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(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, 2021

The Board of Directors (the “**Board**”) of Meituan 美团 (the “**Company**”) is pleased to announce the unaudited consolidated results of the Company for the three months ended March 31, 2021. These interim results have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting.”

In this announcement, “we,” “us,” or “our” refers to the Company.

### KEY HIGHLIGHTS

#### Financial Summary

	<b>Unaudited</b>				
	<b>Three Months Ended</b>				
	<b>March 31, 2021</b>		<b>March 31, 2020</b>		<b>Year-over- year change</b>
<b>Amount</b>	<b>As a percentage of revenues</b>	<b>Amount</b>	<b>As a percentage of revenues</b>		
	<i>(RMB in thousands, except for percentages)</i>				
Revenues	<b>37,016,262</b>	<b>100.0%</b>	16,753,887	100.0%	120.9%
Operating loss	<b>(4,767,007)</b>	<b>(12.9%)</b>	(1,715,530)	(10.2%)	177.9%
Loss for the period	<b>(4,846,262)</b>	<b>(13.1%)</b>	(1,579,278)	(9.4%)	206.9%
<b>Non-IFRS Measures:</b>					
Adjusted EBITDA	<b>(2,382,683)</b>	<b>(6.4%)</b>	41,311	0.2%	NA
Adjusted net loss	<b>(3,891,717)</b>	<b>(10.5%)</b>	(216,348)	(1.3%)	NA

## Financial Information by Segment

	<b>Unaudited Three Months Ended</b>		Year-over- year change
	<b>March 31, 2021</b>	March 31, 2020	
	<i>(RMB in thousands, except for percentages)</i>		
<b>Revenues:</b>			
Food delivery	<b>20,575,410</b>	9,490,423	116.8%
In-store, hotel & travel	<b>6,584,391</b>	3,094,978	112.7%
New initiatives and others	<b>9,856,461</b>	4,168,486	136.5%
<b>Total revenues</b>	<b><u>37,016,262</u></b>	<b><u>16,753,887</u></b>	120.9%
<b>Operating profit/(loss):</b>			
Food delivery	<b>1,115,885</b>	(70,881)	NA
In-store, hotel & travel	<b>2,748,205</b>	680,179	304.0%
New initiatives and others	<b>(8,044,445)</b>	(1,363,717)	489.9%
Unallocated items <sup>1</sup>	<b>(586,652)</b>	(961,111)	(39.0%)
<b>Total operating loss</b>	<b><u>(4,767,007)</u></b>	<b><u>(1,715,530)</u></b>	177.9%

## Operating Metrics

	<b>Twelve Months Ended</b>		Year-over- year change
	<b>March 31, 2021</b>	March 31, 2020	
	<i>(in millions, except for percentages)</i>		
Number of Transacting Users	<b>569.3</b>	448.6	26.9%
Number of Active Merchants	<b>7.1</b>	6.1	16.9%
	<i>(units, except for percentages)</i>		
Average number of transactions per annual Transacting User	<b>30.5</b>	26.2	16.7%

	<b>Three Months Ended</b>		Year-over- year change
	<b>March 31, 2021</b>	March 31, 2020	
	<i>(in millions, except for percentages)</i>		
Gross Transaction Volume of food delivery	<b>142,735.4</b>	71,504.2	99.6%
Number of food delivery transactions	<b>2,902.7</b>	1,374.5	111.2%
Number of domestic hotel room nights	<b>101.0</b>	42.8	135.8%

<sup>1</sup> Unallocated items include (i) share-based compensation expenses, (ii) amortization of intangible assets resulting from acquisitions, (iii) fair value changes on other financial investments at fair value through profit or loss, (iv) other gains, net, (v) impairment and expense reversal for Mobike restructuring plan, and (vi) net reversal of impairment losses on financial assets.

## **BUSINESS REVIEW**

### **Company Financial Highlights**

Thanks to the PRC government's effective measures to contain the COVID-19 pandemic in China, our businesses experienced strong recovery during the first quarter of 2021. Total revenues increased by 120.9% in the first quarter of 2021 to RMB37.0 billion from RMB16.8 billion for the same period of 2020. Our food delivery and in-store, hotel & travel segments posted stellar growth, realizing an aggregate operating profit by segment of RMB3.9 billion in the first quarter of 2021, an increase from RMB0.6 billion for the same period of 2020. Operating loss for the new initiatives and others segment expanded as we accelerated our investment effort to provide services with more breadth. Both adjusted EBITDA and adjusted net loss for the first quarter of 2021 decreased year-over-year to negative RMB2.4 billion and RMB3.9 billion, respectively. Our net cash flows used in operating activities decreased to RMB4.4 billion in the first quarter of 2021 from RMB5.0 billion for the same period of 2020. We had cash and cash equivalents of RMB17.8 billion and short-term treasury investments of RMB35.3 billion as of March 31, 2021, compared to the balances of RMB17.1 billion and RMB44.0 billion as of December 31, 2020, respectively.

### **Company Business Highlights**

#### **Food delivery**

Food delivery continued to be an essential service in the post-COVID-19 era, primarily driven by the ongoing evolution of consumer behavior and the increasingly diverse supplies on our platform. Our strength in consumer base, merchant base, and delivery network remained strong and continued to reinforce each other, enabling us to achieve solid growth in the first quarter of 2021. In this quarter, GTV of our food delivery business increased by 99.6% year over year to RMB142.7 billion. Daily average number of food delivery transactions increased by 113.5% year over year to 32.3 million. The average value per order of our food delivery business decreased by 5.5% year over year. Monetization rate of our food delivery business increased to 14.4% from 13.3% in the first quarter of 2021. Subsequently, revenue increased by 116.8% year over year to RMB20.6 billion. Operating profit from food delivery business increased to RMB1.1 billion in the first quarter of 2021 from a loss of RMB70.9 million for the same period of 2020, while operating margin increased to positive 5.4% from negative 0.7%. Our strong business performance in the first quarter of 2021 was a testament to the value we provide and our strong execution capabilities.

Food delivery became not only a necessity and a service needed regularly during work days, but also a high-quality source of food for family gatherings. Especially, as people were encouraged to stay put for Spring Festival, demand for food delivery increased during the holiday this year, compared to same period in previous years. During this Spring Festival, we launched the “Open for Business” initiative, in which we cooperated with millions of merchants to provide consumers with convenient deliveries of quality products including meals, liquor, snacks, groceries, and more. As a result, we have witnessed stronger order volume growth during this Spring Festival period than previous years. In addition, we continued to allocate sufficient resources to our effective membership program and organize various promotional campaigns and optimized operations among different consumption scenarios. We are delighted to see that quarterly transacting users and their purchase frequency both achieved healthy growth year over year, especially in the high-quality consumer base. To satisfy the increasingly diverse and constantly evolving consumer demand, we broadened our service scope to cover more consumption scenarios and longer distance delivery orders. Therefore, order contribution from the breakfast, afternoon tea, and late-night snack categories further increased, and long-distance orders became a more meaningful part of the total orders. The growths reflected consumers’ increasing preference for food delivery and our unparalleled brand awareness among consumers.

On the merchant side, as we continued to refine our merchant operational strategies to be more differentiated and specialized, and on the back of the order volume growth, both our annual active merchants and annual advertising merchants for food delivery grew to record highs in the first quarter of 2021. Meanwhile, sales from high-quality merchants increased, comprising a larger proportion of total orders. Since the introduction of our “New Restaurant Manager” program last quarter, we continued to train more digital-savvy talents and helped them become better adaptable of digital operations. Effectively, the restaurant industry has evolved into one where dining-out and order-in services are equally important to business owners and collaboratively constructive for each other’s growth. It is gratifying to see that our effort to accelerate industry digitization not only generated additional revenue for restaurant owners, but also helped them improve efficiency. Going forward, we will continue to enhance our service quality, diversify our product offerings, provide support for small- to mid-sized merchants, and help promote the vigorous development of the industry.

For the delivery network, in response to the PRC government’s advocacy to stay put for the Spring Festival, we preemptively strategized around our operations to better satisfy consumer demand. In particular, we focused on providing sufficient delivery capacity during the period. We continued to implement our “Tongzhou Project,” which we rolled out in the fourth quarter last year to provide welfare to our delivery riders. During the first quarter of 2021, we designed benefits and incentives specifically for the Spring Festival. The total benefits and incentives that we offered for delivery riders surpassed RMB500 million during the seven-day holiday. And we are dedicated to providing deeper understanding and better caring for our delivery riders and helping improve their career path and personal growth. In the first quarter of 2021, we held more panel sessions with delivery riders, listened attentively to their feedbacks, complaints, and suggestions, which we would then appropriately incorporate into our business planning and development. To further enhance efficiency and work experience for the delivery riders, we upgraded the hardware used by the delivery riders, including smart helmets and delivery pick-up lockers at restaurants in some pilot areas. Having an efficient delivery network with sufficient delivery capacity lays the foundation of our food delivery business, which also ensures optimal user experiences. Thus, we will continue to optimize this on-demand delivery network and enhance delivery rider welfare on a continuous basis.

## **In-store, hotel & travel**

Benefitting from the effective containment of the COVID-19 pandemic in China, our in-store, hotel & travel segment fully recovered in the first quarter of 2021. Revenue of the segment increased by 112.7% year over year to RMB6.6 billion in the first quarter of 2021. Operating profit increased 304.0% to RMB2.7 billion in the first quarter of 2021 from RMB680.2 million in the same period of 2020, and operating margin increased to 41.7% from 22.0%.

For in-store dining, since we introduced the “Open for Business” initiative for Spring Festival, both our GTV and transaction volume growths accelerated to historical highs during the Spring Festival this year, and we achieved nearly 30% two-year GTV CAGR in the first quarter of 2021. Gathering dining events fully recovered, and light-meal consumption scenario maintained high growth. We further increased quality supply on our platform and continued to penetrate more high-quality chain restaurants. Our tailored services and innovative transaction-based products continued to support the unique advertising needs from chain restaurants. In March, we refreshed our 2021 “Black Pearl” lists in cities both domestically and abroad. The “Black Pearl” lists are well established among both consumers and merchants as a compass for reputable culinary and other recommendations.

For other in-store services, our two-year revenue CAGR exceeded 30% in the first quarter of 2021 from the same period of 2019. Categories such as medical aesthetics maintained strong growth momentum, while categories such as leisure and entertainment, which were severely impacted during the pandemic, resumed normal growth. We continued to identify the evolving consumption trends, and managed multiple service categories to better satisfy the changing demand from consumers. We also launched various marketing and promotional festivals, such as the “Wedding Festival” and “Back to School Festivals” to help lift merchants’ advertising budgets. As a result, we strengthened our competitive advantages in serving high-quality merchants and fast expanding coverage of small- to mid-sized merchants this quarter.

With respect to our hotel booking business, we achieved over 100 million domestic room nights in the first quarter of 2021, representing a stellar 135.8% year-over-year growth, and a two-year CAGR of 13.3% from the same period of 2019. Although the PRC government’s recommendations for people to stay put during the Spring Festival led to less travelling during the seven-day holiday season this year compared to normal years, consumer demand for hotels continued to rise during the quarter. Notably, we expanded rapidly in high-star hotels, with room night contribution from high-star hotels surpassing 16.7% in the first quarter of 2021, thanks to our continuous investment in supply expansion, customer service, and product experience. With regard to low-star hotels and low-tier cities, we further solidified our existing advantage, enhanced brand awareness, and improved offline traffic conversion.

## **New initiatives and others**

During the first quarter of 2021, we ramped up our investments in new initiatives. Retail, especially the community e-commerce business, continued to be our largest investment area. For the first quarter of 2021, revenues from the new initiatives and others segment increased by 136.5% year over year to RMB9.9 billion, primarily driven by the growth in retail businesses, B2B food distribution services, and ride-sharing services. Operating loss for the segment increased both year over year and quarter over quarter to negative RMB8.0 billion in the first quarter of 2021, while operating margin decreased to negative 81.6%.

The retail business is of strategic importance to us, and fits well into our “Food+Platform” strategy. During the first quarter of 2021, our community e-commerce business, Meituan Select, further expanded its geographical coverage to over 2,600 cities and counties, practically completing our nationwide expansion objective. Despite the seasonally quieter period for retail in February due to the Spring Festival holiday, Meituan Select continued to record healthy growth during the quarter. As the community ecommerce industry is still at early stage, we continued to make substantial upfront investments to enhance our product and service capabilities, incentivize user consumption, and expand our group leader base. We continued to strengthen our warehousing and logistics networks to reach broader consumers, especially in some less-developed regions. We upgraded our commission mechanism for group leaders and designed differentiated operational strategies to inspire their motivation. On the supply side, we continued to enrich our product selections and improved quality management capabilities, to satisfy the growing consumer demand for value-for-money products. We also explored various user acquisition tactics to achieve commendable growth in user base, with both user retention and transaction frequency steadily increasing. Meanwhile, as the business scaled up, we also continued to improve operating efficiency and unit economics of this business during the quarter.

For Meituan Instashopping, we continued to leverage our platform capabilities to fulfill the rising consumer demand for on-demand delivery of local goods and products. In the first quarter of 2021, we channeled more resources into categories, such as supermarkets, flowers, and prepared fruits, fueling the business growth of the quarter. In response to the “stay-put” policy during Spring Festival, we successfully converted many food delivery users into Meituan Instashopping users, leveraging our complex on-demand delivery network. Specifically, we precisely captured the evolving consumption trend from busy-working younger generations and their preference for same-day delivery of holiday goods and gifts. During the week leading up to Valentine’s Day, flowers and gifts sales exploded. Roses, watches, and iPhones were all popular gifts sold on our platform, with sales multiplying by double-digit week over week in the period. Therefore, number of high-ticket size items also grew exponentially, and we successfully further cultivated user habits and consumer mindsets that Meituan delivers everything to their doorsteps.



For Meituan Grocery, we continued to take our service quality and consumer experience as priority. Because of the PRC government’s “stay-put” policy for the Spring Festival this year, consumer demands for grocery and fresh produce rose during the season. We actively prepared inventories and adjusted our supply strategy in advance to meet this growing demands. In addition, we stepped up our delivery rider pays to ensure adequate delivery capacity and to provide our riders with additional benefit for working during the holidays. Moreover, we opened more warehouses in the four cities that we operate in, to increase our warehouse density, capacity, and product selections. As a result, quarterly transacting users grew by more than 400% year over year, and transaction frequency also improved, allowing us to realize higher operating efficiency and better unit economics.

As the leading platform for local services, we continued to provide better products and services to both consumers and merchants, facilitated the acceleration of industry digitization, and created and distributed more value to the society at large. In the first quarter of 2021, our food delivery and in-store, hotel and travel businesses posted another strong growth, thanks to the PRC government’s effective containment of the COVID-19 pandemic. This growth also reflects the strong mindshare that we have cultivated among consumers and merchants as the go-to-destination for local service exploration. In addition, our investment in the retail business enabled us to extend our touch point with consumers to provide them with ever-increasing product selections, particularly for consumers from low-tier markets. We further optimized our on-demand delivery network, while also built a new “next-day” delivery logistics network across the country. On the merchant front, we continued to serve a wide and diverse range of small- to mid-sized merchants, providing a more comprehensive suite of services, such as advertising products, digital tools, B2B food distribution services, and RMS services, to help them improve daily operations. Going forward, with a better use of technology and our commitment in innovations, we will continue to create more long-term value for consumers, merchants, delivery riders, and all the other participants in our ecosystem, and shoulder our social responsibilities.

## MANAGEMENT DISCUSSION AND ANALYSIS

### First Quarter of 2021 Compared to First Quarter of 2020

The following table sets forth the comparative figures for the first quarter of 2021 and 2020:

	<b>Unaudited</b>	
	<b>Three Months Ended</b>	
	<b>March 31, 2021</b>	March 31, 2020
	<i>(RMB in thousands)</i>	
<b>Revenues</b>		
Commission	<b>23,454,460</b>	10,800,101
Online marketing services	<b>5,665,135</b>	2,864,409
Interest revenue	<b>175,322</b>	212,145
Other services and sales	<b>7,721,345</b>	2,877,232
	<b>37,016,262</b>	16,753,887
Cost of revenues	<b>(29,816,095)</b>	(11,557,421)
<b>Gross profit</b>	<b>7,200,167</b>	5,196,466
Selling and marketing expenses	<b>(7,206,408)</b>	(3,199,439)
Research and development expenses	<b>(3,477,290)</b>	(2,296,458)
General and administrative expenses	<b>(1,737,403)</b>	(1,069,741)
Net reversal of/(provision for) impairment losses on financial assets	<b>33,775</b>	(237,542)
Fair value changes on other financial investments at fair value through profit or loss	<b>42,034</b>	(508,261)
Other gains, net	<b>378,118</b>	399,445
<b>Operating loss</b>	<b>(4,767,007)</b>	(1,715,530)
Finance income	<b>77,855</b>	57,930
Finance costs	<b>(166,052)</b>	(48,044)
Share of (losses)/gains of investments accounted for using equity method	<b>(2,013)</b>	11,128
<b>Loss before income tax</b>	<b>(4,857,217)</b>	(1,694,516)
Income tax credits	<b>10,955</b>	115,238
<b>Loss for the period</b>	<b>(4,846,262)</b>	(1,579,278)
<b>Non-IFRS measures:</b>		
Adjusted EBITDA	<b>(2,382,683)</b>	41,311
Adjusted net loss	<b>(3,891,717)</b>	(216,348)



## Revenues

Our revenues increased by 120.9% to RMB37.0 billion for the first quarter of 2021 from RMB16.8 billion for the same period of 2020. All business segments achieved growth on a year-over-year basis as we recovered from the COVID-19 pandemic, strengthened our food delivery and in-store, hotel & travel businesses while continuously developing new initiatives.

The following table sets forth our revenues by segment and type in absolute amount for the first quarter of 2021 and 2020:

	<b>Unaudited</b>			
	<b>Three Months Ended March 31, 2021</b>			
	<b>Food delivery</b>	<b>In-store, hotel &amp; travel</b>	<b>New initiatives and others</b>	<b>Total</b>
	<i>(RMB in thousands)</i>			
<b>Revenues</b>				
Commission	18,370,710	3,255,587	1,828,163	23,454,460
Online marketing services	2,192,127	3,315,840	157,168	5,665,135
Other services and sales (including interest revenue)	12,573	12,964	7,871,130	7,896,667
<b>Total</b>	<b>20,575,410</b>	<b>6,584,391</b>	<b>9,856,461</b>	<b>37,016,262</b>
	<b>Unaudited</b>			
	<b>Three Months Ended March 31, 2020</b>			
	<b>Food delivery</b>	<b>In-store, hotel &amp; travel</b>	<b>New initiatives and others</b>	<b>Total</b>
	<i>(RMB in thousands)</i>			
<b>Revenues</b>				
Commission	8,563,624	1,196,998	1,039,479	10,800,101
Online marketing services	919,519	1,886,831	58,059	2,864,409
Other services and sales (including interest revenue)	7,280	11,149	3,070,948	3,089,377
<b>Total</b>	<b>9,490,423</b>	<b>3,094,978</b>	<b>4,168,486</b>	<b>16,753,887</b>

Our revenues from the food delivery segment increased by 116.8% to RMB20.6 billion for the first quarter of 2021 from RMB9.5 billion for the same period of 2020. Commission revenue increased by 114.5% to RMB18.4 billion primarily attributable to the increase in order volume by 111.2% on a year-over-year basis and slightly offset by the decrease of average value per order. Recovering from the COVID-19 pandemic, we continuously improved our food delivery membership program and carried out more marketing campaigns to expand our Transacting Users base and their purchase frequency. Online marketing services revenue increased by 138.4% to RMB2.2 billion as a result of the increase in Active Merchants using our online marketing services and the revenue contributed by each merchant due to their growing willingness to acquire online traffic after the COVID-19 pandemic.

Our revenues from the in-store, hotel & travel segment increased by 112.7% to RMB6.6 billion for the first quarter of 2021 from RMB3.1 billion for the same period of 2020. Commission revenue increased by 172.0% to RMB3.3 billion due to the increase in Gross Transaction Volume driven by the recovery in consumer consumption. Online marketing services revenue increased by 75.7% to RMB3.3 billion, due to the increase in the number of online marketing Active Merchants and the revenue contributed by each merchant for the recovery in merchant operation.

Our revenues from the new initiatives and others segment increased by 136.5% to RMB9.9 billion for the first quarter of 2021 from RMB4.2 billion for the same period of 2020. Driven by both the recovery from the COVID-19 pandemic and our business expansion to satisfy consumers' growing needs, the increase in revenues was mainly from our retail businesses, B2B food distribution services and ride-sharing services.

### ***Costs and Expenses***

The following table sets forth a breakdown of our costs and expenses by function for the periods indicated:

	Unaudited		Three Months Ended		Year-over-year change
	March 31, 2021		March 31, 2020		
	Amount	As a percentage of revenues	Amount	As a percentage of revenues	
	<i>(RMB in thousands, except for percentages)</i>				
<b>Costs and Expenses:</b>					
Cost of revenues	29,816,095	80.5%	11,557,421	69.0%	158.0%
Selling and marketing expenses	7,206,408	19.5%	3,199,439	19.1%	125.2%
Research and development expenses	3,477,290	9.4%	2,296,458	13.7%	51.4%
General and administrative expenses	1,737,403	4.7%	1,069,741	6.4%	62.4%
Net (reversal of)/provision for impairment losses on financial assets	(33,775)	(0.1%)	237,542	1.4%	(114.2%)

### ***Cost of Revenues***

Our cost of revenues increased by 158.0% to RMB29.8 billion for the first quarter of 2021 from RMB11.6 billion for the same period of 2020, and increased by 11.5 percentage points to 80.5% from 69.0% as a percentage of revenues on a year-over-year basis. The increase in both amount and as a percentage of revenues was primarily attributable to the increased food delivery rider costs in line with the increase of the order volume and the continuous investments in our retail businesses and other new initiatives.

### ***Selling and Marketing Expenses***

Our selling and marketing expenses was RMB7.2 billion for the first quarter of 2021 and RMB3.2 billion for the same period of 2020, and increased by 0.4 percentage points to 19.5% from 19.1% as a percentage of revenues on a year-over-year basis. As we recovered from the COVID-19 pandemic, we made more expenditures in Transacting User incentives and promotion and advertising expenses. In addition, the increased number of employees due to our business expansion resulted in the increase in employee benefits expenses.

### ***Research and Development Expenses***

Our research and development expenses increased to RMB3.5 billion for the first quarter of 2021 from RMB2.3 billion for the same period of 2020, but decreased by 4.3 percentage points to 9.4% from 13.7% as a percentage of revenues on a year-over-year basis. The increase in amount was mainly driven by the increased number of employees due to our businesses expansion, and higher average salary. The decrease as a percentage of revenues was driven by the improved operating leverage.

### ***General and Administrative Expenses***

Our general and administrative expenses increased to RMB1.7 billion for the first quarter of 2021 from RMB1.1 billion for the same period of 2020, but decreased by 1.7 percentage points to 4.7% from 6.4% as a percentage of revenues on a year-over-year basis. The increase in amount was mainly driven by the increased number of employees due to our businesses expansion, and higher average salary. The decrease as a percentage of revenues was driven by the improved operating leverage.

### ***Net Reversal of/(Provision for) Impairment Losses on Financial Assets***

Our net reversal of/(provision for) impairment losses on financial assets changed to a net reversal of RMB33.8 million for the first quarter of 2021 from a net provision of RMB237.5 million in the same period of 2020, which was primarily attributable to the decrease in expected credit losses for financial assets.

### ***Fair Value Changes on Other Financial Investments at Fair Value Through Profit or Loss***

Our fair value changes on other financial investments at fair value through profit or loss was a gain of RMB42.0 million for the first quarter of 2021, compared to a loss of RMB508.3 million in the same period of 2020. This was primarily due to the fair value changes in our investments in listed entities.

### ***Other Gains, Net***

Our other gains, net for the first quarter of 2021 decreased by 5.3% and RMB21.3 million to RMB378.1 million compared to RMB399.4 million for the same period of 2020 primarily attributable to a one-off donation regarding the COVID-19 pandemic we made in the first quarter of 2020.

### ***Operating Loss***

As a result of the foregoing, our operating loss and margin for the first quarter of 2021 was RMB4.8 billion and negative 12.9% respectively, compared to operating loss of RMB1.7 billion and negative 10.2% in the same period of 2020.

Operating (loss)/profit and margin by segment are set forth in the table below.

**Unaudited  
Three Months Ended**

	March 31, 2021		March 31, 2020		Year-over-year change
	Amount	As a percentage of revenues	Amount	As a percentage of revenues	
	<i>(RMB in thousands, except for percentages)</i>				
Food delivery	1,115,885	5.4%	(70,881)	(0.7%)	NA
In-store, hotel & travel	2,748,205	41.7%	680,179	22.0%	304.0%
New initiatives and others	(8,044,445)	(81.6%)	(1,363,717)	(32.7%)	489.9%
Unallocated items	(586,652)	NA	(961,111)	NA	(39.0%)
<b>Total operating loss</b>	<b>(4,767,007)</b>	<b>(12.9%)</b>	<b>(1,715,530)</b>	<b>(10.2%)</b>	<b>177.9%</b>

Our operating profit from the food delivery segment turned to a profit of RMB1.1 billion for the first quarter of 2021 from a loss of RMB70.9 million for the same period of 2020 mainly due to the growth in gross profit driven by the recovered food delivery business from the COVID-19 pandemic, partially offset by the increase in selling and marketing expenses. Our operating margin for this segment increased by 6.1 percentage points to positive 5.4% from negative 0.7% on a year-over-year basis, which was mainly attributable to the increase in Monetization Rate due to recovered food delivery business, partially offset by lower average value per order.

Our operating profit from the in-store, hotel & travel segment increased by 304.0% to RMB2.7 billion for the first quarter of 2021 from RMB680.2 million for the same period of 2020. The increase was mainly due to the increase in gross profit because of recovery from the COVID-19 pandemic, partially offset by the increase in selling and marketing expenses. Our operating margin for this segment increased by 19.7 percentage points to 41.7% from 22.0% on a year-over-year basis attributable to the recovery of our in-store, hotel & travel businesses.

Our operating loss from the new initiatives and others segment expanded to RMB8.0 billion for the first quarter of 2021 from RMB1.4 billion for the same period of 2020 as we continued to ramp up our investments in this segment, especially the retail businesses. Our new retail business model was still at an early stage, tremendous investments to expand retail businesses nationwide resulted in the decrease of operating margin for this segment by 48.9 percentage points to negative 81.6% from negative 32.7% on a year-over-year basis.

***Loss before Income Tax***

Primarily as a result of the foregoing, our loss before income tax for the first quarter of 2021 was RMB4.9 billion, compared to a loss before income tax of RMB1.7 billion in the same period of 2020.

***Income Tax Credits***

We had income tax credits of RMB11.0 million for the first quarter of 2021, compared to income tax credits of RMB115.2 million in the same period of 2020, primarily due to the increase of unrecognized tax losses incurred by some entities.

***Loss for the Period***

As a result of the foregoing, we had a loss of RMB4.8 billion for the first quarter of 2021, compared to a loss of RMB1.6 billion in the same period of 2020.

## First Quarter of 2021 Compared to Fourth Quarter of 2020

The following table sets forth the comparative figures for the first quarter of 2021 and the fourth quarter of 2020:

	<b>Unaudited</b>	
	<b>Three Months Ended</b>	
	<b>March 31,</b>	December 31,
	<b>2021</b>	2020
	<i>(RMB in thousands)</i>	
<b>Revenues</b>		
Commission	<b>23,454,460</b>	24,373,609
Online marketing services	<b>5,665,135</b>	6,060,683
Interest revenue	<b>175,322</b>	252,335
Other services and sales	<b>7,721,345</b>	7,230,877
	<b>37,016,262</b>	37,917,504
Cost of revenues	<b>(29,816,095)</b>	(28,461,795)
<b>Gross profit</b>	<b>7,200,167</b>	9,455,709
Selling and marketing expenses	<b>(7,206,408)</b>	(7,675,340)
Research and development expenses	<b>(3,477,290)</b>	(3,249,199)
General and administrative expenses	<b>(1,737,403)</b>	(1,950,943)
Net reversal of/(provision for) impairment losses on financial assets	<b>33,775</b>	(54,187)
Fair value changes on other financial investments at fair value through profit or loss	<b>42,034</b>	(661,883)
Other gains, net	<b>378,118</b>	1,283,147
<b>Operating loss</b>	<b>(4,767,007)</b>	(2,852,696)
Finance income	<b>77,855</b>	69,724
Finance costs	<b>(166,052)</b>	(149,735)
Share of (losses)/gains of investments accounted for using equity method	<b>(2,013)</b>	117,398
<b>Loss before income tax</b>	<b>(4,857,217)</b>	(2,815,309)
Income tax credits	<b>10,955</b>	571,017
<b>Loss for the period</b>	<b>(4,846,262)</b>	(2,244,292)
<b>Non-IFRS measures:</b>		
Adjusted EBITDA	<b>(2,382,683)</b>	(589,128)
Adjusted net loss	<b>(3,891,717)</b>	(1,436,520)

## Revenues

Our revenues decreased by 2.4% to RMB37.0 billion for the first quarter of 2021 from RMB37.9 billion for the fourth quarter of 2020. The decrease was primarily due to the decrease in Gross Transaction Volume in our food delivery business, the decrease in our in-store, hotel & travel businesses due to the “stay-put” policy and seasonality, and partially offset by the robust revenue growth of our new initiatives.

The following table sets forth our revenues by segment and type in absolute amount for the first quarter of 2021 and the fourth quarter of 2020:

<b>Unaudited</b>				
<b>Three Months Ended March 31, 2021</b>				
<u>Food delivery</u>	<u>In-store, hotel &amp; travel</u>	<u>New initiatives and others</u>	<u>Total</u>	
<i>(RMB in thousands)</i>				
<b>Revenues</b>				
Commission	18,370,710	3,255,587	1,828,163	23,454,460
Online marketing services	2,192,127	3,315,840	157,168	5,665,135
Other services and sales (including interest revenue)	12,573	12,964	7,871,130	7,896,667
<b>Total</b>	<b>20,575,410</b>	<b>6,584,391</b>	<b>9,856,461</b>	<b>37,016,262</b>
<b>Unaudited</b>				
<b>Three Months Ended December 31, 2020</b>				
<u>Food delivery</u>	<u>In-store, hotel &amp; travel</u>	<u>New initiatives and others</u>	<u>Total</u>	
<i>(RMB in thousands)</i>				
<b>Revenues</b>				
Commission	19,058,227	3,581,958	1,733,424	24,373,609
Online marketing services	2,441,964	3,538,844	79,875	6,060,683
Other services and sales (including interest revenue)	37,794	14,558	7,430,860	7,483,212
<b>Total</b>	<b>21,537,985</b>	<b>7,135,360</b>	<b>9,244,159</b>	<b>37,917,504</b>

Our revenues from the food delivery segment decreased by 4.5% to RMB20.6 billion for the first quarter of 2021 from RMB21.5 billion for the fourth quarter of 2020. Commission revenue decreased by 3.6% to RMB18.4 billion primarily due to the decrease in order volume by 12.9% because of seasonality, partially offset by the increase in average value per order due to more premium dishes ordered for holiday gatherings. Online marketing services revenue decreased by 10.2% to RMB2.2 billion as a result of the decrease in online marketing spending per Active Merchants during the holiday season.



Our revenues from the in-store, hotel & travel segment decreased by 7.7% to RMB6.6 billion for the first quarter of 2021 from RMB7.1 billion for the fourth quarter of 2020. Commission revenue decreased by 9.1% to RMB3.3 billion, which was primarily due to the decreased consumption in our hotel business as people were encouraged to stay put during the holiday led to less travelling. Online marketing services revenue decreased by 6.3% to RMB3.3 billion, primarily due to the seasonality.

Our revenues from the new initiatives and others segment increased by 6.6% to RMB9.9 billion for the first quarter of 2021 from RMB9.2 billion for the fourth quarter of 2020, which was primarily due to the increase in the revenues from the retail businesses as a result of continuous business expansion.

### ***Costs and Expenses***

The following table sets forth a breakdown of our costs and expenses by function for the periods indicated:

	Unaudited		Three Months Ended		Quarter-over- quarter change
	March 31, 2021		December 31, 2020		
	Amount	As a percentage of revenues	Amount	As a percentage of revenues	
	<i>(RMB in thousands, except for percentages)</i>				
<b>Costs and Expenses:</b>					
Cost of revenues	29,816,095	80.5%	28,461,795	75.1%	4.8%
Selling and marketing expenses	7,206,408	19.5%	7,675,340	20.2%	(6.1%)
Research and development expenses	3,477,290	9.4%	3,249,199	8.6%	7.0%
General and administrative expenses	1,737,403	4.7%	1,950,943	5.1%	(10.9%)
Net (reversal of)/provision for impairment losses on financial assets	(33,775)	(0.1%)	54,187	0.1%	(162.3%)

### ***Cost of Revenues***

Our cost of revenues increased by 4.8% to RMB29.8 billion for the first quarter of 2021 from RMB28.5 billion for the fourth quarter of 2020, and increased by 5.4 percentage points to 80.5% from 75.1% as a percentage of revenues. The increase in both amount and as a percentage of revenues was mainly attributable to continuous investments in our new initiatives, especially the retail businesses.

### ***Selling and Marketing Expenses***

Our selling and marketing expenses decreased to RMB7.2 billion for the first quarter of 2021 from RMB7.7 billion for the fourth quarter of 2020, and decreased by 0.7 percentage points to 19.5% from 20.2% as a percentage of revenues on a quarter-over-quarter basis. The decrease was primarily attributable to decreased subsidies in our food delivery business during the holiday season.

### ***Research and Development Expenses***

Our research and development expenses increased to RMB3.5 billion for the first quarter of 2021 from RMB3.2 billion for the fourth quarter of 2020, and increased by 0.8 percentage points to 9.4% from 8.6% as a percentage of revenues. The increase in both amount and as a percentage of revenues was primarily attributable to the increased number of employees due to our new businesses expansion, and higher average salary.

### ***General and Administrative Expenses***

Our general and administrative expenses decreased to RMB1.7 billion for the first quarter of 2021 from RMB2.0 billion for the fourth quarter of 2020, and decreased by 0.4 percentage points to 4.7% from 5.1% as a percentage of revenues. The decrease in both amount and as a percentage of revenues was primarily due to improved operating efficiency.

### ***Net Reversal of/(Provision for) Impairment Losses on Financial Assets***

Our net reversal of/(provision for) impairment losses on financial assets changed to a net reversal of RMB33.8 million for the first quarter of 2021 from a net provision of RMB54.2 million for the fourth quarter of 2020, which was primarily due to the recovery of certain bad debts.

### ***Fair Value Changes on Other Financial Investments at Fair Value Through Profit or Loss***

Our fair value changes on other financial investments at fair value through profit or loss was a gain of RMB42.0 million for the first quarter of 2021, compared to a loss of RMB661.9 million for the fourth quarter of 2020. This was primarily due to the fair value changes in our investments in listed entities.

### ***Other Gains, Net***

Our other gains, net for the first quarter of 2021 decreased by RMB905.0 million to RMB378.1 million compared to the fourth quarter of 2020, which was mainly attributable to the decrease of dilution gain.

## ***Operating Loss***

As a result of the foregoing, our operating loss for the first quarter of 2021 was RMB4.8 billion, compared to a loss of RMB2.9 billion for the fourth quarter of 2020.

Operating (loss)/profit and operating margin by segment are set forth in the table below.

	Unaudited Three Months Ended				Quarter-over- quarter change
	March 31, 2021		December 31, 2020		
	Amount	As a percentage of revenues	Amount	As a percentage of revenues	
	<i>(RMB in thousands, except for percentages)</i>				
Food delivery	1,115,885	5.4%	882,352	4.1%	26.5%
In-store, hotel & travel	2,748,205	41.7%	2,821,935	39.5%	(2.6%)
New initiatives and others	(8,044,445)	(81.6%)	(6,002,831)	(64.9%)	34.0%
Unallocated items	(586,652)	NA	(554,152)	NA	5.9%
<b>Total operating loss</b>	<b><u>(4,767,007)</u></b>	<b>(12.9%)</b>	<b><u>(2,852,696)</u></b>	<b>(7.5%)</b>	<b>67.1%</b>

Our operating profit from the food delivery segment increased to RMB1.1 billion for the first quarter of 2021 from RMB882.4 million for the fourth quarter of 2020. The operating margin for this segment increased to 5.4% from 4.1% on a quarter-over-quarter basis. Both the increase in amount and as a percentage of revenues was mainly attributable to lower user subsidy ratio.

Our operating profit from the in-store, hotel & travel segment had a minor decrease from RMB2.8 billion to RMB2.7 billion in the first quarter of 2021, as a result of seasonality. The operating margin for this segment increased by 2.2 percentage points to 41.7% on a quarter-over-quarter basis, which was mainly attributable to the decreased expenditure of Transacting User incentives in our hotel business as people were encouraged to stay put during the holiday.

Our operating loss from the new initiatives and others segment expanded to RMB8.0 billion for the first quarter of 2021 from RMB6.0 billion for the fourth quarter of 2020, and the operating margin for this segment decreased by 16.7 percentage points to negative 81.6% from negative 64.9% on a quarter-over-quarter basis. The significant negative impact on both amount and as a percentage of revenues was primarily attributable to the increase in operating loss from the retail businesses driven by our rapid business expansion.

## ***Loss before Income Tax***

Primarily as a result of the foregoing, our loss before income tax for the first quarter of 2021 was RMB4.9 billion, compared to a loss before income tax of RMB2.8 billion for the fourth quarter of 2020.

## ***Income Tax Credits***

We had income tax credits of RMB11.0 million for the first quarter of 2021, compared to income tax credits of RMB571.0 million for the fourth quarter of 2020, primarily due to the increase of unrecognized tax losses incurred by some entities.

## ***Loss for the Period***

As a result of the foregoing, we had a loss of RMB4.8 billion for the first quarter of 2021, compared to a loss of RMB2.2 billion for the fourth quarter of 2020.

## **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 has 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 first quarter of 2021 and 2020, the fourth quarter of 2020, to the nearest measures prepared in accordance with IFRS.

	<b>Unaudited Three Months Ended</b>		
	<b>March 31, 2021</b>	March 31, 2020	December 31, 2020
	<i>(RMB in thousands)</i>		
Loss for the period	<b>(4,846,262)</b>	(1,579,278)	(2,244,292)
Adjusted for:			
Share-based compensation expenses	<b>937,902</b>	691,676	1,041,671
Fair value (gains)/losses on investments <sup>(1)</sup>	<b>(42,034)</b>	508,261	(191,031)
Gains on disposal of investments and subsidiaries	<b>(749)</b>	–	–
Amortization of intangible assets resulting from acquisitions	<b>125,637</b>	160,857	133,007
Impairment and expense (reversal)/provision for Mobike restructuring plan	<b>(1,735)</b>	(238)	738
Net reversal of impairment losses on financial assets	<b>(55,000)</b>	–	–
Tax effects on non-IFRS adjustments	<b>(9,476)</b>	2,374	(176,613)
<b>Adjusted net loss</b>	<b>(3,891,717)</b>	(216,348)	(1,436,520)
Adjusted for:			
Income tax credits, except for tax effects on non-IFRS adjustments	<b>(1,479)</b>	(117,612)	(394,404)
Share of losses/(gains) of investments accounted for using equity method	<b>2,013</b>	(11,128)	(117,398)

	<b>Unaudited</b>		
	<b>Three Months Ended</b>		
	<b>March 31, 2021</b>	March 31, 2020	December 31, 2020
	<i>(RMB in thousands)</i>		
Finance income	(77,855)	(57,930)	(69,724)
Finance costs	166,052	48,044	149,735
Other gains except for (gains)/losses related to fair value change, disposal and remeasurement of investments and subsidiaries	(377,369)	(399,445)	(430,233)
Amortization of software and others	76,603	131,636	75,597
Depreciation on property, plant and equipment	1,721,069	664,094	1,633,819
<b>Adjusted EBITDA</b>	<b>(2,382,683)</b>	41,311	(589,128)

- (1) Represents gains from fair value changes on investments, including (i) fair value changes on other financial investments at fair value through profit or loss, and (ii) dilution gain.

### 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 or senior notes. We had cash and cash equivalents of RMB17.8 billion and short-term treasury investments of RMB35.3 billion as of March 31, 2021.

The following table sets forth our cash flows for the first quarter of 2021 indicated:

	<b>Unaudited</b>
	<b>Three Months Ended</b>
	<b>March 31, 2021</b>
	<i>(RMB in thousands)</i>
Net cash flows used in operating activities	(4,430,131)
Net cash flows generated from investing activities	4,737,057
Net cash flows generated from financing activities	441,902
<b>Net increase in cash and cash equivalents</b>	<b>748,828</b>
Cash and cash equivalents at the beginning of the period	17,093,559
Exchange loss on cash and cash equivalents	(49,485)
<b>Cash and cash equivalents at the end of the period</b>	<b>17,792,902</b>

### ***Net Cash Flows Used in Operating Activities***

Net cash flows used in operating activities represents the cash used in our operations minus the income tax paid. Cash used in our operations primarily consisted of our loss for the first quarter of 2021, as adjusted by non-cash items and changes in working capital.

For the first quarter of 2021, net cash flows used in operating activities was RMB4.4 billion, which was primarily attributable to our loss before income tax, as adjusted by (i) depreciation and amortization and share-based payments, partially offset by dividend income and interest classified as investing cash flows, and (ii) changes in working capital, which primarily comprised an decrease in trade payables, restricted cash, other payables and accruals, payables to merchants and deferred revenues.

### ***Net Cash Flows Generated from Investing Activities***

For the first quarter of 2021, net cash flows generated from investing activities was RMB4.7 billion, which was mainly attributable to net cash flows generated from treasury investments, partially offset by purchase of property, plant and equipment, land use rights, and investments in some unlisted entities.

### ***Net Cash Flows Generated from Financing Activities***

For the first quarter of 2021, net cash flows generated from financing activities was RMB441.9 million, which was mainly attributable to proceeds from borrowings, partially offset by repayments of borrowings and lease payments.

### ***Gearing ratio***

As of March 31, 2021, our gearing ratio, calculated as total borrowings and notes payable divided by total equity attributable to equity holders of the Company, was approximately 23%.



## FINANCIAL INFORMATION

### CONDENSED CONSOLIDATED INCOME STATEMENT

	<b>Unaudited</b>		
	<b>Three months ended</b>		
	<b>March 31, 2021</b>	March 31, 2020	December 31, 2020
	<i>(RMB in thousands)</i>		
<b>Revenues</b>			
Commission	<b>23,454,460</b>	10,800,101	24,373,609
Online marketing services	<b>5,665,135</b>	2,864,409	6,060,683
Interest revenue	<b>175,322</b>	212,145	252,335
Other services and sales	<b>7,721,345</b>	2,877,232	7,230,877
	<b>37,016,262</b>	16,753,887	37,917,504
Cost of revenues	<b>(29,816,095)</b>	(11,557,421)	(28,461,795)
<b>Gross profit</b>	<b>7,200,167</b>	5,196,466	9,455,709
Selling and marketing expenses	<b>(7,206,408)</b>	(3,199,439)	(7,675,340)
Research and development expenses	<b>(3,477,290)</b>	(2,296,458)	(3,249,199)
General and administrative expenses	<b>(1,737,403)</b>	(1,069,741)	(1,950,943)
Net reversal of/(provision for) impairment losses on financial assets	<b>33,775</b>	(237,542)	(54,187)
Fair value changes on other financial investments at fair value through profit or loss	<b>42,034</b>	(508,261)	(661,883)
Other gains, net	<b>378,118</b>	399,445	1,283,147
<b>Operating loss</b>	<b>(4,767,007)</b>	(1,715,530)	(2,852,696)
Finance income	<b>77,855</b>	57,930	69,724
Finance costs	<b>(166,052)</b>	(48,044)	(149,735)
Share of (losses)/gains of investments accounted for using equity method	<b>(2,013)</b>	11,128	117,398
<b>Loss before income tax</b>	<b>(4,857,217)</b>	(1,694,516)	(2,815,309)
Income tax credits	<b>10,955</b>	115,238	571,017
<b>Loss for the period</b>	<b>(4,846,262)</b>	(1,579,278)	(2,244,292)
<b>(Loss)/profit for the period attributable to:</b>			
Equity holders of the Company	<b>(4,847,283)</b>	(1,578,336)	(2,244,701)
Non-controlling interests	<b>1,021</b>	(942)	409
	<b>(4,846,262)</b>	(1,579,278)	(2,244,292)

## CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Unaudited As of March 31, 2021	Audited As of December 31, 2020
<i>(RMB in thousands)</i>		
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	13,696,617	13,917,165
Intangible assets	31,482,451	31,676,381
Deferred tax assets	477,392	448,670
Long-term treasury investments	618,886	612,967
Other financial investments at fair value through profit or loss	11,045,938	10,256,786
Investments accounted for using the equity method	13,238,372	13,180,943
Other financial investments at fair value through other comprehensive income	738,660	605,918
Prepayments, deposits and other assets	10,284,050	7,569,817
	81,582,366	78,268,647
<b>Current assets</b>		
Inventories	477,874	466,492
Trade receivables	1,226,481	1,030,948
Prepayments, deposits and other assets	12,806,092	12,940,125
Short-term treasury investments	35,332,854	43,999,364
Restricted cash	11,022,524	12,775,667
Cash and cash equivalents	17,792,902	17,093,559
	78,658,727	88,306,155
<b>Total assets</b>	<b>160,241,093</b>	<b>166,574,802</b>
<b>EQUITY</b>		
Share capital	395	395
Share premium	263,336,290	263,155,201
Shares held for shares award scheme	–	–
Other reserves	(5,183,304)	(6,262,066)
Accumulated losses	(164,047,786)	(159,200,503)
	94,105,595	97,693,027
<b>Equity attributable to equity holders of the Company</b>	<b>94,105,595</b>	<b>97,693,027</b>
<b>Non-controlling interests</b>	<b>(57,731)</b>	<b>(58,752)</b>
<b>Total equity</b>	<b>94,047,864</b>	<b>97,634,275</b>

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)**

	<b>Unaudited</b>	Audited
	<b>As of</b>	As of
	<b>March 31,</b>	December 31,
	<b>2021</b>	2020
	<i>(RMB in thousands)</i>	
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Deferred tax liabilities	753,203	755,694
Financial liabilities at fair value through profit or loss	246,000	114,600
Deferred revenues	104,843	166,700
Borrowings	1,971,390	1,957,470
Notes payable	13,063,336	12,966,341
Lease liabilities	1,696,533	1,648,008
Other non-current liabilities	212,245	184,073
	<u>18,047,550</u>	<u>17,792,886</u>
<b>Current liabilities</b>		
Trade payables	10,188,187	11,967,026
Payables to merchants	8,704,278	9,414,936
Advances from transacting users	4,450,411	4,307,861
Deposits from transacting users	2,196,671	2,222,211
Other payables and accruals	9,154,438	10,557,218
Borrowings	7,074,497	6,395,002
Deferred revenues	4,910,921	5,052,830
Lease liabilities	1,301,337	1,089,847
Income tax liabilities	164,939	140,710
	<u>48,145,679</u>	<u>51,147,641</u>
<b>Total liabilities</b>	<u><b>66,193,229</b></u>	<u><b>68,940,527</b></u>
<b>Total equity and liabilities</b>	<u><b>160,241,093</b></u>	<u><b>166,574,802</b></u>

## **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 three months ended March 31, 2021.

### **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, 2021. 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.

### **Events after the Reporting Period**

On April 27, 2021, the Company issued US\$1,483,600,000 in aggregate principal amount of zero coupon convertible bonds due 2027 and US\$1,500,000,000 in aggregate principal amount of zero coupon convertible bonds due 2028, and concurrently completed a top-up placing of an aggregate of 187,000,000 Class B ordinary shares at HK\$273.80 per share to no less than six places.

### **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 as set out in Appendix 14 to the Listing Rules as the basis of the Company's corporate governance practices.

Save for code provision A.2.1, the Company has complied with all the code provisions as set out in the CG Code where applicable during the three months ended March 31, 2021. 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.

## **Compliance with the Model Code for Securities Transactions by Directors**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors’ securities transactions. Having made specific enquiries of all Directors, each of the Directors has confirmed that he has complied with the required standards as set out in the Model Code during the three months ended March 31, 2021.

## **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**  
**Wang Xing**  
*Chairman*

Hong Kong, May 28, 2021

*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:

<b>Term</b>	<b>Definition</b>
“Articles” or “Articles of Association”	the articles of association of the Company adopted on August 30, 2018 with effect from Listing, as amended from time to time
“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 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
“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 (美团) (formerly known as Meituan Dianping (美团点评)), an exempted company with limited liability incorporated under the laws of the Cayman Islands on September 25, 2015, or Meituan (美团) 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”	the listing of the Class B Shares on the Main Board of the Stock Exchange
“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
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the Growth Enterprise Market of the Stock Exchange
“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
“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 and 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
“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)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it in section 15 of the Companies Ordinance
“United States,” “U.S.” or “US”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“US\$”	U.S. dollar, the lawful currency of the United States
“%”	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