase in credit risk when backstop criteria has been met. A backstop is applied and the loan receivables considered to have experienced a significant increase in credit risk if the borrower is past due more than 1 day on its contractual payments.

(2) Definition of default and credit-impaired assets

The Group defines a financial instrument as in default, when the borrower is more than 90 days past due on its contractual payments. This has been applied to all loan receivables held by the Group.

(3) Measuring ECL — Explanation of inputs, assumptions and estimation techniques

The expected credit loss is measured on either a 12-month ("12M") or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the PD, EAD, and LGD.

The ECL is determined by projecting the PD, LGD and EAD for each future month and for each portfolio. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summarized. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

(4) Forward-looking information incorporated in the ECL models

The calculation of ECL incorporate forward-looking information. The Group has performed historical analysis and identified the per capita disposable income of urban residents as the key economic variables impacting credit risk and expected credit losses.

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Group considers these forecasts to represent its best estimate of the possible outcomes and has analyzed the non-linearities and asymmetries within the Group's different portfolios to establish that the chosen scenarios are appropriately representative of the range of possible scenarios.

(5) Grouping of instruments for losses measured on a collective basis

For ECL provisions modeled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogeneous.

ii) Loss allowance

The loss allowance recognized in the period is impacted by a variety of factors, as described below:

- Transfers between Stage 1 and Stage 2 or 3 due to loan receivables experiencing significant increases (or decreases) of credit risk in the period, and the subsequent "step up" (or "step down") between 12-month and Lifetime ECL;

- Additional allowances for new financial instruments recognized, as well as releases for loan receivables derecognized in the period;

- Loan receivables derecognized and write-offs of allowances related to assets that were written off during the period.

The following tables explain the changes in the loss allowance for loan receivables between the beginning and the end of the period due to these factors:

	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Loss allowance as of December 31, 2017	(19,230)	(27,673)	(10,171)	(57,074)
Transfers:				
Transfer from Stage 1 to Stage 2	447	(27,802)	—	(27,355)
Transfer from Stage 1 to Stage 3	230	—	(13,750)	(13,520)
Transfer from Stage 2 to Stage 1	(108)	4,067	—	3,959
Transfer from Stage 2 to Stage 3	—	21,797	(31,863)	(10,066)
Transfer from Stage 3 to Stage 1	—	—	8	8
Transfer from Stage 3 to Stage 2	—	(7)	13	6
Loan receivables derecognized during the period other than write-off	7,383	12,097	7,991	27,471
New loan receivables originated/purchased	(34,622)	(18,571)	—	(53,193)
Write-off	—	—	24,059	24,059
Loss allowance as of April 30, 2018	(45,900)	(36,092)	(23,713)	(105,705)

The gross carrying amount of the loan receivables explains their significance to the changes in the loss allowance as discussed above:

	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Gross carrying amount as of December 31, 2017	1,726,744	38,764	10,171	1,775,679
Transfers:				
Transfer from Stage 1 to Stage 2	(31,988)	31,988	—	—
Transfer from Stage 1 to Stage 3	(13,750)	—	13,750	—
Transfer from Stage 2 to Stage 1	5,665	(5,665)	—	—
Transfer from Stage 2 to Stage 3	—	(31,864)	31,864	—
Transfer from Stage 3 to Stage 1	8	—	(8)	—
Transfer from Stage 3 to Stage 2	—	13	(13)	—
Loan receivables derecognized during the period other than write-off	(1,163,235)	(13,888)	(7,992)	(1,185,115)
New loan receivables originated/purchased	1,606,930	24,024	—	1,630,954
Write-off	—	—	(24,059)	(24,059)
Gross carrying amount as of April 30, 2018	2,130,374	43,372	23,713	2,197,459

iii) Write-off policy

The Group writes off loan receivables, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include ceasing enforcement activity.

The Group may write-off loan receivables that are still subject to enforcement activity.

iv) Modification

The Group rarely modifies the terms of loans provided to customers due to commercial renegotiations, or for distressed loans, with a view to maximizing recovery. The Group considers the impact from such modification is not significant.

(c) *Liquidity risk*

The Group aims to maintain sufficient cash and cash equivalents. Due to the dynamic nature of the underlying business, the policy of the Group is to regularly monitor the Group's liquidity risk and to maintain adequate cash and cash equivalents or adjust financing arrangements to meet the Group's liquidity requirements.

The table below analyzes the Group's non-derivative financial liabilities. The amount disclosed in the table is the contractual undiscounted cash flows.

	Less than 1 year	**Between 1 and 2 year**	**Between 2 and 5 year**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As of December 31, 2015				
Trade payables	441,565	—	—	441,565
Payables to merchants	4,473,281	—	—	4,473,281
Advance from transacting users	2,421,097	—	—	2,421,097
Other payables and accruals (excluding salaries and benefits payable, and tax payable)	388,111	—	—	388,111
Redemption liabilities	1,169,007	—	—	1,169,007
	8,893,061	—	—	8,893,061
As of December 31, 2016				
Trade payables	1,299,747	—	—	1,299,747
Payables to merchants	4,305,336	—	—	4,305,336
Advance from transacting users	2,043,751	—	—	2,043,751
Other payables and accruals (excluding salaries and benefits payable, and tax payable)	1,018,314	—	—	1,018,314
Borrowings	1,000	—	—	1,000
Redemption liabilities	—	—	494,656	494,656
Off balance sheet financial guarantee contracts (Note 2.33)	734,553	35,941	—	770,494
	9,402,701	35,941	494,656	9,933,298

	Less than 1 year	Between 1 and 2 year	Between 2 and 5 year	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As of December 31, 2017				
Trade payables	2,666,799	—	—	2,666,799
Payables to merchants	9,363,873	—	—	9,363,873
Advance from transacting users	2,290,160	—	—	2,290,160
Other payables and accruals (excluding salaries and benefits payable, and tax payable)	1,400,989	—	—	1,400,989
Borrowings	162,000	—	—	162,000
Redemption liabilities	—	—	399,275	399,275
Off balance sheet financial guarantee contracts (Note 2.33)	1,235,097	88,804	—	1,323,901
	17,118,918	88,804	399,275	17,606,997
As of April 30, 2018				
Trade payables	3,673,603	—	—	3,673,603
Payables to merchants	10,238,089	—	—	10,238,089
Advance from transacting users	2,612,947	—	—	2,612,947
Deposit from transacting users	7,579,302	—	—	7,579,302
Other payables and accruals (excluding salaries and benefits payable, and tax payable)	3,673,812	—	—	3,673,812
Borrowings	1,217,000	—	—	1,217,000
Redemption liabilities	—	—	399,275	399,275
Other non-current liabilities	—	3,336	5,839	9,175
Off balance sheet financial guarantee contracts (Note 2.33)	922,729	36,056	—	958,785
	29,917,482	39,392	405,114	30,361,988

Details of the description of Preferred Shares are presented in Note 29.

3.2 ***Capital management***

The Group's objectives when managing capital are to:

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders; and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital (including share capital, share premium and preferred shares on an as-if-converted basis) by regularly reviewing the capital structure. As a part of this review, the Group considers the cost of capital and the risks associated with the issued share capital. In the opinion of the directors of the Company, the Group's capital risk is low.

3.3 ***Fair value estimation***

3.3.1 *Fair value hierarchy*

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognized and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards.

The table below analyses the Group's financial instruments carried at fair value as of December 31, 2015, 2016 and 2017 and April 30, 2018 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorized into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's assets and liabilities that are measured at fair value as of December 31, 2015.

	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As of December 31, 2015				
Financial assets				
Short-term investments at fair value through profit or loss (Note 20)	—	—	784,400	784,400
Financial assets at fair value through profit or loss (Note 19)	—	—	2,511,740	2,511,740
	—	—	3,296,140	3,296,140
Financial liabilities				
Convertible redeemable preferred shares (Note 29)	—	—	49,874,217	49,874,217

The following table presents the Group's assets and liabilities that are measured at fair value as of December 31, 2016.

	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As of December 31, 2016				
Financial assets				
Short-term investments at fair value through profit or loss (Note 20)	—	—	12,607,872	12,607,872
Financial assets at fair value through profit or loss (Note 19)	1,717,921*	—	3,851,965	5,569,886
	1,717,921	—	16,459,837	18,177,758
Financial liabilities				
Convertible redeemable preferred shares (Note 29)	—	—	63,687,007	63,687,007

The following table presents the Group's assets and liabilities that are measured at fair value as of December 31, 2017.

	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As of December 31, 2017				
Financial assets				
Short-term investments at fair value through profit or loss (Note 20)	—	—	17,030,574	17,030,574
Financial assets at fair value through profit or loss (Note 19)	1,839,373*	—	4,105,320	5,944,693
	1,839,373	—	21,135,894	22,975,267
Financial liabilities				
Convertible redeemable preferred shares (Note 29)	—	—	101,418,292	101,418,292

The following table presents the Group's assets and liabilities that are measured at fair value as of April 30, 2018.

	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As of April 30, 2018				
Financial assets				
Short-term investments at fair value through profit or loss (Note 20)	—	—	4,382,479	4,382,479
Financial assets at fair value through profit or loss (Note 19)	2,038,271*	—	4,765,541	6,803,812
	2,038,271	—	9,148,020	11,186,291
Financial liabilities				
Convertible redeemable preferred shares (Note 29)	—	—	125,120,953	125,120,953

* This presents an investment of listed company with observable quoted price.

The Group's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

3.3.2 *Valuation techniques used to determine fair values*

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments; and
- The discounted cash flow model and unobservable inputs mainly including assumptions of expected future cash flows and discount rate; and
- The latest round financing, i.e. the prior transaction price or the third-party pricing information; and
- A combination of observable and unobservable inputs, including risk-free rate, expected volatility, discount rate for lack of marketability, market multiples, etc.

There were no change to valuation techniques during the Track Record Period.

All of the resulting fair value estimates are included in level 3, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

3.3.3 *Fair value measurements using significant unobservable inputs (level 3)*

The following table presents the changes in level 3 items including short-term investments at fair value through profit or loss, investments in unlisted companies, put and call option for Maoyan and contingent consideration for the year ended December 31, 2015, 2016 and 2017 and the four months ended April 30, 2017 and 2018.

The change in level 3 instruments of redemption liabilities are presented in Note 27.

	Short-term investments at fair value through profit or loss	**Financial assets at fair value through profit or loss**			
		Investments in unlisted companies	**Put and call option for Maoyan**	**Contingent consideration**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As of January 1, 2015	—	29,500	—	—	29,500
Acquisitions	1,434,400	794,707	—	—	2,229,107
Business combinations	753,400	1,611,331	—	—	2,364,731
Disposal/settled	(1,407,013)	—	—	—	(1,407,013)
Change in fair value	3,613	46,953	—	—	50,566
Currency translation differences	—	29,249	—	—	29,249
As of December 31, 2015	784,400	2,511,740	—	—	3,296,140
Net unrealized gains for the year	3,613	46,953	—	—	50,566

	Short-term investments at fair value through profit or loss	Financial assets at fair value through profit or loss			Total
		Investments in unlisted companies	Put and call option for Maoyan	Contingent consideration	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As of January 1, 2016	784,400	2,511,740	—	—	3,296,140
Acquisitions	54,007,994	517,990	631,000	—	55,156,984
Business combinations	—	(181,969)	—	(359,563)	(541,532)
Disposal/settled	(43,096,349)	(14,378)	—	401,902	(42,708,825)
Change in fair value	181,956	245,331	(7,000)	(42,339)	377,948
Currency translation differences	729,871	149,251	—	—	879,122
As of December 31, 2016	12,607,872	3,227,965	624,000	—	16,459,837
Net unrealized gains/(losses) for the year	39,022	245,331	(7,000)	—	277,353
As of January 1, 2017	12,607,872	3,227,965	624,000	—	16,459,837
Acquisitions	56,382,550	647,921	—	—	57,030,471
Business combinations	7,000	—	—	—	7,000
Disposal/settled	(51,651,590)	(14,500)	(563,000)	—	(52,229,090)
Change in fair value	329,348	351,422	(61,000)	25,099	644,869
Currency translation differences	(644,606)	(132,587)	—	—	(777,193)
As of December 31, 2017	17,030,574	4,080,221	—	25,099	21,135,894
Net unrealized gains for the year	83,241	351,422	—	25,099	459,762

	Short-term investments at fair value through profit or loss	Financial assets at fair value through profit or loss			Total
		Investments in unlisted companies	Put and call option for Maoyan	Contingent consideration	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
(Unaudited)					
As of January 1, 2017	12,607,872	3,227,965	624,000	—	16,459,837
Acquisitions	18,890,383	26,801	—	—	18,917,184
Disposal/Settled	(20,443,626)	—	—	—	(20,443,626)
Change in fair value	102,313	24,169	(22,000)	—	104,482
Currency translation differences	(58,371)	(13,129)	—	—	(71,500)
As of April 30, 2017	11,098,571	3,265,806	602,000	—	14,966,377
Net unrealized gains/ (losses) for the period	26,902	24,169	(22,000)	—	29,071
As of January 1, 2018	17,030,574	4,080,221	—	25,099	21,135,894
Acquisitions	9,286,993	829,657	—	—	10,116,650
Business combinations	380,000	12,880	—	—	392,880
Disposal/Settled	(21,987,460)	(129,757)	—	(29,307)	(22,146,524)
Change in fair value	69,847	46,866	—	4,208	120,921
Currency translation differences	(397,475)	(74,326)	—	—	(471,801)
As of April 30, 2018	4,382,479	4,765,541	—	—	9,148,020
Net unrealized gains for the period	2,447	46,866	—	—	49,313

3.3.4 *Valuation process, inputs and relationships to fair value*

The Group has a team that manages the valuation of level 3 instruments for financial reporting purposes. The team manages the valuation exercise of the investments on a case by case basis. At least once every year, the team would use valuation techniques to determine the fair value of the Group's level 3 instruments. External valuation experts will be involved when necessary.

The valuation of the level 3 instruments mainly included Preferred Shares (Note 29), put and call option for Maoyan (Note 19), contingent consideration (Note 19), short-term investments at fair value through profit or loss (Note 20) and investments at fair value through profit or loss (Note 19). As these instruments are not traded in an active market, their fair values have been determined by using various applicable valuation techniques, including discounted cash flows and market approach etc. Major assumptions used in the valuation for Preferred Shares are presented in Note 29.

The following table summarizes the quantitative information about the significant unobservable inputs used in recurring level 3 fair value measurements.

	Fair value at December 31,			Fair value at April 30,		Range of inputs				Relationship of unobservable inputs to fair value
					Unobservable	at December 31,			at April 30,	
Description	2015	2016	2017	2018	inputs	2015	2016	2017	2018	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*						
Investment in unlisted companies	2,511,740	3,227,965	4,080,221	4,765,541	Expected volatility	40%-45%	42%-61%	40%-48%	40%-48%	The higher the expected volatility, the lower the fair value
					Discount for lack of marketability ("DLOM")	20%-25%	20%-25%	10%-20%	10%-20%	The higher the DLOM, the lower the fair value
					Risk-free rate	2.60%-3.85%	1.92%-2.82%	2.01%-3.86%	2.01%-3.86%	The higher the risk-free rate, the higher the fair value
Put and call option for Maoyan	—	624,000	—	—	Risk-free rate	N/A	1.6%	N/A	N/A	The higher the risk-free rate, the lower the fair value
					Expected Volatility	N/A	40%	N/A	N/A	The higher the expected volatility, the lower the fair value
Short-term investments at fair value through profit or loss	784,400	12,607,872	17,030,574	4,382,479	Expected rate of return	3.1%	2.2%-6.37%	1.62%-4.9%	2.1%-6.6%	The higher the expected rate of return, the higher the fair value
Contingent consideration	—	—	25,099	—	Discount rate	N/A	N/A	28%	N/A	The higher the discount rate, the lower the fair value
					Risk-free rate	N/A	N/A	2.5%	N/A	The higher the risk-free rate, the lower the fair value
					DLOM	N/A	N/A	13%	N/A	The higher the DLOM, the lower the fair value
					Expected Volatility	N/A	N/A	40%	N/A	The higher the expected volatility, the lower the fair value

If the fair values of financial assets at fair value through profit or loss held by the Group had been 10% higher/lower, the loss before income tax for the years ended December 31, 2015, 2016 and 2017 and the four months ended April 30, 2017 and 2018 would have been approximately RMB251 million lower/higher, RMB557 million lower/higher, RMB594 million lower/higher, RMB539 million lower/higher and RMB680 million lower/higher, respectively.

Fair value of Preferred Shares is affected by changes in the Company's equity value. If the Company's equity value had increased/decreased by 10% with all other variables held constant, the loss before income tax for the years ended December 31, 2015, 2016 and 2017 and the four months ended April 30, 2017 and 2018 would have been approximately RMB4,987 million higher/lower, RMB6,369 million higher/lower, RMB10,142 million higher/lower, RMB7,073 million higher/lower and RMB12,512 million higher/lower, respectively.

There were no transfers between level 1, 2 and 3 of fair value hierarchy classifications during the years ended December 31, 2015, 2016 and 2017 and the four months ended April 30, 2018.

The carrying amount of the Group's financial assets, including cash and cash equivalents, restricted cash, trade receivables, prepayments, deposits and other assets, short-term investments at amortized cost and the Group's financial liabilities, including borrowings, trade payables, payables to merchants, deposit from transacting users, advance from transacting users, other payables and accruals, redemption liabilities, and other non-current liabilities, approximate their fair values.

4 Critical accounting estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

4.1 *Recognition of share-based compensation expenses*

The Group set up the Meituan Plan and 2015 Share Incentive Plan and granted restricted share units and options to employees and other qualifying participants. The fair value of the options and restricted share units are determined by the Black-Sholes option-pricing model at the grant date, and is expected to be expensed over the respective vesting period. Significant estimate on assumptions, including underlying equity value, risk-free interest rate, expected volatility, dividend yield, and terms, are made by the directors and third-party valuer.

The Group has also authorized the repurchase of ordinary shares from certain employees, founders, and shareholders of the Company. Judgment is required to determine whether the repurchase

establishes "past practice" for which the Group has now created an obligation to settle in cash, and accordingly reclassify all outstanding awards to cash-settled. The Group has determined that no valid expectation for the company to settle such share-based awards in cash is created, such that all awards remain equity-settled awards.

4.2 ***Estimation of the fair value of financial assets and financial liabilities***

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Changes in these assumptions and estimates could materially affect the respective fair value of these financial assets (Note 3.3).

The convertible redeemable preferred shares issued by the Company are not traded in an active market and the respective fair value is determined by using valuation techniques. The Group applied the discounted cash flow method to determine the underlying equity value of the Company and adopted option-pricing method and equity allocation model to determine the fair value of the convertible redeemable preferred shares. Key assumptions such as the timing of the liquidation, redemption or [REDACTED] event as well as the probability of the various scenarios were based on the Group's best estimates.

4.3 ***Impairment provision for trade receivables and prepayments, deposits and other assets***

The loss allowances for trade receivables and prepayments, deposits and other assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in Note 3.1(b).

4.4 ***Recoverability of non-financial assets***

The Group tests whether goodwill has suffered any impairment on an annual basis. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a 5-year period.

Cash flows beyond the 5-year period are extrapolated using the estimated growth rates stated in Note 16. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

Details of impairment charge, key assumptions and impact of possible changes in key assumptions are disclosed in Note 16.

4.5 ***Incentives***

As disclosed in Note 2.27, the Group provides incentives to its transacting users in various forms including coupons and direct payment discounts. All incentives given to the accounting customers are recorded as a reduction of revenue to the extent of the revenue earned from that customer on a transaction by transaction basis. For certain other incentives, management judgment is required to determine whether the incentives are in substance a payment on behalf of customers and should therefore be recorded as a reduction of revenue or selling and marketing expenses. Some of the factors considered in management's evaluation if such incentives are in substance a payments on behalf of customers include whether the incentives are given at the Group's discretion and the objectives, business strategy and design of the incentive programs.

4.6 ***Business combinations***

Business combinations are accounted for under acquisition method. The determination and allocation of fair values to the identifiable assets acquired and liabilities assumed is based on various assumptions and valuation methodologies requiring considerable management judgment. The most significant variables in these valuations are discount rates, terminal values, the number of years on which to base the cash flow projections, as well as the assumptions and estimates used to determine the cash inflows and outflows. The Group determines discount rates to be used based on the risk inherent in the related activity's current business model and industry comparisons. Terminal values are based on the expected life of assets and forecasted life cycle and forecasted cash flows over that period. Although the Group believes that the assumptions applied in the determination are reasonable based on information available at the date of acquisition, actual results may differ from the forecasted amounts and the difference could be material.

4.7 ***Useful lives and amortization of intangible assets***

The Group's management determines the estimated useful lives and related amortization for the Group's intangible assets with reference to the estimated periods that the Group intends to derive future economic benefits from the use of these assets. Management will revise the amortization charges where useful lives are different from that of previously estimated, or it will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives. Periodic review could result in a change in useful lives and therefore amortization expense in future periods.

4.8 ***Principal versus agent considerations***

Determining whether the Group is acting as a principal or as an agent in the provision of certain services to its customers requires judgment and consideration of all relevant facts and circumstances. In evaluation of the Group's role as a principal or agent, the Group considers, individually or in combination, whether the Group controls the specified good or service before it is transferred to the customer, is primarily responsible for fulfilling the contract, is subject to inventory risk, and has discretion in establishing prices.

4.9 ***Current and deferred income tax***

The Group is subject to income taxes in several jurisdictions. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences tax losses are recognised when management considers that it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. As of April 30, 2018, the Group did not recognise deferred income tax asset of RMB3,146 million in respect of cumulative tax losses. The outcome of their actual utilisation may be different from management's estimation.

4.10 ***Consolidation of Dianping from October 6, 2015***

The Group considered that the group effectively obtained control of Dianping from October 6, 2015 even though it only legally owned 40% of the ordinary shares of Dianping till 2017(Note 37). From October 6, 2015, the Company was granted an exclusive call option for the remaining 60% of ordinary shares issued and held by the then Dianping Shareholder, which was exercised in 2017, granting the Company with the right to purchase all or a portion of the 60% shares owned by the DP Shareholder, at a price determined by the Company. The Company was entitled to the voting rights and dividend rights of the 60% shares before the exercise of the call option according to the agreements. Accordingly, the Group considered that the Company was effectively exposed to 100% variable returns of Dianping, had sufficient power over Dianping and also had the ability to use its power to affect Dianping's returns from October 6, 2015. Based on the above, the Company consolidated Dianping from October 6, 2015.

4.11 ***Presentation and measurement of investments in associates***

The Group made certain investments in the form of convertible redeemable preferred shares or ordinary shares with preferential rights of investee companies. As the Group has significant influence on these investee companies,judgement is required in determining whether these investments are in substance existing ownership interests, which should be accounted for using the equity method. If the investments are not determined to be in substance existing ownership interests, they are accounted for as hybrid financial instruments, which should be measured at fair value through profit or loss. Different conclusions around these judgements may affect how these investments presented and measured in the consolidated statement of financial position of the Group.

5 Segment reporting

5.1 *Segment reporting*

The Group's business activities, for which discrete financial information is available, are regularly reviewed and evaluated by the CODM. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors of the Company that make strategic decisions. As a result of this evaluation, the Group determined that it has operating segments as follows:

The CODM assesses the performance of the operating segments mainly based on segment revenues and cost of revenues of each operating segment. Thus, segment result would present revenues, cost of revenues and gross profit for each segment, which is in line with CODM's performance review.

Food delivery

The food delivery segment offers food ordering and delivery service through the Group's platform. Revenues from the food delivery segment are primarily derived from (a) platform service to merchants to display the food information and connect transacting users; (b) delivery service; (c) online marketing services in various advertising formats provided to merchants.

In-store, hotel & travel

The in-store, hotel & travel segment offers merchants to sell vouchers, coupons, tickets and reservations on the Group's platform. Revenues from the in-store, hotel & travel segment are primarily derived from (a) commissions from merchants for vouchers, coupons, tickets and reservations sold on our platform; and (b) online marketing services to merchants, including performance-based and display-based marketing services, as well as marketing services provided under annual plans.

New initiatives and others

Revenues from the new initiatives and other segments are primarily derived from (a) cloud-based ERP systems; (b) integrated payment services; (c) supply chain solutions to merchants; (d) micro loan business; (e) local transportation services; (f) non-food delivery services; (g) other products and services.

The CODM assesses the performance of operating segments mainly based on segment revenues and segment cost of revenues. The revenues from external customers reported to CODM are measured as segment revenues, which is the revenues derived from customers in each segment.

The Group's cost of revenues for the food delivery segment primarily consists of (a) food delivery rider costs; (b) payment processing costs; (c) employee benefits expenses; (d) depreciation of property, plant and equipment; and (e) bandwidth and server custody fees.

The Group's cost of revenues for the in-store, hotel & travel segment primarily consists of (a) payment processing costs; (b) employee benefits expenses; (c) online traffic costs; (d) depreciation of property, plant and equipment; and (e) other outsourcing labor costs.

The Company's cost of revenues for the new initiatives and others segment primarily consists of (a) car-hailing driver costs; (b) depreciation of property, plant and equipment; (c) other outsourcing labor costs; (d) cost of goods sold; (e) payment processing costs.

There were no separate segment assets and segment liabilities information provided to the CODM, as CODM does not use this information to allocate resources to or evaluate the performance of the operating segments.

The revenue is mainly generated in China.

Discontinued operation is primarily attributed to Maoyan, the movie distribution business that was disposed of in 2016 (Note 35). Revenue is primarily derived from the provision of online ticketing and other movie distribution related services.

The segment information provided to the Group's CODM for the reportable segments for the relevant periods is as follows:

	Four months ended April 30, 2018			
	Food delivery	In-store, hotel & travel	New initiatives and others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Commission	9,310,071	2,681,194	625,756	12,617,021
Online marketing services	355,463	1,657,596	93,914	2,106,973
Other services and sales	20,293	12,377	1,067,620	1,100,290
Revenues in total	9,685,827	4,351,167	1,787,290	15,824,284
Cost of Revenues	(8,783,182)	(522,330)	(2,481,337)	(11,786,849)
Gross profit/(loss)	902,645	3,828,837	(694,047)	4,037,435
Gross margin	9%	88%	(39%)	26%

	Four months ended April 30, 2017 (Unaudited)			
	Food delivery	**In-store, hotel & travel**	**New initiatives and others**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Commission	4,547,537	2,124,293	103,987	6,775,817
Online marketing services	105,661	889,069	120,958	1,115,688
Other services and sales	6,483	27,340	194,254	228,077
Revenues in total	4,659,681	3,040,702	419,199	8,119,582
Cost of Revenues	(4,234,325)	(371,081)	(137,450)	(4,742,856)
Gross profit	425,356	2,669,621	281,749	3,376,726
Gross margin	9%	88%	67%	42%

	Year ended December 31, 2017			
	Food delivery	**In-store, hotel & travel**	**New initiatives and others**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Commission	20,283,964	7,135,970	589,196	28,009,130
Online marketing services	710,203	3,649,996	341,476	4,701,675
Other services and sales	37,766	66,844	1,112,572	1,217,182
Revenues in total	21,031,933	10,852,810	2,043,244	33,927,987
Cost of revenues	(19,332,514)	(1,273,331)	(1,102,638)	(21,708,483)
Gross profit	1,699,419	9,579,479	940,606	12,219,504
Gross margin	8%	88%	46%	36%

	Year ended December 31, 2016			
	Food delivery	**In-store, hotel & travel**	**New initiatives and others**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Commission	5,208,994	4,869,575	152,143	10,230,712
Online marketing services	82,975	2,113,106	268,918	2,464,999
Other services and sales	9,024	36,961	246,381	292,366
Revenues in total	5,300,993	7,019,642	667,442	12,988,077
Cost of revenues	(5,706,544)	(1,080,917)	(259,380)	(7,046,841)
Gross (loss)/profit	(405,551)	5,938,725	408,062	5,941,236
Gross margin	(8%)	85%	61%	46%

	Year ended December 31, 2015			
	Food delivery	In-store, hotel & travel	New initiatives and others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Commission	174,754	3,426,056	—	3,600,810
Online marketing services	—	345,259	31,739	376,998
Other services and sales	—	2,406	38,745	41,151
Revenues in total	174,754	3,773,721	70,484	4,018,959
Cost of revenues	(391,010)	(740,686)	(107,808)	(1,239,504)
Gross (loss)/profit	(216,256)	3,033,035	(37,324)	2,779,455
Gross margin	(124%)	80%	(53%)	69%

The reconciliation of gross profit to loss before income tax of individual period during the Track Record Period is shown in the consolidated statements.

There is no concentration risk as no revenue from a single external customer was more than 10% of the Group's total revenue for the years ended December 31, 2015, 2016 and 2017 and the four months ended April 30, 2017 and 2018.

5.2 ***Segment assets***

As of December 31, 2015, 2016 and 2017 and April 30, 2018, substantially all of the non-current assets of the Group were located in the PRC.

6 **Revenues by type**

	Year ended December 31,			Four months ended April 30,	
	2015	2016	2017	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Commission	3,600,810	10,230,712	28,009,130	6,775,817	12,617,021
Online marketing services	376,998	2,464,999	4,701,675	1,115,688	2,106,973
Other services and sales	41,151	292,366	1,217,182	228,077	1,100,290
	4,018,959	12,988,077	33,927,987	8,119,582	15,824,284

Further disaggregation of revenues are included in Note 5.

7 Expenses by nature

	Year ended December 31,			Four months ended April 30,	
	2015	2016	2017	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Food delivery rider costs	276,779	5,134,840	18,324,065	4,014,696	8,176,784
Employee benefits expenses (Note 8)	5,502,209	6,635,625	8,650,917	2,303,470	4,011,634
Other outsourcing labor costs	—	26,396	126,434	18,721	495,263
Car-hailing driver costs	—	—	293,306	5,409	975,946
Cost of goods sold	—	29,586	301,010	28,608	248,742
Transacting user incentives	3,931,258	2,622,400	4,208,921	941,698	1,488,337
Promotion and advertising	1,041,657	1,738,713	2,277,969	467,642	756,310
Depreciation of property, plant and equipment	102,393	266,304	327,696	94,069	566,568
Amortization of intangible assets	75,802	307,485	516,619	111,518	259,275
Payment processing costs	406,501	671,560	1,023,889	255,599	475,988
Rental, facility and utilities	276,096	391,700	410,997	120,032	211,699
Online traffic costs	14,064	105,509	189,680	38,699	68,481
Bandwidth and server custody fees	83,987	188,057	265,177	61,160	99,186
Provision for doubtful accounts	58,222	280,696	64,371	(10,022)	79,314
Impairment provision	—	146,992	13,266	—	—
Professional fees	141,614	80,612	174,368	41,056	94,871
Tax surcharge expenses	20,335	98,727	216,208	52,963	70,599
Auditor's remuneration	8,957	11,948	25,718	8,653	5,243
Others (Note i)	550,045	736,102	1,024,602	240,188	700,570
Total cost of revenues, selling and marketing expenses, research and development expenses and general and administrative expenses	12,489,919	19,473,252	38,435,213	8,794,159	18,784,810

(i) Others mainly comprise travelling and entertainment expenses and message and verification fees.

8 **Employee benefits expenses**

	Year ended December 31,			Four months ended April 30,	
	2015	2016	2017	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*Unaudited*)	*RMB'000*
Wages, salaries and bonuses	2,352,066	4,586,335	6,163,000	1,682,146	2,911,595
Other employee benefits	326,841	680,947	899,364	244,182	415,028
Pension costs - defined contribution plans	223,924	455,268	617,453	170,765	276,924
Share-based compensation expenses (Note 33)	2,599,378	913,075	971,100	206,377	408,087
	5,502,209	6,635,625	8,650,917	2,303,470	4,011,634

(a) Share-based compensation expenses have been charged to the consolidated income statements as follows:

	Year ended December 31,			Four months ended April 30,	
	2015	2016	2017	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*Unaudited*)	*RMB'000*
Cost of revenues	1,327	9,483	13,531	2,949	10,267
Selling and marketing expenses	67,084	128,992	105,567	27,942	56,052
Research and development expenses	215,586	358,783	333,438	73,904	173,387
General and administrative expenses	2,315,381	415,817	518,564	101,582	168,381
	2,599,378	913,075	971,100	206,377	408,087

(b) Pension costs — defined contribution plans

Employees of the Group companies in the PRC are required to participate in a defined contribution retirement scheme administered and operated by the local municipal government. The Group contributes funds which are calculated on fixed percentage of the employees' salary (subject to a floor and cap) as set by local municipal governments to each scheme locally to fund the retirement benefits of the employees.

(c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group include one, one, two, zero and one directors whose emoluments are reflected in the analysis shown in Note 8(d) for the years ended December 31, 2015, 2016 and 2017 and the four months ended April 30, 2017 and 2018 respectively. The emoluments payable to the remaining individuals for the years ended December 31, 2015, 2016 and 2017 and the four months ended April 30, 2017 and 2018 are as follows:

	Year ended December 31,			Four months ended April 30,	
	2015	2016	2017	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Wages, salaries and bonuses	6,802	7,582	5,810	3,782	4,407
Pension costs and other employee benefits	246	330	251	114	116
Share-based compensation expenses	269,116	244,888	174,871	78,585	51,070
	276,164	252,800	180,932	82,481	55,593

The emoluments fell within the following bands:

	Number of individuals Year ended December 31,			Number of individuals Four months ended April 30,	
	2015	2016	2017	2017	2018
				(Unaudited)	
Emolument bands (in HK dollar)					
HK$9,000,001 - HK$10,000,000	—	—	—	3	—
HK$10,000,001 - HK$20,000,000	—	—	—	1	4
HK$20,000,001 - HK$30,000,000	2	—	—	—	—
HK$50,000,001 - HK$60,000,000	—	1	1	1	—
HK$60,000,001 - HK$70,000,000	—	1	—	—	—
HK$70,000,001 - HK$80,000,000	—	—	1	—	—
HK$80,000,001 - HK$90,000,000	1	1	1	—	—
HK$100,000,001 - HK$110,000,000	—	1	—	—	—
HK$200,000,001 - HK$210,000,000	1	—	—	—	—
	4	4	3	5	4

(d) Directors' and chief executive's emoluments

The remuneration of every director and the chief executive is set out below:

For the year ended December 31, 2015:

Name	Wages, salaries and bonuses	Pension costs and other employee benefits	Share-based compensation expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Chairman				
Zhang Tao	2,401	97	—	2,498
Executive directors				
Wang Huiwen	712	72	62,602	63,386
Ye Shuhong	1,726	96	—	1,822
Chief executive				
Wang Xing	972	72	—	1,044
Total	5,811	337	62,602	68,750

For the year ended December 31, 2016:

Name	Wages, salaries and bonuses	Pension costs and other employee benefits	Share-based compensation expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Chairman				
Zhang Tao	2,040	99	—	2,139
Executive directors				
Wang Huiwen	2,353	119	42,654	45,126
Ye Shuhong	1,630	83	—	1,713
Chief executive				
Wang Xing	2,316	119	—	2,435
Total	8,339	420	42,654	51,413

For the year ended December 31, 2017:

Name	Wages, salaries and bonuses	Pension costs and other employee benefits	Share-based compensation expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Chairman				
Zhang Tao	1,800	104	—	1,904
Executive directors				
Wang Huiwen	2,715	130	50,292	53,137
Ye Shuhong	2,305	104	45,924	48,333
Chief executive				
Wang Xing	2,056	130	—	2,186
Total	8,876	468	96,216	105,560

For the four months ended April 30, 2017 (Unaudited):

Name	Wages, salaries and bonuses	Pension costs and other employee benefits	Share-based compensation expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Chairman				
Zhang Tao	600	34	—	634
Executive directors				
Wang Huiwen	1,293	42	5,810	7,145
Ye Shuhong	1,040	34	—	1,074
Chief executive				
Wang Xing	900	41	—	941
Total	3,833	151	5,810	9,794

For the four months ended April 30, 2018:

Name	Wages, salaries and bonuses	Pension costs and other employee benefits	Share-based compensation expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Chairman				
Zhang Tao	840	30	—	870
Executive directors				
Wang Huiwen	1,304	40	30,768	32,112
Ye Shuhong	1,304	30	—	1,334
Chief executive				
Wang Xing	1,568	40	—	1,608
Total	5,016	140	30,768	35,924

i) Benefits and interests of directors

Except for directors disclosed above, there is no other benefit offered to the other directors.

ii) Directors' termination benefits

No director's termination benefit subsisted at the end of the period or at any time during the Track Record Period.

iii) Consideration provided to third parties for making available directors' services

No consideration provided to third parties for making available director's services subsisted at the end of the period or at any time during the Track Record Period.

iv) Information about loans, quasi-loans and other dealings in favor of directors, controlled bodies corporate by and connected entities with such directors.

Excluding the information disclosed in Note 39, there were no other loans, quasi-loans and other dealings in favor of directors, controlled bodies corporate by and connected entities with such directors subsisted at the end of the period or at any time during the Track Record Period.

v) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the period or at any time during the Track Record Period.

9 **Other (losses)/gains, net**

	Year ended December 31,			Four months ended April 30,	
	2015	2016	2017	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Fair value changes of short-term investments measured at fair value through profit or loss (Note 3.3)	3,613	181,956	329,348	102,313	69,847
Interest income from short-term investments measured at amortized cost	—	—	17,027	—	46,236
Gains/(losses) from the disposal of investments	—	9,714	(144,482)	—	29,968
Gains from the disposal of subsidiaries (Note 11)	32,964	—	125,649	—	—
Dilution gain (Note 35)	—	—	104,758	—	—
Change in fair value from contingent consideration (Note 3.3)	—	(42,339)	25,099	—	4,208
Foreign exchange (losses)/gains, net	(94,971)	(15,263)	(7,819)	(4,093)	978
Government subsidies	5,470	74,695	45,585	3,739	19,407
Losses from the cancellation of put and call option for Maoyan (Note 35)	—	—	(222,264)	—	—
Change in fair value from put and call option for Maoyan (Note 3.3(a))	—	(7,000)	(61,000)	(22,000)	—
Others	2,996	4,449	(3,641)	2,087	18,398
	(49,928)	206,212	208,260	82,046	189,042

10 **Finance (costs)/income, net**

	Year ended December 31,			Four months ended April 30,	
	2015	2016	2017	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Finance income					
Interest income from bank deposits	13,541	21,681	60,885	9,437	72,534
Finance costs					
Bank charges and others	(56,561)	(55,981)	(19,214)	(1,129)	(11,163)

11 Subsidiaries

The Company's major subsidiaries (including controlled and structured entities) during the Track Record Period are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

				Effective interest held (b)				
				As of December 31,			As of April 30,	
Name	Place of incorporated/ establishment and kind of legal entity	Date of incorporation/ establishment	Particulars of issued/paid-in capital	2015	2016	2017	2018	Principal activities and place of operation
Subsidiaries								
Directly held:								
Meituan Corporation	Cayman	July 29, 2010	USD50,000	100%	100%	100%	100%	Investment holding
DianPing Holdings Limited ("Dianping")	Cayman	December 20, 2005	USD50,000	100%	100%	100%	100%	Investment holding
Internet Plus (HongKong) Limited	Hong Kong	November 27, 2015	HKD1	100%	100%	100%	100%	Investment holding
Kangaroo Technology Corporation	Cayman	April 1, 2016	USD50,000	NA	100%	100%	100%	Investment holding
mobike Ltd ("Mobike")	Cayman	April 2, 2015	USD50,000	NA	NA	NA	100%	Investment holding
Indirectly held:								
Beijing SanKuai On-line Technology Co., Ltd.	Beijing, China	May 6, 2011	USD1,176,260,000	100%	100%	100%	100%	Online services experience platform
Beijing Kuxun Technology Co., Ltd.	Beijing, China	April 27, 2006	USD54,665,694	100%	100%	100%	100%	Online hotel and travel services
Hanhai Information Technology (Shanghai) Co., Ltd.	Shanghai, China	March 16, 2006	USD195,000,000	100%	100%	100%	100%	Multimedia information technology services
Tianjin Sankuai Technology Co., Ltd	Tianjin, China	July 12, 2013	RMB1,090,000,000	100%	100%	100%	100%	Online services experience platform
Mobike (Beijing) Information Technology Co., Ltd.	Beijing, China	January 12, 2016	USD99,000,000	NA	NA	NA	100%	Bike-sharing services

Name	Place of incorporated/ establishment and kind of legal entity	Date of incorporation/ establishment	Particulars of issued/paid-in capital	Effective interest held (b)				Principal activities and place of operation
				As of December 31,			As of April 30,	
				2015	2016	2017	2018	
Structured entities (a):								
Beijing SanKuai Technology Co., Ltd.	Beijing, China	April 10, 2007	RMB1,090,000,000	100%	100%	100%	100%	Online services experience platform
Shanghai SanKuai Technology Co., Ltd.	Shanghai, China	September 19, 2012	RMB5,000,000	100%	100%	100%	100%	Online retail platform
Beijing Sankuai Cloud Computing Technology Co., Ltd.	Beijing, China	June 17, 2015	RMB10,000,000	100%	100%	100%	100%	Cloud-based ERP system and cloud computing
Beijing Kuxun Interation Technology Co., Ltd.	Beijing, China	March 29, 2006	RMB2,000,000	100%	100%	100%	100%	Multimedia information technology services
Shanghai Hantao Information Consulting Co., Ltd.	Shanghai, China	September 23, 2003	RMB10,000,000	100%	100%	100%	100%	Merchant information advisory services
Beijing Qiandaibao Payment Technology Co., Ltd.	Beijing, China	November 25, 2008	RMB404,000,000	NA	NA	100%	100%	Mobile payment, Internet payment and bank card acquiring services

Note (a) As described in Note 2.2, the Company does not have directly or indirectly legal ownership in equity of these structured entities or their subsidiaries. Nevertheless, under certain Contractual Arrangements entered into with these structured entities and their registered owners, the Company and its other legally owned subsidiaries has rights to exercise power over these structured entities, receives variable returns from its involvement in these structured entities, and has the ability to affect those returns through its power over these structured entities. As a result, they are presented as consolidated structured entities of the Company.

Note (b) The Effective interest held has no change after April 30, 2018 until the report date.

Disposal of subsidiaries

	Year ended December 31,			Four months ended April 30,	
	2015	2016	2017	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Total consideration received or receivable					
- Cash consideration received	23,000	2,383,000	—	—	—
- Equity interests received	—	1,939,702	268,344	—	—
Fair value of the retained interest from partial disposal of Maoyan	—	2,200,000	—	—	—
Deferred revenue	—	(1,200,000)	—	—	—
Put and call option for Maoyan at fair value through profit or loss	—	631,000	—	—	—
Related share-based compensation (Note 33)	—	(7,107)	—	—	—
Total disposal consideration	23,000	5,946,595	268,344	—	—
Total net (liabilities)/assets disposed	(9,964)	33,914	142,695	—	—
- Cash and cash equivalents	3,430	—	26,362	—	—
- Trade receivables	—	8,435	9,895	—	—
- Prepayments, deposits and other assets	183	1,259,185	24,019	—	—
- Inventories	—	—	514	—	—
- Property, plant and equipment	—	32,462	2,034	—	—
- Intangible assets					
- Trade name	—	—	1,715	—	—
- Technology	—	—	1,715	—	—
- Other	1,396	—	1,273	—	—
- Trade payables	—	(9,562)	—	—	—
- Payables to merchants	—	(899,103)	—	—	—
- Other payables and accruals	(10,508)	(357,503)	(56,234)	—	—
- Deferred revenue	(4,465)	—	—	—	—
- Deferred tax liabilities	—	—	(858)	—	—
- Goodwill	—	—	130,897	—	—
- Non-controlling interests disposed	—	—	1,363	—	—
Gain on disposal before income tax	32,964	5,912,681	125,649	—	—
Income tax expense on gain	—	—	—	—	—
Gain on disposal after income tax (Note 9&35)	32,964	5,912,681	125,649	—	—

Note i: In July 2016, the Group disposed Maoyan, which is treated as part of discontinued operation. Please refer to Note 35 for details.

Note ii: In November 2017, the Group transferred all of its equity interests in its subsidiary Beijing Puzhao Tianxing Technology Co., Ltd. ("Tianzixing") to one of its associates, Aoqiwei Information Technology (Beijing) Co., Ltd. ("Canxingjian") in exchange of additional equity interest in Canxingjian at a fair value of RMB268 million. After the transaction, Tianzixing became a subsidiary of Canxingjian and the Group ultimately held 40% of equity interest of Canxingjian in form of preferred shares. Consequently, the Group derecognized the assets, including goodwill, and liabilities of Tianzixing and respective non-controlling interests at their carrying amount at the date of transfer, and recognized the additional equity interests in Canxingjian at fair value on the date of transfer.

12 Investments accounted for using the equity method

	As of December 31,			As of April 30,
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Associates	156,891	2,384,674	1,939,107	2,095,802
Joint ventures	—	—	13,068	12,678
	156,891	2,384,674	1,952,175	2,108,480

a) Investments in associates using the equity method

	As of December 31,			Four months ended April 30,	
	2015	2016	2017	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
At the beginning of the year/period	—	156,891	2,384,674	2,384,674	1,939,107
Additions (Note i)	—	2,250,900	772,500	592,500	135,875
Business combinations (Note 37(a))	157,552	—	—	—	—
Dilution gain (Note ii)	—	—	104,758	—	—
Dividend from an associate	—	—	(11,989)	—	(5,605)
Disposals (Note i)	—	—	(1,386,918)	—	—
Other reserves (Note iii)	—	—	82,829	82,829	—
Share of (losses)/gains of investments accounted for using equity method	(661)	(23,117)	(6,747)	47,147	26,425
At the end of the year/period	156,891	2,384,674	1,939,107	3,107,150	2,095,802

Note i): The major addition recorded in 2016 was for the 32.6% equity interests in Maoyan. After the disposal of 67.4% equity interests of Maoyan in July 2016, the Group retained 32.6% shares of Maoyan, with a fair value of RMB2.2 billion at the disposal date and subsequently, has been accounted for using the equity method since the Group concluded that it has significant influence over Maoyan through its representation on the board of directors through 2 out of 7 board seats. Please refer to Note 35 for details of the disposal.

Note ii): Dilution gain was mainly from Maoyan. Please refer to Note 35 for further details.

Note iii): Other reserves arise from the equity pick up of the shareholder's contribution to Maoyan.

b) The Group has interests in a number of individually immaterial associates that are accounted for using the equity method.

	As of December 31,			Four months ended April 30,	
	2015	2016	2017	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Aggregate carrying amount of individually immaterial associates	156,891	2,384,674	1,939,107	3,107,150	2,095,802
Aggregate amounts of the Group's share of:					
- (Losses)/gains from operations	(661)	(23,117)	(6,747)	47,147	26,425
- Share-based payment reserve	—	(4,901)	(3,671)	(3,522)	—
Share of (losses)/gains of investments accounted for using equity method	(661)	(28,018)	(10,418)	43,625	26,425

13 **Taxation**

a) ***Value Added Tax***

The Group is mainly subject to 6% VAT, and surcharges on VAT payments according to PRC tax law.

b) ***Income tax***

Cayman Islands

Under the current laws of the Cayman Islands, the Company and its subsidiaries incorporated in the Cayman Islands are not subject to tax on income or capital gain. Additionally, the Cayman Islands does not impose a withholding tax on payments of dividends to shareholders.

British Virgin Islands

Under the current laws of the British Virgin Islands, entities incorporated in British Virgin Islands are not subject to tax on their income or capital gains.

Hong Kong

Hong Kong profits tax rate is 16.5%. No Hong Kong profits tax was provided for as there was no estimated assessable profit that was subject to Hong Kong profits tax during the Track Record Period.

PRC corporate income tax ("CIT")

CIT provision was made on the estimated assessable profits of entities within the Group incorporated in the PRC and was calculated in accordance with the relevant regulations of the PRC after considering the available tax benefits from refunds and allowances. The general PRC CIT rate is 25% during the Track Record Period.

Certain subsidiaries of the Group in the PRC are subject to "high and new technology enterprise" and, accordingly, a preferential income tax rate of 15% during the Track Record Period.

Withholding tax on undistributed dividends

According to CIT law, distribution of profits earned by PRC companies since February 2015 is subject to withholding tax of 5% or 10%, depending on the country of incorporation of the foreign investor, upon the distribution of profits to overseas-incorporated immediate holding companies. During the Track Record Period, the Group has incurred accumulated net operating losses and does not have any profit distribution plan.

	Year ended December 31,			Four months ended April 30,	
	2015	2016	2017	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Current income tax	(341)	(4,313)	(18,560)	(15,047)	(9,232)
Deferred income tax (Note 18)	11,989	(263,590)	(35,658)	(35,944)	152,302
Total income tax credits/(expenses) — Net	11,648	(267,903)	(54,218)	(50,991)	143,070

The tax on the Group's loss before income tax differs from the theoretical amount that would arise using the tax rate of 25% for the years ended December 31, 2015, 2016 and 2017 and the four months ended April 30, 2017 and 2018, being the tax rate of the major subsidiaries of the Group.

The difference is analyzed as follows:

	Year ended December 31,			Four months ended April 30,	
	2015	2016	2017	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Loss before tax from continuing operations	(9,242,729)	(10,631,096)	(18,933,663)	(8,153,065)	(22,937,725)
Tax calculated at statutory income tax rate of 25% in mainland China	2,310,682	2,657,774	4,733,416	2,038,266	5,734,431
Tax effects of:					
- Different tax rates available to different jurisdictions	(890,588)	(1,302,623)	(3,900,883)	(1,888,537)	(5,240,786)
- Preferential income tax rates applicable to subsidiaries	(546,694)	(78,891)	(20,456)	95,540	97,036
- Expenses not deductible for income tax purposes	(22,803)	(69,187)	(7,634)	(608)	(3,032)
- Super deduction for research and development expenses	31,307	11,618	37,471	7,008	—
- Utilization of previously unrecognized tax losses	426	142,288	144,808	72,508	10,992
- Tax losses for which no deferred income tax assets were recognized	(873,168)	(1,244,138)	(839,040)	(247,185)	(546,775)
- Temporary differences utilized/(for which no deferred income tax assets was recognized), net	2,486	(384,744)	(201,900)	(127,983)	91,204
Total income tax credits/(expenses) from continuing operations	11,648	(267,903)	(54,218)	(50,991)	143,070

14 Loss per share

For the purpose of computing basic and diluted loss per share, ordinary shares issued in the Reorganization were assumed to have been issued and allocated on January 1, 2015 as if the Company has been established by then.

(a) Basic loss per share for the years ended December 31, 2015, 2016 and 2017 and the four months ended April 30, 2017 and 2018 were calculated by dividing the loss attributable to the Company's equity holders by the weighted average number of ordinary shares in issue during the Track Record Period.

	Year ended December 31,			Four months ended April 30,	
	2015	2016	2017	2017	2018
				(Unaudited)	
Loss from continuing operations attributable to equity holders of the Company (RMB'000)	(9,231,081)	(10,893,901)	(18,916,617)	(8,176,928)	(22,772,750)
Weighted average number of shares in issue (thousand)	1,063,290	1,451,768	1,528,826	1,500,494	1,543,031
Loss per share from continuing operations	(8.68)	(7.50)	(12.37)	(5.45)	(14.76)
(Loss)/profit from discontinued operation attributable to equity holders of the Company (RMB'000)	(1,288,257)	5,104,001	—	—	—
Weighted average number of shares in issue (thousand)	1,063,290	1,451,768	1,528,826	1,500,494	1,543,031
(Loss)/earning per share from discontinued operation	(1.21)	3.52	—	—	—
Loss per share	(9.89)	(3.98)	(12.37)	(5.45)	(14.76)

(b) Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has three categories of dilutive potential ordinary shares: Preferred Shares, share options and RSUs. As the Group incurred losses for the years ended December 31, 2015, 2016 and 2017 and the four months ended April 30, 2017 and 2018, the dilutive potential ordinary shares were not included in the calculation of diluted loss per share as their inclusion would be anti-dilution. Accordingly, diluted loss per share for the years ended December 31, 2015, 2016, and 2017 and the four months ended April 30, 2017 and 2018 were the same as basic loss per share of the respective periods.

15 **Property, plant and equipment**

	Computer equipment	Furniture and appliances	Leasehold improvements	Assets under construction	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost					
At January 1, 2015	103,270	14,927	27,935	—	146,132
Additions	292,344	12,226	16,780	34,732	356,082
Business combinations (Note 37)	101,983	192	8,067	—	110,242
Disposal	(42,767)	(7,419)	—	—	(50,186)
At December 31, 2015	454,830	19,926	52,782	34,732	562,270
Accumulated depreciation					
At January 1, 2015	(21,725)	(3,571)	(7,753)	—	(33,049)
Depreciation	(89,633)	(4,309)	(11,614)	—	(105,556)
Disposal	19,375	3,430	—	—	22,805
At December 31, 2015	(91,983)	(4,450)	(19,367)	—	(115,800)
Net carrying amount					
At January 1, 2015	81,545	11,356	20,182	—	113,083
At December 31, 2015	362,847	15,476	33,415	34,732	446,470
Cost					
At January 1, 2016	454,830	19,926	52,782	34,732	562,270
Additions	292,586	19,396	36,666	4,158	352,806
Business combinations (Note 37)	9,326	16,746	2,487	—	28,559
Disposal	(23,903)	(36,338)	(7,471)	—	(67,712)
Transfer	—	—	34,732	(34,732)	—
At December 31, 2016	732,839	19,730	119,196	4,158	875,923
Accumulated depreciation					
At January 1, 2016	(91,983)	(4,450)	(19,367)	—	(115,800)
Depreciation	(228,792)	(27,161)	(22,349)	—	(278,302)
Disposal	8,510	15,607	5,292	—	29,409
At December 31, 2016	(312,265)	(16,004)	(36,424)	—	(364,693)
Net carrying amount					
At January 1, 2016	362,847	15,476	33,415	34,732	446,470
At December 31, 2016	420,574	3,726	82,772	4,158	511,230

	Computer equipment	Furniture and appliances	Leasehold improvements	Assets under construction	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost					
At January 1, 2017	732,839	19,730	119,196	4,158	875,923
Additions	714,568	1,349	8,585	13,178	737,680
Business combinations (Note 37)	53	5	175	—	233
Disposal	(18,012)	(505)	(394)	—	(18,911)
Transfers	—	—	4,158	(4,158)	—
At December 31, 2017	1,429,448	20,579	131,720	13,178	1,594,925
Accumulated depreciation					
At January 1, 2017	(312,265)	(16,004)	(36,424)	—	(364,693)
Depreciation	(302,780)	(1,394)	(23,522)	—	(327,696)
Disposal	12,978	168	—	—	13,146
At December 31, 2017	(602,067)	(17,230)	(59,946)	—	(679,243)
Net carrying amount					
At January 1, 2017	420,574	3,726	82,772	4,158	511,230
At December 31, 2017	827,381	3,349	71,774	13,178	915,682
(Unaudited)					
Cost					
At January 1, 2017	732,839	19,730	119,196	4,158	875,923
Additions	105,181	11	2,965	—	108,157
Disposal	(7,858)	(285)	—	—	(8,143)
Transfers	—	—	3,556	(3,556)	—
At April 30, 2017	830,162	19,456	125,717	602	975,937
Accumulated depreciation					
At January 1, 2017	(312,265)	(16,004)	(36,424)	—	(364,693)
Depreciation	(85,953)	(189)	(7,927)	—	(94,069)
Disposal	6,128	5	—	—	6,133
At April 30, 2017	(392,090)	(16,188)	(44,351)	—	(452,629)
Net carrying amount					
At January 1, 2017	420,574	3,726	82,772	4,158	511,230
At April 30, 2017	438,072	3,268	81,366	602	523,308

	Computer equipment	Furniture and appliances	Bike and vehicle	Leasehold improvements	Assets under construction	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost						
At January 1, 2018	1,429,448	20,579	—	131,720	13,178	1,594,925
Additions	533,905	1,896	5,218	670	22,790	564,479
Business combinations (Note 37)	8,936	40,523	5,111,531	9,750	178,458	5,349,198
Disposal	(4,991)	(1)	(100)	(3,192)	—	(8,284)
Transfers	—	215	—	2,361	(2,576)	—
Currency translation differences	(1)	(2)	1,618	—	—	1,615
At April 30, 2018	1,967,297	63,210	5,118,267	141,309	211,850	7,501,933
Accumulated depreciation						
At January 1, 2018	(602,067)	(17,230)	—	(59,946)	—	(679,243)
Depreciation	(162,889)	(1,098)	(396,056)	(6,525)	—	(566,568)
Disposal	3,783	—	—	848	—	4,631
Currency translation differences	—	1	(1,163)	—	—	(1,162)
At April 30, 2018	(761,173)	(18,327)	(397,219)	(65,623)	—	(1,242,342)
Net carrying amount						
At January 1, 2018	827,381	3,349	—	71,774	13,178	915,682
At April 30, 2018	1,206,124	44,883	4,721,048	75,686	211,850	6,259,591

Depreciation expenses have been charged to the consolidated income statements as follows:

	Year ended December 31,			Four months ended April 30,	
	2015	2016	2017	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Cost of revenues	58,222	220,643	267,806	74,530	544,015
Selling and marketing expenses	9,778	8,381	7,065	1,987	2,947
Research and development expenses	26,673	29,397	29,556	8,042	12,648
General and administrative expenses	10,883	19,881	23,269	9,510	6,958
	105,556	278,302	327,696	94,069	566,568

16 Intangible assets

	Trade name	User generated content	Software and others	Online payment license	Technology and licenses	User list	Supplier relationship	Goodwill	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost									
At January 1, 2015 . .	—	—	13,116	—	—	—	—	—	13,116
Additions	—	—	2,168	—	—	—	—	—	2,168
Business combinations (Note 37).	3,403,600	490,000	8,993	—	104,340	67,000	300	13,779,975	17,854,208
Disposal	—	—	(1,639)	—	—	—	—	—	(1,639)
At December 31, 2015	3,403,600	490,000	22,638	—	104,340	67,000	300	13,779,975	17,867,853
Accumulated amortization									
At January 1, 2015 . .	—	—	(3,394)	—	—	—	—	—	(3,394)
Amortization	(34,750)	(24,500)	(3,421)	—	(9,738)	(3,350)	(63)	—	(75,822)
Disposal	—	—	217	—	—	—	—	—	217
At December 31, 2015	(34,750)	(24,500)	(6,598)	—	(9,738)	(3,350)	(63)	—	(78,999)
Net carrying amount									
At January 1, 2015 . .	—	—	9,722	—	—	—	—	—	9,722
At December 31, 2015	3,368,850	465,500	16,040	—	94,602	63,650	237	13,779,975	17,788,854
Cost									
At January 1, 2016 . .	3,403,600	490,000	22,638	—	104,340	67,000	300	13,779,975	17,867,853
Additions	—	—	2,819	—	—	—	—	—	2,819
Business combinations (Note 37).	4,800	—	8,787	390,000	84,120	—	7,000	1,316,949	1,811,656
At December 31, 2016	3,408,400	490,000	34,244	390,000	188,460	67,000	7,300	15,096,924	19,682,328
Accumulated amortization									
At January 1, 2016 . .	(34,750)	(24,500)	(6,598)	—	(9,738)	(3,350)	(63)	—	(78,999)
Amortization	(137,890)	(98,000)	(4,130)	(10,833)	(42,705)	(13,400)	(539)	—	(307,497)
At December 31, 2016	(172,640)	(122,500)	(10,728)	(10,833)	(52,443)	(16,750)	(602)	—	(386,496)
Impairment									
At January 1, 2016 . .	—	—	—	—	—	—	—	—	—
Additions	(1,050)	—	—	—	(2,433)	—	(88)	(143,421)	(146,992)
At December 31, 2016	(1,050)	—	—	—	(2,433)	—	(88)	(143,421)	(146,992)
Net carrying amount									
At January 1, 2016 . .	3,368,850	465,500	16,040	—	94,602	63,650	237	13,779,975	17,788,854
At December 31, 2016	3,234,710	367,500	23,516	379,167	133,584	50,250	6,610	14,953,503	19,148,840

	Trade name	User generated content	Software and others	Online payment license	Technology and licenses	User list	Supplier relationship	Goodwill	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost									
At January 1, 2017 . .	3,408,400	490,000	34,244	390,000	188,460	67,000	7,300	15,096,924	19,682,328
Additions	—	—	1,289,400	—	—	—	—	—	1,289,400
Business combinations (Note 37).	—	—	—	—	—	—	21,400	58,992	80,392
Disposal	(2,100)	—	(1,807)	—	(2,100)	—	—	(130,897)	(136,904)
At December 31, 2017	3,406,300	490,000	1,321,837	390,000	186,360	67,000	28,700	15,025,019	20,915,216
Accumulated amortization									
At January 1, 2017 . .	(172,640)	(122,500)	(10,728)	(10,833)	(52,443)	(16,750)	(602)	—	(386,496)
Amortization	(136,890)	(98,000)	(190,744)	(26,000)	(48,754)	(13,400)	(2,831)	—	(516,619)
Disposal	385	—	361	—	385	—	—	—	1,131
At December 31, 2017	(309,145)	(220,500)	(201,111)	(36,833)	(100,812)	(30,150)	(3,433)	—	(901,984)
Impairment									
At January 1, 2017 . .	(1,050)	—	—	—	(2,433)	—	(88)	(143,421)	(146,992)
Additions	(460)	—	—	—	(805)	—	—	(12,001)	(13,266)
At December 31, 2017	(1,510)	—	—	—	(3,238)	—	(88)	(155,422)	(160,258)
Net carrying amount									
At January 1, 2017 . .	3,234,710	367,500	23,516	379,167	133,584	50,250	6,610	14,953,503	19,148,840
At December 31, 2017	3,095,645	269,500	1,120,726	353,167	82,310	36,850	25,179	14,869,597	19,852,974
(Unaudited)									
Cost									
At January 1, 2017 . .	3,408,400	490,000	34,244	390,000	188,460	67,000	7,300	15,096,924	19,682,328
Additions	—	—	459	—	—	—	—	—	459
At April 30, 2017 . . .	3,408,400	490,000	34,703	390,000	188,460	67,000	7,300	15,096,924	19,682,787
Accumulated amortization									
At January 1, 2017 . .	(172,640)	(122,500)	(10,728)	(10,833)	(52,443)	(16,750)	(602)	—	(386,496)
Amortization	(45,653)	(32,667)	(3,400)	(8,667)	(16,275)	(4,467)	(389)	—	(111,518)
At April 30, 2017 . . .	(218,293)	(155,167)	(14,128)	(19,500)	(68,718)	(21,217)	(991)	—	(498,014)
Impairment									
At January 1, 2017 and April 30, 2017.	(1,050)	—	—	—	(2,433)	—	(88)	(143,421)	(146,992)
Net carrying amount									
At January 1, 2017 . .	3,234,710	367,500	23,516	379,167	133,584	50,250	6,610	14,953,503	19,148,840
At April 30, 2017 . . .	3,189,057	334,833	20,575	370,500	117,309	45,783	6,221	14,953,503	19,037,781

	Trade name	User generated content	Software and others	Online payment license	Technology and licenses	User list	Supplier relationship	Goodwill	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost									
At January 1, 2018 . .	3,406,300	490,000	1,321,837	390,000	186,360	67,000	28,700	15,025,019	20,915,216
Additions	—	—	5,971	—	—	—	—	—	5,971
Business combinations (Note 37).	1,600,000	—	478,265	—	660,000	840,000	—	12,821,478	16,399,743
At April 30, 2018 . . .	5,006,300	490,000	1,806,073	390,000	846,360	907,000	28,700	27,846,497	37,320,930
Accumulated amortization									
At January 1, 2018 . .	(309,145)	(220,500)	(201,111)	(36,833)	(100,812)	(30,150)	(3,433)	—	(901,984)
Amortization	(58,807)	(32,667)	(112,262)	(8,667)	(27,065)	(18,467)	(1,340)	—	(259,275)
At April 30, 2018 . . .	(367,952)	(253,167)	(313,373)	(45,500)	(127,877)	(48,617)	(4,773)	—	(1,161,259)
Impairment									
At January 1, 2018 and April 30, 2018.	(1,510)	—	—	—	(3,238)	—	(88)	(155,422)	(160,258)
Net carrying amount									
At January 1, 2018 . .	3,095,645	269,500	1,120,726	353,167	82,310	36,850	25,179	14,869,597	19,852,974
At April 30, 2018 . . .	4,636,838	236,833	1,492,700	344,500	715,245	858,383	23,839	27,691,075	35,999,413

Amortization expenses have been charged to the consolidated income statements as follows:

	Year ended December 31,			Four months ended April 30,	
	2015	2016	2017	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Cost of revenues	11,200	54,762	75,962	25,350	36,150
Selling and marketing expenses . .	24,576	98,148	281,389	32,767	156,137
Research and development expenses.	758	1,206	1,724	493	663
General and administrative expenses.	39,288	153,381	157,544	52,908	66,325
	75,822	307,497	516,619	111,518	259,275

The addition of the goodwill arose from the business combination in each of the period. Majority of the Group's goodwill are related to the strategic transaction of Meituan and Dianping in 2015, Qiandaibao in 2016, and Mobike in 2018 (Note 37). The Group entered into a 5-year strategic cooperation agreement with one platform in 2017 with a total consideration of USD200 million (equivalent to RMB1,307 million, of which RMB1,281 million was capitalized). The Group amortized the amount within the contract period.

Impairment of goodwill

The Group carries out its annual impairment test on goodwill by comparing the recoverable amounts of cash generating unit ("CGU") to the carrying amounts. The recoverable amount of a CGU was determined based on value-in-use calculations. These calculations used pre-tax cash flow projections based on financial budgets approved by management covering a 5-year period with a terminal value related to the future cash flows extrapolated using the estimated growth rates stated below beyond the 5-year period. The Group believes that it is appropriate to cover a 5-year period in its cash flow projection, because it captures the development stage of the Group's businesses during which the Group expects to experience a high growth rate. The accuracy and reliability of the information is reasonably assured by the appropriate budgeting, forecast and control process established by the Group. The management leveraged their extensive experiences in the industries and provided forecast based on past performance and their expectation of future business plans and market developments.

Management reviews the business performance based on type of business and monitors the goodwill at the operating segment level. The following is a summary of goodwill allocation for each operating segments:

	Opening	Addition	Impairment	Disposal	Closing
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended December 31, 2015					
Food delivery	—	2,875,949	—	—	2,875,949
In-store, hotel & travel	—	10,760,605	—	—	10,760,605
New initiatives and others	—	143,421	—	—	143,421
	—	13,779,975	—	—	13,779,975
Year ended December 31, 2016					
Food delivery	2,875,949	240,753	—	—	3,116,702
In-store, hotel & travel	10,760,605	677,680	—	—	11,438,285
New initiatives and others	143,421	398,516	(143,421)	—	398,516
	13,779,975	1,316,949	(143,421)	—	14,953,503
Year ended December 31, 2017					
Food delivery	3,116,702	—	—	—	3,116,702
In-store, hotel & travel	11,438,285	—	—	—	11,438,285
New initiatives and others	398,516	58,992	(12,001)	(130,897)	314,610
	14,953,503	58,992	(12,001)	(130,897)	14,869,597

	Opening	Addition	Impairment	Disposal	Closing
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Four months ended April 30, 2018					
Food delivery	3,116,702	1,728,527	—	—	4,845,229
In-store, hotel & travel	11,438,285	7,385,524	—	—	18,823,809
Bike-sharing services	—	3,707,427	—	—	3,707,427
New initiatives and others (excluding bike-sharing services)	314,610	—	—	—	314,610
	14,869,597	12,821,478	—	—	27,691,075

The goodwill balance mainly arose from the strategic transaction of Meituan and Dianping and business combination of Mobike. Goodwill is attributable to the acquired transacting volume and economies of scale expected to be derived from combining with the operations of the Group.

Impairment review on the goodwill of the Group has been conducted by the management as at December 31, 2015, 2016 and 2017 and April 30, 2018, according to IAS 36 "Impairment of assets". For the purposes of impairment review, the recoverable amount of goodwill is determined based on value-in-use calculations. The value-in-use calculations use cash flow projections based on business plan for the purpose of impairment reviews covering a 5-year period.

The key assumptions used in the significant CGU value-in-use calculations are as follows:

As of December 31, 2015

	Food delivery	In-store, hotel & travel
Annual revenue growth rate for the 5-year period (%)	45%-2,800%	30%-86%
Gross profit rate	(8%)-25%	80%-90%
Terminal revenue growth rate (%)	2.5%	2.5%
Pre-tax discount rate (%)	32%	32%

As of December 31, 2016

	Food delivery	In-store, hotel & travel
Annual revenue growth rate for the 5-year period (%)	30%-290%	30%-55%
Gross profit rate	8%-25%	85%-90%
Terminal revenue growth rate (%)	2.5%	2.5%
Pre-tax discount rate (%)	32%	32%

As of December 31, 2017

	Food delivery	In-store, hotel & travel
Annual revenue growth rate for the 5-year period (%)	10%-90%	15%-50%
Gross profit rate	15%-25%	85%-90%
Terminal revenue growth rate (%)	2.5%	2.5%
Pre-tax discount rate (%)	33%	33%

As of April 30, 2018

	Food delivery	In-store, hotel & travel	Mobike
Annual revenue growth rate for the 5-year period (%)	15%-120%	15%-60%	15%-170%
Gross profit rate	10%-30%	85%-90%	(20%)-85%
Terminal revenue growth rate (%)	2.5%	2.5%	2.5%
Pre-tax discount rate (%)	30%	30%	31%

The budgeted gross margins used in the goodwill impairment testing, were determined by the management based on past performance and its expectation for market development. The expected revenue growth rate and gross profit rates are following the business plan approved by the Company. Discount rates reflect market assessments of the time value and the specific risks relating to the industry.

New initiatives and others includes different small CGUs. Those CGUs cover the business of supply chain solutions to merchants, and micro loan business. The discount rate used in the impairment testing for the CGUs in new initiatives and others segments is from 32% to 35%, while the terminal revenue growth rate is 2.5% for the Track Record Period.

Impairment losses of RMB143 million, and RMB12 million has been charged in "General and administrative expenses" for the years ended December 31, 2016 and 2017, respectively.

The recoverable amounts of CGUs containing goodwill for food delivery and in-store, hotel & travel, Mobike, micro loan business and cloud-based ERP systems and supply chain solutions to merchants are shown as belows:

	Year Ended December 31,			Four months Ended
	2015	2016	2017	April 30, 2018
	(in billions of RMB)			
Food delivery	8.20	21.1	39.6	54.9
In-store, hotel & travel	26.1	34.0	36.2	50.1
Mobike	NA	NA	NA	13.5
Micro loan business	NA	0.14	0.90	NA*
Cloud-based ERP systems and supply chain solutions to merchants	NA	1.30	2.50	NA*

The headroom of CGUs containing goodwill for food delivery and in-store, hotel & travel, Mobike, micro loan business and cloud-based ERP systems and supply chain solutions to merchants are shown as belows:

	Year Ended December 31,			Four months Ended
	2015	2016	2017	April 30, 2018
	(in billions of RMB)			
Food delivery	5.30	17.8	34.8	48.5
In-store, hotel & travel	10.9	18.6	21.0	27.6
Mobike	NA	NA	NA	1.26
Micro loan business	NA	0.06	0.83	NA*
Cloud-based ERP systems and supply chain solutions to merchants	NA	0.72	2.13	NA*

The Company performs the sensitivity analysis based on the assumption that revenue amount or terminal value or the discount rate has been changed. Had the estimated key assumpyion during the forecast period been changed as below, the headroom would be decreased to as below:

	Year Ended December 31,			Four Months Ended
	2015	2016	2017	April 30, 2018
	(in billions of RMB)			
Food delivery				
- Revenue amount decrease by 10%	3.50	15.0	30.7	39.8
- Terminal value decrease by 10%	4.30	16.3	32.8	45.4
- Discount rate increases by 5%	4.20	16.0	32.1	44.9
In-store, hotel & travel				
- Revenue amount decrease by 10%	8.00	14.3	16.4	22.9
- Terminal value decrease by 10%	10.0	17.6	20.0	26.0
- Discount rate increases by 5%	9.50	17.0	19.3	25.2
Mobike				
- Internal Revenue amount decrease by 10%	NA	NA	NA	0.46
- Terminal value decrease by 10%	NA	NA	NA	0.46
- Discount rate increases by 5%	NA	NA	NA	0.16
Micro loan business				
Revenue amount decrease by 10%	NA	0.05	0.73	NA*
Terminal value decrease by 10%	NA	0.03	0.83	NA*
Discount rate increases by 5%	NA	0.03	0.73	NA*
Cloud-based ERP systems and supply chain solutions to merchants				
Revenue amount decrease by 10%	NA	0.42	1.63	NA*
Terminal value decrease by 10%	NA	0.52	1.93	NA*
Discount rate increases by 5%	NA	0.52	1.83	NA*

As at April 30, 2018, a 14.8% decrease in estimated revenue, a 13.2% decrease in estimated terminal value, a 6.1% increase in estimated discount rate, all changes taken in isolation in the value-in-use calculations, would remove the remaining headroom for Mobike.

As at December 31, 2016, a 37.2% decrease in estimated revenue, a 17.5% decrease in estimated terminal value, a 10.0% increase in estimated discount rate, all changes taken in isolation in the value-in-use calculations, would remove the remaining headroom for Micro loan business.

As at December 31, 2016, a 31.9% decrease in estimated revenue, a 33.0% decrease in estimated terminal value, a 21.5% increase in estimated discount rate, all changes taken in isolation in the value-in-use calculations, would remove the remaining headroom for Cloud-based ERP systems and supply chain solutions to merchants.

Reasonable possible changes in key assumptions would not lead to impairment as of December 31, 2015, 2016 and 2017 and as of April 30, 2018, respectively.

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* The Company normally perform goodwill impairment test in the fourth quarter of each year, and there are no indicator for impairment for micro loan business and cloud-based ERP systems and supply chain solutions to merchants as of April 30, 2018.

17 **Financial instruments by category**

The Group holds the following financial instruments:

	Note	As of December 31, 2015	As of December 31, 2016	As of December 31, 2017	As of April 30, 2018
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Assets as per consolidated statements of financial position					
Financial assets at fair value through profit or loss:					
- Financial assets at fair value through profit or loss	19	2,511,740	5,569,886	5,944,693	6,803,812
- Short-term investments at fair value through profit or loss	20	784,400	12,607,872	17,030,574	4,382,479
		3,296,140	18,177,758	22,975,267	11,186,291
Financial assets at amortized costs:					
- Trade receivables	23	278,459	266,413	432,494	462,091
- Prepayments, deposits and other assets (excluding tax prepayments)	21	4,088,741	923,489	3,669,072	4,571,332
- Short-term investments measured at amortized costs	20	—	—	8,807,603	2,336,182
- Restricted cash	24(b)	2,502	325,287	4,458,761	6,136,251
- Cash and cash equivalents	24(a)	16,804,326	9,376,575	19,408,839	26,270,336
		21,174,028	10,891,764	36,776,769	39,776,192
Liabilities as per consolidated statement of financial position					
Financial liabilities at fair value through profit or loss:					
- Convertible redeemable preferred shares	29	49,874,217	63,687,007	101,418,292	125,120,953
		49,874,217	63,687,007	101,418,292	125,120,953
Financial liabilities at amortized costs:					
- Trade payables	30	441,565	1,299,747	2,666,799	3,673,603
- Payables to merchants		4,473,281	4,305,336	9,363,873	10,238,089
- Advance from transacting users		2,421,097	2,043,751	2,290,160	2,612,947
- Deposit from transacting users		—	—	—	7,579,302
- Other payables (excluding salaries and benefits payable and taxes payables)	31	388,111	1,018,314	1,400,989	3,673,131
- Redemption liabilities	27	1,169,007	369,636	316,264	322,466
- Other non-current liabilities		—	—	—	8,125
- Borrowings	32	—	1,000	162,000	1,217,000
		8,893,061	9,037,784	16,200,085	29,324,663

18 **Deferred income taxes**

The following amounts, determined after appropriate offsetting, are shown in the consolidated statements of financial position:

(a) ***Deferred tax assets***

	As of December 31,			As of April 30,
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
The balance comprises temporary differences attributable to:				
- Tax losses	256,048	904,349	768,674	1,515,233
- Others	4,258	2,973	10,723	10,723
Total gross deferred tax assets	260,306	907,322	779,397	1,525,956
Set-off of deferred tax assets pursuant to set-off provisions	(256,048)	(508,486)	(536,134)	(1,276,452)
Net deferred tax assets	4,258	398,836	243,263	249,504
Deferred tax assets:				
- to be recovered after 12 months	—	—	—	—
- to be recovered within 12 months	4,258	398,836	243,263	249,504
	4,258	398,836	243,263	249,504

(b) ***Deferred tax liabilities***

	As of December 31,			As of April 30,
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
The balance comprises temporary differences attributable to:				
- Intangible assets arising from business combinations	(599,895)	(628,247)	(582,895)	(1,331,789)
- Investments using the equity method or at fair value	(60,418)	(836,975)	(418,791)	(433,901)
- Deferred revenue	(38,314)	(216,703)	(584,567)	(596,060)
Total gross deferred tax liabilities	(698,627)	(1,681,925)	(1,586,253)	(2,361,750)
Set-off of deferred tax liabilities pursuant to set-off provisions	256,048	508,486	536,134	1,276,452
Net deferred tax liabilities	(442,579)	(1,173,439)	(1,050,119)	(1,085,298)
Deferred tax liabilities:				
- to be recovered after 12 months	(442,579)	(1,173,439)	(1,050,119)	(1,085,298)
- to be recovered within 12 months	—	—	—	—
	(442,579)	(1,173,439)	(1,050,119)	(1,085,298)

The movement on the gross deferred income tax assets is as follows:

	Tax losses	Others	Total
	RMB'000	*RMB'000*	*RMB'000*
At January 1, 2015	—	—	—
Business combinations	209,916	4,258	214,174
Credited/(charged) to the consolidated income statements	46,132	—	46,132
At December 31, 2015	256,048	4,258	260,306
At January 1, 2016	256,048	4,258	260,306
Business combinations	9,181	—	9,181
Credited/(charged) to the consolidated income statements	639,120	(1,285)	637,835
At December 31, 2016	904,349	2,973	907,322
At January 1, 2017	904,349	2,973	907,322
Credited/(charged) to the consolidated income statements	(135,675)	7,750	(127,925)
At December 31, 2017	768,674	10,723	779,397
(Unaudited)			
At January 1, 2017	904,349	2,973	907,322
Credited/(charged) to consolidated income statements	32,256	(1,089)	31,167
At April 30, 2017	936,605	1,884	938,489
At January 1, 2018	768,674	10,723	779,397
Business combinations	599,743	—	599,743
Credited/(charged) to consolidated income statements	146,816	—	146,816
At April 30, 2018	1,515,233	10,723	1,525,956

The gross movement on the deferred income tax liabilities is as follows:

	Intangible asset	Investments using the equity method or at fair value	Deferred revenue	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2015	—	—	—	—
Business combinations	(611,010)	(52,453)	—	(663,463)
Credited/(charged) to consolidated income statements	11,115	(6,944)	(38,314)	(34,143)
Charged to other comprehensive loss	—	(1,021)	—	(1,021)
At December 31, 2015	(599,895)	(60,418)	(38,314)	(698,627)
At January 1, 2016	(599,895)	(60,418)	(38,314)	(698,627)
Business combinations	(75,480)	—	—	(75,480)
Credited/(charged) to consolidated income statements	47,128	(770,164)	(178,389)	(901,425)
Charged to other comprehensive loss	—	(6,393)	—	(6,393)
At December 31, 2016	(628,247)	(836,975)	(216,703)	(1,681,925)
At January 1, 2017	(628,247)	(836,975)	(216,703)	(1,681,925)
Business combinations	(5,350)	—	—	(5,350)
Disposal of a subsidiary	858	—	—	858
Credited/(charged) to consolidated income statements	49,844	410,287	(367,864)	92,267
Credited to other comprehensive loss	—	7,897	—	7,897
At December 31, 2017	(582,895)	(418,791)	(584,567)	(1,586,253)
(Unaudited)				
At January 1, 2017	(628,247)	(836,975)	(216,703)	(1,681,925)
Credited/(charged) to consolidated income statement	16,383	(24,934)	(58,560)	(67,111)
Credited to other comprehensive loss	—	(639)	—	(639)
At April 30, 2017	(611,864)	(862,548)	(275,263)	(1,749,675)
At January 1, 2018	(582,895)	(418,791)	(584,567)	(1,586,253)
Business combinations	(775,000)	—	(10,467)	(785,467)
Credited/(charged) to consolidated income statement	26,106	(19,594)	(1,026)	5,486
Credited to other comprehensive loss	—	4,484	—	4,484
At April 30, 2018	(1,331,789)	(433,901)	(596,060)	(2,361,750)

The Group only recognizes deferred income tax assets for cumulative tax losses if it is probable that future taxable amounts will be available to utilize those tax losses. Management will continue to assess the recognition of deferred income tax assets in future reporting periods. As at December 31, 2015, 2016 and 2017 and April 30, 2018, the Group did not recognize deferred income tax assets of RMB1,702 million, RMB1,506 million, RMB2,921 million and RMB3,146 million in respect of cumulative tax losses amounting to RMB9,578 million, RMB7,325 million, RMB11,807 million and RMB15,978 million. These tax losses will expire from 2018 to 2022.

19 **Financial assets at fair value through profit or loss**

	As of December 31,			As of April 30,
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current				
Investments at fair value through profit or loss (Note a)	2,511,740	4,945,886	5,919,594	6,803,812
Put and call option for Maoyan (Note 35)	—	624,000	—	—
	2,511,740	5,569,886	5,919,594	6,803,812
Current				
Contingent consideration (Note 37(b))	—	—	25,099	—
	2,511,740	5,569,886	5,944,693	6,803,812

a) ***Investments at fair value through profit or loss***

	Year ended December 31,			Four months ended April 30,	
	2015	2016	2017	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
At the beginning of the year/period	29,500	2,511,740	4,945,886	4,945,886	5,919,594
Additions	794,707	2,457,692	647,921	26,801	829,657
Business combinations (Note 37)	1,611,331	9,504	—	—	12,880
Change in fair value	46,953	23,550	472,874	(176,490)	245,764
Disposal	—	(14,378)	(14,500)	—	(129,757)
Step acquisition from associates to subsidiaries(Note 37)	—	(191,473)	—	—	—
Currency translation differences	29,249	149,251	(132,587)	(13,129)	(74,326)
At the end of the year/period	2,511,740	4,945,886	5,919,594	4,783,068	6,803,812

During the Track Record Period, the Group made investment in some convertible redeemable preferred shares or ordinary shares with preferential rights issued by private investee companies. The Group maintained significant influence in these companies (Note i).

The Group also has interests in certain investee companies in form of ordinary shares without significant influence, which are managed and their performance are evaluated on a fair value basis. The Company designated these instruments as financial assets at fair value through profit or loss (Note ii).

	As of December 31,			As of April 30,
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Investments in associates at fair value through profit or loss (Note i)	867,665	1,016,755	1,608,298	1,574,902
Other investments at fair value through profit or loss (Note ii)	1,644,075	3,929,131	4,311,296	5,228,910
	2,511,740	4,945,886	5,919,594	6,803,812

(i) *Investments in associates at fair value through profit or loss*

	Year ended December 31,			Four months ended April 30,	
	2015	2016	2017	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
At the beginning of the year/period	29,500	867,665	1,016,755	1,016,755	1,608,298
Additions	409,596	479,943	582,344	—	55,000
Business combinations	418,299	2,250	—	—	7,580
Change in fair value	5,000	(163,019)	22,455	—	(248)
Disposal	—	(2,543)	(6,250)	—	(90,982)
Step acquisition from associates to subsidiaries (Note 37)	—	(191,473)	—	—	—
Currency translation differences	5,270	23,932	(7,006)	(678)	(4,746)
At the end of the year/period	867,665	1,016,755	1,608,298	1,016,077	1,574,902

(ii) *Other investments at fair value through profit or loss*

	Year ended December 31,			Four months ended April 30,	
	2015	2016	2017	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
At the beginning of the year/period	—	1,644,075	3,929,131	3,929,131	4,311,296
Additions	385,111	1,977,749	65,577	26,801	774,657
Business combinations	1,193,032	7,254	—	—	5,300
Change in fair value	41,953	186,569	450,419	(176,490)	246,012
Disposal	—	(11,835)	(8,250)	—	(38,775)
Currency translation differences	23,979	125,319	(125,581)	(12,451)	(69,580)
At the end of the year/period	1,644,075	3,929,131	4,311,296	3,766,991	5,228,910

The additions of financial assets at fair value through profit or loss in 2016 mainly arose from the disposal of Maoyan. The Group obtained the shares of Beijing Enlight Media Co., Ltd. as the consideration of the disposal of Maoyan. The value of the consideration is RMB1.9 billion. Please refer to Note 35(a) for details.

20 **Short-term investments**

	As of December 31,			As of April 30,
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Short-term investments measured at				
- Fair value through profit or loss	784,400	12,607,872	17,030,574	4,382,479
- Amortized cost	—	—	8,807,603	2,336,182
	784,400	12,607,872	25,838,177	6,718,661

a) ***Short-term investments measured at amortized cost***

Short-term investments measured at amortized cost are USD zero coupon certificate of deposit and term deposit above 3 months and within 1 year. They were neither past due nor impaired as of December 31, 2015, 2016 and 2017 and April 30, 2018.

b) ***Short-term investments measured at fair value through profit or loss***

The short-term investments measured at fair value through profit or loss are wealth management products. The principal and returns on all of these wealth management products are not guaranteed, and therefore the Group designated them as financial assets at fair value through profit or loss. The fair values are based on discounted cash flow using the expected return based on management judgment and are within level 3 of the fair value hierarchy (Note 3.3). Changes in fair value (realized and unrealized) of these financial assets had been recognized in "Other (losses)/gains, net" in the consolidated income statements.

Wealth management products with the amount of USD250 million was pledged to China Merchants Bank Co., Ltd. for the loans in mainland China as of December 31, 2017. These wealth management products were redeemed on maturity in January 2018.

Structured deposits with the amount of RMB300 million was pledged to China Merchants Bank Co., Ltd. for the loans of RMB285 million in mainland China as of April 30, 2018.

c) ***Short-term investments are denominated in the following currencies:***

	As of December 31,			As of April 30,
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
RMB	784,400	5,427,852	3,705,537	2,757,389
USD	—	7,180,020	22,132,640	3,961,272
	784,400	12,607,872	25,838,177	6,718,661

21 **Prepayments, deposits and other assets**

	As of December 31,			As of April 30,
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current				
Loan receivables (Note i)	—	—	137,968	80,543
Long term receivables	6,500	551	83,778	86,762
Rental deposits	85,495	65,091	85,785	95,542
Prepayment for assets under construction	—	—	—	58,883
Prepayment for investments	5,111	—	2,284	2,588
Others	10,145	2,920	2,525	3,052
	107,251	68,562	312,340	327,370
Current				
Tax prepayments	15,346	166,877	829,659	2,885,693
Receivables from third-party payment service providers	278,985	167,588	45,705	79,516
Deposits	201,689	100,706	83,285	140,308
Loan receivables (Note i)	—	73,905	1,592,997	2,011,211
Prepayments to merchants (Note ii)	3,075,075	238,232	107,808	156,904
Amounts due from related parties (Note 39)	146,576	9,767	89,216	87,543
Receivables from investment disposal (Note iii)	—	—	887,885	887,885
Others	279,165	264,729	549,836	880,595
	3,996,836	1,021,804	4,186,391	7,129,655

Note i) Loan receivables are derived from micro loan business. Loan receivables are recorded initially at fair value and subsequently measured at amortized cost using the effective interest method, less allowance for impairment. The loan periods extended by the Group to the merchants or individuals generally range from 3 months to 18 months. Breakdown for loan receivables included both current and non-current portion as follows:

	As of December 31,			As of April 30,
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Unsecured loan receivables	—	77,219	1,775,679	2,197,459
Less: allowance for impairment	—	(3,314)	(44,714)	(105,705)
	—	73,905	1,730,965	2,091,754

Movements on the Group's allowance for impairment of loan receivables are as follows:

	Year ended December 31,			Four months ended April 30,	
	2015	**2016**	**2017**	**2017**	**2018**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
At the beginning of the year/period	—	—	(3,314)	(3,314)	(57,074)
Provision	—	(4,811)	(55,014)	(9,219)	(72,690)
Receivables written off during the year/period as uncollectable	—	1,497	13,614	2,263	24,059
At the end of the year/period	—	(3,314)	(44,714)	(10,270)	(105,705)

For loan receivables outstanding at January 1, 2018, adjustments of RMB12,360 thousand of provisions for loan receivables was recognized in the opening accumulated losses.

Note ii) Prepayments to merchants are derived from in-store, hotel & travel services. The Group prepays the third-party merchants prior to their merchant's sales campaign of vouchers on the Group's online platform. The Group recognizes commission revenue from in-store, hotel & travel services when the vouchers and reservations are redeemed by transacting users to enjoy the goods or service. At each period end, prepayments to merchants are assessed for impairment to ensure the recoverability, by considering reliability of the assets and existence of advance from transacting users.

	As of December 31,			As of April 30,
	2015	**2016**	**2017**	**2018**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Prepayments to merchants	3,137,931	555,561	385,390	335,474
Less: allowance for impairment (a)	(62,856)	(317,329)	(277,582)	(178,570)
	3,075,075	238,232	107,808	156,904

(a) Majority of loss allowance are related to the non-performing balances for which 100% provision have been provided.

Movements on the Group's allowance for impairment of prepayments to merchants are as follows:

	Year ended December 31,			Four months ended April 30,	
	2015	2016	2017	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
At the beginning of the year/period	(27,148)	(62,856)	(317,329)	(317,329)	(277,582)
Provision	(35,708)	(294,649)	—	—	—
Reversal	—	—	39,689	34,124	31,716
Receivables written off during the year/period as uncollectable	—	40,176	58	—	67,296
At the end of the year/period	(62,856)	(317,329)	(277,582)	(283,205)	(178,570)

Note iii) The total consideration receivable from the disposal of Maoyan in 2017 was RMB1.78 billion with RMB888 million received in 2017 and RMB888 million outstanding as of April 30, 2018, which was fully collected in May 2018.

The remaining balances of prepayments, deposits and other assets which are subject to ECL model are all within performing stage with credit losses are limited to 12 months expected loss, which are not material (Note 3.1(b)).

As of December 31, 2015, 2016 and 2017 and April 30, 2018, the carrying value of prepayments, deposits and other assets was primarily denominated in RMB.

22 Inventories

	As of December 31,			As of April 30,
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Spare parts	—	—	—	140,789
Merchandise	7,860	36,581	88,374	124,886
	7,860	36,581	88,374	265,675

23 Trade receivables

	As of December 31,			As of April 30,
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	278,509	314,106	461,955	511,262
Less: allowance for impairment	(50)	(47,693)	(29,461)	(49,171)
	278,459	266,413	432,494	462,091

As of December 31, 2015, 2016 and 2017, individually significant receivables have been separately assessed for impairment. Allowance was set up against impaired receivables arising from credit default of several customers who are in financial difficulties.

Beginning from January 1, 2018, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the assets. The provision matrix is determined based on historical observed default rates over the expected life of the contract assets and trade receivables with similar credit risk characteristics and is adjusted for forward-looking estimates. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Movements on the Group's allowance for impairment of trade receivables are as follows:

	Year ended December 31,			Four months ended April 30,	
	2015	2016	2017	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
At the beginning of the year/period	(1,108)	(50)	(47,693)	(47,693)	(29,461)
Provision	—	(60,267)	(23,173)	(6,369)	(28,458)
Reversal	—	—	8,433	38	6,575
Receivables written off during the year/period as uncollectable	1,058	12,624	32,972	—	2,173
At the end of the year/period	(50)	(47,693)	(29,461)	(54,024)	(49,171)

The directors of the Group considered that the carrying amounts of the trade receivables balances approximated their fair value as of December 31, 2015, 2016 and 2017 and April 30, 2018.

The Group allows a credit period of 90 to 150 days to its customers. Aging analysis of trade receivables (net off allowance for impairment of trade receivables) based on invoice date is as follows:

	As of December 31,			As of April 30,
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables				
Up to 3 months	47,738	125,353	283,649	330,687
3 to 6 months	186,695	53,055	84,428	93,725
6 months to 1 year	44,026	70,933	56,958	31,786
Over 1 year	—	17,072	7,459	5,893
	278,459	266,413	432,494	462,091

As of December 31, 2015, 2016 and 2017, trade receivables of RMB133 million, RMB152 million and RMB175 million were past due but not impaired. These relate to a number of independent customers for whom there is no significant financial difficulty and based on past experiences, management believes the overdue amounts can be recovered. The aging analysis of these trade receivables is as follows:

	As of December 31,		
	2015	2016	2017
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables			
Up to 3 months	68,911	24,234	81,662
3 to 6 months	58,556	45,921	31,461
6 months to 1 year	5,879	65,485	57,045
Over 1 year	—	16,243	4,883
	133,346	151,883	175,051

The majority of the Group's trade receivables were denominated in RMB.

The maximum exposure to credit risk as of December 31, 2015, 2016 and 2017 and April 30, 2018 was the carrying value of the trade receivables. The Group did not hold any collateral as security.

24 Cash and balances with bank and financial institutions

(a) *Cash and cash equivalents*

	As of December 31,			As of April 30,
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash in hand and cash in bank	15,179,422	8,405,699	14,780,345	20,781,263
Term deposit with initial terms within three months	1,000,000	50,000	3,279,367	3,740,030
Cash held by financial institutions (Note i)	624,904	920,876	1,349,127	1,749,043
	16,804,326	9,376,575	19,408,839	26,270,336

Cash and cash equivalents are denominated in the following currencies:

	As of December 31,			As of April 30,
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
RMB	3,782,143	3,065,937	5,624,311	7,201,163
USD	13,022,020	6,307,714	13,776,847	18,965,172
JPY	—	317	1,759	77,983
Others	163	2,607	5,922	26,018
	16,804,326	9,376,575	19,408,839	26,270,336

Note i): The Group considers all highly liquid investments with an original maturity of three months or less, when purchased, to be cash equivalents. Cash and cash equivalents of the Group primarily represent bank deposits, fixed deposits with maturities less than three months and investments in money market funds. As of December 31, 2015, 2016 and 2017 and April 30, 2018, the Group had certain amounts of cash held in accounts managed by other financial institutions in connection with the provision of online and mobile commerce and related services in the amount of RMB625 million, RMB921 million RMB1,349 million and RMB1,749 million, respectively, which have been classified as cash and cash equivalents on the consolidated statements of financial position.

(b) ***Restricted cash***

Restricted cash are denominated in the following currencies:

	As of December 31,			As of April 30,
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
RMB	2,502	316,224	4,451,442	5,334,944
USD	—	8,476	7,319	801,307
Others	—	587	—	—
	2,502	325,287	4,458,761	6,136,251

As of December 31, 2016, RMB96.5 million and USD1.1 million (equivalent to approximately RMB7.8 million) restricted deposits were held by bank as letter of guarantee.

As of December 31, 2017, RMB143.4 million and USD1.1 million (equivalent to approximately RMB7.3 million) restricted deposits were held by bank as letter of guarantee.

As of April 30, 2018, RMB175.8 million and USD118.8 million (equivalent to approximately RMB753.2 million) restricted deposits were held by bank as letter of guarantee. Among the USD118.8 million, USD116.7 million (equivalent to approximately RMB739.8 million) was pledged to China Merchants bank Co., Ltd. for the loans of RMB482 million (Note 32).

25 Share capital and share premium

Authorized:

	Number of ordinary shares	Nominal value of ordinary shares	Number of preferred shares	Nominal value of preferred shares
	'000	*USD'000*	*'000*	*USD'000*
At January 1, 2015	—	—	—	—
Ordinary shares	9,000,000	90	—	—
Preferred shares	—	—	2,954,218	30
At December 31, 2015	9,000,000	90	2,954,218	30
At January 1, 2016	9,000,000	90	2,954,218	30
Ordinary shares	—	—	—	—
Preferred shares	—	—	—	—
At December 31, 2016	9,000,000	90	2,954,218	30
At January 1, 2017	9,000,000	90	2,954,218	30
Ordinary shares	1,000,000	10	—	—
Preferred shares	—	—	534,615	5
At December 31, 2017	10,000,000	100	3,488,833	35
(Unaudited)				
At January 1, 2017	9,000,000	90	2,954,218	30
Ordinary shares	—	—	—	—
Preferred shares	—	—	—	—
At April 30, 2017	9,000,000	90	2,954,218	30
At January 1, 2018	10,000,000	100	3,488,833	35
Ordinary shares	—	—	—	—
Preferred shares	—	—	252,168	2
At April 30, 2018	10,000,000	100	3,741,001	37

Issued:

	Number of ordinary shares	Nominal value of ordinary shares	Share capital	Share premium	Total
	'000	*USD'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2015	—	—	—	—	—
Issuance of ordinary shares from Reorganization	939,414	9	59	—	59
Business combinations (Note 37)	525,109	5	33	8,212,754	8,212,787
Exercise of option and RSU vesting	17,712	—	1	251,177	251,178
At December 31, 2015	1,482,235	14	93	8,463,931	8,464,024
At January 1, 2016	1,482,235	14	93	8,463,931	8,464,024
Business combinations (Note 37)	53,267	1	4	992,609	992,613
Repurchase of ordinary shares	(84,037)	(1)	(6)	(1,409,688)	(1,409,694)
Exercise of option and RSU vesting	32,531	—	2	520,770	520,772
At December 31, 2016	1,483,996	14	93	8,567,622	8,567,715
At January 1, 2017	1,483,996	14	93	8,567,622	8,567,715
Repurchase of ordinary shares	(21,996)	—	(1)	(526,738)	(526,739)
Exercise of option and RSU vesting	86,664	1	6	1,297,645	1,297,651
At December 31, 2017	1,548,664	15	98	9,338,529	9,338,627
(Unaudited)					
At January 1, 2017	1,483,996	14	93	8,567,622	8,567,715
Exercise of option and RSU vesting	53,474	1	4	843,525	843,529
Repurchase of ordinary shares	(3,580)	—	—	(63,968)	(63,968)
At April 30, 2017	1,533,890	15	97	9,347,179	9,347,276
At January 1, 2018	1,548,664	15	98	9,338,529	9,338,627
Exercise of option and RSU vesting	38,536	—	2	180,891	180,893
Repurchase of ordinary shares	(24,667)	—	(2)	(811,142)	(811,144)
Cancellation of ordinary shares	(1,005)	—	—	(29,307)	(29,307)
At April 30, 2018	1,561,528	15	98	8,678,971	8,679,069

Share Repurchases

During the Track Record Period, the Group executed share repurchases from certain employees and shareholders of the Company. All repurchased shares were retired upon repurchase. The fair value of the repurchased shares are reflected as a reduction to share capital and share premium in the Company's consolidated balance sheet. Any incremental amount paid, i.e., the difference between the repurchase price and per share fair value of the underlying ordinary shares, is recorded as compensation expenses in the Group's consolidated income statements.

In July 2016, the Company repurchased ordinary shares from certain shareholders of the Company as exercise of the put option that was granted in December 2015. A total of 46,630,000 shares were purchased at the per share price of USD3.86. Redemption liabilities related to the put option was derecognized (Note 27).

As of April 30, 2018, total number of 243,477,515 shares has been exercised or vested but in the process of registration.

Besides the share repurchase aforementioned, a trench of 40,987,012 shares were repurchased over a period between July 2016 and April 2017 at a per share price of USD3.86. The incremental amount paid of RMB287 million and RMB30 million was recorded in compensation expenses for the years ended December 31, 2016 and 2017, respectively.

During the period between December 2017 to April 2018, another trench of 43,083,273 shares were repurchased at a weighted average per share fair value of USD5.47. The incremental amount paid of RMB193 million and RMB49 million was recorded in compensation expenses for the year ended December 31, 2017 and the four months ended April 30, 2018.

26 **Other reserves**

	Capital reserve	Share-based compensation reserve	Currency translation reserve	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As of January 1, 2015	79	132,848	173,300	—	306,227
Issuance of ordinary shares	(59)	—	—	—	(59)
Business combinations	—	792,509	—	—	792,509
Put option granted to certain shareholders (Note 27)	(787,816)	40,244	—	—	(747,572)
Share-based compensation expenses	—	678,038	—	—	678,038
Exercise of option and RSU vesting	—	(250,506)	—	—	(250,506)
Currency translation differences	—	—	(1,255,004)	—	(1,255,004)
As of December 31, 2015	(787,796)	1,393,133	(1,081,704)	—	(476,367)
As of January 1, 2016	(787,796)	1,393,133	(1,081,704)	—	(476,367)
Repurchase of ordinary shares	787,816	(40,244)	—	—	747,572
Share-based compensation expenses	—	710,710	—	—	710,710
Exercise of option and RSU vesting	—	(507,215)	—	—	(507,215)
Transaction with non-controlling interests	—	—	—	(369,636)	(369,636)
Currency translation differences	—	—	(2,847,936)	—	(2,847,936)
As of December 31, 2016	20	1,556,384	(3,929,640)	(369,636)	(2,742,872)
As of January 1, 2017	20	1,556,384	(3,929,640)	(369,636)	(2,742,872)
Share-based compensation expenses	—	746,465	—	—	746,465
Exercise of option and RSU vesting	—	(1,070,615)	—	—	(1,070,615)
Transaction with non-controlling interests	—	—	—	20,810	20,810
Share of equity movement in an associate (Note 12(a))	—	—	—	82,829	82,829
Currency translation differences	—	—	3,429,486	—	3,429,486
As of December 31, 2017	20	1,232,234	(500,154)	(265,997)	466,103

	Capital reserve	Share-based compensation reserve	Currency translation reserve	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
(Unaudited)					
As of January 1, 2017	20	1,556,384	(3,929,640)	(369,636)	(2,742,872)
Share-based compensation expenses	—	175,957	—	—	175,957
Exercise of option and RSU vesting	—	(681,436)	—	—	(681,436)
Transaction with non-controlling interests	—	—	—	(7,250)	(7,250)
Share of equity movement in an associate (Note 12(a))	—	—	—	82,829	82,829
Currency translation differences	—	—	304,601	—	304,601
As of April 30, 2017	20	1,050,905	(3,625,039)	(294,057)	(2,868,171)
As of January 1, 2018	20	1,232,234	(500,154)	(265,997)	466,103
Adjustment on adoption of IFRS9 (net of tax)	—	—	—	(423,731)	(423,731)
As of January 1, 2018	20	1,232,234	(500,154)	(689,728)	42,372
Business combinations	—	231,736	—	—	231,736
Share-based compensation expenses	—	359,427	—	—	359,427
Exercise of option and RSU vesting	—	(161,481)	—	—	(161,481)
Transaction with non-controlling interests	—	—	—	(18,772)	(18,772)
Preferred shares fair value change due to own credit risk	—	—	—	(149,880)	(149,880)
Currency translation differences	—	—	1,574,276	—	1,574,276
As of April 30, 2018	20	1,661,916	1,074,122	(858,380)	1,877,678

27 **Redemption liabilities**

	As of December 31,			As of April 30,
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Redemption liability in relation to a put option granted to the shareholders of the Company (Note a)	1,169,007	—	—	—
Redemption liabilities in relation to put options granted to non-controlling shareholders of subsidiaries (Note b)	—	369,636	316,264	322,466
	1,169,007	369,636	316,264	322,466

a) ***Redemption liability in relation to a put option granted to the shareholders of the Company***

In December 2015, a put option was granted to certain shareholders of the Company to sell their ordinary shares to the Company held by them, at a price equivalent of Series B Preferred Shares issuance price, within 12 months after the issuance of Series B Preferred Shares. Accordingly, the Group recognized the debt component of the compound financial instrument at present value of the redemption price in the amount of RMB1,169 million at issuance date, and the difference between that amount and the fair value of the compound financial instrument as a whole is the equity component in the amount of RMB40 million, the Group deducted capital reserve of RMB788 million representing the fair value of the ordinary shares, and recognized a compensation expenses in the aggregate of RMB404 million for the repurchase price premium in excess of the fair value of such ordinary shares at the grant date.

b) ***Redemption liabilities in relation to put options granted to non-controlling shareholders of subsidiaries***

In 2016, the Group acquired 71% equity interests in Beijing Puzhao Tianxing Technology Co., Ltd. ("Tianzixing"), 60% equity interests in Beijing Pingxin Technology Co., Ltd. ("Pingxin"), 67.17% equity interests in Shanghai Bieyanghong Information Technology Co., Ltd. ("Bieyanghong"), and 75% equity interests in Shenzhen Hanglu Travel Co., Ltd ("Hanglu"). According to the shareholders agreement in respect to Tianzixing, Pingxin, Bieyanghong and Hanglu, the respective founders, representing the non-controlling shareholders of Tianzixing, Pingxin, Bieyanghong and Hanglu after the Group's acquisition, shall have the right to request the Group to purchase the founders' equity interests in Tianzixing, Pingxin, Bieyanghong and Hanglu when certain conditions are met. The purchase price was determined at a fixed amount based on the per share price on the acquisition date with an increase of 6% per annum. Accordingly, the redemption liabilities were initially recognized by the Group upon the acquisition of Tianzixing, Pingxin, Bieyanghong and Hanglu as the present value of the estimated future cash outflows under the put option arrangement, and were accreted to redemption amount. Subsequently from September to November 2017, the founders exercised part of the put option and upon the Group's disposal of Tianzixing, the remaining put option of Tianzixing was cancelled and therefore related liability was derecognized.

28 **Deferred revenues**

	As of December 31,			As of April 30,
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-Current				
Business cooperation agreement with Maoyan	—	860,000	833,500	759,411
Current				
Online marketing services	472,390	972,548	1,891,948	2,128,813
Business cooperation agreement with Maoyan	—	240,000	222,267	222,267
Others	—	—	—	32,163
	472,390	1,212,548	2,114,215	2,383,243
	472,390	2,072,548	2,947,715	3,142,654

Movements on the Group's deferred revenues are as follows:

	Year ended December 31,			Four months ended April 30,	
	2015	2016	2017	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
At the beginning of the year/period	6,062	472,390	2,072,548	2,072,548	2,947,715
Add:					
Business cooperation agreement with Maoyan (Note i)	—	1,200,000	191,334	—	—
Receipt from online marketing customers	744,943	3,004,362	5,798,999	1,360,620	2,531,128
Others	—	—	—	—	77,510
Less:					
Business cooperation agreement with Maoyan amortization	—	(100,000)	(235,567)	(80,000)	(74,089)
Online marketing revenue recognition	(278,615)	(2,504,204)	(4,879,599)	(1,124,806)	(2,294,430)
Others	—	—	—	—	(45,180)
At the end of the year/period	472,390	2,072,548	2,947,715	2,228,362	3,142,654

Note i) In July 2016, as part of the Group's disposal of Maoyan (Note 35), the Group entered into a business cooperation agreement with Maoyan for a 5-year period. Subsequently in September 2017, the agreement was extended for 14 months (Note 12). The Group recognizes the revenue over the contract period.

29 **Convertible redeemable preferred shares**

On October 6, 2015, together with the strategic transaction of Meituan and Dianping (Note 37), the Company issued the following Preferred Shares to Dianping's then shareholders:

- 33,935,505 Series A-1 Preferred Shares; and
- 95,019,432 Series A-2 Preferred Shares; and
- 27,154,537 Series A-3 Preferred Shares; and
- 100,615,063 Series A-7 Preferred Shares; and
- 62,065,213 Series A-8 Preferred Shares; and
- 201,931,252 Series A-9 Preferred Shares; and
- 274,892,841 Series A-10 Preferred Shares.

The Reorganization (Note 1.2) and the above acqusition resulted in the issuance of a total of 1,954,217,809 shares of Series A-1 through A-11 Preferred Shares.

In November 2015, the Company issued Series B Preferred Shares at an issue price of USD3.86 per share. Series B Preferred Shares were continuously issued beginning from November 2015 to August 2016 and total 801,039,606 shares were issued.

In October 2017, the Company issued Series C Preferred Shares at an issue price of USD5.59 per share. Total of 733,575,936 shares were issued.

In April 2018, the Company issued 167,703,791 shares of Series A-12 Preferred Shares in connection with the acquisition of Mobike (Note 37).

Upon issuance of Series A-12 Preferred shares, a total of 2,121,921,600 shares were issued (Series A-1 through A-12, "Series A Preferred Shares").

The key terms of all series of Preferred Shares effective and applicable during Track Record Period are as follows:

Conversion

Each Preferred Share may, at the option of the holders, be converted at any time after the original issue date into fully-paid and non-assessable ordinary shares at an initial conversion ratio of 1:1 subject to (i) adjustment for share splits and combinations; (ii) adjustment for ordinary share dividends and distributions; (iii) adjustments for other dividends; and (iv) adjustment in Preferred Share conversion price for dilutive issuances.

In addition, each Preferred Share shall automatically be converted, without the payment of any additional consideration, into fully-paid and non-assessable ordinary shares based on the then-effective applicable conversion price upon the earlier of:

(i) the closing of a Qualified [REDACTED], or

(ii) the date specified by written consent or agreement of holders of a majority of the outstanding Preferred Shares; provided, however, that (a) no Series B Preferred Shares can be converted into ordinary shares without the prior written consent or agreement of holders of a majority of the outstanding Series B Preference shares, voting as a separate class; and (b) no Series C Preferred Shares can be converted into ordinary shares without the prior written consent or agreement of holders of a majority of the outstanding Series C Preferred Shares, voting as a separate class.

"Qualified [REDACTED]" is defined as a firm [REDACTED] [REDACTED] of the ordinary shares and the [REDACTED] of such shares for trading on the New York [REDACTED], [REDACTED], [REDACTED] of the Hong Kong [REDACTED] or any other internationally recognized stock exchange as approved by the Company and the holders of at least a majority of voting power of all Preferred Shares (voting as a single class), with a minimum valuation of a certain amount on a fully diluted basis immediately prior to the consummation of the [REDACTED] or agreed in writing by the holders of at least a majority of voting power of all outstanding Preferred Shares (voting as a single class), at least a majority of voting power of all outstanding Series C Preferred Shares (voting as a separate class), and a majority of voting power of all outstanding Series C Preferred Shares held by certain Series C shareholders.

Prior to the issuance of Series C Preferred Shares, specific conditions attached to above conversion rights in relation to Series C shareholders as summarized above were not applicable.

Liquidation preference

Upon Liquidation Event, whether voluntary or involuntary, before any distribution or payment shall be made to the ordinary shareholders, each holder of Series B and Series C Preferred Shares shall be entitled to receive an "Liquidation Preference Amount" equal to the greater of (i) 120% of the Series B or C issuance price plus all declared but unpaid dividends and (ii) amount each holder would have received had the Series B and C Preferred Shares been converted into ordinary shares immediately prior to the closing of such Liquidation Events, and each holder of Series A Preferred Shares shall be entitled to receive 100% of the issuance price, plus all declared but unpaid dividends.

If the assets of the Company shall be insufficient to make payment of the foregoing amounts in full on all the Preferred Shares, then such assets shall be distributed among the holders of Preferred Share, ratably in proportion to the full amounts to which they would otherwise be respectively entitled thereon. After distribution or payment in full of the amount distributable or payable on any Preferred Shares, the assets of the Company legally available for distribution shall be distributed pro-rata among the holders of the ordinary shares.

The Liquidation Events are defined to include: (i) any liquidation, winding-up, or dissolution of any group company (as defined in the share purchase agreement); (ii) any merger, acquisition, sale of voting control, amalgamation or consolidation of any group company, as a result of which the shareholders of the Company will cease to own a majority of the Equity Securities or voting power of the surviving entity; (iii) any sale of any group company or any sale or distribution of all or substantially all of the assets of any group company; (iv) the exclusive licensing of all or substantially all of the intellectual property of any group company to a third-party unaffiliated with any group company; or (v) any transfer in which a majority of the outstanding voting power of the Company is transferred; unless waived in writing by the holders of at least a majority of the then outstanding Preferred Shares. There is no liquidation events triggered throughout the Track Record Period and not expected to occur in the near future.

Redemption features

Subject to the law and applicable provisions of these Articles, if any, the Company may purchase its own shares as the directors may determine and agree with the shareholder. Under specific conditions as provided in the Article of Association, the holders of Series C Preferred Shares shall be entitled to sell their Series C Preferred Shares to the Company on the same terms and in the same manner on a pro rata basis.

Prior to the issuance of Series C Preferred Shares, the Article of Association stated that the Company may purchase its own Shares (including any redeemable Shares), and the holders of Series B Preferred Shares shall be entitled to sell their Series B Preferred Shares to the Company on the same terms and in the same manner on a pro rata basis. In 2016, the Company repurchased certain amount of ordinary shares and RMB1.27 billion of Series B Preferred Shares are therefore subject to be redeemed by Series B Preferred Shareholders. This redemption feature attributable to Series B Preferred Shareholder was removed upon the issuance of Series C Preferred Shares.

Dividends

Non-cumulative dividends of 8% per annum when and if declared by the board of the Company (the "Board"), with preference to Series C preferred shareholders, followed by series B preferred shareholders, followed by each tranche of Series A from A-12 until A-1, and then ordinary shares, in that order.

Voting rights

Each Preferred share has voting rights equivalent to the number of ordinary shares into which such Preferred shares could be then convertible.

The Group monitors Series A, B, and C Preferred Shares on a fair value basis which is in accordance with its risk management strategy and does not bifurcate any embedded derivatives from the host instruments and designates entire instruments as a financial liability at fair value through profit or loss with the changes in the fair value recorded in the consolidated income statements.

The movements of the convertible redeemable preferred share are set out as below:

	RMB'000
As of January 1, 2015 (Note i)	14,722,661
Issuance of Series A-11 Preferred Shares (Note i)	4,294,592
Business combinations (Note 37(a))	14,139,698
Issuance of Series B Preferred Shares	14,511,204
Change in fair value	725,113
Currency translation differences	1,480,949
As of December 31, 2015	49,874,217
As of January 1, 2016	49,874,217
Issuance of Series B Preferred Shares	5,590,974
Change in fair value	4,313,365
Currency translation differences	3,908,451
As of December 31, 2016	63,687,007
As of January 1, 2017	63,687,007
Issuance of Series C Preferred Shares	27,109,363
Change in fair value	15,138,824
Currency translation differences	(4,516,902)
As of December 31, 2017	101,418,292
(Unaudited)	
As of January 1, 2017	63,687,007
Change in fair value	7,435,977
Currency translation differences	(393,747)
As of April 30, 2017	70,729,237
As of January 1, 2018	101,418,292
Issuance of Series A-12 preferred shares	5,888,472
Change in fair value	20,649,681
Includes: change in fair value due to own credit risk	149,880
Currency translation differences	(2,835,492)
As of April 30, 2018	125,120,953

Note i) The opening balance represents the fair value of Meituan Series A, B, C Preferred Shares. The Series A-11 Preferred Shares represents Meituan Series D Preferred Shares. All Meituan Series A, B, C, D Preferred Shares were cancelled and exchange for the Company's Series A-4, 5, 6, 11 Preferred Shares.

The Group applied the discount cash flow method to determine the underlying equity value of the Company and adopted option-pricing method and equity allocation model to determine the fair value of the convertible redeemable preferred shares. Key assumptions are set as below:

	As of December 31,			As of April 30,	
	2015	2016	2017	2017	2018
Discount rate	30%	25%	28%	25%	25%
Risk-free interest rate	1.9%	2.1%	2.5%	2.2%	2.9%
DLOM	19%	17%	13%	15%	8%
Volatility	50%	55%	40%	40%	45%

Discount rate was estimated by weighted average cost of capital as of each appraisal date. The Group estimated the risk-free interest rate based on the yield of US Treasury Strips with a maturity life equal to period from the respective appraisal dates to expected liquidation date. Volatility was estimated at the dates of appraisal based on average of historical volatilities of the comparable companies in the same industry for a period from the respective appraisal dates to expected liquidation date. In addition to the assumptions adopted above, the Company's projections of future performance were also factored into the determination of the fair value of Series A, B, and C on each appraisal date.

30 **Trade payables**

	As of December 31,			As of April 30,
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	441,565	1,299,747	2,666,799	3,673,603

As of December 31, 2015, 2016 and 2017 and April 30, 2018, the aging analysis of the trade payables based on invoice date were as follows:

	As of December 31,			As of April 30,
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables				
Up to 3 months	435,630	1,037,902	1,995,402	2,641,806
3 to 6 months	4,349	239,340	662,168	867,602
6 months to 1 year	1,496	15,462	2,523	155,136
Over 1 year	90	7,043	6,706	9,059
	441,565	1,299,747	2,666,799	3,673,603

The majority of the Group's trade payables were denominated in RMB.

31 **Other payables and accruals**

	As of December 31,			As of April 30,
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Payables for acquisition	—	272,945	37,305	2,044,846
Salaries and benefits payable	791,187	1,022,054	1,691,320	1,635,488
Deposits	100,914	344,878	665,013	848,916
Tax payable	86,085	299,079	828,014	554,311
Amounts due to related parties (Note 39)	21,502	181,052	212,984	258,882
Accrued expenses	236,204	84,792	239,217	166,757
Others	29,491	134,647	246,470	353,730
	1,265,383	2,339,447	3,920,323	5,862,930

Except for RMB2,026 million payables for acquisition of Mobike, which is denominated in USD, the majority of other balances are denominated in RMB.

32 **Borrowings**

	As of December 31,			As of April 30,
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Bank loan - secured	—	1,000	162,000	767,000
Bank loan - unsecured	—	—	—	450,000
	—	1,000	162,000	1,217,000

Bank borrowings of RMB917 million and RMB300 million will be repayable in 2018 and 2019 and bear annual average interest rate of 5.063% (2017: 4.785%). The amount of RMB482 million borrowing is secured by oversea letter of guarantee with the amount of USD116.7 million. The amount of RMB285 million borrowing is secured by structured deposit with the amount of RMB300 million. Both oversea letter of guarantee and structured deposit are pledged to China Merchants Bank Co., Ltd. For the four months ended April 30, 2018, the weighted average effective interest rate was 5.906% (2017: 7.324%).

33 **Share-based payments**

Before the Reorganization

In June 2011, the board of directors of Meituan approved the establishment of the "2011 Stock Incentive Plan" ("Meituan Plan"), an equity-settled share-based compensation plan with the purpose of providing incentives and rewards to its employees, officers, directors or any other qualified persons ("Grantees"). The Meituan Plan is valid and effective for 10 years from the date of approval by the board of directors and shareholders of Meituan. A maximum aggregate amount of 20,000,000 ordinary shares were reserved for future issuance in the form of share options or restricted share units. In 2015, the Meituan Plan was amended to increase the maximum aggregate amount of shares issuable under the plan to 120,000,000 ordinary shares. The board of Meituan or any appointed committee shall determine the qualified Grantees, the number of options or restricted share units to be granted under the plan, vesting schedules, repurchase provisions, payment conditions, and performance satisfaction criteria.

According to the Meituan Plan, the awards issued to Grantees shall be subject to a minimum four-year vesting schedule, with one-fourth of the total granted options or shares to vest at the first anniversary of the vesting commencement date, and later vesting schedule could be at a monthly, quarterly or annual frequency subject to the award agreement with the Grantees. Grantees have the right to exercise their vested options within three months of termination of employment, or the vested options would expire.

Before the Reorganization, Meituan had granted 23 batches of share options and 4 batches of RSUs to employees, directors and qualified persons. As of October 5, 2015, immediately prior to the Reorganization, there was a total of 52,612,996 share options outstanding and 191,667 RSUs awarded and outstanding under the Meituan Plan.

After the Reorganization

On October 6, 2015, the board of directors of the Company approved the establishment of the Company's 2015 Share Incentive Plan ("2015 Share Incentive Plan"), an equity-settled share-based compensation plan with the purpose of attracting, motivating, retaining and rewarding certain employees, consultants, and directors. The 2015 Share Incentive Plan is valid and effective for 10 years from the date of approval by the board of directors. The Group has reserved 598,483,347 ordinary shares under the 2015 Share Incentive Plan, and permits the awards of options and RSUs of the Company's ordinary shares.

Upon the Reorganization that occurred on October 5, 2015, the Company exchanged all outstanding options and RSUs awarded under the Meituan Plan into the 2015 Share Incentive Plan at a ratio of 1:2 ("Share exchange adjustment"). Each option or RSU under the Meituan plan that was outstanding immediately prior, were automatically converted into two share options or RSUs. After the share exchange, the Meituan Plan ceased to operate. This share exchange represents a modification of the awards under the accounting guidance. The incremental fair value granted, calculated as the difference between the fair value of the modified share-based awards and that of the original share-based awards as of the modification date, has been included in the measurement of the amount recognized for the services received over the remainder of the vesting period.

As of October 5, 2015, immediately after the Reorganization, there was a total of 105,225,992 share options outstanding and 383,334 RSUs awarded and outstanding under the 2015 Share Incentive Plan.

After the strategic transaction of Meituan and Dianping

On October 6, 2015, Meituan and Dianping entered into a strategic transaction (Note 37), and the Group assumed all the outstanding incentive share awards of Dianping (the "Assumed Awards"). The number and types of the shares issuable upon the exercise and/or vesting of the Assumed Awards, and the applicable exercise price for share options were adjusted according to the same term as the 2015 Share Incentive Plan. After the replacement awards were issued, Dianping's original incentive plan ceased to operate.

A total of 57,423,196 share options and 77,150,584 RSUs were assumed by the Group as part of the strategic transaction of Meituan and Dianping. The Assumed Awards have been analysed to determine whether the awards relate to pre-combination or post-combination services or both. To the extent Assumed Awards are for pre-combination services, a portion of the value of the awards has been allocated to the consideration transferred for the acquiree. To the extent the Assumed Awards are for post-combination services, the value of the awards is recognized as compensation expenses attributable to post-combination services.

The incremental fair value, calculated as the difference between the fair value of the 2015 Share Incentive Plan replacement awards and the fair value of the Dianping acquiree awards as of the acquisition date, has been included in the measurement of the amount recognized for the services received over the remainder of the vesting period, and is recognized in the Group's consolidated income statements as share-based compensation expenses. The expenses related to these options were RMB15 million, RMB8 million, RMB3 million, RMB1 million and RMB-9 million, and the expenses related to the RSUs were RMB48 million, RMB61 million, RMB26 million, RMB15 million and RMB4 million for the years ended December 31, 2015, 2016, and 2017, and the four months ended April 30, 2017 and 2018, respectively.

In addition, as part of the strategic transaction of Meituan and Dianping, the Group recorded compensation expenses of RMB1,545 million for compensation paid to certain shareholders of Dianping. This represents the excess in fair value that certain shareholders received. Refer to Note 37 for further details.

Modification of share-based payment arrangements

In July 2016, the Group completed the disposal of Maoyan. As a result of the transaction, the Group modified previously awarded share options and RSUs under the 2015 Incentive Share Plan not yet vested and held by Maoyan grantees, by allowing them to vest for one additional year ("Maoyan modification"). The Group determined that this modification was attributed to both the disposal transaction and for its own future benefit. Accordingly, the Group has accounted for the one additional year proportionately to the amount of equity interests disposed; 67.4% was attributed to the disposal and therefore factored into the disposal consideration; 32.6% was attributed to the future benefit received from its investment in an associate, and is therefore treated as a contribution to associates

during the vesting period and a proportionate share of expenses picked up from an associate. For those awards that had a remaining original vesting period greater than one year, this incremental portion that will not vest were cancelled and accordingly expensed as compensation expenses at the disposal date. For those awards that had a remaining original vesting period within one year, it will not be cancelled. Please refer to Note 11 and 35 for further details on the disposal transaction.

After the business combination with Mobike

On April 4, 2018, the Company and Mobike entered into a strategic transaction (Note 37), and the Group assumed all the outstanding incentive share awards of Mobike (the "Mobike option replacement"). The number and types of the shares issuable upon the exercise of the Mobike option replacement, and the applicable exercise price for share options were adjusted according to the same term as the 2015 Share Incentive Plan. After the replacement awards were issued, Mobike's original incentive plan ceased to operate.

A total of 21,290,122 share options were assumed by the Group in the acquisition of Mobike. The Mobike option replacement has been analysed to determine whether the awards relate to pre-combination or post-combination services or both. To the extent Mobike option replacement is for pre-combination services, a portion of the value of the awards has been allocated to the consideration transferred for the acquiree. To the extent the Mobike option replacement is for post-combination services, the value of the awards is recognized as compensation expenses attributable to post-combination services.

The incremental fair value, calculated as the difference between the fair value of share option award assumed by the Group in the Mobike option replacement and the fair value of the outstanding incentive share awards of Mobike as of the acquisition date, has been included in the measurement of the amount recognized for the services received over the remainder of the vesting period, and is recognized in the Group's consolidated income statements as share-based compensation expenses.

In addition, according to the merger agreement with Mobike, RSUs of the Company with a total valuation of USD60 million shall be granted to current Mobike officers, directors, and employees, and subject to the Company's Share Incentive Plan. The Company recorded share-based compensation expenses over the service period based on its best estimate of the grant day fair value of related RSUs.

As of April 30, 2018, the Group has authorised and reserved 719,438,063 ordinary shares under the 2015 Share Incentive Plan for awards of options and RSUs of the Company's ordinary shares.

Share options

Options granted typically expire in 10 years from the respective grant dates. For previously granted options that were near its expiration date (i.e., 10 years after grant date) in 2016 and 2017, their expiration date was extended to October 5, 2025. The options have graded vesting terms, and vest in tranches from the grant date over 4 years, on condition that employees remain in service without any performance requirements.

The options may be exercised at any time after they have vested subject to the terms of the award agreement and are exercisable for a maximum period of 10 years after the date of grant.

Movements in the number of share options granted and their related weighted average exercise prices are as follows:

	Number of share options	Weighted average exercise price per share option
		(USD)
Outstanding as of December 31, 2014	39,476,975	0.84
Granted during the period	14,280,604	4.99
Forfeited during the period	(1,054,691)	1.49
Exercised during the period	(89,892)	0.38
Outstanding as of October 5, 2015	52,612,996	1.96
Share exchange adjustment	52,612,996	
Assumed awards adjustment	57,423,196	
Outstanding as of October 6, 2015	162,649,188	0.77
Granted during the period	7,518,960	3.16
Forfeited during the period	(827,428)	1.35
Exercised during the period	(122,706)	0.60
Outstanding as of December 31, 2015	169,218,014	0.87
Vested and exercisable as of December 31, 2015	95,551,697	0.24
Granted during the year	16,116,772	3.77
Forfeited during the year	(11,821,497)	1.56
Exercised during the year	(11,018,157)	0.19
Maoyan modification	(3,089,217)	2.11
Outstanding as of December 31, 2016	159,405,915	1.14
Vested and exercisable as of December 31, 2016	105,769,782	0.50
Granted during the year	31,381,500	3.86
Forfeited during the year	(6,876,245)	2.96
Exercised during the year	(61,949,755)	0.72
Outstanding as of December 31, 2017	121,961,415	1.94
Vested and exercisable as of December 31, 2017	62,477,476	0.65
Granted during the period	2,420,210	2.23
Mobike option replacement	21,290,122	1.34
Forfeited during the period	(2,873,839)	1.55
Exercised during the period	(33,311,537)	0.30
Outstanding as of April 30, 2018	109,486,371	2.34
Vested and exercisable as of April 30, 2018	37,566,222	1.12

	Number of share options	Weighted average exercise price per share option
		(USD)
(Unaudited)		
Outstanding as of December 31, 2016	159,405,915	1.14
Granted during the period	2,314,000	3.85
Forfeited during the period	(4,268,447)	2.52
Exercised during the period	(42,808,402)	0.38
Outstanding as of April 30, 2017	114,643,066	1.42
Vested and exercisable as of April 30, 2017	70,628,085	0.66

The weighted average remaining contractual life of outstanding share options was 7 years, 6 years, 7 years and 8 years as of December 31, 2015, 2016 and 2017 and April 30, 2018, respectively.

Fair value of share options

The Group has used the discounted cash flow method to determine the underlying equity fair value of the Company and adopted option-pricing model and equity allocation model to determine the fair value of the underlying ordinary shares. Key assumptions, such as discount rate and projections of future performance, are determined by the Group with best estimate.

Based on fair value of the underlying ordinary shares, the Group has used Black-Scholes model to determine the fair value of the share option as of the grant date. Key assumptions are set as below:

	As of December 31,			As of April 30,	
	2015	2016	2017	2017	2018
				(Unaudited)	
Risk-free interest rates	1.1%-2.7%	2.2%-2.9%	2.2%-3.1%	2.2%-3.1%	3.2%-3.6%
Expected term - years	0.5-5.9	6.3-6.8	5.9-6.4	6.3-6.4	2.8-6.1
Expected volatility	50.0%-60.0%	40.0%-50.0%	40.0%-55.0%	40.0%-55.0%	45.0%-50.0%
Fair value of ordinary shares (USD)	2.47-2.60	2.60-2.67	2.87-3.85	2.87	5.18
Exercise price (USD)	0-3.16	3.16-3.86	3.86	3.86	0-2.43
Dividend yield	—	—	—	—	—

The weighted average fair value of granted options was USD1.55, USD1.03, USD1.94, USD1.33 and USD4.21 per share, for the years ended December 31, 2015, 2016 and 2017 and the four months ended April 30, 2017 and 2018, respectively.

RSUs

The Company also grants RSUs to the Company's employees, consultants, and directors under the 2015 Incentive Share Plan. The RSUs awarded vest in tranches from the grant date over a certain service period, on condition that employees remain in service without any performance requirements. Once the vesting conditions underlying the respective RSUs are met, the RSUs are considered duly and validly issued to the holder, and free of restrictions on transfer.

Movements in the number of RSUs granted and the respective weighted average grant date fair value are as follows:

	Number of RSUs	Weighted average grant date fair value per RSU
		(USD)
Outstanding as of December 31, 2014	1,191,875	0.22
Vested during the period	(1,000,208)	0.22
Outstanding as of October 5, 2015	191,667	0.22
Share exchange adjustment	191,667	
Assumed awards adjustment	77,150,584	
Outstanding as of October 6, 2015	77,533,918	2.05
Granted during the period	2,128,933	2.60
Vested during the period	(16,499,446)	2.02
Forfeited during the period	(2,162,048)	2.06
Outstanding as of December 31, 2015	61,001,357	2.08
Granted during the year	42,589,265	2.65
Vested during the year	(21,512,384)	2.12
Forfeited during the year	(8,371,884)	2.17
Maoyan modification	(2,446,089)	2.28
Outstanding as of December 31, 2016	71,260,265	2.39
Granted during the year	80,815,301	3.71
Vested during the year	(24,714,694)	2.27
Forfeited during the year	(12,854,880)	2.45
Outstanding as of December 31, 2017	114,505,992	3.34
Granted during the period	5,060,650	3.85
Vested during the period	(5,223,917)	2.57
Forfeited during the period	(2,672,567)	3.34
Outstanding as of April 30, 2018	111,670,158	3.40
(Unaudited)		
Outstanding as of December 31, 2016	71,260,265	2.39
Granted during the period	10,269,830	2.90
Vested during the period	(10,665,218)	2.21
Forfeited during the period	(3,583,826)	2.44
Outstanding as of April 30, 2017	67,281,051	2.49

The fair value of each RSU at the grant dates is determined by reference to the fair value of the underlying ordinary shares on the date of grant.

The total share-based compensation expenses recognized in the consolidated income statements are RMB2,599 million, RMB913 million, RMB971 million, RMB206 million and RMB408 million for the years ended December 31, 2015, 2016 and 2017 and the four months ended April 30, 2017 and 2018, respectively. The following table sets forth a breakdown of the share-based compensation expenses by nature:

	Year ended December 31,			Four months ended April 30,	
	2015	2016	2017	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Share options	308,912	152,543	141,055	33,440	61,060
RSUs	341,779	473,126	605,410	142,517	298,367
Compensation to shareholders of Dianping	1,544,541	—	—	—	—
Incremental fair value for repurchase of ordinary shares (Note 25)	404,146	287,406	223,154	29,882	48,660
Others	—	—	1,481	538	—
	2,599,378	913,075	971,100	206,377	408,087

34 Dividends

No dividends have been paid or declared by the Company during each of the years ended December 31, 2015, 2016 and 2017 and the four months ended April 30, 2017 and 2018.

35 Discontinued operation

	Year ended December 31,			Four months ended April 30,	
	2015	2016	2017	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Gain on disposals of subsidiaries (Note 11)	—	5,912,681	—	—	—
Loss from discontinued operation	(1,288,257)	(808,680)	—	—	—
(Loss)/profit from discontinued operation	(1,288,257)	5,104,001	—	—	—

a) ***Details of the disposal of the subsidiary-Maoyan***

	July 31, 2016
	RMB'000
Total consideration received or receivable (Note i)	
- Cash consideration received	2,383,000
- Equity interests received	1,939,702
Fair value of the retained interest from partial disposal of Maoyan (Note i)	2,200,000
Put and call option for Maoyan at fair value through profit or loss (Note ii)	631,000
Deferred revenue (Note iii)	(1,200,000)
Related share-based compensation (Note 33)	(7,107)
Total disposal consideration	5,946,595
Carrying amount of net assets disposed	33,914
Gain on disposal before income tax and reclassification of foreign currency transaction reserve	5,912,681
Reclassification of foreign currency translation reserve	—
Income tax expense on gain	—
Gain on disposal after income tax	5,912,681

Note i) In July 2016, the Group disposed its movie distribution business, which provided local deal, ticketing and seat reservation services for movie theatres mainly through Maoyan. The Group sold 67.4% equity interests it held in Maoyan to Shanghai Enlight Investment Holdings Co., Ltd and Beijing Enlight Media Co., Ltd. for a total consideration of RMB4.3 billion, which consisted of RMB2.4 billion in cash and RMB1.9 billion in equity interest of Beijing Enlight Media Co., Ltd., The transaction was completed as at July 31, 2016 and the retained 32.6% equity interest in Maoyan had been recognized at fair value of RMB2.2 billion at the disposal date and subsequently, has been accounted for using the equity method since the Group concluded that it has significant influence over Maoyan through its representation on the board of directors through 2 out of 7 board seats.

Note ii) As part of the shares purchase agreement for the disposal, the two parties entered into a put and call option for the retained 32.6% interest. The Group had a put option to sell its remaining 32.6% equity interests in Maoyan to Shanghai Enlight Investment Holdings Co., Ltd exercisable 2 years after the disposal date at a pre-determined price. Simultaneously, Shanghai Enlight Investment Holdings Co., Ltd had a call option to purchase the outstanding 32.6% interest subject to the same terms. This put and call option was initially accounted for as a derivative instrument measured at fair value and, subsequently, the fair value changes of the derivative financial instrument were recognized within "Other (losses)/gains, net" of the consolidated income statements (Note 9).

Note iii) Concurrently with the disposal transaction in July 2016, the Group also entered into a 5-year business cooperation agreement with Maoyan, pursuant to which Maoyan will continue use the portal access through the Group's website and mobile applications with no charge. The Group determined that part of the disposal consideration received is for this cooperation arrangement as deferred revenue, and therefore has deferred a portion of the consideration equal to the fair value of this cooperation arrangement. The fair value of this was determined to be RMB1.2 billion and will be recognized as revenue over the cooperation period. In August 2017, the amended Sales and Purchase Agreement provided for a 14-month extension of the business cooperation agreement, which resulted in an increase of defined revenue of RMB191 million.

Note iv) In August 2017, the Group and Shanghai Enlight Investment Holdings Co., Ltd. entered into an amended Sale and Purchase Agreement, where the Group agreed to sell 19.73% equity interests in Maoyan for a total consideration of RMB1.78 billion in cash. The carrying value of the 19.73% disposed was RMB1.4 billion. At the same time, Maoyan received new financing from other investors which further diluted the Group's retained interest in Maoyan to 8.27%, resulting in a dilution gain of RMB103 million (Note 9).

Under the amended Sale and Purchase Agreement, both parties exercised a portion of this put and call option valued at RMB341 million, and cancelled the remaining portion of put and call option valued at RMB222 million. Upon the exercise date of the put and call option, the fair value changes of RMB61 million were recognized within "Other (losses)/gains, net." The remaining portion of the put and call option valued at RMB222 million was cancelled and was recorded in "Other (losses)/gains, net" in the consolidated income statements, as a loss (Note 9).

Management concluded that the disposal represented a strategic shift, and it also had a major impact on the Group's operations and financial results, therefore should be reported as discontinued operations for the period ended July 31, 2016 and the year ended December 31, 2015.

b) ***Financial performance and cash flow information***

	Year ended December 31,	For the period from January 1 to July 31,
	2015	2016
	RMB'000	*RMB'000*
Revenue	607,816	628,813
Cost of revenue	(271,656)	(269,673)
Gross profit	336,160	359,140
Selling and marketing expenses	(1,553,795)	(597,912)
Research and development expenses	(45,878)	(96,498)
General and administrative expenses	(24,744)	(106,694)
Other gains, net	—	1,321
Finance income, net	—	1,602
Loss on disposal of abandoned assets	—	(369,639)
Gain on disposal of the subsidiary after income tax	—	5,912,681
(Loss)/profit from discontinued operations	(1,288,257)	5,104,001
Net cash inflow/(outflow) from operating activities	24,384	(69,305)
Net cash (outflow)/inflow from investing activities	(10,635)	2,383,000
Net cash inflow from financing activities	50,000	5,556
Net increase in cash generated by the subsidiary	63,749	2,319,251

36 **Commitments**

a) ***Capital commitments***

	As of December 31,			As of April 30,
	2015	**2016**	**2017**	**2018**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	23,563	17,444	24,368	27,885
1-2 years	15,238	512	2,535	903
	38,801	17,956	26,903	28,788

b) ***Operating lease commitments***

The Group leases office under non-cancelable operating lease agreements. Future minimum lease payments under non-cancelable operating lease agreements with initial terms of 1 year or more consist of the following:

	As of December 31,			As of April 30,
	2015	**2016**	**2017**	**2018**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	137,076	188,117	268,529	401,274
1-5 years	452,384	453,317	529,647	596,094
Over 5 years	503,244	394,922	299,185	192,937
	1,092,704	1,036,356	1,097,361	1,190,305

37 **Business combinations**

a) ***The strategic transaction of Meituan and Dianping***

On October 6, 2015, the Company acquired 40% of the ordinary shares issued of Dianping, China's leading online destination for discovering lifestyle services, through a share exchange. At the same time, the Company was granted an exclusive call option for the remaining 60% of ordinary shares issued and held by the then Dianping Shareholder (the "DP Shareholder"), granting the Company with the right to purchase all or a portion of the 60% shares owned by the DP Shareholder, at a price determined by the Company. The call option was exercised in 2017. The Company was entitled to the voting rights and dividend rights of the 60% shares before the exercise of the call option according to the agreements. Accordingly the Company was effectively exposed to all variable returns of Dianping and obtained the majority of board seating of Dianping and was entitled to all rights related to 100% its shares on October 6, 2015. Hence, the Company considers that it has sufficient power over Dianping on October 6, 2015, with the Company's effective 100% ownership of Dianping, it also has the ability to use its power to affect Dianping's returns. Based on the above, the Company effectively obtained control of Dianping on October 6, 2015 in accordance of accounting rules.

The goodwill of approximately RMB13,637 million recognized represents the excess of the purchase consideration over the fair value of the net identifiable assets acquired. The goodwill recorded, not deductible for tax purposes, is primarily attributable to the Company's opportunity to strengthen their online information and transaction platform business and to achieve synergies from combining their online platforms.

The following table summarizes the consideration paid for Dianping, the fair value of assets acquired, liabilities assumed at the acquisition date:

	October 6, 2015
	RMB'000
Issuance of ordinary shares (525.1 million shares) (Note 25) (Note i)	8,212,787
Issuance of preferred shares (795.6 million shares) (Note 29) (Note i)	14,139,698
Option replacement (Note ii)	792,509
Total consideration paid by the Company	23,144,994
Compensation to shareholders (Note iii)	(1,544,541)
Consideration for the acquisition	21,600,453
Recognized amounts of identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	1,917,453
Trade receivables	204,213
Short-term investments	903,400
Financial assets at fair value through profit or loss	1,611,331
Investments accounted for using the equity method	157,552
Property, plant and equipment	108,435
Intangible assets	
Trade name	3,400,000
User list & user generated content (UGC)	557,000
Technology and licence	96,000
Others	8,978
Prepayments, deposits and other assets	1,834,864
Deferred tax assets	205,050
Trade payables	(176,917)
Payables to merchants	(677,812)
Advance from transacting users	(677,374)
Other payables and accruals	(349,705)
Deferred revenue	(501,484)
Deferred tax liabilities	(657,085)
Total identifiable net assets	7,963,899
Goodwill	13,636,554
	21,600,453

Note i) The share consideration paid by the Group for the strategic transaction of Meituan and Dianping was comprised of the Company's ordinary shares and Series A-1, A-2, A-3, A-7, A-8, A-9, and A-10 Preferred Shares. The fair value of the share consideration was determined using the per share fair value of each ordinary share and preferred share as of the acquisition date, using the option-pricing method and equity allocation model.

Note ii) As part of the strategic transaction of Meituan and Dianping, all outstanding awards, vested or unvested, that were awarded under the DianPing incentive plan were assumed by the Group under the 2015 Share Incentive Plan. This portion represents the value of the awards related to precombination services and were therefore allocated to consideration paid by the Company.

Note iii) As part of the strategic transaction of Meituan and Dianping, certain shareholders of Dianping received a favorable conversion rate of the Company's ordinary shares in exchange for their Dianping ordinary shares, as compared to other ordinary shareholders. The Group determined this excess in fair value of RMB1,545 million was attributable to compensation paid to these shareholders, and had immediately recognized it as general and administrative expenses in the Group's consolidated income statements for the year ended December 31, 2015.

The acquisition-related transaction costs were RMB6 million and had been charged to general and administrative expenses in the consolidated income statements for the year ended December 31, 2015.

The results of Dianping's operations had been included in the Group's consolidated financial statements since the acquisition date. The revenue included in the consolidated income statements since October 6, 2015 contributed by Dianping was RMB562 million.

Had Dianping been consolidated from January 1, 2015, the consolidated income statements would show pro-forma revenue from continuing operations of RMB5,258 million and a loss from continuing operations of RMB12,329 million for year 2015.

b) ***Acquisition of Qiandaibao***

In August 2016, the Group acquired 100% of the equity interests in Qiandaibao, an unlisted entity located in the PRC that is an online and offline payment service provider which holds an online payment license. The goodwill of approximately RMB753 million recognized represents the excess of the purchase consideration over the fair value of the net identifiable assets acquired. The goodwill recorded, not deductible for tax purposes, is primarily attributable to the online payment processing services that will complement the Group's existing services and products offered through its online platforms.

The following table summarizes the consideration paid for Qiandaibao, the fair value of assets acquired, liabilities assumed at the acquisition date:

	August 31, 2016
	RMB'000
Consideration	
Purchase consideration settled in cash	400,671
Equity instruments issued (33.1 million ordinary shares) (Note i)	590,711
Contingent consideration (Note ii)	359,563
Total consideration paid by the Company	1,350,945
Recognized amounts of identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	313,426
Trade receivables	1
Inventories	10,151
Financial assets at fair value through profit or loss	9,504
Property, plant and equipment	24,382
Intangible assets	
Online payment license	390,000
Technology	70,000
Others	6,842
Prepayments, deposits and other assets	10,339
Deferred tax assets	8,403
Trade payables	(5,334)
Other payables and accruals	(164,824)
Deferred revenue	(5,586)
Deferred tax liabilities	(69,000)
Total identifiable net assets	598,304
Goodwill	752,641
	1,350,945

According to the acquisition agreement, the consideration for the acquisition, which consists of cash consideration and shares consideration in the form of the Company's ordinary shares, was paid in two installments.

Note i) The first installment was paid on August 31, 2016, in which the Group paid RMB401 million in cash and issued 33.1 million ordinary shares with fair value of USD89 million, equivalent to RMB591 million. The fair value of the ordinary shares was based on the per share fair value as of the acquisition date, as determined by a third-party valuation expert, using the option-pricing method and equity allocation model.

Note ii) The second installment payment of consideration was in the form of equity instruments, in which the amount of this installment payment and number of shares to be issued was subject to certain adjustments after the acquisition date. The Group recognized the second installment as a contingent consideration liability, and measured it at fair value through profit or loss, with a fair value of RMB360 million recorded as of the acquisition date and a fair value change of RMB42 million in the "Other (losses)/gains, net" in the consolidated income statements in 2016 (Note 3.3).

On December 31, 2016, the Group early settled the second installment payment, and issued 20.2 million ordinary shares to the seller. The agreed adjustments in the acquisition agreement provided the Group a right to receive back a certain number of these issued shares from the seller, which resulted in the Group received 1,005,415 ordinary shares of the Company and these shares were cancelled in January, 2018. Accordingly, the Group recorded a contingent consideration asset at fair value through profit or loss from December 31, 2016 and derecognized it as at April 30, 2018. The fair value of the contingent consideration was estimated by applying the discounted cash flow approach, at RMB0 and RMB25 million as of December 31, 2016 and 2017 respectively. The change of the fair value of contingent consideration was recognized in "Other (losses)/gains, net" (Note 3.3).

The revenue included in the consolidated income statements since August 31, 2016 contributed by Qiandaibao was minimal. Qiandaibao also contributed a minimal loss over the same period. The acquisition-related costs were not significant and had been charged to general and administrative expenses in the consolidated income statements for the year ended December 31, 2016.

Had Qiandaibao been consolidated from January 1, 2016, the consolidated income statements would show pro-forma revenue of RMB12,994 million and a loss of RMB5,458 million.

c) ***Acquisition of Mobike***

On April 4, 2018, the Company and Tollan Holdings Limited ("Tollan Holdings"), a wholly-owned subsidiary of the Company, completed a transaction to acquire 100% of the equity interests of mobike Ltd. ("Mobike"), an unlisted entity mainly operates in the PRC and connects users to dockless bikes via a mobile application.

The goodwill of approximately RMB12,821 million arising from the acquisition is attributable to business cooperation expected to be derived from combining with the operations of the Group. None of the goodwill recognized is expected to be deductible for income tax purposes. The following table summarizes the consideration paid for the acquisition of Mobike, the fair value of assets acquired and liabilities assumed.

	April 4, 2018
	RMB'000
Cash Consideration	9,443,771
Issuance of preferred shares (167.7 million shares) (Note 29) (i)	5,888,472
Option replacement (ii)	231,736
Total consideration paid by the Company	15,563,979
Recognized amounts of identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	834,532
Restricted cash	392,374
Short-term investments	380,000
Inventories	159,115
Trade receivables	21,550
Financial assets at fair value through profit or loss	12,880
Intangible assets	
- Trade name	1,600,000
- User list	840,000
- Technology	660,000
- Others	478,265
Property, plant and equipment	5,349,198
Prepayments, deposits and other assets	1,918,191
Deferred tax assets	599,743
Trade payables	(414,715)
Borrowings	(390,000)
Advance from transacting users	(497,907)
Other payables and accruals	(246,945)
Other non-current liabilities	(8,080)
Deferred revenue	(35,176)
Deposit from transacting users	(8,125,057)
Deferred tax liabilities	(785,467)
Total identifiable net assets	2,742,501
Goodwill	12,821,478
	15,563,979

Note i) The share consideration paid by the Group for the acquisition of Mobike was comprised of the Company's Series A-12 preferred shares. The fair value of the share consideration was determined using the per share fair value of Series A-12 preferred share as of the acquisition date, using the option-pricing method and equity allocation model.

Note ii) Pursuant to the share purchase agreement for the acquisition of Mobike, all outstanding awards, vested or unvested, that were awarded under the Mobike's current incentive plan were assumed by the Group under the 2015 Share Incentive Plan. This represents the portion of the awards related to precombination services and were therefore allocated to consideration paid by the Company.

The revenue included in the consolidated income statements since April 4, 2018 contributed by Mobike was RMB147 million. Mobike also contributed a loss of RMB480 million over the same period. The acquisition-related costs were not significant and had been charged to general and administrative expenses in the consolidated income statements for the 4 months ended April 30, 2018.

Had Mobike been consolidated from January 1, 2018, the consolidated income statements for the period ended April 30, 2018 would show pro-forma revenue of RMB16,090 million and a loss of RMB24,565 million.

d) ***Other acquisitions***

During the year ended December 31, 2015, 2016, and 2017, the Group also acquired certain insignificant subsidiaries. The goodwill recognized represents the excess of the purchase consideration over the fair value of the net identifiable assets acquired, the amount of non-controlling interest, and acquisition-date fair value of previously held equity interest in the acquirees. The Goodwill, not deductible for tax purpose, is primarily attributable to the synergies expected to be derived from combining with the operations of the Group. The following table summarizes the consideration paid for the acquisition, the fair value of assets acquired, liabilities assumed and non-controlling interest at the acquisition date:

	Year ended December 31,			Four months ended April 30,	
	2015	2016	2017	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Consideration					
Purchase consideration settled in cash	175,531	466,649	99,634	—	—
Fair value of previous held equity interests (Note 19)(Note i)	—	191,473	—	—	—
Total purchase consideration	175,531	658,122	99,634	—	—
Recognized amounts of identifiable assets acquired and liabilities assumed:					
Cash and cash equivalents	16,547	130,781	14,473	—	—
Short-term investments	—	—	7,000	—	—
Trade receivables	6,963	11,451	8,692	—	—
Prepayments, deposits and other assets	6,005	22,704	8,371	—	—
Inventories	—	1,767	14,128	—	—
Property, plant and equipment	1,807	4,177	233	—	—
Deferred tax assets	5,806	—	27	—	—

	Year ended December 31,			Four months ended April 30,	
	2015	**2016**	**2017**	**2017**	**2018**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Intangible assets					
Supplier relationship	300	7,000	21,400	—	—
Trade name	3,600	4,800	—	—	—
Technology	8,340	14,120	—	—	—
Others	15	1,945	—	—	—
Trade payables	—	(2,446)	(13,559)	—	—
Borrowings	—	(1,000)	—	—	—
Other payables and accruals	(14,213)	(42,872)	(1,825)	—	—
Deferred tax liabilities	(3,060)	(6,480)	(5,350)	—	—
Total identifiable net assets	32,110	145,947	53,590	—	—
Non-controlling interests	—	(52,133)	(12,948)	—	—
Goodwill	143,421	564,308	58,992	—	—
	175,531	658,122	99,634	—	—

The Group recognizes non-controlling interests in an acquired entity either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. This decision is made on an acquisition-by-acquisition basis. For the non-controlling interests of the insignificant subsidiaries above, the Group elected to recognize the non-controlling interests at its proportionate share of the acquired net identifiable assets.

Note i) The fair value of the previously held equity interest immediately before the acquisition date was RMB191 million and a gain of RMB32 million were recognized as a result of remeasuring to fair value presented in the "Other (losses)/gains, net" of the consolidated income statements.

The acquired businesses contributed revenue and net loss which are insignificant to the Group for the period from respective acquisition dates to December 31, 2015, 2016 and 2017. The acquisition-related costs were not significant and had been charged to general and administrative expenses in the consolidated income statements for the year ended December 31, 2015, 2016 and 2017 respectively.

Had these insignificant subsidiaries been consolidated from January 1, 2015, 2016 and 2017 respectively, the consolidated income statements would show pro-forma revenue of RMB4,083 million, RMB13,008 million, RMB34,036 million and a loss of RMB10,480 million, RMB5,555 million, and RMB18,662 million for year 2015, 2016 and 2017 respectively.

38 Note to consolidated statements of cash flows

a) *Cash used in operations*

	Note	Year ended December 31,			Four months ended April 30,	
		2015	2016	2017	2017	2018
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Loss before income tax from						
Continuing operations		(9,242,729)	(10,631,096)	(18,933,663)	(8,153,065)	(22,937,725)
Discontinued operation	35	(1,288,257)	5,104,001	—	—	—
Adjustments for						
Depreciation and amortization	15, 16	181,378	585,799	844,315	205,587	825,843
Provision for doubtful accounts	7	58,222	280,696	64,371	(10,022)	79,314
Non-cash employee benefits expense — share-based payments	8	1,054,837	913,075	971,100	206,377	408,087
Compensation to shareholders	8	1,544,541	—	—	—	—
Gain from business and investments disposals	9, 11, 12, 19	(32,964)	(5,922,395)	(85,925)	—	(29,968)
Fair value changes of convertible redeemable preferred shares	29	725,113	4,313,365	15,138,824	7,435,977	20,499,801
Impairment provision	9	—	146,992	13,266	—	—
Share of losses of investments accounted for using equity method	12	661	28,018	10,418	(43,625)	(26,425)
Change in fair value from investments measured at fair value through profit or loss	9, 19	(46,953)	(16,550)	(497,973)	198,490	(245,764)
Dividend income and interest classified as investing cash flows		(3,613)	(181,956)	(346,375)	(102,313)	(125,083)
Finance costs		—	—	9,783	678	9,250
Foreign exchange (losses)/gains, net	9	94,971	15,263	7,819	4,093	(978)
Change in working capital						
Decrease/(increase) in restricted cash		303,378	(322,785)	(4,133,474)	(335,336)	(1,285,116)
Increase in trade receivables		(9,643)	(45,204)	(182,024)	(52,807)	(29,930)
(Increase)/decrease in prepayments, deposits and other assets		(742,209)	1,680,741	(2,538,454)	(322,172)	(1,124,613)
Increase in inventories		(7,860)	(16,803)	(38,179)	(7,404)	(18,186)
Increase/(decrease) in trade payables		155,419	859,964	1,353,493	(60,063)	592,089
Increase in payables to merchants		2,156,428	731,158	5,058,537	981,882	874,216
Increase/(decrease) in advance from transacting users		661,250	(377,346)	246,409	(52,288)	(175,120)
(Decrease)/increase in deferred revenue		(30,691)	394,572	875,167	155,814	159,763
Increase/(decrease) in other payables and accruals		464,628	546,780	1,870,925	20,424	(330,413)
Increase in other non-current liabilities		—	—	—	—	45
Decrease in deposit from transacting users		—	—	—	—	(545,755)
Cash (used in)/generated from operations		(4,004,093)	(1,913,711)	(291,640)	70,227	(3,426,668)

Non-cash transaction is about the acquisition of subsidiaries and investments through the issuance of shares. Please refer to Note 12, 19, 31, 35 and 37. Excluding this, there were no other material non-cash investing and financing activities for the years ended December 31, 2015, 2016 and 2017 and the four months ended April 30, 2017 and 2018.

Reconciliation of liabilities generated from financing activities

	Liabilities from financing activities		
	Borrowings due within 1 year	Convertible redeemable preferred shares	Total
	RMB'000	*RMB'000*	*RMB'000*
Liabilities from financing activities as of January 1, 2015	300,000	14,722,661	15,022,661
Cash flow	(300,000)	18,805,796	18,505,796
Business combinations	—	14,139,698	14,139,698
Fair value changes of convertible redeemable preferred shares	—	725,113	725,113
Currency translation differences	—	1,480,949	1,480,949
Liabilities from financing activities as of December 31, 2015	—	49,874,217	49,874,217
Cash flow	—	5,590,974	5,590,974
Business combinations	1,000	—	1,000
Fair value changes of convertible redeemable preferred shares	—	4,313,365	4,313,365
Currency translation differences	—	3,908,451	3,908,451
Liabilities from financing activities as of December 31, 2016	1,000	63,687,007	63,688,007
Cash flow	161,000	25,802,523	25,963,523
Issuance of Preferred Shares without cash settled (Note i)	—	1,306,840	1,306,840
Fair value changes of convertible redeemable preferred shares	—	15,138,824	15,138,824
Currency translation differences	—	(4,516,902)	(4,516,902)
Liabilities from financing activities as of December 31, 2017	162,000	101,418,292	101,580,292

	Liabilities from financing activities		
	Borrowings due within 1 year	Convertible redeemable preferred shares	Total
	RMB'000	*RMB'000*	*RMB'000*
Liabilities from financing activities as of January 1, 2017	1,000	63,687,007	63,688,007
Cash flow	149,700	—	149,700
Fair value changes of convertible redeemable preferred shares	—	7,435,977	7,435,977
Currency translation differences	—	(393,747)	(393,747)
Liabilities from financing activities as of April 30, 2017	150,700	70,729,237	70,879,937
Liabilities from financing activities as of January 1, 2018	162,000	101,418,292	101,580,292
Cash flow	665,000	—	665,000
Business combinations	390,000	5,888,472	6,278,472
Fair value changes of convertible redeemable preferred shares	—	20,649,681	20,649,681
Currency translation differences	—	(2,835,492)	(2,835,492)
Liabilities from financing activities as of April 30, 2018	1,217,000	125,120,953	126,337,953

Note i) The Company entered into a USD200 million contribution-in-kind for 5-year cooperation agreement with one platform. A call option was granted to the platform to exercise at the next round of financing. If the platform does not exercise, after a certain time period, the Company would be required to pay the amount plus interest. In October 2017, the call option was exercised in full with Series C Preferred Shares issued and no cash settlement.

39 Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operational decisions. Parties are also considered to be related if they are subjected to common control. Members of key management and their close family members of the Group are also considered as related parties.

The following significant transactions were carried out between the Group and its related parties during the periods presented. In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties.

a) ***Names and relationships with related parties***

The following companies are significant related parties of the Group that had transactions and/or balances with the Group during the Track Record Period.

Name of related parties	Relationship
Tencent Group	One of the Company's shareholders
Tianjing Maoyan and its subsidiaries	Associate of the Group
Beijing Jietong Wuxian Technology Co.,Ltd.	Associate of the Group
Changsha Xiangjiang Longzhu Private Equity Investment Fund Enterprise (Limited Partnership)	Associate of the Group
Wang Xing	Core connected person
Mu Rongjun	Core connected person

b) ***Significant transactions with related parties***

	Year ended December 31,			Four months ended April 30,	
	2015	2016	2017	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*Unaudited*)	*RMB'000*
(i) Sales of service					
Associate of the Group	249	48,016	384,149	125,282	136,819
One of the Company's shareholders	3,364	—	—	—	—
	3,613	48,016	384,149	125,282	136,819
(ii) Purchase of service					
One of the Company's shareholders	91,985	239,653	413,285	111,712	188,232
Associate of the Group	3	8,847	—	—	2,909
	91,988	248,500	413,285	111,712	191,141
(iii) Sales of investments					
Associate of the Group	—	—	—	—	38,776

c) ***Balances with related parties***

	As of December 31,			As of April 30,
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
(i) Other receivables from related parties				
Associate of the Group	—	—	31,240	—
One of the Company's shareholders	146,576	9,767	47,976	77,543
Core connected person	—	—	10,000	10,000
	146,576	9,767	89,216	87,543
(ii) Other payables to related parties				
Associate of the Group	1,811	170,505	194,194	202,624
One of the Company's shareholders	19,691	10,547	18,790	56,258
	21,502	181,052	212,984	258,882

d) ***Key Management compensation***

	Year ended December 31,			Four months ended April 30,	
	2015	2016	2017	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*Unaudited*)	*RMB'000*
Wages, Salaries and bonuses	3,570	8,013	9,281	4,451	5,237
Pension costs and other employee benefits	243	320	457	146	159
Share-based compensation expenses	35,934	105,827	120,443	15,148	45,113
Others	—	42	54	18	—
	39,747	114,202	130,235	19,763	50,509

40 **Contingencies**

The Group did not have any material contingent liabilities as of December 31, 2015, 2016 and 2017 and April 30, 2018, except for the financial guarantee amount, disclosed in Note 3.1(c).

41 **Financial position and other reserve movement of the Company**

a) ***Investments in subsidiaries***

	As of December 31,			As of April 30,
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Investment in subsidiaries (Note i)	40,916,761	42,071,263	43,680,346	59,244,324
Deemed investments arising from share-based compensation expenses (Note ii)	547,015	1,257,725	2,004,190	2,363,617
	41,463,776	43,328,988	45,684,536	61,607,941

Note i) The Company's investment in subsidiaries was USD6,432 million, equivalent to approximately RMB40,917 million, USD6,605 million, equivalent to approximately RMB42,071 million, USD6,849 million, equivalent to approximately RMB43,680 million, USD9,384 million, equivalent to approximately RMB59,244 million, as of December 31, 2015, 2016, and 2017 and April 30, 2018 respectively.

Note ii) The amount represents share-based compensation expenses arising from the grant of share options and RSUs of the Company to employees of the subsidiaries (Note 33) in exchange for their services provided to these subsidiaries, which were deemed to be investments made by the Company into these subsidiaries.

b) ***Cash and cash equivalents***

	As of December 31,			As of April 30,
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and cash equivalents	10,443,929	3,656,961	2,992,032	13,859,600

As of December 31, 2015, 2016 and 2017 and April 30, 2018, the majority of the Company's cash and cash equivalents were denominated in USD.

c) ***Prepayments, deposits and other assets***

	As of December 31,			As of April 30,
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Amounts due from subsidiaries	4,128,037	9,809,558	21,091,489	17,353,890
Others	—	—	140,166	28,734
	4,128,037	9,809,558	21,231,655	17,382,624

As of December 31, 2015, 2016 and 2017 and April 30, 2018, the carrying amount was primarily denominated in USD. The balances were considered to be of low credit risk, and thus there is no impairment provision recognized.

d) ***Other reserves***

Other reserves

	Capital reserve	Share-based compensation reserve	Currency translation reserve	Other reserve	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As of January 1, 2015	—	—	—	—	—
Issuance of ordinary shares	(59)	—	—	—	(59)
Business combinations	—	792,509	—	—	792,509
Put option granted to certain shareholders	(787,816)	40,244	—	—	(747,572)
Share-based compensation expenses	—	547,015	—	—	547,015
Exercise of option and RSU vesting	—	(250,506)	—	—	(250,506)
Currency translation differences	—	—	(730,062)	—	(730,062)
As of December 31, 2015	(787,875)	1,129,262	(730,062)	—	(388,675)
As of January 1, 2016	(787,875)	1,129,262	(730,062)	—	(388,675)
Repurchase of ordinary shares	787,816	(40,244)	—	—	747,572
Share-based compensation expenses	—	710,710	—	—	710,710
Exercise of option and RSU vesting	—	(507,215)	—	—	(507,215)
Currency translation differences	—	—	(2,737,896)	—	(2,737,896)
As of December 31, 2016	(59)	1,292,513	(3,467,958)	—	(2,175,504)
As of January 1, 2017	(59)	1,292,513	(3,467,958)	—	(2,175,504)
Share-based compensation expenses	—	746,465	—	—	746,465
Exercise of option and RSU vesting	—	(1,070,615)	—	—	(1,070,615)
Currency translation differences	—	—	3,534,313	—	3,534,313
As of December 31, 2017	(59)	968,363	66,355	—	1,034,659

	Capital reserve	Share-based compensation reserve	Currency translation reserve	Other reserve	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As of January 1, 2017	(59)	1,292,513	(3,467,958)	—	(2,175,504)
Share-based compensation expenses	—	175,957	—	—	175,957
Exercise of option and RSU vesting	—	(681,436)	—	—	(681,436)
Currency translation differences	—	—	274,143	—	274,143
As of April 30, 2017 (Unaudited)	(59)	787,034	(3,193,815)	—	(2,406,840)
As of January 1, 2018	(59)	968,363	66,355	—	1,034,659
Adjustment on adoption of IFRS 9, net of tax	—	—	—	(423,731)	(423,731)
As of January 1, 2018	(59)	968,363	66,355	(423,731)	610,928
Share-based compensation expenses	—	359,427	—	—	359,427
Business combinations	—	231,736	—	—	231,736
Exercise of option and RSU vesting	—	(161,481)	—	—	(161,481)
Preferred shares fair value change due to own credit risk	—	—	—	(149,880)	(149,880)
Currency translation differences	—	—	1,357,853	—	1,357,853
As of April 30, 2018	(59)	1,398,045	1,424,208	(573,611)	2,248,583

42 **Subsequent Events**

There is no material subsequent event happened after 30 April 2018.

III SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company or any of the companies now comprising the Group in respect of any period subsequent to April 30, 2018 and up to the date of this report. Saved as disclosed in this report, no dividend or distribution has been declared or made by the Company or any of the other companies comprising the Group in respect of any period subsequent to April 30, 2018.

The information set out in this Appendix does not form part of the Accountant's Report from PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, the reporting accountant of the Company, as set out in Appendix I in this document, and is included herein for illustrative purposes only. The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" in this document and the Accountant's Report set out in Appendix I to this document.

A. UNAUDITED PRO FORMA ADJUSTED NET TANGIBLE ASSETS

The following unaudited pro forma adjusted net tangible assets prepared in accordance with Rule 4.29 of the Listing Rules are set out below to illustrate the effect of the [REDACTED] on the consolidated net tangible assets of the Group attributable to equity holders of the Company as of April 30, 2018 as if the [REDACTED] had taken place on that date.

The unaudited pro forma adjusted net tangible assets has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of the consolidated net tangible asset of the Group had the [REDACTED] been completed as at April 30, 2018 or at any future dates.

	Consolidated net tangible liabilities of the Group attributable to equity holders of the Company as at April 30, 2018 (Note 1)	**Estimated [REDACTED] from [REDACTED] shares (Note 2)**	**Estimated [REDACTED] from the [REDACTED] (Note 3)**	**Unaudited pro forma adjusted net tangible assets attributable to equity holders of the Company**	**Unaudited pro forma adjusted net tangible assets per Share (Note 4)**	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB*	*HK$*
Based on an [REDACTED] of HK$[REDACTED] per Share . . .	(98,167,891)	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Based on an [REDACTED] of HK$[REDACTED] per Share . . .	(98,167,891)	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Notes:

(1) The consolidated net tangible liabilities of the Group attributable to equity holders of the Company as at April 30, 2018 is extracted from the Accountant's Report set out in Appendix I to this document, which is based on the audited consolidated net liabilities of the Group attributable to equity holders of the Company as at April 30, 2018 of RMB62,168,478,000 with an adjustment for the intangible assets as at April 30, 2018 of RMB35,999,413,000.

(2) The Company's Series A preferred shares, Series B preferred shares and Series C preferred shares will be automatically converted into Class B Shares [REDACTED] of the Company. The preferred share will be re-designated from liabilities to equity. The adjustment represents the impact of the conversion of all these preferred shares into Class B Shares, issued up to the date of this document, on the net tangible liabilities attributable to equity holders. The estimated impact is calculated for 2,121,921,600 Series A preferred shares, 801,039,606 Series B preferred shares and 733,575,936 Series C preferred shares outstanding as at April 30, 2018 based on their respective carrying value as of that date.

(3) The estimated net proceeds from the [REDACTED] are based on the indicative [REDACTED] of HK$[REDACTED] and HK$[REDACTED] per Share, respectively, after deduction of the [REDACTED] fees and other related expenses (excluding [REDACTED] of approximately RMB[REDACTED] million which have been accounted for in the Profit or loss during Track Record Period) payable by the Company and takes no account of any Shares which may fall to be issued upon the exercise of the [REDACTED] or the exercise of the options granted or any shares may be granted pursuant to the restricted stock units granted under the Pre-[REDACTED] ESOP or any Shares which may be granted and issued or repurchased by the Company pursuant to the [REDACTED] and the Repurchase Mandate.

(4) The unaudited pro forma net tangible assets per Share is arrived at after the adjustments referred to in the preceding paragraphs and on the basis that [REDACTED] Shares (including the completion of the conversion of the preferred shares into Class B Shares were in issue assuming that the [REDACTED] has been completed on April 30, 2018 but takes no account of any Shares which may fall to be issued upon the exercise of the [REDACTED] or the exercise of the options granted or any shares may be granted pursuant to the restricted stock units granted under the Pre-[REDACTED] ESOP or any Shares which may be granted and issued or repurchased by the Company pursuant to the [REDACTED] and the Repurchase Mandate.

(5) Except as disclosed above, no adjustment has been made to reflect any trading result or other transactions of the Group entered into subsequent to April 30, 2018.

(6) For the purpose of this unaudited pro forma adjusted net tangible assets, the balances stated in Renminbi are converted into Hong Kong dollars at the rate of HK$1.00 to RMB0.8753.

[REDACTED]

[REDACTED]

[REDACTED]

1 Memorandum of Association

The Memorandum of Association of the Company was conditionally adopted on August 30, 2018 and states, inter alia, that the liability of the members of the Company is limited, that the objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by the Companies Law or any other law of the Cayman Islands.

The Memorandum of Association is available for inspection at the address specified in Appendix V in the section headed "Documents available for inspection."

2 Articles of Association

The Articles of Association of the Company were conditionally adopted on August 30, 2018 and include provisions to the following effect:

2.1 *Classes of Shares*

(a) *Share capital*

The share capital of the Company consists of Class A Shares and Class B Shares. The capital of the Company at the date of adoption of the Articles is US$100,000 divided into 735,568,783 Class A Shares of US$0.00001 each and 9,264,431,217 Class B Shares of US$0.00001 each.

(b) *Weighted voting rights*

Subject to the provisions of the Articles of Association, the holders of Class A Shares and Class B Shares shall at all times vote together as one class on all resolutions submitted to a vote by the members. On a poll, each Class A Share shall entitle its holder to ten votes and each Class B Share shall entitle its holder to one vote, provided that each Class A Share and each Class B Share shall entitle its holder to one vote on a poll at a general meeting in respect of a resolution on the following matters:

(i) any amendment to the Memorandum of Association or the Articles of Association, including the variation of the rights attached to any class of shares;

(ii) the appointment, election or removal of any independent non-executive Director;

(iii) the appointment or removal of the auditors; or

(iv) the voluntary liquidation or winding-up of the Company.

Notwithstanding the foregoing, where a holder of Class A Shares is permitted by the Stock Exchange from time to time to exercise more than one vote per share when voting on a resolution to amend the Memorandum of Association or the Articles of Association, any holder of Class A Shares may elect to exercise such number of votes per share as is permitted by the Stock Exchange, up to the maximum number of votes attached to each Class A Share as set out in the Articles of Association.

The Company shall not take any action (including the issue or repurchase of shares of any class) that would result in (i) the aggregate number of votes entitled to be cast by all holders of Class B Shares (for the avoidance of doubt excluding those who are also holders of Class A Shares) present at a general meeting to be less than 10% of the votes entitled to be cast by all members at a general meeting; or (ii) an increase in the proportion of Class A Shares to the total number of shares in issue.

(c) *Restrictions on issue of Shares with weighted voting rights*

No further Class A Shares shall be issued by the Company, except with the approval of the Stock Exchange and pursuant to (i) an offer to subscribe for shares in the Company made to all the members of the Company pro rata (apart from fractional entitlements) to their existing holdings; (ii) a pro rata issue of shares to all the members of the Company by way of scrip dividends; or (iii) pursuant to a share subdivision or other similar capital reorganisation, provided that each member of the Company shall be entitled to subscribe for or be issued shares in the same class as the shares then held by him, and further provided that the proposed allotment or issuance will not result in an increase in the proportion of Class A Shares in issue, so that:

(i) if, under a pro rata offer, any holder of Class A Shares does not take up any part of the Class A Shares or the rights thereto offered to him, such untaken shares or rights shall only be transferred to another person on the basis that such transferred rights will only entitle the transferee to an equivalent number of Class B Shares; and

(ii) to the extent that that rights to Class B Shares in a pro rata offer are not taken up in their entirety, the number of Class A Shares that shall be allotted, issued or granted in such pro rata offer shall be reduced proportionately.

(d) *Reduction of Shares with weighted voting rights on repurchase of Shares*

In the event the Company reduces the number of Class B Shares in issue through a purchase of its own shares, the holders of Class A Shares shall reduce their voting rights in the Company proportionately, whether through a conversion of a portion of their Class A Shares or otherwise, if the reduction in the number of Class B Shares in issue would otherwise result in an increase in the proportion of Class A Shares to the total number of shares in issue.

(e) *Prohibition on variation of terms of shares with weighted voting rights*

The Company shall not vary the rights of the Class A Shares so as to increase the number of votes to which each Class A Share is entitled.

(f) *Qualification of holders of shares with weighted voting rights*

Class A Shares shall only be held by a Director or a limited partnership, trust, private company or other vehicle wholly owned and wholly controlled by a Director. Subject to the Listing Rules or other applicable laws and regulations, each Class A Share shall be automatically converted into one Class B Share upon the occurrence of any of the following events:

(i) the death of the holder of such Class A Share (or where the holder is a limited partnership, trust, private company or other vehicle wholly owned and wholly controlled by a Director, the death of that Director);

(ii) the holder of such Class A Share ceasing to be a Director or a limited partnership, trust, private company or other vehicle wholly owned and wholly controlled by a Director for any reason;

(iii) the holder of such Class A Share (or, where the holder is a limited partnership, trust, private company or other vehicle wholly owned and wholly controlled by a Director, the Director owning and controlling such vehicle) being deemed by the Stock Exchange to be incapacitated for the purpose of performing his duties as a Director;

(iv) the holder of such Class A Share (or, where the holder is a limited partnership, trust, private company or other vehicle owned and controlled by a Director, the Director owning and controlling such vehicle) being deemed by the Stock Exchange to no longer meet the requirements of a director set out in the Listing Rules; or

(v) the transfer to another person of the beneficial ownership of, or economic interest in, such Class A Share or the control over the voting rights attached to such Class A Share (through voting proxies or otherwise), other than (A) the grant of any encumbrance, lien or mortgage over such share which does not result in the transfer of the legal title or beneficial ownership of, or the voting rights attached to, such share, until the same is transferred upon the enforcement of such encumbrance, lien or mortgage, and (B) a transfer of the legal title to such share by a Director to a limited partnership, trust, private company or other vehicle wholly owned and wholly controlled by him, or by a limited partnership, trust, private company or other vehicle wholly owned and wholly controlled by a Director to such Director or another limited partnership, trust, private company or other vehicle wholly owned and wholly controlled by him.

(g) *Cessation of weighted voting rights*

All of the Class A Shares in the authorised share capital shall be automatically re-designated into Class B Shares in the event all of the Class A Shares in issue are converted into Class B Shares, and no further Class A Shares shall be issued by the Company.

(h) *Shares to rank pari passu*

Save and except for the rights, preferences, privileges and restrictions set out in this paragraph 2.1, the Class A Shares and the Class B Shares shall rank pari passu in all other respects and shall have the same rights, preferences, privileges and restrictions.

2.2 ***Directors***

(a) *Number of Directors*

The number of Directors shall not be less than two, and the board of Directors shall consist of not less than one-third and less than one-half of independent non-executive Directors.

(b) *Power to allot and issue Shares*

Subject to the provisions of the Companies Law and the Memorandum and Articles of Association, the unissued shares in the Company (whether forming part of its original or any increased capital) shall be at the disposal of the Directors, who may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration, and upon such terms, as the Directors shall determine.

Subject to the provisions of the Articles of Association and to any direction that may be given by the Company in general meeting and without prejudice to any special rights conferred on the holders of any existing shares or attaching to any class of shares, any share may be issued with or have attached thereto such preferred, deferred, qualified or other special rights or restrictions, whether in regard to dividend, voting, return of capital or otherwise, and to such persons at such times and for such consideration as the Directors may determine. Subject to the Companies Law and to any special rights conferred on any shareholders or attaching to any class of shares, any share may, with the sanction of a special resolution, be issued on terms that it is, or at the option of the Company or the holder thereof, liable to be redeemed.

(c) *Power to dispose of the assets of the Company or any subsidiary*

The management of the business of the Company shall be vested in the Directors who, in addition to the powers and authorities by the Articles of Association expressly conferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done or approved by the Company and are not by the Articles of Association or the Companies Law expressly directed or required to be exercised or done by the Company in general meeting, but subject nevertheless to the provisions of the Companies Law and of the Articles of Association and to any regulation from time to time made by the Company in general meeting not being inconsistent with such provisions or the Articles of Association, provided that no regulation so made shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.

(d) *Compensation or payment for loss of office*

Payment to any Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director is contractually entitled) must first be approved by the Company in general meeting.

(e) *Loans to Directors*

There are provisions in the Articles of Association prohibiting the making of loans to Directors or their respective close associates which are equivalent to the restrictions imposed by the Companies Ordinance.

(f) *Financial assistance to purchase Shares*

Subject to all applicable laws, the Company may give financial assistance to Directors and employees of the Company, its subsidiaries or any holding company or any subsidiary of such holding company in order that they may buy shares in the Company or any such subsidiary or holding company. Further, subject to all applicable laws, the Company may give financial assistance to a trustee for the acquisition of shares in the Company or shares in any such subsidiary or holding company to be held for the benefit of employees of the Company, its subsidiaries, any holding company of the Company or any subsidiary of any such holding company (including salaried Directors).

(g) *Disclosure of interest in contracts with the Company or any of its subsidiaries*

No Director or proposed Director shall be disqualified by his office from contracting with the Company either as vendor, purchaser or otherwise nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company with any person, company or partnership of or in which any Director shall be a member or otherwise interested be capable on that account of being avoided, nor shall any Director so contracting or being any member or so interested be liable to account to the Company for any profit so realised by any such contract or arrangement by reason only of such Director holding that office or the fiduciary relationship thereby established, provided that such Director shall, if his interest in such contract or arrangement is material, declare the nature of his interest at the earliest meeting of the board of Directors at which it is practicable for him to do so, either specifically or by way of a general notice stating that, by reason of the facts specified in the notice, he is to be regarded as interested in any contracts of a specified description which may be made by the Company.

A Director shall not be entitled to vote on (nor shall be counted in the quorum in relation to) any resolution of the Directors in respect of any contract or arrangement or any other proposal in which the Director or any of his close associates (or, if required by the Listing Rules, his other associates) has any material interest, and if he shall do so his vote shall not be counted (nor is he to be counted in the quorum for the resolution), but this prohibition shall not apply to any of the following matters, namely:

(i) the giving to such Director or any of his close associates of any security or indemnity in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries;

(ii) the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or any of his close associates has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;

(iii) any proposal concerning an offer of shares, debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or any of his close associates is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;

(iv) any proposal or arrangement concerning the benefit of employees of the Company or any of its subsidiaries including:

(A) the adoption, modification or operation of any employees' share scheme or any share incentive scheme or share option scheme under which the Director or any of his close associates may benefit; or

(B) the adoption, modification or operation of a pension or provident fund or retirement, death or disability benefits scheme which relates both to Directors, their close associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or any of his close associates, as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and

(v) any contract or arrangement in which the Director or any of his close associates is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.

(h) *Remuneration*

The Directors shall be entitled to receive by way of remuneration for their services such sum as shall from time to time be determined by the Directors, or the Company in general meeting, as the case may be, such sum (unless otherwise directed by the resolution by which it is determined) to be divided amongst the Directors in such proportions and in such manner as they may agree, or failing agreement, equally, except that in such event any Director holding office for less than the whole of the relevant period in respect of which the remuneration is paid shall only rank in such division in proportion to the time during such period for which he has held office. Such remuneration shall be in addition to any other remuneration to which a Director who holds any salaried employment or office in the Company may be entitled by reason of such employment or office.

The Directors shall also be entitled to be paid all expenses, including travel expenses, reasonably incurred by them in or in connection with the performance of their duties as Directors including their expenses of travelling to and from board meetings, committee meetings or general meetings or otherwise incurred whilst engaged on the business of the Company or in the discharge of their duties as Directors.

The Directors may grant special remuneration to any Director who shall perform any special or extra services at the request of the Company. Such special remuneration may be made payable to such Director in addition to or in substitution for his ordinary remuneration as a Director, and may be made payable by way of salary, commission or participation in profits or otherwise as may be agreed.

The remuneration of an executive Director or a Director appointed to any other office in the management of the Company shall from time to time be fixed by the Directors and may be by way of salary, commission or participation in profits or otherwise or by all or any of those modes and with such other benefits (including share option and/or pension and/or gratuity and/or other benefits on retirement) and allowances as the Directors may from time to time decide. Such remuneration shall be in addition to such remuneration as the recipient may be entitled to receive as a Director.

(i) *Retirement, appointment and removal*

The Directors shall have power at any time and from time to time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until the next general meeting of the Company and shall then be eligible for re-election at that meeting.

The Company may by ordinary resolution remove any Director (including a Managing Director or other executive Director) before the expiration of his period of office notwithstanding anything in the Articles of Association or in any agreement between the Company and such Director (but without prejudice to any claim for compensation or damages payable to him in respect of the termination of his appointment as Director or of any other appointment of office as a result of the termination of this appointment as Director). The Company may by ordinary resolution appoint another person in his place. Any Director so appointed shall hold office during such time only as the Director in whose place he is appointed would have held the same if he had not been removed. The Company may also by ordinary resolution elect any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election but shall not be taken into account in determining the number of Directors and which Directors are to retire by rotation at such meeting. No person shall, unless recommended by the Directors, be eligible for election to the office of Director at any general meeting unless, during the period, which shall be at least seven days, commencing no earlier than the day after the despatch of the notice of the meeting appointed for such election and ending no later than seven days prior to the date of such meeting, there has been given to the Secretary of the Company notice in writing by a member of the Company (not being the person to be proposed) entitled to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected.

A Director need not hold any qualification shares. No Director shall be required to vacate office or be ineligible for re-election or re-appointment as a Director and no person shall be ineligible for appointment as a Director by reason only of his having attained any particular age.

The office of a Director shall be vacated:

(i) if he resigns his office by notice in writing to the Company at its registered office or its principal office in Hong Kong;

(ii) if an order is made by any competent court or official on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs and the Directors resolve that his office be vacated;

(iii) if, without leave, he is absent from meetings of the Directors (unless an alternate Director appointed by him attends) for 12 consecutive months, and the Directors resolve that his office be vacated;

(iv) if he becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors generally;

(v) if he ceases to be or is prohibited from being a Director by law or by virtue of any provision in the Articles of Association; or

(vi) if he shall be removed from office by an ordinary resolution of the members of the Company under the Articles of Association.

At every annual general meeting of the Company one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third, shall retire from office by rotation, provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall retain office until the close of the meeting at which he retires and shall be eligible for re-election thereat. The Company at any annual general meeting at which any Directors retire may fill the vacated office by electing a like number of persons to be Directors.

(j) *Borrowing powers*

The Directors may from time to time at their discretion exercise all the powers of the Company to raise or borrow or to secure the payment of any sum or sums of money for the purposes of the Company and to mortgage or charge its undertaking, property and assets (present and future) and uncalled capital or any part thereof.

(k) *Proceedings of the Board*

The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings and proceedings as they think fit in any part of the world. A quorum for a duly constituted meeting of the Directors shall have no less than two Directors, one of which shall be the chairman of the board of Directors of the Company (or his alternate Director). Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have a second or casting vote.

2.3 ***Alteration to constitutional documents***

No alteration or amendment to the Memorandum or Articles of Association may be made except by special resolution.

2.4 ***Variation of rights of existing shares or classes of shares***

If at any time the share capital of the Company is divided into different classes of shares, all or any of the rights attached to any class of shares for the time being issued (unless otherwise provided for in the terms of issue of the shares of that class) may, subject to the provisions of the Companies Law, be varied or abrogated only with (in addition to a special resolution to amend the Memorandum or the Articles) the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class by members holding shares representing three-fourths in nominal value of the shares present in person or by proxy and voting at such meeting. For so long as any Class A Share is in issue and unless such change is otherwise required by law or the Listing Rules, (a) any change to the composition of the board of Directors set out in paragraph 2.2(a) above; (b) any change in the proportion of votes required to pass a resolution of the members, whether as an ordinary resolution or a special resolution or in respect of particular matters or generally; (c) any variation to the number of votes attached to a share of any class, except any such variation arising from an automatic conversion of a Class A Share into a Class B Share pursuant to the operation of the provisions described in paragraph 2.1(f) above; and (d) any change to the matters in respect of which each Class A Share and each Class B Share shall entitle its holder to one vote on a poll at a general meeting as summarised in paragraph 2.1(b) above, to the quorum requirements for meetings of Directors as summarised in paragraph 2.2(k) above or to this provision, shall require the consent in writing of the holders of not less than three-fourths in nominal or par value of the issued Class A Shares. To every such separate meeting all the provisions of the Articles of Association relating to general meetings shall *mutatis mutandis* apply, but so that the quorum for the purposes of any such separate meeting and of any adjournment thereof shall be a person or persons together holding (or representing by proxy or duly authorised representative) at the date of the relevant meeting not less than one-third in nominal value of the issued shares of that class.

The special rights conferred upon the holders of shares of any class shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

2.5 ***Alteration of capital***

The Company may, from time to time, whether or not all the shares for the time being authorised shall have been issued and whether or not all the shares for the time being issued shall have been fully paid up, by ordinary resolution, increase its share capital by the creation of new shares, such new capital to be of such amount and to be divided into shares of such respective amounts as the resolution shall prescribe.

The Company may from time to time by ordinary resolution:

(a) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares. On any consolidation of fully paid shares and division into shares of larger amount, the Directors may settle any difficulty which may arise as they think expedient and in particular (but without prejudice to the generality of the foregoing) may as between the holders of shares to be consolidated determine which particular shares are to be

consolidated into each consolidated share, and if it shall happen that any person shall become entitled to fractions of a consolidated share or shares, such fractions may be sold by some person appointed by the Directors for that purpose and the person so appointed may transfer the shares so sold to the purchaser thereof and the validity of such transfer shall not be questioned, and so that the net proceeds of such sale (after deduction of the expenses of such sale) may either be distributed among the persons who would otherwise be entitled to a fraction or fractions of a consolidated share or shares rateably in accordance with their rights and interests or may be paid to the Company for the Company's benefit;

(b) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled subject to the provisions of the Companies Law; and

(c) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association, subject nevertheless to the provisions of the Companies Law, and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred or other special rights, over, or may have such deferred rights or be subject to any such restrictions as compared with the others as the Company has power to attach to unissued or new shares.

The Company may by special resolution reduce its share capital or any capital redemption reserve in any manner authorised and subject to any conditions prescribed by the Companies Law.

2.6 ***Special resolution — majority required***

A "special resolution" is defined in the Articles of Association to have the meaning ascribed thereto in the Companies Law, for which purpose, the requisite majority shall be not less than three-fourths of the votes of such members of the Company as, being entitled to do so, vote in person or, in the case of corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given and includes a special resolution approved in writing by all of the members of the Company entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of such members, and the effective date of the special resolution so adopted shall be the date on which the instrument or the last of such instruments (if more than one) is executed.

In contrast, an "ordinary resolution" is defined in the Articles of Association to mean a resolution passed by a simple majority of the votes of such members of the Company as, being entitled to do so, vote in person or, in the case of corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting held in accordance with the Articles of Association and includes an ordinary resolution approved in writing by all the members of the Company aforesaid.

2.7 ***Voting rights***

Subject to paragraph 2.1(b) above and 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 member present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy shall have one vote for each share registered in his name in the register of members of the Company.

Where any member is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

In the case of joint registered holders of any share, any one of such persons may vote at any meeting, either personally 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 personally or by proxy, that one of the said persons so present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register in respect of the relevant joint holding.

A member of the Company in respect of whom an order has been made by any competent court or official on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs may vote by any person authorised in such circumstances to do so and such person may vote by proxy.

Save as expressly provided in the Articles of Association or as otherwise determined by the Directors, no person other than a member of the Company duly registered and who shall have paid all sums for the time being due from him payable to the Company in respect of his shares shall be entitled to be present or to vote (save as proxy for another member of the Company), or to be reckoned in a quorum, either personally or by proxy at any general meeting.

At any general meeting a resolution put to the vote of the meeting shall be decided by way of a poll save that the chairman of the meeting may allow a resolution which relates purely to a procedural or administrative matter as prescribed under the Listing Rules to be voted on by a show of hands.

If a recognised clearing house (or its nominee(s)) is a member of the Company it may authorise such person or persons as it thinks fit to act as its proxy(ies) or representative(s) at any general meeting of the Company or at any general meeting of any class of members of the Company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person authorised pursuant to this provision shall be entitled to exercise the same rights and powers on behalf of the recognised clearing house (or its nominee(s)) which he represents as that recognised clearing house (or its nominee(s)) could exercise as if it were an individual member of the Company holding the number and class of shares specified in such authorisation, including, where a show of hands is allowed, the right to vote individually on a show of hands.

2.8 ***Annual general meetings***

The Company shall hold a general meeting as its annual general meeting each year, within a period of not more than 15 months after the holding of the last preceding annual general meeting (or such longer period as the Stock Exchange may authorise). The annual general meeting shall be specified as such in the notices calling it.

2.9 ***Convening of extraordinary general meeting***

The Board may, whenever it thinks fit, convene any extraordinary general meeting.

General meetings shall also be convened on the written requisition of any one or more members, which shall include a recognised clearing house (or its nominee(s)), holding, as at the date of deposit of the requisition, in aggregate shares representing not less than one-tenth of the paid up capital of the Company which carry the right of voting at general meetings of the Company, provided that, in the case of a recognised clearing house (or its nominee(s)), it has received instructions to deposit such requisition from account holders holding in aggregate the beneficial interests in shares representing not less than one-tenth of the paid up capital of the Company which carry the right of voting at general meetings of the Company. A written requisition shall be deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionist(s).

2.10 ***Accounts and audit***

The Directors shall cause to be kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to show and explain its transactions and otherwise in accordance with the Companies Law.

The Directors shall from time to time determine whether, and to what extent, and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection by members of the Company (other than officers of the Company) and no such member shall have any right of inspecting any accounts or books or documents of the Company except as conferred by the Companies Law or any other relevant law or regulation or as authorised by the Directors or by the Company in general meeting.

The Directors shall, commencing with the first annual general meeting, cause to be prepared and to be laid before the members of the Company at every annual general meeting a profit and loss account for the period, in the case of the first account, since the incorporation of the Company and, in any other case, since the preceding account, together with a balance sheet as at the date to which the profit and loss account is made up and a Director's report with respect to the profit or loss of the Company for the period covered by the profit and loss account and the state of the Company's affairs as at the end of such period, an auditor's report on such accounts and such other reports and accounts

as may be required by law. Copies of those documents to be laid before the members of the Company at an annual general meeting shall not less than 21 days before the date of the meeting, be sent in the manner in which notices may be served by the Company as provided in the Articles of Association to every member of the Company and every holder of debentures of the Company provided that the Company shall not be required to send copies of those documents to any person of whose address the Company is not aware or to more than one of the joint holders of any shares or debentures.

The Company shall at every annual general meeting appoint an auditor or auditors of the Company who shall hold office until the next annual general meeting. The remuneration of the auditors shall be fixed by the Company at the annual general meeting at which they are appointed provided that in respect of any particular year the Company in general meeting may delegate the fixing of such remuneration to the Directors.

2.11 ***Notice of meetings and business to be conducted thereat***

An annual general meeting shall be called by not less than 21 days' notice in writing and any extraordinary general meeting shall be called by not less than 14 days' notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the time, place and agenda of the meeting, particulars of the resolutions and the general nature of the business to be considered at the meeting. The notice convening an annual general meeting shall specify the meeting as such, and the notice convening a meeting to pass a special resolution shall specify the intention to propose the resolution as a special resolution. Notice of every general meeting shall be given to the auditors and all members of the Company (other than those who, under the provisions of the Articles of Association or the terms of issue of the shares they hold, are not entitled to receive such notice from the Company).

Notwithstanding that a meeting of the Company is called by shorter notice than that mentioned above, it shall be deemed to have been duly called if it is so agreed:

(a) in the case of a meeting called as an annual general meeting, by all members of the Company entitled to attend and vote thereat or their proxies; and

(b) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than 95% in nominal value of the shares giving that right.

2.12 ***Transfer of shares***

Transfers of shares may be effected by an instrument of transfer in the usual common form or in such other form as the Directors may approve which is consistent with the standard form of transfer as prescribed by the Stock Exchange.

The instrument of transfer shall be executed by or on behalf of the transferor and, unless the Directors otherwise determine, the transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members of the Company in respect thereof. All instruments of transfer shall be retained by the Company.

The Directors may refuse to register any transfer of any share which is not fully paid up or on which the Company has a lien. The Directors may also decline to register any transfer of any shares unless:

(a) the instrument of transfer is lodged with the Company accompanied by the certificate for the shares to which it relates (which shall upon the registration of the transfer be cancelled) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;

(b) the instrument of transfer is in respect of only one class of shares;

(c) the instrument of transfer is properly stamped (in circumstances where stamping is required);

(d) in the case of a transfer to joint holders, the number of joint holders to whom the share is to be transferred does not exceed four;

(e) the shares concerned are free of any lien in favour of the Company; and

(f) a fee of such amount not exceeding the maximum amount as the Stock Exchange may from time to time determine to be payable (or such lesser sum as the Directors may from time to time require) is paid to the Company in respect thereof.

If the Directors refuse to register a transfer of any share they shall, within two months after the date on which the transfer was lodged with the Company, send to each of the transferor and the transferee notice of such refusal.

The registration of transfers may, on 10 business days' notice (or on 6 business days' notice in the case of a rights issue) being given by advertisement published on the Stock Exchange's website, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as provided in the Articles of Association or by advertisement published in the newspapers, be suspended and the register of members of the Company closed at such times for such periods as the Directors may from time to time determine, provided that the registration of transfers shall not be suspended or the register closed for more than 30 days in any year (or such longer period as the members of the Company may by ordinary resolution determine provided that such period shall not be extended beyond 60 days in any year).

2.13 ***Power of the Company to purchase its own shares***

The Company is empowered by the Companies Law and the Articles of Association to purchase its own shares subject to certain restrictions and the Directors may only exercise this power on behalf of the Company subject to the authority of its members in general meeting as to the manner in which they do so and to any applicable requirements imposed from time to time by the Stock Exchange and the Securities and Futures Commission of Hong Kong. Shares which have been repurchased will be treated as cancelled upon the repurchase.

2.14 ***Power of any subsidiary of the Company to own shares***

There are no provisions in the Articles of Association relating to the ownership of shares by a subsidiary.

2.15 ***Dividends and other methods of distribution***

Subject to the Companies Law and the Articles of Association, the Company in general meeting may declare dividends in any currency but no dividends shall exceed the amount recommended by the Directors. No dividend may be declared or paid other than out of profits and reserves of the Company lawfully available for distribution, including share premium.

Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. For these purposes no amount paid up on a share in advance of calls shall be treated as paid up on the share.

The Directors may from time to time pay to the members of the Company such interim dividends as appear to the Directors to be justified by the profits of the Company. The Directors may also pay half-yearly or at other intervals to be selected by them any dividend which may be at a fixed rate if they are of the opinion that the profits available for distribution justify the payment.

The Directors may retain any dividends or other monies payable on or in respect of a share upon which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists. The Directors may also deduct from any dividend or other monies payable to any member of the Company all sums of money (if any) presently payable by him to the Company on account of calls, instalments or otherwise.

No dividend shall carry interest against the Company.

Whenever the Directors or the Company in general meeting have resolved that a dividend be paid or declared on the share capital of the Company, the Directors may further resolve: (a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up on the basis that the shares so allotted are to be of the same class as the class already held by the allottee, provided that the members of the Company entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment; or (b) that the members of the Company entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Directors may think fit on the basis that the shares so allotted are to be of the same class as the class already held by the allottee. The Company may upon the recommendation of the Directors by ordinary resolution resolve in respect of any one particular dividend of the Company that notwithstanding the foregoing a dividend may be satisfied wholly in the form of an allotment of shares credited as fully paid without offering any right to members of the Company to elect to receive such dividend in cash in lieu of such allotment.

Any dividend, interest or other sum payable in cash to a holder of shares may be paid by cheque or warrant sent through the post addressed to the registered address of the member of the Company entitled, or in the case of joint holders, to the registered address of the person whose name stands first in the register of members of the Company in respect of the joint holding or to such person and to such address as the holder or joint holders may in writing direct. Every cheque or warrant so sent shall be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the register of members of the Company in respect of such shares, and shall be sent at his or their risk and the payment of any such cheque or warrant by the bank on which it is drawn shall operate as a good discharge to the Company in respect of the dividend and/or bonus represented thereby, notwithstanding that it may subsequently appear that the same has been stolen or that any endorsement thereon has been forged. The Company may cease sending such cheques for dividend entitlements or dividend warrants by post if such cheques or warrants have been left uncashed on two consecutive occasions. However, the Company may exercise its power to cease sending cheques for dividend entitlements or dividend warrants after the first occasion on which such a cheque or warrant is returned undelivered. Any one of two or more joint holders may give effectual receipts for any dividends or other monies payable or property distributable in respect of the shares held by such joint holders.

Any dividend unclaimed for six years from the date of declaration of such dividend may be forfeited by the Directors and shall revert to the Company.

The Directors may, with the sanction of the members of the Company in general meeting, direct that any dividend be satisfied wholly or in part by the distribution of specific assets of any kind, and in particular of paid up shares, debentures or warrants to subscribe securities of any other company, and where any difficulty arises in regard to such distribution the Directors may settle it as they think expedient, and in particular may disregard fractional entitlements, round the same up or down or provide that the same shall accrue to the benefit of the Company, and may fix the value for distribution of such specific assets and may determine that cash payments shall be made to any members of the Company upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the Directors.

2.16 ***Proxies***

Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person who must be an individual as his proxy to attend and vote instead of him and a proxy so appointed shall have the same right as the member to speak at the meeting. A proxy need not be a member of the Company.

Instruments of proxy shall be in common form or in such other form as the Directors may from time to time approve provided that it shall enable a member to instruct his proxy to vote in favour of or against (or in default of instructions or in the event of conflicting instructions, to exercise his discretion in respect of) each resolution to be proposed at the meeting to which the form of proxy relates. The instrument of proxy shall be deemed to confer authority to vote on any amendment of a

resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates provided that the meeting was originally held within 12 months from such date.

The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney authorised in writing or if the appointor is a corporation either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.

The instrument appointing a proxy and (if required by the Directors) the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered at the registered office of the Company (or at such other place as may be specified in the notice convening the meeting or in any notice of any adjournment or, in either case, in any document sent therewith) not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, not less than 48 hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date named in it as the date of its execution. Delivery of any instrument appointing a proxy shall not preclude a member of the Company from attending and voting in person at the meeting or poll concerned and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

2.17 ***Calls on shares and forfeiture of shares***

The Directors may from time to time make calls upon the members of the Company in respect of any monies unpaid on their shares (whether on account of the nominal amount of the shares or by way of premium or otherwise) and not by the conditions of allotment thereof made payable at fixed times and each member of the Company shall (subject to the Company serving upon him at least 14 days' notice specifying the time and place of payment and to whom such payment shall be made) pay to the person at the time and place so specified the amount called on his shares. A call may be revoked or postponed as the Directors may determine. A person upon whom a call is made shall remain liable on such call notwithstanding the subsequent transfer of the shares in respect of which the call was made.

A call may be made payable either in one sum or by instalments and shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed. The joint holders of a share shall be jointly and severally liable to pay all calls and instalments due in respect of such share or other monies due in respect thereof.

If a sum called in respect of a share shall not be paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate, not exceeding 15% per annum, as the Directors may determine, but the Directors shall be at liberty to waive payment of such interest wholly or in part.

If any call or instalment of a call remains unpaid on any share after the day appointed for payment thereof, the Directors may at any time during such time as any part thereof remains unpaid serve a notice on the holder of such shares requiring payment of so much of the call or instalment as is unpaid together with any interest which may be accrued and which may still accrue up to the date of actual payment.

The notice shall name a further day (not being less than 14 days from the date of service of the notice) on or before which, and the place where, the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which such call was made or instalment is unpaid will be liable to be forfeited.

If the requirements of such notice are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls or instalments and interest due in respect thereof has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends and bonuses declared in respect of the forfeited shares and not actually paid before the forfeiture. A forfeited share shall be deemed to be the property of the Company and may be re-allotted, sold or otherwise disposed of.

A person whose shares have been forfeited shall cease to be a member of the Company in respect of the forfeited shares but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which at the date of forfeiture were payable by him to the Company in respect of the shares, together with (if the Directors shall in their discretion so require) interest thereon at such rate not exceeding 15% per annum as the Directors may prescribe from the date of forfeiture until payment, and the Directors may enforce payment thereof without being under any obligation to make any allowance for the value of the shares forfeited, at the date of forfeiture.

2.18 ***Inspection of register of members***

The register of members of the Company shall be kept in such manner as to show at all times the members of the Company for the time being and the shares respectively held by them. The register may, on 10 business days' notice (or on 6 business days' notice in the case of a rights issue) being given by advertisement published on the Stock Exchange's website, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as provided in the Articles of Association or by advertisement published in the newspapers, be closed at such times and for such periods as the Directors may from time to time determine either generally or in respect of any class of shares, provided that the register shall not be closed for more than 30 days in any year (or such longer period as the members of the Company may by ordinary resolution determine provided that such period shall not be extended beyond 60 days in any year).

Any register of members kept in Hong Kong shall during normal business hours (subject to such reasonable restrictions as the Directors may impose) be open to inspection by any member of the Company without charge and by any other person on payment of a fee of such amount not exceeding the maximum amount as may from time to time be permitted under the Listing Rules as the Directors may determine for each inspection.

2.19 ***Quorum for meetings and separate class meetings***

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the appointment, choice or election of a chairman which shall not be treated as part of the business of the meeting.

Two members of the Company holding not less than one-third of the total voting power of the Company present in person or by proxy shall be a quorum provided always that if the Company has only one member of record the quorum shall be that one member present in person or by proxy.

A corporation being a member of the Company shall be deemed for the purpose of the Articles of Association to be present in person if represented by its duly authorised representative being the person appointed by resolution of the directors or other governing body of such corporation or by power of attorney to act as its representative at the relevant general meeting of the Company or at any relevant general meeting of any class of members of the Company.

The quorum for a separate general meeting of the holders of a separate class of shares of the Company is described in paragraph 2.4 above.

2.20 ***Rights of minorities in relation to fraud or oppression***

There are no provisions in the Articles of Association concerning the rights of minority shareholders in relation to fraud or oppression.

2.21 ***Procedure on liquidation***

If the Company shall be wound up, and the assets available for distribution amongst the members of the Company as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members of the Company in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively. If in a winding up the assets available for distribution amongst the members of the Company shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the members of the Company in proportion to the capital paid up at the commencement of the winding up on the shares held by them respectively. The foregoing is without prejudice to the rights of the holders of shares issued upon special terms and conditions.

If the Company shall be wound up, the liquidator may with the sanction of a special resolution of the Company and any other sanction required by the Companies Law, divide amongst the members of the Company in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members of the Company. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the members of the Company as the liquidator, with the like sanction and subject to the Companies Law, shall think fit, but so that no member of the Company shall be compelled to accept any assets, shares or other securities in respect of which there is a liability.

2.22 ***Untraceable members***

The Company shall be entitled to sell any shares of a member of the Company or the shares to which a person is entitled by virtue of transmission on death or bankruptcy or operation of law if: (a) all cheques or warrants, not being less than three in number, for any sums payable in cash to the holder of such shares have remained uncashed for a period of 12 years; (b) the Company has not during that time or before the expiry of the three month period referred to in (d) below received any indication of the whereabouts or existence of the member; (c) during the 12 year period, at least three dividends in respect of the shares in question have become payable and no dividend during that period has been claimed by the member; and (d) upon expiry of the 12 year period, the Company has caused an advertisement to be published in the newspapers or subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as provided in the Articles of Association, giving notice of its intention to sell such shares and a period of three months has elapsed since such advertisement and the Stock Exchange has been notified of such intention. The net proceeds of any such sale shall belong to the Company and upon receipt by the Company of such net proceeds it shall become indebted to the former member for an amount equal to such net proceeds.

SUMMARY OF CAYMAN ISLANDS COMPANY LAW AND TAXATION

1 Introduction

The Companies Law is derived, to a large extent, from the older Companies Acts of England, although there are significant differences between the Companies Law and the current Companies Act of England. Set out below is a summary of certain provisions of the Companies Law, although this does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of corporate law and taxation which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar.

2 Incorporation

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 25 September 2015 under the Companies Law. As such, its operations must be conducted mainly outside the Cayman Islands. The Company is required to file an annual return each year with the Registrar of Companies of the Cayman Islands and pay a fee which is based on the size of its authorised share capital.

3 Share Capital

The Companies Law permits a company to issue ordinary shares, preference shares, redeemable shares or any combination thereof.

The Companies Law provides that where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the value of the premia on those shares shall be transferred to an account called the "share premium account." At the option of a company, these provisions may not apply to premia on shares of that company allotted pursuant to any arrangement

in consideration of the acquisition or cancellation of shares in any other company and issued at a premium. The Companies Law provides that the share premium account may be applied by a company, subject to the provisions, if any, of its memorandum and articles of association, in such manner as the company may from time to time determine including, but without limitation:

(a) paying distributions or dividends to members;

(b) paying up unissued shares of the company to be issued to members as fully paid bonus shares;

(c) in the redemption and repurchase of shares (subject to the provisions of section 37 of the Companies Law);

(d) writing-off the preliminary expenses of the company;

(e) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company; and

(f) providing for the premium payable on redemption or purchase of any shares or debentures of the company.

No distribution or dividend may be paid to members out of the share premium account unless immediately following the date on which the distribution or dividend is proposed to be paid the company will be able to pay its debts as they fall due in the ordinary course of business.

The Companies Law provides that, subject to confirmation by the Grand Court of the Cayman Islands, a company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, by special resolution reduce its share capital in any way.

Subject to the detailed provisions of the Companies Law, a company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, issue shares which are to be redeemed or are liable to be redeemed at the option of the company or a shareholder. In addition, such a company may, if authorised to do so by its articles of association, purchase its own shares, including any redeemable shares. The manner of such a purchase must be authorised either by the articles of association or by an ordinary resolution of the company. The articles of association may provide that the manner of purchase may be determined by the directors of the company. At no time may a company redeem or purchase its shares unless they are fully paid. A company may not redeem or purchase any of its shares if, as a result of the redemption or purchase, there would no longer be any member of the company holding shares. A payment out of capital by a company for the redemption or purchase of its own shares is not lawful unless immediately following the date on which the payment is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business.

There is no statutory restriction in the Cayman Islands on the provision of financial assistance by a company for the purchase of, or subscription for, its own or its holding company's shares. Accordingly, a company may provide financial assistance if the directors of the company consider, in discharging their duties of care and to act in good faith, for a proper purpose and in the interests of the company, that such assistance can properly be given. Such assistance should be on an arm's-length basis.

4 Dividends and Distributions

With the exception of section 34 of the Companies Law, there are no statutory provisions relating to the payment of dividends. Based upon English case law which is likely to be persuasive in the Cayman Islands in this area, dividends may be paid only out of profits. In addition, section 34 of the Companies Law permits, subject to a solvency test and the provisions, if any, of the company's memorandum and articles of association, the payment of dividends and distributions out of the share premium account (see paragraph 3 above for details).

5 Shareholders' Suits

The Cayman Islands courts can be expected to follow English case law precedents. The rule in *Foss v. Harbottle* (and the exceptions thereto which permit a minority shareholder to commence a class action against or derivative actions in the name of the company to challenge (a) an act which is *ultra vires* the company or illegal, (b) an act which constitutes a fraud against the minority where the wrongdoers are themselves in control of the company, and (c) an action which requires a resolution with a qualified (or special) majority which has not been obtained) has been applied and followed by the courts in the Cayman Islands.

6 Protection of Minorities

In the case of a company (not being a bank) having a share capital divided into shares, the Grand Court of the Cayman Islands may, on the application of members holding not less than one-fifth of the shares of the company in issue, appoint an inspector to examine into the affairs of the company and to report thereon in such manner as the Grand Court shall direct.

Any shareholder of a company may petition the Grand Court of the Cayman Islands which may make a winding up order if the court is of the opinion that it is just and equitable that the company should be wound up.

Claims against a company by its shareholders must, as a general rule, be based on the general laws of contract or tort applicable in the Cayman Islands or their individual rights as shareholders as established by the company's memorandum and articles of association.

The English common law rule that the majority will not be permitted to commit a fraud on the minority has been applied and followed by the courts of the Cayman Islands.

7 **Disposal of Assets**

The Companies Law contains no specific restrictions on the powers of directors to dispose of assets of a company. As a matter of general law, in the exercise of those powers, the directors must discharge their duties of care and to act in good faith, for a proper purpose and in the interests of the company.

8 **Accounting and Auditing Requirements**

The Companies Law requires that a company shall cause to be kept proper books of account with respect to:

(a) all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place;

(b) all sales and purchases of goods by the company; and

(c) the assets and liabilities of the company.

Proper books of account shall not be deemed to be kept if there are not kept such books as are necessary to give a true and fair view of the state of the company's affairs and to explain its transactions.

9 **Register of Members**

An exempted company may, subject to the provisions of its articles of association, maintain its principal register of members and any branch registers at such locations, whether within or without the Cayman Islands, as its directors may from time to time think fit. There is no requirement under the Companies Law for an exempted company to make any returns of members to the Registrar of Companies of the Cayman Islands. The names and addresses of the members are, accordingly, not a matter of public record and are not available for public inspection.

10 **Inspection of Books and Records**

Members of a company will have no general right under the Companies Law to inspect or obtain copies of the register of members or corporate records of the company. They will, however, have such rights as may be set out in the company's articles of association.

11 **Special Resolutions**

The Companies Law provides that a resolution is a special resolution when it has been passed by a majority of at least two-thirds of such members as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given, except that a company may in its articles of association specify that the required majority shall be a number greater than two-thirds, and

may additionally so provide that such majority (being not less than two-thirds) may differ as between matters required to be approved by a special resolution. Written resolutions signed by all the members entitled to vote for the time being of the company may take effect as special resolutions if this is authorised by the articles of association of the company.

12 Subsidiary Owning Shares in Parent

The Companies Law does not prohibit a Cayman Islands company acquiring and holding shares in its parent company provided its objects so permit. The directors of any subsidiary making such acquisition must discharge their duties of care and to act in good faith, for a proper purpose and in the interests of the subsidiary.

13 Mergers and Consolidations

The Companies Law permits mergers and consolidations between Cayman Islands companies and between Cayman Islands companies and non-Cayman Islands companies. For these purposes, (a) "merger" means the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company, and (b) "consolidation" means the combination of two or more constituent companies into a consolidated company and the vesting of the undertaking, property and liabilities of such companies to the consolidated company. In order to effect such a merger or consolidation, the directors of each constituent company must approve a written plan of merger or consolidation, which must then be authorised by (a) a special resolution of each constituent company and (b) such other authorisation, if any, as may be specified in such constituent company's articles of association. The written plan of merger or consolidation must be filed with the Registrar of Companies of the Cayman Islands together with a declaration as to the solvency of the consolidated or surviving company, a list of the assets and liabilities of each constituent company and an undertaking that a copy of the certificate of merger or consolidation will be given to the members and creditors of each constituent company and that notification of the merger or consolidation will be published in the Cayman Islands Gazette. Dissenting shareholders have the right to be paid the fair value of their shares (which, if not agreed between the parties, will be determined by the Cayman Islands court) if they follow the required procedures, subject to certain exceptions. Court approval is not required for a merger or consolidation which is effected in compliance with these statutory procedures.

14 Reconstructions

There are statutory provisions which facilitate reconstructions and amalgamations approved by a majority in number representing 75% in value of shareholders or creditors, depending on the circumstances, as are present at a meeting called for such purpose and thereafter sanctioned by the Grand Court of the Cayman Islands. Whilst a dissenting shareholder would have the right to express to the Grand Court his view that the transaction for which approval is sought would not provide the shareholders with a fair value for their shares, the Grand Court is unlikely to disapprove the transaction on that ground alone in the absence of evidence of fraud or bad faith on behalf of

management and if the transaction were approved and consummated the dissenting shareholder would have no rights comparable to the appraisal rights (i.e. the right to receive payment in cash for the judicially determined value of his shares) ordinarily available, for example, to dissenting shareholders of United States corporations.

15 **Take-overs**

Where an offer is made by a company for the shares of another company and, within four months of the offer, the holders of not less than 90% of the shares which are the subject of the offer accept, the offeror may at any time within two months after the expiration of the said four months, by notice require the dissenting shareholders to transfer their shares on the terms of the offer. A dissenting shareholder may apply to the Grand Court of the Cayman Islands within one month of the notice objecting to the transfer. The burden is on the dissenting shareholder to show that the Grand Court should exercise its discretion, which it will be unlikely to do unless there is evidence of fraud or bad faith or collusion as between the offeror and the holders of the shares who have accepted the offer as a means of unfairly forcing out minority shareholders.

16 **Indemnification**

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy (e.g. for purporting to provide indemnification against the consequences of committing a crime).

17 **Liquidation**

A company may be placed in liquidation compulsorily by an order of the court, or voluntarily (a) by a special resolution of its members if the company is solvent, or (b) by an ordinary resolution of its members if the company is insolvent. The liquidator's duties are to collect the assets of the company (including the amount (if any) due from the contributories (shareholders)), settle the list of creditors and discharge the company's liability to them, rateably if insufficient assets exist to discharge the liabilities in full, and to settle the list of contributories and divide the surplus assets (if any) amongst them in accordance with the rights attaching to the shares.

18 **Stamp Duty on Transfers**

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies except those which hold interests in land in the Cayman Islands.

19 **Taxation**

Pursuant to section 6 of the Tax Concessions Law (2018 Revision) of the Cayman Islands, the Company has obtained an undertaking from the Financial Secretary of the Cayman Islands:

(a) that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Company or its operations; and

(b) in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable:

(i) on or in respect of the shares, debentures or other obligations of the Company; or

(ii) by way of the withholding in whole or in part of any relevant payment as defined in section 6(3) of the Tax Concessions Law (2018 Revision).

The undertaking is for a period of twenty years from 13 October 2015.

The Cayman Islands currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to the Company levied by the Government of the Cayman Islands save certain stamp duties which may be applicable, from time to time, on certain instruments executed in or brought within the jurisdiction of the Cayman Islands. The Cayman Islands are not party to any double tax treaties that are applicable to any payments made by or to the Company.

20 Exchange Control

There are no exchange control regulations or currency restrictions in the Cayman Islands.

21 General

Maples and Calder (Hong Kong) LLP, the Company's legal advisers on Cayman Islands law, have sent to the Company a letter of advice summarising aspects of Cayman Islands company law. This letter, together with a copy of the Companies Law, is available for inspection as referred to in the section headed "Documents available for inspection" in Appendix V. Any person wishing to have a detailed summary of Cayman Islands company law or advice on the differences between it and the laws of any jurisdiction with which he/she is more familiar is recommended to seek independent legal advice.

A. FURTHER INFORMATION ABOUT OUR COMPANY AND OUR SUBSIDIARIES

1. Incorporation

Our holding company, Meituan Dianping, was incorporated as an exempted company with limited liability in the Cayman Islands on September 25, 2015, which was then named as China Internet Plus Holdings Ltd. The Company was renamed as Internet Plus Holdings Ltd. on December 12, 2015 and further renamed as Meituan Dianping on June 11, 2018. On June 11, 2018, the Company adopted the dual foreign name of "美团点评." Our registered office address is at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. Accordingly, our Company's corporate structure and Memorandum and Articles of Association are subject to the relevant laws of the Cayman Islands. A summary of our Memorandum and Articles of Association is set out in Appendix III.

Our registered place of business in Hong Kong is at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong. We were registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on July 11, 2018 with the Registrar of Companies in Hong Kong. Lau Yee Wa has been appointed as the authorised representative of our Company for the acceptance of service of process in Hong Kong. The address for service of process is Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.

As at the date of this document, our Company's head office is located at Block B&C, Hengjiweiye Building, No. 4 Wang Jing East Road, Chaoyang District, Beijing 100102, China.

2. Changes in share capital of our Company

Our Company was incorporated with an authorized share capital of US$50,000 divided into 5,000,000,000 ordinary shares with a par value of US$0.00001 each.

The following sets out the changes in the share capital of our Company during the two years immediately preceding the date of this document:

(a) On August 31, 2016, the Company completed issuance of an aggregate of 801,039,606 Series B Preferred Shares of par value of US$0.00001 to the following shareholders:

Shareholders	Number of Series B Preferred Shares issued
Alliance Win (Cayman) Limited	15,541,223
China Dragon Asia Champion Fund Series SPC	2,590,204
CICC ALPHA ZHUOYUE Investment Limited	12,563,927
CICC Highland Investment Ltd.	12,951,019
CMI Asset Management Company Limited	5,180,408
Coatue CT XVII LLC	1,699,192
Coatue CT XVIII LLC	1,300,808

Shareholders	Number of Series B Preferred Shares issued
Coatue CT XXI LLC	18,518,519
CR High Growth I, L.P.	3,885,306
CTG Evergreen Investment XIX Limited	15,541,223
DST Asia V	25,902,038
DST China EC XIII	40,787,940
DST China EC XIV, L.P	38,853,057
DST Global V Co-invest, L.P.	4,540,628
DUNEARN INVESTMENTS (MAURITIUS) PTE LTD	23,311,834
Epicure Holdings Limited	12,951,019
Fairness Crest Limited	9,951,019
GF SinoVest Fund SPC-Star 1 SP	2,849,224
GF SinoVest Fund SPC-Star 2 SP	1,262,369
Great Joint Limited	15,541,223
H Capital IV, L.P.	22,146,338
Harvest Investment Management Corporation	7,770,612
Hillhouse MTN-II Holdings Limited	3,885,306
Huai River Investment Limited	259,020,385
Internet Fund IV Pte. Ltd.	24,373,901
KY Holding Limited	233,036
Kylin Offshore Master Fund Ltd.	958,375
LT Growth Investment XIV Limited	25,902,038
M Gardiner & Co fbo Fidelity Advisor Series VII: Fidelity Advisor Technology Fund	2,042,487
M Gardiner & Co fbo Fidelity Central Investment Portfolios LLC: Fidelity Information Technology Central Fund	3,479,801
M Gardiner & Co fbo Variable Insurance Products Fund IV: Technology Portfolio	401,913
Mag & Co fbo Fidelity Select Portfolios: Technology Portfolio	3,918,573
Magic Stone Special Opportunity Fund II L.P.	12,951,019
OZ Internet Services Investor, Ltd.	19,426,529
Prestige Investment Management Holding Ltd.	2,590,204
SCOTTISH MORTGAGE INVESTMENT TRUST PLC.	6,475,510
SEATOWN LIONFISH PTE. LTD.	2,590,203
Shanghai Kunqiong Investment Management LLP.	6,475,510
Shine Raise Limited (Nil-Paid)	3,755,700
SUZHOU INDUSTRIAL PARK XINHE MEIDA VENTURE CAPITAL	25,902,038
TBP China Internet Plus Holdings Ltd.	41,443,261
TKAMC Internet Investment Ltd.	12,951,019

Shareholders	Number of Series B Preferred Shares issued
VANGUARD VARIABLE INSURANCE FUNDS	2,083,522
VANGUARD WORLD FUND	18,638,108
Zhongrong International Growth Fund SPC-Hangtang Wealth Race Fund SP	25,902,038

(b) On December 27, 2017, the Company completed issuance of an aggregate of 733,575,936 Series C Preferred Shares of par value of US$0.00001 to the following shareholders:

Shareholders	Number of Series C Preferred Shares issued
American Funds Insurance Series - New World Fund	239,754
Ascendent Harbour II (Cayman) Limited	3,220,577
Beijing Freesia Management Consulting Corporation	17,892,096
China-UAE Investment Cooperation Fund, L.P.	8,946,048
Coatue CT XXI LLC	35,784,192
Coronado Pte. Ltd.	80,514,432
CPP Investment Board Private Holdings (3) Inc.	44,730,240
DST Investments XVII, L.P.	11,987,704
Epicure III Investment Limited	17,355,333
Glade Brook Private Investors XII LP	1,789,210
H Capital III, L.P.	3,578,419
Hideto Fukuyama	178,920
Hillhouse MTN-III Holdings Limited	26,480,302
Hundreds TWC Fund Limited Partnership	2,325,972
Internet Fund IV Pte. Ltd.	17,892,096
Iris Investment Pte. Ltd.	75,146,803
LT Growth Investment XIV Limited	13,955,835
Merchant DF Holdings, LP	1,789,210
New World Fund, Inc.	10,495,504
Pascal Investment L.P.	1,789,210
Peace Unity Investments Limited	178,921
SC GGFII Holdco, Ltd.	35,784,192
SCC Growth IV 2017-D, L.P.	23,259,725
SCC Growth IV 2017-E, L.P.	13,776,914
SCHF (M) Pv, L.P.	2,683,814
SCHF CIF, L.P. / CIF 2017 - A SERIES	1,789,210
SEATOWN LIONFISH PTE. LTD.	536,763
Speedwin Ltd	357,842
Steady Sonic Limited	7,367,629

Shareholders	Number of Series C Preferred Shares issued
Tencent Mobility Limited	210,232,128
Tight Chains Limited	28,416,563
TPP Follow-on I Holding C Limited	4,473,024
Trustbridge Partners VI L.P.	28,627,354

(c) On April 4, 2018, the Company issued an aggregate of 167,703,791 Series A-12 Preferred Shares of par value of US$0.00001 to the following shareholders:

Shareholders	Number of Series A-12 Preferred Shares issued
Anderson Investments Pte. Ltd.	6,110,188
BAI GmbH	818,880
BALANCE WORLDWIDE LIMITED	425,306
BOCOM International Holdings Company Limited	1,639,600
Coral Gem Holdings Limited	9,138,091
DAR Investments Ltd.	586,674
Davis Global Fund a series of Davis New York Venture Fund, Inc.	1,753,529
Davis International Fund a series of Davis New York Venture Fund, Inc.	335,611
Denggao Limited	456,111
Distinct Talent Global Ltd	252,246
Glade Brook Private Investors XII LP	1,769,318
He Sheng Overseas Holdings Limited	5,179,865
HH RSV-IV Holdings Limited	10,671,896
Jin Ji Full Precision Co., Ltd.	632,197
Joy Capital I, L.P.	1,528,020
Maple Universal Limited	5,505,260
mobike Group Ltd.	586,675
MORESPARK LIMITED	8,850,245
Panda Junson Fund II, L.P.	5,460,854
Panda Venture Capital Fund, L.P.	608,148
PGA China Capital Ltd.	188,377
PGA Partners Ltd.	378,369
POWER TECH DEVELOPMENTS LIMITED	882,861
QIMING MANAGING DIRECTORS FUND V, L.P.	124,684
QIMING VENTURE PARTNERS V, L.P.	4,018,575
Quadratic Investment L.P.	5,427,723
Qualcomm Global Trading Pte. Ltd.	626,856
Ray Galaxy Limited	769,448
SCC Growth IV Holdco A, Ltd	1,347,457

Shareholders	Number of Series A-12 Preferred Shares issued
SCC Venture V Holdco I, Ltd.	441,520
SCC Venture VI Holdco B, Ltd	422,210
SCC VENTURE VI Holdco, Ltd.	2,810,735
SCGC Capital Holding Company Limited	2,147,051
SCOTTISH MORTGAGE INVESTMENT TRUST PLC.	2,707,830
Selected International Fund, Inc.	167,387
Singularity Holdings Ltd	6,071,832
Sinovation Fund III, L.P.	3,062,762
Tencent Mobility Limited.	65,947,725
TPP Follow-on I Holding B Limited	3,150,931
Ultimate Lenovo Limited	2,573,208
VERTEX VENTURES CHINA III, L.P.	688,158
Vital Stars Group Limited	1,376,316
zPark Capital II, L.P.	63,062

Save as disclosed above there has been no alteration in the share capital of our Company during the two years immediately preceding the date of this document.

3. **Changes in the share capital of our subsidiaries and Consolidated Affiliated Entities**

A summary of the corporate information and the particulars of our subsidiaries are set out in note 11 to the Accountants' Report as set out in Appendix I.

The following sets out the changes in the share capital of our major subsidiaries and Consolidated Affiliated Entities that made a material contribution to our results of operations during the two years immediately preceding the date of this document. For details of our major subsidiaries and Consolidated Affiliated Entities, please see the section headed "History, Reorganization and Corporate Structure—Major subsidiaries and Consolidated Affiliated Entities."

Beijing Kuxun Technology

On December 11, 2017, Kooxoo, INC transferred its 100% equity interest in Beijing Kuxun Technology to Xigua Limited.

Beijing Sankuai Online

On March 1, 2018, the registered capital of Beijing Sankuai Online was increased from US$1,176,260,000 to US$1,476,260,000.

Beijing Sankuai Technology

On March 16, 2017, the registered capital of Beijing Sankuai Technology was increased from RMB1,040,000,000 to RMB1,090,000,000.

Mobike Beijing

On October 19, 2016, the registered capital of Mobike Beijing was increased from US$3,000,000 to US$99,000,000.

Save as disclosed above, there has been no alteration in the share capital of any of the major subsidiaries or Consolidated Affiliated Entities of our Company within the two years immediately preceding the date of this document.

Save for the subsidiaries mentioned in the Accountants' Report set out in Appendix I, our Company has no other subsidiaries or Consolidated Affiliated Entities.

4. **Resolutions passed in the meeting of our Shareholders dated August 30, 2018**

Resolutions were passed in the meeting of our Shareholders on August 30, 2018, pursuant to which, among others:

(a) conditional on (i) the [REDACTED] granting [REDACTED] of, and permission to deal in, the Shares in issue and to be issued as stated in this document and such [REDACTED] and permission not subsequently having been revoked prior to the commencement of dealing in the Shares on the [REDACTED]; (ii) the [REDACTED] having been determined; and (iii) the obligations of the [REDACTED] under each of the [REDACTED] becoming unconditional (including if relevant, as a result of the waiver of any condition(s) thereunder) and such obligations not having been terminated in accordance with the terms of the [REDACTED] or otherwise, in each case on or before such dates as may be specified in the [REDACTED];

(i) (I) all issued ordinary shares held by Crown Holdings, Shared Patience, Charmway Enterprises, Shared Vision and Kevin Sunny be re-designated and re-classified as class A ordinary shares of par value US$0.00001 each, each having the rights and restrictions as set out in the Memorandum and the Articles; and (II) all issued and unissued ordinary shares other than those set out in (I) above and all issued and unissued Preferred Shares be re-designated and re-classified as class B ordinary shares of par value US$[REDACTED] each; such that the authorized share capital of the Company shall be US$100,000 divided into [REDACTED] Class A Shares of US$0.00001 par value each and [REDACTED] Class B Shares of US$[REDACTED] each and the issued share capital of the Company shall be US$[REDACTED] divided into [REDACTED] Class A Shares of US$[REDACTED] par value each and [REDACTED] Class B Shares of US$[REDACTED] each, in each case to be effective on the [REDACTED];

(ii) the [REDACTED] (including the [REDACTED]) was approved, and the proposed allotment and issue of the Offer Shares under the [REDACTED] were approved, and the Directors were authorized to determine the [REDACTED] for, and to allot and issue the [REDACTED];

(iii) a general unconditional mandate was given to our Directors, exercisable on their behalf by Wang Xing, to exercise all powers of our Company to allot, issue and deal with Class B Shares or securities convertible into Shares and to make or grant offers, agreements or options (including any warrants, bonds, notes and debentures conferring any rights to subscribe for or otherwise receive Class B Shares) which might require Class B Shares to be allotted and issued or dealt with subject to the requirement that the aggregate nominal value of the Class B Shares so allotted and issued or agreed conditionally or unconditionally to be allotted and issued, otherwise than by way of the [REDACTED], rights issue or pursuant to the exercise of any subscription rights attaching to any warrants which may be allotted and issued by the Company from time to time or, pursuant to the exercise of any options which may be granted under the allotment and issue of Class B Shares in lieu of the whole or part of a dividend on Class B Shares in accordance with the Articles of Association on a specific authority granted by our Shareholders in general meeting, shall not exceed 20% of the aggregate nominal value of the Shares in issue immediately following the completion of the [REDACTED], excluding any Class B Shares to be issued pursuant to the exercise of the [REDACTED], options which have been granted under the Pre-[REDACTED] ESOP, and Class B Shares to be issued upon conversion of Class A Shares into Class B Shares on a one to one basis;

(iv) a general unconditional mandate (the "**Repurchase Mandate**") was given to our Directors, exercisable on their behalf by Wang Xing, to exercise all powers of our Company to repurchase on the Stock Exchange or on any other stock exchange on which the securities of our Company may be listed and which is recognised by the SFC and the Stock Exchange for this purpose, such number of Shares as will represent up to 10% of the total number of Shares in issue immediately following the completion of the [REDACTED], excluding any Class B Shares to be sold, or issued and allotted pursuant to (i) the exercise of the [REDACTED]; (ii) the exercise of options and vesting of RSUs granted under the Pre-[REDACTED] ESOP; (iii) the exercise of share options which may be granted under the Post-[REDACTED] Share Option Scheme; (iv) awards granted under the Post-[REDACTED] Share Award Scheme, and Class B Shares to be issued upon conversion of Class A Shares and Class B Shares on a one to one basis; and

(v) the general unconditional mandate as mentioned in paragraph (iv) above was extended by the addition to the aggregate nominal value of the Shares which may be allotted and issued or agreed to be allotted and issued by our Directors pursuant to such general mandate of an amount representing the aggregate nominal value of the Shares purchased by our Company pursuant to the mandate to purchase Shares referred to in paragraph (iv) above (up to 10% of the aggregate nominal value of the Shares in issue

immediately following the completion of the [REDACTED], excluding any Class B Shares to be sold, or issued and allotted pursuant to (i) the exercise of the [REDACTED]; (ii) the exercise of options and vesting of RSUs granted under the Pre-[REDACTED] ESOP; (iii) the exercise of share options which may be granted under the Post-[REDACTED] Share Option Scheme; (iv) awards granted under the Post-[REDACTED] Share Award Scheme, and Class B Shares to be issued upon conversion of Class A Shares and Class B Shares on a one to one basis; and

(b) our Company conditionally approved and adopted the Memorandum and the Articles with effect from the [REDACTED].

Each of the general mandates referred to in sub-paragraphs (a)(iii), (a)(iv), and (a)(v) above will remain in effect until whichever is the earliest of:

- the conclusion of the next annual general meeting of our Company;
- the expiration of the period within which the next annual general meeting of our Company is required to be held by any applicable law or the Articles of Association; and
- the time when such mandate is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

5. **Repurchase of our own securities**

The following paragraphs include, among others, certain information required by the Stock Exchange to be included in this document concerning the repurchase of our own securities.

Provision of the Listing Rules

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their own securities on the Stock Exchange subject to certain restrictions, the most important of which are summarised below:

Shareholders' Approval

All proposed repurchases of securities (which must be fully paid up in the case of shares) by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of the shareholders in a general meeting, either by way of general mandate or by specific approval of a particular transaction.

Pursuant to a resolution passed by our Shareholders on August 30, 2018, the Repurchase Mandate was given to our Directors authorising them to exercise all the powers of our Company to repurchase Shares on the Stock Exchange, or on any other stock exchange on which the securities of our Company may be listed and which is recognised by the SFC and the Stock Exchange for this purpose, such

number of Shares as will represent up to 10% of the total number of Shares in issue immediately following the completion of the [REDACTED] (excluding any Class B Shares to be sold, or issued and allotted pursuant to (i) the exercise of the [REDACTED]; (ii) the exercise of options and vesting of RSUs granted under the Pre-[REDACTED] ESOP; (iii) the exercise of share options which may be granted under the Post-[REDACTED] Share Option Scheme; (iv) awards granted under the Post-[REDACTED] Share Award Scheme, and Class B Shares to be issued upon conversion of Class A Shares and Class B Shares on a one to one basis), with such mandate to expire at the earliest of (i) the conclusion of the next annual general meeting of our Company (ii) the expiration of the period within which the next annual general meeting of our Company is required to be hold by any applicable law or the Articles of Association, and (iii) the date when it is varied or revoked by an ordinary resolution of our Shareholders in general meeting.

Source of funds

Purchases must be funded out of funds legally available for the purpose in accordance with the Memorandum and Articles of Association and the applicable Laws of Hong Kong and the Cayman Islands. A listed company may not purchase its own 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. As a matter of Cayman law, any purchases by the Company may be made out of profits or out of the proceeds of a new issue of shares made for the purpose of the purchase or from sums standing to the credit of our share premium account or out of capital, if so authorised by the Articles of Association and subject to the Cayman Companies Law. Any premium payable on the purchase over the par value of the shares to be purchased must have been provided for out of profits or from sums standing to the credit of our share premium account or out of capital, if so authorised by the Articles of Association and subject to the Cayman Companies Law.

Trading restrictions

The total number of shares which a listed company may repurchase on the Stock Exchange is the number of shares representing up to a maximum of 10% of the aggregate number of shares in issue. A company may not issue or announce a proposed issue of new securities for a period of 30 days immediately following a repurchase (other than an issue of securities pursuant to an exercise of warrants, share options or similar instruments requiring the company to issue securities which were outstanding prior to such repurchase) without the prior approval of the Stock Exchange. In addition, a listed company is prohibited from repurchasing its shares on the Stock Exchange if the purchase price is 5% or more than the average closing market price for the five preceding trading days on which its shares were traded on the Stock Exchange.

The Listing Rules also prohibit a listed company from repurchasing its securities if the repurchase would result in the number of listed securities which are in the hands of the public falling below the relevant prescribed minimum percentage as required by the Stock Exchange. A company is required to procure that the broker appointed by it to effect a repurchase of securities discloses to the Stock Exchange such information with respect to the repurchase as the Stock Exchange may require.

Status of repurchased Shares

The listing of all purchased securities (whether on the Stock Exchange or otherwise) is automatically cancelled and the relative certificates must be cancelled and destroyed. Under the laws of the Cayman Islands, unless, prior to the purchase the directors of the Company resolve to hold the shares purchased by the Company as treasury shares, shares purchased by the Company shall be treated as cancelled and the amount of the Company's issued share capital shall be diminished by the nominal value of those shares. However, the purchase of shares will not be taken as reducing the amount of the authorised share capital under Cayman law.

Suspension of repurchase

A listed company may not make any repurchase of securities after a price sensitive development has occurred or has been the subject of a decision until such time as the price sensitive information has been made publicly available. In particular, during the period of one month immediately preceding the earlier of (a) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of a listed company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules) and (b) the deadline for publication of an announcement of a listed company's 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), the listed company may not repurchase its shares on the Stock Exchange other than in exceptional circumstances. In addition, the Stock Exchange may prohibit a repurchase of securities on the Stock Exchange if a listed company has breached the Listing Rules.

Reporting requirements

Certain information relating to repurchases of securities on the Stock Exchange or otherwise must be reported to the Stock Exchange not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the following business day. In addition, a listed company's annual report is required to disclose details regarding repurchases of securities made during the year, including a monthly analysis of the number of securities repurchased, the purchase price per share or the highest and lowest price paid for all such repurchases, where relevant, and the aggregate prices paid.

Core connected persons

The Listing Rules prohibit a company from knowingly purchasing securities on the Stock Exchange from a "core connected person", that is, a director, chief executive or substantial shareholder of the company or any of its subsidiaries or a close associate of any of them (as defined in the Listing Rules) and a core connected person shall not knowingly sell their securities to the company.

Reasons for repurchases

Our Directors believe that it is in the best interests of our Company and Shareholders for our Directors to have a general authority from the Shareholders to enable our Company to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made where our Directors believe that such repurchases will benefit our Company and Shareholders.

Funding of repurchases

Repurchase of the Shares must be funded out of funds legally available for such purpose in accordance with the Articles of Association and the applicable laws of the Cayman Islands. Our Directors may not repurchase the Shares 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. Subject to the foregoing, our Directors may make repurchases with profits of the Company or out of a new issuance of shares made for the purpose of the repurchase or from sums standing to the credit of our share premium account or, if authorised by the Articles of Association and subject to the Cayman Companies Law, out of capital and, in the case of any premium payable on the repurchase, out of profits of the Company or from sums standing to the credit of the share premium account of the Company or, if authorised by the Articles of Association and subject to Cayman Companies Law, out of capital.

However, our Directors do not propose to exercise the general mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or its gearing levels which, in the opinion of our Directors, are from time to time appropriate for the Company.

General

The exercise in full of the Repurchase Mandate, on the basis of [REDACTED] Shares in issue immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no Shares are issued under the Pre-[REDACTED] ESOP, Post-[REDACTED] Share Option Scheme and Post-[REDACTED] Share Award Scheme) could accordingly result in up to approximately [REDACTED] Shares being repurchased by our Company during the period prior to the earliest of:

- the conclusion of the next annual general meeting of our Company unless renewed by an ordinary resolution of our Shareholders in a general meeting, either unconditionally or subject to conditions;

- the expiration of the period within which the next annual general meeting of our Company is required to be held by any applicable law or the Articles of Association; and

- the date when it is varied or revoked by an ordinary resolution of our Shareholders in general meeting.

None of our Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates currently intends to sell any Shares to our Company.

Our Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws in the Cayman Islands.

If, as a result of any repurchase of Shares, a Shareholder's proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as aforesaid, our Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate.

Any repurchase of Shares that results in the number of Shares held by the public being reduced to less than 25% of the Shares then in issue could only be implemented if the Stock Exchange agreed to waive the Listing Rules requirements regarding the public shareholding referred to above. It is believed that a waiver of this provision would not normally be granted other than in exceptional circumstances.

No core connected person of our Company has notified our Company that they have a present intention to sell Shares to our Company, or have undertaken not to do so, if the Repurchase Mandate is exercised.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of our Group within the two years preceding the date of this document and are or may be material:

1) an exclusive business cooperation agreement dated August 21, 2018 entered into between Tianjin Xiaoyi Technology Co., Ltd. (天津小蟻科技有限公司) and Tianjin Antechu Technology Co., Ltd. (天津安特廚科技有限公司), pursuant to which Tianjin Antechu Technology Co., Ltd. (天津安特廚科技有限公司) agreed to engage Tianjin Xiaoyi Technology Co., Ltd. (天津小蟻科技有限公司) as the exclusive service provider of technical support, consultation and other services in return for service fee;

2) an exclusive call option agreement dated August 21, 2018 entered into among Tianjin Xiaoyi Technology Co., Ltd. (天津小蟻科技有限公司), Wang Xing (王興), Mu Rongjun (穆榮均) and Tianjin Antechu Technology Co., Ltd. (天津安特廚科技有限公司), pursuant to which Wang Xing (王興) and Mu Rongjun (穆榮均) agreed to grant Tianjin Xiaoyi

Technology Co., Ltd. (天津小蟻科技有限公司) an exclusive and irrevocable option to purchase from Wang Xing (王興) and Mu Rongjun (穆榮均) all or part of their equity interests in Tianjin Antechu Technology Co., Ltd. (天津安特廚科技有限公司) for a total consideration of RMB5,000,000;

3) a loan agreement dated August 21, 2018 entered into between Tianjin Xiaoyi Technology Co., Ltd. (天津小蟻科技有限公司) and Wang Xing (王興), pursuant to which Tianjin Xiaoyi Technology Co., Ltd. (天津小蟻科技有限公司) agreed to provide Wang Xing (王興) with a loan of RMB4,750,000 to be used exclusively as investment in Tianjin Antechu Technology Co., Ltd. (天津安特廚科技有限公司);

4) a loan agreement dated August 21, 2018 entered into between Tianjin Xiaoyi Technology Co., Ltd. (天津小蟻科技有限公司) and Mu Rongjun (穆榮均), pursuant to which Tianjin Xiaoyi Technology Co., Ltd. (天津小蟻科技有限公司) agreed to provide Mu Rongjun (穆榮均) with a loan of RMB250,000 to be used exclusively as investment in Tianjin Antechu Technology Co., Ltd. (天津安特廚科技有限公司);

5) an equity pledge agreement dated August 21, 2018 entered into among Tianjin Xiaoyi Technology Co., Ltd. (天津小蟻科技有限公司), Wang Xing (王興), Mu Rongjun (穆榮均) and Tianjin Antechu Technology Co., Ltd. (天津安特廚科技有限公司), pursuant to which Wang Xing (王興) and Mu Rongjun (穆榮均) agreed to pledge all of their existing and future equity interests in Tianjin Antechu Technology Co., Ltd. (天津安特廚科技有限公司) to Tianjin Xiaoyi Technology Co., Ltd. (天津小蟻科技有限公司);

6) a power of attorney dated August 21, 2018 executed by Wang Xing (王興) in favor of and accepted by Tianjin Xiaoyi Technology Co., Ltd. (天津小蟻科技有限公司) and acknowledged by Tianjin Antechu Technology Co., Ltd. (天津安特廚科技有限公司), pursuant to which Wang Xing (王興) agreed to, among other things, exclusively authorize Tianjin Xiaoyi Technology Co., Ltd. (天津小蟻科技有限公司) or its designated person(s) to exercise all of his rights as shareholder of Tianjin Antechu Technology Co., Ltd. (天津安特廚科技有限公司);

7) a power of attorney dated August 21, 2018 executed by Mu Rongjun (穆榮均) in favor of and accepted by Tianjin Xiaoyi Technology Co., Ltd., (天津小蟻科技有限公司) and acknowledged by Tianjin Antechu Technology Co., Ltd. (天津安特廚科技有限公司), pursuant to which Mu Rongjun (穆榮均) agreed to, among other things, exclusively authorize Tianjin Xiaoyi Technology Co., Ltd. (天津小蟻科技有限公司) or its designated person(s) to exercise all of his rights as shareholder of Tianjin Antechu Technology Co., Ltd. (天津安特廚科技有限公司);

8) an exclusive business cooperation agreement dated August 21, 2018 entered into between Shanghai Juzuo Technology Co., Ltd. (上海駒座科技有限公司) and Shanghai Lutuan Technology Co., Ltd. (上海路團科技有限公司), pursuant to which Shanghai Lutuan Technology Co., Ltd. (上海路團科技有限公司) agreed to engage Shanghai Juzuo Technology Co., Ltd. (上海駒座科技有限公司) as the exclusive service provider of technical support, consultation and other services in return for service fee;

9) an exclusive call option agreement dated August 21, 2018 entered into among Shanghai Juzuo Technology Co., Ltd. (上海駒座科技有限公司), Wang Xing (王興), Mu Rongjun (穆榮均) and Shanghai Lutuan Technology Co., Ltd. (上海路團科技有限公司), pursuant to which Wang Xing (王興) and Mu Rongjun (穆榮均) agreed to grant Shanghai Juzuo Technology Co., Ltd. (上海駒座科技有限公司) an exclusive and irrevocable option to purchase from Wang Xing (王興) and Mu Rongjun (穆榮均) all or part of their equity interests in Shanghai Lutuan Technology Co., Ltd. (上海路團科技有限公司) for a total consideration of RMB5,000,000;

10) a loan agreement dated August 21, 2018 entered into between Shanghai Juzuo Technology Co., Ltd. (上海駒座科技有限公司) and Wang Xing (王興), pursuant to which Shanghai Juzuo Technology Co., Ltd. (上海駒座科技有限公司) agreed to provide Wang Xing (王興) with a loan of RMB4,750,000 to be used exclusively as investment in Shanghai Lutuan Technology Co., Ltd. (上海路團科技有限公司);

11) a loan agreement dated August 21, 2018 entered into between Shanghai Juzuo Technology Co., Ltd. (上海駒座科技有限公司) and Mu Rongjun (穆榮均), pursuant to which Shanghai Juzuo Technology Co., Ltd. (上海駒座科技有限公司) agreed to provide Mu Rongjun (穆榮均) with a loan of RMB250,000 to be used exclusively as investment in Shanghai Lutuan Technology Co., Ltd. (上海路團科技有限公司);

12) an equity pledge agreement dated August 21, 2018 entered into among Shanghai Juzuo Technology Co., Ltd. (上海駒座科技有限公司), Wang Xing (王興), Mu Rongjun (穆榮均) and Shanghai Lutuan Technology Co., Ltd. (上海路團科技有限公司), pursuant to which Wang Xing (王興) and Mu Rongjun (穆榮均) agreed to pledge all of their existing and future equity interests in Shanghai Lutuan Technology Co., Ltd. (上海路團科技有限公司) to Shanghai Juzuo Technology Co., Ltd. (上海駒座科技有限公司);

13) a power of attorney dated August 21, 2018 executed by Wang Xing (王興) in favor of and accepted by Shanghai Juzuo Technology Co., Ltd. (上海駒座科技有限公司) and acknowledged by Shanghai Lutuan Technology Co., Ltd. (上海路團科技有限公司), pursuant to which Wang Xing (王興) agreed to, among other things, exclusively authorize Shanghai Juzuo Technology Co., Ltd. (上海駒座科技有限公司) or its designated person(s) to exercise all of his rights as shareholder of Shanghai Lutuan Technology Co., Ltd. (上海路團科技有限公司).

14) a power of attorney dated August 21, 2018 executed by Mu Rongjun (穆榮均) in favor of and accepted by Shanghai Juzuo Technology Co., Ltd. (上海駒座科技有限公司) and acknowledged by Shanghai Lutuan Technology Co., Ltd. (上海路團科技有限公司), pursuant to which Mu Rongjun (穆榮均) agreed to, among other things, exclusively authorize Shanghai Juzuo Technology Co., Ltd. (上海駒座科技有限公司) or its designated person(s) to exercise all of his rights as shareholder of Shanghai Lutuan Technology Co., Ltd. (上海路團科技有限公司).

15) an exclusive business cooperation agreement dated August 21, 2018 entered into between Beijing Kuxun Technology Co., Ltd. (北京酷訊科技有限公司) and Beijing Kuxun Interaction Technology Co., Ltd. (北京酷訊互動科技有限公司), pursuant to which Beijing Kuxun Interaction Technology Co., Ltd. (北京酷訊互動科技有限公司) agreed to engage Beijing Kuxun Technology Co., Ltd. (北京酷訊科技有限公司) as the exclusive service provider of technical support, consultation and other services in return for service fee;

16) an exclusive call option agreement dated August 21, 2018 entered into among Beijing Kuxun Technology Co., Ltd. (北京酷訊科技有限公司), Wang Xing (王興), Mu Rongjun (穆榮均) and Beijing Kuxun Interaction Technology Co., Ltd. (北京酷訊互動科技有限公司), pursuant to which Wang Xing (王興) and Mu Rongjun (穆榮均) agreed to grant Beijing Kuxun Technology Co., Ltd. (北京酷訊科技有限公司) an exclusive and irrevocable option to purchase from Wang Xing (王興) and Mu Rongjun (穆榮均) all or part of their equity interests in Beijing Kuxun Interaction Technology Co., Ltd. (北京酷訊互動科技有限公司) for a total consideration of RMB52,000,000;

17) a loan agreement dated August 21, 2018 entered into between Beijing Kuxun Technology Co., Ltd. (北京酷訊科技有限公司) and Wang Xing (王興), pursuant to which Beijing Kuxun Technology Co., Ltd. (北京酷訊科技有限公司) agreed to provide Wang Xing (王興) with a loan of RMB49,400,000 to be used exclusively as investment in Beijing Kuxun Interaction Technology Co., Ltd. (北京酷訊互動科技有限公司);

18) a loan agreement dated August 21, 2018 entered into between Beijing Kuxun Technology Co., Ltd. (北京酷訊科技有限公司) and Mu Rongjun (穆榮均), pursuant to which Beijing Kuxun Technology Co., Ltd. (北京酷訊科技有限公司) agreed to provide Mu Rongjun (穆榮均) with a loan of RMB2,600,000 to be used exclusively as investment in Beijing Kuxun Interaction Technology Co., Ltd. (北京酷訊互動科技有限公司);

19) an equity pledge agreement dated August 21, 2018 entered into among Beijing Kuxun Technology Co., Ltd. (北京酷訊科技有限公司), Wang Xing (王興), Mu Rongjun (穆榮均) and Beijing Kuxun Interaction Technology Co., Ltd. (北京酷訊互動科技有限公司), pursuant to which Wang Xing (王興) and Mu Rongjun (穆榮均) agreed to pledge all of their existing and future equity interests in Beijing Kuxun Interaction Technology Co., Ltd. (北京酷訊互動科技有限公司) to Beijing Kuxun Technology Co., Ltd. (北京酷訊科技有限公司);

20) a power of attorney dated August 21, 2018 executed by Wang Xing (王興) in favor of and accepted by Beijing Kuxun Technology Co., Ltd. (北京酷訊科技有限公司) and acknowledged by Beijing Kuxun Interaction Technology Co., Ltd. (北京酷訊互動科技有限公司), pursuant to which Wang Xing (王興) agreed to, among other things, exclusively authorize Beijing Kuxun Technology Co., Ltd. (北京酷訊科技有限公司) or its designated person(s) to exercise all of his rights as shareholder of Beijing Kuxun Interaction Technology Co., Ltd. (北京酷訊互動科技有限公司);

21) a power of attorney dated August 21, 2018 executed by Mu Rongjun (穆榮均) in favor of and accepted by Beijing Kuxun Technology Co., Ltd. (北京酷訊科技有限公司) and acknowledged by Beijing Kuxun Interaction Technology Co., Ltd. (北京酷訊互動科技有限公司), pursuant to which Mu Rongjun (穆榮均) agreed to, among other things, exclusively authorize Beijing Kuxun Technology Co., Ltd. (北京酷訊科技有限公司) or its designated person(s) to exercise all of his rights as shareholder of Beijing Kuxun Interaction Technology Co., Ltd. (北京酷訊互動科技有限公司);

22) an exclusive business cooperation agreement dated August 21, 2018 entered into between Beijing Sankuai Online Technology Co., Ltd. (北京三快在綫科技有限公司) and Shanghai Sankuai Technology Co., Ltd. (上海三快科技有限公司), pursuant to which Shanghai Sankuai Technology Co., Ltd. (上海三快科技有限公司) agreed to engage Beijing Sankuai Online Technology Co., Ltd. (北京三快在綫科技有限公司) as the exclusive service provider of technical support, consultation and other services in return for service fee;

23) an exclusive call option agreement dated August 21, 2018 entered into among Beijing Sankuai Online Technology Co., Ltd. (北京三快在綫科技有限公司), Wang Xing (王興), Mu Rongjun (穆榮均) and Shanghai Sankuai Technology Co., Ltd. (上海三快科技有限公司), pursuant to which Wang Xing (王興) and Mu Rongjun (穆榮均) agreed to grant Beijing Sankuai Online Technology Co., Ltd. (北京三快在綫科技有限公司) an exclusive and irrevocable option to purchase from Wang Xing (王興) and Mu Rongjun (穆榮均) all or part of their equity interests in Shanghai Sankuai Technology Co., Ltd. (上海三快科技有限公司) for a total consideration of RMB5,000,000;

24) a loan agreement dated August 21, 2018 entered into between Beijing Sankuai Online Technology Co., Ltd. (北京三快在綫科技有限公司) and Wang Xing (王興), pursuant to which Beijing Sankuai Online Technology Co., Ltd. (北京三快在綫科技有限公司) agreed to provide Wang Xing (王興) with a loan of RMB4,750,000 to be used exclusively as investment in Shanghai Sankuai Technology Co., Ltd. (上海三快科技有限公司);

25) a loan agreement dated August 21, 2018 entered into between Beijing Sankuai Online Technology Co., Ltd. (北京三快在綫科技有限公司) and Mu Rongjun (穆榮均), pursuant to which Beijing Sankuai Online Technology Co., Ltd. (北京三快在綫科技有限公司) agreed to provide Mu Rongjun (穆榮均) with a loan of RMB250,000 to be used exclusively as investment in Shanghai Sankuai Technology Co., Ltd. (上海三快科技有限公司);

26) an equity pledge agreement dated August 21, 2018 entered into among Beijing Sankuai Online Technology Co., Ltd. (北京三快在綫科技有限公司), Wang Xing (王興), Mu Rongjun (穆榮均) and Shanghai Sankuai Technology Co., Ltd. (上海三快科技有限公司), pursuant to which Wang Xing (王興) and Mu Rongjun (穆榮均) agreed to pledge all of their existing and future equity interests in Shanghai Sankuai Technology Co., Ltd. (上海三快科技有限公司) to Beijing Sankuai Online Technology Co., Ltd. (北京三快在綫科技有限公司);

27) a power of attorney dated August 21, 2018 executed by Wang Xing (王興) in favor of and accepted by Beijing Sankuai Online Technology Co., Ltd. (北京三快在綫科技有限公司) and acknowledged by Shanghai Sankuai Technology Co., Ltd. (上海三快科技有限公司), pursuant to which Wang Xing (王興) agreed to, among other things, exclusively authorize Beijing Sankuai Online Technology Co., Ltd. (北京三快在綫科技有限公司) or its designated person(s) to exercise all of his rights as shareholder of Shanghai Sankuai Technology Co., Ltd. (上海三快科技有限公司);

28) a power of attorney dated August 21, 2018 executed by Mu Rongjun (穆榮均) in favor of and accepted by Beijing Sankuai Online Technology Co., Ltd. (北京三快在綫科技有限公司) and acknowledged by Shanghai Sankuai Technology Co., Ltd. (上海三快科技有限公司), pursuant to which Mu Rongjun (穆榮均) agreed to, among other things, exclusively authorize Beijing Sankuai Online Technology Co., Ltd. (北京三快在綫科技有限公司) or its designated person(s) to exercise all of his rights as shareholder of Shanghai Sankuai Technology Co., Ltd. (上海三快科技有限公司);

29) an exclusive business cooperation agreement dated August 21, 2018 entered into between Beijing Sankuai Online Technology Co., Ltd. (北京三快在綫科技有限公司) and Beijing Sankuai Technology Co., Ltd. (北京三快科技有限公司), pursuant to which Beijing Sankuai Technology Co., Ltd. (北京三快科技有限公司) agreed to engage Beijing Sankuai Online Technology Co., Ltd. (北京三快在綫科技有限公司) as the exclusive service provider of technical support, consultation and other services in return for service fee;

30) an exclusive call option agreement dated August 21, 2018 entered into among Beijing Sankuai Online Technology Co., Ltd. (北京三快在綫科技有限公司), Wang Xing (王興), Mu Rongjun (穆榮均) and Beijing Sankuai Technology Co., Ltd. (北京三快科技有限公司), pursuant to which Wang Xing (王興) and Mu Rongjun (穆榮均) agreed to grant Beijing Sankuai Online Technology Co., Ltd. (北京三快在綫科技有限公司) an exclusive and irrevocable option to purchase from Wang Xing (王興) and Mu Rongjun (穆榮均) all or part of their equity interests in Beijing Sankuai Technology Co., Ltd. (北京三快科技有限公司) for a total consideration of RMB1,090,000,000;

31) a loan agreement dated August 21, 2018 entered into between Beijing Sankuai Online Technology Co., Ltd. (北京三快在綫科技有限公司) and Wang Xing (王興), pursuant to which Beijing Sankuai Online Technology Co., Ltd. (北京三快在綫科技有限公司) agreed to provide Wang Xing (王興) with a loan of RMB1,035,500,000 to be used exclusively as investment in Beijing Sankuai Technology Co., Ltd. (北京三快科技有限公司);

32) a loan agreement dated August 21, 2018 entered into between Beijing Sankuai Online Technology Co., Ltd. (北京三快在綫科技有限公司) and Mu Rongjun (穆榮均), pursuant to which Beijing Sankuai Online Technology Co., Ltd. (北京三快在綫科技有限公司) agreed to provide Mu Rongjun (穆榮均) with a loan of RMB54,500,000 to be used exclusively as investment in Beijing Sankuai Technology Co., Ltd. (北京三快科技有限公司);

33) an equity pledge agreement dated August 21, 2018 entered into among Beijing Sankuai Online Technology Co., Ltd. (北京三快在綫科技有限公司), Wang Xing (王興), Mu Rongjun (穆榮均) and Beijing Sankuai Technology Co., Ltd. (北京三快科技有限公司), pursuant to which Wang Xing (王興) and Mu Rongjun (穆榮均) agreed to pledge all of their existing and future equity interests in Beijing Sankuai Technology Co., Ltd. (北京三快科技有限公司) to Beijing Sankuai Online Technology Co., Ltd. (北京三快在綫科技有限公司);

34) a power of attorney dated August 21, 2018 executed by Wang Xing (王興) in favor of and accepted by Beijing Sankuai Online Technology Co., Ltd. (北京三快在綫科技有限公司) and acknowledged by Beijing Sankuai Technology Co., Ltd. (北京三快科技有限公司), pursuant to which Wang Xing (王興) agreed to, among other things, exclusively authorize Beijing Sankuai Online Technology Co., Ltd. (北京三快在綫科技有限公司) or its designated person(s) to exercise all of his rights as shareholder of Beijing Sankuai Technology Co., Ltd. (北京三快科技有限公司);

35) a power of attorney dated August 21, 2018 executed by Mu Rongjun (穆榮均) in favor of and accepted by Beijing Sankuai Online Technology Co., Ltd. (北京三快在綫科技有限公司) and acknowledged by Beijing Sankuai Technology Co., Ltd. (北京三快科技有限公司), pursuant to which Mu Rongjun (穆榮均) agreed to, among other things, exclusively authorize Beijing Sankuai Online Technology Co., Ltd. (北京三快在綫科技有限公司) or its designated person(s) to exercise all of his rights as shareholder of Beijing Sankuai Technology Co., Ltd. (北京三快科技有限公司);

36) an exclusive business cooperation agreement dated August 21, 2018 entered into between Shenzhen Sankuai Online Technology Co., Ltd. (深圳三快在綫科技有限公司) and Beijing Xinmeida Technology Co., Ltd. (北京新美大科技有限公司), pursuant to which Beijing Xinmeida Technology Co., Ltd. (北京新美大科技有限公司) agreed to engage Shenzhen Sankuai Online Technology Co., Ltd. (深圳三快在綫科技有限公司) as the exclusive service provider of technical support, consultation and other services in return for service fee;

37) an exclusive call option agreement dated August 21, 2018 entered into among Shenzhen Sankuai Online Technology Co., Ltd. (深圳三快在綫科技有限公司), Wang Xing (王興), Mu Rongjun (穆榮均) and Beijing Xinmeida Technology Co., Ltd. (北京新美大科技有限公司), pursuant to which Wang Xing (王興) and Mu Rongjun (穆榮均) agreed to grant Shenzhen Sankuai Online Technology Co., Ltd. (深圳三快在綫科技有限公司) an exclusive and irrevocable option to purchase from Wang Xing (王興) and Mu Rongjun (穆榮均) all or part of their equity interests in Beijing Xinmeida Technology Co., Ltd. (北京新美大科技有限公司) for a total consideration of RMB210,000,000;

38) a loan agreement dated August 21, 2018 entered into between Shenzhen Sankuai Online Technology Co., Ltd. (深圳三快在綫科技有限公司) and Wang Xing (王興), pursuant to which Shenzhen Sankuai Online Technology Co., Ltd. (深圳三快在綫科技有限公司) agreed to provide Wang Xing (王興) with a loan of RMB199,500,000 to be used exclusively as investment in Beijing Xinmeida Technology Co., Ltd. (北京新美大科技有限公司);

39) a loan agreement dated August 21, 2018 entered into between Shenzhen Sankuai Online Technology Co., Ltd. (深圳三快在綫科技有限公司) and Mu Rongjun (穆榮均), pursuant to which Shenzhen Sankuai Online Technology Co., Ltd. (深圳三快在綫科技有限公司) agreed to provide Mu Rongjun (穆榮均) with a loan of RMB10,500,000 to be used exclusively as investment in Beijing Xinmeida Technology Co., Ltd. (北京新美大科技有限公司);

40) an equity pledge agreement dated August 21, 2018 entered into among Shenzhen Sankuai Online Technology Co., Ltd. (深圳三快在綫科技有限公司), Wang Xing (王興), Mu Rongjun (穆榮均) and Beijing Xinmeida Technology Co., Ltd. (北京新美大科技有限公司), pursuant to which Wang Xing (王興) and Mu Rongjun (穆榮均) agreed to pledge all of their existing and future equity interests in Beijing Xinmeida Technology Co., Ltd. (北京新美大科技有限公司) to Shenzhen Sankuai Online Technology Co., Ltd. (深圳三快在綫科技有限公司);

41) a power of attorney dated August 21, 2018 executed by Wang Xing (王興) in favor of and accepted by Shenzhen Sankuai Online Technology Co., Ltd. (深圳三快在綫科技有限公司) and acknowledged by Beijing Xinmeida Technology Co., Ltd. (北京新美大科技有限公司), pursuant to which Wang Xing (王興) agreed to, among other things, exclusively authorize Shenzhen Sankuai Online Technology Co., Ltd. (深圳三快在綫科技有限公司) or its designated person(s) to exercise all of his rights as shareholder of Beijing Xinmeida Technology Co., Ltd. (北京新美大科技有限公司);

42) a power of attorney dated August 21, 2018 executed by Mu Rongjun (穆榮均) in favor of and accepted by Shenzhen Sankuai Online Technology Co., Ltd., (深圳三快在綫科技有限公司) and acknowledged by Beijing Xinmeida Technology Co., Ltd. (北京新美大科技有限公司), pursuant to which Mu Rongjun (穆榮均) agreed to, among other things, exclusively authorize Shenzhen Sankuai Online Technology Co., Ltd. (深圳三快在綫科技有限公司) or its designated person(s) to exercise all of his rights as shareholder of Beijing Xinmeida Technology Co., Ltd. (北京新美大科技有限公司);

43) an exclusive business cooperation agreement dated August 21, 2018 entered into between Shenzhen Sankuai Online Technology Co., Ltd. (深圳三快在綫科技有限公司) and Beijing Meituan Finance Technology Co., Ltd. (北京美團金融科技有限公司), pursuant to which Beijing Meituan Finance Technology Co., Ltd. (北京美團金融科技有限公司) agreed to engage Shenzhen Sankuai Online Technology Co., Ltd. (深圳三快在綫科技有限公司) as the exclusive service provider of technical support, consultation and other services in return for service fee;

44) an exclusive call option agreement dated August 21, 2018 entered into among Shenzhen Sankuai Online Technology Co., Ltd. (深圳三快在綫科技有限公司), Wang Xing (王興), Mu Rongjun (穆榮均) and Beijing Meituan Finance Technology Co., Ltd. (北京美團金融科技有限公司), pursuant to which Wang Xing (王興) and Mu Rongjun (穆榮均) agreed to grant Shenzhen Sankuai Online Technology Co., Ltd. (深圳三快在綫科技有限公司) an exclusive and irrevocable option to purchase from Wang Xing (王興) and Mu Rongjun (穆榮均) all or part of their equity interests in Beijing Meituan Finance Technology Co., Ltd. (北京美團金融科技有限公司) for a total consideration of RMB100,000,000;

45) a loan agreement dated August 21, 2018 entered into between Shenzhen Sankuai Online Technology Co., Ltd. (深圳三快在綫科技有限公司) and Wang Xing (王興), pursuant to which Shenzhen Sankuai Online Technology Co., Ltd. (深圳三快在綫科技有限公司) agreed to provide Wang Xing (王興) with a loan of RMB95,000,000 to be used exclusively as investment in Beijing Meituan Finance Technology Co., Ltd. (北京美團金融科技有限公司);

46) a loan agreement dated August 21, 2018 entered into between Shenzhen Sankuai Online Technology Co., Ltd. (深圳三快在綫科技有限公司) and Mu Rongjun (穆榮均), pursuant to which Shenzhen Sankuai Online Technology Co., Ltd. (深圳三快在綫科技有限公司) agreed to provide Mu Rongjun (穆榮均) with a loan of RMB5,000,000 to be used exclusively as investment in Beijing Meituan Finance Technology Co., Ltd. (北京美團金融科技有限公司);

47) an equity pledge agreement dated August 21, 2018 entered into among Shenzhen Sankuai Online Technology Co., Ltd. (深圳三快在綫科技有限公司), Wang Xing (王興), Mu Rongjun (穆榮均) and Beijing Meituan Finance Technology Co., Ltd. (北京美團金融科技有限公司), pursuant to which Wang Xing (王興) and Mu Rongjun (穆榮均) agreed to pledge all of their existing and future equity interests in Beijing Meituan Finance Technology Co., Ltd. (北京美團金融科技有限公司) to Shenzhen Sankuai Online Technology Co., Ltd. (深圳三快在綫科技有限公司);

48) a power of attorney dated August 21, 2018 executed by Wang Xing (王興) in favor of and accepted by Shenzhen Sankuai Online Technology Co., Ltd. (深圳三快在綫科技有限公司) and acknowledged by Beijing Meituan Finance Technology Co., Ltd. (北京美團金融科技有限公司), pursuant to which Wang Xing (王興) agreed to, among other things, exclusively authorize Shenzhen Sankuai Online Technology Co., Ltd. (深圳三快在綫科技有限公司) or its designated person(s) to exercise all of his rights as shareholder of Beijing Meituan Finance Technology Co., Ltd. (北京美團金融科技有限公司);

49) a power of attorney dated August 21, 2018 executed by Mu Rongjun (穆榮均) in favor of and accepted by Shenzhen Sankuai Online Technology Co., Ltd. (深圳三快在綫科技有限公司) and acknowledged by Beijing Meituan Finance Technology Co., Ltd. (北京美團金融科技有限公司), pursuant to which Mu Rongjun (穆榮均) agreed to, among other things, exclusively authorize Shenzhen Sankuai Online Technology Co., Ltd. (深圳三快在綫科技有限公司) or its designated person(s) to exercise all of his rights as shareholder of Beijing Meituan Finance Technology Co., Ltd. (北京美團金融科技有限公司);

50) an exclusive business cooperation agreement dated August 21, 2018 entered into between Sankuai Cloud Online (Beijing) Technology Co., Ltd. (三快雲在綫(北京)科技有限公司) and Beijing Sankuai Cloud Computing Co., Ltd. (北京三快雲計算有限公司), pursuant to which Beijing Sankuai Cloud Computing Co., Ltd. (北京三快雲計算有限公司) agreed to engage Sankuai Cloud Online (Beijing) Technology Co., Ltd. (三快雲在綫(北京)科技有限公司) as the exclusive service provider of technical support, consultation and other services in return for service fee;

51) an exclusive call option agreement dated August 21, 2018 entered into among Sankuai Cloud Online (Beijing) Technology Co., Ltd. (三快雲在綫(北京)科技有限公司), Wang Xing (王興), Mu Rongjun (穆榮均) and Beijing Sankuai Cloud Computing Co., Ltd. (北京三快雲計算有限公司), pursuant to which Wang Xing (王興) and Mu Rongjun (穆榮均) agreed to grant Sankuai Cloud Online (Beijing) Technology Co., Ltd. (三快雲在綫(北京)科技有限公司) an exclusive and irrevocable option to purchase from Wang Xing (王興) and Mu Rongjun (穆榮均) all or part of their equity interests in Beijing Sankuai Cloud Computing Co., Ltd. (北京三快雲計算有限公司) for a total consideration of RMB10,000,000;

52) a loan agreement dated August 21, 2018 entered into between Sankuai Cloud Online (Beijing) Technology Co., Ltd. (三快雲在綫(北京)科技有限公司) and Wang Xing (王興), pursuant to which Sankuai Cloud Online (Beijing) Technology Co., Ltd. (三快雲在綫(北京)科技有限公司) agreed to provide Wang Xing (王興) with a loan of RMB9,500,000 to be used exclusively as investment in Beijing Sankuai Cloud Computing Co., Ltd. (北京三快雲計算有限公司);

53) a loan agreement dated August 21, 2018 entered into between Sankuai Cloud Online (Beijing) Technology Co., Ltd. (三快雲在綫(北京)科技有限公司) and Mu Rongjun (穆榮均), pursuant to which Sankuai Cloud Online (Beijing) Technology Co., Ltd. (三快雲在綫(北京)科技有限公司) agreed to provide Mu Rongjun (穆榮均) with a loan of RMB500,000 to be used exclusively as investment in Beijing Sankuai Cloud Computing Co., Ltd. (北京三快雲計算有限公司);

54) an equity pledge agreement dated August 21, 2018 entered into among Sankuai Cloud Online (Beijing) Technology Co., Ltd. (三快雲在綫(北京)科技有限公司), Wang Xing (王興), Mu Rongjun (穆榮均) and Beijing Sankuai Cloud Computing Co., Ltd. (北京三快雲計算有限公司), pursuant to which Wang Xing (王興) and Mu Rongjun (穆榮均) agreed to pledge all of their existing and future equity interests in Beijing Sankuai Cloud Computing Co., Ltd. (北京三快雲計算有限公司) to Sankuai Cloud Online (Beijing) Technology Co., Ltd. (三快雲在綫(北京)科技有限公司);

55) a power of attorney dated August 21, 2018 executed by Wang Xing (王興) in favor of and accepted by Sankuai Cloud Online (Beijing) Technology Co., Ltd. (三快雲在綫(北京)科技有限公司) and acknowledged by Beijing Sankuai Cloud Computing Co., Ltd. (北京三快雲計算有限公司), pursuant to which Wang Xing (王興) agreed to, among other things, exclusively authorize Sankuai Cloud Online (Beijing) Technology Co., Ltd. (三快雲在綫(北京)科技有限公司) or its designated person(s) to exercise all of his rights as shareholder of Beijing Sankuai Cloud Computing Co., Ltd. (北京三快雲計算有限公司);

56) a power of attorney dated August 21, 2018 executed by Mu Rongjun (穆榮均) in favor of and accepted by Sankuai Cloud Online (Beijing) Technology Co., Ltd. (三快雲在綫(北京)科技有限公司) and acknowledged by Beijing Sankuai Cloud Computing Co., Ltd. (北京三快雲計算有限公司), pursuant to which Mu Rongjun (穆榮均) agreed to, among other things, exclusively authorize Sankuai Cloud Online (Beijing) Technology Co., Ltd. (三快雲在綫(北京)科技有限公司) or its designated person(s) to exercise all of his rights as shareholder of Beijing Sankuai Cloud Computing Co., Ltd. (北京三快雲計算有限公司);

57) an exclusive business cooperation agreement dated August 21, 2018 entered into between Mobike (Beijing) Information Technology Co., Ltd. (摩拜(北京)信息技術有限公司) and Beijing Mobike Technology Co., Ltd. (北京摩拜科技有限公司), pursuant to which Beijing Mobike Technology Co., Ltd. (北京摩拜科技有限公司) agreed to engage Mobike (Beijing) Information Technology Co., Ltd. (摩拜(北京)信息技術有限公司) as the exclusive service provider of technical support, consultation and other services in return for service fee;

58) an exclusive call option agreement dated August 21, 2018 entered into among Mobike (Beijing) Information Technology Co., Ltd. (摩拜(北京)信息技術有限公司), Wang Xing (王興), Mu Rongjun (穆榮均) and Beijing Mobike Technology Co., Ltd. (北京摩拜科技有限公司), pursuant to which Wang Xing (王興) and Mu Rongjun (穆榮均) agreed to grant Mobike (Beijing) Information Technology Co., Ltd. (摩拜(北京)信息技術有限公司) an exclusive and irrevocable option to purchase from Wang Xing (王興) and Mu Rongjun (穆榮均) all or part of their equity interests in Beijing Mobike Technology Co., Ltd. (北京摩拜科技有限公司) for a total consideration of RMB10;

59) an equity pledge agreement dated August 21, 2018 entered into among Mobike (Beijing) Information Technology Co., Ltd. (摩拜(北京)信息技術有限公司), Wang Xing (王興), Mu Rongjun (穆榮均) and Beijing Mobike Technology Co., Ltd. (北京摩拜科技有限公司), pursuant to which Wang Xing (王興) and Mu Rongjun (穆榮均) agreed to pledge all of their existing and future equity interests in Beijing Mobike Technology Co., Ltd. (北京摩拜科技有限公司) to Mobike (Beijing) Information Technology Co., Ltd. (摩拜(北京)信息技術有限公司);

60) a power of attorney dated August 21, 2018 executed by Wang Xing (王興) in favor of and accepted by Mobike (Beijing) Information Technology Co., Ltd. (摩拜(北京)信息技術有限公司) and acknowledged by Beijing Mobike Technology Co., Ltd (北京摩拜科技有限公司), pursuant to which Wang Xing (王興) agreed to, among other things, exclusively authorize Mobike (Beijing) Information Technology Co., Ltd. (摩拜(北京)信息技術有限公司) or its designated person(s) to exercise all of his rights as shareholder of Beijing Mobike Technology Co., Ltd. (北京摩拜科技有限公司);

61) a power of attorney dated August 21, 2018 executed by Mu Rongjun (穆榮均) in favor of and accepted by Mobike (Beijing) Information Technology Co., Ltd. (摩拜(北京)信息技術有限公司) and acknowledged by Beijing Mobike Technology Co., Ltd (北京摩拜科技有限公司), pursuant to which Mu Rongjun (穆榮均) agreed to, among other things, exclusively authorize Mobike (Beijing) Information Technology Co., Ltd. (摩拜(北京)信息技術有限公司) or its designated person(s) to exercise all of his rights as shareholder of Beijing Mobike Technology Co., Ltd. (北京摩拜科技有限公司);

62) an exclusive business cooperation agreement dated August 21, 2018 entered into between Tianjin Wanlong Technology Co., Ltd. (天津萬龍科技有限公司) and Chengdu Meigengmei Information Technology Co., Ltd. (成都美更美信息技術有限公司), pursuant to which Chengdu Meigengmei Information Technology Co., Ltd. (成都美更美信息技術有限公司) agreed to engage Tianjin Wanlong Technology Co., Ltd. (天津萬龍科技有限公司) as the exclusive service provider of technical support, consultation and other services in return for service fee;

63) an exclusive call option agreement dated August 21, 2018 entered into among Tianjin Wanlong Technology Co., Ltd. (天津萬龍科技有限公司), Li Huijuan (李慧娟), Fu Dongping (付棟平) and Chengdu Meigengmei Information Technology Co., Ltd. (成都美更美信息技術有限公司), pursuant to which Li Huijuan (李慧娟) and Fu Dongping (付棟平) agreed to grant Tianjin Wanlong Technology Co., Ltd. (天津萬龍科技有限公司) an exclusive and irrevocable option to purchase from Li Huijuan (李慧娟) and Fu Dongping (付棟平) all or part of their equity interests in Chengdu Meigengmei Information Technology Co., Ltd. (成都美更美信息技術有限公司) for a total consideration of RMB10;

64) an equity pledge agreement dated August 21, 2018 entered into among Tianjin Wanlong Technology Co., Ltd. (天津萬龍科技有限公司), Li Huijuan (李慧娟), Fu Dongping (付棟平) and Chengdu Meigengmei Information Technology Co., Ltd. (成都美更美信息技術有限公司), pursuant to which Li Huijuan (李慧娟) and Fu Dongping (付棟平) agreed to pledge all of their existing and future equity interests in Chengdu Meigengmei Information Technology Co., Ltd. (成都美更美信息技術有限公司) to Tianjin Wanlong Technology Co., Ltd. (天津萬龍科技有限公司);

65) a power of attorney dated August 21, 2018 executed by Li Huijuan (李慧娟) in favor of and accepted by Tianjin Wanlong Technology Co., Ltd. (天津萬龍科技有限公司) and acknowledged by Chengdu Meigengmei Information Technology Co., Ltd. (成都美更美信息技術有限公司), pursuant to which Li Huijuan (李慧娟) agreed to, among other things, exclusively authorize Tianjin Wanlong Technology Co., Ltd. (天津萬龍科技有限公司) or its designated person(s) to exercise all of her rights as shareholder of Chengdu Meigengmei Information Technology Co., Ltd. (成都美更美信息技術有限公司);

66) a power of attorney dated August 21, 2018 executed by Fu Dongping (付棟平) in favor of and accepted by Tianjin Wanlong Technology Co., Ltd. (天津萬龍科技有限公司) and acknowledged by Chengdu Meigengmei Information Technology Co., Ltd. (成都美更美信息技術有限公司), pursuant to which Fu Dongping (付棟平) agreed to, among other things, exclusively authorize Tianjin Wanlong Technology Co., Ltd. (天津萬龍科技有限公司) or its designated person(s) to exercise all of his rights as shareholder of Chengdu Meigengmei Information Technology Co., Ltd. (成都美更美信息技術有限公司);

67) an exclusive business cooperation agreement dated August 21, 2018 entered into between Hanhai Information Technology (Shanghai) Co., Ltd. (漢海信息技術(上海)有限公司) and Shanghai Hantao Information Consultancy Co., Ltd. (上海漢濤信息諮詢有限公司), pursuant to which Shanghai Hantao Information Consultancy Co., Ltd. (上海漢濤信息諮詢有限公司) agreed to engage Hanhai Information Technology (Shanghai) Co., Ltd. (漢海信息技術(上海)有限公司) as the exclusive service provider of technical support, consultation and other services in return for service fee;

68) an exclusive call option agreement dated August 21, 2018 entered into among Hanhai Information Technology (Shanghai) Co., Ltd. (漢海信息技術(上海)有限公司), Shenzhen Litong Industrial Investment Fund Co., Ltd. (深圳市利通產業投資基金有限公司), Zhang Tao (張濤), Li Jing (李璟), Long Wei (龍偉), Ye Shuhong (葉樹蕻), Zhang Bo (張波) and Shanghai Hantao Information Consultancy Co., Ltd. (上海漢濤信息諮詢有限公司),

pursuant to which Shenzhen Litong Industrial Investment Fund Co., Ltd. (深圳市利通產業投資基金有限公司), Zhang Tao (張濤), Li Jing (李璟), Long Wei (龍偉), Ye Shuhong (葉樹蕻) and Zhang Bo (張波) agreed to grant Hanhai Information Technology (Shanghai) Co., Ltd. (漢海信息技術(上海)有限公司) an exclusive and irrevocable option to purchase from them all or part of their equity interests in Shanghai Hantao Information Consultancy Co., Ltd. (上海漢濤信息諮詢有限公司) for a total consideration of RMB10;

69) an equity pledge agreement dated August 21, 2018 entered into among Hanhai Information Technology (Shanghai) Co., Ltd. (漢海信息技術(上海)有限公司), Shenzhen Litong Industrial Investment Fund Co., Ltd. (深圳市利通產業投資基金有限公司), Zhang Tao (張濤), Li Jing (李璟), Long Wei (龍偉), Ye Shuhong (葉樹蕻), Zhang Bo (張波) and Shanghai Hantao Information Consultancy Co., Ltd. (上海漢濤信息諮詢有限公司), pursuant to which Shenzhen Litong Industrial Investment Fund Co., Ltd. (深圳市利通產業投資基金有限公司), Zhang Tao (張濤), Li Jing (李璟), Long Wei (龍偉), Ye Shuhong (葉樹蕻) and Zhang Bo (張波) agreed to pledge all of their existing and future equity interests in Shanghai Hantao Information Consultancy Co., Ltd. (上海漢濤信息諮詢有限公司) to Hanhai Information Technology (Shanghai) Co., Ltd. (漢海信息技術(上海)有限公司);

70) a power of attorney dated August 21, 2018 executed by Shenzhen Litong Industrial Investment Fund Co., Ltd. (深圳市利通產業投資基金有限公司) in favor of and accepted by Hanhai Information Technology (Shanghai) Co., Ltd. (漢海信息技術(上海)有限公司) and acknowledged by Shanghai Hantao Information Consultancy Co., Ltd. (上海漢濤信息諮詢有限公司), pursuant to which Shenzhen Litong Industrial Investment Fund Co., Ltd. (深圳市利通產業投資基金有限公司) agreed to, among other things, exclusively authorize Hanhai Information Technology (Shanghai) Co., Ltd. (漢海信息技術(上海)有限公司) or its designated person(s) to exercise all of its rights as shareholder of Shanghai Hantao Information Consultancy Co., Ltd. (上海漢濤信息諮詢有限公司);

71) a power of attorney dated August 21, 2018 executed by Zhang Tao (張濤) in favor of and accepted by Hanhai Information Technology (Shanghai) Co., Ltd. (漢海信息技術(上海)有限公司) and acknowledged by Shanghai Hantao Information Consultancy Co., Ltd. (上海漢濤信息諮詢有限公司), pursuant to which Zhang Tao (張濤) agreed to, among other things, exclusively authorize Hanhai Information Technology (Shanghai) Co., Ltd. (漢海信息技術(上海)有限公司) or its designated person(s) to exercise all of his rights as shareholder of Shanghai Hantao Information Consultancy Co., Ltd. (上海漢濤信息諮詢有限公司);

72) a power of attorney dated August 21, 2018 executed by Li Jing (李璟) in favor of and accepted by Hanhai Information Technology (Shanghai) Co., Ltd. (漢海信息技術(上海)有限公司) and acknowledged by Shanghai Hantao Information Consultancy Co., Ltd. (上海漢濤信息諮詢有限公司), pursuant to which Li Jing (李璟) agreed to, among other things, exclusively authorize Hanhai Information Technology (Shanghai) Co., Ltd. (漢海信息技術(上海)有限公司) or its designated person(s) to exercise all of his rights as shareholder of Shanghai Hantao Information Consultancy Co., Ltd. (上海漢濤信息諮詢有限公司);

73) a power of attorney dated August 21, 2018 executed by Long Wei (龍偉) in favor of and accepted by Hanhai Information Technology (Shanghai) Co., Ltd. (漢海信息技術(上海)有限公司) and acknowledged by Shanghai Hantao Information Consultancy Co., Ltd. (上海漢濤信息諮詢有限公司), pursuant to which Long Wei (龍偉) agreed to, among other things, exclusively authorize Hanhai Information Technology (Shanghai) Co., Ltd. (漢海信息技術(上海)有限公司) or its designated person(s) to exercise all of his rights as shareholder of Shanghai Hantao Information Consultancy Co., Ltd. (上海漢濤信息諮詢有限公司);

74) a power of attorney dated August 21, 2018 executed by Ye Shuhong (葉樹蕻) in favor of and accepted by Hanhai Information Technology (Shanghai) Co., Ltd. (漢海信息技術(上海)有限公司) and acknowledged by Shanghai Hantao Information Consultancy Co., Ltd. (上海漢濤信息諮詢有限公司), pursuant to which Ye Shuhong (葉樹蕻) agreed to, among other things, exclusively authorize Hanhai Information Technology (Shanghai) Co., Ltd. (漢海信息技術(上海)有限公司) or its designated person(s) to exercise all of his rights as shareholder of Shanghai Hantao Information Consultancy Co., Ltd. (上海漢濤信息諮詢有限公司);

75) a power of attorney dated August 21, 2018 executed by Zhang Bo (張波) in favor of and accepted by Hanhai Information Technology (Shanghai) Co., Ltd. (漢海信息技術(上海)有限公司) and acknowledged by Shanghai Hantao Information Consultancy Co., Ltd. (上海漢濤信息諮詢有限公司), pursuant to which Zhang Bo (張波) agreed to, among other things, exclusively authorize Hanhai Information Technology (Shanghai) Co., Ltd. (漢海信息技術(上海)有限公司) or its designated person(s) to exercise all of his rights as shareholder of Shanghai Hantao Information Consultancy Co., Ltd. (上海漢濤信息諮詢有限公司);

[REDACTED]

[REDACTED]

2. **Intellectual property rights**

(a) ***Trademarks***

As at the Latest Practicable Date, we had registered the following trademarks in China which we consider to be or may be material to our business:

No.	Trademark	Registered owner	Place of registration	Class	Registration number	Registration date (dd/mm/yyyy)
1.	meituan	Beijing Sankuai Technology	PRC	41	9110809	14-02-2012
2.	meituan	Beijing Sankuai Technology	PRC	35	9110813	14-06-2014
3.	meituan	Beijing Sankuai Technology	PRC	38	9110819	14-02-2012
4.	meituan	Beijing Sankuai Technology	PRC	42	12055160	14-12-2015
5.	meituan	Beijing Sankuai Technology	PRC	9	16582966	13-01-2018
6.	meituan	Beijing Sankuai Technology	PRC	36	16583615	14-05-2016
7.	meituan	Beijing Sankuai Technology	PRC	35	16583679	21-05-2016
8.	大象	Beijing Sankuai Technology	PRC	45	19796251	20-08-2017
9.	开店宝 e.meituan.com	Beijing Sankuai Technology	PRC	35	17622842	21-05-2017
10.	开店宝 e.meituan.com	Beijing Sankuai Technology	PRC	38	17623025	21-05-2017
11.	开店宝 美团点评	Beijing Sankuai Technology	PRC	35	22971485	28-02-2018
12.	开店宝 美团点评	Beijing Sankuai Technology	PRC	38	22971701	28-02-2018
13.	开店宝 美团点评	Beijing Sankuai Technology	PRC	9	22971707	07-03-2018
14.	美团	Beijing Sankuai Technology	PRC	35	8228873	14-06-2011
15.	美团	Beijing Sankuai Technology	PRC	42	8228894	28-04-2011
16.	美团	Beijing Sankuai Technology	PRC	9	8904921	14-12-2011

No.	Trademark	Registered owner	Place of registration	Class	Registration number	Registration date (dd/mm/yyyy)
17.	美团	Beijing Sankuai Technology	PRC	35	9024717	28-10-2012
18.	美团	Beijing Sankuai Technology	PRC	42	9024746	14-11-2012
19.	美团	Beijing Sankuai Technology	PRC	38	9108021	14-04-2012
20.	美团	Beijing Sankuai Technology	PRC	41	9108034	07-02-2012
21.	美团	Beijing Sankuai Technology	PRC	36	16583544	14-05-2016
22.	美团	Beijing Sankuai Technology	PRC	35	16583730	14-05-2016
23.	美团 meituan.com	Beijing Sankuai Technology	PRC	21	11002911	14-11-2013
24.	美团 meituan.com	Beijing Sankuai Technology	PRC	39	10971133	14-09-2013
25.	美团 meituan.com	Beijing Sankuai Technology	PRC	1	10990415	21-09-2013
26.	美团 meituan.com	Beijing Sankuai Technology	PRC	4	10990685	21-09-2013
27.	美团 meituan.com	Beijing Sankuai Technology	PRC	6	10990717	21-09-2013
28.	美团 meituan.com	Beijing Sankuai Technology	PRC	7	10995552	21-09-2013
29.	美团 meituan.com	Beijing Sankuai Technology	PRC	8	10995621	28-09-2013
30.	美团 meituan.com	Beijing Sankuai Technology	PRC	9	10995726	21-09-2013
31.	美团 meituan.com	Beijing Sankuai Technology	PRC	10	10995763	21-09-2013
32.	美团 meituan.com	Beijing Sankuai Technology	PRC	11	10995809	28-09-2013
33.	美团 meituan.com	Beijing Sankuai Technology	PRC	12	10995873	28-09-2013
34.	美团 meituan.com	Beijing Sankuai Technology	PRC	13	10996158	28-09-2013
35.	美团 meituan.com	Beijing Sankuai Technology	PRC	14	10996208	21-09-2013
36.	美团 meituan.com	Beijing Sankuai Technology	PRC	15	10996256	28-09-2013

No.	Trademark	Registered owner	Place of registration	Class	Registration number	Registration date (dd/mm/yyyy)
37.	美团 meituan.com	Beijing Sankuai Technology	PRC	17	11002590	28-09-2013
38.	美团 meituan.com	Beijing Sankuai Technology	PRC	19	11002726	28-09-2013
39.	美团 meituan.com	Beijing Sankuai Technology	PRC	22	11002986	28-09-2013
40.	美团 meituan.com	Beijing Sankuai Technology	PRC	23	11003049	28-09-2013
41.	美团 meituan.com	Beijing Sankuai Technology	PRC	24	11003097	28-09-2013
42.	美团 meituan.com	Beijing Sankuai Technology	PRC	26	11003139	28-09-2013
43.	美团 meituan.com	Beijing Sankuai Technology	PRC	27	11003263	28-09-2013
44.	美团 meituan.com	Beijing Sankuai Technology	PRC	28	11008865	07-10-2013
45.	美团 meituan.com	Beijing Sankuai Technology	PRC	31	11009063	07-10-2013
46.	美团 meituan.com	Beijing Sankuai Technology	PRC	32	11009108	14-03-2014
47.	美团 meituan.com	Beijing Sankuai Technology	PRC	33	11009166	07-10-2013
48.	美团 meituan.com	Beijing Sankuai Technology	PRC	34	11009203	07-10-2013
49.	美团 meituan.com	Beijing Sankuai Technology	PRC	36	11009277	07-10-2013
50.	美团 meituan.com	Beijing Sankuai Technology	PRC	37	11009318	07-10-2013
51.	美团 meituan.com	Beijing Sankuai Technology	PRC	40	11009364	28-09-2013
52.	美团 meituan.com	Beijing Sankuai Technology	PRC	43	11016928	07-10-2013
53.	美团 meituan.com	Beijing Sankuai Technology	PRC	44	11016958	07-10-2013
54.	美团 meituan.com	Beijing Sankuai Technology	PRC	45	11016979	07-10-2013
55.	美团 meituan.com	Beijing Sankuai Technology	PRC	35	16583967	14-05-2016
56.	美团 meituan.com	Beijing Sankuai Technology	PRC	16	17486155	14-12-2016

No.	Trademark	Registered owner	Place of registration	Class	Registration number	Registration date (dd/mm/yyyy)
57.	美团点评	Beijing Sankuai Technology	PRC	35	20928084	27-11-2017
58.	美团点评	Beijing Sankuai Technology	PRC	9	20928131	27-09-2017
59.	美团点评	Beijing Sankuai Technology	PRC	36	20928257	27-09-2017
60.	美团点评	Beijing Sankuai Technology	PRC	38	20928334	27-09-2017
61.	美团点评	Beijing Sankuai Technology	PRC	43	20928384	27-09-2017
62.	美团点评	Beijing Sankuai Technology	PRC	39	20928411	06-10-2017
63.	美团点评	Beijing Sankuai Technology	PRC	41	20928431	06-10-2017
64.	美团点评	Beijing Sankuai Technology	PRC	42	20928467	27-11-2017
65.	美团点评	Beijing Sankuai Technology	PRC	41	21942024	06-01-2018
66.	美团点评	Beijing Sankuai Technology	PRC	43	21942086	06-01-2018
67.	美团点评	Beijing Sankuai Technology	PRC	35	21942196	06-01-2018
68.	美团 meituan.com	Beijing Sankuai Technology	PRC	35	10971166	28-11-2013
69.	美团 meituan.com	Beijing Sankuai Technology	PRC	38	10971272	14-09-2013
70.	美团 meituan.com	Beijing Sankuai Technology	PRC	41	10971335	28-09-2013
71.	美团 meituan.com	Beijing Sankuai Technology	PRC	42	10971369	14-11-2015
72.	美团 meituan.com	Beijing Sankuai Technology	PRC	2	10990472	14-10-2013
73.	美团 meituan.com	Beijing Sankuai Technology	PRC	3	10990507	07-01-2014
74.	美团 meituan.com	Beijing Sankuai Technology	PRC	20	11002792	14-11-2013
75.	美团 meituan.com	Beijing Sankuai Technology	PRC	29	11008937	14-10-2013
76.	美团 meituan.com	Beijing Sankuai Technology	PRC	30	11008977	14-06-2014
77.	美团 meituan.com	Beijing Sankuai Technology	PRC	18	11002651	07-09-2015
78.	美团团购网	Beijing Sankuai Technology	PRC	35	11684068	21-04-2014
79.	美团外卖	Beijing Sankuai Technology	PRC	9	16582071	14-05-2016
80.	美团外卖	Beijing Sankuai Technology	PRC	38	16582149	14-05-2016
81.	美团外卖	Beijing Sankuai Technology	PRC	39	16582246	14-05-2016
82.	美团外卖	Beijing Sankuai Technology	PRC	42	16582414	07-06-2016
83.	美团外卖	Beijing Sankuai Technology	PRC	43	16582519	14-05-2016
84.	美团外卖	Beijing Sankuai Technology	PRC	35	16582652A	14-05-2016
85.	美团外卖	Beijing Sankuai Technology	PRC	35	18249546	14-02-2017

No.	Trademark	Registered owner	Place of registration	Class	Registration number	Registration date (dd/mm/yyyy)
86.	美团外卖 送啥都快	Beijing Sankuai Technology	PRC	43	18249588	14-12-2016
87.	美团外卖 送啥都快	Beijing Sankuai Technology	PRC	36	18249705	14-12-2016
88.	美团外卖 送啥都快	Beijing Sankuai Technology	PRC	38	18249778	14-12-2016
89.	美团外卖 送啥都快	Beijing Sankuai Technology	PRC	9	18249787	14-12-2016
90.	美团外卖 送啥都快	Beijing Sankuai Technology	PRC	39	18249801	14-12-2016
91.	美团外卖 送啥都快	Beijing Sankuai Technology	PRC	42	18249853	14-02-2017
92.	美团外卖 送啥都快	Beijing Sankuai Technology	PRC	35	9024723	28-10-2012
93.	美团网	Beijing Sankuai Technology	PRC	42	9024739	14-11-2012
94.	美团网	Beijing Sankuai Technology	PRC	35	16583756	14-05-2016
95.	美团网 meituan.com	Beijing Sankuai Technology	PRC	35	16583887	14-05-2016
96.		Beijing Sankuai Technology	PRC	35	11684006	07-06-2014
97.		Beijing Sankuai Technology	PRC	35	18246981	06-02-2018
98.		Beijing Sankuai Technology	PRC	39	18247154	20-10-2017
99.		Beijing Sankuai Technology	PRC	9	18271507	27-10-2017
100.		Beijing Sankuai Technology	PRC	36	18271629	14-12-2016
101.		Beijing Sankuai Technology	PRC	38	18271635	14-12-2016
102.		Beijing Sankuai Technology	PRC	42	18271748	14-12-2016
103.		Beijing Sankuai Technology	PRC	43	18271782	14-12-2016
104.		Beijing Sankuai Technology	PRC	35	18271825	14-12-2016
105.		Beijing Sankuai Technology	PRC	39	18271887	14-12-2016
106.		Beijing Sankuai Technology	PRC	9	18947661	28-02-2017
107.		Beijing Sankuai Technology	PRC	35	18947668	28-02-2017

No.	Trademark	Registered owner	Place of registration	Class	Registration number	Registration date (dd/mm/yyyy)
108.		Beijing Sankuai Technology	PRC	38	18947669	28-02-2017
109.		Beijing Sankuai Technology	PRC	42	18947670	28-02-2017
110.		Beijing Sankuai Technology	PRC	45	19796251	20-08-2017
111.		Beijing Sankuai Technology	PRC	9	23052030	13-03-2018
112.		Beijing Sankuai Technology	PRC	43	23060738	06-03-2018
113.		Beijing Sankuai Technology	PRC	42	23060739	06-03-2018
114.		Beijing Sankuai Technology	PRC	39	23060740	06-03-2018
115.		Beijing Sankuai Technology	PRC	38	23060741	06-03-2018
116.	dianping.com	Shanghai Hantao	PRC	35	6489483	07-07-2010
117.	dianping.com	Shanghai Hantao	PRC	42	6489510	14-07-2010
118.	dianping.com	Shanghai Hantao	PRC	38	6489511	28-05-2010
119.	dianping.com	Shanghai Hantao	PRC	9	10140048	28-12-2012
120.	dianping.com	Shanghai Hantao	PRC	36	10140072	28-02-2013
121.	dianping.com	Shanghai Hantao	PRC	41	10140109	28-12-2012
122.	dianping.com	Shanghai Hantao	PRC	39	18793806	07-02-2017
123.	dianping.com	Shanghai Hantao	PRC	43	18794052	14-02-2017
124.	大众点评	Shanghai Hantao	PRC	38	5135458	07-06-2010
125.	大众点评	Shanghai Hantao	PRC	35	5135459	14-04-2010
126.	大众点评	Shanghai Hantao	PRC	9	8793042	14-11-2011
127.	大众点评	Shanghai Hantao	PRC	36	8793063	14-03-2014
128.	大众点评	Shanghai Hantao	PRC	41	8793100	14-12-2013
129.	大众点评	Shanghai Hantao	PRC	16	10140138	28-03-2015

No.	Trademark	Registered owner	Place of registration	Class	Registration number	Registration date (dd/mm/yyyy)
130.	大众点评	Shanghai Hantao	PRC	39	18255109	14-12-2016
131.		Shanghai Hantao	PRC	42	23341333	27-03-2018
132.		Shanghai Hantao	PRC	39	23341336	20-03-2018
133.		Shanghai Hantao	PRC	38	23341337	20-03-2018
134.		Shanghai Hantao	PRC	9	9919624	28-11-2012
135.		Shanghai Hantao	PRC	16	9919630	14-01-2013
136.		Shanghai Hantao	PRC	35	9919665	21-02-2014
137.		Shanghai Hantao	PRC	36	9919679	21-02-2014
138.		Shanghai Hantao	PRC	38	9919691	07-11-2012
139.		Shanghai Hantao	PRC	41	9919721	14-01-2014
140.		Shanghai Hantao	PRC	9	12322056	07-09-2014
141.		Shanghai Hantao	PRC	38	12322093	07-09-2014
142.		Shanghai Hantao	PRC	39	18793837	20-11-2017
143.		Shanghai Hantao	PRC	43	18794112	20-03-2018
144.	大众点评网	Shanghai Hantao	PRC	42	4471337	21-09-2009
145.	点评管家	Shanghai Hantao	PRC	9	13529150	07-02-2015
146.	点评管家	Shanghai Hantao	PRC	38	13529170	21-02-2015
147.	点评管家	Shanghai Hantao	PRC	42	13529190	21-02-2015
148.		Shanghai Hantao	PRC	16	10136308	14-01-2014

No.	Trademark	Registered owner	Place of registration	Class	Registration number	Registration date (dd/mm/yyyy)
149.		Shanghai Hantao	PRC	38	10136348	14-01-2014
150.		Shanghai Hantao	PRC	42	11716449	28-07-2014
151.		Shanghai Hantao	PRC	41	11716489	14-04-2014
152.		Shanghai Hantao	PRC	36	11716538	14-04-2014
153.		Shanghai Hantao	PRC	35	11716586	14-04-2014
154.		Shanghai Hantao	PRC	9	11716623	14-04-2014
155.		Shanghai Hantao	PRC	43	18255179	06-03-2018
156.		Shanghai Hantao	PRC	35	18399860	28-03-2017
157.		Beijing Sankuai Technology	HongKong	39	304275469	02-04-2018
158.		Beijing Sankuai Technology	HongKong	42	304275469	02-04-2018
159.		Beijing Sankuai Technology	HongKong	43	304275469	02-04-2018
160.		Shanghai Hantao	HongKong	35	304278916	02-04-2018
161.		Shanghai Hantao	HongKong	38	304278916	02-04-2018

No.	Trademark	Registered owner	Place of registration	Class	Registration number	Registration date (dd/mm/yyyy)
162.	大众点评 Dianping	Shanghai Hantao	HongKong	39	304278916	02-04-2018
163.	大众点评 Dianping	Shanghai Hantao	HongKong	41	304278916	02-04-2018
164.	大众点评 Dianping	Shanghai Hantao	HongKong	43	304278916	02-04-2018
165.	美团 meituan.com	Beijing Sankuai Technology	HongKong	9	303365839	09-04-2015
166.	美团 meituan.com	Beijing Sankuai Technology	HongKong	35	302785681	31-10-2013
167.	美团 meituan.com	Beijing Sankuai Technology	HongKong	38	302785681	31-10-2013
168.	美团 meituan.com	Beijing Sankuai Technology	HongKong	42	302785681	31-10-2013
169	摩拜	Beijing Mobike	PRC	12	14070367	21-04-2015
170	摩拜	Beijing Mobike	PRC	39	18896858	21-05-2017
171	mobike	Beijing Mobike	PRC	9	16499543A	14-09-2016
172	mobike	Beijing Mobike	PRC	12	16499988A	28-04-2017
173	mobike	Beijing Mobike	PRC	12	16499989	07-02-2018
174	mobike	Beijing Mobike	PRC	35	20544183	28-11-2017
175	mobike	Beijing Mobike	PRC	39	16500896	14-08-2016
176		Beijing Mobike	PRC	12	19250950	14-01-2018
177		Beijing Mobike	PRC	39	19265410	14-01-2018
178		Beijing Mobike	PRC	9	19249799	28-01-2018
179		Beijing Mobike	PRC	35	19249799	28-01-2018
180		Beijing Mobike	PRC	12	22927608	28-01-2018
181		Beijing Mobike	PRC	39	22644497	14-01-2018

(b) ***Patents***

As of the Latest Practicable Date, we had 387 patents registered with the State Intellectual Property Office of mainland China and 955 pending patent applications in mainland China. Globally, we had 18 patents registered and 136 pending patent applications in various overseas countries and jurisdictions. These registered patents include patents with respect to internet technologies, AI, self-driving, smartlock, communication technologies and Big Data etc.

(c) ***Copyrights***

As of the Latest Practicable Date, we had registered the following copyrights which are material in relation to our Group's business:

i) *Software (軟件)*

No.	Copyright	Version	Registration Number	Registration Date
1.	美團郵件發送系統	V2.1	2012SR105202	06-11-2012
2	美團短信發送系統	V2.3	2012SR105208	06-11-2012
3	美團400電話驗證系統	V2.1	2012SR105260	06-11-2012
4	美團客服系統	V3.0	2012SR106892	09-11-2012
5	美團內部薪資系統	V2.2.7	2013SR034675	17-04-2013
6	美團商家後臺系統	V3.1.2	2013SR034710	17-04-2013
7	MDC(商家資料中心)服務和運營管理平台	V1.2.98	2013SR034715	17-04-2013
8	美團商家驗證系統IOS版應用軟件	V1.0	2013SR034717	17-04-2013
9	美團POS驗證系統	V1.1	2013SR054794	05-06-2013
10	美團團購androidTV版應用軟件	V1.0	2013SR091566	29-08-2013
11	美團團購 Windows Phone8版軟件	V1.5	2013SR091577	29-08-2013
12	美團MOMA IOS版手機應用軟件	V1.1	2013SR091580	29-08-2013
13	先富顧客資訊管理系統	V1.0	2013SR091583	29-08-2013
14	美團酒店Android版應用軟件	V1.3	2013SR092158	29-08-2013
15	美團MOMA Android版手機應用軟件	V2.3	2013SR092190	29-08-2013
16	美團團購 Windows8版軟件	V1.2	2013SR092225	29-08-2013
17	美團酒店IOS版應用軟件	V1.0	2013SR118980	04-11-2013
18	內信網頁版應用軟件	V2.0	2014SR050332	26-04-2014
19	內信Android版應用軟件	V2.0	2014SR050388	26-04-2014
20	內信iOS版應用軟件	V2.0	2014SR050776	28-04-2014
21	美團外賣印表機終端應用軟件	V1.0	2014SR161704	28-10-2014
22	美團眾包應用軟件	V1.6.0	2016SR048218	09-03-2016
23	美團外賣Android版應用軟件	V4.1.3	2016SR048541	09-03-2016
24	美團拍店應用軟件	V3.3.0	2016SR048546	09-03-2016
25	聚藝Android版應用軟件	V1.0	2016SR081445	20-04-2016
26	聚藝iOS版應用軟件	V1.0	2016SR097618	06-05-2016

No.	Copyright	Version	Registration Number	Registration Date
27	美團推薦系統	V1.0	2016SR177984	12-07-2016
28	用戶端崩潰日誌分析系統	V1.0	2016SR178141	12-07-2016
29	美團支付系統(IOS)	V2.3	2016SR178148	12-07-2016
30	美團騎手應用軟件	V2.8	2016SR331826	15-11-2016
31	美團開店寶應用軟件	5.3.0	2016SR333410	16-11-2016
32	結婚商戶通應用軟件(Android版)	5.2.0	2017SR063821	02-03-2017
33	快驢進貨應用軟件(Android版)	V1.0	2017SR064716	02-03-2017
34	快驢進貨應用軟件(iOS版)	V1.0	2017SR064720	02-03-2017
35	俏魚天天掌櫃應用軟件(iOS版)	V1.0.0	2017SR064726	02-03-2017
36	結婚商戶通應用軟件(iOS版)	5.2.0	2017SR064730	02-03-2017
37	俏魚天天掌櫃應用軟件(Android版)	V1.0.0	2017SR103635	06-04-2017
38	美團網編輯調度軟件	V1.0	2012SR042298	23-05-2012
39	美團網財務付款軟件	V1.0	2012SR042296	23-05-2012
40	美團網招聘管理軟件	V1.0	2012SR042294	23-05-2012
41	美團網商家管理軟件	V1.0	2012SR042292	23-05-2012
42	美團網考勤管理軟件	V1.0	2012SR042288	23-05-2012
43	美團網合同調度軟件	V1.0	2012SR042287	23-05-2012
44	美團電影Android版應用軟件	V1.0	2012SR033678	27-04-2012
45	美團電影IOS版應用軟件	V1.1	2012SR033029	26-04-2012
46	美團團購iPad版應用軟件	V1.1	2011SR103605	30-12-2011
47	美團團購iPhone版應用軟件	V1.5.5	2011SR100579	24-12-2011
48	美團團購Android版應用軟件	V2.2.1	2011SR100565	24-12-2011
49	美團消費者門戶平台	V3.5	2012SR121976	11-12-2012
50	貓眼電影iPhone版手機應用軟件	V3.0	2013SR022668	12-03-2013
51	貓眼電影Android版手機應用軟件	V3.0	2013SR022176	11-03-2013
52	我遙我控使用者遠端排隊軟件	V1.1.6	2015SR089835	25-05-2015
53	我遙我控排隊螢幕顯示軟件	V2.42	2015SR088482	22-05-2015
54	我遙我控排隊叫號商家版軟件	V3.55	2015SR087867	22-05-2015
55	美團錢包IOS版軟件	V1.3.0	2017SR421409	03-08-2017
56	美團錢包Android版軟件	V1.3.0	2017SR426822	07-08-2017
57	美團跑腿軟件	V1.1.0	2017SR453640	17-08-2017
58	美團客戶關係管理系統	V2.2	2012SR118621	04-12-2012
59	高敏捷性企業級PHP開發框架Xwork系統	V1.0	2011SR021252	18-04-2011
60	高性能高可靠的分散式服務集群框架系統	V1.0	2011SR021214	18-04-2011
61	高性能可擴展的資料庫集群設計與構建軟件	V1.0	2011SR021249	18-04-2011
62	基於SOA的分散式高性能即時機票搜尋引擎軟件	V1.0	2011SR021251	18-04-2011

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63	基於Webservice的機票B2C整合行銷平台軟件	V1.0	2011SR021316	18-04-2011
64	基於高併發的分散式服務監控平台軟件	V1.0	2011SR021264	18-04-2011
65	基於萬維網的結構化資訊挖掘及智慧提取系統	V1.0	2011SR021250	18-04-2011
66	基於使用者群件行為模式分析與預測的智慧推薦系統	V1.0	2011SR021253	18-04-2011
67	前端高性能JavaScript排序過濾引擎系統	V1.0	2011SR021246	18-04-2011
68	基於web的高性能互聯網使用者行為跟蹤統計系統	V1.0	2011SR021290	18-04-2011
69	酷訊超級火車票查詢預訂軟件（Android版）	V5.0	2014SR079379	17-06-2014
70	酷訊超級火車票查詢預訂軟件（IOS版）	V5.0	2014SR079375	17-06-2014
71	酷訊超級特惠酒店查詢預定軟件（Android版）	V5.0	2014SR079857	18-06-2014
72	酷訊超級特惠酒店查詢預定軟件（IOS版）	V5.0	2014SR080190	18-06-2014
73	酷訊機票查詢預定軟件（Android版）	V4.0	2014SR079866	18-06-2014
74	酷訊機票查詢預定軟件（IOS版）	V4.0	2014SR079383	18-06-2014
75	酷訊旅遊查詢預定軟件	V2.0	2014SR079852	18-06-2014
76	酷訊旅遊查詢預定軟件	V2.0	2014SR079848	18-06-2014
77	美團旅行軟件	V1.4	2017Sr490037	2017.9.05
78	美團客戶關係管理系統	V2.2	2013SR119814	05-11-2013
79	百寶箱Android版應用軟件	V1.0	2015SR127627	08-07-2015
80	美團酒店訂單處理終端軟件	V1.0	2015SR127631	08-07-2015
81	美團酒店商家Android版應用軟件	V1.2.1	2015SR127184	08-07-2015
82	美團酒店商家IOS版應用軟件	V1.2	2015SR127490	08-07-2015
83	我遙我控排隊螢幕顯示軟件	V2.42	2015SR011388	21-01-2015
84	我遙我控使用者遠端排隊軟件	V1.1.6	2015SR011383	21-01-2015
85	我遙我控排隊叫號商家版軟件	V3.55	2015SR011380	21-01-2015
86	漢海優惠券發佈及運營管理軟件	V1.0	2009SR025278	29-06-2009
87	漢海WAP版餐飲查詢及分享軟件	V 1.0	2009SR030562	04-08-2009
88	漢海會員卡積分管理軟件	V 1.0	2009SR033483	20-08-2009
89	商務通功能表管理系統軟件	V1.0	2009SR040828	19-09-2009
90	漢海Widget用戶端應用軟件	V1.0	2009SR055561	28-11-2009
91	漢海Android用戶端應用軟件	V1.0	2009SR055563	28-11-2009
92	漢海會員主頁服務平台軟件	V1.0	2009SR057534	12-12-2009
93	漢海網上商戶榜單平台軟件	V1.0	2009SR059155	22-12-2009
94	漢海網上部落平台軟件	V1.0	2009SR059156	22-12-2009

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95	漢海網上排行榜平台軟件	V1.0	2009SR060143	28-12-2009
96	漢海商戶資訊及點評服務平台軟件	V1.0	2010SR014413	31-03-2010
97	漢海Android用戶端應用軟件	V5.1	2012SR114336	26-11-2012
98	漢海團購移動用戶端軟件	V1.0	2012SR114338	26-11-2012
99	漢海團購商戶後臺管理軟件	V1.0	2012SR129723	20-12-2012
100	漢海客戶關係管理軟件	V1.0	2012SR129726	20-12-2012
101	漢海協力廠商帳號互通軟件	V1.0	2012SR129768	20-12-2012
102	漢海互聯網違法違規內容審核軟件	V1.0	2012SR129843	20-12-2012
103	漢海Swallow分散式訊息佇列軟件	V1.0	2012SR129848	20-12-2012
104	漢海wormhole高效資料推送軟件	V1.0	2012SR129851	20-12-2012
105	漢海分散式資料庫訪問層軟件	V1.0	2012SR129861	20-12-2012
106	漢海Puma資料庫即時同步和通知軟件	V1.0	2012SR129863	20-12-2012
107	漢海生活服務iPhone用戶端應用軟件	V5.0	2013SR015025	20-02-2013
108	漢海綫上預訂座位軟件	V1.0	2015SR263557	16-12-2015
109	漢海統一監控平台CAT軟件	V1.3.8	2016SR000879	04-01-2016
110	漢海雲圖流量視覺化軟件	V0.4.8	2016SR001120	04-01-2016
111	漢海大規模並行AB測試框架軟件	V 0.1.7	2016SR001196	04-01-2016
112	漢海nugget流量打點工具軟件	V2.2.3	2016SR004686	07-01-2016
113	漢海綫上Key Value存儲框架工具軟件	V1.0	2016SR017852	25-01-2016
114	漢海duty運維值班排班軟件	V1.0	2016SR041709	02-03-2016
115	漢海cmdb運維資產配置平台軟件	V2.2	2016SR042533	02-03-2016
116	漢海QQ美食用戶端iphone版軟件	V2.0.7	2016SR056317	17-03-2016
117	漢海大眾點評用戶端安卓版軟件	V7.9.6	2016SR056582	17-03-2016
118	漢海大眾點評閃惠智慧餐廳應用軟件	V1.1	2016SR065865	31-03-2016
119	漢海QQ美食用戶端安卓版軟件	V2.1	2016SR217474	15-08-2016
120	漢濤客戶關係管理軟件	V1.0	2010SR008717	26-02-2010
121	漢濤iphone版用戶端應用軟件	V1.0	2010SR051410	28-09-2010
122	漢濤基於無綫pos的會員卡積分管理軟件	V1.0	2010SR051412	28-09-2010
123	漢濤Android版城市消費助手和分享應用軟件	V1.0	2010SR051414	28-09-2010
124	漢濤Widget版城市消費助手和分享應用軟件	V1.0	2010SR051416	28-09-2010
125	漢濤點評圖書編輯軟件	V1.0	2010SR051418	28-09-2010
126	漢濤網上社區會員互動平台軟件	V1.0	2010SR051421	28-09-2010
127	漢濤3G城市消費助手和分享軟件	V1.0	2010SR051422	28-09-2010
128	漢濤會員分享及個性主頁軟件	V1.0	2010SR051425	28-09-2010
129	漢濤電子工作單管理軟件	V1.0	2010SR051426	28-09-2010
130	漢濤廣告合同管理軟件	V1.0	2010SR051685	29-09-2010
131	漢濤優惠券發佈及運營管理軟件	V1.0	2010SR051686	29-09-2010
132	漢濤商務生活消費資料管理軟件	V1.0	2010SR051702	29-09-2010

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133	漢濤網絡使用者站內郵件軟件	V1.0	2010SR051704	29-09-2010
134	漢濤會員榜單編輯及分享平台軟件	V1.0	2010SR051862	29-09-2010
135	漢濤網上社區會員互動平台軟件	V2.0	2012SR117872	03-12-2012
136	漢濤優惠券發佈及運營管理軟件	V2.0	2012SR117895	03-12-2012
137	漢濤基於無綫pos的會員卡積分管理軟件	V2.0	2012SR118322	03-12-2012
138	漢濤會員分享及個性主頁軟件	V2.0	2012SR129687	20-12-2012
139	漢濤會員榜單編輯及分享平台軟件	V2.0	2012SR129693	20-12-2012
140	漢濤生活消費資訊及點評平台軟件	V1.0	2012SR133494	25-12-2012
141	漢濤生活消費商戶網上排行榜平台軟件	V1.0	2012SR135072	26-12-2012
142	漢濤簽到平台軟件	V1.0	2013SR011153	04-02-2013
143	漢濤同城活動互動平台軟件	V1.0	2013SR011156	04-02-2013
144	漢濤團購綫上消費平台軟件	V1.0	2013SR011223	04-02-2013
145	漢濤周邊快查Iphone用戶端應用軟件	V1.1	2013SR011276	04-02-2013
146	漢濤綫上排隊取號軟件	V1.0	2015SR260372	15-12-2015
147	漢濤商旅通平台軟件	V1.0	2015SR261912	16-12-2015
148	漢濤go運維工作平台軟件	V1.0	2016SR042289	02-03-2016
149	漢濤workflow運維工作流平台軟件	V1.5	2016SR042295	02-03-2016
150	漢濤周邊快查用戶端安卓版軟件	V2.1	2016SR055942	17-03-2016
151	漢濤大眾點評用戶端iphone版軟件	V7.9.6	2016SR056429	17-03-2016
152	漢濤大眾點評電子會員卡應用軟件	V2.0	2016SR066089	31-03-2016
153	漢濤點評管家生活服務IOS版應用軟件	V4.3	2016SR072549	11-04-2016
154	漢濤點評管家生活服務安卓版應用軟件	V4.3	2016SR072933	11-04-2016
155	點評管家Android用戶端應用軟件	V2.0	2014SR129234	28-08-2014
156	點評管家iPhone用戶端應用軟件	V2.0	2014SR129013	28-08-2014
157	錢袋寶帳戶系統	V1.0	2017SR262456	14-06-2017
158	征信平台答題卡軟件	V1.0	2017SR262468	14-06-2017
159	POS收單交易系統	V1.0	2017SR262475	14-06-2017
160	錢袋寶MPOS金鑰母卡初始化工具	V1.0	2017SR263562	14-06-2017
161	錢袋寶MPOS軟件	V1.0	2017SR288781	20-06-2017
162	POSP前置系統	V1.0	2017SR288782	20-06-2017
163	手機支付平台系統	V1.0	2009SR045466	12-10-2009
164	支援EV-DO規範的安全認證COS系統	V1.0	2009SRBJ8152	31-12-2009
165	支援TD-LTE規範的安全COS系統	V1.0	2009SRBJ8154	31-12-2009
166	支援WiMax802.16m規範的安全COS系統	V1.0	2009SRBJ8168	31-12-2009
167	智慧密碼鑰匙安全COS系統	V1.0	2009SRBJ8169	31-12-2009
168	錢袋網QDSIM擴展卡軟件	V1.0	2010SR045371	01-09-2010
169	錢袋網短信銀行手機智慧卡軟件	V1.0	2011SRBJ1077	25-04-2011
170	錢袋寶小精靈系統	V1.0	2012SR003776	18-01-2012

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171	支付平台監控軟件 V1.0	V1.0	2008SR22632	09-10-2008
172	個性化支付交互系統 V1.0	V1.0	2008SR22633	09-10-2008
173	多語言支付系統 V1.0	V1.0	2008SR22634	09-10-2008
174	多字元集編碼支付介面系統軟件 V1.0	V1.0	2008SR22635	09-10-2008
175	電子商務高性能資料處理系統 V1.0	V1.0	2008SR22636	09-10-2008
176	支付資料通知系統 V1.0	V1.0	2008SR22637	09-10-2008
177	帶有電子錢包功能的移動安全支付COS軟件	V1.0	2009SRBJ8158	31-12-2009
178	面向3G網絡安全支付平台系統	V1.0	2009SRBJ8171	31-12-2009
179	同時支援Internet和移動網絡的安全支付平台系統	V1.0	2009SRBJ8172	31-12-2009
180	支援NFC功能的移動安全支付COS軟件	V1.0	2009SRBJ8173	31-12-2009
181	神州付支付平台系統	V1.0	2012SR010766	17-02-2012
182	美團打車用戶端Android版軟件	V1.0.0	2017SR483547	01-09-2017
183	美團打車司機Android版軟件	V1.3.5	2017SR492562	06-09-2017
184	美團出租司機Android版軟件	V1.0.0	2017SR492859	06-09-2017
185	美團打車用戶端IOS版軟件	V1.0.0	2017SR483485	01-09-2017
186	榛果民宿軟件	V1.2.0	2017SR409352	28-07-2017
187	美團點評導航地圖編輯系統	V1.0	生成中	生成中
188	美團點評地圖渲染引擎Web版	V1.0	生成中	生成中
189	美團點評地圖渲染引擎ios版	V1.0	生成中	生成中
190	美團點評地圖渲染引擎Android版	V1.0	生成中	生成中
191	智慧型電話APP	V0.4.3	生成中	生成中
192	美團雲內容分發平台	V1.0.3	2017SR701043	18-12-2017
193	美團雲私有網絡平台	V1.2.3	2017SR677422	11-12-2017
194	美團雲緩存平台	V1.2.3	2017SR700717	18-12-2017
195	美團雲監控告警軟件	V1.2	2017SR700506	18-12-2017
196	美團雲負載均衡系統	V1.2.3	2017SR701295	18-12-2017
197	客滿滿門店管理軟件	V1.0.0	2018SR178154	19-03-2018
198	美團收銀APP	V2.0	2018SR213314	28-03-2018
199	美團管家APP	V2.0	2018SR214588	28-03-2018
200	美團租車IOS版軟件	V1.0.0	2018SR178148	19-03-2018
201	美團租車Android版軟件	V1.0.0	2017SR717310	22-12-2017
202	美團商場微信小程式	V1.0	2017SR717304	22-12-2017
203	美團雲監控告警軟件	V1.2	2017SR700506	18-12-2017
204	美團輕收銀Android版軟件	V1.0	2017SR725942	25-12-2017
205	美團雲私有網絡平台	V1.2.3	2017SR677422	11-12-2017
206	大象移動辦公軟件(Android版)	V4.15.0	2017SR700757	18-12-2017
207	摩拜單車資料管理系統	V3.0	2016SR084468	27-01-2016
208	摩拜單車運營端管理系統	V3.0	2016SR087997	27-01-2016

ii) *Works (作品)*

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1	美團點評集團LOGO	國作登字-2017-F-00354445	24-01-2017
2	《新美大合併專屬圖形設計》	國作登字-2016-F-00307024	22-09-2016
3	《松鼠便利品牌形象設計》	國作登字-2016-F-00289685	19-07-2016
4	美團外賣-袋鼠形象	國作登字-2016-F-00267772	15-03-2016
5	《互聯網＋大學品牌吉祥物（尤尼Uni）設計》	國作登字-2017-F-00372492	14-03-2017
6	互聯網+大學品牌形象設計	國作登字-2016-F-00337459	16-11-2016
7	大象形象4.0	國作登字-2016-F-00262440	21-03-2016
8	《美團閃付logo圖形設計》	國作登字-2017-F-00486571	25-07-2017
9	《叮噹管家》	國作登字-2016-F-00337460	16-11-2016
10	美團外賣-飄香的碗	國作登字-2016-F-00267773	15-03-2016
11	小團形象2.0	國作登字-2015-F-00221089	04-08-2015
12	小團-世界盃系列之二	國作登字-2014-F-00145885	19-08-2014
13	小團形象2.0	國作登字-2015-F-00221087	04-08-2015
14	美團酒店標誌	國作登字-2015-F-00179006	03-03-2015
15	小美動態表情	國作登字-2015-L-00180140	11-03-2015
16	小團-世界盃系列之一	國作登字-2014-F-00145884	19-08-2014
17	小團形象2.0	國作登字-2015-F-00221088	04-08-2015
18	小團-世界盃系列之三	國作登字-2014-F-00145886	19-08-2014
19	小美形象2.0	國作登字-2015-F-00221086	04-08-2015
20	小團動態表情	國作登字-2015-L-00180141	11-03-2015
21	美團吉祥物-小美2	國作登字-2014-F-00142440	26-05-2014
22	美團吉祥物-小團	國作登字-2013-F-00103629	22-08-2013
23	內信表情	國作登字-2014-F-00144253	03-06-2014
24	美團外賣	國作登字-2014-F-00141227	04-04-2014
25	內信表情-手勢版	國作登字-2014-F-00144254	03-06-2014
26	小團-世界盃系列之四	國作登字-2014-F-00145887	19-08-2014
27	美團吉祥物-小美	國作登字-2013-F-00102446	24-09-2013
28	《互聯網+大學品牌吉祥物（尤尼Uni）設計》	國作登字-2017-F-00372492	14-03-2017
29	《美團閃付logo圖形設計》	國作登字-2017-F-00486571	25-07-2017
30	貓眼電影：圖形&文字	國作登字-2013-F-00086624	22-03-2013
31	酷訊旅遊網人物組圖	國作登字-2012-G-00080252	17-12-2012
32	酷訊旅遊網人物組圖（二）	國作登字-2012-G-00080253	27-12-2012

(d) ***Domain names***

As of the Latest Practicable Date, we owned the following domain names which we consider to be or may be material to our business:

No.	Domain Name	Registered Owner	Expiry Date
1	dianping.com	Shanghai Hantao	22-06-2020
2	dingdanggj.com	Beijing Sankuai Technology	02-06-2019
3	dper.com	Shanghai Hantao	15-11-2020
4	dpurl.cn	Shanghai Hantao	11-02-2021
5	kuxun.cn	Beijing Sankuai Technology	18-04-2019
6	meituan.com	Beijing Sankuai Technology	29-03-2020
7	meituan.net	Beijing Sankuai Technology	25-01-2020
8	mosdns.com	Beijing Sankuai Technology	28-10-2018
9	mtmss.com	Beijing Sankuai Technology	28-02-2019
10	mtmssdn.com	Beijing Sankuai Technology	03-03-2019
11	mtmssdn0.com	Beijing Sankuai Technology	03-03-2019
12	mtmssup.com	Beijing Sankuai Technology	03-03-2019
13	sankuai.com	Beijing Sankuai Technology	16-11-2019
14	sankuai.info	Beijing Sankuai Technology	21-06-2020
15	mobike.com	Beijing Mobike	24-01-2021
16	mobike.cn	Beijing Mobike	05-01-2019
17	mobike.com.cn	Beijing Mobike	05-01-2019

Save as aforesaid, as of the Latest Practicable Date, there were no other intellectual property rights which were material to our business.

C. FURTHER INFORMATION ABOUT OUR DIRECTORS

1. Particulars of Directors' service contracts and appointment letters

Executive Directors

Each of our executive Directors has entered into a service contract with our Company. Pursuant to this agreement, they agreed to act as executive Directors for an initial term of three years with effect from the date the appointment is approved by the Board until the third annual general meeting of our Company after the [REDACTED] (whichever is earlier). Either party has the right to give not less than three months' written notice to terminate the agreement. Details of the Company's remuneration policy is described in section headed "Directors and senior management — Remuneration."

No annual director's fees are payable to the executive Directors under the current arrangement.

Non-executive Directors

Each of our non-executive Directors has entered into an appointment letter with our Company. Their appointment as a director shall continue for three years after or until the third annual general meeting of the Company after the [REDACTED], whichever is earlier, (subject to retirement as and when required under the Articles of Association) until terminated in accordance with the terms and conditions of the appointment letter or by either party giving to the other not less than one month's prior notice in writing. Under these appointment letters, the non-executive Directors are not entitled to receive annual salaries in their capacity as non-executive Directors.

Independent non-executive Directors

Each of our independent non-executive Directors has entered into an appointment letter with our Company. The initial term of their appointment shall be three years from the date of this document or until the third annual general meeting of the Company after the [REDACTED], whichever is earlier, (subject to retirement as and when required under the Articles of Association) until terminated in accordance with the terms and conditions of the appointment letter or by either party giving to the other not less than three months' prior notice in writing. Under these appointment letters, each of the independent non-executive Directors will receive an annual director's fee of HK$500,000 per annum.

2. **Remuneration of Directors**

(a) Remuneration and benefits in kind of approximately RMB68.8 million, RMB51.4 million and RMB105.6 million in aggregate were paid and granted by our Group to our Directors in respect of the years ended December 31, 2015, 2016 and 2017.

(b) Under the arrangements currently in force, our Directors will be entitled to receive remuneration and benefits in kind which, for the year ending December 31, 2018, is expected to be approximately RMB2.0 million in aggregate (excluding discretionary bonus).

(c) None of our Directors has or is proposed to have a service contract with the Company other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation).

3. **Disclosure of interests**

Interests and short positions of our Directors in the share capital of our Company and its associated corporations following completion of the [REDACTED]

Immediately following completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no Shares are issued under the Pre-[REDACTED] ESOP, Post-[REDACTED] Share Option Scheme and Post-[REDACTED] Share Award Scheme), the interests and/or short positions (as applicable) of our Directors and chief executives in the shares, underlying shares and debentures of our Company and its associated corporations (within the meaning of Part XV of the SFO), which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions (as applicable) which he/she is taken or deemed

to have under such provisions of the SFO), or which will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, to be notified to our Company and the Stock Exchange, will be as follows:

a) *Interest in Shares of the Company*

Name of Director	Nature of interest	Relevant entity	Number and class of securities	Approximate percentage of interest in each class of shares of our Company immediately after the [REDACTED] [(1)]
WANG Xing[(2)]	Beneficiary of a Trust (L)	Trust	489,600,000 Class A Shares	[REDACTED]%
	Interest in controlled corporation (L)	Songtao Limited	489,600,000 Class A Shares	[REDACTED]%
	Interest in controlled corporation (L)	Crown Holdings Asia Limited	489,600,000 Class A Shares	[REDACTED]%
	Interest in controlled corporation (L)	Shared Patience Inc.	83,588,783 Class A Shares	[REDACTED]%
MU Rongjun[(3)]	Beneficiary of a Trust (L)	Trust	118,650,000 Class A Shares	[REDACTED]%
	Interest in controlled corporation (L)	Day One Holdings Limited	118,650,000 Class A Shares	[REDACTED]%
	Interest in controlled corporation (L)	Charmway Enterprises Company Limited	118,650,000 Class A Shares	[REDACTED]%
	Interest in controlled corporation (L)	Shared Vision Investment Limited	7,330,000 Class A Shares	[REDACTED]%
	Beneficial interest	—	3,000,000 Class B Shares	[REDACTED]%
WANG Huiwen[(4)]	Interest in controlled corporation (L)	Kevin Sunny Holding Limited	36,400,000 Class A Shares	[REDACTED]%
	Beneficial interest	—	17,428,600 Class B Shares	[REDACTED]%
Neil Nanpeng Shen[(5)]	Interest in controlled corporation (L)	Sequoia Capital China Funds and Sequoia Capital Global Growth Funds	573,097,093 Class B Shares	[REDACTED]%

Notes:

(1) The table above is calculated on the basis that the total of [REDACTED] Shares will be in issue immediately after completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no Shares are issued under the Pre-[REDACTED] ESOP, Post-[REDACTED] Share Option Scheme and Post-[REDACTED] Share Award Scheme).

(2) Crown Holdings is wholly-owned by Songtao Limited. The entire interest in Songtao Limited is held through a trust which was established by Wang Xing (as settlor) for the benefit of Wang Xing and his family. Wang Xing is deemed to be interested in the 489,600,000 Class A Shares held by Crown Holdings under the SFO. Shared Patience is wholly-owned by Wang Xing.

(3) Charmway Enterprises is wholly-owned by Day One Holdings Limited. The entire interest in Day One Holdings Limited is held through a trust which was established by Mu Rongjun (as settlor) for the benefit of Mu Rongjun and his family. Mu Rongjun is deemed to be interested in the 118,650,000 Class A Shares held by Charmway Enterprises under the SFO. Shared Vision is wholly-owned by Mu Rongjun. Mu Rongjun is granted RSUs equivalent to 1,000,000 Shares and options with respect to 2,000,000 Shares.

(4) Kenny Sunny is wholly-owned by Wang Huiwen. Wang Huiwen is granted RSUs equivalent to 11,550,000 Shares, and options with respect to 5,878,600 Shares.

(5) Sequoia Capital China Funds refers to Sequoia Capital China I, L.P., Sequoia Capital China Partners Fund I, L.P., Sequoia Capital China Principals Fund I, L.P., Sequoia Capital China II, L.P., Sequoia Capital China Partners Fund II, L.P., Sequoia Capital China Principals Fund II, L.P., Sequoia Capital 2010 CV Holdco, Ltd., SCC Venture V Holdco I, Ltd., SCC Venture VI Holdco, Ltd., SCC Venture VI Holdco B, Ltd., SCC Growth 2010-Top Holdco, Ltd., Sequoia Capital 2010 CGF Holdco, Ltd., SCC Growth IV Holdco A, Ltd., SCC Growth IV 2017-E, L.P. and SCC Growth IV 2017-D, L.P.(which will hold approximately [REDACTED]%, [REDACTED]%, [REDACTED]%, [REDACTED]%, [REDACTED]%, [REDACTED]%, [REDACTED]%, [REDACTED]%, [REDACTED]%, [REDACTED]%, [REDACTED]%, [REDACTED]%, [REDACTED]% and [REDACTED]%, respectively, of the outstanding Shares immediately following the completion of the [REDACTED]), and Sequoia Capital Global Growth Funds refers to Sequoia Capital Global Growth Fund, L.P., Sequoia Capital Global Growth Principals Fund, L.P. and SC GGFII Holdco, Ltd. (which will hold approximately [REDACTED]%, [REDACTED]% and [REDACTED]%, respectively, of the outstanding Shares immediately following the completion of the [REDACTED]). The Sequoia Capital China Funds and the Sequoia Capital Global Growth Funds may act together with respect of the holding, disposal and casting of vote rights of the Shares. Accordingly, the Sequoia Capital China Funds and the Sequoia Capital Global Growth Funds together control a [REDACTED]% interest in the share capital of the Company (or [REDACTED]% of the total issued Class B Shares) immediately following the completion of the [REDACTED] and as a result, each of the Sequoia Capital China Funds and each of the Sequoia Capital Global Growth Funds is deemed to be interested in such [REDACTED]% interest in the share capital of the Company (or [REDACTED]% of the total issued Class B Shares).

The general partner of each of Sequoia Capital China I, L.P., Sequoia Capital China Partners Fund I, L.P. and Sequoia Capital China Principals Fund I, L.P. is Sequoia Capital China Management I, L.P. ("SCC Management I"). The general partner of each of Sequoia Capital China II, L.P., Sequoia Capital China Partners Fund II, L.P. and Sequoia Capital China Principals Fund II, L.P. is Sequoia Capital China Management II, L.P. ("SCC Management II"). The sole shareholder of Sequoia Capital 2010 CV Holdco, Ltd. is Sequoia Capital China Venture 2010 Fund, L.P., whose general partner is SC China Venture 2010 Management, L.P. ("SCCV 2010 Management"). The sole shareholder of SCC Venture V Holdco I, Ltd. is Sequoia Capital China Venture Fund V, L.P., whose general partner is SC China Venture V Management, L.P. ("SCCV V Management"). The sole shareholder of each of SCC Venture VI Holdco, Ltd. and SCC Venture VI Holdco B, Ltd. is Sequoia Capital China Venture Fund VI, L.P., whose general partner is SC China Venture VI Management, L.P. ("SCCV VI Management"). The controlling shareholder of SCC Growth 2010-Top Holdco, Ltd. and the sole shareholder of Sequoia Capital 2010 CGF Holdco, Ltd. is Sequoia Capital China Growth 2010 Fund, L.P. ("China Growth Fund 2010"), whose general partner is SC China Growth 2010 Management, L.P. ("SCCGF 2010 Management"). In respect of the casting of votes held by China Growth Fund 2010 in SCC Growth 2010-Top Holdco, Ltd., China Growth Fund 2010 is accustomed to act in accordance with the instructions of Sequoia Capital China Growth Fund I, L.P. The sole shareholder of SCC Growth IV Holdco A, Ltd. is Sequoia Capital China Growth Fund IV, L.P., whose general partner is SC China Growth IV Management, L.P. ("SCCGF IV Management" and, together with SCC Management I, SCC Management II, SCCV 2010 Management, SCCV V Management, SCCV VI Management and SCCGF 2010 Management, collectively, the "General Partners"). The general partner of each of SCC Growth IV 2017-E, L.P. and SCC Growth IV 2017-D, L.P. is SCCGF IV Management. The general partner of each of the General Partners is SC China Holding

Limited, which is a wholly-owned subsidiary of SNP China Enterprises Limited. Neil Nanpeng Shen is the sole shareholder of SNP China Enterprises Limited. Therefore, Neil Nanpeng Shen is deemed to be interested in the [REDACTED]% interest in the share capital of the Company (or [REDACTED]% of the total issued Class B Shares) immediately following the completion of the [REDACTED].

Interests and short positions discloseable under Divisions 2 and 3 of Part XV of the SFO

For information on the persons who will, immediately following the completion of the [REDACTED] and assuming the [REDACTED] is not exercised and no Share are issued under the Pre-[REDACTED] ESOP, the Post-[REDACTED] Share Option Scheme and the Post-[REDACTED] Share Award Scheme, be having or be deemed or taken to have beneficial interests or short positions in our Shares or underlying shares which would fall to be disclosed to our Company under the provisions of 2 and 3 of Part XV of the SFO, or directly or indirectly be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group, please see the section headed "Substantial Shareholders."

Save as set out above, as of the Latest Practicable Date, our Directors were not aware of any persons who would, immediately following the completion of the [REDACTED] and assuming the [REDACTED] is not exercised and no Share are issued under the Pre-[REDACTED] ESOP, the Post-[REDACTED] Share Option Scheme and the Post-[REDACTED] Share Award Scheme, be interested, directly or indirectly, in 10% or more of the nominal of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group or had option in respect of such capital.

4. **Disclaimers**

Save as disclosed in this document:

1) there are no existing or proposed service contracts (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)) between the Directors and any member of the Group;

2) none of the Directors or the experts named in the section headed "—Other Information—Consents of Experts" below has any direct or indirect interest in the promotion of, or in any assets which have been, within the two years immediately preceding the date of this document, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group;

3) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any Shares in or debentures of the Company within the two years ended on the date of this document;

4) none of the Directors is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of the Group taken as a whole;

5) taking no account of any Shares which may be taken up under the [REDACTED] and allotted and issued pursuant to the Pre-[REDACTED] ESOP, Post-[REDACTED] Share Option Scheme and Post-[REDACTED] Share Award Scheme, so far as is known to any Director or chief executive of the Company, no other person (other than a Director or chief executive of the Company) will, immediately following completion of the [REDACTED], have interests or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or (not being a member of the Group), be interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group; and

6) none of the Directors or chief executive of the Company has any interests or short positions in the Shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered into the register referred to therein, or will be required, pursuant to the Model Code for Securities Transaction by Directors of Listed Issuers, to be notified to the Company and the Stock Exchange once the Shares are listed thereon.

D. PRE-[REDACTED] ESOP

Summary

The following is a summary of the principal terms of the Pre-[REDACTED] ESOP of the Company as approved and adopted pursuant to the written resolutions of all shareholders of the Company dated October 6, 2015 as amended from time to time. The terms of the Pre-[REDACTED] ESOP are not subject to the provisions of Chapter 17 of the Listing Rules.

We have applied to the Stock Exchange and the SFC, respectively for, (i) a waiver from strict compliance with the disclosure requirements under Rule 17.02(1)(b) of the Listing Rules and paragraph 27 of Appendix IA to the Listing Rules; and (ii) an exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance from strict compliance with the disclosure requirements of paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance. See the paragraph headed "Waiver and Exemption in relation to the Pre-[REDACTED] ESOP" in the section headed "Waivers from Compliance with the Listing Rules and Exemptions from the Companies (Winding Up and Miscellaneous Provisions) Ordinance" for more information.

(a) ***Purpose***

The purpose of the Pre-[REDACTED] ESOP is to promote the success and enhance the value of the Company by linking the personal interests of the Directors, employees and consultants to those of the shareholders of the Company and by providing such individuals with an incentive for outstanding

performance to generate superior returns to the shareholders of the Company. The Pre-[REDACTED] ESOP is further intended to provide flexibility to the Company in its ability to motivate, attract, and retain the services of Directors, employees and consultants upon whose judgment, interest, contribution and special effort the successful conduct of the Company's operation is largely dependent.

(b) ***Who may join***

Those eligible to participate in the Pre-[REDACTED] ESOP include employees, consultants and directors, as determined by a committee authorized by the board (the "**Committee**"). Subject to the provisions of this Pre-[REDACTED] ESOP, the Committee may, from time to time, select from among all eligible individuals (the "**Participants**") to whom awards in the form of options ("**Options**"), restricted share awards ("**Restricted Shares**") and restricted stock units ("**RSU**") (collectively "**Awards**") shall be granted and shall determine the nature and amount of each option. No individual shall have any right to be granted an award pursuant to the Pre-[REDACTED] ESOP.

(c) ***Maximum number of Shares***

The maximum aggregate number of Shares which may be issued is 683,038,063, subject to any adjustments for other dilutive issuances.

(d) ***Administration***

The Pre-[REDACTED] ESOP is administered by the Board or the Committee to whom the Board shall delegate the authority to grant or amend Awards to Participants other than any of the Committee members, independent Directors and executive officers of the Company. Reference to the Committee shall refer to the Board in absence of the Committee. Notwithstanding the foregoing, the full Board, acting by majority of its members in office, shall conduct the general administration of the Pre-[REDACTED] ESOP if required by Applicable Laws, and with respect to Awards granted to the Committee members, independent Directors and executive officers of the Company and for purposes of such Awards the term "Committee" as used in the Pre-[REDACTED] ESOP shall be deemed to refer to the Board.

A majority of the Committee shall constitute a quorum. The acts of a majority of the members present at any meeting at which a quorum is present, and acts approved unanimously in writing by all members of the Committee in lieu of a meeting, shall be deemed the acts of the Committee. Each member of the Committee is entitled to, in good faith, rely or act upon any report or other information furnished to that member by any officer or other employee of a Group Entity, the Company's independent certified public accountants, or any executive compensation consultant or other professional retained by the Company to assist in the administration of the Pre-[REDACTED] ESOP.

Subject to any specific designation in the Pre-[REDACTED] ESOP, the Committee has the exclusive power, authority and discretion to:

a) Designate Participants to receive Awards;

b) Determine the type or types of Awards to be granted to each Participant;

c) Determine the number of Awards to be granted and the number of Shares to which an Award will relate;

d) Determine the terms and conditions of any Award granted pursuant to the Pre-[REDACTED] ESOP, including but not limited to the exercise price, grant price or purchase price, any restrictions or limitations on the Award, any schedule for lapse of forfeiture restrictions or restrictions on the exercisability of an Award and accelerations or waivers thereof, and any provisions related to non-competition and recapture of gain on an Award, based in each case on such considerations as the Committee in its sole discretion determines;

e) Determine whether, to what extent, and pursuant to what circumstances an Award may be settled in, or the exercise price of an Award may be paid in, cash, Shares, other Awards, or other property, or an Award may be canceled, forfeited, or surrendered;

f) Prescribe the form of each Award Agreement (as defined below), which need not be identical for each Participant;

g) Decide all other matters that must be determined in connection with an Award;

h) Eestablish, adopt, or revise any rules and regulations as it may deem necessary or advisable to administer the Pre-[REDACTED] ESOP;

i) Interpret the terms of, and any matter arising pursuant to, the Pre-[REDACTED] ESOP or any Award Agreement;

j) Amend terms and conditions of Award Agreements, including but not limited to reducing the exercise price per Share subject to an Option; and

k) Make all other decisions and determinations that may be required pursuant to the Pre-[REDACTED] ESOP or as the Committee deems necessary or advisable to administer the Pre-[REDACTED] ESOP.

(e) ***Grant of Awards***

The Committee is authorized to grant Awards to Participants in accordance with the terms of the Pre-[REDACTED] ESOP. Awards granted will be evidenced by an agreement ("**Award Agreement**") between the Company and the Participant. The Award Agreement includes additional provisions specified by the Committee. The Committee can determine the terms and conditions of the Award, including the grant or purchase price of Awards.

(f) ***Terms of the Pre-[REDACTED] ESOP***

The Pre-[REDACTED] ESOP commenced on October 6, 2015 (the "**Effective Date**") and will expire on the tenth anniversary of the Effective Date. Upon expiry of the Pre-[REDACTED] ESOP, any Award that is outstanding shall remain in force according to the terms of the Pre-[REDACTED] ESOP and the applicable.

(g) ***Option***

General

i. Exercise price

The Committee shall determine the exercise price per Share subject to an Option, which may be either a fixed price or a variable price related to the fair market value of the Shares. The exercise price per Share shall be set forth in the Award Agreement. The exercise price per Share subject to an Option may be adjusted in the absolute discretion of the Committee, the determination of which shall be final, binding and conclusive. For the avoidance of doubt, to the extent not prohibited by applicable laws, a re-pricing of Options mentioned in the preceding sentence shall be effective without the approval of the Company's shareholders or the approval of the relevant Participants. Notwithstanding the foregoing, the exercise price per Share subject to an Option under an Award Agreement shall not be increased without the approval of the relevant Participants.

ii. Time and conditions of exercise

The Committee shall determine the time or times at which an Option may be exercised in whole or in part, including exercise prior to vesting; provided, however, that the term of any Option granted under the Pre-[REDACTED] ESOP shall not exceed ten years, except as amended, modified or terminated by the Board or the Committee. The Committee shall also determine any conditions, if any, that must be satisfied before all or part of an Option may be exercised. The option may not be exercised until vested.

iii. Payment

The Committee shall determine the methods by which the exercise price of an Option may be paid and the methods by which Shares will be delivered of deemed to be delivered to the Participants. Forms of payment may include, without limitation, (i) cash or check denominated in U.S. Dollars, (ii) to the extent permissible under the applicable laws, cash or check in Renminbi, (iii) cash or check denominated in any other local currency as approved by the Committee, (iv) Shares held for such period of time as may be required by the Committee in order to avoid adverse financial accounting consequences and having a fair market value on the date of delivery equal to the aggregate exercise price of the Option of exercised portion thereof, (v) the delivery of a notice that the Participant has placed a market sell order with a broker with respect to Shares then issuable upon exercise of the Option and that the broker has been directed to pay a sufficient portion of the net proceeds of the sale to the Company in satisfaction of the Option exercise price; provided, however, that payment of such proceeds is then made to the Company upon settlement of such sale, (vi) other property acceptable to the Committee with a fair market value equal to the exercise price, or (vii) any combination of the foregoing.

iv. Dismissal for cause

Unless otherwise provided in the Award Agreement, if a Participant's employment by or service to the employer is terminated by the employer for cause, the Participant's Options will terminate upon such termination, whether or not the Option is then vested and/or exercisable.

v. Death or disability

Unless otherwise provided in the Award Agreement, if a Participant's employment by or service to the employer terminates as a result of the Participant's death or disability:

1) the Participant (or his or her legal representative or beneficiary, in the case of the Participant's disability or death, respectively), will have until the date that is 12 months after the Participant's termination of employment to exercise the Participant's Options (or portion thereof) to the extent that such Options were vested and exercisable on the date of the Participant's termination of employment on account of death or disability;

2) the Options, to the extent not vested and exercisable on the date of the Participant's termination of employment or service, shall terminate upon the Participant's termination of employment or service on account of death or disability; and

3) the Options, to the extent exercisable for the 12-month period following the Participant's termination of employment or service and not exercised during such period, shall terminate at the close of business on the last day of the 12-month period.

vi. Other terminations of employment or service

Unless otherwise provided in the Award Agreement, if a Participant's employment by or service to the Service Recipient terminates for any reason other than a termination by the Service Recipient for cause or because of the Participant's death or disability:

1) the Participant will have until the date that is 90 days after the Participant's termination of employment or service to exercise his or her Options (or portion thereof) to the extent that such Options were vested and exercisable on the date of the Participant's termination of employment or service;

2) the Options, to the extent not vested and exercisable on the date of the Participant's termination of employment or service, shall terminate upon the Participant's termination of employment or service; and

3) the Options, to the extent exercisable for the 90-day period following the Participant's termination of employment or service and not exercised during such period, shall terminate at the close of business on the last day of the 90-day period.

(h) ***Restricted Shares***

i. *Issuance and restrictions*

Restricted Shares shall be subject to such restrictions on transferability and other restrictions as the Committee may impose (including, without limitation, limitations on the right to vote Restricted Shares or the right to receive dividends on the Restricted Shares). These restrictions may lapse separately or in combination at such times, pursuant to such circumstances, in such installments, or otherwise, as the Committee determines at the time of the grant of the Award or thereafter.

ii. *Forfeiture and repurchase*

Except as otherwise determined by the Committee at the time of the grant of the Award or thereafter, upon termination of employment or service during the applicable restriction period, Restricted Shares that are at that time subject to restrictions shall be forfeited or repurchased in accordance with the Award Agreement; provided, however, that the Committee may (a) provide in any Restricted Share Award Agreement that restrictions or forfeiture and repurchase conditions relating to Restricted Shares will be waived in whole or in part in the event of terminations resulting from specified causes, and (b) in other cases waive in whole or in part restrictions or forfeiture and repurchase conditions relating to Restricted Shares.

iii. *Certificate for Restricted Shares*

Restricted Shares granted pursuant to the Pre-[REDACTED] ESOP may be evidenced in such manner as the Committee shall determine. If certificates representing Restricted Shares are registered in the name of the Participant, certificates must bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Restricted Shares, and the Company may, at its discretion, retain physical possession of the certificate until such time as all applicable restrictions lapse.

iv. *Removal of restrictions*

Unless the Committee determines otherwise, Restricted Shares shall be held by the Company as escrow agent until the restrictions on such Restricted Shares have lapsed. Except as otherwise provided in the Pre-[REDACTED] ESOP, Restricted Shares granted under the Pre-[REDACTED] ESOP shall be released from escrow as soon as practicable after the last day of the period of restriction. The Committee, in its discretion, may accelerate the time at which any restrictions shall lapse or be removed. After the restrictions have lapsed, the Participant shall be entitled to have any legend or legends in the Pre-[REDACTED] ESOP removed from his or her Share certificate, and the Shares shall be freely transferable by the Participant, subject to applicable legal restrictions. The Committee, in its discretion, may establish procedures regarding the release of Shares from escrow and the removal of legends, as necessary or appropriate to minimize administrative burdens on the Company.

(i) ***RSUs***

i. *Performance objectives and other terms*

The Committee, in its discretion, may set performance objectives or other vesting criteria which, depending on the extent to which they are met, will determine the number or value of RSUs that will be paid out to the Participants.

ii. *Form and timing of payment of RSUs*

At the time of grant, the Committee shall specify the date or dates on which the RSUs shall become fully vested and nonforfeitable. Upon vesting, the Committee, in its sole discretion, may pay RSUs in the form of cash, Shares or a combination thereof.

iii. *Forfeiture and Repurchase*

Except as otherwise determined by the Committee at the time of the grant of the Award or thereafter, upon termination of employment or service during the applicable restriction period, RSUs that are at that time unvested shall be forfeited or repurchased in accordance with the Award Agreement; provided, however, that the Committee may (a) provide in any RSU Award Agreement that restrictions or forfeiture and repurchase conditions relating to RSUs will be waived in whole or in part in the event of terminations resulting from specified causes, and (b) in other cases waive in whole or in part restrictions or forfeiture and repurchase conditions relating to RSUs.

(j) ***Limits on Transfer***

Unless other provided in the Pre-[REDACTED] ESOP, no right or interest of a Participant in any Award may be subject in any manner to sale, transfer, or assignment. Awards will only be exercised by the Participant, and amounts payable or shares issuable pursuant to an Award will be delivered only to, and, in the case of Shares, registered in the name of, the Participant. Any transfer permitted pursuant to the Pre-[REDACTED] ESOP shall be subject to the condition that the Committee receive evidence satisfactory to it that the transfer is being made for the purposes set forth of the definition of "Permitted Transfer" in the Pre-[REDACTED] ESOP and on a basis consistent with the Company's lawful issue of securities.

(k) ***Adjustments***

In the event of any dividend, share split, combination or exchange of Shares, amalgamation, arrangement or consolidation, spin-off, recapitalization or other distribution (other than normal cash dividends) of Company assets to its shareholders, or any other change affecting Shares or the price of a Share, the Committee shall make such proportionate adjustments, if any, necessary to reflect such change with respect to (a) the aggregate number and type of shares that may be issued under the Pre-[REDACTED] ESOP (including, but not limited to, adjustments of the limitations in the Pre-[REDACTED] ESOP); (b) the terms and conditions of any outstanding Awards (including, without limitation, any applicable performance targets or criteria with respect thereto); and (c) the grant or exercise price per share for any outstanding Awards under the Pre-[REDACTED] ESOP.

(l) ***Amendment, modification and termination***

At any time and from time to time, the Board of the Committee may terminate, amend or modify the Pre-[REDACTED] ESOP, provided, however, that to the extent necessary and desirable to comply with applicable laws and stock exchange rules, unless the Company decides to follow home-country practice not to seek shareholder approval for any amendment or modification of the Pre-[REDACTED] ESOP, the Company shall obtain shareholder approval of any Pre-[REDACTED] ESOP amendment in such a manner and to such a degree as required, including any amendment to the Pre-[REDACTED] ESOP that (i) increases the number of Shares available under the Pre-[REDACTED] ESOP; (ii) permits the Committee to extend the term of the Pre-[REDACTED] ESOP or the exercise period for an Option beyond ten years from the date of grant; or (iii) results in a change in eligibility requirements.

Outstanding share options and RSUs granted

The grant of share options and RSUs under the Pre-[REDACTED] ESOP to the grantees as set out below has been approved by the Board. The aggregate number of underlying Shares pursuant to the share options and RSUs granted under the Pre-[REDACTED] ESOP is [REDACTED] Shares.

As of the Latest Practicable Date, the Company has granted share options under the Pre-[REDACTED] ESOP to [REDACTED] grantees (including Directors, senior management and other employees of the Company) to subscribe for an aggregate of [REDACTED] Shares, a portion of which corresponding to 139,812,642 Shares has been exercised. No consideration has been paid by the grantees for the grant of options under the Pre-[REDACTED] ESOP. As of the Latest Practicable Date, the Company has granted RSUs under the Pre-[REDACTED] ESOP representing an aggregate of [REDACTED] Shares, a portion of which corresponding to [REDACTED] Shares has vested. As of the date of this document, no Shares have been issued pursuant to the exercised options and vested RSUs, and the Company expects to issue such Shares on a later date to be determined upon [REDACTED].

Immediately following completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no Shares are issued under the Pre-[REDACTED] ESOP), the aggregate number of underlying Shares underlying share options and RSUs granted under the Pre-[REDACTED] ESOP represents approximately [REDACTED]% and [REDACTED]%, respectively, of the issued Shares immediately following the completion of the [REDACTED] and approximately [REDACTED]% and [REDACTED]%, respectively, of the voting rights in the Company. Assuming full issuance of Shares pursuant to all the share options and RSUs granted under the Pre-[REDACTED] ESOP, the shareholding of our Shareholders immediately following completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no Shares are issued under the Pre-[REDACTED] ESOP) will be diluted by approximately 8.53%. As the Group incurred losses for the years ended December 31, 2015, 2016 and 2017 and the four months ended April 30, 2017 and 2018, the dilutive potential ordinary shares, namely the Preferred Shares, share options and RSUs, were not included in the calculation of diluted loss per share as their inclusion would be anti-dilutive. Accordingly, diluted loss per share for the years ended December 31, 2015, 2016 and 2017 and the four months ended April 30, 2017 and 2018 were the same as basic loss per share of the respective periods.

All the share options and RSUs under the Pre-[REDACTED] ESOP were granted between May 31, 2006 and August 1, 2018 and the Company will not grant further share options and RSUs under the Pre-[REDACTED] ESOP after the [REDACTED]. The exercise price of the share options under the Pre-[REDACTED] ESOP is between nil to US$5.18.

As of the Latest Practicable Date, the Company has not issued any Restricted Shares under the Pre-[REDACTED] ESOP and confirms that it will not issue any Restricted Shares under the Pre-[REDACTED] ESOP after the [REDACTED].

The table below shows the details of share options granted to the Directors and members of the senior management of the Company under the Pre-[REDACTED] ESOP.

Name	Address	Position	Date of grant	Vesting period[3]	Exercise price	Total number of Shares underlying granted options	Underlying Shares of granted options as a percentage of issued shares immediately after completion of the [REDACTED][1]	Underlying Shares of granted options as a percentage of voting interest in the Company immediately after completion of the [REDACTED][2]
Directors								
Mu Rongjun	Room 401, Unit 3, No. 205 Huigu Yangguang, Chaoyang District, Beijing China	Executive Director, Senior Vice President	July 1, 2017, July 1, 2018	6 years	US$3.86- US$5.18	5,000,000	[REDACTED]%	[REDACTED]%
Wang Huiwen	Room 3-2-3, No. 54 Songjiang Road, Ganjingzi District, Dalian City, Liaoning Province, China	Executive Director, Senior Vice President	February 1, 2015, May 1, 2015, August 1, 2015, January 1, 2016, July 1, 2018	4-6 years	US$1.005- US$5.18	7,578,600	[REDACTED]%	[REDACTED]%
Senior Management								
Chen Shaohui	Room 1708, No. 3-1, Guangqumenwai Street, Chaoyang District, Beijing, China	Senior Vice President	November 1, 2014, January 1, 2016, July 1, 2017, July 1, 2018	4-6 years	US$1.005- US$5.18	10,951,800	[REDACTED]%	[REDACTED]%
Chen Liang	Room 401, No. 8-24, Dongpu Road, Siming District, Xiamen City, Fujian Province, China	Senior Vice President	November 1, 2011, February 1, 2015, May 1, 2015, August 1, 2015, January 1, 2016, July 1, 2017	4-6 years	US$0.0125- US$3.86	9,223,610	[REDACTED]%	[REDACTED]%
Zhang Chuan	No.35, Damucang Lane, Xicheng District, Beijing, China	Senior Vice President	July 1, 2017, July 1, 2018	6 years	US$3.86- US$5.18	8,880,000	[REDACTED]%	[REDACTED]%
Total						**41,634,010**	**[REDACTED]%**	**[REDACTED]%**

Note:

(1) Calculated on a one share one vote basis, assuming that the [REDACTED] is not exercised and no shares are issued under the Pre-[REDACTED] ESOP.

(2) Assuming completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no Shares are issued under the Pre-[REDACTED] ESOP). The percentage takes into account the weighted voting rights of Class A Shares, which carry 10 votes per share in relation to resolutions at the general meetings of the Company save in respect to the Reserved Matters.

(3) The exercise period of the share options granted under the Pre-[REDACTED] ESOP shall be any time after the end of the vesting period and before the 10th anniversary of the grant date, subject to the terms of the Pre-[REDACTED] ESOP and the share option award agreements signed by the grantees.

The table below shows the details of share options granted to individuals, other than the Directors and members of the senior management of the Company, under the Pre-[REDACTED] ESOP that are outstanding.

No.	Range of Class B Shares underlying options granted under the Pre-[REDACTED] ESOP	Total number of grantees	Total number of Class B Shares underlying outstanding Options	Exercise Price (US$)	Dates of grant	Vesting Period(3)	Approximate percentage of equity interest in the Company (one share one vote basis) underlying outstanding options (1)	Approximate percentage of voting interest in the Company underlying outstanding options (2)
1	1 to 9,999	3,328	10,106,761	0.007591 to 3.86	April 20, 2007 to July 20, 2018	4 years	[REDACTED]%	[REDACTED]%
2	10,000 to 99,999	956	29,324,088	0.000017 to 5.18	May 31, 2006 to July 12, 2018	0.5 to 4 years	[REDACTED]%	[REDACTED]%
3	100,000 or more	295	178,261,060	0.000017 to 5.18	May 31, 2006 to August 1, 2018	1 to 6 years	[REDACTED]%	[REDACTED]%
	Total	**4,579**	**217,691,909**				**[REDACTED]%**	**[REDACTED]%**

Notes:

(1) Assuming completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no Shares are issued under the Pre-[REDACTED] ESOP).

(2) Assuming completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no Shares are issued under the Pre-[REDACTED] ESOP). The percentage takes into account the weighted voting rights of the Class A Shares, which carry 10 votes per share in relation to resolutions at the general meetings of the Company save in respect to the Reserved Matters.

(3) The exercise period of the share options granted under the Pre-[REDACTED] ESOP shall be any time after the end of the vesting period and before the 10th anniversary of the grant date, subject to the terms of the Pre-[REDACTED] ESOP and the share option award agreements signed by the grantees.

The table below shows further details of the grants of share options with 1 to 9,999 Class B Shares underlying each individual grants.

Exercise price (US$)	Total number of Class B Shares underlying outstanding share options	Dates of grant	Vesting period[3]	Approximate percentage of equity interest in the Company (one share one vote basis) underlying outstanding options [1]	Approximate percentage of voting interest in the Company underlying outstanding options [2]
0 to 0.737999. . .	5,585,153	April 20, 2007 to April 23, 2018	4 years	[REDACTED]%	[REDACTED]%
1.00375 to 1.849	1,173,316	May 1, 2014 to April 23, 2018	4 years	[REDACTED]%	[REDACTED]%
2.3094 to 2.4302	498,590	November 1, 2017 to July 20, 2018	4 years	[REDACTED]%	[REDACTED]%
3.16 to 3.86. . . .	2,849,702	May 1, 2015 to May 1, 2016	4 years	[REDACTED]%	[REDACTED]%
Total	**10,106,761**			**[REDACTED]%**	**[REDACTED]%**

Notes:

(1) Assuming completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no Shares are issued under the Pre-[REDACTED] ESOP, Post-[REDACTED] Share Option Scheme and Post-[REDACTED] Share Award Scheme).

(2) Assuming completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no Shares are issued under the Pre-[REDACTED] ESOP, Post-[REDACTED] Share Option Scheme and Post-[REDACTED] Share Award Scheme). The percentage takes into account the weighted voting rights of the Class A Shares, which carry 10 votes per share in relation to resolutions at the general meetings of the Company save in respect to the Reserved Matters.

(3) The exercise period of the share options granted under the Pre-[REDACTED] ESOP shall be any time after the end of the vesting period and before the 10th anniversary of the grant date, subject to the terms of the Pre-[REDACTED] ESOP and the share option award agreements signed by the grantees.

The table below shows further details of the grants of share options with 10,000 to 99,999 Class B Shares underlying each individual grants.

Exercise price (US$)	Total number of Class B Shares underlying outstanding share options	Dates of grant	Vesting period[3]	Approximate percentage of equity interest in the Company (one share one vote basis) underlying outstanding options [1]	Approximate percentage of voting interest in the Company underlying outstanding options [2]
0 to 0.737999. . .	17,314,598	May 31, 2006 to November 1, 2017	0.5 to 4 years	[REDACTED]%	[REDACTED]%
1.00375 to 1.849	3,378,724	May 1, 2014 to November 1, 2017	4 years	[REDACTED]%	[REDACTED]%
2.3094 to 2.4302	3,330,649	November 1, 2017 to July 12, 2018	4 years	[REDACTED]%	[REDACTED]%
3.16 to 3.86	5,240,117	December 24, 2014 to July 1, 2017	4 years	[REDACTED]%	[REDACTED]%
5.18	60,000	July 1, 2018	4 years	[REDACTED]%	[REDACTED]%
Total	**29,324,088**			**[REDACTED]%**	**[REDACTED]%**

Notes:

(1) Assuming completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no Shares are issued under the Pre-[REDACTED] ESOP, Post-[REDACTED] Share Option Scheme and Post-[REDACTED] Share Award Scheme).

(2) Assuming completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no Shares are issued under the Pre-[REDACTED] ESOP, Post-[REDACTED] Share Option Scheme and Post-[REDACTED] Share Award Scheme). The percentage takes into account the weighted voting rights of the Class A Shares, which carry 10 votes per share in relation to resolutions at the general meetings of the Company save in respect to the Reserved Matters.

(3) The exercise period of the share options granted under the Pre-[REDACTED] ESOP shall be any time after the end of the vesting period and before the 10th anniversary of the grant date, subject to the terms of the Pre-[REDACTED] ESOP and the share option award agreements signed by the grantees.

The table below shows further details of the grants of share options with more than 100,000 Class B Shares underlying each individual grants.

Exercise price (US$)	Total number of Class B Shares underlying outstanding share options	Dates of grant	Vesting period[3]	Approximate percentage of equity interest in the Company (one share one vote basis) underlying outstanding options [1]	Approximate percentage of voting interest in the Company underlying outstanding options [2]
0 to 0.737999. . .	119,695,260	May 31, 2006 to November 1, 2017	1 to 4 years	[REDACTED]%	[REDACTED]%
1.00375 to 1.849	8,698,262	May 1, 2014 to February 14, 2018	4 years	[REDACTED]%	[REDACTED]%
2.3094 to 2.4302	6,444,817	November 1, 2017 to July 16, 2018	4 years	[REDACTED]%	[REDACTED]%
3.16 to 3.86	34,286,105	December 24, 2014 to May 1, 2018	4-6 years	[REDACTED]%	[REDACTED]%
5.18	9,136,616	July 1, 2018 to August 1, 2018	4-6 years	[REDACTED]%	[REDACTED]%
Total	**178,261,060[4]**			**[REDACTED]%**	**[REDACTED]%**

Notes:

(1) Assuming completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no Shares are issued under the Pre-[REDACTED] ESOP, Post-[REDACTED] Share Option Scheme and Post-[REDACTED] Share Award Scheme).

(2) Assuming completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no Shares are issued under the Pre-[REDACTED] ESOP, Post-[REDACTED] Share Option Scheme and Post-[REDACTED] Share Award Scheme). The percentage takes into account the weighted voting rights of the Class A Shares, which carry 10 votes per share in relation to resolutions at the general meetings of the Company save in respect to the Reserved Matters.

(3) The exercise period of the share options granted under the Pre-[REDACTED] ESOP shall be any time after the end of the vesting period and before the 10th anniversary of the grant date, subject to the terms of the Pre-[REDACTED] ESOP and the share option award agreements signed by the grantees.

(4) Of the grantees who have been granted options with more than 100,000 Class B Shares, (i) one grantee has been granted options, which if fully exercised and all underlying shares fully issued, represents [REDACTED]% of the equity interest in the Company (on share one vote basis) and [REDACTED]% of the voting rights in the Company; and (ii) one grantee has been granted options, which if fully exercised and all underlying shares fully issued, represents 0.1427% of the equity interest in the Company (on share one vote basis) and [REDACTED]% of the voting rights in the Company, after

completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no Shares are issued under the Pre-[REDACTED] ESOP, Post-[REDACTED] Share Option Scheme and Post-[REDACTED] Share Award Scheme). The grantees mentioned above are not connected persons of the Company and were former employees. Details of their grant are shown in the table below.

Grantee	Position held in the Company prior to resignation	Total number of Class B Shares underlying the granted options	Exercise price (US$)	Dates of grant	Vesting period[(c)]	Approximate percentage of equity interest in the Company (one share one vote basis) underlying the granted options[(a)]	Approximate percentage of voting interest in the Company under the granted options[(b)]
1.	Senior Vice President	31,287,000	0.12 to 3.16	December 1, 2011, May 1, 2015	4 years	[REDACTED]%	[REDACTED]%
2.	Vice President	7,833,328	0.002500	November 1, 2011	4 years	[REDACTED]%	[REDACTED]%
	Total	**39,120,328**				**[REDACTED]%**	**[REDACTED]%**

Notes:

(a) Assuming completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no Shares are issued under the Pre-[REDACTED] ESOP, Post-[REDACTED] Share Option Scheme and Post-[REDACTED] Share Award Scheme).

(b) Assuming completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no Shares are issued under the Pre-[REDACTED] ESOP, Post-[REDACTED] Share Option Scheme and Post-[REDACTED] Share Award Scheme). The percentage takes into account the weighted voting rights of the Class A Shares, which carry 10 votes per share in relation to resolutions at the general meetings of the Company save in respect to the Reserved Matters.

(c) The exercise period of the share options granted under the Pre-[REDACTED] ESOP shall be any time after the end of the vesting period and before the 10th anniversary of the grant date, subject to the terms of the Pre-[REDACTED] ESOP and the share option award agreements signed by the grantees.

The table below shows the details of RSUs granted to the Directors and members of the senior management under the Pre-[REDACTED] ESOP.

Name	Position	Date of grant	Vesting period	Total number of Shares underlying granted RSUs	Underlying Shares of granted RSUs as a percentage of issued shares immediately after completion of the [REDACTED](1)	Underlying Shares of granted RSUs as a percentage of voting interest in the Company immediately after completion of the [REDACTED](2)
Directors						
Mu Rongjun	Executive Director, Senior Vice President	July 1, 2017	6 years	1,000,000	[REDACTED]%	[REDACTED]%
Wang Huiwen	Executive Director, Senior Vice President	January 1, 2016 to July 1, 2018	4 to 6 years	15,700,000	[REDACTED]%	[REDACTED]%
Senior Management						
Chen Shaohui	Senior Vice President	January 1, 2016 to July 1, 2018	4 to 6 years	7,932,174	[REDACTED]%	[REDACTED]%
Chen Liang	Senior Vice President	January 1, 2016 to July 1, 2018	4 to 6 years	5,072,250	[REDACTED]%	[REDACTED]%
Zhang Chuan	Senior Vice President	February 1, 2017 to July 1, 2018	4 to 6 years	8,260,000	[REDACTED]%	[REDACTED]%
Total				**37,964,424**	**[REDACTED]%**	**[REDACTED]%**

Note

(1) Calculated on a one share one vote basis, assuming that the [REDACTED] is not exercised and no Shares are issued under the Pre-[REDACTED] ESOP.

(2) Assuming completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no Shares are issued under the Pre-[REDACTED] ESOP). The percentage takes into account the weighted voting rights of the Class A Shares, which carry 10 votes per share in relation to resolutions at the general meetings of the Company save in respect to the Reserved Matters.

The table below shows the details of RSUs granted to individuals, other than the Directors and members of the senior management of the Company, under the Pre-[REDACTED] ESOP that are outstanding

No.	Range of Class B Shares underlying RSUs granted under the Pre-[REDACTED] ESOP	Total number of grantees	Total number of Class B Shares underlying outstanding RSUs	Dates of grant	Vesting period	Approximate percentage of equity interest in the Company (one share one vote basis) underlying outstanding RSUs[(1)]	Approximate percentage of voting interest in the Company underlying outstanding RSUs[(2)]
1	1 to 9,999	4,852	16,578,165	October 1, 2014 to August 1, 2018	3 to 4 years	[REDACTED]%	[REDACTED]%
2	10,000 to 99,999	2,263	64,888,092	July 1, 2014 to August 1, 2018	0 to 4 years	[REDACTED]%	[REDACTED]%
3	100,000 or more	307	133,343,780	December 29, 2010 to August 2, 2018	0.75 to 6 years	[REDACTED]%	[REDACTED]%
	Total	**7,422**	**214,810,037[(3)]**			**[REDACTED]%**	**[REDACTED]%**

Notes:

(1) Assuming completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no Shares are issued under the Pre-[REDACTED] ESOP).

(2) Assuming completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no Shares are issued under the Pre-[REDACTED] ESOP). The percentage takes into account the weighted voting rights of the Class A Shares, which carry 10 votes per share in relation to resolutions at the general meetings of the Company save in respect to the Reserved Matters.

(3) Of the grantees who have been granted RSUs with more than 100,000 Class B Shares, six grantees have been granted RSUs with over 5,000,000 underlying Shares, which if fully exercised and all underlying shares fully issued, represent 0.7826% of the equity interest in the Company (one share one vote basis) and [REDACTED]% of the voting rights in the Company, after completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no Shares are issued under the Pre-[REDACTED] ESOP, Post-[REDACTED] Share Option Scheme and Post-[REDACTED] Share Award Scheme). Other than these six grantees, no other grantees who are not Directors, members of the senior management or connected persons of the Company has been granted RSU, under the [REDACTED] ESOP with over 5,000,000 underlying Shares. The grantees mentioned above are not connected persons of the Company and three of them were former employees. Details of their grant are shown in the table below.

Grantee	Position held in the Company	Total number of Class B Shares underlying the granted RSUs	Dates of grant	Vesting period	Approximate percentage of equity interest in the Company (one share one vote basis) underlying outstanding RSUs(1)	Approximate percentage of voting interest in the Company underlying outstanding RSUs(2)
1	Former Senior Vice President	11,084,936	April 1, 2015	4 years	[REDACTED]%	[REDACTED]%
2	Former Vice President	8,320,000	November 8, 2011	4 years	[REDACTED]%	[REDACTED]%
3	Senior Vice President	6,201,728	October 1, 2014 to July 1, 2018	4 to 6 years	[REDACTED]%	[REDACTED]%
4	Former Vice President	6,200,000	January 1, 2011	4 years	[REDACTED]%	[REDACTED]%
5	Senior Vice President	5,967,928	October 1, 2014 to July 1, 2018	4 to 6 years	[REDACTED]%	[REDACTED]%
6	Senior Vice President	5,200,000	August 1, 2017	4 to 6 years	[REDACTED]%	[REDACTED]%
	Total	**42,974,592**			**[REDACTED]%**	**[REDACTED]%**

Notes:

(1) Assuming completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no Shares are issued under the Pre-[REDACTED] ESOP).

(2) Assuming completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no Shares are issued under the Pre-[REDACTED] ESOP). The percentage takes into account the weighted voting rights of the Class A Shares, which carry 10 votes per share in relation to resolutions at the general meetings of the Company save in respect to the Reserved Matters.

The following table summarizes the number of underlying Shares of the share options and RSUs granted under the Pre-[REDACTED] ESOP:

	Number of underlying Shares
Share options granted to the Directors and member of the senior management	41,634,010
Share options granted to other employees other than the Directors and members of the senior management	217,691,909
RSUs granted to the Directors and members of the senior management	37,964,424
RSUs granted to other employees other than the Directors and members of the senior management	214,810,037
Total	512,100,380

E. POST-[REDACTED] SHARE OPTION SCHEME

The following is a summary of the principal terms of the post-[REDACTED] share option scheme (the "**Post-[REDACTED] Share Option Scheme**") conditionally adopted by our Shareholders at the Shareholders' meeting on August 30, 2018. The terms of the Post-[REDACTED] Share Option Scheme will be governed by Chapter 17 of the Listing Rules.

(a) ***Purpose of the Post-[REDACTED] Share Option Scheme***

The purpose of the Post-[REDACTED] Share Option Scheme is to provide selected participants with the opportunity to acquire proprietary interests in the Company and to encourage selected participants to work towards enhancing the value of our Company and its Shares for the benefit of our Company and Shareholders as a whole. The Post-[REDACTED] Share Option Scheme will provide our Company with a flexible means of retaining, incentivising, rewarding, remunerating, compensating and/or providing benefits to selected participants.

(b) ***Selected participants to the Post-[REDACTED] Share Option Scheme***

Any individual, being an employee, director, officer, consultant, advisor, distributor, contractor, customer, supplier, agent, business partner, joint venture business partner or service provider of any member of the Group or any affiliate who the Board or its delegate(s) considers, in their sole discretion, to have contributed or will contribute to our Group is entitled to be offered and granted options. However, no individual who is resident in a place where the grant, acceptance or exercise of options pursuant to the Post-[REDACTED] Share Option 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, is eligible to be offered or granted options.

(c) ***Maximum number of Class B Shares***

The total number of Class B Shares which may be issued upon exercise of all options to be granted under the Post-[REDACTED] Share Option Scheme and any other schemes is [REDACTED] Class B Shares, being no more than 10% of the Class B Shares in issue on the [REDACTED] (the "**Option Scheme Mandate Limit**") (excluding any Class B Shares which may be issued pursuant to the exercise of the [REDACTED] and the options granted under the Share Option Schemes and grants under the Post-[REDACTED] Share Award Scheme). Options which have lapsed in accordance with the terms of the rules of the Post-[REDACTED] Share Option Scheme (or any other share option schemes of the Company) shall not be counted for the purpose of calculating the Option Scheme Mandate Limit.

The overall limit on the number of Class B Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Post-[REDACTED] Share Option Scheme and any other share option schemes of the Company at any time (and to which the provisions of Chapter 17 of the Listing Rules are applicable) must not exceed 30% of the Class B Shares in issue from time to time (the "**Option Scheme Limit**"). No options may be granted under any schemes of our Company (or its subsidiaries) if this will result in the Option Scheme Limit being exceeded.

The Option Scheme Mandate Limit may be refreshed at any time by obtaining prior approval of our Shareholders in general meeting and/or such other requirements prescribed under the Listing Rules from time to time. However, the refreshed Option Scheme Mandate Limit cannot exceed 10% of the Class B Shares in issue as at the date of such approval. Options previously granted under the Post-[REDACTED] Share Option Scheme and any other share option schemes of our Company (and to which provisions of Chapter 17 of the Listing Rules are applicable) (including those outstanding, cancelled or lapsed in accordance with its terms or exercised), shall not be counted for the purpose of calculating the refreshed Option Scheme Mandate Limit.

Our Company may also grant options in excess of the Option Scheme Mandate Limit, provided such grant is to specifically identified selected participant and is first approved by Shareholders in general meeting.

(d) ***Maximum entitlement of a grantee***

Unless approved by our Shareholders, the total number of Class B Shares issued and to be issued upon exercise of the options granted and to be granted under the Post-[REDACTED] Share Option Scheme and any other share option scheme(s) of the Company to each selected participant (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the total number of Class B Shares in issue (the "**Individual Limit**"). Any further grant of options to a selected participant which would result in the aggregate number of Class B Shares issued and to be issued upon exercise of all options granted and to be granted to such selected participant (including exercised, cancelled and outstanding options) in the 12 month period up to and including the date of such further grant exceeding the Individual Limit shall be subject to separate approval of our Shareholders (with such selected participant and his associates abstaining from voting).

(e) ***Performance target***

The Post-[REDACTED] Share Option Scheme does not set out any performance targets that must be achieved before the options may be exercised. However, the Board or its delegate(s) may at their sole discretion specify, as part of the terms and conditions of any option, such performance conditions that must be satisfied before the option can be exercised.

(f) ***Subscription price***

The amount payable for each Class B Share to be subscribed for under an option ("**Subscription Price**") in the event of the option being exercised shall be determined by the Board but shall be not less than the greater of:

(i) the closing price of a Class B Share as stated in the daily quotations sheet issued by the Stock Exchange on the date of grant;

(ii) the average closing price of the Class B Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; and

(iii) the nominal value of a Class B Share on the date of grant.

(g) ***Rights are personal to grantee***

An option is personal to the grantee and shall not be transferable or assignable and no grantee shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or *create* any interest in favour of or enter into any agreement with any other person over or in relation to any option, except for the transmission of an option on the death of the grantee to his personal representative(s) on the terms of the Post-[REDACTED] Share Option Scheme.

(h) ***Options granted to directors or substantial shareholders of the Company***

Each grant of options to any director, chief executive or substantial shareholder of our Company (or any of their respective associates) must first be approved by the independent non-executive Directors (excluding any independent non-executive Director who is a proposed recipient of the grant of options). Where any grant of options to a substantial shareholder or an independent non-executive Director of our Company (or any of their respective associates) would result in the number of Class B Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

(i) representing in aggregate over 0.1% (or such other higher percentage as may from time to time be specified by the Stock Exchange) of the Class B Shares in issue; and

(ii) having an aggregate value, based on the closing price of the Class B Shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of grant, in excess of HK$5 million (or such other higher amount as may from time to time be specified by the Stock Exchange),

such further grant of options must also be first approved by the Shareholders (voting by way of poll) in a general meeting. In obtaining the approval, our Company shall send a circular to the Shareholders in accordance with and containing such information as is required under the Listing Rules. All connected persons of our Company shall abstain from voting at such general meeting, except that any connected person may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular to be sent to the Shareholders in connection therewith.

(i) ***Grant offer letter and notification of grant of options***

An offer shall be made to selected participants by a letter in duplicate which specifies the terms on which the option is to be granted. Such terms may include any minimum period(s) for which an option must be held and/or any minimum performance target(s) that must be achieved, before the option can be exercised in whole or in part, and may include at the discretion of the Board or its delegate(s) such other terms either on a case basis or generally.

An offer shall be deemed to have been accepted and the option to which the offer relates shall be deemed to have been granted and to have taken effect when the duplicate of the offer letter comprising acceptance of the offer duly signed by the grantee with the number of Class B Shares in respect of which the offer is accepted clearly stated therein, together with a remittance in favour of our Company of HK$1.00 by way of consideration for the grant thereof, which must be received by the Company within 20 business days from the date on which the offer letter is delivered to the grantee.

Any offer may be accepted in respect of less than the number of Class B Shares for which it is offered provided that it is accepted in respect of a board lot for dealing in Class B Shares or a multiple thereof. To the extent that the offer is not accepted within 20 business days from the date on which the letter containing the offer is delivered to that selected participant, it shall be deemed to have been irrevocably declined.

(j) ***Restriction of grant of options***

No offer shall be made and no option shall be granted to any selected participant in circumstances prohibited by the Listing Rules or at a time when the selected participant would or might be prohibited from dealing in the Class B Shares by the Listing Rules or by any applicable rules, regulations or law. No offer shall be made and no option shall be granted to any selected participant where such person is in possession of any unpublished inside information in relation to our Company until such inside information has been published in an announcement in accordance with the Listing Rules. Furthermore, no offer shall be made and no option shall be granted:

(i) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and

(ii) during the period of 30 days immediately preceding the publication date of the half-year results or, if shorter, the period from the end of the relevant half-year period up to the publication date of the results.

Such period will also cover any period of delay in the publication of any results announcement.

(k) ***Time of exercise of an option***

An option may, subject to the terms and conditions upon which such option is granted, be exercised in whole or in part by the grantee giving notice in writing to the Company in such form as the Board may from time to time determine stating that the option is thereby exercised and the number of Class B Shares in respect of which it is exercised.

(l) ***Cancellation of options***

Any breaches of the rules of the Post-[REDACTED] Share Option Scheme by a grantee may result in the options granted to such grantee being cancelled by the Company. Any options granted but not exercised may be cancelled if the grantee so agrees. Issuance of new options to the same grantee may only be made if there are unissued options available under the Post-[REDACTED] Share Option Scheme (excluding the cancelled options) and in compliance with the terms of the Post-[REDACTED] Share Option Scheme.

(m) ***Lapse of option***

An option shall lapse automatically (to the extent not already exercised) on the earliest of:

(i) the expiry of the period within which an option may be exercised, which is to be determined and notified by the Board to each grantee at the time of making an offer, and shall not expire later than ten years from the date of grant (the "**Option Period**");

(ii) the expiry of any of the periods for exercising the option as referred to in paragraphs (p), (q) and (r) below; and

(iii) the date on which the grantee commits a breach of the rules of the Post-[REDACTED] Share Option Scheme.

(n) ***Voting and dividend rights***

No dividends shall be payable and no voting rights shall be exercisable in relation to any options or Shares that are the subject of options that have not been exercised.

(o) ***Effects of alterations in the capital structure of the company***

In the event of an alteration in the capital structure of the Company whilst any option remains exercisable by way of capitalisation of profits or reserves, rights issue, subdivision or consolidation of shares, or reduction of the share capital of the Company in accordance with legal requirements and requirements of the Stock Exchange (other than any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company is a party), such corresponding alterations (if any) shall be made to:

(i) the number or nominal amount of Class B Shares comprised in each option so far as unexercised; and/or

(ii) the Subscription Price; and/or

(iii) the method of exercise of the option,

or any combination thereof, as the auditors or a financial adviser engaged by our Company for such purpose shall, at the request of the Company, certify in writing, either generally or as regards any particular grantee, to be in their opinion fair and reasonable, provided always that any such adjustments should give each grantee the same proportion of the equity capital of our Company as that to which that grantee was previously entitled prior to such adjustments, and no adjustments shall be made which will enable a Class B Share to be issued at less than its nominal value. The capacity of the auditors or financial adviser (as the case may be) is that of experts and not of arbitrators and their certification shall, in the absence of manifest error, be final and binding on our Company and the grantees. The costs of the auditors or financial advisor (as the case may be) shall be borne by our Company.

(p) ***Retirement, death or permanent physical or mental disability of an selected participant***

If a grantee ceases to be selected participant by reason of (i) death of the grantee, (ii) termination of the grantee's employment or contractual engagement with the Group or its affiliate by reason of his/her permanent physical or mental disablement, (iii) retirement of the grantee, the option may be exercised within the Option Period, or such other period as the Board or its delegate(s) may decide in their sole discretion.

In the case of death of a grantee, the option may be exercised within that period by the personal representatives of the grantee. In the case where a grantee no longer has any legal capacity to exercise the option, the option may be exercised within that period by the persons charged with the duty of representing the grantee under the relevant laws in Hong Kong. If the option is not exercised within the time mentioned above, the option shall lapse.

If a grantee, being an employee whose employment is terminated by the Group or its affiliate (as applicable) by reason of the employer terminating the contract of employment without notice or payment in lieu of notice, or the grantee having been convicted of any criminal offence involving his integrity or honesty, the option shall immediately lapse.

If a grantee is declared bankrupt or becomes insolvent or makes any arrangements or composition with his creditors generally, the option shall immediately lapse.

If a grantee being an employee ceases to be selected participant due to termination of his or her employment or contractual engagement with the Group by reason of redundancy, the option may be exercised within three months of such cessation or within the Option Period, whichever is the shorter, or such other period as the Board or its delegate(s) may decide in their sole discretion.

If a grantee ceases to be selected participant other than in any of the circumstances described above, unless otherwise provided in the option agreement, a grantee may exercise his or her option within three months of such cessation or within the Option Period, whichever is the shorter, or such other period as the Board or its delegate(s) may decide in their sole discretion.

(q) ***Rights on takeover and schemes of compromise or arrangement***

If a general offer by way of takeover is made to all the holders of Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror), and the offer becomes or is declared unconditional in all respects, the grantee shall be entitled to exercise the option (to the extent not already exercised) at any time within one month (or such other period as the Board or its delegate(s) may decide in their sole discretion) after the date on which the offer becomes or is declared unconditional. If the option is not exercised within the time specified, the option shall lapse.

If a compromise or arrangement between the Company and its members or creditors is proposed, our Company shall give notice to the grantee on the same date as it despatches the notice to each member or creditor of the Company summoning the meeting to consider such a compromise or arrangement, and thereupon the grantee (or his personal representatives) may until the expiry of the period commencing with such date and ending with earlier of the date two calendar months thereafter or the date on which such compromise or arrangement is sanctioned by the court exercise any of his options (to the extent not already exercised) whether in full or in part, but the exercise of an option as aforesaid shall be conditional upon such compromise or arrangement being sanctioned by the court and becoming effective, and upon such compromise or arrangement becoming effective, all options shall lapse except insofar as previously exercised under the Post-[REDACTED] Share Option Scheme. Our Company may require the grantee to transfer or otherwise deal with the Class B Shares issued as a result of the exercise of options in these circumstances so as to place the grantee in the same position, as nearly as possible, as would have been the case had such Class B Shares been subject to such compromise or arrangement. If the option is not exercised within the time specified, the option shall lapse.

(r) ***Rights on a voluntary winding up***

In the event a notice is given by our Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up our Company, our Company shall on the same date as or soon after it dispatches such notice to each member of our Company give notice thereof to all grantees (together with a notice of the existence of the provisions of this sub-paragraph) and thereupon, each grantee (or his personal representatives) shall be entitled to exercise all or any of his options (to the extent not already exercised) at any time not later than two business days prior to the proposed general meeting of our Company by giving notice in writing to our Company, accompanied by a remittance for the full amount of the aggregate subscription price for the Class B Shares in respect of which the notice is given whereupon our Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Class B Shares to the grantee credited as fully paid. If the option is not exercised within the time specified, the option shall lapse.

(s) ***Ranking of shares***

The Class B Shares to be allotted and issued upon the exercise of an option shall be identical to the then existing issued shares of the Company and subject to all the provisions of the memorandum and articles of association of the Company for the time being in force and will rank pari passu with the other fully paid Class B Shares in issue on the date the name of the grantee is registered on the

register of members of the Company or if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members, save that the grantee shall not have any voting rights, or rights to participate in any dividends or distributions (including those arising on a liquidation of the Company) declared or recommended or resolved to be paid to the Shareholders on the register on a date prior to such registration.

(t) ***Duration***

The Post-[REDACTED] Share Option Scheme shall be valid and effective for the period of ten years commencing on the [REDACTED] (after which, no further options shall be offered or granted under the Post-[REDACTED] Share Option Scheme), but in all other respects the provisions of the Post-[REDACTED] Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any options granted prior thereto or otherwise as may be required in accordance with the provisions of the rules of the Post-[REDACTED] Share Option Scheme.

(u) ***Alteration of the Post-[REDACTED] Share Option Scheme***

The Board may subject to the rules of the Post-[REDACTED] Share Option Scheme amend any of the provisions of the Post-[REDACTED] Share Option Scheme (including without limitation amendments in order to comply with changes in legal or regulatory requirements and amendments in order to waive any restrictions, imposed by the provisions of the Post-[REDACTED] Share Option Scheme, which are not found in Chapter 17 of the Listing Rules) at any time (but not so as to affect adversely any rights which have accrued to any grantee at that date).

Those specific provisions of the Post-[REDACTED] Share Option Scheme which relate to the matters set out in Rule 17.03 of the Listing Rules cannot be altered to the advantage of selected participants, and no changes to the authority of the administrator of the Post-[REDACTED] Share Option Scheme in relation to any alteration of the terms of the Post-[REDACTED] Share Option Scheme shall be made, without the prior approval of Shareholders in general meeting. Any alterations to the terms of the Post-[REDACTED] Share Option Scheme which are of a material nature, or any change to the terms and conditions of options granted, must also, to be effective, be approved by the Shareholders in general meeting and the Stock Exchange, except where the alterations take effect automatically under the existing terms of the Post-[REDACTED] Share Option Scheme. The options and the Post-[REDACTED] Share Option Scheme so altered must comply with Chapter 17 of the Listing Rules. Any change to the authority of the Directors or scheme administrators in relation to any alternation to the terms of the Post-[REDACTED] Share Option Scheme must be approved by Shareholders in general meeting.

Notwithstanding any provisions to the contrary in the Post-[REDACTED] Share Option Scheme, if on the relevant date of exercise there are restrictions or conditions imposed by the relevant laws and regulations to which the grantee is subject and the grantee has not obtained approval, exemption or waiver from the relevant regulatory authorities for the subscription of and dealing in the Class B Shares, the grantee may sell the options to such transferee, subject to the approval by the Board, which shall not unreasonably withhold or delay such approval. In the event that the options are transferred to a connected person of our Company, no Class B Shares shall be allotted and issued upon the exercise of the options by a connected person of our Company unless the Board is satisfied that the allotment and issue of Class B Shares will not trigger any breach of the Listing Rules, the Articles of Association, the Companies Law or the Takeovers Code.

(v) ***Termination***

The Shareholders by ordinary resolution in general meeting or the Board may at any time resolve to terminate the operation of the Post-[REDACTED] Share Option Scheme prior to the expiry of the Post-[REDACTED] Share Option Scheme and in such event no further options will be offered or granted but the provisions of the Post-[REDACTED] Share Option Scheme shall remain in full force to the extent necessary to give effect to the exercise of any options granted prior thereto or otherwise as may be required in accordance with the provisions of the Post-[REDACTED] Share Option Scheme. Options complying with the provisions of Chapter 17 of the Listing Rules which are granted during the life of the Post-[REDACTED] Share Option Scheme and remain unexercised and unexpired immediately prior to the termination of the operation of the Post-[REDACTED] Share Option Scheme shall continue to be valid and exercisable in accordance with their terms of issue after the termination of the Post-[REDACTED] Share Option Scheme.

Details of the options granted, including options exercised or outstanding, under the Post-[REDACTED] Share Option Scheme shall be disclosed in the circular to the Shareholders seeking approval of the new scheme established after the termination of the Post-[REDACTED] Share Option Scheme.

F. POST-[REDACTED] SHARE AWARD SCHEME

The following is a summary of the principal terms of the share award scheme conditionally adopted by our Shareholders at the Shareholders' meeting on August 30, 2018 (the "**Post-[REDACTED] Share Award Scheme**"). The Post-[REDACTED] Share Award Scheme is not a share option scheme and is not subject to the provisions of Chapter 17 of the Listing Rules. The Company may appoint a trustee ("**Trustee**") to administer the Post-[REDACTED] Share Award Scheme with respect to the grant of any award by the Board (an "**Award**") which may vest in the form of Class B Shares ("**Award Shares")** or the actual selling price of the Award Shares in cash in accordance with the Post-[REDACTED] Share Award Scheme.

(a) **Eligible Persons to the Post-[REDACTED] Share Award Scheme**

Any individual, being an employee, director (including executive Directors, non-executive Directors and independent non-executive Directors), officer, consultant, advisor, distributor, contractor, customer, supplier, agent, business partner, joint venture business partner or service provider of any member of the Group or any affiliate (an "**Eligible Person**" and, collectively "**Eligible Persons**") who 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. However, no individual who is resident in a place where the grant, acceptance or vesting of an Award pursuant to the Post-[REDACTED] 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 Post-[REDACTED] Share Award Scheme.

(b) **Purpose of the Post-[REDACTED] Share Award Scheme**

The purpose of the Post-[REDACTED] Share Award Scheme is to align the interests of Eligible Persons' with those of the Group through ownership of Class B Shares, dividends and other distributions paid on Shares and/or the increase in value of the Shares, and to encourage and retain Eligible Persons to make contributions to the long-term growth and profits of the Group.

(c) **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 (the **"Grant Date")** to the date the Award vests (the **"Vesting Date**"). 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 be paid to the selected participant even though the Award Shares have not yet vested.

(d) **Grant of Award**

(i) ***Making the Grant***

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 ("**Award Letter**")**.** The Award Letter will specify the Grant Date, the number of Award Shares underlying the Award, the vesting criteria and conditions, the Vesting Date and such other details as the Board or its delegate(s) may consider necessary.

Each grant of an Award to any Director or the chairman of the Company shall be subject to the prior approval of the independent non-executive Directors of the Company (excluding any independent non-executive Director who is a proposed recipient of an Award). The Company will comply with the relevant requirements under Chapter 14A of the Listing Rules for any grant of Shares to connected persons of the Company.

(ii) ***Restrictions on Grants and Timing of Grants***

The Board and its delegate(s) may not grant any Award Shares to any selected participant in any of the following circumstances:

(A) where any requisite approval from any applicable regulatory authorities has not been granted;

(B) where any member of the Group will be required under applicable securities laws, rules or regulations to issue a document or other [REDACTED] documents in respect of such Award or the Post-[REDACTED] Share Award Scheme, unless the Board determines otherwise;

(C) where such Award would result in a breach by any member of the Group or its directors of any applicable securities laws, rules or regulations in any jurisdiction;

(D) where such grant of Award would result in a breach of the Post-[REDACTED] Share Award Scheme Limit (as defined below) or would otherwise cause the Company to issue Class B Shares in excess of the permitted amount in the mandate approved by the Shareholders;

(E) where any Director of the Company is in possession of unpublished inside information in relation to the Company or where dealings by Directors of the Company are prohibited under any code or requirement of the Listing Rules and all applicable laws, rules or regulations, from time to time;

(F) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and

(G) during the period of 30 days immediately preceding the publication date of the half-year results or, if shorter, the period from the end of the relevant half-year period up to the publication date of the results.

(e) **Maximum Number of Shares to be Granted**

The aggregate number of Class B Shares underlying all grants made pursuant to the Post-[REDACTED] Share Award Scheme (excluding Award Shares which have been forfeited in accordance with the Post-[REDACTED] Share Award Scheme) will not exceed 272,336,228 Shares without Shareholders' approval (the "**Post-[REDACTED] Share Award Scheme Limit**") subject to an annual limited of 3% of the total number of issued Shares at the relevant time.

(f) **Scheme Mandate**

To the extent that the Post-[REDACTED] Share Award Scheme Limit is subsequently increased by way of alteration of the Post-[REDACTED] Share Award Scheme and the Company is required to issue and allot new shares to satisfy any Awards in excess of any amount previously approved by the Shareholders, the Company shall at a general meeting propose, and the Shareholders shall consider and, if thought fit, pass an ordinary resolution approving a mandate specifying:

(i) the maximum number of new Class B Shares that may be issued for this purpose; and

(ii) that the Board has the power to issue, allot, procure the transfer of and otherwise deal with the Class B Shares in connection with the Post-[REDACTED] Share Award Scheme.

The mandate will remain in effect during the period from the passing of the ordinary resolution granting the mandate until the variation or revocation of such mandate by an ordinary resolution of the Shareholders in a general meeting.

(g) **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 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 related income until the Award Shares vest.

Neither the selected participant nor the Trustee may exercise any voting rights in respect of any Award Shares that have not yet vested.

(h) **Rights attached to the Class B Shares**

Any Award Shares transferred to a selected participant in respect of any Awards will be subject to all the provisions of the Memorandum and the Articles and will form a single class with the fully paid Shares in issue on the relevant date.

(i) **Issue of Class B Shares and/or transfer of funds to the trustee**

The Company shall, as soon as reasonably practicable and no later than 30 business days from the Grant Date, (i) issue and allot Class B Shares to the Trustee under the specific mandate sought from Shareholders during the general meeting and/or (ii) transfer to the Trustee the necessary funds and instruct the Trustee to acquire Class B Shares through on-market transactions at the prevailing market price, so as to satisfy the Awards.

(j) **Assignment of Awards**

Unless express written consent is obtained from the Board or the committee of the Board or person(s) to which the Board has delegated its authorities, any Award Shares granted under the Post-[REDACTED] Share Award Scheme but not yet vested are personal to the selected participants to whom they are granted and cannot be assigned or transferred. A selected participant shall not in any way sell, transfer, charge, mortgage, encumber or create any interest in favor of any other person over or in relation to any Award, or enter into any agreement to do so.

(k) **Vesting of Awards**

The Board or its delegate(s) may from time to time while the Post-[REDACTED] 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.

Within a reasonable time period as agreed between the Trustee and the Board from time to time prior to any Vesting Date, the Board or its delegate(s) will send a vesting notice to the relevant selected participant and instruct the Trustee 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 Class B Shares, solely due to legal or regulatory restrictions with respect to the selected participant's ability to receive the Award in Class B 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 in cash as set out in the vesting notice.

If there is an event of change in control of the Company by way of a merger, a privatization of the Company by way of a scheme or by way of an offer, the Board or the committee of the Board or person(s) to which the Board has delegated its authority shall at their sole discretion determine whether the Vesting Dates of any Awards will be accelerated to an earlier date.

(l) **Consolidation, subdivision, bonus issue and other distribution**

In the event the Company undertakes a subdivision or consolidation of the Class B 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 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 Post-[REDACTED] Share Award Scheme for the selected participants. All fractional shares (if any) arising out of such consolidation or subdivision 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. The Trustee shall hold returned shares to *be* applied towards future Awards in accordance with the provisions of the Post-[REDACTED] Share Award Scheme rules for the purpose of the Post-[REDACTED] Share Award Scheme.

In the event of an issue of Shares by the Company credited as fully paid to the holders of the Class B Shares by way of capitalization 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 Class B Shares.

In the event of any non-cash distribution or other events not referred to above by reason of which the Board considers an adjustment to an outstanding Award to be fair and reasonable, an adjustment shall be made to the number of outstanding Award Shares of each selected participant as the Board shall consider as fair and reasonable, in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Post-[REDACTED] Share Award Scheme for the selected participants. The Company shall provide such funds, or such directions on application of the returned shares or returned trust funds, as may be required to enable the Trustee to purchase Shares on-market at the prevailing market price to satisfy the additional Award.

In the event the Company undertakes an open offer of new securities, the Trustee shall not subscribe for any new Class B Shares. In the event of a rights issue, the Trustee shall seek instructions from the Company on the steps or actions to be taken in relation to the nil-paid rights allotted to it.

(m) **Cessation of employment and other events**

Except as otherwise determined by the Board or the committee of the Board or person(s) to which the Board has delated its authority, upon termination of employment or service with the Company during the applicable restriction period, Awards that are at that time unvested shall be forfeited or repurchased in accordance with the terms and provisions of the grant letter and/or award agreement to be entered into by such selected participant; provided, however, that the Board or the committee of the Board or person(s) to which the Board has delegated its authority may (a) provide in any grant letter and/or award agreement that restrictions or forfeiture and repurchase conditions relating to the Awards will be waived in whole or in part in the event of terminations resulting from specified causes; and (b) in other cases waive in whole or in part restrictions or forfeiture and repurchase conditions relating to the Awards.

If a selected participant ceases to be an Eligible Person for reasons other than those stated this paragraph, any outstanding Award Shares and related income not yet vested shall be immediately forfeited, unless the Board or its delegate(s) determines otherwise at their absolute discretion.

(n) **Alteration of the Post-[REDACTED] Share Award Scheme**

The Post-[REDACTED] Share Award Scheme may be altered in any respect (save for the Post-[REDACTED] Share Award Scheme Limit) 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 for in the rules of the Post-[REDACTED] Share Award Scheme, except:

(i) 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

(ii) 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.

(o) **Termination**

The Post-[REDACTED] Share Award Scheme shall terminate on the earlier of:

(i) the end of the period of ten years commencing on the [REDACTED] except in respect of any non-vested Award Shares granted hereunder prior to the expiration of the Post-[REDACTED] 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 Post-[REDACTED] Share Award Scheme; and

(ii) such date of early termination as determined by the Board provided that such termination shall not affect any subsisting rights of any selected participant under the rules of the Post-[REDACTED] Share Award Scheme, provided further that for the avoidance of doubt, the change in the subsisting rights of a selected participant in this paragraph refers solely to any change in the rights in respect of the Award Shares already granted to a selected participant.

(p) **Administration of the Post-[REDACTED] Share Award Scheme**

The Board has the power to administer the Post-[REDACTED] Share Award Scheme in accordance with the rules of the Post-[REDACTED] Share Award Scheme and, where applicable, the Trust deed, including the power to construe and interpret the rules of the Post-[REDACTED] Share Award Scheme and the terms of the Awards granted under the Post-[REDACTED] Share Award Scheme. The Board may delegate the authority to administer the Post-[REDACTED] 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 Post-[REDACTED] Share Award Scheme as they think fit.

(q) **Grant of Class B Shares under the Post-[REDACTED] Share Award Scheme**

As of the date of this document, no Class B Shares had been granted or agreed to be granted under the Post-[REDACTED] Share Award Scheme.

An application has been to the [REDACTED] for the [REDACTED] of, and permission to deal in, the Class B Shares which may be issued pursuant to the Post-[REDACTED] Share Award Scheme.

G. OTHER INFORMATION

1. **Estate duty**

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of our subsidiaries.

2. **Litigation**

Save as disclosed in this document and so far as our Directors are aware, no litigation or claim of material importance is pending or threatened against any member of our Group.

3. **Joint Sponsors**

The Joint Sponsors have made an application on our behalf to the [REDACTED] for the [REDACTED] of, and permission to deal in, the Class B Shares in issue, the Shares to be issued pursuant to the [REDACTED] (including any Shares which may fall to be issued pursuant to the exercise of the [REDACTED], Class B Shares to be allotted and issued upon the exercise of the options which has been granted under the Pre-[REDACTED] ESOP, and Class B Shares to be issued pursuant to the restricted stock units granted under the Pre-[REDACTED] ESOP and Class B Shares which may be issued pursuant to the Post-[REDACTED] Share Option Scheme and the Post-[REDACTED] Share Award Scheme).

The Joint Sponsors satisfy the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules. The Joint Sponsors will receive an aggregate fee of US$1,500,000 for acting as the sponsor for the [REDACTED].

4. Consents of experts

The following experts have each given and have not withdrawn their respective written consents to the issue of this document with copies of their reports, letters, opinions or summaries of opinions (as the case may be) and the references to their names included herein in the form and context in which they are respectively included:

Name	Qualification
Goldman Sachs (Asia) L.L.C.	A licensed corporation to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 5 (advising on future contracts), Type 6 (advising on corporation finance) and Type 9 (asset management) regulated activities as defined under the SFO
Morgan Stanley Asia Limited	A licensed corporation to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities as defined under the SFO
Merrill Lynch Far East Limited	A licensed corporation to conduct Type 1 (dealing in securities), Type 2 (dealing in future contracts), Type 4 (advising on securities) and Type 6 (advising on corporate finance), Type 7 (providing automated trading services) regulated activities as defined under the SFO
Han Kun Law Offices	Qualified PRC Lawyers
Maples and Calder (Hong Kong) LLP	Cayman Islands attorneys-at-law
PricewaterhouseCoopers	Certified Public Accountants
Shanghai iResearch Co., Ltd., China	Industry consultant

As of the Latest Practicable Date, none of the experts named above has any shareholding in any member of our Group or the right (whether legally enforceable or not) to subscribe for, or to nominate persons to subscribe for securities, in any member of our Group.

5. Binding effect

This document shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies Ordinance so far as applicable.

6. **Bilingual Document**

The English language and Chinese language versions of this document are being published separately in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Documents from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

7. **Preliminary expenses**

The Company did not incur any material preliminary expenses.

8. **Other Disclaimers**

(a) Save as disclosed in this document, within the two years immediately preceding the date of this document:

(i) no share or loan capital or debenture of our Company or any of our subsidiaries has been issued or agreed to be issued or is proposed to be issued for cash or as fully or partly paid other than in cash or otherwise;

(ii) no share or loan capital or debenture of our Company or any of our subsidiaries has been issued or agreed to be issued or is proposed to be issued for cash or as fully or party paid other than in cash or otherwise; and

(iii) no commissions, discounts, brokerages or other special terms have been granted, have been paid or are payable in connection with the issue or sale of any share or loan capital of our Company or any of its subsidiaries by our Company for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any shares in or debentures of our Company or any of our subsidiaries.

(b) Save as disclosed in this document:

(i) we do not have any promoter. No cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to any promoters in connection with the [REDACTED] and the related transactions described in this document;

(ii) there are no founder, management or deferred shares nor any debentures in our Company or any of our subsidiaries;

(iii) no share or loan capital or debenture of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option; and

(iv) none of the Directors or the experts named in the part headed "Further Information about our Business — Summary of Material Contracts" above has any direct or indirect interest in the promotion of, or in any assets which have been, within the two years immediately preceding the date of this document, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to the copy of this document delivered to the Registrar of Companies in Hong Kong for registration were, among other documents:

(a) a copy of [REDACTED];

(b) the written consents referred to under the section headed "Statutory and General Information — Other Information — Consents of Experts" in Appendix IV; and

(c) a copy of each of the material contracts referred to in the section headed "Statutory and General Information — Further Information about Our Business - Summary of Material Contracts" in Appendix IV.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the office of Skadden, Arps, Slate, Meagher & Flom at 42/F Edinburgh Tower, The Landmark, 15 Queen's Road Central, Hong Kong during normal business hours from 9:00 a.m. to 5:00 p.m. up to and including the date which is 14 days from the date of this document:

(a) the Memorandum and the Articles;

(b) the Accountant's Report and the report on the unaudited pro forma financial information of our Group prepared by PricewaterhouseCoopers, the texts of which are set out in Appendices I and II;

(c) the audited consolidated financial statements of our Company for the three financial years ended December 31, 2015, 2016 and 2017 and the four months ended 30 April 2018;

(d) the PRC legal opinions issued by Han Kun Law Offices, our legal adviser on PRC law, in respect of certain general corporate matters and property interests of our Group;

(e) the letter of advice prepared by Maples and Calder (Hong Kong) LLP, our legal adviser on Cayman Islands law, summarising certain aspects of the Cayman Companies Law referred to in Appendix III;

(f) the Cayman Companies Law;

(g) the industry report issued by Shanghai iResearch Co., Ltd., China, the summary of which is set forth in the section headed "Industry Overview";

(h) the written consents referred to under the section headed "Statutory and General Information — Other Information — Consents of Experts" in Appendix IV;

(i) the material contracts referred to in "Statutory and General Information — Further Information about Our Business - Summary of Material Contracts" in Appendix IV;

(j) the service contracts and the letters of appointment with our Directors referred to in "Statutory and General Information — Further Information about our Directors — Particulars of Directors' service contracts and appointment letters" in Appendix IV;

(k) the terms of the Pre-[REDACTED] ESOP;

(l) the terms of the Post-[REDACTED] Share Option Scheme; and

(m) the terms of the Post-[REDACTED] Share Award Scheme.