

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

美团

Meituan

(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, 2022

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, 2022. 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

	Unaudited Three Months Ended				Year-over- year change
	March 31, 2022		March 31, 2021		
	Amount	As a percentage of revenues	Amount	As a percentage of revenues	
	<i>(RMB in thousands, except for percentages)</i>				
Revenues	46,268,754	100.0%	37,016,262	100.0%	25.0%
Operating loss	(5,584,242)	(12.1%)	(4,767,007)	(12.9%)	17.1%
Loss for the period	(5,702,566)	(12.3%)	(4,846,262)	(13.1%)	17.7%
Non-IFRS Measures:					
Adjusted EBITDA	(1,840,771)	(4.0%)	(2,382,683)	(6.4%)	(22.7%)
Adjusted net loss	(3,586,252)	(7.8%)	(3,891,717)	(10.5%)	(7.8%)

Financial Information by Segment

Unaudited Three Months Ended March 31, 2022

	Food delivery	In-store, hotel & travel	New initiatives and others	Unallocated items ¹	Total
	<i>(RMB in thousands)</i>				
Revenues:					
Food delivery services	13,500,013	–	–	–	13,500,013
Commission	7,206,757	3,542,896	2,282,426	–	13,032,079
Online marketing services	2,639,206	4,063,588	316,088	–	7,018,882
Other services and sales (including interest revenue)	810,746	15,025	11,892,009	–	12,717,780
Total revenues	24,156,722	7,621,509	14,490,523	–	46,268,754
Cost of revenues, operating expenses and unallocated items	(22,579,579)	(4,147,963)	(23,515,277)	(1,610,177)	(51,852,996)
Including: Food delivery related costs	(17,181,924)	–	–	–	(17,181,924)
Operating (loss)/profit	1,577,143	3,473,546	(9,024,754)	(1,610,177)	(5,584,242)

Unaudited Three Months Ended March 31, 2021

	Food delivery	In-store, hotel & travel	New initiatives and others	Unallocated items	Total
	<i>(RMB in thousands)</i>				
Revenues:					
Food delivery services	12,165,172	–	–	–	12,165,172
Commission	5,809,915	3,255,587	1,828,163	–	10,893,665
Online marketing services	2,192,127	3,315,840	157,168	–	5,665,135
Other services and sales (including interest revenue)	408,196	12,964	7,871,130	–	8,292,290
Total revenues	20,575,410	6,584,391	9,856,461	–	37,016,262
Cost of revenues, operating expenses and unallocated items	(19,459,525)	(3,836,186)	(17,900,906)	(586,652)	(41,783,269)
Including: Food delivery related costs	(15,378,586)	–	–	–	(15,378,586)
Operating (loss)/profit	1,115,885	2,748,205	(8,044,445)	(586,652)	(4,767,007)

¹ Unallocated items mainly include (i) share-based compensation expenses, (ii) amortisation of intangible assets resulting from acquisitions, (iii) fair value changes of other financial investments at fair value through profit or loss, and (iv) other gains, net. They are not allocated to individual segments.

	Year-over-year change				Total
	Food delivery	In-store, hotel & travel	New initiatives and others	Unallocated items	
	<i>(Percentages %)</i>				
Revenues:					
Food delivery services	11.0	NA	NA	NA	11.0
Commission	24.0	8.8	24.8	NA	19.6
Online marketing services	20.4	22.6	101.1	NA	23.9
Other services and sales (including interest revenue)	98.6	15.9	51.1	NA	53.4
Total revenues	17.4	15.8	47.0	NA	25.0
Cost of revenues, operating expenses and unallocated items	16.0	8.1	31.4	174.5	24.1
Including: Food delivery related costs	11.7	NA	NA	NA	11.7
Operating (loss)/profit	41.3	26.4	12.2	174.5	17.1

Operating Metrics

	Twelve Months Ended		
	March 31, 2022	March 31, 2021	Year-over-year change
	<i>(in millions, except for percentages)</i>		
Number of Transacting Users	692.9	569.3	21.7%
Number of Active Merchants	9.0	7.1	26.6%
	<i>(units, except for percentages)</i>		
Average number of transactions per annual Transacting User	37.2	30.5	21.9%
	Three Months Ended		
	March 31, 2022	March 31, 2021	Year-over-year change
	<i>(in millions, except for percentages)</i>		
Number of food delivery transactions ²	3,361.6	2,902.7	15.8%

² Our 1P model, for which we organise and provide food delivery services, accounted for about 65% and 66% of total number of food delivery transactions for the first quarter of 2022 and 2021.

BUSINESS REVIEW

Company Financial Highlights

During this quarter, our revenues increased by 25% to RMB46.3 billion from RMB37.0 billion for the same period of 2021. Our food delivery and in-store, hotel & travel segments achieved an aggregate operating profit of RMB5.1 billion for the first quarter of 2022, up from RMB3.9 billion for the same period of 2021, while the operating loss for new initiatives and others segment widened on a year-over-year basis but narrowed on a quarter-over-quarter basis. Our adjusted EBITDA and adjusted net loss improved on both year-over-year and quarter-over-quarter basis to negative RMB1.8 billion and RMB3.6 billion for the first quarter of 2022, respectively. We held cash and cash equivalents of RMB35.4 billion and short-term treasury investments of RMB68.0 billion as of March 31, 2022.

Company Business Highlights

Food delivery

We achieved healthy growth for the food delivery segment for the first quarter of 2022, despite the external challenges. Segment revenue increased by 17.4% year over year to RMB24.2 billion. The increase in revenue was primarily attributable to increases in the order volume and average order value. Operating profit increased by 41.3% year over year to RMB1.6 billion, and operating margin improved to 6.5%.

For the first quarter of 2022, both quarterly Transacting Users and transaction frequency increased year over year. In particular, transaction frequency of medium- and high-frequency users grew more rapidly than average. Our business performance had been resilient in the first two months of the quarter, before it was severely affected in March due to the spread of Omicron in many regions. We further strengthened consumer mindshare in food delivery and accumulated more premium consumers with high consumption power. During the Chinese New Year, as more people “stayed put”, we broadened our selections by increasing the number of merchants that served Chinese New Year meals, so that people could enjoy convenience and variety when ordering food delivery for family gatherings and holiday celebrations. As a result, orders with high order value contributed to a higher percentage of total order volume, and new categories such as beverages and desserts were particularly popular during the holidays. Since March, due to the spread of Omicron and strict control measures in certain regions, a large number of merchants suspended operations and many of our couriers were quarantined. Our business was largely impacted by the limited supply and restrained delivery capacity. Nevertheless, we were able to provide consumers with food, drinks and necessities in locked-down cities, leveraging our strong organisational and execution capabilities. For example, we quickly launched community group meal services and “emergency helper” services, to help those people in need in Shanghai. We also offered commission rebates, “Food Delivery Manager” services, and smart operational equipment for free, to help merchants undergo difficult times, especially small and medium-sized merchants. All these new service models and support measures are strong testament to our execution capability and flexibility. Although our short-term business performance is affected, we are more confident than ever about the long-term value we build and the growing mindshare from consumers.

Couriers are at the core of our food delivery business. To ensure sufficient delivery capacity and safe working environment for couriers, we offered couriers free COVID-19 testing alongside local governments and free accommodations or rest stations for those living in locked-down communities. In addition, we provided smart safety helmets for couriers in more cities, as couriers' safety is always of utmost importance. The second-generation smart helmets that we introduced in February are lighter-weight and more user-friendly. For occupational injury insurance, we cooperate with government authorities and follow their guidance in policy execution, so that pilot programs can be launched in a timely manner. We focus on couriers' welfare and security in every part of our business operations and decision-making to ensure a safer working environment with better cares and benefits for couriers.

In-store, hotel & travel

In the first quarter of 2022, segment revenue increased by 15.8% year over year to RMB7.6 billion, and operating profit increased by 26.4% year over year to RMB3.5 billion, with operating margin being at 45.6%. The growths in revenue and operating profit for the segment were robust in January and February, before they were adversely affected in March due to the spread of Omicron.

For the in-store services, both annual Active Merchants and annual Transacting Users increased, as we further expanded our service categories, launched promotional campaigns, and leveraged holidays to stimulate consumption. We continued to optimize our online marketing and transaction-based products and services, helping merchants acquire consumers and improve operating efficiency. On the consumer side, we strengthened the consumer mindshare of Meituan as the "go-to destination for local services". Inspired by the evolving consumption trends among younger generations, we continued to focus on light-meal and fast food categories for the in-store dining business, and continued to bring diverse and trendy services to our nearly 200 existing categories for the other in-store business. In March, our business was affected by the Omicron spread and strict control measures, especially in some high-tier cities. Despite short-term headwinds, we are confident that consumption will recover and our business will resume normal growth when the pandemic is over, and we will actively cooperate with local governments to promote consumption recovery.

The hotel and travel business was significantly disturbed by the Omicron spread and travel restrictions in March. During the first quarter of 2022, our domestic hotel room nights decreased by a single-digit percentage year over year. Demand for local accommodations continued to outpace inter-city travel scenarios, and we further improved our service quality to cope with the rising demand for local travels. Room night contribution from high-star hotels reached new record high of 17.4%, thanks to our continued improvement in products, services, and marketing capabilities. For low- and medium-star hotels, we continued to optimize our products and services to help hotel merchants operate with higher efficiency.

New initiatives and others

For new initiatives and others, the goods retail businesses remained and will continue to be our key investment area. In the first quarter of 2022, segment revenue increased by 47.0% year over year to RMB14.5 billion, mainly driven by the expansion of the goods retail businesses. Operating loss for the segment narrowed sequentially to RMB9.0 billion, with operating margin improving to negative 62.3%, primarily attributable to stronger cost control and operating leverage in the goods retail businesses.

Meituan Select showcased another quarter of high-quality growth. During the quarter, we strengthened our core capabilities in digital operations and fulfillment. On the supply side, we deepened collaborations with merchants to offer consumers more quality SKUs and diverse selections. Notably, the mix of agricultural products from “direct sourcing” or “centralised nationwide procurement” programs increased. Moreover, we optimised our cold-chain logistics, expanded network coverage, and ensured quality control throughout the supply chain. We iterated our smart warehousing systems and fulfilment methods to further improve efficiency. We also actively supported farmers by not only helping promote their products, but also providing job opportunities through our new vocational training programs in lower-tier markets, as corporate social responsibility remained a top priority for us. In addition, we actively participated in the COVID-19 prevention and control measures under the government’s guidance, and ensured supply at reasonable prices for consumers.

Meituan Instashopping continued to post stellar growth in the first quarter of 2022, with order volume increasing by almost 70% year over year, thanks to increases in user base and transaction frequency. We continued to convert high-quality food delivery users into Meituan Instashopping users, and leveraged various marketing and promotional campaigns to incentivise consumption. When people “stayed put” during the Chinese New Year, we collaborated with supermarkets, chain stores, convenience stores and specialty stores on promotions, allowing consumers to enjoy a more diverse range of goods delivered to their doorsteps. During the Chinese New Year and Valentine’s Day, an increasing number of consumers ordered holiday gifts, such as flowers, electronics and cosmetics from our platform for their loved ones. As a result, both GTV and order volume grew notably during the holiday season compared to the same period of last year. On the merchant side, we continued to onboard more merchants and expanded offering diversity to fulfill the evolving demand from consumers. In March, consumer demand to stock up food and supplies surged in the regions affected by the spread of Omicron. Leveraging our platform capability, Meituan Instashopping met the consumer needs of stockpiling by providing diverse SKU selections with broad merchant base and convenient on-demand delivery services, which effectively helped ensure the supply of grocery and necessities. We also worked with a number of pharmacies to deliver antigen testing kits and ensure sufficient supply of medicines. In the future, we will further improve operations for large specialty store and supermarket accounts, and strengthen consumer mindshare as a trusted partner that delivers “everything now” to their doorsteps.

Meituan Grocery achieved stellar growth in the first quarter of 2022, with order volume increasing by almost 120% year over year and daily transaction volume reaching a new high. By continuously improving product selections and marketing strategies, we not only stimulated holiday consumption demand, but also helped consumers to stock up food and supplies at short notice. During the lockdown in Shanghai, we made our utmost effort to ensure stable supply of daily necessities, and launched a community group purchase feature for the residents in lockdowns. In addition, we significantly increased our inventory at the front distribution centers, extended our business hours, and increased staffing for sorting and delivery. We also sent autonomous delivery vehicles to Shanghai to provide contactless delivery and increase delivery capacity. Going forward, we will continue to improve the operational efficiency and continue to use technology to empower the digital transformation of the industry.

As a technology-empowered local retail company, we proactively responded to the government's guidance around pandemic control measures, to fulfill our social responsibilities and create value for the broader society. Our on-demand delivery network played a crucial role in providing meals, groceries, medicines and other services for consumers in the affected areas. Meanwhile, we continued to assist small and medium-sized merchants, provide better service to solve their operational pain points, and help them navigate through difficulties. We are proud of the seamless cooperation across the company in exploring safe and creative solutions for the consumers and merchants during the tough times. In addition, we continually invested in advanced technologies, especially in autonomous delivery vehicles and drones, to provide people with consistent and high-quality services and improve user experience. As of March 31, 2022, our autonomous delivery vehicles had fulfilled over 1.5 million delivery orders in total, with the accumulated delivery mileage exceeding 1 million kilometers. We also pioneered in leveraging autonomous delivery to help fight against COVID-19. During the recent Omicron spread since March, we distributed autonomous delivery vehicles in Shanghai and Beijing to ensure supply and provide delivery of meals, daily products and necessities for residents under lockdown. Going forward, we will continue to build on the mutual trust forged strongly among consumers, merchants, couriers, and all other industry participants along the journey, and fulfill our mission: "We help people eat better, live better".

MANAGEMENT DISCUSSION AND ANALYSIS

The First Quarter of 2022 Compared to the First Quarter of 2021

The following table sets forth the comparative figures for the first quarter of 2022 and 2021:

	Unaudited Three Months Ended	
	March 31, 2022	March 31, 2021
	<i>(RMB in thousands)</i>	
Revenues	46,268,754	37,016,262
Including: Interest revenue	223,293	175,322
Cost of revenues	(35,528,467)	(29,816,095)
Gross profit	10,740,287	7,200,167
Selling and marketing expenses	(9,105,728)	(7,206,408)
Research and development expenses	(4,879,033)	(3,477,290)
General and administrative expenses	(2,312,289)	(1,737,403)
Net (provisions for)/reversals of impairment losses on financial and contract assets	(153,316)	33,775
Fair value changes of other financial investments at fair value through profit or loss	(802,894)	42,034
Other gains, net	928,731	378,118
Operating loss	(5,584,242)	(4,767,007)
Finance income	110,359	77,855
Finance costs	(330,317)	(166,052)
Share of gains/(losses) of investments accounted for using the equity method	46,411	(2,013)
Loss before income tax	(5,757,789)	(4,857,217)
Income tax credits	55,223	10,955
Loss for the period	(5,702,566)	(4,846,262)
Non-IFRS measures:		
Adjusted EBITDA	(1,840,771)	(2,382,683)
Adjusted net loss	(3,586,252)	(3,891,717)

Revenues

Our revenues increased by 25.0% to RMB46.3 billion for the first quarter of 2022 from RMB37.0 billion for the same period of 2021. The increase was mainly driven by the steady revenue growth of our food delivery and in-store, hotel & travel businesses and the strong revenue growth of our new initiatives, especially the goods retail businesses.

The following table sets forth our revenues by segment and type in absolute amount for the first quarter of 2022 and 2021:

	Unaudited			
	Three Months Ended March 31, 2022			
	Food delivery	In-store, hotel & travel	New initiatives and others	Total
	<i>(RMB in thousands)</i>			
Revenues				
Food delivery services	13,500,013	–	–	13,500,013
Commission	7,206,757	3,542,896	2,282,426	13,032,079
Online marketing services	2,639,206	4,063,588	316,088	7,018,882
Other services and sales (including interest revenue)	810,746	15,025	11,892,009	12,717,780
Total	24,156,722	7,621,509	14,490,523	46,268,754
	Unaudited			
	Three Months Ended March 31, 2021			
	Food delivery	In-store, hotel & travel	New initiatives and others	Total
	<i>(RMB in thousands)</i>			
Revenues				
Food delivery services	12,165,172	–	–	12,165,172
Commission	5,809,915	3,255,587	1,828,163	10,893,665
Online marketing services	2,192,127	3,315,840	157,168	5,665,135
Other services and sales (including interest revenue)	408,196	12,964	7,871,130	8,292,290
Total	20,575,410	6,584,391	9,856,461	37,016,262

Our revenues from the food delivery segment increased by 17.4% to RMB24.2 billion for the first quarter of 2022 from RMB20.6 billion for the same period of 2021, despite the negative impact on the business due to the spread of Omicron in March. Our evolved membership program and enriched online consumption scenarios facilitated the increase in number of transactions as well as average order value on a year-over-year basis during this quarter, driving the increase in both food delivery services and commission revenues. The increase in online marketing services revenue on a year-over-year basis was mainly attributable to the increase in number of quarterly online marketing Active Merchants.

Our revenues from the in-store, hotel & travel segment increased by 15.8% to RMB7.6 billion for the first quarter of 2022 from RMB6.6 billion for the same period of 2021, primarily attributable to the increase in GTV and number of quarterly online marketing Active Merchants.

Our revenues from the new initiatives and others segment increased by 47.0% to RMB14.5 billion for the first quarter of 2022 from RMB9.9 billion for the same period of 2021, mainly contributed by our goods retail businesses.

Costs and Expenses

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

	Unaudited				Year-over-year change
	Three Months Ended				
	March 31, 2022	March 31, 2021			
Amount	As a percentage of revenues	Amount	As a percentage of revenues		
<i>(RMB in thousands, except for percentages)</i>					
Costs and Expenses:					
Cost of revenues	35,528,467	76.8%	29,816,095	80.5%	19.2%
Selling and marketing expenses	9,105,728	19.7%	7,206,408	19.5%	26.4%
Research and development expenses	4,879,033	10.5%	3,477,290	9.4%	40.3%
General and administrative expenses	2,312,289	5.0%	1,737,403	4.7%	33.1%
Net provisions for/(reversals of) impairment losses on financial and contract assets	153,316	0.3%	(33,775)	(0.1%)	NA

Cost of Revenues

Our cost of revenues increased by 19.2% to RMB35.5 billion for the first quarter of 2022 from RMB29.8 billion for the same period of 2021, and decreased by 3.7 percentage points to 76.8% from 80.5% as a percentage of revenues on a year-over-year basis. The increase in amount was primarily attributable to an increase of RMB1.8 billion in food delivery related costs to RMB17.2 billion, which was in line with the increase in related number of transactions, and the expanded investment in our goods retail businesses. The decrease in cost of revenues as a percentage of revenues was mainly due to the improved gross margin of our food delivery segment and goods retail businesses.

Selling and Marketing Expenses

Our selling and marketing expenses was RMB9.1 billion for the first quarter of 2022 and RMB7.2 billion for the same period of 2021, and increased by 0.2 percentage points to 19.7% from 19.5% as a percentage of revenues on a year-over-year basis. Both the increases in the amount and as a percentage of revenues were primarily attributable to the increase in employee benefits expenses, promotion expenses and outsourcing labour costs due to our business expansion, especially goods retail businesses, partially offset by lower Transacting User incentives.

Research and Development Expenses

Our research and development expenses increased to RMB4.9 billion for the first quarter of 2022 from RMB3.5 billion for the same period of 2021, and increased by 1.1 percentage points to 10.5% from 9.4% as a percentage of revenues on a year-over-year basis. The increases in both amount and as a percentage of revenues were mainly attributable to the increase in employee benefits expenses driven by our business expansion.

General and Administrative Expenses

Our general and administrative expenses increased to RMB2.3 billion for the first quarter of 2022 from RMB1.7 billion for the same period of 2021, and increased by 0.3 percentage points to 5.0% from 4.7% as a percentage of revenues on a year-over-year basis. The increases in both amount and as a percentage of revenues were mainly attributable to the increase in employee benefits expenses.

Net Provisions for/(Reversals of) Impairment Losses on Financial and Contract Assets

Our net provisions for/(reversals of) impairment losses on financial and contract assets changed to net provisions of RMB153.3 million for the first quarter of 2022 from net reversals of RMB33.8 million for the same period of 2021, which reflected the change in expected credit losses for financial assets.

Fair Value Changes of Other Financial Investments at Fair Value Through Profit or Loss

Our loss in fair value changes of other financial investments at fair value through profit or loss was RMB802.9 million for the first quarter of 2022, compared to a gain of RMB42.0 million for the same period of 2021. The loss for this quarter was mainly driven by the fluctuation in the fair value of our investment portfolios.

Other Gains, Net

Our other gains, net for the first quarter of 2022 increased by RMB550.6 million to RMB928.7 million from RMB378.1 million for the same period of 2021, which was primarily attributable to the increased amount of subsidies and tax preference and net gains from certain investments.

Operating Loss

As a result of the foregoing, our operating loss and margin for the first quarter of 2022 was RMB5.6 billion and negative 12.1% respectively, compared to operating loss and margin of RMB4.8 billion and negative 12.9% for the same period of 2021.

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

	Unaudited				Year-over-year change
	Three Months Ended				
	March 31, 2022	March 31, 2021			
Amount	As a percentage of revenues	Amount	As a percentage of revenues		
<i>(RMB in thousands, except for percentages)</i>					
Food delivery	1,577,143	6.5%	1,115,885	5.4%	41.3%
In-store, hotel & travel	3,473,546	45.6%	2,748,205	41.7%	26.4%
New initiatives and others	(9,024,754)	(62.3%)	(8,044,445)	(81.6%)	12.2%
Unallocated items	(1,610,177)	NA	(586,652)	NA	174.5%
Total operating loss	<u>(5,584,242)</u>	(12.1%)	<u>(4,767,007)</u>	(12.9%)	17.1%

Our operating profit from the food delivery segment increased by 41.3% to RMB1.6 billion for the first quarter of 2022 from RMB1.1 billion for the same period of 2021 and the operating margin increased by 1.1 percentage points to 6.5% from 5.4% on a year-over-year basis. The increase in operating profit was mainly attributable to (i) increased number of transactions; (ii) higher average order value; and (iii) increased gross profit as we improved the efficiency of our food delivery network. The increase in operating margin was mainly attributable to the increased gross profit and the lower Transacting User incentive ratio.

Our operating profit from the in-store, hotel & travel segment increased by 26.4% to RMB3.5 billion for the first quarter of 2022 from RMB2.7 billion for the same period of 2021, driven by the steady revenue growth. The operating margin increased by 3.9 percentage points to 45.6% from 41.7% on a year-over-year basis, which was mainly attributable to: (i) change of segment revenue mix, as hotel booking business which has a relatively lower operating margin contributed to a smaller portion of segment revenue due to more severe impact from Omicron in March; and (ii) operating expenses savings as we dealt with the challenging macro environment and Omicron spread.

Our operating loss from the new initiatives and others segment expanded to RMB9.0 billion for the first quarter of 2022 from RMB8.0 billion for the same period of 2021, driven by the continuous investment in our goods retail businesses and other new initiatives to satisfy consumers' demands in a variety of consumption scenarios. The operating margin for this segment improved by 19.3 percentage points to negative 62.3% from negative 81.6% on a year-over-year basis, as we continuously made efforts on cost structure and operating leverage in goods retail businesses.

Income Tax Credits

We had income tax credits of RMB55.2 million for the first quarter of 2022, compared to income tax credits of RMB11.0 million for the same period of 2021, primarily due to the deferred income tax credits arising from fair value loss of certain investments.

Loss for the Period

As a result of the foregoing, we had loss of RMB5.7 billion for the first quarter of 2022, compared to loss of RMB4.8 billion for the same period of 2021.

The First Quarter of 2022 Compared to the Fourth Quarter of 2021

The following table sets forth the comparative figures for the first quarter of 2022 and the fourth quarter of 2021:

	Unaudited	
	Three Months Ended	
	March 31,	December 31,
	2022	2021
	<i>(RMB in thousands)</i>	
Revenues	46,268,754	49,523,133
Including: Interest revenue	223,293	238,175
Cost of revenues	(35,528,467)	(37,540,530)
Gross profit	10,740,287	11,982,603
Selling and marketing expenses	(9,105,728)	(11,239,904)
Research and development expenses	(4,879,033)	(4,581,961)
General and administrative expenses	(2,312,289)	(2,435,083)
Net provisions for impairment losses on financial and contract assets	(153,316)	(52,489)
Fair value changes of other financial investments at fair value through profit or loss	(802,894)	726,955
Other gains, net	928,731	594,023
Operating loss	(5,584,242)	(5,005,856)
Finance income	110,359	157,174
Finance costs	(330,317)	(331,672)
Share of gains/(losses) of investments accounted for using the equity method	46,411	(163,855)
Loss before income tax	(5,757,789)	(5,344,209)
Income tax credits	55,223	5,058
Loss for the period	(5,702,566)	(5,339,151)
Non-IFRS measures:		
Adjusted EBITDA	(1,840,771)	(2,009,748)
Adjusted net loss	(3,586,252)	(3,935,732)

Revenues

Our revenues decreased by 6.6% to RMB46.3 billion for the first quarter of 2022 from RMB49.5 billion for the fourth quarter of 2021. The decrease was primarily from our food delivery segment and in-store, hotel & travel segment due to the seasonality and the impact of the spread of Omicron in this quarter.

The following table sets forth our revenues by segment and type in absolute amount for the first quarter of 2022 and the fourth quarter of 2021:

	Unaudited			
	Three Months Ended March 31, 2022			
	Food delivery	In-store, hotel & travel	New initiatives and others	Total
	<i>(RMB in thousands)</i>			
Revenues				
Food delivery services	13,500,013	–	–	13,500,013
Commission	7,206,757	3,542,896	2,282,426	13,032,079
Online marketing services	2,639,206	4,063,588	316,088	7,018,882
Other services and sales (including interest revenue)	810,746	15,025	11,892,009	12,717,780
Total	24,156,722	7,621,509	14,490,523	46,268,754
	Unaudited			
	Three Months Ended December 31, 2021			
	Food delivery	In-store, hotel & travel	New initiatives and others	Total
	<i>(RMB in thousands)</i>			
Revenues				
Food delivery services	14,254,546	–	–	14,254,546
Commission	7,768,614	4,066,205	2,325,479	14,160,298
Online marketing services	3,223,472	4,636,167	322,990	8,182,629
Other services and sales (including interest revenue)	880,009	20,055	12,025,596	12,925,660
Total	26,126,641	8,722,427	14,674,065	49,523,133

Our revenues from the food delivery segment decreased by 7.5% to RMB24.2 billion for the first quarter of 2022 from RMB26.1 billion for the fourth quarter of 2021. The decreases in both food delivery services revenue and commission revenue on a quarter-over-quarter basis were primarily attributable to the decrease in the number of transactions due to the seasonality and impact from Omicron spread, partially offset by the decreased contra revenue amount. For the online marketing services revenue, the decrease on a quarter-over-quarter basis was mainly attributable to the decreased average revenue derived from online marketing Active Merchants due to the seasonality and Omicron spread.

Our revenues from the in-store, hotel & travel segment decreased by 12.6% to RMB7.6 billion for the first quarter of 2022 from RMB8.7 billion for the fourth quarter of 2021. All the revenue types in this segment were impacted by the seasonality and the spread of Omicron in this quarter. The decrease in commission revenue was mainly in line with the decrease in GTV and domestic hotel room nights. The decrease in online marketing services revenue was mainly from in-store services businesses due to lower average revenue derived from online marketing Active Merchants.

Our revenues from the new initiatives and others segment decreased by 1.3% to RMB14.5 billion for the first quarter of 2022 from RMB14.7 billion for the fourth quarter of 2021. Our goods retail businesses continued to grow while other new initiatives were adversely affected by the seasonality and the spread of Omicron.

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, 2022	December 31, 2021	Amount	As a percentage of revenues	
	Amount	As a percentage of revenues	Amount	As a percentage of revenues	
<i>(RMB in thousands, except for percentages)</i>					
Costs and Expenses:					
Cost of revenues	35,528,467	76.8%	37,540,530	75.8%	(5.4%)
Selling and marketing expenses	9,105,728	19.7%	11,239,904	22.7%	(19.0%)
Research and development expenses	4,879,033	10.5%	4,581,961	9.3%	6.5%
General and administrative expenses	2,312,289	5.0%	2,435,083	4.9%	(5.0%)
Net provisions for impairment losses on financial and contract assets	153,316	0.3%	52,489	0.1%	192.1%

Cost of Revenues

Our cost of revenues decreased by 5.4% to RMB35.5 billion for the first quarter of 2022 from RMB37.5 billion for the fourth quarter of 2021, and increased by 1.0 percentage points to 76.8% from 75.8% as a percentage of revenues on a quarter-over-quarter basis. The decrease in amount was primarily attributable to (i) a decrease of RMB1.1 billion in food delivery related costs to RMB17.2 billion, which was in line with the decrease in related number of transactions due to the seasonality, and (ii) a decrease in cost of other new initiatives which were impacted by the seasonality and the spread of Omicron. The increase in cost of revenues as a percentage of revenues was primarily due to the seasonal couriers' incentives, which lowered the gross margin of our food delivery segment.

Selling and Marketing Expenses

Our selling and marketing expenses decreased to RMB9.1 billion for the first quarter of 2022 from RMB11.2 billion for the fourth quarter of 2021, and decreased by 3.0 percentage points to 19.7% from 22.7% as a percentage of revenues on a quarter-over-quarter basis. Both the decreases in amount and as a percentage of revenues were attributable to the restrained Transacting User incentives and promotion and advertising expenses in response to the lower consumer demand due to the spread of Omicron.

Research and Development Expenses

Our research and development expenses increased to RMB4.9 billion for the first quarter of 2022 from RMB4.6 billion for the fourth quarter of 2021, and increased by 1.2 percentage points to 10.5% from 9.3% as a percentage of revenues, primarily driven by the increase in employee benefits expenses.

General and Administrative Expenses

Our general and administrative expenses decreased to RMB2.3 billion for the first quarter of 2022 from RMB2.4 billion for the fourth quarter of 2021, and was 5.0% as a percentage of revenues for the first quarter of 2022, flat on a quarter-over-quarter basis.

Net Provisions for Impairment Losses on Financial and Contract Assets

Our net provisions for impairment losses on financial and contract assets increased to RMB153.3 million for the first quarter of 2022 from RMB52.5 million for the fourth quarter of 2021, which reflected the change in expected credit losses for financial assets.

Fair Value Changes of Other Financial Investments at Fair Value Through Profit or Loss

Our loss in fair value changes of other financial investments at fair value through profit or loss was RMB802.9 million for the first quarter of 2022, compared to a gain of RMB727.0 million for the fourth quarter of 2021. The loss for this quarter was mainly driven by the fluctuation in the fair value of our investment portfolios.

Other Gains, Net

Our other gains, net for the first quarter of 2022 increased by RMB334.7 million to RMB928.7 million from RMB594.0 million for the fourth quarter of 2021, which was mainly attributable to net gains from certain investments.

Operating Loss

As a result of the foregoing, our operating loss and margin for the first quarter of 2022 was RMB5.6 billion and negative 12.1% respectively, compared to operating loss and margin of RMB5.0 billion and negative 10.1% for the fourth quarter of 2021.

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

	Unaudited				Quarter-over-quarter change
	Three Months Ended				
	March 31, 2022	December 31, 2021			
<u>Amount</u>	<u>As a percentage of revenues</u>	<u>Amount</u>	<u>As a percentage of revenues</u>		
	<i>(RMB in thousands, except for percentages)</i>				
Food delivery	1,577,143	6.5%	1,735,577	6.6%	(9.1%)
In-store, hotel & travel	3,473,546	45.6%	3,897,016	44.7%	(10.9%)
New initiatives and others	(9,024,754)	(62.3%)	(10,205,238)	(69.5%)	(11.6%)
Unallocated items	(1,610,177)	NA	(433,211)	NA	271.7%
Total operating loss	<u>(5,584,242)</u>	(12.1%)	<u>(5,005,856)</u>	(10.1%)	11.6%

Our operating profit from the food delivery segment decreased to RMB1.6 billion for the first quarter of 2022 from RMB1.7 billion for the fourth quarter of 2021. The operating margin for this segment decreased by 0.1 percentage points to 6.5% from 6.6% on a quarter-over-quarter basis. The decrease in operating margin was mainly attributable to the higher seasonal couriers' incentives, partially offset by the lower Transacting User incentives.

Our operating profit from the in-store, hotel & travel segment decreased to RMB3.5 billion for the first quarter of 2022 from RMB3.9 billion for the fourth quarter of 2021. The operating margin for this segment increased by 0.9 percentage points to 45.6% on a quarter-over-quarter basis. Except for the seasonality, the spread of Omicron in this quarter resulted in the further decrease in operating profit. The increase in operating margin was mainly due to the lower Transacting User incentives and promotion expenses.

Our operating loss from the new initiatives and others segment decreased to RMB9.0 billion for the first quarter of 2022 from RMB10.2 billion for the fourth quarter of 2021, and the operating margin for this segment improved by 7.2 percentage points to negative 62.3% from negative 69.5% on a quarter-over-quarter basis. Both the improvement of operating loss and margin were mainly attributable to the improved gross profit of our goods retail businesses, driven by higher revenue per order as we increased consumers' preference in higher ticket size categories, and limited the Transacting User incentives and other promotional activities to improve operational efficiency.

Income Tax Credits

We had income tax credits of RMB55.2 million for the first quarter of 2022, compared to income tax credits of RMB5.1 million for the fourth quarter of 2021, primarily due to the deferred income tax credits arising from fair value loss of certain investments.

Loss for the Period

As a result of the foregoing, we had loss of RMB5.7 billion for the first quarter of 2022, compared to loss of RMB5.3 billion for the fourth quarter of 2021.

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 profit/(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 or one-off 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 form, or as a substitute for analysis of our results of operations 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 2022 and 2021, the fourth quarter of 2021, to the nearest measures prepared in accordance with IFRS.

	Unaudited		
	Three Months Ended		
	March 31,	March 31,	December 31,
	2022	2021	2021
	<i>(RMB in thousands)</i>		
Loss for the period	(5,702,566)	(4,846,262)	(5,339,151)
Adjusted for:			
Share-based compensation expenses	1,618,334	937,902	1,634,141
Net (losses)/gains from investments ⁽¹⁾	575,657	(42,783)	(471,908)
Impairment and expense reversal	–	(56,735)	(1,477)
Amortisation of intangible assets resulting from acquisitions	117,680	125,637	121,525
Tax effects on non-IFRS adjustments	(195,357)	(9,476)	121,138
Adjusted net loss	(3,586,252)	(3,891,717)	(3,935,732)
Adjusted for:			
Income tax credits, except for tax effects on non-IFRS adjustments	140,134	(1,479)	(126,196)
Share of gains/(losses) of investments accounted for using the equity method not adjusted for adjusted net loss	26,926	2,013	(107,445)
Finance income	(110,359)	(77,855)	(157,174)
Finance costs	330,317	166,052	331,672
Other gains, net not adjusted for adjusted net loss	(774,831)	(377,369)	(577,770)
Amortisation of software and others	14,354	76,603	89,889
Depreciation on property, plant and equipment	2,118,940	1,721,069	2,473,008
Adjusted EBITDA	(1,840,771)	(2,382,683)	(2,009,748)

- (1) Net (losses)/gains from investments mainly include fair value changes related to investees, gains/(losses) on disposal of investees or subsidiaries, dilution gains and certain share of gains/(losses) of investments accounted for using the equity method.

Liquidity and Capital Resources

Historically, our demand for cash was principally funded by capital contribution from Shareholders and financing through issuance and sale of equity and debt securities. We held cash and cash equivalents of RMB35.4 billion and short-term treasury investments of RMB68.0 billion as of March 31, 2022.

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

	Unaudited Three Months Ended March 31, 2022
	<i>(RMB in thousands)</i>
Net cash flows used in operating activities	(11,277,893)
Net cash flows generated from investing activities	11,385,475
Net cash flows generated from financing activities	2,836,859
Net increase in cash and cash equivalents	2,944,441
Cash and cash equivalents at the beginning of the period	32,513,428
Exchange losses on cash and cash equivalents	(51,898)
Cash and cash equivalents at the end of the period	35,405,971

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 2022, as adjusted by non-cash items and changes in working capital.

For the first quarter of 2022, net cash flows used in operating activities was RMB11.3 billion, which was primarily attributable to (i) the outflows from net settlement of payables to merchants and the payment of food delivery related costs, and less cash inflows of advance payments for online marketing services from merchants due to the seasonality and the spread of Omicron in this quarter, and (ii) the payment of year-end bonus in this quarter.

Net Cash Flows Generated from Investing Activities

For the first quarter of 2022, net cash flows generated from investing activities was RMB11.4 billion, which was mainly attributable to net cash flows generated from treasury investments, partially offset by purchase of property, plant and equipment and investments in some entities.

Net Cash Flows Generated from Financing Activities

For the first quarter of 2022, net cash flows generated from financing activities was RMB2.8 billion, which was mainly attributable to the net increase of borrowings, partially offset by the principal elements of lease payments.

Gearing ratio

As of March 31, 2022, our gearing ratio, calculated as total borrowings and notes payable divided by total equity attributable to equity holders of the Company, was approximately 47%.

FINANCIAL INFORMATION

CONSOLIDATED INCOME STATEMENT

Unaudited Three Months Ended

	March 31, 2022	March 31, 2021	December 31, 2021
	<i>(RMB in thousands)</i>		
Revenues	46,268,754	37,016,262	49,523,133
Including: Interest revenue	223,293	175,322	238,175
Cost of revenues	(35,528,467)	(29,816,095)	(37,540,530)
Gross profit	10,740,287	7,200,167	11,982,603
Selling and marketing expenses	(9,105,728)	(7,206,408)	(11,239,904)
Research and development expenses	(4,879,033)	(3,477,290)	(4,581,961)
General and administrative expenses	(2,312,289)	(1,737,403)	(2,435,083)
Net (provisions for)/reversals of impairment losses on financial and contract assets	(153,316)	33,775	(52,489)
Fair value changes of other financial investments at fair value through profit or loss	(802,894)	42,034	726,955
Other gains, net	928,731	378,118	594,023
Operating loss	(5,584,242)	(4,767,007)	(5,005,856)
Finance income	110,359	77,855	157,174
Finance costs	(330,317)	(166,052)	(331,672)
Share of gains/(losses) of investments accounted for using the equity method	46,411	(2,013)	(163,855)
Loss before income tax	(5,757,789)	(4,857,217)	(5,344,209)
Income tax credits	55,223	10,955	5,058
Loss for the period	(5,702,566)	(4,846,262)	(5,339,151)
(Loss)/profit for the period attributable to:			
Equity holders of the Company	(5,702,489)	(4,847,283)	(5,339,113)
Non-controlling interests	(77)	1,021	(38)
	(5,702,566)	(4,846,262)	(5,339,151)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As of March 31, 2022	Audited As of December 31, 2021
	<i>(RMB in thousands)</i>	
ASSETS		
Non-current assets		
Property, plant and equipment	23,077,990	22,814,246
Intangible assets	30,935,758	31,048,814
Deferred tax assets	1,205,340	1,378,468
Long-term treasury investments	6,363,944	4,010,442
Other financial investments at fair value through profit or loss	14,499,339	14,299,857
Investments accounted for using the equity method	13,871,016	13,868,788
Other financial investments at fair value through other comprehensive income	2,405,721	2,022,705
Prepayments, deposits and other assets	3,973,392	3,381,272
	<u>96,332,500</u>	<u>92,824,592</u>
Current assets		
Inventories	733,173	681,693
Trade receivables	1,871,786	1,793,035
Prepayments, deposits and other assets	17,382,149	15,281,586
Short-term treasury investments	68,042,120	84,282,016
Restricted cash	11,112,442	13,276,919
Cash and cash equivalents	35,405,971	32,513,428
	<u>134,547,641</u>	<u>147,828,677</u>
Total assets	<u>230,880,141</u>	<u>240,653,269</u>
EQUITY		
Share capital	411	411
Share premium	311,461,443	311,221,237
Shares held for shares award scheme	-	-
Other reserves	(1,873,387)	(2,866,675)
Accumulated losses	(188,444,020)	(182,741,531)
	<u>121,144,447</u>	<u>125,613,442</u>
Equity attributable to equity holders of the Company	121,144,447	125,613,442
Non-controlling interests	<u>(56,757)</u>	<u>(56,680)</u>
Total equity	<u>121,087,690</u>	<u>125,556,762</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	Unaudited As of March 31, 2022	Audited As of December 31, 2021
<i>(RMB in thousands)</i>		
LIABILITIES		
Non-current liabilities		
Deferred tax liabilities	800,810	895,691
Financial liabilities at fair value through profit or loss	187,801	–
Borrowings	15,338,680	12,219,667
Notes payable	30,346,150	30,383,378
Lease liabilities	2,769,142	2,994,226
Other non-current liabilities	35,941	10,588
	49,478,524	46,503,550
Current liabilities		
Trade payables	13,723,083	15,165,619
Payables to merchants	7,849,488	10,950,920
Advances from transacting users	4,490,312	5,171,054
Other payables and accruals	15,663,408	18,400,738
Borrowings	11,716,262	11,565,200
Deferred revenues	4,930,943	5,478,480
Lease liabilities	1,801,067	1,756,559
Income tax liabilities	139,364	104,387
	60,313,927	68,592,957
Total liabilities	109,792,451	115,096,507
Total equity and liabilities	230,880,141	240,653,269

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, 2022.

Audit Committee

The Audit Committee, together with the Auditor, has reviewed the Company's unaudited financial information for the three months ended March 31, 2022. 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

There was no significant events that might affect the Company since March 31, 2022.

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 C.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, 2022. Pursuant to code provision C.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, 2022.

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 couriers 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, June 2, 2022

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 Dr. 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
“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”)
“CODM”	the chief operating decision-maker who is responsible for allocating resources and assessing performance of the operating segments

“Director(s)”	the director(s) of the Company
“Global Offering”	the Hong Kong Public Offering and the International Offering
“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 GEM of the Stock Exchange
“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
“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 recognised based on the number of payments made. (i) With respect to our in-store business, one transaction is recognised if a user purchases multiple vouchers with a single payment; (ii) with respect to our hotel-booking business, one transaction is recognised 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 recognised 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 recognised only when the user purchases or claims the monthly pass, and subsequent rides are not recognised as transactions; if a user does not use monthly pass, then one transaction is recognised for every ride