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美团点评

Meituan Dianping

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

(Stock code: 3690)

ANNOUNCEMENT OF THE RESULTS FOR THE THREE MONTHS ENDED MARCH 31, 2019

The Board of Directors (the "Board") of Meituan Dianping 美团点评 (the "Company") is pleased to announce the unaudited consolidated results of the Company for the three months ended March 31, 2019. These interim results have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting."

In this announcement, "we", "us", and "our" refer to the Company.

KEY HIGHLIGHTS

First Quarter Financial Summary

	Unaudited Three Months Ended				
	March 31, 2019		March 31, 2018		
	Amount	**As a percentage of revenues**	Amount	As a percentage of revenues	Year-over-year change
	(RMB in thousands, except for percentages)				
Revenues	**19,173,512**	**100.0%**	11,275,063	100.0%	70.1%
Gross profit	**5,069,340**	**26.4%**	3,211,973	28.5%	57.8%
Operating loss	**(1,303,642)**	**(6.8%)**	(1,048,424)	(9.3%)	24.3%
Loss before income tax	**(1,290,011)**	**(6.7%)**	(21,223,309)	(188.2%)	NA
Loss for the period	**(1,433,330)**	**(7.5%)**	(21,064,806)	(186.8%)	NA
Non-IFRS Measures:					
Adjusted EBITDA	**458,874**	**2.4%**	(1,116,486)	(9.9%)	NA
Adjusted net loss	**(1,039,382)**	**(5.4%)**	(980,786)	(8.7%)	6.0%

First Quarter Financial Information by Segment

	Unaudited Three Months Ended					
	March 31, 2019			March 31, 2018		
	Food delivery	**In-store, hotel & travel**	**New initiatives and others**	Food delivery	In-store, hotel & travel	New initiatives and others
	(RMB in thousands, except for percentages)					
Revenues	**10,705,803**	**4,492,102**	**3,975,607**	7,056,361	3,137,805	1,080,897
Gross profit/(loss)	**1,540,754**	**3,968,376**	**(439,790)**	535,095	2,755,959	(79,081)
Gross margin	**14.4%**	**88.3%**	**(11.1%)**	7.6%	87.8%	(7.3%)

Operating Metrics

	Three Months Ended		
	March 31, 2019	March 31, 2018	Year-over-year change
	(RMB in billions, except for percentages)		
Gross transaction volume:			
Food delivery	**75.6**	54.5	38.6%
In-store, hotel & travel	**46.4**	40.3	15.1%
New initiatives and others	**16.4**	13.4	22.4%
Total	**138.4**	108.2	27.9%

	Twelve Months Ended		
	March 31, 2019	March 31, 2018	Year-over-year change
	(in millions, except for percentages)		
Number of Transacting Users	**411.8**	325.8	26.4%
Number of Active Merchants	**5.8**	4.5	27.3%

	Twelve Months Ended		
	March 31, 2019	March 31, 2018	Year-over-year change
	(units, except for percentages)		
Average number of transactions per annual Transacting User	**24.8**	20.1	23.8%

	Three Months Ended		
	March 31, 2019	March 31, 2018	Year-over-year change
	(in millions, except for percentages)		
Number of food delivery transactions	**1,662.6**	1,224.3	35.8%
Number of domestic hotel room nights	**78.6**	60.6	29.8%

FINANCIAL PERFORMANCE HIGHLIGHTS

In the three months ended March 31, 2019:

- **Total revenues** increased by 70.1% year-over-year to RMB19.2 billion from RMB11.3 billion in the same period of 2018, benefiting from strong revenue growth across all major business segments, and decreased by 3.2% quarter-over-quarter from RMB19.8 billion in the three months ended December 31, 2018 due to seasonality.

- **Total gross profit** increased by 57.8% year-over-year to RMB5.1 billion from RMB3.2 billion in the same period of 2018, resulting from our constant improvement in gross margin of our core businesses, and increased by 13.1% quarter-over-quarter from RMB4.5 billion in the three months ended December 31, 2018, driven primarily by narrowing loss of our new businesses.

- **Selling and marketing expenses** as a percentage of total revenues decreased to 19.3% from 25.2% in the same period of 2018 and 22.9% in the three months ended December 31, 2018, attributable to economies of scale, healthy operating leverage, and our stronger brands.

- **Adjusted EBITDA** and **adjusted net loss** were RMB458.9 million and RMB1.0 billion, respectively. Adjusted EBITDA turned to be positive, which is an important milestone we have achieved. Adjusted net loss continued to narrow from the three months ended December 31, 2018. Adjusted net loss as a percentage of revenues was negative 5.4%, compared to negative 8.7% in the three months ended March 31, 2018 and negative 9.4% in the three months ended December 31, 2018. The improvement in adjusted net loss and adjusted EBITDA was due to the continuous improvement in the operating margin of our core businesses as well as our ongoing efforts to streamline the operating losses of new initiatives.

OPERATING HIGHLIGHTS

In the three months ended March 31, 2019:

- **Total Gross Transaction Volume** (GTV) on our platform grew by 27.9% to RMB138.4 billion from RMB108.2 billion in the same period of 2018.
- **Annual Transacting Users** on our platform in the last twelve months ended March 31, 2019 grew by 26.4% to 411.8 million from 325.8 million in the last twelve months ended March 31, 2018. **Average number of transactions per annual Transacting User** on our platform increased to 24.8 transactions in the twelve months ended March 31, 2019 from 20.1 transactions in the twelve months ended March 31, 2018.
- **Annual Active Merchants** on our platform grew by 27.3% to 5.8 million in the twelve months ended March 31, 2019 from 4.5 million in the twelve months ended March 31, 2018.
- **Overall monetization rate**[1] increased to 13.9% in the three months ended March 31, 2019 from 10.4% in the same period of 2018.

BUSINESS REVIEW AND OUTLOOK

Food delivery

Our food delivery business sustained its strong growth momentum. GTV of our food delivery business increased by 38.6% to RMB75.6 billion in the three months ended March 31, 2019 from RMB54.5 billion in the same period of 2018. The number of food delivery orders increased by 35.8% to 1.7 billion in the three months ended March 31, 2019 from 1.2 billion in the same period of 2018. The average value per order of our food delivery business improved by 2.1% year-over-year. Monetization rate for food delivery increased from 12.9% to 14.2% year-over-year. As a result, revenue from food delivery increased by 51.7% year-over-year to RMB10.7 billion in the three months ended March 31, 2019 from RMB7.1 billion in the same period of 2018. Gross profit from food delivery increased by 187.9% to RMB1.5 billion in the three months ended March 31, 2019 from RMB535.1 million in the same period of 2018, while the gross margin expanded to 14.4% from 7.6%.

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1 Monetization rate equals the revenues for the year/period divided by the Gross Transaction Volume for the year/period.

The first quarter is usually a low season for our food delivery business. Users' demand for the service during the Chinese New Year tends to be much lower than in the other months, and many restaurants suspend operations during the holiday season. However, we withstood such seasonality and further cemented our market-leading position, which is mainly driven by our clear advantages in scale and quality of user base, merchant base, and on-demand delivery network.

On the consumer front, we have competitive advantages in terms of user matrix, attributable to our earlier investments in our on-demand delivery network and AI-powered intelligent order dispatching system. Therefore, we have a significant percentage of users who are less-price sensitive and value factors such as food selection and service quality. During the Chinese New Year, these users increasingly preferred food delivery services which offer convenience and a widening selection of food for family gatherings.

In addition, our established user base, combined with our dominant scale of merchant base and delivery network throughout most lower-tier cities, enjoyed a nice multiplier effect. During the Chinese New Year, millions of people who travelled from top-tier cities to visit their families in lower-tier cities used Meituan as their go-to app for food delivery services. As a result, both the number of Transacting Users and the percentage of orders made in locations other than such users' regular residences increased during the Chinese New Year period year-over-year.

On the merchant front, we continued to strengthen our operational capabilities to enhance merchants' vitality on our platform. During the Chinese New Year, our "Open in Spring Festival" campaign encouraged more merchants, especially top merchants, to continue their operations during the holiday season. This helped provide consumers with adequate, high-quality supplies of food and satisfy their increasing demand for food delivery services during the holiday season. Additionally, more merchants resumed operations earlier as compared to the Chinese New Year period last year. Our ability to assemble merchants during the Chinese New Year has further demonstrated our advantages of developing a strong merchant base and cultivating merchant relationships.

Regarding our delivery service, we continued to enhance the management of our delivery riders, especially during holiday seasons and tough weather conditions. Our competitive advantages in the scale and operations of our on-demand delivery network have allowed us to cope with food delivery orders with sufficient delivery capacity and consistent delivery service quality during special holiday season like the Chinese New Year.

In-store, hotel & travel

Our in-store, hotel & travel businesses continued to solidify the market leadership and further demonstrated strong monetization potential during the three months ended March 31, 2019. While GTV of our in-store, hotel & travel businesses grew by 15.1% to RMB46.4 billion in the three months ended March 31, 2019 from RMB40.3 billion in the same period of 2018, the monetization rate increased to 9.7% from 7.8%, which was primarily due to the increasing contribution of online marketing services revenue. As a result, revenues from our in-store, hotel & travel businesses increased by 43.2% to RMB4.5 billion in the three months ended March 31, 2019 from RMB3.1 billion in the same period of 2018. Gross profit from our in-store, hotel & travel businesses increased to RMB4.0 billion in the three months ended March 31, 2019 from RMB2.8 billion in the same period of 2018, while the gross margin expanded to 88.3% from 87.8%.

We continued to make progress in merchant penetration, service category expansion, optimization of product offerings, and operational efficiency for our in-store, hotel and travel businesses despite the typical low season. Advertising revenue generated from this segment as well as the number of active advertising merchants continued to grow robustly year-over-year. In particular, advertising revenue from our mature and large-scale service categories such as beauty, parent & child and leisure and entertainment maintained rapid growth as a result of our deepened merchant penetration. Our new service category, namely, medical aesthetic services, achieved more than doubled year-over-year revenue growth in the three months ended March 31, 2019.

On the product side, we continued to innovate and create customized services to add value and help merchants improve membership management, boost online operational efficiency, and attract and retain customers. For example, we introduced membership discount cards for foot massage merchants and expanded our multi-session cards into additional beauty sub-categories.

On the operation side, we also hosted promotions customized for certain categories to help merchants increase brand exposure and acquire user traffic. For example, in a four-day promotion event hosted for beauty merchants in honor of International Women's Day, both the number of Transacting Users and GTV for beauty categories on our platform increased significantly.

As an important category of our in-store, hotel & travel businesses, we further solidified the leading position of our hotel booking business. Domestic room nights consumed increased by 29.8% to 78.6 million in the three months ended March 31, 2019 from 60.6 million in the same period of 2018. In the three months ended March 31, 2019, contribution from high-end hotels further increased, and the average daily rate per room night experienced a steady year-over-year increase. We continued to foster synergy between our hotel booking and other in-store businesses. Through cross-selling reservations for restaurants, wedding venues, spa, gyms and others, we have been able to help hotels further substantiate their revenue streams from non-lodging services.

New initiatives and others

GTV from the new initiatives and others segment increased by 22.4% to RMB16.4 billion in the three months ended March 31, 2019 from RMB13.4 billion in the same period of 2018. Revenues from the new initiatives and others segment increased by 267.8% to RMB4.0 billion in the three months ended March 31, 2019 from RMB1.1 billion in the same period of 2018. Compared to the three months ended December 31, 2018, gross loss of the new initiatives and others segment continued to narrow in the three months ended March 31, 2019. Gross margin was negative 11.1% in the three months ended March 31, 2019, improving by 12.2 points on a quarter-over-quarter basis.

In alignment with our overall strategy, we are actively exploring the opportunities in grocery retail sector, experimenting with both the self-operating model and the platform model. With respect to platform model, we operate non-food delivery business to connect local retailers and consumers, which is known as Meituan Instashopping or "Meituan Shangou". We are disciplined on capital allocation for our new initiatives. With respect to self-operating model, we closed our Ella supermarkets in lower-tier cities in the first quarter as their returns were below our expectation and we will focus on improving the shopping experience and operational efficiency in the remaining two stores in Beijing. We have also launched pilot program of operating smaller grocery stores in residential communities as part of our further exploration in the grocery retail sector.

Meanwhile, in order to further narrow the losses in our bike-sharing service, we continued to restructure Mobike's overseas operations that we believe cannot bring sufficient strategic synergy to our platform to justify their costs. The restructuring in multiple overseas markets, proceeded as scheduled in the three months ended March 31, 2019.

In the three months ended March 31, 2019, we significantly scaled back the subsidies for our car-hailing services, which resulted in a meaningful improvement of margin profile of our new initiatives and others segment. In late April 2019, we launched a new business model for our car-hailing business in Shanghai and Nanjing. In addition to our existing car-hailing and taxi-hailing services, we adopt an aggregated model to aggregate supplies from other leading car-hailing service providers and connect them with users on Meituan app and Meituan Dache app. Users will enjoy increased selection of pricing, cars, and services on our mobile applications at the touch of their fingertips. Such ability to better satisfy users' transportation needs through a more cost-efficient approach will increase user satisfaction and enhance user stickiness. On May 19, 2019, we further introduced the new aggregated model on the Meituan app in another 15 cities such as Shenzhen, Guangzhou, Hangzhou, and Chengdu and plan to roll this out in more cities within 2019.

MANAGEMENT DISCUSSION AND ANALYSIS

First Quarter of 2019 Compared to First Quarter of 2018

The following table sets forth the comparative figures for the first quarter of 2019 and 2018:

	Unaudited Three Months Ended	
	March 31, 2019	March 31, 2018
	(RMB in thousands)	
Revenues	**19,173,512**	11,275,063
Cost of revenues	**(14,104,172)**	(8,063,090)
Gross profit	**5,069,340**	3,211,973
Selling and marketing expenses	**(3,706,112)**	(2,846,353)
Research and development expenses	**(2,036,100)**	(1,382,740)
General and administrative expenses	**(1,075,193)**	(667,281)
Fair value changes on investments measured at fair value through profit or loss	**165,292**	471,066
Other gains, net	**279,131**	164,911
Operating loss	**(1,303,642)**	(1,048,424)
Finance income	**52,922**	47,178
Finance costs	**(46,821)**	(8,412)
Fair value changes of convertible redeemable preferred shares	**—**	(20,213,076)
Share of gains/(losses) of investments accounted for using equity method	**7,530**	(575)
Loss before income tax	**(1,290,011)**	(21,223,309)
Income tax (expenses)/credits	**(143,319)**	158,503
Loss for the period	**(1,433,330)**	(21,064,806)
Non-IFRS measures:		
Adjusted EBITDA	**458,874**	(1,116,486)
Adjusted net loss	**(1,039,382)**	(980,786)

Revenues

Our revenues increased by 70.1% to RMB19.2 billion in the three months ended March 31, 2019 from RMB11.3 billion in the same period of 2018. The increase was primarily driven by (i) the increase in GTV on our platform to RMB138.4 billion in the three months ended March 31, 2019 from RMB108.2 billion in the same period of 2018, which was mainly driven by the increase in the number of Transacting Users and their purchase frequency, (ii) the increase in monetization rate of our core businesses, and (iii) our exploration in the new initiatives.

Revenues by Segment

The following table sets forth our revenues by segment in absolute amount and as a percentage of our total revenues in the three months ended March 31, 2019 and 2018:

	Unaudited Three Months Ended			
	March 31, 2019		March 31, 2018	
	Amount	**As a percentage of total revenues**	Amount	As a percentage of total revenues
	(RMB in thousands, except for percentages)			
Revenues:				
Food delivery	**10,705,803**	**55.8%**	7,056,361	62.6%
In-store, hotel & travel	**4,492,102**	**23.4%**	3,137,805	27.8%
New initiatives and others	**3,975,607**	**20.8%**	1,080,897	9.6%
Total	**19,173,512**	**100.0%**	11,275,063	100.0%

Our revenues from the food delivery segment increased by 51.7% to RMB10.7 billion in the three months ended March 31, 2019 from RMB7.1 billion in the same period of 2018, primarily due to (i) the increase in GTV, which was driven by the increase in the number of food delivery transactions, as a result of the increase in food delivery user base and higher average purchase frequency per user, and (ii) the increase in monetization rate from 12.9% to 14.2% as we generated more advertising revenue to monetize our traffic.

Our revenues from the in-store, hotel & travel segment increased by 43.2% to RMB4.5 billion in the three months ended March 31, 2019 from RMB3.1 billion in the same period of 2018, primarily due to (i) the increases in the number of Active Merchants and the average revenue per Active Merchant of our in-store, hotel & travel businesses, and (ii) the increases in the number and the average daily rate of domestic room nights consumed on our platform.

Our revenues from the new initiatives and others segment increased to RMB4.0 billion in the three months ended March 31, 2019 from RMB1.1 billion in the same period of 2018, primarily due to the increases in revenues from sale of products and services to merchants, such as food distribution business and restaurant management system, and services to consumers, such as car-hailing service, bike-sharing service and Meituan Instashopping.

Revenues by Type

The following table sets forth our revenues by type in absolute amount and as a percentage of our total revenues in the three months ended March 31, 2019 and 2018:

	Unaudited Three Months Ended			
	March 31, 2019		March 31, 2018	
	Amount	**As a percentage of total revenues**	Amount	As a percentage of total revenues
	(RMB in thousands, except for percentages)			
Revenues:				
Commission	**13,164,718**	**68.7%**	9,211,226	81.7%
Online marketing services	**2,860,801**	**14.9%**	1,496,028	13.3%
Other services and sales	**3,147,993**	**16.4%**	567,809	5.0%
Total	**19,173,512**	**100.0%**	11,275,063	100.0%

Our commission revenue increased by 42.9% to RMB13.2 billion in the three months ended March 31, 2019 from RMB9.2 billion in the same period of 2018, primarily due to the substantial growth of our GTV, especially from our food delivery business.

Our online marketing services revenue increased by 91.2% to RMB2.9 billion in the three months ended March 31, 2019 from RMB1.5 billion in the same period of 2018, primarily due to the increase in the number of online marketing Active Merchants, as well as the increase in the average revenue per online marketing Active Merchant from our in-store, hotel & travel and food delivery businesses.

Our other services and sales revenue increased by 454.4% to RMB3.1 billion in the three months ended March 31, 2019 from RMB567.8 million in the same period of 2018, primarily due to the expansion of our product and service offerings to both merchants and consumers during the period.

Cost of Revenues

Our cost of revenues increased by 74.9% to RMB14.1 billion in the three months ended March 31, 2019 from RMB8.1 billion in the same period of 2018. The increase was caused by our revenue growth in the three months ended March 31, 2019, especially the strong growth of our food delivery segment and our new initiatives and others segment.

The following table sets forth our cost of revenues by segment in the three months ended March 31, 2019 and 2018:

	Unaudited Three Months Ended			
	March 31, 2019		March 31, 2018	
	Amount	**As a percentage of total cost of revenues**	Amount	As a percentage of total cost of revenues
	(RMB in thousands, except for percentages)			
Cost of revenues:				
Food delivery	**9,165,049**	**65.0%**	6,521,266	80.9%
In-store, hotel & travel	**523,726**	**3.7%**	381,846	4.7%
New initiatives and others	**4,415,397**	**31.3%**	1,159,978	14.4%
Total	**14,104,172**	**100.0%**	8,063,090	100.0%

Cost of revenues for our food delivery business increased by 40.5% to RMB9.2 billion in the three months ended March 31, 2019 from RMB6.5 billion in the same period of 2018, primarily attributable to the increase in food delivery rider costs as a result of the increase in the number of food deliveries made by us.

Cost of revenues for our in-store, hotel & travel business increased by 37.2% to RMB523.7 million in the three months ended March 31, 2019 from RMB381.8 million in the same period of 2018. The increase was primarily attributable to the increases in depreciation of property, plant and equipment and bandwidth and server custody fees, which was generally in line with our revenue growth, and the increase in payment processing costs.

Cost of revenues for the new initiatives and others business increased to RMB4.4 billion in the three months ended March 31, 2019 from RMB1.2 billion in the same period of 2018, mainly attributable to the increase in cost of goods sold as we expanded our food distribution business, the increase in depreciation of property, plant and equipment as a result of our acquisition of Mobike, the increase in car-hailing driver related costs, and the increase in other outsourcing labor costs due to the expansion of our Meituan Instashopping.

Gross Profit and Gross Margin

The following table sets forth our gross profit both in absolute amount and as a percentage of revenues, or gross margin, by segment for the periods indicated:

	Unaudited Three Months Ended			
	March 31, 2019		March 31, 2018	
	Amount	**As a percentage of revenues**	Amount	As a percentage of revenues
	(RMB in thousands, except for percentages)			
Gross profit/(loss):				
Food delivery	**1,540,754**	**14.4%**	535,095	7.6%
In-store, hotel & travel	**3,968,376**	**88.3%**	2,755,959	87.8%
New initiatives and others	**(439,790)**	**(11.1%)**	(79,081)	(7.3%)
Total	**5,069,340**	**26.4%**	3,211,973	28.5%

As a result of the foregoing, our gross profit in the three months ended March 31, 2019 and 2018 was RMB5.1 billion and RMB3.2 billion, respectively. The gross margin of food delivery business improved by 6.8 points on a year-over-year basis as we enhanced our delivery network efficiency and expanded our service categories including online marketing services to merchants. The gross margin of in-store, hotel & travel business remained stable on a year-over-year basis. The gross margin of our new initiatives and others business decreased by 3.8 points on a year-over-year basis mainly because of our consolidation of the operating results of Mobike since April 2018.

Selling and Marketing Expenses

Our selling and marketing expenses increased to RMB3.7 billion in the three months ended March 31, 2019 from RMB2.8 billion in the same period of 2018, and decreased to 19.3% from 25.2% as a percentage of revenues. The increase in selling and marketing expenses was primarily due to the increases in employee benefits expenses, Transacting User incentives, depreciation of property, plant and equipment and amortization of intangible assets. Employee benefits expenses increased to RMB1.4 billion in the three months ended March 31, 2019 from RMB1.0 billion in the same period of 2018 due to our expansion of the selling and marketing teams to support the expansion of our in-store, hotel & travel business and new initiatives and other services. Transacting User incentives increased to RMB1.3 billion in the three months ended March 31, 2019 from RMB1.0 billion in the same period of 2018, but decreased to 6.7% from 8.8% as a percentage of revenues on a year-over-year basis, as we continued to drive the growth of our core businesses with better marketing efficiency.

Research and Development Expenses

Our research and development expenses increased to RMB2.0 billion in the three months ended March 31, 2019 from RMB1.4 billion in the same period of 2018, and decreased to 10.6% from 12.3% as a percentage of revenues. The increase in research and development expenses was primarily due to the increase in employee benefits expenses, including share-based payments, to RMB1.9 billion in the three months ended March 31, 2019 from RMB1.3 billion in the same period of 2018, which resulted from the increases in both headcount and average salaries and benefits of our research and development personnel to support our business growth.

General and Administrative Expenses

Our general and administrative expenses increased to RMB1.1 billion in the three months ended March 31, 2019 from RMB667.3 million in the same period of 2018, and decreased to 5.6% from 5.9% as a percentage of revenues. The increase in general and administrative expenses was mainly attributable to (i) the increase in employee benefits expenses to RMB651.9 million in the three months ended March 31, 2019 from RMB395.1 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, and (ii) the increase in depreciation of property, plant and equipment due to office expansion in order to support the business operations.

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 in the three months ended March 31, 2019 decreased by RMB305.8 million compared to the same period of 2018.

Other Gains, Net

Our other gains, net were a gain of RMB279.1 million in the three months ended March 31, 2019 compared to a gain of RMB164.9 million in the same period of 2018. The increase in other gains, net was primarily due to higher gains from short-term investments, partially offset by foreign exchange loss in the three months ended March 31, 2019.

Operating Loss

As a result of the foregoing, our operating loss in the three months ended March 31, 2019 was RMB1.3 billion, compared to an operating loss of RMB1.0 billion in the same period of 2018.

Fair Value Changes of Convertible Redeemable Preferred Shares

Fair value changes of convertible redeemable preferred shares was nil in the three months ended March 31, 2019 as a result of the completion of our initial public offering in September 2018, compared to a loss of RMB20.2 billion in the same period of 2018.

Loss Before Income Tax

As a result of the foregoing, our loss before income tax in the three months ended March 31, 2019 was RMB1.3 billion, compared to a loss of RMB21.2 billion in the same period of 2018.

Income Tax (Expenses)/Credits

We had income tax expenses of RMB143.3 million in the three months ended March 31, 2019, compared to income tax credits of RMB158.5 million in the same period of 2018, primarily due to the increase in profit before income tax from some of our entities.

Loss For the Period

As a result of the foregoing, we had a loss of RMB1.4 billion in the three months ended March 31, 2019, compared to a loss of RMB21.1 billion in the three months ended March 31, 2018.

First Quarter of 2019 Compared to Fourth Quarter of 2018

The following table sets forth the comparative figures for the first quarter of 2019 and the fourth quarter of 2018:

	Unaudited Three Months Ended	
	March 31, 2019	December 31, 2018
	(RMB in thousands)	
Revenues	**19,173,512**	19,803,452
Cost of revenues	**(14,104,172)**	(15,322,458)
Gross profit	**5,069,340**	4,480,994
Selling and marketing expenses	**(3,706,112)**	(4,535,051)
Research and development expenses	**(2,036,100)**	(1,981,826)
General and administrative expenses	**(1,075,193)**	(2,846,080)
Fair value changes on investments measured at fair value through profit or loss	**165,292**	990,653
Other gains, net	**279,131**	156,792
Operating loss	**(1,303,642)**	(3,734,518)
Finance income	**52,922**	116,427
Finance costs	**(46,821)**	(15,407)
Share of gains/(losses) of investments accounted for using equity method	**7,530**	(56,875)
Loss before income tax	**(1,290,011)**	(3,690,373)
Income tax (expenses)/credits	**(143,319)**	276,121
Loss for the period	**(1,433,330)**	(3,414,252)
Non-IFRS measures:		
Adjusted EBITDA	**458,874**	(854,601)
Adjusted net loss	**(1,039,382)**	(1,861,856)

Revenues

Our revenues decreased by 3.2% to RMB19.2 billion in the three months ended March 31, 2019 from RMB19.8 billion in the three months ended December 31, 2018. The decrease was primarily due to holiday impact of lower GTV of food delivery and car-hailing businesses, as well as our contraction in bike-sharing business.

Revenues by Segment

The following table sets forth our revenues by segment in absolute amount and as a percentage of our total revenues in the three months ended March 31, 2019 and the three months ended December 31, 2018:

	Unaudited Three Months Ended			
	March 31, 2019		December 31, 2018	
	Amount	**As a percentage of total revenues**	Amount	As a percentage of total revenues
	(RMB in thousands, except for percentages)			
Revenues:				
Food delivery	**10,705,803**	**55.8%**	11,006,277	55.6%
In-store, hotel & travel	**4,492,102**	**23.4%**	4,594,132	23.2%
New initiatives and others	**3,975,607**	**20.8%**	4,203,043	21.2%
Total	**19,173,512**	**100.0%**	19,803,452	100.0%

Our revenues from the food delivery segment decreased by 2.7% to RMB10.7 billion in the three months ended March 31, 2019 from RMB11.0 billion in the three months ended December 31, 2018, primarily due to the decrease in GTV as a result of the decrease in the number of food delivery transactions in the holiday season.

Our revenues from the in-store, hotel & travel segment decreased by 2.2% to RMB4.5 billion in the three months ended March 31, 2019 from RMB4.6 billion in the three months ended December 31, 2018, primarily due to the decrease of online marketing services revenues in the holiday season.

Our revenues from the new initiatives and others segment decreased by 5.4% to RMB4.0 billion in the three months ended March 31, 2019 from RMB4.2 billion in the three months ended December 31, 2018. The decrease was mainly due to the weakened consumers' demand for our car-hailing and bike-sharing services, and merchants' demand for our food distribution business and restaurant management system during the holiday season.

Revenues by Type

The following table sets forth our revenues by type in absolute amount and as a percentage of our total revenues in the three months ended March 31, 2019 and the three months ended December 31, 2018:

	Unaudited Three Months Ended			
	March 31, 2019		December 31, 2018	
	Amount	**As a percentage of total revenues**	Amount	As a percentage of total revenues
	(RMB in thousands, except for percentages)			
Revenues:				
Commission	**13,164,718**	**68.7%**	13,150,122	66.4%
Online marketing services	**2,860,801**	**14.9%**	3,071,073	15.5%
Other services and sales	**3,147,993**	**16.4%**	3,582,257	18.1%
Total	**19,173,512**	**100.0%**	19,803,452	100.0%

Our commission revenue was RMB13.2 billion in the three months ended March 31, 2019 with minimal fluctuation on a quarter-over-quarter basis.

Our online marketing services revenue decreased by 6.8% to RMB2.9 billion in the three months ended March 31, 2019 from RMB3.1 billion in the three months ended December 31, 2018, primarily reflecting merchants' reduced advertisement spending needs during the holiday season.

Our other services and sales revenue decreased by 12.1% to RMB3.1 billion in the three months ended March 31, 2019 from RMB3.6 billion in the three months ended December 31, 2018, primarily due to weakened demands by merchants and consumers during the holiday season.

Cost of Revenues

Our cost of revenues decreased by 8.0% to RMB14.1 billion in the three months ended March 31, 2019 from RMB15.3 billion in the three months ended December 31, 2018. The decrease was in line with our revenue decrease on a quarter-over-quarter basis.

The following table sets forth our cost of revenues by segment in the three months ended March 31, 2019 and the three months ended December 31, 2018:

	Unaudited Three Months Ended			
	March 31, 2019		December 31, 2018	
	Amount	**As a percentage of total cost of revenues**	Amount	As a percentage of total cost of revenues
	(RMB in thousands, except for percentages)			
Cost of revenues:				
Food delivery	**9,165,049**	**65.0%**	9,534,556	62.2%
In-store, hotel & travel	**523,726**	**3.7%**	605,874	4.0%
New initiatives and others	**4,415,397**	**31.3%**	5,182,028	33.8%
Total	**14,104,172**	**100.0%**	15,322,458	100.0%

Cost of revenues for our food delivery business decreased by 3.9% to RMB9.2 billion in the three months ended March 31, 2019 from RMB9.5 billion in the three months ended December 31, 2018, primarily due to the decrease in food delivery rider costs as a result of the decrease in the number of food delivery transactions.

Cost of revenues for our in-store, hotel & travel business decreased by 13.6% to RMB523.7 million in the three months ended March 31, 2019 from RMB605.9 million in the three months ended December 31, 2018. The decrease primarily resulted from the decreases in payment processing costs and customer service related costs.

Cost of revenues for the new initiatives and others business decreased to RMB4.4 billion in the three months ended March 31, 2019 from RMB5.2 billion in the three months ended December 31, 2018, mainly due to the decrease in cost of goods sold, car-hailing driver related costs and depreciation of property, plant and equipment.

Gross Profit and Gross Margin

The following table sets forth our gross profit both in absolute amount and as a percentage of revenues, or gross margin, by segment for the periods indicated:

	Unaudited Three Months Ended			
	March 31, 2019		December 31, 2018	
	Amount	**As a percentage of revenues**	Amount	As a percentage of revenues
	(RMB in thousands, except for percentages)			
Gross profit/(loss):				
Food delivery	**1,540,754**	**14.4%**	1,471,721	13.4%
In-store, hotel & travel	**3,968,376**	**88.3%**	3,988,258	86.8%
New initiatives and others	**(439,790)**	**(11.1%)**	(978,985)	(23.3%)
Total	**5,069,340**	**26.4%**	4,480,994	22.6%

As a result of the foregoing, our gross profit in the three months ended March 31, 2019 and the three months ended December 31, 2018 was RMB5.1 billion and RMB4.5 billion, respectively. The gross margin of food delivery business improved by 1.0 point on a quarter-over-quarter basis, as more premium dishes were ordered and higher delivery fees charged during the holidays, which resulted in a higher average order revenue in the three months ended March 31, 2019. The gross margin of in-store, hotel & travel business increased by 1.5 points on a quarter-over-quarter basis as macroeconomic headwinds that exerted unfavorable impacts on the hotel and travel businesses in the three months ended December 31, 2018 had weakened. The gross loss of our new initiatives and others business narrowed to 11.1% in the three months ended March 31, 2019 from 23.3% in three months ended December 31, 2018, mainly because of our limiting subsidies in the car-hailing business and the improved operating leverage of our Meituan Instashopping and food distribution business.

Selling and Marketing Expenses

Our selling and marketing expenses decreased to RMB3.7 billion, or 19.3% of revenues, in the three months ended March 31, 2019 from RMB4.5 billion, or 22.9% of revenues, in the three months ended December 31, 2018. The decrease in selling and marketing expenses was primarily due to the decreases in Transacting User incentives and promotion and advertising. Transacting User incentives decreased to RMB1.3 billion in the three months ended March 31, 2019 from RMB1.5 billion in the three months ended December 31, 2018 as we reduced incentives to match the seasonally lower transaction volume. Promotion and advertising decreased to RMB327.0 million in the three months ended March 31, 2019 from RMB855.3 million in the three months ended December 31, 2018, mainly resulting from our efforts in exploring more effective marketing channels.

Research and Development Expenses

Our research and development expenses was RMB2.0 billion in the three months ended March 31, 2019, remaining flat on a quarter-over-quarter basis.

General and Administrative Expenses

Our general and administrative expenses decreased to RMB1.1 billion, or 5.6% of revenues, in the three months ended March 31, 2019 from RMB2.8 billion, or 14.4% of revenues, in the three months ended December 31, 2018. Excluding the effect of RMB1.3 billion impairment provision of intangible assets resulting from the change in our branding strategy for the bike-sharing services, and RMB132.0 million of the total RMB358.8 million impairment provision for Mobike's overseas restructuring, our general and administrative expenses would have been RMB1.4 billion, or 6.9% as a percentage of revenues, in the three months ended December 31, 2018. The decrease of RMB292.9 million, or 1.3% of revenues, on a quarter-over-quarter basis was mainly attributable to (i) the decrease in employee benefits expenses to RMB651.9 million in the three months ended March 31, 2019 from RMB787.9 million in the three months ended December 31, 2018, as a result of personnel adjustment, and (ii) the decrease in provision of doubtful accounts.

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 in the three months ended March 31, 2019 decreased by RMB825.4 million compared to the three months ended December 31, 2018.

Other Gains, Net

Our other gains, net were a gain of RMB279.1 million in the three months ended March 31, 2019 compared to a gain of RMB156.8 million in the three months ended December 31, 2018. The increase in other gains, net was primarily due to (i) the increase in gains from short-term investments to RMB322.0 million in the three months ended March 31, 2019 from RMB248.0 million in the three months ended December 31, 2018, and (ii) a dilution gain of RMB45.9 million recognized in the three months ended March 31, 2019.

Operating Loss

As a result of the foregoing, our operating loss in the three months ended March 31, 2019 was RMB1.3 billion, compared to an operating loss of RMB3.7 billion in the three months ended December 31, 2018.

Loss Before Income Tax

Primarily as a result of the foregoing, our loss before income tax in the three months ended March 31, 2019 was RMB1.3 billion, compared to a loss of RMB3.7 billion in the three months ended December 31, 2018.

Income Tax (Expenses)/Credits

We had income tax expenses of RMB143.3 million in the three months ended March 31, 2019, compared to income tax credits of RMB276.1 million in the three months ended December 31, 2018, primarily due to the increase in profit before income tax from some of our entities.

Loss For the Period

As a result of the foregoing, we had a loss of RMB1.4 billion in the three months ended March 31, 2019, compared to a loss of RMB3.4 billion in the three months ended December 31, 2018.

Reconciliation of Non-IFRS Measures to the Nearest IFRS Measures

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 one 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 three months ended March 31, 2019 and 2018 and the three months ended December 31, 2018 to the nearest measures prepared in accordance with IFRS.

	Unaudited Three Months Ended		
	March 31, 2019	March 31, 2018	December 31, 2018
		(RMB in thousands)	
Loss for the period	**(1,433,330)**	(21,064,806)	(3,414,252)
Adjusted for:			
Fair value changes of convertible redeemable preferred shares	**—**	20,213,076	—
Share-based compensation expenses	**438,068**	294,678	643,223
Fair value gains on investments[1]	**(211,158)**	(475,274)	(984,359)
Losses/(gains) on disposal of investments and subsidiaries[2]	**1,490**	(29,968)	—
Amortization of intangible assets resulting from acquisitions	**165,548**	81,508	188,742
Impairment and expense provision for Mobike restructuring plan	**—**	—	358,790
Impairment of intangible assets[3]	**—**	—	1,346,000
Adjusted net loss	**(1,039,382)**	(980,786)	(1,861,856)
Adjusted for:			
Income tax expenses/(credits)	**143,319**	(158,503)	(276,121)
Share of (gains)/losses of investments accounted for using equity method	**(7,530)**	575	56,875
Finance income	**(52,922)**	(47,178)	(116,427)
Finance costs	**46,821**	8,412	15,407
Other gains other than investment gains	**(234,755)**	(130,735)	(163,086)
Amortization of software and others	**130,911**	70,718	128,795
Depreciation on property, plant and equipment[4]	**1,472,412**	121,011	1,361,812
Adjusted EBITDA	**458,874**	(1,116,486)	(854,601)

(1) Represents 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; and (iii) change in fair value from contingent consideration.

(2) Represents gains or losses from disposal of investments and subsidiaries.

(3) Represents impairment provision of intangible assets resulting from the change in the branding strategy for our bike-sharing services.

(4) The RMB1.5 billion depreciation on property, plant and equipment for the three months ended March 31, 2019 included RMB231.1 million depreciation of right-of-use assets as a result of the adoption of IFRS16 Leases. This expense was used to be recognized as rental, facilities and utilities in prior years.

Liquidity and Capital Resources

We had historically funded our cash requirements principally from capital contribution from shareholders and financing through issuance and sale of equity securities. We had cash and cash equivalents of RMB10.8 billion and short-term investments of RMB43.2 billion as of March 31, 2019.

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

	Unaudited Three Months Ended March 31, 2019
	(RMB in thousands)
Net cash used in operating activities	(3,280,850)
Net cash used in investing activities	(2,791,839)
Net cash generated from financing activities	46,000
Net decrease in cash and cash equivalents	(6,026,689)
Cash and cash equivalents at the beginning of the period	17,043,692
Exchange loss on cash and cash equivalents	(214,505)
Cash and cash equivalents at the end of the period	10,802,498

Net Cash Used in Operating Activities

Net cash used in operating activities primarily consists of our loss for the period and non-cash items, and adjusted by changes in working capital.

For the three months ended March 31, 2019, net cash used in operating activities was RMB3.3 billion, which was primarily attributable to our loss before income tax of RMB1.3 billion, as adjusted by (i) non-cash items, which primarily comprised depreciation and amortization of RMB1.8 billion, and (ii) changes in working capital, which primarily comprised a decrease in payables to merchants of RMB1.2 billion, a decrease in trade payables of RMB908.0 million, a decrease in other payables and accruals of RMB745.7 million, an increase in prepayments, deposits and other assets of RMB448.4 million, and an increase in restricted cash of RMB433.7 million.

Net Cash Used in Investing Activities

For the three months ended March 31, 2019, net cash used in investing activities was RMB2.8 billion, which was mainly attributable to net increase in short-term investments of RMB2.0 billion, purchase of property, plant and equipment of RMB844.1 million, and purchase of investments measured at fair value through profit or loss of RMB277.0 million.

Net Cash Generated from Financing Activities

For the three months ended March 31, 2019, net cash generated from financing activities was RMB46.0 million, which was mainly attributable to borrowings of RMB600.0 million, partially offset by repayments of borrowings of RMB300.0 million, and lease payments of RMB193.7 million.

Gearing Ratio

As of March 31, 2019, our gearing ratio, calculated as total borrowings divided by total equity attributable to equity holders of the Company was approximately 3.0%.

FINANCIAL INFORMATION

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Unaudited Three Months Ended		
	March 31, 2019	March 31, 2018	December 31, 2018
		(RMB in thousands)	
Revenues	**19,173,512**	11,275,063	19,803,452
Cost of revenues	**(14,104,172)**	(8,063,090)	(15,322,458)
Gross profit	**5,069,340**	3,211,973	4,480,994
Selling and marketing expenses	**(3,706,112)**	(2,846,353)	(4,535,051)
Research and development expenses	**(2,036,100)**	(1,382,740)	(1,981,826)
General and administrative expenses	**(1,075,193)**	(667,281)	(2,846,080)
Fair value changes on investments measured at fair value through profit or loss	**165,292**	471,066	990,653
Other gains, net	**279,131**	164,911	156,792
Operating loss	**(1,303,642)**	(1,048,424)	(3,734,518)
Finance income	**52,922**	47,178	116,427
Finance costs	**(46,821)**	(8,412)	(15,407)
Fair value changes of convertible redeemable preferred shares	**—**	(20,213,076)	—
Share of gains/(losses) of investments accounted for using equity method	**7,530**	(575)	(56,875)
Loss before income tax	**(1,290,011)**	(21,223,309)	(3,690,373)
Income tax (expenses)/credits	**(143,319)**	158,503	276,121
Loss for the period	**(1,433,330)**	(21,064,806)	(3,414,252)
Loss for the period attributable to:			
Equity holders of the Company	**(1,431,777)**	(21,051,147)	(3,425,307)
Non-controlling interests	**(1,553)**	(13,659)	11,055
	(1,433,330)	(21,064,806)	(3,414,252)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Unaudited As of March 31, 2019	Audited As of December 31, 2018
	(RMB in thousands)	
ASSETS		
Non-current assets		
Property, plant and equipment	**5,298,343**	3,978,815
Intangible assets	**33,583,839**	33,876,004
Deferred tax assets	**476,527**	445,041
Investments accounted for using the equity method	**2,138,036**	2,103,403
Financial assets at fair value through profit or loss	**6,623,044**	6,241,972
Prepayments, deposits and other assets	**854,789**	866,884
	48,974,578	47,512,119
Current assets		
Inventories	**286,976**	400,244
Trade receivables	**481,863**	466,340
Prepayments, deposits and other assets	**9,693,596**	9,064,945
Short-term investments	**43,161,145**	41,829,964
Restricted cash	**4,689,775**	4,256,120
Cash and cash equivalents	**10,802,498**	17,043,692
Assets classified as held for sale	**70,762**	88,087
	69,186,615	73,149,392
Total assets	**118,161,193**	120,661,511
EQUITY		
Share capital	**385**	384
Share premium	**258,475,563**	258,284,687
Other reserves	**(6,306,530)**	(5,741,347)
Accumulated losses	**(167,471,167)**	(166,039,390)
Equity attributable to equity holders of the Company	**84,698,251**	86,504,334
Non-controlling interests	**3,811**	5,438
Total equity	**84,702,062**	86,509,772

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

	Unaudited As of March 31, 2019	Audited As of December 31, 2018
	(RMB in thousands)	
LIABILITIES		
Non-current liabilities		
Deferred tax liabilities	**1,317,763**	1,195,869
Deferred revenues	**576,462**	624,999
Borrowings	**470,179**	470,056
Lease liabilities	**1,172,268**	—
Other non-current liabilities	**66,507**	35,759
	3,603,179	2,326,683
Current liabilities		
Trade payables	**4,661,595**	5,340,963
Payables to merchants	**6,433,197**	7,596,388
Advance from transacting users	**3,086,640**	3,226,407
Deposit from transacting users	**2,986,216**	3,341,276
Other payables and accruals	**6,610,032**	7,361,630
Borrowings	**2,100,000**	1,800,000
Deferred revenues	**3,374,849**	3,102,882
Lease liabilities	**544,931**	—
Liabilities directly associated with assets classified as held for sale	**58,492**	55,510
	29,855,952	31,825,056
Total liabilities	**33,459,131**	34,151,739
Total equity and liabilities	**118,161,193**	120,661,511

OTHER INFORMATION

Purchase, Sale or Redemption of the Company's Listed Securities

Neither the Company nor any of its Subsidiaries has purchased, sold or redeemed any of the Company's securities listed on the Stock Exchange during the period from the Listing Date to March 31, 2019.

Audit Committee

The Audit Committee, together with the Auditor, has reviewed the Company's unaudited interim financial information for the three months ended March 31, 2019. The Audit Committee has also reviewed the accounting principles and practices adopted by the Company and discussed auditing, risk management, internal control and financial reporting matters.

Compliance with the Corporate Governance Code

The Company is committed to maintaining and promoting stringent corporate governance standards. The principle of the Company's corporate governance is to promote effective internal control measures and to enhance the transparency and accountability of the Board to all Shareholders.

The Company has adopted the principles and code provisions of the CG Code set out in Appendix 14 to the Listing Rules as the basis of the Company's corporate governance practices, and the CG Code has been applicable to the Company with effect from the Listing Date.

Save for code provision A.2.1, the Company has complied with all the code provisions set out in the CG Code where applicable throughout the period from the Listing Date up to March 31, 2019. Pursuant to code provision A.2.1 of the CG 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. The Company does not have separate chairman and chief executive officer and Mr. Wang Xing currently performs these two roles. The 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 the Company and enables more effective and efficient overall strategic planning for the Company. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider segregating the roles of chairman of the Board and the chief executive officer of the Company at an appropriate time by taking into account the circumstances of the Company as a whole.

Publication of the Annual Results and Annual Report

All the financial and other related information of the Company required by the Listing Rules will be published on the website of each of the Stock Exchange (www.hkexnews.hk) and the Company (about.meituan.com) in due course.

APPRECIATION

On behalf of the Board, I would like to express our sincere gratitude to our consumers, merchants and partners for their trust in our platform, our delivery riders for their reliable and efficient services, our entire staff and management team for their outstanding contributions, and our shareholders for their continuous support.

By Order of the Board
Meituan Dianping
Wang Xing
Chairman

Hong Kong, May 23, 2019

As at the date of this announcement, the board of directors of the Company comprises Mr. Wang Xing as chairman and executive Director, Mr. Mu Rongjun and Mr. Wang Huiwen as executive Directors, Mr. Lau Chi Ping Martin and Mr. Neil Nanpeng Shen as non-executive Directors, and Mr. Orr Gordon Robert Halyburton, Mr. Leng Xuesong and Mr. Shum Heung Yeung Harry as independent non-executive Directors.

The Company's shareholders and potential investors should note that the information in this announcement is based on the management accounts of the Company which have not been audited or reviewed by the Company's Auditor. This announcement contains forward-looking statements relating to the business outlook, estimates of financial performance, forecast business plans and growth strategies of the Company. These forward-looking statements are based on information currently available to the Company and are stated herein on the basis of the outlook at the time of this announcement. They are based on certain expectations, assumptions and premises, some of which are subjective or beyond our control. These forward-looking statements may prove to be incorrect and may not be realised in future. Underlying these forward-looking statements are a large number of risks and uncertainties. In light of the risks and uncertainties, the inclusion of forward-looking statements in this announcement should not be regarded as representations by the Board or the Company that the plans and objectives will be achieved, and investors should not place undue reliance on such statements.

DEFINITIONS

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

Term	**Definition**
"Audit Committee"	the audit committee of the Company
"Auditor"	PricewaterhouseCoopers, the external auditor of the Company
"Board"	the Board of Directors
"CG Code"	the corporate governance code as set out in Appendix 14 to the Listing Rules
"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
"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 (美团点評) (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 (美团点評) and its subsidiaries and Consolidated Affiliated Entities, as the case may be
"Consolidated Affiliated Entities"	the entities we control through the Contractual Arrangements, namely, the Onshore Holdcos and their respective subsidiaries (each a "Consolidated Affiliated Entity")

"Director(s)"	the director(s) of the Company
"IFRS"	International Financial Reporting Standards, as issued from time to time by the International Accounting Standards Board
"Listing Date"	September 20, 2018, on which the Class B Shares are listed and on which dealings in the Class B Shares are first permitted to take place on the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"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 and its subsidiaries and Consolidated Affiliated Entities
"RMB" or "Renminbi"	Renminbi, the lawful currency of China
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it in section 15 of the Companies Ordinance
"%"	per cent

GLOSSARY

"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
"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
"Monetization rate"	the revenues for the year/period divided by the Gross Transaction Volume for the year/period
"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