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# 美团

## Meituan

(A company controlled through weighted voting rights and incorporated in the Cayman Islands with limited liability)  
**Stock Codes: 3690 (HKD counter) and 83690 (RMB counter)**

### ANNOUNCEMENT OF THE RESULTS FOR THE THREE MONTHS ENDED MARCH 31, 2024

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, 2024.

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

#### HIGHLIGHTS

#### Financial Summary and Operating Metrics

	Unaudited Three Months Ended				
	March 31, 2024		March 31, 2023		Year-over-year change
	Amount	As a percentage of revenues	Amount	As a percentage of revenues	
Revenues	73,275,884	100.0%	58,617,472	100.0%	25.0%
Operating profit	5,209,392	7.1%	3,585,721	6.1%	45.3%
Profit for the period	5,368,979	7.3%	3,358,491	5.7%	59.9%
<b>Non-IFRS Accounting Standards measures<sup>1</sup>:</b>					
Adjusted EBITDA	8,070,343	11.0%	6,262,060	10.7%	28.9%
Adjusted net profit	7,488,394	10.2%	5,491,441	9.4%	36.4%

	Three Months Ended		
	March 31, 2024	March 31, 2023	Year-over-year change

(in millions, except for percentages)

Number of On-demand Delivery transactions	5,464.5	4,267.4	28.1%
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<sup>1</sup> See the section entitled “Reconciliation of Non-IFRS Accounting Standards Measures to the Nearest IFRS Accounting Standards Measures” for more information about the non-IFRS Accounting Standards measures.

## Financial Information by Segment

	Unaudited			Total
	Three Months Ended March 31, 2024			
	Core local commerce	New initiatives	Unallocated items <sup>2</sup>	
	<i>(RMB in thousands)</i>			
<b>Revenues:</b>				
Delivery services	21,065,057	–	–	21,065,057
Commission	20,034,039	623,234	–	20,657,273
Online marketing services	10,307,416	83,482	–	10,390,898
Other services and sales (including interest revenue)	3,219,195	17,943,461	–	21,162,656
<b>Total revenues</b>	<b>54,625,707</b>	<b>18,650,177</b>	<b>–</b>	<b>73,275,884</b>
<b>Cost of revenues, operating expenses and unallocated items</b>	<b>(44,926,860)</b>	<b>(21,407,076)</b>	<b>(1,732,556)</b>	<b>(68,066,492)</b>
<b>Operating profit/(loss)</b>	<b>9,698,847</b>	<b>(2,756,899)</b>	<b>(1,732,556)</b>	<b>5,209,392</b>

	Unaudited			Total
	Three Months Ended March 31, 2023			
	Core local commerce	New initiatives	Unallocated items	
	<i>(RMB in thousands)</i>			
<b>Revenues:</b>				
Delivery services	16,905,291	–	–	16,905,291
Commission	15,815,292	427,765	–	16,243,057
Online marketing services	7,746,614	36,203	–	7,782,817
Other services and sales (including interest revenue)	2,418,139	15,268,168	–	17,686,307
<b>Total revenues</b>	<b>42,885,336</b>	<b>15,732,136</b>	<b>–</b>	<b>58,617,472</b>
<b>Cost of revenues, operating expenses and unallocated items</b>	<b>(33,440,266)</b>	<b>(20,761,030)</b>	<b>(830,455)</b>	<b>(55,031,751)</b>
<b>Operating profit/(loss)</b>	<b>9,445,070</b>	<b>(5,028,894)</b>	<b>(830,455)</b>	<b>3,585,721</b>

<sup>2</sup> 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, (iv) other gains, net and (v) certain corporate administrative expenses and other items. They are not allocated to individual segments.

	Year-over-year change			Total
	Core local commerce	New initiatives	Unallocated items	
		<i>(Percentages %)</i>		
<b>Revenues:</b>				
Delivery services	24.6	NA	NA	24.6
Commission	26.7	45.7	NA	27.2
Online marketing services	33.1	130.6	NA	33.5
Other services and sales (including interest revenue)	33.1	17.5	NA	19.7
<b>Total revenues</b>	27.4	18.5	NA	25.0
<b>Cost of revenues, operating expenses and unallocated items</b>	34.3	3.1	108.6	23.7
<b>Operating profit/(loss)</b>	2.7	(45.2)	108.6	45.3

## **BUSINESS REVIEW AND OUTLOOK**

### **Company Financial Highlights**

During the first quarter of 2024, our revenues increased by 25.0% to RMB73.3 billion from RMB58.6 billion for the same period of 2023. Our Core local commerce segment achieved an operating profit of RMB9.7 billion for the first quarter this year and operating loss for our New initiatives segment narrowed to RMB2.8 billion from RMB5.0 billion for the same period of last year. Meanwhile, our adjusted EBITDA and adjusted net profit for this period both increased year over year to RMB8.1 billion and RMB7.5 billion respectively. We also achieved operating cash inflow of RMB6.0 billion for the first quarter of this year. We held cash and cash equivalents of RMB50.8 billion and short-term treasury investments of RMB87.8 billion as of March 31, 2024.

### **Company Business Highlights**

#### ***Core Local Commerce***

For the first quarter of 2024, segment revenue increased by 27.4% year over year to RMB54.6 billion. Operating profit increased by 2.7% year over year to RMB9.7 billion, and operating margin stood at 17.8%.

Our on-demand delivery business recorded robust growth in the first quarter. For food delivery, we supported millions of merchants and brands in navigating through the evolving consumption trends. We penetrated deeper into the industry value chain and explored innovative business models. We empowered merchants with online operations while offering consumers more value-for-money selections. In addition, we introduced Branded Satellite Stores (“品牌衛星店”), a new model that focuses on elevating efficiency for well-known chain restaurants. In this model, merchants do not offer in-store dining, but rather they only provide high-quality and value-for-money food delivery services. Through leveraging existing brand value and operations under a leaner cost structure, merchants can offer their consumers lower price with the same quality guaranteed. For Pin Hao Fan (“拼好飯”), we expanded the coverage to more cities. Thanks to elevated consumer experience and improved order dispatch system and operations, peak daily order volume from Pin Hao Fan reached a new high in the first quarter. For Shen Qiang Shou (“神搶手”), we improved supply, introduced more popular offerings from chain restaurants, and refined the online marketing strategy. Moreover, we enhanced our marketing solutions to help merchants acquire users with higher efficiency. As a result, growth of advertising merchants on our platform was quite strong. We also launched marketing campaigns to stimulate consumer demand during holidays, and offered broad selections of coupon packages and discounts to promote mega-hit products. Subsequently, annual Transacting Users of food delivery and their transaction frequency both increased notably.

Meituan Instashopping maintained rapid growth trajectory in the first quarter, driven by significant increase in Transacting Users and even higher growth in transaction frequency. An increasing number of food delivery users have become Meituan Instashopping users. As we broadened our product selections, we successfully met consumers' rising demand for diversity and quality. We also refined our operations to satisfy consumer needs for holiday gifting and traveling. During the Spring Festival, many consumers ordered holiday products and gifts via our on-demand channel. GTV from categories such as liquor and beverages, holiday gifts and daily necessities recorded remarkable growth, bringing higher revenue to offline retailers. In addition, merchants are more willing to advertise on our platform, and we collaborated with brands and merchants and jointly launched promotional events. We also continued to expand our new supply formats. By the end of the first quarter, we had around 7,000 Meituan InstaMarts (“美团閃電倉”), orders from which contributed to a larger portion of the total order volume. Meituan InstaMarts accelerated online penetration in lower-tier markets with expanding categories. We are pleased to see that our continuous enhancement on the supply side has led to better user experience and higher purchase frequency. Going forward, we will continue to work with our business partners to explore more growth opportunities in on-demand retail.

In the first quarter, our in-store, hotel and travel businesses experienced strong growth. In the in-store business, we further iterated our products to meet consumer demand for value-for-money. In our traditional shelf-based model, we improved our marketing capabilities and enriched the content offerings. We launched dedicated live streaming campaigns during holidays. Our Meituan platform live streaming (“美团官方直播”) expanded to more regions and we further increased the frequency of live streaming sessions. For merchant live streaming, we stepped up our merchant support measures and launched online-offline joint promotions. As a result, the number of participating merchants increased rapidly. In addition, merchants have become more willing to offer deep-discounted deals through our Special Deals (“特價團購”) program. Benefiting from our accumulated experience and know-hows from past iterations, we further deepened consumer mindshare in our value-for-money offerings. In addition, we iterated our product selection criteria, enhanced product control standards, and improved our algorithms, to enhance our product matrix. As the leading platform in local commerce, we continually refined our operational strategies to capitalize on major consumption scenarios, including holiday outings, family reunions and group gatherings. Moreover, after implementing our direct-operation model nationwide, we are now able to tap into the lower-tier markets, and benefit from digital transformation and strong consumption potential in those regions. We actively onboarded merchants from the lower-tier markets, including internet-famous stores, chain stores and local specialty stores, and provided them with efficient operating solutions and marketing tools. With the help of our online tools, merchants were able to offer a variety of products and deals, which not only satisfied daily needs from local residents, but also met the diverse demand from tourists and homecoming people in search for local stores and discounts.

For hotel and travel, we achieved robust year-over-year growth in both domestic hotel room nights and GTV during the first quarter. We continued to enhance our platform supply, pricing, product capabilities and marketing strategies. We noticed that some niche travel destinations have become increasingly popular recently, especially smaller towns and lower-tier cities. Thanks to our early presence in lower-tier markets, we were able to swiftly adapt to this evolving trend and proactively capture more growth opportunity. We delivered strong performance in those niche destinations, with growth significantly outpacing the industry average. On the product side, we leveraged our unique edge to satisfy consumers' one-stop demand for accommodations and local services. On the marketing front, we expanded efforts in branding promotions during holidays, leveraged popular IPs, and launched dedicated live streaming sessions, which helped strengthen our brand awareness among consumers. During the first quarter, we further solidified our market share in low-star hotels, while also making progress in the high-star domain.

## ***New Initiatives***

For the first quarter of 2024, revenues from the New initiatives segment increased by 18.5% year over year to RMB18.7 billion. Operating loss for the segment decreased by 45.2% year over year to RMB2.8 billion, and operating margin improved sequentially to negative 14.8%.

We refined our business strategies in Meituan Select (“美团優選”), to focus more on operational enhancement and high-quality growth. Specifically, we increased our price mark-up ratio, lowered the average fulfillment cost per item as we enhanced warehouse operations, and improved marketing efficiency. Therefore, operating loss narrowed significantly on both quarter-over-quarter and year-over-year bases. Going forward, we are committed to further enhancing our operational efficiency, and strengthening our capabilities in product selection and fulfillment. For most of the other new initiatives, we have made healthy progress during the first quarter. We not only achieved market leadership in terms of scale, but also enhanced operational efficiency. These new initiatives hold strategic value and synergies with our Core local commerce segment, and we expect them to generate more financial value in the future.

Since the beginning of the year, China’s local commerce industry continued to grow steadily. We effectively captured the industry growth, swiftly adapted to the dynamic change of the consumption environment, and invigorated local commerce, which also led to our robust performance in the first quarter. We continued to cultivate the “Everything Now” lifestyle through our on-demand retail business, and satisfied consumers’ evolving demand across consumption categories and scenarios through our in-store, hotel and travel businesses. Looking ahead, we strive to offer merchants more diverse marketing tools and online solutions, while providing consumers with enriched value-for-money products and services. After we implemented our organizational restructuring in the first quarter, we are poised to iterate our growth model, foster synergies across business units, and integrate our operations in the Core local commerce segment. We will continue to work closely with all the participants in our ecosystem, and fulfill our mission that “we help people eat better, live better”.

## MANAGEMENT DISCUSSION AND ANALYSIS

### The First Quarter of 2024 Compared to the First Quarter of 2023

The following table sets forth the comparative figures for the first quarter of 2024 and 2023:

	<b>Unaudited</b>	
	<b>Three Months Ended</b>	
	<b>March 31,</b>	<b>March 31,</b>
	<b>2024</b>	<b>2023</b>
	<i>(RMB in thousands)</i>	
<b>Revenues</b>	<b>73,275,884</b>	58,617,472
Including: Interest revenue	<b>487,572</b>	359,293
Cost of revenues	<b>(47,579,144)</b>	(38,800,047)
<b>Gross profit</b>	<b>25,696,740</b>	19,817,425
Selling and marketing expenses	<b>(13,888,302)</b>	(10,433,070)
Research and development expenses	<b>(5,000,153)</b>	(5,047,387)
General and administrative expenses	<b>(2,298,323)</b>	(1,994,953)
Net provisions for impairment losses on financial and contract assets	<b>(175,386)</b>	(255,347)
Fair value changes of other financial investments at fair value through profit or loss	<b>(517,116)</b>	164,029
Other gains, net	<b>1,391,932</b>	1,335,024
<b>Operating profit</b>	<b>5,209,392</b>	3,585,721
Finance income	<b>279,755</b>	184,419
Finance costs	<b>(321,863)</b>	(353,479)
Share of profits/(losses) of investments accounted for using the equity method	<b>314,197</b>	(49,759)
<b>Profit before income tax</b>	<b>5,481,481</b>	3,366,902
Income tax expenses	<b>(112,502)</b>	(8,411)
<b>Profit for the period</b>	<b>5,368,979</b>	3,358,491
<b>Non-IFRS Accounting Standards measures:</b>		
Adjusted EBITDA	<b>8,070,343</b>	6,262,060
Adjusted net profit	<b>7,488,394</b>	5,491,441

## Revenues

Our revenues increased by 25.0% to RMB73.3 billion for the first quarter of 2024 from RMB58.6 billion for the same period of 2023. We achieved revenue growth in both reportable segments.

The following table sets forth our revenues by segment and type for the first quarter of 2024 and 2023:

	Unaudited Three Months Ended March 31, 2024		
	Core local commerce	New initiatives	Total
	<i>(RMB in thousands)</i>		
<b>Revenues</b>			
Delivery services	21,065,057	–	21,065,057
Commission	20,034,039	623,234	20,657,273
Online marketing services	10,307,416	83,482	10,390,898
Other services and sales (including interest revenue)	3,219,195	17,943,461	21,162,656
<b>Total</b>	<b>54,625,707</b>	<b>18,650,177</b>	<b>73,275,884</b>
	<i>(RMB in thousands)</i>		
	Unaudited Three Months Ended March 31, 2023		
	Core local commerce	New initiatives	Total
	<i>(RMB in thousands)</i>		
<b>Revenues</b>			
Delivery services	16,905,291	–	16,905,291
Commission	15,815,292	427,765	16,243,057
Online marketing services	7,746,614	36,203	7,782,817
Other services and sales (including interest revenue)	2,418,139	15,268,168	17,686,307
<b>Total</b>	<b>42,885,336</b>	<b>15,732,136</b>	<b>58,617,472</b>



Our revenues from the Core local commerce segment increased by 27.4% to RMB54.6 billion for the first quarter of 2024 from RMB42.9 billion for the same period of 2023. The revenue growth in delivery services and commission was primarily due to the substantial growth of our GTV as a result of increase in the number of transactions, partially offset by the lower average order value of our food delivery and Meituan Instashopping businesses. The revenue growth in online marketing services was mainly attributable to the increases in the number of online marketing Active Merchants and average revenue per online marketing Active Merchant.

Our revenues from the New initiatives segment increased by 18.5% to RMB18.7 billion for the first quarter of 2024 from RMB15.7 billion for the same period of 2023, mainly due to the revenue growth in 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:

	<b>Unaudited Three Months Ended</b>			
	<b>March 31, 2024</b>		March 31, 2023	
	<b>Amount</b>	<b>As a percentage of revenues</b>	Amount	As a percentage of revenues
<i>(RMB in thousands, except for percentages)</i>				
<b>Costs and Expenses:</b>				
Cost of revenues	<b>47,579,144</b>	<b>64.9%</b>	38,800,047	66.2%
Selling and marketing expenses	<b>13,888,302</b>	<b>19.0%</b>	10,433,070	17.8%
Research and development expenses	<b>5,000,153</b>	<b>6.8%</b>	5,047,387	8.6%
General and administrative expenses	<b>2,298,323</b>	<b>3.1%</b>	1,994,953	3.4%

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

Our cost of revenues increased by 22.6% to RMB47.6 billion for the first quarter of 2024 from RMB38.8 billion for the same period of 2023, and decreased by 1.3 percentage points to 64.9% from 66.2% as a percentage of revenues on a year-over-year basis. The increase in amount was primarily caused by the growth in the number of transactions, especially in the Number of On-demand Delivery transactions. The decrease in cost of revenues as a percentage of revenues was mainly due to the improved gross margin of our goods retail businesses, partially offset by the higher delivery related costs as percentage of revenues of our food delivery and Meituan Instashopping businesses as a result of decrease in average order value.

### *Selling and Marketing Expenses*

Our selling and marketing expenses increased by 33.1% to RMB13.9 billion for the first quarter of 2024 from RMB10.4 billion for the same period of 2023, and increased by 1.2 percentage points to 19.0% from 17.8% as a percentage of revenues on a year-over-year basis. Both the increases in amount and as a percentage of revenues were primarily attributable to the increases in Transacting User incentives and promotion expenses as a result of business development, evolving business circumstances and business strategies, as well as the increase in employee benefits expenses.

### *Research and Development Expenses*

Our research and development expenses was RMB5.0 billion for the first quarter of 2024, remaining stable on a year-over-year basis. The percentage of revenues decreased by 1.8 percentage points to 6.8% from 8.6% on a year-over-year basis, due to improved operating leverage.

### *General and Administrative Expenses*

Our general and administrative expenses increased by 15.2% to RMB2.3 billion for the first quarter of 2024 from RMB2.0 billion for the same period of 2023, which was primarily attributable to the increase in employee benefits expenses. The percentage of revenues was 3.1% for the first quarter of 2024, remaining stable on a year-over-year basis.

### *Net Provisions for Impairment Losses on Financial and Contract Assets*

Our net provisions for impairment losses on financial and contract assets decreased to RMB175.4 million for the first quarter of 2024 from RMB255.3 million for the same period of 2023, which reflected the changes in expected credit losses for financial assets.

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

Our fair value changes of other financial investments at fair value through profit or loss changed to a loss of RMB517.1 million for the first quarter of 2024 from a gain of RMB164.0 million for the same period of 2023, which was driven by the fluctuation in the fair value of our investment portfolios.

### *Other Gains, Net*

Our other gains, net for the first quarter of 2024 was RMB1.4 billion, compared to RMB1.3 billion for the same period of 2023, which was primarily attributable to the increase in the fair value changes and gains of treasury investments, partially offset by the decrease in the subsidies and tax preferences.

### *Operating Profit*

As a result of the foregoing, our operating profit and operating margin for the first quarter of 2024 was RMB5.2 billion and 7.1% respectively, compared to operating profit of RMB3.6 billion and operating margin of 6.1% for the same period of 2023.

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

	<b>Unaudited</b>			
	<b>Three Months Ended</b>			
	<b>March 31, 2024</b>		March 31, 2023	
	<b>Amount</b>	<b>As a percentage of revenues</b>	Amount	As a percentage of revenues
<i>(RMB in thousands, except for percentages)</i>				
Core local commerce	<b>9,698,847</b>	<b>17.8%</b>	9,445,070	22.0%
New initiatives	<b>(2,756,899)</b>	<b>(14.8%)</b>	(5,028,894)	(32.0%)
Unallocated items	<b>(1,732,556)</b>	NA	(830,455)	NA
<b>Total operating profit</b>	<b><u>5,209,392</u></b>	<b>7.1%</b>	<b><u>3,585,721</u></b>	<b>6.1%</b>

Our operating profit from the Core local commerce segment increased to RMB9.7 billion for the first quarter of 2024 from RMB9.4 billion for the same period of 2023 and the operating margin decreased by 4.2 percentage points to 17.8% from 22.0% on a year-over-year basis. The increase in operating profit was mainly attributable to the growth in GTV as a result of growth in the number of transactions, partially offset by (i) lower average order value of our food delivery and Meituan Instashopping businesses; and (ii) higher Transacting User incentives, as well as more promotion and advertising expenses. The decrease in operating margin was mainly due to lower average order value of food delivery and Meituan Instashopping businesses, higher Transacting User incentives and more promotion and advertising expenses.

Our operating loss from the New initiatives segment narrowed to RMB2.8 billion for the first quarter of 2024 from RMB5.0 billion for the same period of 2023, and the operating margin for this segment improved by 17.2 percentage points to negative 14.8% from negative 32.0% on a year-over-year basis. The improvements in both operating loss and operating margin were primarily attributable to our efforts in improving operating efficiency, especially in our goods retail businesses.

#### ***Share of Profits/(Losses) of Investments Accounted for Using the Equity Method***

Our share of profits/(losses) of investments accounted for using the equity method changed to a profit of RMB314.2 million for the first quarter of 2024 from a loss of RMB49.8 million for the same period of 2023, as a result of the fluctuation in financial results of our investees.

#### ***Profit for the Period***

As a result of the foregoing, we had a profit of RMB5.4 billion for the first quarter of 2024, compared to a profit of RMB3.4 billion for the same period of 2023.

## The First Quarter of 2024 Compared to the Fourth Quarter of 2023

The following table sets forth the comparative figures for the first quarter of 2024 and the fourth quarter of 2023:

	<b>Unaudited</b>	
	<b>Three Months Ended</b>	
	<b>March 31,</b>	<b>December 31,</b>
	<b>2024</b>	<b>2023</b>
	<i>(RMB in thousands)</i>	
<b>Revenues</b>	<b>73,275,884</b>	73,695,951
Including: Interest revenue	<b>487,572</b>	438,293
Cost of revenues	<b>(47,579,144)</b>	(48,702,612)
<b>Gross profit</b>	<b>25,696,740</b>	24,993,339
Selling and marketing expenses	<b>(13,888,302)</b>	(16,725,310)
Research and development expenses	<b>(5,000,153)</b>	(5,425,285)
General and administrative expenses	<b>(2,298,323)</b>	(2,700,281)
Net provisions for impairment losses on financial and contract assets	<b>(175,386)</b>	(408,417)
Fair value changes of other financial investments at fair value through profit or loss	<b>(517,116)</b>	(61,652)
Other gains, net	<b>1,391,932</b>	2,085,740
<b>Operating profit</b>	<b>5,209,392</b>	1,758,134
Finance income	<b>279,755</b>	216,153
Finance costs	<b>(321,863)</b>	(366,725)
Share of profits of investments accounted for using the equity method	<b>314,197</b>	705,484
<b>Profit before income tax</b>	<b>5,481,481</b>	2,313,046
Income tax expenses	<b>(112,502)</b>	(96,059)
<b>Profit for the period</b>	<b>5,368,979</b>	2,216,987
<b>Non-IFRS Accounting Standards measures:</b>		
Adjusted EBITDA	<b>8,070,343</b>	3,744,406
Adjusted net profit	<b>7,488,394</b>	4,374,712

## Revenues

Our revenues decreased by 0.6% to RMB73.3 billion for the first quarter of 2024 from RMB73.7 billion for the fourth quarter of 2023, which was primarily due to seasonality.

The following table sets forth our revenues by segment and type for the first quarter of 2024 and the fourth quarter of 2023:

	Unaudited Three Months Ended March 31, 2024		
	Core local commerce	New initiatives	Total
	<i>(RMB in thousands)</i>		
<b>Revenues</b>			
Delivery services	21,065,057	–	21,065,057
Commission	20,034,039	623,234	20,657,273
Online marketing services	10,307,416	83,482	10,390,898
Other services and sales (including interest revenue)	3,219,195	17,943,461	21,162,656
<b>Total</b>	<b>54,625,707</b>	<b>18,650,177</b>	<b>73,275,884</b>
	Unaudited Three Months Ended December 31, 2023		
	Core local commerce	New initiatives	Total
	<i>(RMB in thousands)</i>		
<b>Revenues</b>			
Delivery services	21,927,023	–	21,927,023
Commission	19,426,729	569,576	19,996,305
Online marketing services	10,907,096	76,905	10,984,001
Other services and sales (including interest revenue)	2,869,794	17,918,828	20,788,622
<b>Total</b>	<b>55,130,642</b>	<b>18,565,309</b>	<b>73,695,951</b>

Our revenues from the Core local commerce segment decreased by 0.9% to RMB54.6 billion for the first quarter of 2024 from RMB55.1 billion for the fourth quarter of 2023, which was primarily due to the decline in the Number of On-demand Delivery transactions and reduced marketing spending by merchants during the holiday season, partially offset by the revenue growth in our hotel and travel businesses.

Our revenues from the New initiatives segment was RMB18.7 billion for the first quarter of 2024 and remained stable on a quarter-over-quarter basis. The revenue increase in our goods retail businesses was partially offset by the revenue decrease in our certain new initiatives due to seasonality.

## Costs and Expenses

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

	<b>Unaudited Three Months Ended</b>			
	<b>March 31, 2024</b>		<b>December 31, 2023</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>				
<b>Costs and Expenses:</b>				
Cost of revenues	<b>47,579,144</b>	<b>64.9%</b>	48,702,612	66.1%
Selling and marketing expenses	<b>13,888,302</b>	<b>19.0%</b>	16,725,310	22.7%
Research and development expenses	<b>5,000,153</b>	<b>6.8%</b>	5,425,285	7.4%
General and administrative expenses	<b>2,298,323</b>	<b>3.1%</b>	2,700,281	3.7%

### Cost of Revenues

Our cost of revenues decreased by 2.3% to RMB47.6 billion for the first quarter of 2024 from RMB48.7 billion for the fourth quarter of 2023, and decreased by 1.2 percentage points to 64.9% from 66.1% as a percentage of revenues. The decrease in amount was in line with our revenue decrease due to seasonality, and attributable to the improved gross margin of our goods retail businesses as well. The decrease in cost of revenues as a percentage of revenues was mainly due to the improved gross margin of our goods retail businesses, partially offset by higher courier incentives due to seasonality.

### Selling and Marketing Expenses

Our selling and marketing expenses decreased by 17.0% to RMB13.9 billion for the first quarter of 2024 from RMB16.7 billion for the fourth quarter of 2023, and decreased by 3.7 percentage points to 19.0% 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 primarily attributable to the decreases in Transacting User incentives as well as promotion and advertising expenses, resulting from seasonality.

### *Research and Development Expenses*

Our research and development expenses decreased by 7.8% to RMB5.0 billion for the first quarter of 2024 from RMB5.4 billion for the fourth quarter of 2023, and decreased by 0.6 percentage points to 6.8% from 7.4% 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 our efforts in improving operating efficiency.

### *General and Administrative Expenses*

Our general and administrative expenses decreased by 14.9% to RMB2.3 billion for the first quarter of 2024 from RMB2.7 billion for the fourth quarter of 2023, and decreased by 0.6 percentage points to 3.1% from 3.7% 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 our efforts in improving operating efficiency.

### *Net Provisions for Impairment Losses on Financial and Contract Assets*

Our net provisions for impairment losses on financial and contract assets decreased to RMB175.4 million for the first quarter of 2024 from RMB408.4 million for the fourth quarter of 2023, which reflected the changes in expected credit losses for financial assets.

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

Our fair value changes of other financial investments at fair value through profit or loss increased to a loss of RMB517.1 million for the first quarter of 2024 from a loss of RMB61.7 million for the fourth quarter of 2023, which was driven by the fluctuation in the fair value of our investment portfolios.

### *Other Gains, Net*

Our other gains, net for the first quarter of 2024 was RMB1.4 billion, compared to RMB2.1 billion for the fourth quarter of 2023, which was mainly attributable to the decreased subsidies and tax preference.

### *Operating Profit*

As a result of the foregoing, our operating profit and operating margin for the first quarter of 2024 was RMB5.2 billion and 7.1% respectively, compared to operating profit of RMB1.8 billion and operating margin of 2.4% for the fourth quarter of 2023.



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

	<b>Unaudited</b>			
	<b>Three Months Ended</b>			
	<b>March 31, 2024</b>		<b>December 31, 2023</b>	
	<b>As a</b>		<b>As a</b>	
	<b>percentage</b>		<b>percentage</b>	
<b>Amount</b>	<b>of revenues</b>	<b>Amount</b>	<b>of revenues</b>	
<i>(RMB in thousands, except for percentages)</i>				
Core local commerce	<b>9,698,847</b>	<b>17.8%</b>	8,019,425	14.5%
New initiatives	<b>(2,756,899)</b>	<b>(14.8%)</b>	(4,832,692)	(26.0%)
Unallocated items	<b>(1,732,556)</b>	<b>NA</b>	(1,428,599)	NA
<b>Total operating profit</b>	<b><u>5,209,392</u></b>	<b>7.1%</b>	<b><u>1,758,134</u></b>	<b>2.4%</b>

Our operating profit from the Core local commerce segment increased to RMB9.7 billion for the first quarter of 2024 from RMB8.0 billion for the fourth quarter of 2023. The operating margin for this segment increased by 3.3 percentage points to 17.8% from 14.5% on a quarter-over-quarter basis. The increases in operating profit and operating margin were mainly attributable to lower Transacting User incentives and less promotion and advertising expenses, partially offset by higher courier incentives due to seasonality.

Our operating loss from the New initiatives segment narrowed to RMB2.8 billion for the first quarter of 2024 from RMB4.8 billion for the fourth quarter of 2023, and our operating margin for this segment improved by 11.2 percentage points to negative 14.8% from negative 26.0% on a quarter-over-quarter basis. The improvements in both operating loss and operating margin were primarily attributable to our efforts in improving operating efficiency, especially in our goods retail businesses.

#### ***Share of Profits of Investments Accounted for Using the Equity Method***

Our share of profits of investments accounted for using the equity method decreased to RMB314.2 million for the first quarter of 2024 from RMB705.5 million for the fourth quarter of 2023, as a result of the fluctuation in financial results of our investees.

#### ***Profit for the Period***

As a result of the foregoing, we had a profit of RMB5.4 billion for the first quarter of 2024, compared to a profit of RMB2.2 billion for the fourth quarter of 2023.



## **Reconciliation of Non-IFRS Accounting Standards Measures to the Nearest IFRS Accounting Standards Measures**

To supplement our consolidated results which are prepared and presented in accordance with IFRS Accounting Standards, we also use adjusted EBITDA and adjusted net profit as additional financial measures, which are not required by, or presented in accordance with IFRS Accounting Standards. We believe that these non-IFRS Accounting Standards 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 Accounting Standards 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 Accounting Standards. In addition, these non-IFRS Accounting Standards measures may be defined differently from similar terms used by other companies.

Adjusted EBITDA represents profit for the period adjusted for (i) fair value changes of other financial investments at fair value through profit or loss, other gains, net, finance income, finance costs, share of profits/(losses) of investments accounted for using the equity method and income tax expenses; and (ii) certain non-cash or one-off items, consisting of share-based compensation expense, amortisation of intangible assets, depreciation of property, plant and equipment, and certain impairment and expense provision.

Adjusted net profit represents profit for the period adjusted for (i) certain non-cash or one-off items, consisting of share-based compensation expense, amortisation of intangible assets resulting from acquisitions, and certain impairment and expense provision; (ii) net gains/(losses) from certain investments; and (iii) related income tax effects.

The following table sets forth the reconciliations of our non-IFRS Accounting Standards measures for the three months ended March 31, 2024 and 2023, and the three months ended December 31, 2023 to the nearest measures prepared in accordance with IFRS Accounting Standards.

	<b>Unaudited</b>		
	<b>Three Months Ended</b>		
	<b>March 31, 2024</b>	March 31, 2023	December 31, 2023
	<i>(RMB in thousands)</i>		
Profit for the period	<b>5,368,979</b>	3,358,491	2,216,987
Adjusted for:			
Share-based compensation expenses	<b>1,851,012</b>	1,936,848	1,857,422
Net losses/(gains) from investments <sup>(Note (i))</sup>	<b>359,322</b>	(113,490)	98,933
Impairment and expense provision	–	183,868	242,223
Amortisation of intangible assets resulting from acquisitions	<b>42,840</b>	117,779	42,825
Tax effects <sup>(Note (ii))</sup>	<b>(133,759)</b>	7,945	(83,678)
<b>Adjusted net profit</b>	<b>7,488,394</b>	5,491,441	4,374,712
Adjusted for:			
Income tax expenses not adjusted for adjusted net profit	<b>246,261</b>	466	179,737
Share of profits of investments accounted for using the equity method not adjusted for adjusted net profit	<b>(143,376)</b>	(2,431)	(742,765)
Finance income	<b>(279,755)</b>	(184,419)	(216,153)
Finance costs	<b>321,863</b>	353,479	366,725
Other gains, net not adjusted for adjusted net profit	<b>(1,404,959)</b>	(1,333,373)	(2,085,740)
Amortisation of software and others	<b>14,384</b>	13,846	16,037
Depreciation of property, plant and equipment	<b>1,827,531</b>	1,923,051	1,851,853
<b>Adjusted EBITDA</b>	<b>8,070,343</b>	6,262,060	3,744,406

Note (i) Mainly include fair value changes related to certain investments, gains or losses on disposal of investees or subsidiaries, dilution gains or losses and certain share of profits or losses of investments accounted for using the equity method.

Note (ii) Tax effects primarily comprise tax effects relating to share-based compensation expense, net losses/(gains) from investments, impairment and expense provision, and amortisation of intangible assets resulting from acquisitions.

## 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 RMB50.8 billion and short-term treasury investments of RMB87.8 billion as of March 31, 2024.

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

	<b>Unaudited Three Months Ended March 31, 2024</b>
	<i>(RMB in thousands)</i>
Net cash flows generated from operating activities	<b>5,981,701</b>
Net cash flows generated from investing activities	<b>23,335,017</b>
Net cash flows used in financing activities	<b>(11,870,447)</b>
<b>Net increase in cash and cash equivalents</b>	<b>17,446,271</b>
Cash and cash equivalents at the beginning of the period	<b>33,339,754</b>
Exchange losses on cash and cash equivalents	<b>(2,255)</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>50,783,770</b>

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

Net cash flows generated from operating activities represents the cash generated from our operations minus the income tax paid. Cash generated from our operations primarily consisted of our profit before income tax, as adjusted by non-cash items and changes in working capital.

For the first quarter of 2024, net cash flows generated from operating activities was RMB6.0 billion, which was primarily attributable to our profit before income tax, as adjusted by (i) depreciation and amortisation, share-based compensation expenses and fair value changes and gains related to treasury investments and other investments, and (ii) the changes in working capital, which primarily consisted of the decrease in certain current liabilities driven by seasonality.

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

For the first quarter of 2024, net cash flows generated from investing activities was RMB23.3 billion, which was mainly attributable to net cash generated from treasury investments, partially offset by purchase of property, plant and equipment and some other investments.

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

For the first quarter of 2024, net cash flows used in financing activities was RMB11.9 billion, which was mainly attributable to repayments of borrowings' principal and interest and repurchase of Class B Shares.

### ***Gearing ratio***

As of March 31, 2024, our gearing ratio, calculated as total borrowings and notes payable divided by total equity attributable to equity holders of the Company, was approximately 30%.

## FINANCIAL INFORMATION

### CONDENSED CONSOLIDATED INCOME STATEMENT

#### Unaudited Three Months Ended

	March 31, 2024	March 31, 2023	December 31, 2023
	<i>(RMB in thousands)</i>		
<b>Revenues</b>	<b>73,275,884</b>	58,617,472	73,695,951
Including: Interest revenue	<b>487,572</b>	359,293	438,293
Cost of revenues	<b>(47,579,144)</b>	(38,800,047)	(48,702,612)
<b>Gross profit</b>	<b>25,696,740</b>	19,817,425	24,993,339
Selling and marketing expenses	<b>(13,888,302)</b>	(10,433,070)	(16,725,310)
Research and development expenses	<b>(5,000,153)</b>	(5,047,387)	(5,425,285)
General and administrative expenses	<b>(2,298,323)</b>	(1,994,953)	(2,700,281)
Net provisions for impairment losses on financial and contract assets	<b>(175,386)</b>	(255,347)	(408,417)
Fair value changes of other financial investments at fair value through profit or loss	<b>(517,116)</b>	164,029	(61,652)
Other gains, net	<b>1,391,932</b>	1,335,024	2,085,740
<b>Operating profit</b>	<b>5,209,392</b>	3,585,721	1,758,134
Finance income	<b>279,755</b>	184,419	216,153
Finance costs	<b>(321,863)</b>	(353,479)	(366,725)
Share of profits/(losses) of investments accounted for using the equity method	<b>314,197</b>	(49,759)	705,484
<b>Profit before income tax</b>	<b>5,481,481</b>	3,366,902	2,313,046
Income tax expenses	<b>(112,502)</b>	(8,411)	(96,059)
<b>Profit for the period</b>	<b>5,368,979</b>	3,358,491	2,216,987
<b>Profit for the period attributable to:</b>			
Equity holders of the Company	<b>5,368,538</b>	3,358,233	2,216,702
Non-controlling interests	<b>441</b>	258	285
	<b>5,368,979</b>	3,358,491	2,216,987

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As of March 31, 2024	Audited As of December 31, 2023
	<i>(RMB in thousands)</i>	
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	26,734,801	25,977,845
Intangible assets	30,360,542	30,397,947
Deferred tax assets	1,998,972	1,914,449
Long-term treasury investments	7,933,849	8,527,142
Other financial investments at fair value through profit or loss	18,557,455	18,481,104
Investments accounted for using the equity method	19,063,295	18,289,183
Other financial investments at fair value through other comprehensive income	2,405,336	2,314,536
Prepayments, deposits and other assets	3,619,586	4,011,247
	<u>110,673,836</u>	<u>109,913,453</u>
<b>Current assets</b>		
Inventories	1,340,367	1,304,595
Trade receivables	3,004,572	2,742,999
Prepayments, deposits and other assets	13,415,714	14,534,923
Short-term treasury investments	87,810,511	111,820,679
Restricted cash	18,276,776	19,373,229
Cash and cash equivalents	50,783,770	33,339,754
	<u>174,631,710</u>	<u>183,116,179</u>
<b>Total assets</b>	<u><u>285,305,546</u></u>	<u><u>293,029,632</u></u>
<b>EQUITY</b>		
Share capital	418	418
Share premium	324,927,442	325,578,612
Shares held for shares award scheme	(1)	–
Other reserves	2,115,637	2,051,062
Accumulated losses	(170,248,347)	(175,616,885)
<b>Equity attributable to equity holders of the Company</b>	<u>156,795,149</u>	<u>152,013,207</u>
<b>Non-controlling interests</b>	<u>(56,399)</u>	<u>(56,840)</u>
<b>Total equity</b>	<u><u>156,738,750</u></u>	<u><u>151,956,367</u></u>

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

	<b>Unaudited</b>	Audited
	<b>As of</b>	As of
	<b>March 31,</b>	December 31,
	<b>2024</b>	2023
	<i>(RMB in thousands)</i>	
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Deferred tax liabilities	<b>958,432</b>	968,230
Financial liabilities at fair value through profit or loss	<b>378,720</b>	378,720
Borrowings	<b>736,522</b>	610,103
Notes payable	<b>35,541,738</b>	34,610,966
Lease liabilities	<b>3,279,466</b>	3,598,252
Other non-current liabilities	<b>22,901</b>	32,899
	<b>40,917,779</b>	40,199,170
<b>Current liabilities</b>		
Trade payables	<b>20,296,212</b>	22,980,506
Payables to merchants	<b>21,219,259</b>	23,798,004
Advances from transacting users	<b>8,443,207</b>	8,547,635
Other payables and accruals	<b>18,619,713</b>	17,942,215
Borrowings	<b>11,077,508</b>	19,321,793
Deferred revenues	<b>5,484,004</b>	5,598,132
Lease liabilities	<b>2,362,936</b>	2,479,785
Income tax liabilities	<b>146,178</b>	206,025
	<b>87,649,017</b>	100,874,095
<b>Total liabilities</b>	<b>128,566,796</b>	141,073,265
<b>Total equity and liabilities</b>	<b>285,305,546</b>	293,029,632

## OTHER INFORMATION

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

During the three months ended March 31, 2024 and up to the date of this announcement, the Company repurchased a total of 82,508,300 Class B Shares (the “**Shares Repurchased**”) on the Stock Exchange at the aggregate consideration of HK\$7,173,699,610.55 before expenses. Particulars of the Shares Repurchased are as follows:

Month of Repurchase	No. of Shares Repurchased	Price Paid per Share		Aggregate Consideration (HK\$)
		Highest (HK\$)	Lowest (HK\$)	
January 2024	44,131,100	77.05	68.20	3,199,839,636.20
April 2024	35,076,000	115.40	97.55	3,587,699,016.24
May 2024	<u>3,301,200</u>	119.00	109.70	<u>386,160,958.11</u>
<b>Total</b>	<b><u><u>82,508,300</u></u></b>			<b><u><u>7,173,699,610.55</u></u></b>

During the three months ended March 31, 2024 and up to the date of this announcement, the number of Class B Shares in issue was reduced by 44,131,100 as a result of the cancellation of the same number of Shares Repurchased in January 2024. Upon such aforesaid cancellation, Mr. Mu Rongjun, as a WVR beneficiary, simultaneously converted 4,248,771 Class A Shares into Class B Shares on a one-to-one ratio pursuant to Rule 8A.21 of the Listing Rules, such that the proportion of Shares carrying WVR shall not be increased, pursuant to the requirements under Rules 8A.13 and 8A.15 of the Listing Rules.

Save as disclosed above, 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, 2024 and up to the date of this announcement.

### Audit Committee

The Audit Committee has reviewed the Company's unaudited interim condensed financial information for the three months ended March 31, 2024. It meets regularly with the management, the Auditor and the internal audit personnel to discuss the accounting principles and practices adopted by the Company and internal control and financial reporting matters.



## **Basis of Preparation and Presentation**

The accounting policies used in preparation of the unaudited interim financial information are consistent with those adopted in preparing the Company's annual audited financial statements for the year ended December 31, 2023 (the "**2023 Financial Statements**"), except for the estimation of income tax and the adoption of new and amended standards as set out in the 2023 Financial Statements.

The unaudited interim financial information for the three months ended March 31, 2024 does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the 2023 Financial Statements, which have been prepared in accordance with the IFRS Accounting standards.

## **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 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, 2024. 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 C3 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, 2024.

## **Events after the Reporting Period**

Save as disclosed above, there were no other significant events that may affect the Company since March 31, 2024.

## 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 6, 2024

*As at the date of this announcement, the Board comprises Mr. Wang Xing and Mr. Mu Rongjun as executive Directors, Mr. Neil Nanpeng Shen as non-executive Director, and Mr. Orr Gordon Robert Halyburton, Mr. Leng Xuesong, Dr. Shum Heung Yeung Harry and Ms. Marjorie Mun Tak Yang 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 seventh amended and restated articles of association of the Company adopted by special resolution passed on June 30, 2023
“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 C1 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), 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 contractual arrangements
“Director(s)”	the director(s) of the Company
“IFRS Accounting Standards”	International Financial Reporting Standards, as issued from time to time by the International Accounting Standards Board
“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

“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 of association of the Company 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”	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
“Share(s) Repurchased”	has the meaning ascribed to it in the section headed “ <i>Purchase, Sale or Redemption of the Company’s Listed Securities</i> ” in this announcement
“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
“WVR”	weighted voting rights as ascribed in Rule 8A.02 of the Listing Rules
“%”	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
“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
“Number of On-demand Delivery transactions”	include number of transactions from food delivery and Meituan Instashopping businesses
“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; whereas (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