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(A company controlled through weighted voting rights and incorporated in the Cayman Islands with limited liability)
(Stock Code: 3690)

NON-EXEMPT CONNECTED TRANSACTIONS – PROPOSED ISSUE OF CLASS B SHARES TO CONNECTED GRANTEES OF RESTRICTED SHARE UNITS

PROPOSED ISSUE OF CLASS B SHARES TO CONNECTED GRANTEES OF RESTRICTED SHARE UNITS

Reference is made to the announcement of the Company dated September 23, 2022, in which it was disclosed that, on September 23, 2022, an aggregate of 38,742 Award Shares in the form of RSUs were granted to the Connected Grantees (namely, Mr. Orr Gordon Robert Halyburton, Mr. Leng Xuesong and Dr. Shum Heung Yeung Harry) under the Post-IPO Share Award Scheme subject to the terms and conditions of the Post-IPO Share Award Scheme.

Amongst the 38,742 Award Shares in the form of RSUs granted to the Connected Grantees under the Post-IPO Share Award Scheme in September 2022, 9,684 existing Class B Shares had been repurchased from the open-market to satisfy 9,684 RSUs vested in favour of the Connected Grantees as at the date of this announcement. Subject to approval of the Independent Shareholders at the forthcoming annual general meeting of the Company, the Board resolved on the date of this announcement to propose to issue an aggregate of 29,058 Class B Shares to the Connected Grantees upon vesting of the remaining RSUs.

LISTING RULES IMPLICATIONS

Mr. Orr Gordon Robert Halyburton, Mr. Leng Xuesong and Dr. Shum Heung Yeung Harry are Directors. Therefore, they are connected persons of the Company at the issuer level. The Proposed Issue of Class B Shares to each of the Connected Grantees constitutes a non-exempt connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to reporting, announcement and the Independent Shareholders' approval requirements.

Save for Mr. Orr Gordon Robert Halyburton, Mr. Leng Xuesong and Dr. Shum Heung Yeung Harry, who are considered to be interested in the Proposed Issue of Class B Shares to themselves, respectively, no other Director is considered to be materially interested in the Proposed Issue of Class B Shares and therefore none of the other Directors has abstained from voting on the relevant Board resolutions.

PROPOSED ISSUE OF CLASS B SHARES TO CONNECTED GRANTEES OF RESTRICTED SHARE UNITS

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The aforesaid grant of Award Shares in the form of RSUs to the independent non-executive Directors form part of the remuneration package of the service contracts of such Directors. Pursuant to the terms of the Post-IPO Share Award Scheme, the RSUs may be satisfied through issue of new Class B Shares or on-market purchase of the Class B Shares. Pursuant to the conditions of the grant, the Company shall not be required to issue or transfer Class B Shares with respect to any vested RSUs to the independent non-executive Directors prior to fulfillment of all the following conditions: (a) the obtaining of any approval or other clearance from any competent authority which the committee designated by the Board shall, in its absolute discretion, determine to be necessary or advisable; and (b) the lapse of such reasonable period of time following the vesting of the RSUs as the committee may establish from time to time for reasons of administrative convenience.

Amongst the 38,742 Award Shares in the form of RSUs granted to the Connected Grantees under the Post-IPO Share Award Scheme in September 2022, 9,684 existing Class B Shares had been repurchased from the open-market to satisfy 9,684 RSUs vested in favour of the Connected Grantees as at the date of this announcement. Subject to approval of the Independent Shareholders at the forthcoming annual general meeting of the Company, the Board resolved on the date of this announcement to propose to issue an aggregate of 29,058 Class B Shares to the Connected Grantees upon vesting of the remaining RSUs:

Name of the Grantee	Position Held with the Company	Number of unvested RSUs as at the date of this announcement	Number of Class B Shares Proposed to be Issued
Mr. Orr Gordon Robert Halyburton	Independent Non-executive Director	9,686	9,686
Mr. Leng Xuesong	Independent Non-executive Director	9,686	9,686
Dr. Shum Heung Yeung Harry	Independent Non-executive Director	9,686	9,686
Total		29,058	29,058

The new Class B Shares, when issued and fully paid, shall rank pari passu among themselves and with those Class B Shares in issue. The Connected Grantees are not required to pay any consideration for them to be allotted and issued with the Class B Shares underlying the respective RSUs upon vesting. Class B Shares underlying the unvested RSUs granted to the Connected Grantees are expected to be issued and allotted after the date of the forthcoming annual general meeting according to the vesting schedule and subject to the terms and conditions of the Post-IPO Share Award Scheme (as applicable). No funds will be raised by the Company as a result of the Proposed Issue of Class B Shares.

Principal Terms of the RSUs Granted to the Connected Grantees pursuant to the Post-IPO Share Award Scheme

In accordance with the terms of the Post-IPO Share Award Scheme and as approved by the Board, the RSUs were granted to the three independent non-executive Directors under the following terms:

- the three independent non-executive Directors are not required to pay for the grant of any RSUs under the Post-IPO Share Award Scheme and no consideration is required from them to be allotted and issued with the Class B Shares underlying the respective RSUs upon vesting;
- the Company, in its sole discretion, may pay RSUs in the form of cash, Shares or a combination thereof;
- the three Connected Grantees may not exercise any voting rights in respect of any Class B Shares underlying the RSUs that have not yet vested; and
- 100% of the above unvested RSUs granted to each Connected Grantee as at the date of this announcement shall vest in each quarter commencing from June 20, 2023 until September 20, 2024.

Basis of Determination for the RSUs Granted to the Connected Grantees

In determining the number of RSUs granted to each of the Connected Grantees, the Board has taken into account, inter alia, (i) the background, expertise and working experience of each of the Connected Grantees, (ii) their positions held with the Company and their responsibilities and contributions to the Group as set out in the table below, and (iii) the overall purpose of the Post-IPO Share Award Scheme, which is to align the interests of eligible persons with those of the Group, and to encourage and retain eligible persons to make contributions to support the sustainable development of the Group:

Name of the Connected Grantee	Position held at the Company/Group	Responsibilities and contributions
Mr. Orr Gordon Robert Halyburton	Independent Non-executive Director	Providing independent advice on financial and accounting affairs and corporate governance matters, and other matters subject to the Board guidance and approval.
Mr. Leng Xuesong	Independent Non-executive Director	Providing independent advice on financial and accounting affairs and corporate governance matters, and other matters subject to the Board guidance and approval.
Dr. Shum Heung Yeung Harry	Independent Non-executive Director	Providing independent advice on financial and accounting affairs and corporate governance matters, and other matters subject to the Board guidance and approval.

With the broad range of expertise of the Connected Grantees in the areas of corporate governance, finance, technology and innovation, in determining the number of RSUs granted to the Connected Grantees, the Board was of the view that the Connected Grantees can continue to promote better corporate governance within the Group, and continue to contribute their independent advice in the areas where they possess high level of skills and knowledge including accounting and finance, technology, innovation and related industry trends. Based on the above, the Board considered that the grant of RSUs to the Connected Grantees in September 2022 is fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

Interests of the Connected Grantees in the relevant Securities of the Company

As at the date of this announcement, the interests of the Connected Grantees in the Shares underlying the unvested RSUs are set out below:

Name of the Connected Grantee	Position	Number of unvested RSUs granted under the Post-IPO Share Award Scheme		Percentage of the Company's enlarged issued share capital (on a one share one vote basis and enlarged by the issue of the maximum number of Class B Shares underlying unvested RSUs granted to the Connected Grantees) ⁽¹⁾ <i>Approximate</i>
		Number of underlying Class B Shares involved	Percentage of the Company's total share capital as at the date of this announcement (on a one share one vote basis) <i>Approximate</i>	
Mr. Orr Gordon Robert Halyburton	Independent Non-executive Director	9,686	0.000155%	0.000155%
Mr. Leng Xuesong	Independent Non-executive Director	9,686	0.000155%	0.000155%
Dr. Shum Heung Yeung Harry	Independent Non-executive Director	9,686	0.000155%	0.000155%
Total		29,058	0.000466%	0.000466%

Note:

- (1) Without taking into account the number of Shares which may be repurchased or issued by the Company (except for the Proposed Issue of Class B Shares), including the Class B Shares to be issued pursuant to the Pre-IPO ESOP, the Post-IPO Share Option Scheme and the Post-IPO Share Award Scheme.

As at the date of this announcement, none of the Connected Grantees held any Class A Shares, and (i) the total number of Class B Shares held by the Connected Grantees as recorded in the register required to be kept pursuant to section 352 of the SFO before the Proposed Issue of Class B Shares, and (ii) the total number of Class B Shares held by the Connected Grantees upon the Proposed Issue of Class B Shares, are set forth as follows:

Name of the Connected Grantee	As at the date of this announcement		Upon the issue of the maximum number of Class B Shares underlying unvested RSUs granted to the Connected Grantees ⁽¹⁾	
	Number of Class B Shares	Percentage of the Company's total issued share capital (on a one share one vote basis) <i>Approximate</i>	Number of Class B Shares	Percentage of the Company's enlarged issued share capital (on a one share one vote basis) <i>Approximate</i>
Mr. Orr Gordon Robert Halyburton	63,228	0.001013%	72,914	0.001168%
Mr. Leng Xuesong	63,228	0.001013%	72,914	0.001168%
Dr. Shum Heung Yeung Harry	63,228	0.001013%	72,914	0.001168%
Sub-total	189,684	0.003039%	218,742	0.003504%
Other Shareholders	5,619,325,816	90.023935%	5,619,325,816	90.023516%
Total	5,619,515,500	90.026974%	5,619,544,558	90.027021%

Note:

- (1) Without taking into account the number of Shares which may be repurchased or issued by the Company (except for the Proposed Issue of Class B Shares), including the Class B Shares to be issued pursuant to the Pre-IPO ESOP, the Post-IPO Share Option Scheme and the Post-IPO Share Award Scheme.

Market Value

Based on the closing price of HK\$126.00 per Class B Share as quoted on the Stock Exchange on the date of this announcement, the market value of the Class B Shares proposed to be issued and underlying the unvested RSUs granted to the Connected Grantees amounted to HK\$3,661,308.00. The fair value of the Class B Shares proposed to be issued and underlying the unvested RSUs granted to the Connected Grantees, as at the date of grant, amounted to HK\$4,657,997.40 (HK\$160.30 per Class B Share underlying each unvested RSU).

Reasons and Benefits of the Proposed Issue of Class B Shares

The Post-IPO Share Award Scheme is one of the share incentive schemes of the Company, the purpose of which is to closely align the interests and benefits of the Shareholders, the Company, the Directors, the senior management and the employees in order to maximize the motivation of the Directors, the senior management and the employees of the Company. The award of RSUs and the Proposed Issue of Class B Shares to the Connected Grantees upon vesting of the RSUs recognize their continual support to the Group and their effort will promote the Group's future development. For the biographical details of the Connected Grantees, please refer to the section headed "*Directors and Senior Management*" of the annual report of the Company for the financial year ended December 31, 2022.

There will not be any actual cash outflow by the Group upon the Proposed Issue of Class B Shares to the Connected Grantees. Assuming the Connected Grantees become fully entitled to all RSUs after the vesting period, the number of Class B Shares to be issued would be limited to 29,058, or approximately 0.000466% of the total issued share capital of the Company (on a one share one vote basis) as at the date of this announcement.

Directors' View

Given that the Proposed Issue of Class B Shares will incentivize the Connected Grantees and help retain talent for the long term to contribute to the sustainable development of the Group without having any negative impact on the cashflow of the Group, the Directors consider that despite the Proposed Issue of Class B Shares is not in the ordinary and usual course of businesses of the Group, the terms of the Proposed Issue of Class B Shares and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms, and in the interests of the Company and Shareholders as a whole.

LISTING RULES IMPLICATIONS

Mr. Orr Gordon Robert Halyburton, Mr. Leng Xuesong and Dr. Shum Heung Yeung Harry are Directors. Therefore, they are connected persons of the Company at the issuer level. The Proposed Issue of Class B Shares to each of the Connected Grantees constitutes a non-exempt connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to reporting, announcement and the Independent Shareholders' approval requirements.

Save for Mr. Orr Gordon Robert Halyburton, Mr. Leng Xuesong and Dr. Shum Heung Yeung Harry, who are considered to be interested in the Proposed Issue of Class B Shares to themselves, respectively, no other Director is considered to be materially interested in the Proposed Issue of Class B Shares and therefore none of the other Directors has abstained from voting on the relevant Board resolutions.

The Listing Committee of the Stock Exchange has previously granted its approval on September 19, 2018 for the listing of, and permission to deal in, amongst others, any new Class B Shares which may be issued on vesting of awards to be granted under the Post-IPO Share Award Scheme.

INFORMATION ABOUT THE COMPANY

The Company is a tech-driven retail company. The Company offers diversified daily goods and services in the broader retail by leveraging technology, including food delivery, in-store, hotel and travel booking and other services and sales.

GENERAL

Ordinary resolutions will be proposed at the forthcoming annual general meeting to approve the Proposed Issue of Class B Shares. A circular containing, among other things, details of the Proposed Issue of Class B Shares, a letter from the Independent Board Committee and a letter from the Independent Financial Adviser together with the notice convening the annual general meeting will be despatched to the Shareholders on or before June 8, 2023.

DEFINITION

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

“Award(s)”	an award granted by the Board to a selected participant, which may vest in the form of Award Shares or cash, as the Board may determine in accordance with the terms of the relevant scheme rules
“Award Share(s)”	the Class B Share(s) granted to a selected participant in an Award
“Board”	the board of Directors of the Company
“Class A Share(s)”	Class A ordinary share(s) in 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 meetings, save for resolutions with respect to any reserved matters as set out in the articles of association of the Company, in which case they shall be entitled to one vote per share
“Class B Share(s)”	Class B ordinary share(s) in 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 meetings
“Company”	Meituan(美团), an exempted company with limited liability incorporated under the laws of the Cayman Islands on September 25, 2015, the Class B Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 3690)
“Connected Grantees”	Mr. Orr Gordon Robert Halyburton, Mr. Leng Xuesong and Dr. Shum Heung Yeung Harry, each an independent non-executive Director as at the date of this announcement
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company, its subsidiaries and consolidated affiliated entities it controls through the contractual arrangements
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent committee of the Board comprising all independent non-executive Directors, established to advise the Independent Shareholders in respect of the non-exempt connected transactions relating to the Proposed Issue of Class B Shares

“Independent Financial Adviser”	Somerley Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being appointed as the independent financial adviser to the Independent Board Committee and the Independent Shareholders
“Independent Shareholders”	the Shareholders who are not required under the Listing Rules to abstain from voting at the annual general meeting to approve the non-exempt connected transactions relating to the Proposed Issue of Class B Shares
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
“Post-IPO Share Award Scheme”	the Post-IPO share award scheme adopted by the Company on August 30, 2018
“Post-IPO Share Option Scheme”	the Post-IPO share option scheme adopted by the Company on August 30, 2018
“Pre-IPO ESOP”	the pre-IPO employee stock incentive scheme adopted by the Company dated October 6, 2015 as amended from time to time, the principal terms of which are set out in the section headed “ <i>Statutory and General Information – D. Pre-IPO ESOP</i> ” in Appendix IV of the Prospectus
“Proposed Issue of Class B Shares”	the proposed issue of an aggregate of 29,058 underlying Class B Shares to the Connected Grantees upon vesting of the RSUs
“RSU(s)”	restricted share unit(s)
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“Shareholder(s)”	holder(s) of Class A Shares and Class B Shares, as context so requires
“Share(s)”	the Class A Shares and the Class B Shares in the share capital of the Company, as the context so requires
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	percent

By order of the Board
Meituan
Wang Xing
Chairman

Hong Kong, May 25, 2023

As of the date of this announcement, the Board comprises Mr. Wang Xing and Mr. Mu Rongjun as executive Directors, Mr. Wang Huiwen 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.