美团

Meituan

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

HKD Counter Stock Code: 3690

RMB Counter Stock Code: 83690

2024

Annual Report

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Wang Xing (王興)
(Chairman and Chief Executive Officer)
Mr. Mu Rongjun (穆榮均)

Independent Non-executive Directors

Mr. Orr Gordon Robert Halyburton
Mr. Leng Xuesong (冷雪松)
Dr. Shum Heung Yeung Harry (沈向洋)
Ms. Yang Marjorie Mun Tak (楊敏德)

AUDIT COMMITTEE

Mr. Orr Gordon Robert Halyburton *(chairman)*
Mr. Leng Xuesong (冷雪松)
Dr. Shum Heung Yeung Harry (沈向洋)
Ms. Yang Marjorie Mun Tak (楊敏德)
(appointed on March 22, 2024)

REMUNERATION COMMITTEE

Mr. Leng Xuesong (冷雪松) *(chairman)*
Dr. Shum Heung Yeung Harry (沈向洋)
Mr. Mu Rongjun (穆榮均)

NOMINATION COMMITTEE

Mr. Leng Xuesong (冷雪松) *(chairman)*
Dr. Shum Heung Yeung Harry (沈向洋)

CORPORATE GOVERNANCE COMMITTEE

Mr. Leng Xuesong (冷雪松) *(chairman)*
Dr. Shum Heung Yeung Harry (沈向洋)
Mr. Orr Gordon Robert Halyburton

JOINT COMPANY SECRETARIES

Ms. Xu Sijia (徐思嘉)
Ms. Lau Yee Wa (劉綺華)

AUTHORIZED REPRESENTATIVES

Mr. Wang Xing (王興)
Mr. Mu Rongjun (穆榮均)

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants and
Registered PIE Auditor
22/F, Prince's Building
Central
Hong Kong

REGISTERED OFFICE

PO Box 309, Ugland House
Grand Cayman, KY1-1104
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN CHINA

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No. 4 Wang Jing East Road
Chaoyang District
Beijing 100102
China

CORPORATE INFORMATION

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1912, 19/F
Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

LEGAL ADVISORS

As to Hong Kong law:
Davis Polk & Wardwell
10/F, The Hong Kong Club Building
3A Chater Road
Central
Hong Kong

As to the PRC law:
Han Kun Law Offices
Beijing office
9/F, Office Tower C1
Oriental Plaza
No. 1 East Chang An Ave
Beijing 100738, the PRC

As to Cayman Islands law:
Maples and Calder (Hong Kong) LLP
26th Floor, Central Plaza
18 Harbour Road, Wanchai
Hong Kong

COMPLIANCE ADVISOR

Guotai Junan Capital Limited
27/F, Low Block
Grand Millennium Plaza
181 Queen's Road Central
Hong Kong

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Maples Fund Services (Cayman) Limited
PO Box 1093, Boundary Hall
Cricket Square
Grand Cayman KY1-1102
Cayman Islands

PRINCIPAL BANKER

China Merchants Bank, Beijing Branch
Shouti Sub-branch
1/F, Tengda Building
No. 168 Xizhimenwai Street
Haidian District
Beijing
China

STOCK CODES

3690 (HKD counter)
83690 (RMB counter)

STOCK SHORT NAMES

美团-W (HKD counter)
MEITUAN-W (HKD counter)

美团-WR (RMB counter)
MEITUAN-WR (RMB counter)

COMPANY'S WEBSITE

about.meituan.com

CORPORATE INFORMATION

WEIGHTED VOTING RIGHTS

The Company is controlled through weighted voting rights. Each Class A Share has 10 votes per share and each Class B Share has one vote per share except with respect to resolutions regarding a limited number of Reserved Matters, where each Share has one vote. The Company's WVR Structure enables the WVR Beneficiaries to exercise voting control over the Company notwithstanding the WVR Beneficiaries do not hold a majority economic interest in the share capital of the Company. This allows the Company to benefit from the continuing vision and leadership of the WVR Beneficiaries who control the Company with a view to its long-term prospects and strategy.

Shareholders and prospective investors are advised to be aware of the potential risks of investing in companies with WVR Structures, in particular that interests of the WVR Beneficiaries may not necessarily always be aligned with those of the Shareholders as a whole, and that the WVR Beneficiaries will be in a position to exert significant influence over the affairs of the Company and the outcome of Shareholders' resolutions, irrespective of how other Shareholders vote. Shareholders and prospective investors should make the decision to invest in the Company only after due and careful consideration.

As at the date of this annual report (i.e. March 21, 2025), the WVR Beneficiaries are Wang Xing and Mu Rongjun. Wang Xing beneficially owned 515,869,783 Class A Shares, representing approximately 45.55% of the voting rights in the Company with respect to Shareholders' resolutions relating to matters other than the Reserved Matters. The Class A Shares beneficially owned by Wang Xing are held by (i) Crown Holdings, a company indirectly wholly owned by a trust established by Wang Xing (as settlor) for the benefit of Wang Xing and his family; and (ii) Shared Patience, a company directly wholly owned by Wang Xing. Mu Rongjun beneficially owned 63,569,388 Class A Shares, representing approximately 5.61% of the voting rights in the Company with respect to Shareholders' resolutions relating to matters other than the Reserved Matters. The Class A Shares beneficially owned by Mu Rongjun are held by Charmway Enterprises, a company indirectly wholly owned by a trust established by Mu Rongjun (as settlor) for the benefit of Mu Rongjun and his family.

Class A Shares may be converted into Class B Shares on a one to one ratio. As at the date of this annual report, upon the conversion of all the issued and outstanding Class A Shares into Class B Shares, the Company will issue 579,439,171 Class B Shares, representing approximately 10.48% of the total number of issued Class B Shares as at the date of this annual report.

CORPORATE INFORMATION

The weighted voting rights attached to our Class A Shares will cease when none of the WVR Beneficiaries have beneficial ownership of any of our Class A Shares, in accordance with Listing Rule 8A.22. This may occur:

(i) upon the occurrence of any of the circumstances set out in Listing Rule 8A.17, in particular where a WVR Beneficiary is: (1) deceased; (2) no longer a member of the Board; (3) deemed by the Stock Exchange to be incapacitated for the purpose of performing his duties as a director; or (4) deemed by the Stock Exchange to no longer meet the requirements of a director set out in the Listing Rules;

(ii) when the Class A Shareholders have transferred to another person the beneficial ownership of, or economic interest in, all of the Class A Shares or the control over the voting rights attached to them, other than in the circumstances permitted by Listing Rule 8A.18;

(iii) where a vehicle holding Class A Shares on behalf of a WVR Beneficiary no longer complies with Listing Rule 8A.18(2); or

(iv) when all of the Class A Shares have been converted to Class B Shares.

FINANCIAL SUMMARY

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended December 31,				
	2020	2021	2022	2023	**2024**
	(RMB in thousands)				
Revenues	114,794,510	179,127,997	219,954,948	276,744,954	**337,591,576**
Gross profit	34,050,142	42,474,128	61,752,979	97,191,161	**129,784,594**
Profit/(loss) before income tax	4,437,875	(23,566,477)	(6,755,517)	14,021,868	**37,985,429**
Profit/(loss) for the year	4,707,612	(23,536,198)	(6,685,323)	13,857,331	**35,808,322**
Profit/(loss) for the year attributable to equity holders of the Company	4,708,313	(23,538,379)	(6,686,110)	13,855,828	**35,807,179**
Total comprehensive income/(loss) for the year	1,728,980	(25,036,620)	(6,129,362)	14,224,686	**37,668,130**
Total comprehensive income/(loss) for the year attributable to equity holders of the Company	1,729,681	(25,038,801)	(6,130,149)	14,223,183	**37,666,987**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As of December 31,				
	2020	2021	2022	2023	**2024**
	(RMB in thousands)				
ASSETS					
Non-current assets	78,268,647	92,824,592	101,335,725	109,913,453	**114,620,056**
Current assets	88,306,155	147,828,677	143,145,467	183,116,179	**209,734,861**
Total assets	166,574,802	240,653,269	244,481,192	293,029,632	**324,354,917**
EQUITY					
Equity attributable to equity holders of the Company	97,693,027	125,613,442	128,761,610	152,013,207	**172,662,960**
Non-controlling interests	(58,752)	(56,680)	(55,893)	(56,840)	**(58,882)**
Total Equity	97,634,275	125,556,762	128,705,717	151,956,367	**172,604,078**
LIABILITIES					
Non-current liabilities	17,792,886	46,503,550	39,345,378	40,199,170	**43,815,199**
Current liabilities	51,147,641	68,592,957	76,430,097	100,874,095	**107,935,640**
Total liabilities	68,940,527	115,096,507	115,775,475	141,073,265	**151,750,839**
Total equity and liabilities	166,574,802	240,653,269	244,481,192	293,029,632	**324,354,917**

FINANCIAL SUMMARY

FINANCIAL INFORMATION BY SEGMENT

	Unaudited Three Months Ended December 31, 2024			
	Core local commerce	New initiatives	Unallocated items[1]	Total
	(RMB in thousands)			
Revenues:				
Delivery services	26,194,820	–	–	26,194,820
Commission	24,066,077	902,420	–	24,968,497
Online marketing services	12,842,276	108,230	–	12,950,506
Other services and sales (including interest revenue)	2,463,659	21,909,814	–	24,373,473
Total revenues	65,566,832	22,920,464	–	88,487,296
Cost of revenues, operating expenses and unallocated items	(52,666,505)	(25,096,478)	(4,030,814)	(81,793,797)
Operating profit/(loss)	12,900,327	(2,176,014)	(4,030,814)	6,693,499

	Unaudited Three Months Ended December 31, 2023			
	Core local commerce	New initiatives	Unallocated items	Total
	(RMB in thousands)			
Revenues:				
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
Total revenues	55,130,642	18,565,309	–	73,695,951
Cost of revenues, operating expenses and unallocated items	(47,111,217)	(23,398,001)	(1,428,599)	(71,937,817)
Operating profit/(loss)	8,019,425	(4,832,692)	(1,428,599)	1,758,134

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, (iv) certain items in other gains/(losses), net, and (v) certain corporate administrative expenses and other items. They are not allocated to individual segments.

FINANCIAL SUMMARY

	Year-over-year change			
	Core local commerce	New initiatives	Unallocated items	Total
	(Percentages %)			
Revenues:				
Delivery services	19.5	NA	NA	19.5
Commission	23.9	58.4	NA	24.9
Online marketing services	17.7	40.7	NA	17.9
Other services and sales (including interest revenue)	(14.2)	22.3	NA	17.2
Total revenues	18.9	23.5	NA	20.1
Cost of revenues, operating expenses and unallocated items	11.8	7.3	182.2	13.7
Operating profit/(loss)	60.9	(55.0)	182.2	280.7

	Year Ended December 31, 2024			
	Core local commerce	New initiatives	Unallocated items	Total
	(RMB in thousands)			
Revenues:				
Delivery services	98,065,260	–	–	98,065,260
Commission	92,288,620	3,052,336	–	95,340,956
Online marketing services	48,836,066	404,326	–	49,240,392
Other services and sales (including interest revenue)	11,057,550	83,887,418	–	94,944,968
Total revenues	250,247,496	87,344,080	–	337,591,576
Cost of revenues, operating expenses and unallocated items	(197,832,334)	(94,617,394)	(8,296,892)	(300,746,620)
Operating profit/(loss)	52,415,162	(7,273,314)	(8,296,892)	36,844,956

FINANCIAL SUMMARY

	Year Ended December 31, 2023			
	Core local commerce	New initiatives	Unallocated items	Total
	(RMB in thousands)			
Revenues:				
Delivery services	82,190,980	–	–	82,190,980
Commission	74,630,737	2,057,806	–	76,688,543
Online marketing services	40,266,890	246,326	–	40,513,216
Other services and sales (including interest revenue)	9,818,325	67,533,890	–	77,352,215
Total revenues	206,906,932	69,838,022	–	276,744,954
Cost of revenues, operating expenses and unallocated items	(168,208,085)	(90,004,506)	(5,116,976)	(263,329,567)
Operating profit/(loss)	38,698,847	(20,166,484)	(5,116,976)	13,415,387

	Year-over-year change			
	Core local commerce	New initiatives	Unallocated items	Total
	(Percentages %)			
Revenues:				
Delivery services	19.3	NA	NA	19.3
Commission	23.7	48.3	NA	24.3
Online marketing services	21.3	64.1	NA	21.5
Other services and sales (including interest revenue)	12.6	24.2	NA	22.7
Total revenues	20.9	25.1	NA	22.0
Cost of revenues, operating expenses and unallocated items	17.6	5.1	62.1	14.2
Operating profit/(loss)	35.4	(63.9)	62.1	174.6

CHAIRMAN'S STATEMENT

To our Shareholders:

2024 was an important year for Meituan to adapt to the evolving consumption trends and facilitate industry transformation. As a leading platform in local services, we explored new growth opportunities through industry innovations, and brought changes to consumers' daily lives and merchants' business operation. As we maintained steady growth in all our core business areas, we also helped unleash consumer demand in the local service domain. Additionally, we actively expanded into the overseas markets, and continued to drive innovations and apply advanced technologies in the on-demand delivery space. In the long run, we believe technology will continue to transform the retail industry, and will help us better fulfill our mission that "we help people eat better, live better".

COMPANY FINANCIAL HIGHLIGHTS

For the full year of 2024, our revenues increased by 22.0% to RMB337.6 billion from RMB276.7 billion in 2023. Our total segment operating profit increased by 143.6% from RMB18.5 billion in 2023 to RMB45.1 billion in 2024, and the total segment operating margin increased from 6.7% to 13.4%, on a year-over-year basis. Our Core local commerce segment achieved an operating profit of RMB52.4 billion in 2024, which increased by 35.4% from RMB38.7 billion in 2023. Meanwhile, the operating loss for our New initiatives segment narrowed to RMB7.3 billion in 2024 from RMB20.2 billion in 2023. Our profit for the year was RMB35.8 billion in 2024, representing a 158.4% year-on-year growth. Our adjusted EBITDA and adjusted net profit increased to RMB49.1 billion and RMB43.8 billion in 2024, respectively. We also achieved an operating cash inflow of RMB57.1 billion in 2024. We held cash and cash equivalents of RMB70.8 billion and short-term treasury investments of RMB97.4 billion as of December 31, 2024.

COMPANY BUSINESS HIGHLIGHTS

Core local commerce

For the full year of 2024, revenue for the Core local commerce segment increased by 20.9% year over year to RMB250.2 billion, thanks to further online penetration and strong consumer demand. Operating profit increased by 35.4% year over year to RMB52.4 billion, and operating margin improved to 20.9%, up from 18.7% in 2023, thanks to the high-quality growth and efficiency improvement across all businesses.

For the fourth quarter of 2024, revenue for the Core local commerce segment increased by 18.9% year over year to RMB65.6 billion. Operating profit increased by 60.9% year over year to RMB12.9 billion, with operating margin improving year over year to 19.7%.

CHAIRMAN'S STATEMENT

In 2024, on-demand delivery business experienced steady growth. Nowadays, food delivery has become an important growth driver for the catering industry, and on-demand retail has become an indispensable component of the retail industry. We have adapted to the evolving consumption trends and fortified the "value-for-money" mindshare of our consumers, thereby cultivating a more efficient and inclusive ecosystem. We delved into supply chain innovations and refined our operations to address the diverse demand from consumers. Our new supply models brought new growth opportunities for merchants, enabling them to weather external challenges. Through Pin Hao Fan ("拼好飯"), a large number of restaurant merchants managed to boost their sales and attracted new customers. In the meantime, consumers were presented with more affordable food delivery options. We further expanded the supply, enhanced food safety control, and enhanced the user experience of Pin Hao Fan, which incentivized consumer demand under more scenarios and lifted consumer purchase frequency. The Branded Satellite Store ("品牌衛星店") served as a cost-efficient expansion avenue for branded restaurants. By leveraging merchants' branding assets and adopting a more favorable cost structure, these Branded Satellite Stores offer consumers high-quality options at more affordable prices compared to in-store dining. We also enhanced our product assortment for Shen Qiang Shou ("神搶手"), better catering to consumer demand for quality products. Moreover, Meituan InstaMart ("美团閃電倉") experienced remarkable growth throughout 2024, especially in lower-tier markets. It has emerged as an important new growth channel for a wide array of retailers. Many large traditional retailers actively embraced the Meituan InstaMart model. It complements traditional offline retail supply and enhances the convenience of on-demand retail, which further stimulates consumer demand. On-demand retail has now firmly established itself as a new lifestyle, characterized by a high level of certainty. We also continued to improve our services across different on-demand delivery categories. For example, consumers can enjoy one-stop services covering home testing, online diagnosis, medical insurance payment and on-demand delivery when purchasing medicines on our platform.

As our on-demand delivery business grows, we remain steadfast in our commitment to cultivating a sustainable ecosystem. On the merchant front, we streamlined our promotional schemes, standardized marketing activities, enhanced food safety management and improved the governance over malicious negative reviews. We also launched a RMB1 billion merchant support program in the fourth quarter. By offering cash support and platform subsidies, we aim to help merchants improve their service quality, optimize efficiency, and explore innovations. Regarding couriers, enhancing their rights and benefits and improving their work experience are our top priorities. Under the guidance of government authorities, we have accumulatively provided RMB1.4 billion in occupational injury insurance for all the couriers in seven pilot provinces and cities since July 2022. Moreover, we implemented a series of courier-friendly measures. These include the introduction of anti-fatigue features in our system and providing special caring and accommodations for deaf and hearing-impaired couriers. Additionally, we have provided support to the family members of numerous couriers who are facing major illnesses or are in need of educational aid. Looking ahead, we will continue to invest in the ecosystem to drive the sustainable development of the industry. Specifically, through in-depth research and under the guidance of relevant authorities, we have come up with a pilot plan for couriers' social security. We expect to start rolling it out in some cities in the second quarter of 2025.

CHAIRMAN'S STATEMENT

In 2024, our in-store business posted stellar growth. The order volume soared by over 65%, and both annual Transacting Users and annual Active Merchants reached new highs. Following our organizational restructuring, we have integrated resources across different business lines. This integration has enabled us to provide merchants with an augmented business infrastructure and traffic support. By leveraging Special Deals ("特價團購"), live-streaming events, and theme-based campaigns, we were able to offer merchants more customized, diversified, and efficient marketing tools. In addition, we provided merchants with a suite of digital tools and services. These offerings are designed to enhance operations and help them accumulate digital assets. Moreover, our upgraded Shen Hui Yuan ("神會員") membership program has effectively directed high-quality food delivery user traffic to in-store merchants. As a result, marketing efficiency of the participating merchants has been improved, and their transaction volumes have increased notably. Our strengthened supply-side advantages have consistently enhanced consumer mindshare. During 2024, we actively capitalized on consumer demand in leisure and entertainment services at more affordable prices. Leveraging our extensive offerings, strong brand awareness and high-quality services, we continuously expanded into new categories and effectively stimulated consumption. To capture the emerging trend of the county economy, we accelerated our penetration into lower-tier markets. We streamlined the merchant onboarding process for small and medium-sized merchants and facilitated their online operations through our easier-to-use operating toolkits. Furthermore, through our tailored Special Deals sessions, we enhanced our offerings in group-buy deals and packaged products. These strategies have driven notable growth for our in-store businesses in the lower-tier markets.

In the hotel and travel business, during 2024, we witnessed strong consumer demand with evolving travel preferences. Thanks to our early establishment in lower-tier markets and low-star hotels, we further strengthened our collaborations with industry partners and enhanced our product diversity and price attractiveness. Additionally, leveraging our platform capabilities, we effectively realized cross-sells. We also integrated our resources with other categories to improve our Hotel+X packaged deals. These packaged deals were designed to more comprehensively address all aspects of consumers' travel-related needs, encompassing transportation, dining, and entertainment. In the low-star hotel domain, we leveraged Shen Hui Yuan ("神會員") and other programs to accurately direct user traffic to the hotel merchants. We also provided merchants with comprehensive online tools and room renovation solutions. As for high-star hotels, we deepened our collaborations with hotel groups through joint membership and joint marketing programs. Notably, several leading hotel brands have actively engaged with us in Shen Hui Yuan.

New initiatives

In 2024, revenues from the New initiatives segment increased by 25.1% year over year to RMB87.3 billion. Operating loss narrowed to RMB7.3 billion, while operating margin improved to negative 8.3%, primarily attributable to improvement in operational efficiency across all businesses in this segment.

For the fourth quarter of 2024, revenues from the New initiatives segment increased by 23.5% year over year to RMB22.9 billion. Operating loss for the segment narrowed by 55.0% year over year to RMB2.2 billion. Operating margin improved year over year to negative 9.5%.

In 2024, we continued to refine our operations in grocery retail as well as software and hardware services, thereby achieving a substantial enhancement in operational efficiency. We solidified our market position across the majority of our new initiatives, such as B2B food distribution services, bike sharing, e-moped sharing, restaurant SaaS, and power bank services. These initiatives further strengthened our ecosystem, enhanced both consumer and merchant engagement, and are expected to unlock greater financial value in the future. In addition, we accelerated our exploration of overseas markets. After launching in Riyadh last October, we further expanded Keeta to all the major cities in Saudi Arabia, with user base and order volume growing rapidly. In the long run, we will continue to deliver high-quality products and services to consumers and merchants in more regions globally, and help more people eat better, live better.

COMPANY OUTLOOK AND STRATEGY FOR 2025

Looking ahead, we remain committed to advancing the digital transformation of the industry, empowering merchant operations, and unleashing consumer demand. As we continue to execute the "Retail + Technology" corporate strategy, we will expand our investments in cutting-edge technologies and the relevant applications, such as AI, unmanned aerial delivery, and autonomous delivery vehicles. In the long run, we are convinced that technology will continue to transform the retail industry. As the industry leader, we are also dedicated to fulfilling our social responsibilities by creating employment opportunities, improving courier welfare, and promoting the sustainable development of the local service ecosystem. Our objective is not merely to drive industry growth and technological innovations but also to make contributions to society at large.

Wang Xing
Chairman

Hong Kong, March 21, 2025

MANAGEMENT DISCUSSION AND ANALYSIS

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

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

	Unaudited Three Months Ended	
	December 31, 2024	December 31, 2023
	(RMB in thousands)	
Revenues	88,487,296	73,695,951
Including: Interest revenue	394,119	438,293
Cost of revenues	(55,043,149)	(48,702,612)
Gross profit	33,444,147	24,993,339
Selling and marketing expenses	(17,301,322)	(16,725,310)
Research and development expenses	(5,420,285)	(5,425,285)
General and administrative expenses	(2,938,189)	(2,700,281)
Net provisions for impairment losses on financial and contract assets	(170,390)	(408,417)
Fair value changes of other financial investments at fair value through profit or loss	12,835	(61,652)
Other (losses)/gains, net	(933,297)	2,085,740
Operating profit	6,693,499	1,758,134
Finance income	354,470	216,153
Finance costs	(468,151)	(366,725)
Share of profits of investments accounted for using the equity method	316,482	705,484
Profit before income tax	6,896,300	2,313,046
Income tax expenses	(674,249)	(96,059)
Profit for the period	6,222,051	2,216,987
Non-IFRS Accounting Standards measures:		
Adjusted EBITDA	11,522,592	3,744,406
Adjusted net profit	9,848,538	4,374,712

MANAGEMENT DISCUSSION AND ANALYSIS

Revenues

Our revenues increased by 20.1% to RMB88.5 billion for the fourth quarter of 2024 from RMB73.7 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 fourth quarter of 2024 and 2023:

	Unaudited Three Months Ended December 31, 2024		
	Core local commerce	**New initiatives**	**Total**
	(RMB in thousands)		
Revenues			
Delivery services	**26,194,820**	**–**	**26,194,820**
Commission	**24,066,077**	**902,420**	**24,968,497**
Online marketing services	**12,842,276**	**108,230**	**12,950,506**
Other services and sales (including interest revenue)	**2,463,659**	**21,909,814**	**24,373,473**
Total	**65,566,832**	**22,920,464**	**88,487,296**

	Unaudited Three Months Ended December 31, 2023		
	Core local commerce	New initiatives	Total
	(RMB in thousands)		
Revenues			
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
Total	55,130,642	18,565,309	73,695,951

MANAGEMENT DISCUSSION AND ANALYSIS

Our revenues from the Core local commerce segment increased by 18.9% to RMB65.6 billion for the fourth quarter of 2024 from RMB55.1 billion for the same period of 2023. The revenue growth in delivery services was mainly due to the increased Number of On-demand Delivery transactions and the decreased incentives deducted from revenues. The revenue growth in commission was mainly driven by the increased GTV. The revenue growth in online marketing services was mainly attributable to the increased number of and the average revenue from online marketing Active Merchants.

Our revenues from the New initiatives segment increased by 23.5% to RMB22.9 billion for the fourth quarter of 2024 from RMB18.6 billion for the same period of 2023, which was primarily attributable to the revenue growth in our grocery retail businesses and the development of our overseas businesses.

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			
	December 31, 2024		December 31, 2023	
	Amount	**As a percentage of revenues**	Amount	As a percentage of revenues
	(RMB in thousands, except for percentages)			
Costs and Expenses:				
Cost of revenues	**55,043,149**	**62.2%**	48,702,612	66.1%
Selling and marketing expenses	**17,301,322**	**19.6%**	16,725,310	22.7%
Research and development expenses	**5,420,285**	**6.1%**	5,425,285	7.4%
General and administrative expenses	**2,938,189**	**3.3%**	2,700,281	3.7%

Cost of Revenues

Our cost of revenues increased by 13.0% to RMB55.0 billion for the fourth quarter of 2024 from RMB48.7 billion for the same period of 2023, and decreased by 3.9 percentage points to 62.2% from 66.1% as a percentage of revenues on a year-over-year basis. The increase in amount was primarily driven by the increase in cost of revenues of our on-demand delivery business and grocery retail businesses. The decrease in cost of revenues as a percentage of revenues on a year-over-year basis was mainly due to the improved gross margin of our grocery retail businesses and our efforts in improving operating leverage.

Selling and Marketing Expenses

Our selling and marketing expenses was RMB17.3 billion for the fourth quarter of 2024, remaining stable on a year-over-year basis. The percentage of revenues decreased by 3.1 percentage points to 19.6% for the fourth quarter of 2024 from 22.7% for the fourth quarter of 2023 on a year-over-year basis, mainly due to the improved marketing efficiency and the improved operating leverage.

Research and Development Expenses

Our research and development expenses was RMB5.4 billion for the fourth quarter of 2024, remaining stable on a year-over-year basis. The percentage of revenues decreased by 1.3 percentage points to 6.1% for the fourth quarter of 2024 from 7.4% for the fourth quarter of 2023 on a year-over-year basis, primarily due to the improved operating leverage.

General and Administrative Expenses

Our general and administrative expenses increased by 8.8% to RMB2.9 billion for the fourth quarter of 2024 from RMB2.7 billion for the same period of 2023, which was primarily driven by the increased tax surcharge expenses as a result of growth in business scale and the increased employee benefits expenses. The percentage of revenues was 3.3% for the fourth quarter of 2024, remaining stable on a year-over-year basis.

MANAGEMENT DISCUSSION AND ANALYSIS

Net Provisions for Impairment Losses on Financial and Contract Assets

Our net provisions for impairment losses on financial and contract assets decreased to RMB170.4 million for the fourth quarter of 2024 from RMB408.4 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 gain of RMB12.8 million for the fourth quarter of 2024 from a loss of RMB61.7 million for the same period of 2023, which was driven by the fluctuation in the fair value of our investment portfolios.

Other (Losses)/Gains, Net

Our other (losses)/gains, net changed to a loss of RMB933.3 million for the fourth quarter of 2024 from a gain of RMB2.1 billion for the same period of 2023, which was primarily due to the fluctuation in unrealised foreign exchange gains/(losses) from intercompany balances, and the decreases in both tax preference and fair value changes and gains from treasury investments.

Operating Profit

As a result of the foregoing, our operating profit and operating margin for the fourth quarter of 2024 were RMB6.7 billion and 7.6% respectively, compared to operating profit of RMB1.8 billion and operating margin of 2.4% for the same period of 2023.

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

	Unaudited Three Months Ended			
	December 31, 2024		December 31, 2023	
	Amount	As a percentage of revenues	Amount	As a percentage of revenues
	(RMB in thousands, except for percentages)			
Core local commerce	**12,900,327**	**19.7%**	8,019,425	14.5%
New initiatives	**(2,176,014)**	**(9.5%)**	(4,832,692)	(26.0%)
Unallocated items	**(4,030,814)**	**NA**	(1,428,599)	NA
Including: Share-based compensation expenses	**(1,772,332)**	**NA**	(1,857,422)	NA
Total operating profit	**6,693,499**	**7.6%**	1,758,134	2.4%

Our operating profit from the Core local commerce segment increased to RMB12.9 billion for the fourth quarter of 2024 from RMB8.0 billion for the same period of 2023, and the operating margin increased by 5.2 percentage points to 19.7% from 14.5% on a year-over-year basis. The increase in operating profit was mainly attributable to revenue growth and improved operating margin. The increase in operating margin was mainly due to the improved gross profit margin, lower Transacting User incentives as a percentage of revenues, and the improved operating efficiency.

Our operating loss from the New initiatives segment narrowed to RMB2.2 billion for the fourth quarter of 2024 from RMB4.8 billion for the same period of 2023, and the operating margin for this segment improved by 16.5 percentage points to negative 9.5% from negative 26.0% 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 in our grocery retail businesses.

Our operating loss from the unallocated items increased to RMB4.0 billion for the fourth quarter of 2024 from RMB1.4 billion for the same period of 2023, which was primarily due to the fluctuation in unrealised foreign exchange gains/(losses) from intercompany balances, and the decreases in both tax preference and fair value changes and gains from treasury investments.

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 RMB316.5 million for the fourth quarter of 2024 from RMB705.5 million for the same period of 2023, as a result of the fluctuation in financial results of our investees.

Income Tax Expenses

Our income tax expenses increased to RMB674.2 million for the fourth quarter of 2024 from RMB96.1 million for the same period of 2023, which was primarily attributable to both the profit growth and a higher provision for withholding taxes from some of our entities.

Profit for the Period

As a result of the foregoing, we recorded a profit of RMB6.2 billion for the fourth quarter of 2024, compared to a profit of RMB2.2 billion for the same period of 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

The Fourth Quarter of 2024 Compared to the Third Quarter of 2024

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

	Unaudited Three Months Ended	
	December 31, 2024	September 30, 2024
	(RMB in thousands)	
Revenues	**88,487,296**	93,577,319
Including: Interest revenue	**394,119**	475,106
Cost of revenues	**(55,043,149)**	(56,823,456)
Gross profit	**33,444,147**	36,753,863
Selling and marketing expenses	**(17,301,322)**	(17,953,163)
Research and development expenses	**(5,420,285)**	(5,293,483)
General and administrative expenses	**(2,938,189)**	(2,797,760)
Net provisions for impairment losses on financial and contract assets	**(170,390)**	(275,298)
Fair value changes of other financial investments at fair value through profit or loss	**12,835**	765,239
Other (losses)/gains, net	**(933,297)**	2,485,778
Operating profit	**6,693,499**	13,685,176
Finance income	**354,470**	313,088
Finance costs	**(468,151)**	(261,651)
Share of profits of investments accounted for using the equity method	**316,482**	213,821
Profit before income tax	**6,896,300**	13,950,434
Income tax expenses	**(674,249)**	(1,085,480)
Profit for the period	**6,222,051**	12,864,954
Non-IFRS Accounting Standards measures:		
Adjusted EBITDA	**11,522,592**	14,529,197
Adjusted net profit	**9,848,538**	12,829,261

MANAGEMENT DISCUSSION AND ANALYSIS

Revenues

Our revenues decreased by 5.4% to RMB88.5 billion for the fourth quarter of 2024 from RMB93.6 billion for the third quarter of 2024. The decrease was primarily due to seasonality.

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

	Unaudited Three Months Ended December 31, 2024		
	Core local commerce	New initiatives	Total
		(RMB in thousands)	
Revenues			
Delivery services	**26,194,820**	**–**	**26,194,820**
Commission	**24,066,077**	**902,420**	**24,968,497**
Online marketing services	**12,842,276**	**108,230**	**12,950,506**
Other services and sales (including interest revenue)	**2,463,659**	**21,909,814**	**24,373,473**
Total	**65,566,832**	**22,920,464**	**88,487,296**

	Unaudited Three Months Ended September 30, 2024		
	Core local commerce	New initiatives	Total
		(RMB in thousands)	
Revenues			
Delivery services	27,784,111	–	27,784,111
Commission	26,080,135	809,773	26,889,908
Online marketing services	13,423,641	115,499	13,539,140
Other services and sales (including interest revenue)	2,085,212	23,278,948	25,364,160
Total	69,373,099	24,204,220	93,577,319

MANAGEMENT DISCUSSION AND ANALYSIS

Our revenues from the Core local commerce segment decreased by 5.5% to RMB65.6 billion for the fourth quarter of 2024 from RMB69.4 billion for the third quarter of 2024. The revenue decrease was primarily due to the decreased number of transactions and reduced marketing spending by merchants which resulted from seasonality.

Our revenues from the New initiatives segment decreased by 5.3% to RMB22.9 billion for the fourth quarter of 2024 from RMB24.2 billion for the third quarter of 2024, mainly due to the seasonality of our certain new initiatives.

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			
	December 31, 2024		September 30, 2024	
	Amount	**As a percentage of revenues**	Amount	As a percentage of revenues
	(RMB in thousands, except for percentages)			
Costs and Expenses:				
Cost of revenues	**55,043,149**	**62.2%**	56,823,456	60.7%
Selling and marketing expenses	**17,301,322**	**19.6%**	17,953,163	19.2%
Research and development expenses	**5,420,285**	**6.1%**	5,293,483	5.7%
General and administrative expenses	**2,938,189**	**3.3%**	2,797,760	3.0%

Cost of Revenues

Our cost of revenues decreased by 3.1% to RMB55.0 billion for the fourth quarter of 2024 from RMB56.8 billion for the third quarter of 2024, and increased by 1.5 percentage points to 62.2% from 60.7% as a percentage of revenues. The decrease in amount was primarily due to the decreased Number of On-demand Delivery transactions resulting from seasonality. The increase in cost of revenues as a percentage of revenues was mainly due to the increased seasonal couriers incentives, the increased costs related to overseas businesses and the seasonality of our certain new initiatives.

Selling and Marketing Expenses

Our selling and marketing expenses was RMB17.3 billion for the fourth quarter of 2024, and the percentage of revenues was 19.6%, both of which remained stable on a quarter-over-quarter basis.

Research and Development Expenses

Our research and development expenses was RMB5.4 billion for the fourth quarter of 2024, remaining stable on a quarter-over-quarter basis. The percentage of revenues increased by 0.4 percentage points to 6.1% for the fourth quarter of 2024 from 5.7% for the third quarter of 2024 on a quarter-over-quarter basis, which was primarily attributable to the increase in employee benefits expenses.

General and Administrative Expenses

Our general and administrative expenses increased by 5.0% to RMB2.9 billion for the fourth quarter of 2024 from RMB2.8 billion for the third quarter of 2024, which was primarily driven by the increases in employee benefits expenses, and tax surcharge expenses as a result of growth in business scale. The percentage of revenues was 3.3% for the fourth quarter of 2024, remaining stable on a quarter-over-quarter basis.

MANAGEMENT DISCUSSION AND ANALYSIS

Net Provisions for Impairment Losses on Financial and Contract Assets

Our net provisions for impairment losses on financial and contract assets decreased to RMB170.4 million for the fourth quarter of 2024 from RMB275.3 million for the third quarter of 2024, 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 decreased to a gain of RMB12.8 million for the fourth quarter of 2024 from a gain of RMB765.2 million for the third quarter of 2024, which was driven by the fluctuation in the fair value of our investment portfolios.

Other (Losses)/Gains, Net

Our other (losses)/gains, net changed to a loss of RMB933.3 million for the fourth quarter of 2024 from a gain of RMB2.5 billion for the third quarter of 2024, which was primarily due to the fluctuation in unrealised foreign exchange gains/(losses) from intercompany balances.

Operating Profit

As a result of the foregoing, our operating profit and operating margin for the fourth quarter of 2024 were RMB6.7 billion and 7.6% respectively, compared to operating profit of RMB13.7 billion and operating margin of 14.6% for the third quarter of 2024.

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

	Unaudited Three Months Ended			
	December 31, 2024		September 30, 2024	
	Amount	As a percentage of revenues	Amount	As a percentage of revenues
	(RMB in thousands, except for percentages)			
Core local commerce	**12,900,327**	**19.7%**	14,582,403	21.0%
New initiatives	**(2,176,014)**	**(9.5%)**	(1,026,042)	(4.2%)
Unallocated items	**(4,030,814)**	**NA**	128,815	NA
Including: Share-based compensation expenses	**(1,772,332)**	**NA**	(1,890,022)	NA
Total operating profit	**6,693,499**	**7.6%**	13,685,176	14.6%

MANAGEMENT DISCUSSION AND ANALYSIS

Our operating profit from the Core local commerce segment decreased to RMB12.9 billion for the fourth quarter of 2024 from RMB14.6 billion for the third quarter of 2024, and the operating margin for this segment decreased by 1.3 percentage points to 19.7% from 21.0% on a quarter-over-quarter basis. The decrease in operating profit was mainly due to the decreased revenue resulting from seasonality. Moreover, the increased seasonal couriers incentives as a percentage of revenues, the higher Transacting User incentives as a percentage of revenues, and the adverse impact of operating leverage due to lower revenues resulted in a decline in operating margin.

Our operating loss from the New initiatives segment increased to RMB2.2 billion for the fourth quarter of 2024 from RMB1.0 billion for the third quarter of 2024. The operating margin for this segment was negative 9.5% for the fourth quarter of 2024, representing a 5.3 percentage points decline from negative 4.2% for the third quarter of 2024. The widened operating loss and higher operating loss ratio were primarily due to the increased costs related to overseas businesses, the lower revenues resulting from the seasonality of our certain new initiatives and the adverse impact of operating leverage due to lower revenues.

The operating loss from the unallocated items was RMB4.0 billion for the fourth quarter of 2024, compared to operating profit of RMB128.8 million for the third quarter of 2024. The change was primarily due to fluctuations in unrealised foreign exchange gains/(losses) from intercompany balances and in the fair value of our investment portfolios.

Share of Profits of Investments Accounted for Using the Equity Method

Our share of profits of investments accounted for using the equity method increased to RMB316.5 million for the fourth quarter of 2024 from RMB213.8 million for the third quarter of 2024, as a result of the fluctuation in financial results of our investees.

Income Tax Expenses

Our income tax expenses decreased to RMB674.2 million for the fourth quarter of 2024 from RMB1.1 billion for the third quarter of 2024, which was primarily attributable to the recognition of deferred tax assets based on the estimation of an increase in future taxable income from some of our entities.

Profit for the Period

As a result of the foregoing, we recorded a profit of RMB6.2 billion for the fourth quarter of 2024, compared to a profit of RMB12.9 billion for the third quarter of 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

The Year ended December 31, 2024 Compared to the Year ended December 31, 2023

The following table sets forth the comparative figures for the years ended December 31, 2024 and 2023:

	Year Ended	
	December 31, 2024	December 31, 2023
	(RMB in thousands)	
Revenues	**337,591,576**	276,744,954
Including: Interest revenue	**1,964,341**	1,449,743
Cost of revenues	**(207,806,982)**	(179,553,793)
Gross profit	**129,784,594**	97,191,161
Selling and marketing expenses	**(63,975,235)**	(58,616,997)
Research and development expenses	**(21,053,601)**	(21,201,005)
General and administrative expenses	**(10,729,203)**	(9,372,067)
Net provisions for impairment losses on financial and contract assets	**(897,505)**	(1,135,405)
Fair value changes of other financial investments at fair value through profit or loss	**140,921**	234,227
Other gains, net	**3,574,985**	6,315,473
Operating profit	**36,844,956**	13,415,387
Finance income	**1,291,807**	818,986
Finance costs	**(1,337,038)**	(1,425,157)
Share of profits of investments accounted for using the equity method	**1,185,704**	1,212,652
Profit before income tax	**37,985,429**	14,021,868
Income tax expenses	**(2,177,107)**	(164,537)
Profit for the year	**35,808,322**	13,857,331
Non-IFRS Accounting Standards measures:		
Adjusted EBITDA	**49,119,400**	23,878,018
Adjusted net profit	**43,772,449**	23,253,418

MANAGEMENT DISCUSSION AND ANALYSIS

Revenues

Our revenues increased by 22.0% to RMB337.6 billion in 2024 from RMB276.7 billion in 2023. We achieved revenue growth in both reportable segments.

The following table sets forth our revenues by segment and type in 2024 and 2023:

	Year Ended December 31, 2024		
	Core local commerce	**New initiatives**	**Total**
		(RMB in thousands)	
Revenues			
Delivery services	**98,065,260**	**–**	**98,065,260**
Commission	**92,288,620**	**3,052,336**	**95,340,956**
Online marketing services	**48,836,066**	**404,326**	**49,240,392**
Other services and sales (including interest revenue)	**11,057,550**	**83,887,418**	**94,944,968**
Total	**250,247,496**	**87,344,080**	**337,591,576**

	Year Ended December 31, 2023		
	Core local commerce	New initiatives	Total
		(RMB in thousands)	
Revenues			
Delivery services	82,190,980	–	82,190,980
Commission	74,630,737	2,057,806	76,688,543
Online marketing services	40,266,890	246,326	40,513,216
Other services and sales (including interest revenue)	9,818,325	67,533,890	77,352,215
Total	206,906,932	69,838,022	276,744,954

MANAGEMENT DISCUSSION AND ANALYSIS

Our revenues from the Core local commerce segment increased by 20.9% to RMB250.2 billion in 2024 from RMB206.9 billion in 2023. The revenue growth in delivery services and commission was mainly due to the increased number of transactions. The revenue growth in online marketing services was mainly attributable to the increased number of and the average revenue from online marketing Active Merchants.

Our revenues from the New initiatives segment increased by 25.1% to RMB87.3 billion in 2024 from RMB69.8 billion in 2023, mainly due to the revenue growth in our grocery retail businesses.

Costs and Expenses

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

	Year Ended			
	December 31, 2024		December 31, 2023	
	Amount	**As a percentage of revenues**	Amount	As a percentage of revenues
	(RMB in thousands, except for percentages)			
Costs and Expenses:				
Cost of revenues	**207,806,982**	**61.6%**	179,553,793	64.9%
Selling and marketing expenses	**63,975,235**	**19.0%**	58,616,997	21.2%
Research and development expenses	**21,053,601**	**6.2%**	21,201,005	7.7%
General and administrative expenses	**10,729,203**	**3.2%**	9,372,067	3.4%

Cost of Revenues

Our cost of revenues increased by 15.7% to RMB207.8 billion in 2024 from RMB179.6 billion in 2023, and decreased by 3.3 percentage points to 61.6% from 64.9% as a percentage of revenues on a year-over-year basis. The increase in amount was primarily due to the increase in cost of revenues of our on-demand delivery business and grocery retail businesses. The decrease in cost of revenues as a percentage of revenues on a year-over-year basis was mainly attributable to the improved gross margin of our grocery retail businesses and our efforts in improving operating leverage.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 9.1% to RMB64.0 billion in 2024 from RMB58.6 billion in 2023, which was mainly due to the increases in expenses related to promotion, advertising and user incentives and employee benefits expenses as business scale further increased. Meanwhile, the percentage of revenues decreased by 2.2 percentage points to 19.0% in 2024 from 21.2% in 2023 on a year-over-year basis, mainly due to the improved marketing efficiency and the improved operating leverage.

Research and Development Expenses

Our research and development expenses was RMB21.1 billion in 2024, remaining stable on a year-over-year basis. The percentage of revenues decreased by 1.5 percentage points to 6.2% in 2024 from 7.7% in 2023 on a year-over-year basis, primarily due to the improved operating leverage.

General and Administrative Expenses

Our general and administrative expenses increased by 14.5% to RMB10.7 billion in 2024 from RMB9.4 billion in 2023, which was primarily driven by the increases in employee benefits expenses, and tax surcharge expenses as a result of growth in business scale. The percentage of revenues was 3.2% in 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 RMB897.5 million in 2024 from RMB1.1 billion in 2023, which reflected the changes in expected credit losses for financial assets.

MANAGEMENT DISCUSSION AND ANALYSIS

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 decreased to a gain of RMB140.9 million in 2024 from a gain of RMB234.2 million in 2023, which was driven by the fluctuation in the fair value of our investment portfolios.

Other Gains, Net

Our other gains, net in 2024 was RMB3.6 billion, compared to RMB6.3 billion in 2023, which was primarily due to the decreases in tax preference and fair value changes and gains from treasury investments.

Operating Profit

As a result of the foregoing, our operating profit and operating margin in 2024 were RMB36.8 billion and 10.9% respectively, compared to operating profit of RMB13.4 billion and operating margin of 4.8% in 2023.

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

	Year Ended			
	December 31, 2024		December 31, 2023	
	Amount	**As a percentage of revenues**	Amount	As a percentage of revenues
	(RMB in thousands, except for percentages)			
Core local commerce	**52,415,162**	**20.9%**	38,698,847	18.7%
New initiatives	**(7,273,314)**	**(8.3%)**	(20,166,484)	(28.9%)
Unallocated items	**(8,296,892)**	**NA**	(5,116,976)	NA
Including: Share-based compensation expenses	**(7,582,693)**	**NA**	(8,383,353)	NA
Total operating profit	**36,844,956**	**10.9%**	13,415,387	4.8%

Our operating profit from the Core local commerce segment increased to RMB52.4 billion in 2024 from RMB38.7 billion in 2023, and the operating margin for this segment increased by 2.2 percentage points to 20.9% from 18.7% on a year-over-year basis. The increase in operating profit was mainly attributable to revenue growth and improved gross profit for this segment, partially offset by the increased Transacting User incentives. The increase in operating margin was mainly attributable to our efforts in improving operating efficiency.

Our operating loss from the New initiatives segment narrowed to RMB7.3 billion in 2024 from RMB20.2 billion in 2023, and our operating margin for this segment improved by 20.6 percentage points to negative 8.3% from negative 28.9% 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 grocery retail businesses.

Our operating loss from the unallocated items increased to RMB8.3 billion in 2024 from RMB5.1 billion in 2023, which was primarily attributable to the increased company-level investments in developing language model and building-up live-streaming, the decreases in tax preference and fair value changes and gains from treasury investments.

Share of Profits of Investments Accounted for Using the Equity Method

Our share of profits of investments accounted for using the equity method was RMB1.2 billion in 2024, which remained stable on a year-over-year basis.

Income Tax Expenses

Our income tax expenses increased to RMB2.2 billion in 2024 from RMB164.5 million in 2023, which was primarily attributable to both the profit growth and a higher provision for withholding taxes from some of our entities.

Profit for the Year

As a result of the foregoing, we recorded a profit of RMB35.8 billion in 2024, compared to a profit of RMB13.9 billion in 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/(loss) for the year/period adjusted for (i) fair value changes of other financial investments at fair value through profit or loss, certain items in other gains/(losses), net, finance income, finance costs, share of profits/(losses) of investments accounted for using the equity method and income tax credits/(expenses); and (ii) certain non-cash or one-off items, consisting of share-based compensation expenses, amortisation of intangible assets, depreciation of property, plant and equipment, and certain impairment and expense reversal/(provision).

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

MANAGEMENT DISCUSSION AND ANALYSIS

The following tables set forth the reconciliations of our non-IFRS Accounting Standards measures for the three months ended December 31, 2024 and 2023, the three months ended September 30, 2024, and the years ended December 31, 2024 and 2023 to the nearest measures prepared in accordance with IFRS Accounting Standards.

	Unaudited Three Months Ended		
	December 31, 2024	December 31, 2023	September 30, 2024
	(RMB in thousands)		
Profit for the period	**6,222,051**	2,216,987	12,864,954
Adjusted for:			
Share-based compensation expenses	**1,772,332**	1,857,422	1,890,022
Foreign exchange losses/(gains) from intercompany balances	**1,668,043**	–	(1,548,588)
Net losses/(gains) from investments (Note (i))	**78,069**	98,933	(567,679)
Impairment and expense provision	**73,327**	242,223	–
Amortisation of intangible assets resulting from acquisitions	**42,605**	42,825	42,841
Tax effects (Note (ii))	**(7,889)**	(83,678)	147,711
Adjusted net profit	**9,848,538**	4,374,712	12,829,261
Adjusted for:			
Income tax expenses not adjusted for adjusted net profit	**682,138**	179,737	937,769
Share of profits of investments accounted for using the equity method not adjusted for adjusted net profit	**(311,725)**	(742,765)	(385,300)
Finance income	**(354,470)**	(216,153)	(313,088)
Finance costs	**468,151**	366,725	261,651
Certain items in other gains, net	**(1,046,580)**	(2,085,740)	(963,271)
Amortisation of software and others	**18,124**	16,037	17,622
Depreciation of property, plant and equipment	**2,218,416**	1,851,853	2,144,553
Adjusted EBITDA	**11,522,592**	3,744,406	14,529,197

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 expenses, foreign exchange gains/(losses) from intercompany balances, net gains/(losses) from investments, impairment and expense reversal/(provision), and amortisation of intangible assets resulting from acquisitions.

	Year Ended	
	December 31, 2024	December 31, 2023
	(RMB in thousands)	
Profit for the year	**35,808,322**	13,857,331
Adjusted for:		
Share-based compensation expenses	**7,582,693**	8,383,353
Foreign exchange losses from intercompany balances	**119,455**	–
Net (gains)/losses from investments	**(192,795)**	12,486
Impairment and expense provision	**202,480**	817,785
Amortisation of intangible assets resulting from acquisitions	**171,127**	246,190
Tax effects	**81,167**	(63,727)
Adjusted net profit	**43,772,449**	23,253,418
Adjusted for:		
Income tax expenses not adjusted for adjusted net profit	**2,095,940**	228,264
Share of profits of investments accounted for using the equity method not adjusted for adjusted net profit	**(934,361)**	(1,554,673)
Finance income	**(1,291,807)**	(818,986)
Finance costs	**1,337,038**	1,425,157
Certain items in other gains, net	**(4,110,082)**	(6,405,729)
Amortisation of software and others	**68,522**	62,744
Depreciation of property, plant and equipment	**8,181,701**	7,687,823
Adjusted EBITDA	**49,119,400**	23,878,018

MANAGEMENT DISCUSSION AND ANALYSIS

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 RMB70.8 billion and short-term treasury investments of RMB97.4 billion as of December 31, 2024.

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

	Year Ended	
	December 31, 2024	December 31, 2023
	(RMB in thousands)	
Net cash flows generated from operating activities	**57,146,784**	40,521,850
Net cash flows generated from/(used in) investing activities	**10,205,252**	(24,663,844)
Net cash flows used in financing activities	**(30,414,660)**	(2,781,303)
Net increase in cash and cash equivalents	**36,937,376**	13,076,703
Cash and cash equivalents at the beginning of the year	**33,339,754**	20,158,606
Exchange gains on cash and cash equivalents	**556,967**	104,445
Cash and cash equivalents at the end of the year	**70,834,097**	33,339,754

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 year ended December 31, 2024, net cash flows generated from operating activities was RMB57.1 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 increases in certain current liabilities driven by business development.

Net Cash Flows Generated from Investing Activities

For the year ended December 31, 2024, net cash flows generated from investing activities was RMB10.2 billion, which was principally derived from net cash inflows from treasury investments, partially offset by capital expenditures and some other investments.

Net Cash Flows Used in Financing Activities

For the year ended December 31, 2024, net cash flows used in financing activities was RMB30.4 billion, which was mainly driven by repurchase of Class B Shares and repayments of borrowings' principal and interest, partially offset by issuance of notes payable.

Gearing Ratio

As of December 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 32%.

Contingent Liabilities

The Group did not have any material contingent liabilities as of December 31, 2024.

Investments Held

As of December 31, 2024, our investment portfolio amounted to approximately RMB41,309 million (December 31, 2023: RMB39,085 million) as recorded in the consolidated statement of financial position under various categories including:

- investments accounted for using the equity method;
- other financial investments at fair value through profit or loss; and
- other financial investments at fair value through other comprehensive income.

Changes in respective items in the consolidated statement of financial position have been disclosed in the Note 12, Note 19 and Note 20 to the consolidated financial statements in this annual report.

MANAGEMENT DISCUSSION AND ANALYSIS

We manage our investment portfolio with the primary objective to continue to implement the "Retail + Technology" strategy. We focus on investments that can broaden our consumer and merchant base, improve our product and service offerings, enhance our delivery network, or participate in the development of frontier technology. Our investments include hotel chains that would bring additional supply to our platform, merchant-enabling solutions that improve the overall efficiency of the service industry, such as payment systems and supply chain management systems, mobility technology that enables future synergies with our platform, and cutting-edge technology, such as AI, semiconductor and robotics, to help us strengthen our business and improve efficiency.

The fair value of our stakes in listed investee entities amounted to RMB27,194 million as of December 31, 2024 (December 31, 2023: RMB37,331 million). There was no investment of which the carrying amount individually constituted 5% or more of our total assets as of December 31, 2024.

Save as disclosed herein, there are no material changes in our investment portfolio affecting the Company's performance that need to be disclosed under paragraph 32 of Appendix D2 to the Listing Rules.

Material Acquisitions and Disposals of Subsidiaries and Affiliated Companies

For the year ended December 31, 2024, we did not have any material acquisitions or disposals of subsidiaries, associates, joint ventures and affiliated companies.

Foreign Exchange Risk

The functional currency of the Company is US dollars whereas the functional currency of the subsidiaries operating in the PRC is Renminbi. As of December 31, 2024, our cash and cash equivalents balance was mainly denominated in US dollars and Renminbi. We manage foreign exchange risk by performing periodic reviews of our net foreign exchange exposures and try to minimise these exposures through natural hedges, wherever possible, and may enter into forward foreign exchange contracts or cross currency swap contracts, when necessary. We operate mainly in the PRC with most of the transactions settled in Renminbi. The management considers that the business is not exposed to any significant foreign exchange risk, as there are no significant financial assets or liabilities denominated in the currencies other than the respective functional currencies of our entities. As of December 31, 2024, we did not have significant foreign currency exposure from our operations.

Charges on Assets

As of December 31, 2024, we did not pledge any assets for fund raising and we had some charges on our assets which are disclosed in Note 31 to the consolidated financial statements.

Future Plans for Material Investments and Capital Assets

Save as disclosed in this annual report, as of December 31, 2024, we did not have other plans for material investments and capital assets.

Employees

As of December 31, 2024, we had a total of approximately 108,900 full-time employees. Substantially all of our employees are based in China, primarily at our headquarters in Beijing and Shanghai, with the rest in Chengdu, Shijiazhuang, Wuhan, Shenzhen and other cities.

As part of our recruiting and retention strategy, we offer employees competitive salaries, performance-based cash bonuses, and other incentives. We have adopted a training program, pursuant to which employees regularly receive trainings from management, technology, regulatory and other internal speakers and external consultants.

As required under the PRC regulations, we participate in housing fund and various employee social security plans that are organised by applicable local municipal and provincial governments, including housing, pension, medical, maternity, work-related injury and unemployment benefit plans, under which we make contributions at specified percentages of the salaries of our employees. We also purchase commercial health and accidental insurance for our employees. Bonuses are generally discretionary and based in part on employee performance and in part on the overall performance of our business. We have granted and plan to continue to grant share-based incentive awards to our employees in the future to incentivise their contributions to our growth and development.

More details of the remuneration of employees, remuneration policies, bonus and stock incentive schemes are set out in Note 8 and Note 33 to the consolidated financial statements.

DIRECTORS AND SENIOR MANAGEMENT

The biographical details of the Directors and senior management of the Company as at the date of this annual report are set out as follows:

DIRECTORS

Executive Directors

Wang Xing (王興), aged 46, is the founder, an executive Director, the Chief Executive Officer and Chairman of the Board. Wang Xing is responsible for the overall strategic planning, business direction and management of the Company. He oversees the senior management team. Wang Xing founded meituan.com in 2010 and currently holds directorship in various subsidiaries, Consolidated Affiliated Entities and operating entities of the Company.

Wang Xing has over 16 years of managerial and operational experience in the internet industry. Prior to co-founding the Company, he co-founded xiaonei.com (校內網), China's first college social network website in December 2005 and worked there as chief executive officer from December 2005 to April 2007. Xiaonei.com (校內網) was sold to China InterActive Corp in October 2006 which was later renamed as Renren Inc. (NYSE Ticker: RENN). Wang Xing also co-founded fanfou.com (飯否網), a social media company specializing in microblogging, in May 2007 and was responsible for the management and operation of this company from May 2007 to July 2009. Wang Xing has served as a director of Li Auto Inc. (NASDAQ Ticker: LI) since July 2019 and Li Auto Inc. was listed on the Stock Exchange since August 12, 2021 (HKEx Stock Code: 2015) of which Wang Xing was appointed as its non-executive director.

Wang Xing received his bachelor's degree in electronic engineering from Tsinghua University in July 2001 and his master's degree in electrical engineering from University of Delaware in January 2005.

Mu Rongjun (穆榮均), aged 45, is a co-founder, an executive Director and a Senior Vice President of the Company. He is responsible for the financial services and corporate affairs of the Company.

Mu Rongjun has over 16 years of managerial and operational experience in the internet industry. Prior to co-founding the Company, he worked as senior software engineer and project manager in Baidu, Inc. (NASDAQ Ticker: BIDU), the leading Chinese language internet search provider, from July 2005 to May 2007. Mu Rongjun was also a co-founder and the engineering director of fanfou.com (飯否網), a social media company specializing in microblogging, from May 2007 to July 2009.

Mu Rongjun received his bachelor's degree in automation engineering from Tsinghua University in July 2002 and his master's degree in computer science and technology from Tsinghua University in July 2005.

Independent Non-executive Directors

Orr Gordon Robert Halyburton, aged 62, is an independent non-executive Director. He was appointed as Director in September 2018 and is responsible for providing independent advice on financial and accounting affairs and corporate governance matters, and other matters subject to the Board guidance and approval.

Orr Gordon Robert Halyburton joined McKinsey & Company in 1986 and served as senior partner of McKinsey & Company from July 1998 until August 2015 when he retired. He was a member of McKinsey's global shareholder board from July 2003 until June 2015.

Orr Gordon Robert Halyburton acquired extensive corporate governance experience during his position as a senior partner of McKinsey & Company, as well as a director and member of board committees in Lenovo Group Limited (HKEx Stock Code: 992) and Swire Pacific Limited (HKEx Stock Code: 00019 and 00087). His corporate governance experience includes, among others, (i) reviewing, monitoring and making recommendations as to the companies' policies, practices and compliance; (ii) proposing measures to ensure effective communication between the board and shareholders; (iii) opining on proposed connected transactions; and (iv) understanding requirements of the Listing Rules and directors' duty to act in the best interest of the company and the shareholders as a whole.

Orr Gordon Robert Halyburton received his bachelor's degree in engineering science from Oxford University in June 1984 and his master's degree in business administration from Harvard University in June 1986.

Orr Gordon Robert Halyburton has been an independent non-executive director of EQT AB (Stockholm Stock Code: EQT) since September 2019. He was appointed as a non-executive director of Lenovo Group Limited (HKEx Stock Code: 992) in September 2015 and re-designated as an independent non-executive director in September 2016. He has also been an independent non-executive director of Swire Pacific Limited (HKEx Stock Code: 00019 and 00087) since August 2015 and a non-executive director of Fidelity China Special Situations PLC (LSE Stock Code: FCSS) since January 2023. He was the independent non-executive director of Sondrel (Holdings) PLC (LSE Stock Code: SND) from October 2022 to January 2024. He was also the vice chairman of China-Britain Business Council from August 2015 to December 2024.

Leng Xuesong (冷雪松), aged 56, is an independent non-executive Director. He was appointed as Director in September 2018 and is responsible for providing independent advice on finance, executive compensation and corporate governance matters, and other matters subject to the Board guidance and approval.

Leng Xuesong joined Warburg Pincus, an international private equity firm, in September 1999 as an associate and served as managing director when he left in August 2007. From September 2007 to December 2014, he served as managing director at General Atlantic LLC, where he focused on investment opportunities in North Asia. In January 2015, Leng Xuesong founded Lupin Capital, a China-focused private equity fund.

DIRECTORS AND SENIOR MANAGEMENT

Leng Xuesong acquired extensive corporate governance experience through his position as managing director of private equity funds and as non-executive director of various listed companies in Hong Kong and the US. He has accumulated corporate governance experience in (i) reviewing, monitoring and providing recommendations as to the companies' policies and compliance; (ii) facilitating effective communication between the board and shareholders; and (iii) understanding requirements of the Listing Rules and directors' duty to act in the best interest of the company and the shareholders as a whole.

Leng Xuesong received his bachelor's degree in international industrial trade from Shanghai Jiao Tong University in July 1992 and his master's degree in business administration from the Wharton School of the University of Pennsylvania in May 1999.

Leng Xuesong served as non-executive director of China Huiyuan Juice Group Limited (HKEx Stock Code: 1886) from September 2006 to August 2007 and Zhongsheng Group Holdings Limited (HKEx Stock Code: 881) from August 2008 to June 2015. He served as non-executive director of Wuxi Pharmatech (Cayman) Inc. (NYSE Ticker: WX) from March 2008 to December 2015 and Soufun Holdings Ltd. (NYSE Ticker: SFUN) from September 2010 to December 2014. He also served as independent director of China Index Holdings Limited (NASDAQ Ticker: CIH) from July 2019 to May 2022. He has served as an independent non-executive director of WuXi AppTec Co., Ltd.* (無錫藥明康德新藥開發股份有限公司) (HKEx Stock Code: 2359) since January 2025.

Shum Heung Yeung Harry (沈向洋), aged 58, is an independent non-executive Director. He was appointed as Director in September 2018 and is responsible for providing independent advice on technology innovation, the global technology and internet industry trends, and other matters subject to the Board guidance and approval.

Shum Heung Yeung Harry joined Microsoft Research in November 1996 as a researcher based in Redmond, Washington. In November 1998, he moved to Beijing as one of the founding members of Microsoft Research China (later renamed Microsoft Research Asia) and spent nine years there first as a researcher, subsequently moving on to become managing director of Microsoft Research Asia and a distinguished engineer of Microsoft Corporation. From October 2007 to November 2013, Shum Heung Yeung Harry served as the corporate vice president responsible for Bing search product development. From November 2013 to February 2020, he served as the executive vice president of Microsoft Corporation. He has been an independent non-executive director of Youdao, Inc. (NYSE Ticker: DAO) since October 2019 and an independent non-executive director of China Vanke Co., Ltd. (HKEx Stock Code: 2202) since June 2023.

Shum Heung Yeung Harry has acquired corporate governance experience in his capacity as the executive vice president of Microsoft Corporation. His key corporate governance experience includes (i) making recommendations as to internal control systems and policies; (ii) regular communication with the board of directors; and (iii) implementing corporate governance measures.

Shum Heung Yeung Harry received his Ph.D. in Robotics from Carnegie Mellon University in August 1996. He was elected into the National Academy of Engineering of United States in February 2017.

* *For identification purpose only*

DIRECTORS AND SENIOR MANAGEMENT

Yang Marjorie Mun Tak (楊敏德), aged 72, is an independent non-executive Director. She was appointed as Director in June 2023 and responsible for providing independent advice on the Company's business development and corporate governance matters, and bringing a broader perspective to the Board.

Yang Marjorie Mun Tak has been the chairwoman of Esquel Group since April 1995, the appointed representative of Hong Kong, China, to the APEC Business Advisory Council since December 2017 and the co-chairwoman of the advisory board of Computer Science and Artificial Intelligence Lab at the Massachusetts Institute of Technology since March 2015. She has also been the chairperson of the Steering Committee of Coolthink@JC created and funded by The Hong Kong Jockey Club Charities Trust since April 2016. She also serves on Harvard University's Global Advisory Council and the Tsinghua University School of Economics and Management advisory board since August 2012 and October 2003, respectively.

Yang Marjorie Mun Tak has been an Executive Board member of the International Chamber of Commerce since July 2022. She has been an independent non-executive director of Budweiser Brewing Company APAC Limited (HKEx Stock Code: 1876) since July 2019, and was an independent non-executive director of The Hongkong and Shanghai Banking Corporation Limited, a subsidiary of HSBC Holdings plc (HKEx Stock Code: 0005), from July 2003 to April 2019 and Swire Pacific Limited (HKEx Stock Codes: 0019 and 0087) from October 2002 to May 2017.

Yang Marjorie Mun Tak obtained a Bachelor's Degree of Science from the Massachusetts Institute of Technology in February 1974 and a Master of Business Administration Degree from the Harvard Business School in June 1976. She was awarded Justice of the Peace and the Gold Bauhinia Star by the Hong Kong Special Administrative Region Government in July 2009 and July 2013, respectively.

DIRECTORS AND SENIOR MANAGEMENT

SENIOR MANAGEMENT

Wang Xing (王興), aged 46, is the founder, an executive Director, the Chief Executive Officer and Chairman of the Board. For further details, please see the section headed "Directors and Senior Management — Executive Directors" above.

Mu Rongjun (穆榮均), aged 45, is a co-founder, an executive Director and a Senior Vice President of the Company. For further details, please see the section headed "Directors and Senior Management — Executive Directors" above.

Chen Shaohui (陳少暉), aged 44, is the Chief Financial Officer and a Senior Vice President of the Company. He is responsible for overseeing the Company's finance, strategic planning, investments and capital market activities.

Before joining the Company in November 2014, Chen Shaohui worked as an analyst in A.T. Kearney from June 2004 to October 2005, an investment manager in WI Harper from October 2005 to August 2008 and an investment director in Tencent (HKEx Stock Code: 700) from January 2011 to October 2014.

In July 2018, Chen Shaohui was appointed as a non-executive director of Maoyan Entertainment (HKEx Stock Code: 1896).

Chen Shaohui received his bachelor's degree in economics from Peking University in June 2004 and his master's degree in business administration from Harvard University in May 2010.

Chen Shaohui was a director of Beijing Enlight Media Co., Ltd. (SZSE Stock Code: 300251) from August 2018 to March 2023.

Wang Puzhong (王莆中), aged 41, currently serves as the CEO of the Core local commerce segment of Meituan. He is responsible for ten divisions including Meituan Platform, Infrastructure Platform, Business R&D Platform, In-Store Dining, Services Retail, Hospitality & Tourism, Food Delivery, Delivery Platform, Instashopping, and Medicine & Health. He leads the development of strategic planning for the core business segment and executes operational strategies for the Company.

Since joining the Company in 2015, Wang Puzhong has successfully led the Company's food delivery business and on-demand delivery network to become global leaders while achieving sustainable growth. In his role as the head of the on-demand delivery business, he introduced the "Everything Now (萬物到家)" concept and actively promoted the business development of Meituan Instashopping, drones, and other new businesses.

Wang Puzhong received his bachelor's degree in engineering from North China Electric Power University in June 2006.

DIRECTORS AND SENIOR MANAGEMENT

Zhang Chuan (張川), aged 49, is a Senior Vice President and is responsible for overseeing the Company's Dianping, RMS, bike and e-moped sharing, and power bank business.

Before joining the Company in January 2017, Zhang Chuan worked as development manager in the Information Centre of Ministry of Education from September 1997 to 2005, senior product manager at Yonyou Software Co., Ltd. (SSE Stock Code: 600588) from May 2005 to August 2006, product director at Baidu, Inc. (NASDAQ Ticker: BIDU) from August 2006 to October 2011, and executive vice president at 58.com Inc. (NYSE Ticker: WUBA) from October 2011 to December 2016.

Zhang Chuan received his bachelor's degree in computer science from Beijing Normal University in July 1997 and his master's degree in business administration from Tsinghua University in June 2003.

REPORT OF DIRECTORS

The Board is pleased to present its report together with the audited consolidated financial statements of the Group for the Reporting Period.

GLOBAL OFFERING

The Company was incorporated in the Cayman Islands on September 25, 2015 as an exempted company with limited liability under the laws of the Cayman Islands. The Company's Class B Shares were listed on the Main Board of the Stock Exchange on the Listing Date.

PRINCIPAL ACTIVITIES

Meituan is a tech-driven retail company. It 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. The activities of the principal subsidiaries of Meituan are set out in Note 11 to the consolidated financial statements.

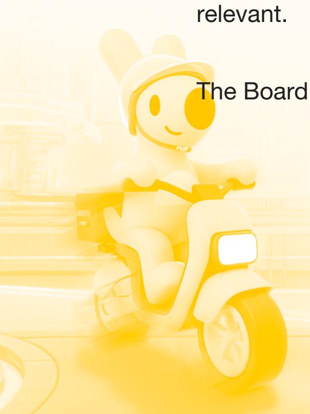
RESULTS

The results of the Group for the year ended December 31, 2024 are set out in the consolidated statement of comprehensive income contained in this annual report.

DIVIDEND POLICY AND FINAL DIVIDENDS

The Company is a holding company incorporated under the laws of the Cayman Islands. As a result, the payment and amount of any future dividend will also depend on the availability of dividends received from its subsidiaries. PRC laws require that dividends be paid only out of after-tax profits for the year calculated according to PRC accounting principles, which differ in many aspects from the generally accepted accounting principles in other jurisdictions, including the IFRS Accounting Standards. PRC laws also require foreign-invested enterprises to set aside at least 10% of its after-tax profits as the statutory common reserve fund until the cumulative amount of the statutory common reserve fund reaches 50% or more of such enterprises' registered capital, if any, to fund its statutory common reserves. The foreign-owned enterprise may also, at its discretion, allocate a portion of its after-tax profits based on PRC accounting principles to discretional fund. These statutory common reserve fund and discretional fund are not available for distribution as cash dividends. Dividend distribution to Shareholders is recognized as a liability in the period in which the dividends are approved by Shareholders or Directors, where appropriate. Under Cayman law, dividends may be distributed from (a) profits (current period or retained) or (b) share premium. We do not currently have an expected dividend payout ratio. The determination to pay dividends will be made at the discretion of the Board and will be based upon our earnings, cash flow, financial condition, capital requirements, statutory fund reserve requirements and any other conditions that our Directors deem relevant.

The Board did not recommend the payment of a final dividend for the year ended December 31, 2024.



BUSINESS REVIEW

The business review and performance analysis of the Group for the Reporting Period are set out in the sections headed "Chairman's Statement", "Management Discussion and Analysis", "Corporate Governance Report" and "Environmental, Social and Governance Report" of this annual report.

USE OF NET PROCEEDS

1. Use of Net Proceeds from Issuance of the 2027 Bonds and 2028 Bonds

On April 27, 2021, the Company issued U.S. dollar-denominated zero coupon convertible bonds due 2027 in an aggregate principal amount of US$1,483,600,000 at an initial conversion price of HK$431.24 per Share (subject to adjustments) (the "**2027 Bonds**") and U.S. dollar-denominated zero coupon convertible bonds due 2028 in an aggregate principal amount of US$1,500,000,000 at an initial conversion price of HK$431.24 per Share (subject to adjustments) (the "**2028 Bonds**"). The Company intends to use the net proceeds of the 2027 Bonds and 2028 Bonds, approximately US$2,971.5 million in total, for technology innovations, including the research and development of autonomous delivery vehicles, drones delivery, and other cutting-edge technology, and general corporate purposes. During the Reporting Period, approximately US$82.4 million of the net proceeds of the 2027 Bonds and 2028 Bonds have been utilised for technology innovations, and as of December 31, 2024 and 2023, US$158.8 million and US$241.2 million remained unutilised, respectively. The Company expects to fully utilise the residual amount of the net proceeds in accordance with such intended purposes within 5 years from the issuance of the 2027 Bonds and 2028 Bonds. There has been no change in the intended use of net proceeds as previously disclosed. For further details, please refer to the announcements of the Company dated April 20, 2021, April 27, 2021 and April 28, 2021.

REPORT OF DIRECTORS

2. Use of Net Proceeds from Issuance of the 2021 Placing and Subscription

The 2021 Placing and Subscription was completed on April 22, 2021. An aggregate of 187,000,000 placing Shares have been successfully placed to not less than six independent placees (the "**2021 Placing and Subscription**") and accordingly 187,000,000 subscription Shares were allotted and issued by the Company to Tencent Mobility Limited. The net proceeds raised from the 2021 Placing and Subscription were approximately US$6.6 billion. The Company intends to use the net proceeds for technology innovations, including the research and development of autonomous delivery vehicles, drones delivery, and other cutting-edge technology, and general corporate purposes. As of January 1, 2024, approximately US$3.3 billion of the net proceeds of the 2021 Placing and Subscription remained unutilised. During the Reporting Period, approximately US$3.3 billion of the net proceeds of the 2021 Placing and Subscription have been utilised for technology innovations and general corporate purposes. As of December 31, 2024, the net proceeds of the 2021 Placing and Subscription have been fully utilised. There has been no change in the intended use of net proceeds as previously disclosed. For further details, please refer to the Company's announcements dated April 20, 2021, April 27, 2021 and April 28, 2021.

3. Use of Net Proceeds from Issuance of the Tencent Subscription

The Tencent Subscription was completed on July 13, 2021 and an aggregate of 11,352,600 Shares were allotted and issued by the Company to Tencent Mobility Limited (the "**Tencent Subscription**"). The net proceeds raised from the Tencent Subscription were approximately US$400.0 million. The Company intends to use the net proceeds for technology innovations, including the research and development of autonomous delivery vehicles, drones delivery, and other cutting-edge technology, and general corporate purposes. As of January 1, 2024, approximately US$400.0 million of the net proceeds of the Tencent Subscription remained unutilised. During the Reporting Period, approximately US$400.0 million of the net proceeds of the Tencent Subscription have been utilised for technology innovations and general corporate purposes. As of December 31, 2024, the net proceeds of the Tencent Subscription have been fully utilised. There has been no change in the intended use of net proceeds as previously disclosed. For further details, please refer to the Company's announcements dated April 20, 2021, April 27, 2021, April 28, 2021 and July 13, 2021.

MAJOR CUSTOMERS AND SUPPLIERS

Major Customers

For the year ended December 31, 2024, the Group's five largest customers accounted for less than 30% of the Group's total revenue.

Major Suppliers

For the year ended December 31, 2024, the Group's five largest suppliers accounted for less than 30% of the Group's total purchases.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the Reporting Period are set out in Note 15 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Group during the Reporting Period are set out in Note 26 to the consolidated financial statements.

RESERVES

Details of movements in the reserves of the Group during the Reporting Period are set out in Note 27 to the consolidated financial statements.

REPORT OF DIRECTORS

DISTRIBUTABLE RESERVES

As of December 31, 2024, the Company's reserves available for distribution amounted to approximately RMB308.9 billion.

BANK LOANS AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of the Group as of December 31, 2024 are set out in Note 31 to the consolidated financial statements.

ISSUANCE OF DEBT SECURITIES

In October 2024, the Company issued 4.500% senior notes in the aggregate principal amount of US$1.2 billion due April 2, 2028 and 4.625% senior notes in the aggregate principal amount of US$1.3 billion due October 2, 2029 primarily for refinancing of existing offshore indebtedness and other general corporate purposes. Such senior notes are listed on the Hong Kong Stock Exchange.

Save as disclosed above, for the year ended December 31, 2024, the Company did not issue any debt security.

DIRECTORS

The Directors during the Reporting Period and up to date of this annual report are:

Executive Directors

Mr. Wang Xing (王興) *(Chairman and Chief Executive Officer)*
Mr. Mu Rongjun (穆榮均)

Non-executive Director

Mr. Neil Nanpeng Shen (沈南鵬) *(retired with effect from June 14, 2024)*

Independent Non-executive Directors

Mr. Orr Gordon Robert Halyburton
Mr. Leng Xuesong (冷雪松)
Dr. Shum Heung Yeung Harry (沈向洋)
Ms. Yang Marjorie Mun Tak (楊敏德)

Details of the Directors to be re-elected at the AGM will be set out in the circular to the Shareholders to be dispatched before the AGM.

DIRECTORS AND SENIOR MANAGEMENT

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of Directors, as notified to the Company, subsequent to the 2024 Interim Report are set out below:

Mr. Orr Gordon Robert Halyburton, Mr. Leng Xuesong and Dr. Shum Heung Yeung Harry, in addition to the entering of appointment letter with the Company, have each entered into a share award agreement with the Company, as an addendum to the appointment letter as entered into on August 30, 2024 (as disclosed in the 2024 Interim Report). Pursuant to the share award agreements, 20,807 RSUs under the Post-IPO Share Award Scheme, representing the same number of Class B ordinary shares in the Company (subject to adjustments in the event the Company undertakes a subdivision or consolidation of its shares), were granted to each of them on October 29, 2024. The total vesting period is approximately 35 months, where 8.33% of the RSUs shall vest in each quarter commencing from December 20, 2024 until September 20, 2027 and is subject to certain terms and conditions as set forth in the Post-IPO Share Award Scheme and the award agreement. The grant of RSUs forms part of the remuneration package of Mr. Orr Gordon Robert Halyburton, Mr. Leng Xuesong and Dr. Shum Heung Yeung Harry. Upon vesting of all the RSUs, the Company's obligation to provide each of them with share-based compensation under the appointment letter shall be fully satisfied.

Mr. Orr Gordon Robert Halyburton ceased to be the vice chairman of China-Britain Business Council since December 2024.

Mr. Leng Xuesong was appointed as an independent non-executive director of WuXi AppTec Co., Ltd.* (無錫藥明康德新藥開發股份有限公司) (HKEx Stock Code: 2359) since January 2025.

Mr. Wang Xing was appointed as an independent director of Taikang Insurance Group Co., Ltd. since March 31, 2025.

Biographical details of the Directors and senior management of the Company are set out in the section headed "Directors and Senior Management" of this annual report.

Save as disclosed in this annual report, no other changes in the information of directors and chief executive which shall be subject to disclosure according to Rule 13.51B(1) of the Listing Rules since the date of publication of 2024 Interim Report.

* *For identification purpose only*

REPORT OF DIRECTORS

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has reviewed the independence of independent non-executive Directors and considers each of the independent non-executive Directors to be independent and meet the independence guidelines as set out in Rule 3.13 of the Listing Rules.

DIRECTORS' SERVICE CONTRACTS AND LETTERS OF APPOINTMENT

Each of the executive Directors has entered into a service contract with the Company. Pursuant to this contract, they agreed to act as executive Directors for an initial term of three years with effect from the date the appointment is approved by the Board, upon which the service contracts were automatically renewed. Either party has the right to give not less than three months' written notice to terminate the contract. No annual director's fees are payable to the executive Directors under the current arrangement.

Each of the independent non-executive Directors has entered into an appointment letter with the Company. The initial term of their appointments shall be three years and may be automatically renew after that unless terminated in accordance with the terms and conditions of the appointment letter or by either party giving to the other not less than three months' prior notice in writing. On June 30, 2023, Ms. Yang Marjorie Mun Tak entered into an appointment letter with the Company under which she is entitled to receive (i) a fixed cash compensation of RMB500,000 per annum; and (ii) a share-based compensation per annum, in the amount of RMB1,000,000, subject to certain conditions of grant and relevant rules. On August 30, 2024, upon the expiration of their respective appointment letters, Mr. Orr Gordon Robert Halyburton, Mr. Leng Xuesong and Dr. Shum Heung Yeung Harry have each renewed the appointment letter with the Company, pursuant to which each of them are entitled to receive (i) a cash compensation of USD150,000 (HKD1,170,000 based on fixed exchange rate of 7.8) per annum, payable in arrears in quarterly installments; and (ii) subject to conditions as may be determined by the Company from time to time, the terms of the relevant share incentive schemes adopted by the Company, the discretion of the Board and the relevant provision of the Listing Rules, a share-based compensation in the amount of USD150,000 (HKD1,170,000 based on fixed exchange rate of 7.8) per annum for a total of three (3) years. The Director's emoluments were determined after considering the valuable insights and global visions provided by the independent non-executive Directors and with reference to the emoluments of independent non-executive directors of industry peers and their duties and responsibilities and the prevailing market conditions at the time of execution of the relevant appointment letter.

Mr. Orr Gordon Robert Halyburton, Mr. Leng Xuesong and Dr. Shum Heung Yeung Harry, in addition to the entering of appointment letter with the Company, have each entered into a share award agreement with the Company, as an addendum to the appointment letter as entered into on August 30, 2024 (as disclosed in the 2024 interim report). Please refer to the section headed "DIRECTORS AND SENIOR MANAGEMENT" above in this Report of Directors for more details.

None of the Directors has entered into a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

Details of the emoluments of the Directors during the Reporting Period are set out in Note 8 to the consolidated financial statements.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Saved as disclosed in this annual report, no Director or an entity connected with a Director had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company or any of its subsidiaries or fellow subsidiaries was a party during the Reporting Period.

CONTRACTS WITH CONTROLLING SHAREHOLDER

No contract of significance or contract of significance for the provision of services has been entered into among the Company or any of its subsidiaries and the Controlling Shareholder or any of their subsidiaries during the year ended December 31, 2024.

MANAGEMENT CONTRACTS

Save for the Directors' service contracts and appointment letters, no contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Reporting Period.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in this annual report, at no time during the Reporting Period was the Company or any of its subsidiaries a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18 was granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

REPORT OF DIRECTORS

EMOLUMENT POLICY

A remuneration committee was set up for reviewing the Group's emolument policy and structure for all remuneration of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance of the Directors and senior management and comparable market practices. As for the independent non-executive Directors, their remuneration is determined by the Board upon recommendation from the Remuneration Committee.

The Directors and the senior management personnel are eligible participants of the Pre-IPO ESOP, Post-IPO Share Option Scheme and Post-IPO Share Award Scheme.

None of the Directors waived or agreed to waive any remuneration and there were no emoluments paid by the Group to any of the Directors, the past Directors or the five highest paid individuals during the Reporting Period, as an inducement to join, or upon joining the Group, or as compensation for the loss of office.

Details of the emoluments of the Directors, and five highest paid individuals during the Reporting Period are set out in Note 8 to the consolidated financial statements.

RETIREMENT AND EMPLOYEE BENEFITS SCHEME

Details of the retirement and employee benefits scheme of the Company are set out in Note 8 to the consolidated financial statements.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As of December 31, 2024, the interests and short positions of the Directors and the chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have been taken under such provisions of the SFO), or which were recorded in the register required to be kept pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Interests of Directors and Chief Executives in the Company

Name of Director or chief executive	Nature of interest[1]	Relevant company	Number and class of securities	Approximate percentage of interest in each class of Shares[4]
WANG Xing[2]	Beneficiary and founder of a Trust (L)	Trust	489,600,000 Class A Shares	84.50%
	Interest in controlled corporation (L)	Songtao Limited	489,600,000 Class A Shares	84.50%
	Interest in controlled corporation (L)	Crown Holdings	489,600,000 Class A Shares	84.50%
	Interest in controlled corporation (L)	Shared Patience	26,269,783 Class A Shares	4.53%
			318 Class B Shares	0.00%
	Interest in controlled corporation (L)	WAFO Global Inc.	1,121 Class B Shares	0.00%
	Interest in controlled corporation (L)	WangXing Foundation	47,764,042 Class B Shares	0.87%
	Interest of spouse (L)		200 Class B Shares	0.00%

REPORT OF DIRECTORS

Name of Director or chief executive	Nature of interest[1]	Relevant company	Number and class of securities	Approximate percentage of interest in each class of Shares[4]
MU Rongjun[3]	Beneficiary and founder of a Trust (L)	Trust	63,569,388 Class A Shares	10.97%
			47,580,612 Class B Shares	0.87%
	Interest in controlled corporation (L)	Day One Holdings Limited	63,569,388 Class A Shares	10.97%
			47,580,612 Class B Shares	0.87%
	Interest in controlled corporation (L)	Charmway Enterprises	63,569,388 Class A Shares	10.97%
			47,580,612 Class B Shares	0.87%
	Interest in controlled corporation (L)	Shared Vision	7,996,668 Class B Shares	0.15%
	Beneficial interest (L)	–	4,500,000 Class B Shares	0.08%

REPORT OF DIRECTORS

Name of Director or chief executive	Nature of interest[1]	Relevant company	Number and class of securities	Approximate percentage of interest in each class of Shares[4]
ORR Gordon Robert Halyburton	Beneficial interest (L)	–	93,721 Class B Shares	0.00%
LENG Xuesong	Beneficial interest (L)	–	20,807 Class B Shares	0.00%
SHUM Heung Yeung Harry	Beneficial interest (L)	–	93,721 Class B Shares	0.00%
YANG Marjorie Mun Tak	Beneficial interest (L)	–	25,721 Class B Shares	0.00%

Notes:

(1) The letter "L" denotes the person's Long Position in such Shares.

(2) Crown Holdings is wholly owned by Songtao Limited. The entire interest in Songtao Limited is held through a trust which was established by Wang Xing (as settlor) for the benefit of Wang Xing and his family. Wang Xing is deemed to be interested in the 489,600,000 Class A Shares held by Crown Holdings under the SFO. Shared Patience and WAFO Global Inc. are wholly owned by Wang Xing. WangXing Foundation is a foundation founded by Wang Xing as an irrevocable philanthropic foundation devoted exclusively to philanthropic purposes. On March 24, 2023, 200 Class B ordinary shares of the Company were distributed to Guo Wanhuai (the spouse of Wang Xing) following completion of the distribution in specie by Tencent, details of which were disclosed in the announcement of Tencent dated November 16, 2022.

(3) Charmway Enterprises is wholly owned by Day One Holdings Limited. The entire interest in Day One Holdings Limited is held through a trust which was established by Mu Rongjun (as settlor) for the benefit of Mu Rongjun and his family. Mu Rongjun is deemed to be interested in the 63,569,388 Class A Shares and 47,580,612 Class B Shares held by Charmway Enterprises under the SFO. Shared Vision is wholly owned by Mu Rongjun.

(4) As at December 31, 2024, the Company had 6,046,056,054 issued Shares in total, comprising of 579,439,171 Class A Shares and 5,466,616,883 Class B Shares (including treasury shares (as defined under the Listing Rules), if any). The above calculation is based on the total number of relevant class of Shares or the total number of Shares in issue as of December 31, 2024.

REPORT OF DIRECTORS

Interests of Directors and Chief Executives in Associated Corporations of the Company

None of the Directors or chief executives of the Company had interests and short positions in shares, underlying shares or debentures in associated corporations of the Company as of December 31, 2024.

Save as disclosed above, as of December 31, 2024, none of the Directors or the chief executives of the Company had or was deemed to have any interest or short position in the Shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or required to be recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As of December 31, 2024, to the best knowledge of the Directors, the following persons had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of Substantial Shareholder	Capacity/Nature of interest[1]	Number and class of Shares held	Approximate percentage of interest in each class of Shares[4]
Class A Shares – Wang Xing			
Crown Holdings[2]	Beneficial interest (L)	489,600,000 Class A Shares	84.50%
Share Patience[2]	Beneficial interest (L)	26,269,783 Class A Shares	4.53%
Songtao Limited[2]	Interest in controlled corporation (L)	489,600,000 Class A Shares	84.50%
TMF (Cayman) Ltd.	Trustee (L)	489,600,000 Class A Shares	84.50%
Wang Xing	Beneficiary and founder of a trust[2] (L)	489,600,000 Class A Shares	84.50%
	Interest in controlled corporation[2] (L)	489,600,000 Class A Shares	84.50%
		26,269,783 Class A Shares	4.53%
Class A Shares – Mu Rongjun			
Charmway Enterprises[3]	Beneficial interest (L)	63,569,388 Class A Shares	10.97%
Day One Holdings Limited[3]	Interest in controlled corporation (L)	63,569,388 Class A Shares	10.97%
TMF (Cayman) Ltd.	Trustee (L)	63,569,388 Class A Shares	10.97%
Mu Rongjun	Beneficiary and founder of a trust[3] (L)	63,569,388 Class A Shares	10.97%

Name of Substantial Shareholder	Capacity/Nature of interest[1]	Number and class of Shares held	Approximate percentage of interest in each class of Shares[4]
Class B Shares			
BlackRock, Inc.	Interest in controlled corporation (L)	321,544,064 Class B Shares	5.88%
	Interest in controlled corporation (S)	169,000 Class B Shares	0.00%

Notes:

(1) The letter "L" denotes the person's Long Position in such Shares. The letter "S" denotes the person's Short Position in such Shares.

(2) Crown Holdings is wholly owned by Songtao Limited which is in turn wholly owned by TMF (Cayman) Ltd. The entire interest in Songtao Limited is held by TMF (Cayman) Ltd. as trustee for a trust established by Wang Xing (as settlor) for the benefit of Wang Xing and his family. Wang Xing is deemed to be interested in the 489,600,000 Class A Shares held by Crown Holdings under the SFO. Shared Patience is wholly owned by Wang Xing.

(3) Charmway Enterprises is wholly owned by Day One Holdings Limited which is in turn wholly owned by TMF (Cayman) Ltd. The entire interest in Day One Holdings Limited is held by TMF (Cayman) Ltd. as trustee for a trust established by Mu Rongjun (as settlor) for the benefit of Mu Rongjun and his family. Mu Rongjun is deemed to be interested in the 63,569,388 Class A Shares held by Charmway Enterprises under the SFO.

(4) As at December 31, 2024, the Company had 6,046,056,054 issued Shares in total, comprising of 579,439,171 Class A Shares and 5,466,616,883 Class B Shares (including treasury shares (as defined under the Listing Rules), if any). The above calculation is based on the total number of relevant class of Shares or the total number of Shares in issue as of December 31, 2024.

Save as disclosed above, as at December 31, 2024, the Company had not been notified by any other persons (other than the Directors) who had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which were required to be entered in the register required to be kept by the Company pursuant to Section 336 of the SFO.

REPORT OF DIRECTORS

DILUTION EFFECT OF THE CONVERSION OF CONVERTIBLE BOND

On April 27, 2021, the Company issued the 2027 Bonds and 2028 Bonds. For further details, please refer to the announcements of the Company dated April 20, 2021, April 27, 2021 and April 28, 2021.

As of December 31, 2024, none of the convertible securities under the 2027 Bonds and the 2028 Bonds had been redeemed or exercised. Assuming all outstanding 2027 Bonds and 2028 Bonds were converted as at December 31, 2024, the dilutive impact on the then number of issued shares of the Company and the respective shareholdings of the substantial Shareholders will be as follows:

	As at the date of December 31, 2024		Assuming the 2027 Bonds are fully converted into Class B Shares (subject to adjustment) at the initial 2027 CB Conversion Price of HK$431.24 per Share		Assuming the 2028 Bonds are fully converted into Class B Shares (subject to adjustment) at the initial 2028 CB Conversion Price of HK$431.24 per Share		Assuming the 2027 Bonds and the 2028 Bonds are fully converted into Class B Shares (subject to adjustment) at the initial 2027 CB Conversion Price of HK$431.24 per Share and 2028 CB Conversion Price of HK$431.24 per Share, respectively	
Shareholders	*Number of Shares*	*Approximately %*	*Number of Shares*	*Approximately %*	*Number of Shares*	*Approximately %*	*Number of Shares*	*Approximately %*
Crown Holdings	489,600,000	8.10%	489,600,000	8.06%	489,600,000	8.06%	489,600,000	8.03%
Charmway Enterprises	111,150,000	1.84%	111,150,000	1.83%	111,150,000	1.83%	111,150,000	1.82%
2027 CB Bondholders	0	0.00%	26,734,628	0.44%	0	0.00%	26,734,628	0.44%
2028 CB Bondholders	0	0.00%	0	0.00%	27,030,158	0.45%	27,030,158	0.44%
Other Shareholders	5,445,306,054	90.06%	5,445,306,054	89.67%	5,445,306,054	89.66%	5,445,306,054	89.27%
Total:	6,046,056,054	100.00%	6,072,790,682	100.00%	6,073,086,212	100.00%	6,099,820,840	100.00%

As the potential issuance and allotment of the relevant Class B Shares upon full conversion of the outstanding convertible securities under the 2027 Bonds and the 2028 Bonds would have anti-dilutive effect on the earnings per share, the relevant Class B Shares upon full conversion has not been included in calculating diluted earnings per share of the Company for the year ended December 31, 2024. For further details, please refer to Note 14 of the consolidated financial statements.

To the best of the Directors' knowledge, having made all reasonable enquiries and having considered the financial and liquidity position of the Group, the Directors expected that the Company has the ability to meet its redemption obligations in respect of all outstanding convertible securities under the 2027 Bonds and the 2028 Bonds when they become due.

It would be equally financially advantageous for the securityholders of the 2027 Bonds and the 2028 Bonds to convert or redeem the convertible securities thereunder based on the implied internal rate of return thereof, when the Company's share price approximates to the conversion price in the future.

PRE-IPO ESOP

The Pre-IPO ESOP was approved and adopted pursuant to the written resolutions of all the then Shareholders dated October 6, 2015. The Pre-IPO ESOP commenced on October 6, 2015 and will expire on the tenth anniversary of the commencement date. The following is a summary of certain principal terms of the Pre-IPO ESOP.

Purpose

The purpose of the Pre-IPO ESOP is to promote the success and enhance the value of the Company by linking the personal interests of the Directors, employees and consultants to those of the Shareholders and by providing such individuals with an incentive for outstanding performance to generate superior returns to the Shareholders. The Pre-IPO ESOP is further intended to provide flexibility to the Company in its ability to motivate, attract and retain the services of Directors, employees and consultants upon whose judgment, interest, contribution and special effort the successful conduct of the Company's operation is largely dependent.

Eligible Participants

Those eligible to participate in the Pre-IPO ESOP include employees, consultants and Directors, as determined by a committee authorized by the Board (the "**Committee**"). Subject to the provisions of the Pre-IPO ESOP, the Committee may, from time to time, select from among all eligible individuals to whom awards in the form of Options, restricted share awards and RSUs (collectively "**Awards**") shall be granted and shall determine the nature and amount of each option. No individual shall have any right to be granted an Award pursuant to the Pre-IPO ESOP.

Maximum Number of Shares

The maximum aggregate number of Shares which may be issued is 683,038,063, subject to any adjustments for other dilutive issuances. No share options or RSUs may be granted under the Pre-IPO ESOP after the Listing.

Administration

The Pre-IPO ESOP is administered by the Board or the Committee to whom the Board shall delegate the authority to grant or amend Awards to participants other than any of the Committee members, independent Directors and executive officers of the Company. Reference to the Committee shall refer to the Board in absence of the Committee. Notwithstanding the foregoing, the full Board, acting by majority of its members in office, shall conduct the general administration of the Pre-IPO ESOP if required by applicable laws, and with respect to Awards granted to the Committee members, independent Directors and executive officers of the Company and for purposes of such Awards the term "Committee" as used in the Pre-IPO ESOP shall be deemed to refer to the Board.

REPORT OF DIRECTORS

Grant of Awards

The Committee is authorized to grant Awards to participants in accordance with the terms of the Pre-IPO ESOP. Awards granted will be evidenced by an agreement between the Company and the participant. The award agreement includes additional provisions specified by the Committee. The Committee can determine the terms and conditions of the Award, including the grant or purchase price of Awards. As disclosed in the Prospectus, the Company would not grant further share options and RSUs under the Pre-IPO ESOP after the Listing.

Options

i. Exercise price

The Committee shall determine the exercise price per Share subject to an Option, which may be either a fixed price or a variable price related to the fair market value of the Shares. The exercise price per Share shall be set forth in the Award Agreement. The exercise price per Share subject to an Option may be adjusted in the absolute discretion of the Committee, the determination of which shall be final, binding and conclusive. For the avoidance of doubt, to the extent not prohibited by applicable laws, a re-pricing of Options mentioned in the preceding sentence shall be effective without the approval of the Shareholders or the approval of the relevant participants. Notwithstanding the foregoing, the exercise price per Share subject to an Option under an Award Agreement shall not be increased without the approval of the relevant participants.

ii. Time and conditions of exercise

The Committee shall determine the time or times at which an Option may be exercised in whole or in part, including exercise prior to vesting; provided, however, that the term of any Option granted under the Pre-IPO ESOP shall not exceed ten years, except as amended, modified or terminated by the Board or the Committee. The Committee shall also determine any conditions, if any, that must be satisfied before all or part of an Option may be exercised. The Option may not be exercised until vested.

iii. Payment

The Committee shall determine the methods by which the exercise price of an Option may be paid and the methods by which Shares will be delivered or deemed to be delivered to the participants. Forms of payment may include, without limitation, (i) cash or check denominated in U.S. Dollars, (ii) to the extent permissible under the applicable laws, cash or check in Renminbi, (iii) cash or check denominated in any other local currency as approved by the Committee, (iv) Shares held for such period of time as may be required by the Committee in order to avoid adverse financial accounting consequences and having a fair market value on the date of delivery equal to the aggregate exercise price of the Option or exercised portion thereof, (v) the delivery of a notice that the participant has placed a market sell order with a broker with respect to Shares then issuable upon exercise of the Option and that the broker has been directed to pay a sufficient portion of the net proceeds of the sale to the Company in satisfaction of the Option exercise price; provided, however, that payment of such proceeds is then made to the Company upon settlement of such sale, (vi) other property acceptable to the Committee with a fair market value equal to the exercise price or (vii) any combination of the foregoing.

RSUs

i. Performance objectives and other terms

The Committee, in its discretion, may set performance objectives or other vesting criteria which, depending on the extent to which they are met, will determine the number or value of RSUs that will be paid out to the participants.

ii. Form and timing of payment of RSUs

At the time of grant, the Committee shall specify the date or dates on which the RSUs shall become fully vested and non-forfeitable. Upon vesting, the Committee, in its sole discretion, may pay RSUs in the form of cash, Shares or a combination thereof.

Outstanding Share Options Granted under the Pre-IPO ESOP

The Company has not granted further share options under the Pre-IPO ESOP after the Listing Date. The table below shows the details of movements of share options granted to the relevant Director and other employee participants under the Pre-IPO ESOP.

Name or Category	Date of Grant	Vesting Period[1]	Exercise Price	Number of Shares underlying options outstanding as of January 1, 2024	Number of options exercised during the Reporting Period and the exercise price	Number of options lapsed during the Reporting Period	Number of options cancelled during the Reporting Period	Number of Shares underlying options outstanding as of December 31, 2024
Director								
Mu Rongjun	July 1, 2017 to July 1, 2018	6 years	US$3.86-US$5.18	5,000,000	500,000 US$3.86	0	0	4,500,000
Other grantees save for Director								
Other employees	May 31, 2006 to August 1, 2018	0.5 to 6 years	US$0.000017-US$5.18	15,186,846	3,557,330 US$0.000017-US$5.18	1,121	0	11,628,395
Total				20,186,846	4,057,330	1,121	0	16,128,395

REPORT OF DIRECTORS

Note:

(1) The exercise period of the share options granted under the Pre-IPO ESOP shall be any time after the end of the vesting period and before the 10th anniversary of the grant date, subject to the terms of the Pre-IPO ESOP and the share option award agreements signed by the grantees.

Outstanding RSUs Granted under the Pre-IPO ESOP

The Company has not granted further RSUs under the Pre-IPO ESOP after the Listing Date. The table below shows the details of movements of outstanding RSUs granted to employees under the Pre-IPO ESOP.

Category	Date of Grant	Vesting Period	Number of Shares underlying RSUs outstanding as of January 1, 2024	RSUs vested during the Reporting Period	RSUs cancelled during the Reporting Period	RSUs lapsed during the Reporting Period	Number of Shares underlying RSUs outstanding as of December 31, 2024
Employees	December 29, 2010 to August 2, 2018	0 to 6 years	1,073,069	1,071,069	0	0	2,000
Total			1,073,069	1,071,069	0	0	2,000

POST-IPO SHARE OPTION SCHEME

The Post-IPO Share Option Scheme was adopted and amended as approved by Shareholders at the general meetings on August 30, 2018 and June 30, 2023, respectively. The Post-IPO Share Option Scheme was further amended as approved by the Board on May 17, 2024 to incorporate changes which accommodate the treasury shares regime under the Listing Rules that came into effect on June 11, 2024. The Post-IPO Share Option Scheme shall be valid and effective for a period of ten years commencing on the Listing Date.

The following is a summary of certain principal terms of the Post-IPO Share Option Scheme. For further details of the Post-IPO Share Option Scheme, please refer to the announcement of the Company dated March 24, 2023, the circular of the Company dated June 8, 2023 and the poll results announcement of the Company dated June 30, 2023. Unless otherwise indicated, capitalized terms used in this section shall have the same meaning as those defined in the circular of the Company dated June 8, 2023.

Purpose

The purpose of the Post-IPO Share Option Scheme is to provide eligible persons with the opportunity to acquire proprietary interests in the Company and to encourage eligible persons to work towards enhancing the value of the Company and its Shares for the benefit of the Company and Shareholders as a whole. The Post-IPO Share Option Scheme will provide the Company with a flexible means of retaining, incentivizing, rewarding, remunerating, compensating and/or providing benefits to eligible persons.

Eligible Participants

The eligible persons who may be selected to become a participant of the Post-IPO Share Option Scheme are any individuals, or corporate entities (as the case may be), being any of (i) an Employee Participant; (ii) a Related Entity Participant; and (iii) a Service Provider, who the Board or its delegates considers, in its sole discretion, to have contributed or will contribute to the Group. No individual who is resident in a place where the grant, acceptance or exercise of the Options pursuant to the Post-IPO Share Option Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board or its delegate(s), compliance with applicable laws and regulations in such place make it necessary or expedient to exclude such individual, shall be entitled to participate in the Post-IPO Share Option Scheme.

Scheme Limit and Service Provider Sublimit

The Company shall not make any further grant of Options which will result in the aggregate number of Class B Shares to be issued by the Company in respect of all grants of options and awards made after June 30, 2023 (being the date of the obtaining of the Shareholders' approval of the Scheme Limit) pursuant to the Post-IPO Share Option Scheme and any other share schemes adopted by the Company (excluding options and/or awards lapsed in accordance with relevant scheme rules) to exceed 624,212,527 (representing approximately 10% of the total number of issued Shares as at the date of the Shareholders' approval of the Scheme Limit) unless Shareholders approve a further refreshment of the Scheme Limit or Shareholders' approval is obtained in compliance with the Listing Rules.

The Company shall not make any further grant of Options to Service Providers which will result in the aggregate number of Class B Shares to be issued by the Company in respect of all grants of options and awards made after June 30, 2023 (being the date of the obtaining of the Shareholders' approval of the Service Provider Sublimit) pursuant to the Post-IPO Share Option Scheme and any other share schemes adopted by the Company (excluding options and/or awards lapsed in accordance with relevant scheme rules) to exceed 62,421,252 (representing approximately 1% of the total number of issued Shares as at the date of the Shareholders' approval of the Service Provider Sublimit) unless the Shareholders approve a further refreshment of the Service Provider Sublimit or Shareholders' approval is obtained in compliance with the Listing Rules.

1% Individual Limit

Where any grant of Options to a grantee would result in the Class B Shares issued and to be issued in respect of all options and awards granted to such person, pursuant to the Post-IPO Share Option Scheme and any other share schemes adopted by the Company (excluding options or awards lapsed in accordance with relevant scheme rules), in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the total number of issued Shares (for the avoidance of doubt, includes Class A Shares which carry weighted voting rights and Class B Shares but excluding treasury shares (if any)) at the relevant time, such grant must be separately approved by Shareholders in general meeting with such grantee and their close associates (or associates if the grantee is a connected person of the Company) abstain from voting.

0.1% Limit

Where any grant of Options to a substantial shareholder of the Company or an independent non-executive Director (or any of their respective associates) would result in the number of Class B Shares issued and to be issued upon exercise of all options and vesting of all awards already granted and to be granted pursuant to the Post-IPO Share Option Scheme and any other share schemes adopted by the Company (excluding options or awards lapsed in accordance with relevant scheme rules) to such person in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the total number of issued Shares (for the avoidance of doubt, includes Class A Shares which carry weighted voting rights and Class B Shares but excluding treasury shares (if any)) at the relevant time, such further grant of Options shall be subject to prior approval by the Shareholders (voting by way of poll) in general meeting.

Grant of Option

The Board or the committee of the Board or person(s) to which the Board has delegated its authority may, from time to time, at their absolute discretion, grant Options to selected participants (in the case of the Board's delegate(s), to any selected participant other than a Director) by way of a grant letter. The grant letter will specify the date of grant, the number of options, the vesting criteria and conditions, the vesting period and such other details as the Board or its delegate(s) may consider necessary.

No consideration is payable on acceptance of each grant of Option(s) and there is no period within which payments or calls must or may be made or loans for such purposes must be repaid.

Option Period

Any Option granted may be exercised during a period, which is to be determined and notified by the Board to each grantee in the grant letter, and shall not expire later than ten years from the date of grant of the Option (the "**Option Period**").

Subscription Price

The amount payable for each Class B Share to be subscribed for under an option (the "**Subscription Price**") in the event of the option being exercised shall be determined by the Board but shall be not less than the greater of:

(i) the closing price of a Class B Share as stated in the daily quotations sheet issued by the Stock Exchange on the date of grant;

(ii) the average closing price of the Class B Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; and

(iii) the nominal value of a Class B Share on the date of grant.

Vesting of Option

The Board or the Scheme Administrator may from time to time while the Post-IPO Share Option Scheme is in force and subject to all applicable laws, determine such vesting criteria and conditions or periods for the Options to be vested hereunder, provided however that the vesting period for Options shall not be less than 12 months, except that any Options granted to an Employee Participant is subject to a shorter vesting period, including where:

(i) grants of "make whole" Options to new Employee Participant to replace awards or options such Employee Participants forfeited when leaving their previous employers;

(ii) grants to an Employee Participant whose employment is terminated due to death or disability or event of force majeure;

(iii) grants of Options which are subject to fulfilment of performance targets as determined in the conditions of their grant;

(iv) grants of Options the timing of which is determined by administrative or compliance requirements not connected with the performance of the relevant Employee Participant, in which case the Vesting Date may be adjusted to take account of the time from which the Option would have been granted if not for such administrative or compliance requirements;

(v) grants of Options with a mixed vesting schedule such that the Options vest evenly over a period of 12 months; or

REPORT OF DIRECTORS

(vi) grant of Options with a total vesting period of more than 12 months, such as where the Options may vest by several batches with the first batch to vest within 12 months of the grant date and the last batch to vest 12 months after the grant date.

Duration

The Post-IPO Share Option Scheme shall be valid and effective for the period of ten years from September 20, 2018, but in all other respects the provisions of the Post-IPO Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any Options granted prior thereto or otherwise as may be required in accordance with the provisions of the rules of the Post-IPO Share Option Scheme. As at December 31, 2024, the remaining life of the Post-IPO Share Option Scheme was approximately three years and nine months.

Outstanding Options Granted under the Post-IPO Share Option Scheme

The table below shows the details of movements of outstanding share options granted under the Post-IPO Share Option Scheme during the Reporting Period:

Category	Date of Grant	Vesting Period	Exercise Period	Exercise Price	Number of Shares underlying options outstanding as of January 1, 2024	Number of Shares underlying options granted during the Reporting Period	Number of options exercised during the Reporting Period	Number of options lapsed during the Reporting Period	Number of options cancelled during the Reporting Period	Number of Shares underlying options outstanding as of December 31, 2024
Employees	July 5, 2019	4 years	June 30, 2020 to July 5, 2029	HK$69.1	380,000	0	0	0	0	380,000
	April 24, 2020	5.2 years	June 30, 2020 to April 24, 2030	HK$100.15	678,000	0	452,000	0	0	226,000
	July 20, 2020	4 years	June 30, 2021 to July 20, 2030	HK$195.98	648,198	0	0	20,214	0	627,984
	March 25, 2024	9.5 years	March 24, 2029 to March 25, 2034	HK$93.3	0	56,113,263(1)	0	0	0	56,113,263
Total					1,706,198	56,113,263	452,000(3)	20,214	0	57,347,247

Notes:

(1) The closing price of Class B Shares is HKD88.25 per Share on March 22, 2024, being the business day immediately before the date on which the share options were granted. The fair value of share options at the grant date is HKD46.74. For relevant accounting standard and policy adopted in respect of fair value of share options granted, please refer to Note 2.1.14(a) to the consolidated financial statements.

(2) The grant of share options mentioned above during the Reporting Period were made without any performance targets.

(3) For employees, the weighted average closing price of Class B Shares immediately before the dates on which the above options were exercised in 2024 was HKD141.3000 per share.

POST-IPO SHARE AWARD SCHEME

The Post-IPO Share Award Scheme was adopted and amended as approved by Shareholders at the general meetings on August 30, 2018 and June 30, 2023, respectively. The Post-IPO Share Award Scheme was further amended as approved by the Board on May 17, 2024 to incorporate changes which accommodate the treasury shares regime under the Listing Rules that came into effect on June 11, 2024. The Post-IPO Share Award Scheme shall be valid and effective for a period of ten years commencing on the Listing Date. The Company may appoint a trustee to administer the Post-IPO Share Award Scheme with respect to the grant of any award ("**Award**") by the Board which may vest in the form of Class B Shares ("**Award Shares**") or the actual selling price of the Award Shares in cash in accordance with the Post-IPO Share Award Scheme.

The following is a summary of certain principal terms of the Post-IPO Share Award Scheme. For further details of the Post-IPO Share Award Scheme, please refer to the announcement of the Company dated March 24, 2023, the circular of the Company dated June 8, 2023 and the poll results announcement of the Company dated June 30, 2023. Unless otherwise indicated, capitalized terms used in this section shall have the same meaning as those defined in the circular of the Company dated June 8, 2023.

Purpose

The purposes of the Post-IPO Share Award Scheme are (i) to align the interests of eligible persons with those of the Group through ownership of Shares, dividends and other distributions paid on Shares and/or the increase in value of the Shares; and (ii) to encourage and retain eligible persons to make contributions to the long-term growth and profits of the Group.

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Eligible Participants

The eligible persons who may be selected to become a participant of the Post-IPO Share Award Scheme are any individuals, or corporate entities (as the case may be), being any of (i) an Employee Participant; (ii) a Related Entity Participant; and (iii) a Service Provider, who the Board or its delegates considers, in its sole discretion, to have contributed or will contribute to the Group. No individual who is resident in a place where the grant, acceptance or vesting of the Awards pursuant to the Post-IPO Share Award Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board or its delegate(s), compliance with applicable laws and regulations in such place make it necessary or expedient to exclude such individual, shall be entitled to participate in the Post-IPO Share Award Scheme.

Scheme Limit and Service Provider Sublimit

The Company shall not make any further grant of Awards which will result in the aggregate number of Class B Shares to be issued by the Company in respect of all grants of options and awards made after June 30, 2023 (being the date of the obtaining of the Shareholders' approval of the Scheme Limit) pursuant to the Post-IPO Share Award Scheme and any other share schemes adopted by the Company (excluding options or awards lapsed in accordance with relevant scheme rules) to exceed 624,212,527 (representing approximately 10% of the total number of issued Shares as at the date of the Shareholders' approval of the Scheme Limit) unless Shareholders approve a further refreshment of the Scheme Limit or Shareholders' approval is obtained in compliance with the Listing Rules.

The Company shall not make any further grant of Awards to Service Providers which will result in the aggregate number of Class B Shares to be issued by the Company in respect of all grants of options and awards made after June 30, 2023 (being the date of the obtaining of the Shareholders' approval of the Service Provider Sublimit) pursuant to the Post-IPO Share Award Scheme and any other share schemes adopted by the Company (excluding options or awards lapsed in accordance with relevant scheme rules) to exceed the 62,421,252 (representing approximately 1% of the total number of issued Shares as at the date of the Shareholders' approval of the Service Provider Sublimit) unless the Shareholders approve a further refreshment of the Service Provider Sublimit or Shareholders' approval is obtained in compliance with the Listing Rules.

1% Individual Limit

Where any grant of Awards to a grantee would result in the Class B Shares issued and to be issued in respect of all options and awards granted to such person, pursuant to the Post-IPO Share Award Scheme and any other share schemes adopted by the Company (excluding options or awards lapsed in accordance with relevant scheme rules), in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the total number of issued Shares (for the avoidance of doubt, includes Class A Shares which carry weighted voting rights and Class B Shares but excluding treasury shares (if any)) at the relevant time (i.e. the 1% Individual Limit), such grant must be separately approved by Shareholders in general meeting with such grantee and their close associates (or associates if the grantee is a connected person of the Company) abstain from voting.

0.1% Limit

Any grant of Awards to a Director, chief executive (as defined in the Listing Rules), or substantial shareholder of the Company (or any of their respective associates), must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the Awards). Where any of Awards to a Director (other than an independent non-executive Director) or chief executive (as defined in the Listing Rules), or any of their associates would result in the Class B Shares issued and to be issued in respect of all Awards granted (excluding any Awards lapsed in accordance with the terms of Scheme) to such person in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the total number of issued Shares (for the avoidance of doubt, includes Class A Shares which carry weighted voting rights and Class B Shares but excluding treasury shares (if any)) at the relevant time, such further grant of Awards must be approved by Shareholders in general meeting in the manner set out in Listing Rule 17.04(4).

Grant of Award

The Board or the committee of the Board or person(s) to which the Board has delegated its authority may, from time to time, at their absolute discretion, grant an Award to selected participants (in the case of the Board's delegate(s), to any selected participant other than a Director) by way of an award letter. The award letter will specify the date of grant, the number of Award Shares underlying the Award, the vesting criteria and conditions, the vesting period and such other details as the Board or its delegate(s) may consider necessary.

No consideration is payable on acceptance of each grant of Award(s) and there is no period within which payments or calls must or may be made or loans for such purposes must be repaid.

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Purchase Price

The purchase price payable (if any) for the Award Shares will be stated in the Award Letter, to be determined by the Board or the Scheme Administrator in accordance with the purpose of the Post-IPO Share Award Scheme, taking into account (including but not limited to) the prevailing closing price of the Class B Shares and profile of the selected participant.

Vesting of Awards

The Board or Scheme Administrator may from time to time while the Post-IPO Share Award Scheme is in force and subject to all applicable laws, determine such vesting criteria and conditions or periods for the Award to be vested hereunder, provided however that the vesting period for Awards shall not be less than 12 months, except that any Awards granted to an Employee Participant may be subject to a shorter vesting period, including where:

(i) grants of "make whole" Awards to new Employee Participant to replace awards or options such Employee Participants forfeited when leaving their previous employers;

(ii) grants to an Employee Participant whose employment is terminated due to death or disability or event of force majeure;

(iii) grants of Awards which are subject to fulfillment of performance targets as determined in the conditions of his/her grant;

(iv) grants of Awards the timing of which is determined by administrative or compliance requirements not connected with the performance of the relevant Employee Participant, in which case the vesting date may be adjusted to take account of the time from which the Award would have been granted if not for such administrative or compliance requirements;

(v) grants of Awards with a mixed vesting schedule such that the Awards vest evenly over a period of 12 months; or

(vi) grant of Awards with a total vesting period of more than 12 months, such as where the Awards may vest by several batches with the first batch to vest within 12 months of the grant date and the last batch to vest 12 months after the grant date.

Termination

The Post-IPO Share Award Scheme shall terminate on the earlier of:

(i) the end of the period of ten years from September 20, 2018, except in respect of any non-vested Award Shares granted hereunder prior to the expiration of the Post-IPO Share Award Scheme, for the purpose of giving effect to the vesting of such Award Shares or otherwise as may be required in accordance with the provisions of the Post-IPO Share Award Scheme; and

(ii) such date of early termination as determined by the Board provided that such termination shall not affect any subsisting rights of any selected participant under the rules of the Post-IPO Share Award Scheme, provided further that for the avoidance of doubt, the change in the subsisting rights of a selected participant in this paragraph refers solely to any change in the rights in respect of the Award Shares already granted to a selected participant.

As at December 31, 2024, the remaining life of the Post-IPO Share Award Scheme was approximately three years and nine months.

Outstanding RSUs Granted under the Post-IPO Share Award Scheme

The table below shows the details of movements of outstanding RSUs granted to Directors under the Post-IPO Share Award Scheme during the Reporting Period:

			Number of RSUs					
Name	Date of Grant	Vesting Period	Outstanding as of January 1, 2024	Granted during the Reporting Period	Vested during the Reporting Period	Lapsed during the Reporting Period	Cancelled during the Reporting Period	Outstanding as of December 31, 2024
ORR Gordon Robert Halyburton	September 23, 2022[1]	12.5% to vest in each quarter commencing from December 20, 2022 until September 20, 2024	4,844	0	4,844	0	0	0
	October 29, 2024[3]	8.33% to vest in each quarter commencing from December 20, 2024 until September 20, 2027	0	20,807	1,734	0	0	19,073
LENG Xuesong	September 23, 2022[1]	12.5% to vest in each quarter commencing from December 20, 2022 until September 20, 2024	4,844	0	4,844	0	0	0
	October 29, 2024[3]	8.33% to vest in each quarter commencing from December 20, 2024 until September 20, 2027	0	20,807	1,734	0	0	19,073

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			Number of RSUs					
Name	Date of Grant	Vesting Period	Outstanding as of January 1, 2024	Granted during the Reporting Period	Vested during the Reporting Period	Lapsed during the Reporting Period	Cancelled during the Reporting Period	Outstanding as of December 31, 2024
SHUM Heung Yeung Harry	September 23, 2022[1]	12.5% to vest in each quarter commencing from December 20, 2022 until September 20, 2024	4,844	0	4,844	0	0	0
	October 29, 2024[3]	8.33% to vest in each quarter commencing from December 20, 2024 until September 20, 2027	0	20,807	1,734	0	0	19,073
YANG Marjorie Mun Tak	July 24, 2023[2]	8.33% to vest in each quarter commencing from September 30, 2023 until June 30, 2026	21,435	0	8,572	0	0	12,863
Total			35,967	62,421	28,306	0	0	70,082

Notes:

(1) RSUs granted to Mr. Orr Gordon Robert Halyburton, Mr. Leng Xuesong and Dr. Shum Heung Yeung Harry on September 23, 2022, may be satisfied through issue of new Class B Shares or on-market purchase of the Class B Shares. For more details, please refer to the announcements and circular of the Company dated May 25, June 8, and June 30, 2023, respectively.

(2) RSUs granted to Ms. Yang Marjorie Mun Tak on July 24, 2023, was funded by new Class B Shares issued and to be issued under the Scheme Limit, which was approved by Shareholders at the annual general meeting of the Company on June 30, 2023.

(3) RSUs granted to Mr. Orr Gordon Robert Halyburton, Mr. Leng Xuesong and Dr. Shum Heung Yeung Harry on October 29, 2024, was funded by new Class B Shares issued and to be issued under the Scheme Limit, which was approved by Shareholders at the annual general meeting of the Company on June 30, 2023.

(4) For Mr. Orr Gordon Robert Halyburton, Mr. Leng Xuesong, Dr. Shum Heung Yeung Harry and Ms. Yang Marjorie Mun Tak, the weighted average closing price of the Class B Shares immediately before the dates on which the RSUs were vested in 2024 was HKD126.2990, HKD126.2990, HKD126.2990, and HKD131.3250, respectively.

(5) Purchase price for RSUs in the table above is nil.

(6) All of the grant of RSUs mentioned above during the year ended December 31, 2024 were made without any performance targets.

(7) The closing price of Class B Shares immediately before October 29, 2024 is HKD185.2 per share. Fair value of RSUs granted on October 29, 2024, as at the date of grant, was HKD189.3, and as for relevant accounting standard and policy adopted, please refer to Note 2.1.14(b) to the consolidated financial statements.

The table below shows the details of movements of outstanding RSUs granted to employees of the Group and service providers under the Post-IPO Share Award Scheme, which shall be funded by new Class B Shares issued or to be issued by the Company for incentive purpose:

			Number of RSUs					
Category	Year of Grant	Vesting Period	Outstanding as of January 1, 2024	Granted during the Reporting Period	Vested during the Reporting Period	Lapsed during the Reporting Period	Cancelled during the Reporting Period	Outstanding as of December 31, 2024
Employees[1]	2019	4 years	68,800	0	36,300	7,500	0	25,000
	2020	4 to 5.2 years	7,916,144	0	6,776,013	383,598	0	756,533
	2021	2 to 6 years	16,865,997	0	7,304,569	1,819,189	0	7,742,239
	2022	1 to 6 years	35,196,664	0	20,405,193	2,861,137	0	11,930,334
	2023	2 months to 4 years	58,261,362	0	18,667,134	4,938,258	0	34,655,970
	2024	13 months to 10 years	0	75,905,617	4,340,456	4,685,801	0	66,879,360
Service Providers[2]	2020	4 years	11,890	0	11,890	0	0	0
	2021	2 to 6 years	453,826	0	131,602	686	0	321,538
	2022	2 to 4 years	44,449	0	21,606	7,464	0	15,379
	2023	1 to 4 years	64,357	0	28,384	1,018	0	34,955
	2024	13 months to 4 years	0	115,440	0	0	0	115,440
Total			118,883,489	76,021,057	57,723,147	14,704,651	0	122,476,748

Notes:

(1) For employees, the weighted average closing price of Class B Shares immediately before the dates on which the RSUs were vested in 2024 was HKD118.2373 per share.

(2) For service providers, the weighted average closing price of Class B Shares immediately before the dates on which the RSUs were vested in 2024 was HKD112.7022 per share.

(3) Purchase price for RSUs in the table above is nil.

(4) The following grants were made in 2024:

Date of Grant	Vesting Period	Number of RSUs Granted	Closing Price of Class B Shares immediately before the Date of Grant	Fair Value of RSUs as at the Date of Grant per RSU
Employees				
March 25, 2024	25 months to 46 months from the date of grant	5,718,686	HK$88.25	HK$93.30
April 2, 2024	24 months to 120 months from the date of grant	60,146,301	HK$96.8	HK$101.40
July 26, 2024	13 months to 48 months from the date of grant	3,125,664	HK$107.1	HK$107.6
October 29, 2024	23 months to 48 months from the date of grant	6,914,966	HK$185.2	HK$189.3
Service Providers				
April 2, 2024	24 months to 48 months from the date of grant	71,835	HK$96.8	HK$101.40
July 26, 2024	13 months to 25 months from the date of grant	23,121	HK$107.1	HK$107.6
October 29, 2024	35 months from the date of grant	20,484	HK$185.2	HK$189.3

For the accounting standard and policy adopted for estimating the fair value of RSUs, please refer to Note 2.1.14(b) to the consolidated financial statements.

(5) The vesting of a part of the RSUs granted on July 26, 2024 shall be conditional upon the achievement of certain performance targets as determined by the Board or its delegate(s) at his or her absolute discretion. The performance targets are based on our product performance in the relevant market and/or other appropriate indicators of the relevant segments of the Group, as assessed by the Board or its delegate(s) from time to time. Save for the above, all grants of RSUs during the year ended December 31, 2024 were made without any performance targets.

As at January 1, 2024, 609,351,099 and 62,401,365 underlying Class B Shares will be available for grants under the Scheme Limit and Service Provider Sublimit, respectively. As at December 31, 2024, 482,984,682 and 62,285,925 underlying Class B Shares will be available for grants under the Scheme Limit and Service Provider Sublimit, respectively.

The number of Class B Shares that may be issued in respect of options and awards granted under all share schemes of the Company during the Reporting Period divided by the weighted average number of Class B Shares in issue (excluding treasury shares) for the Reporting Period is 2.37%.

As at the date of this annual report, the total number of Shares available for issue under the Post-IPO Share Option Scheme and the Post-IPO Share Award Scheme is 596,226,356, representing approximately 9.76% of the total number of issued Shares (excluding treasury shares (as defined under the Listing Rules)), comprising:

(i) 478,713,096 Shares which may be issued in respect of Options or RSUs to be granted under the Scheme Limit;

(ii) 57,347,247 Shares which may be issued upon exercise of outstanding Options; and

(iii) 60,166,013 Shares which may be issued in respect of outstanding RSUs.

EQUITY-LINKED AGREEMENTS

Other than the Pre-IPO ESOP, Post-IPO Share Option Scheme and Post-IPO Share Award Scheme, and 2027 Bonds and 2028 Bonds, no equity-linked agreements that will or may result in the Company issuing shares, or that require the Company to enter into any agreements that will or may result in the Company issuing shares, were entered into by the Company during the Reporting Period or subsisted at the end of 2024.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY OR SALE OF TREASURY SHARES

During the year ended December 31, 2024 and up to the date of this annual report, the Company repurchased a total of 261,396,700 Class B Shares (the "**Shares Repurchased**") on the Stock Exchange at the aggregate consideration of HK$28,158,878,199.98 before expenses. The repurchase was effected to benefit the Company and create value to its Shareholders. Particulars of the Shares Repurchased are as follows:

Month of Repurchase	No. of Shares Repurchased	Price Paid per Share Highest *(HK$)*	Price Paid per Share Lowest *(HK$)*	Aggregate Consideration *(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	3,301,200	119.00	109.70	386,160,958.11
June 2024	58,824,700	120.00	107.90	6,772,817,761.52
July 2024	80,777,000	120.10	105.20	9,379,352,091.70
September 2024	39,286,700	143.50	115.80	4,833,008,736.21
Total	261,396,700			28,158,878,199.98

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During the year ended December 31, 2024, the number of Class B Shares in issue was reduced by a total of 261,396,700 as a result of the cancellations of the same number of Class B Shares repurchased during the year ended December 31, 2024. In connection with such cancellations, Mr. Mu Rongjun, as a WVR beneficiary, converted a total of 25,080,612 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.

As of December 31, 2024 and up to the date of this annual report, there were no treasury shares (as defined under the Listing Rules) held by the Company.

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 (including sale of treasury shares (as defined under the Listing Rules)) during the year ended December 31, 2024 and up to the date of this annual report.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association or the laws of the Cayman Islands that would oblige the Company to offer new Shares on a pro rata basis to the existing Shareholders.

DIRECTORS' INTEREST IN COMPETING BUSINESS

Save as otherwise disclosed, as at the date of this annual report, none of the Directors and their respective associate(s) was interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group during the Reporting Period.

CONNECTED TRANSACTION

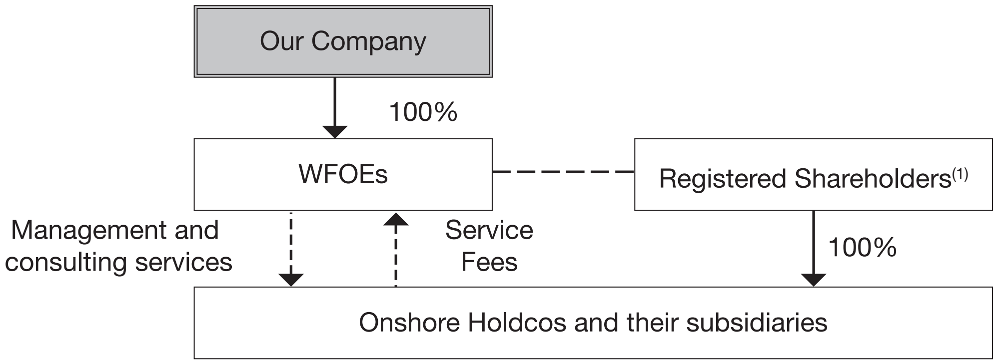
Save for disclosed in this annual report, during the Reporting Period, the Group had not entered into any connected transaction or continuing connected transaction which is subject to disclosure requirement pursuant to the Rules 14A.49 and 14A.71 of the Listing Rules, and the Company has fully complied with the disclosure requirements under Chapter 14A of the Listing Rules.

Details of related party transactions carried out in the normal course of business are set out in Note 37 to the consolidated financial statements. No related party transactions disclosed in the consolidated financial statements constitutes a connected transaction or a continuing connected transaction as defined under Chapter 14A of the Listing Rules for which disclosure is required.

CONTRACTUAL ARRANGEMENTS

The WFOEs, the Onshore Holdcos and the Registered Shareholders of such Onshore Holdcos have entered into a series of Contractual Arrangements, pursuant to which the Company obtained effective control over, and received all the economic benefits generated by, the businesses operated by the Consolidated Affiliated Entities. Accordingly, through the Contractual Arrangements, the Company's Consolidated Affiliated Entities' results of operations, assets and liabilities, and cash flows are consolidated into the Company's financial statements.

The following simplified diagram illustrates the flow of economic benefits from the Consolidated Affiliated Entities to the Group stipulated under the Contractual Arrangements:



Notes:

(1) Registered Shareholders refer to the registered shareholders of the Onshore Holdcos, namely, (i) Tianjin Antechu Technology; (ii) Beijing Kuxun Interaction; (iii) Shanghai Sankuai Technology; (iv) Meituan Finance; (v) Beijing Sankuai Cloud Computing; (vi) Beijing Xinmeida; (vii) Chengdu Meigengmei; (viii) Beijing Mobike; (ix) Beijing Sankuai Technology; and (x) Shanghai Hantao.

(i) Tianjin Antechu Technology is owned by Wang Xing as to 95% and Mu Rongjun as to 5%;

(ii) Beijing Kuxun Interaction is owned by Wang Xing as to 95% and Mu Rongjun as to 5%;

(iii) Shanghai Sankuai Technology is owned by Wang Xing as to 95% and Mu Rongjun as to 5%;

(iv) Meituan Finance is owned by Wang Xing as to 95% and Mu Rongjun as to 5%;

(v) Beijing Sankuai Cloud Computing is owned by Wang Xing as to 95% and Mu Rongjun as to 5%;

(vi) Beijing Xinmeida is owned by Wang Xing as to 95% and Mu Rongjun as to 5%;

(vii) Chengdu Meigengmei is owned as to 50% and 50% by Li Huijuan (李慧娟) and Fu Dongping (付棟平), respectively, both of whom are consultants. The arrangement was the result of a commercial decision as agreed between Chengdu Meigengmei and its investee companies when Chengdu Meigengmei commenced operations;

(viii) Beijing Mobike is owned by Wang Xing as to 95% and Mu Rongjun as to 5%;

REPORT OF DIRECTORS

(ix) Beijing Sankuai Technology is owned by Wang Xing as to 50.97% and Mu Rongjun as to 49.03%; and

(x) Shanghai Hantao is owned by Wang Xing as to 95% and Mu Rongjun as to 5%.

(2) "——>" denotes a direct legal and beneficial ownership in the equity interest.

(3) "--->" denotes a contractual relationship.

(4) "----" denotes the control by WFOEs over the Registered Shareholders and the Onshore Holdcos through (a) powers of attorney to exercise all shareholders' rights in the Onshore Holdcos, (b) exclusive options to acquire all or part of the equity interests in the Onshore Holdcos and (c) equity pledges over the equity interests in the Onshore Holdcos.

(5) These include certain companies which do not currently carry out any business operations but are intended to carry out businesses which are subject to foreign investment restrictions in accordance with the Special Administrative Measures for Entry of Foreign Investment (Negative List) (2022 Version) and other laws and regulations. For further details of the subsidiaries of the Onshore Holdcos, see the section headed "History, Reorganization and Corporate Structure — Corporate Structure" of the Prospectus.

A brief description of the specific agreements that comprises the Contractual Arrangements entered into by each of the WFOEs, the Onshore Holdcos and relevant Registered Shareholders is set out as follows:

Exclusive Business Cooperation Agreements

Under the exclusive business cooperation agreements entered into between each Onshore Holdco (other than Shanghai Hantao and Beijing Sankuai Technology) and the relevant WFOE on August 21, 2018, the exclusive business cooperation agreement entered into by and between Shanghai Hantao and the relevant WFOE on November 13, 2018 and the exclusive business cooperation agreement entered into by and between Beijing Sankuai Technology and the relevant WFOE on November 30, 2020 (collectively, the "**Exclusive Business Cooperation Agreements**"), pursuant to which, in exchange for a monthly service fee, the Onshore Holdcos agreed to engage the WFOEs as each of their exclusive provider of technical support, consultation and other services, including the use of any relevant software legally owned by the WFOEs; development, maintenance and updating of software in respect of the Onshore Holdcos' business; design, installation, daily management, maintenance and updating of network systems, hardware and database design; providing technical support and staff training services to relevant employers of the Onshore Holdcos; providing assistance in consultancy, collection and research of technology and market information (excluding market research business that wholly foreign-owned enterprises are prohibited from conducting under the PRC laws); providing business management consultation; providing marketing and promotional services; providing customer order management and customer services; transfer, leasing and disposal of equipment or properties; and other relevant services requested by the Onshore Holdcos from time to time to the extent permitted under the PRC laws.

Under the Exclusive Business Cooperation Agreements, the service fee shall consist of 100% of the total consolidated profit of the Onshore Holdcos, after the deduction of any accumulated deficit of the Consolidated Affiliated Entities in respect of the preceding financial year(s), operating costs, expenses, taxes and other statutory contributions and subject to any necessary adjustment by the WFOEs of the scope and amount of service fees according to the PRC tax law and tax practices.

Exclusive Option Agreements

Under the exclusive option agreements entered into among each Onshore Holdco (other than Shanghai Hantao, Beijing Sankuai Cloud Computing and Beijing Sankuai Technology), relevant WFOE and the relevant Registered Shareholders on August 21, 2018, the exclusive option agreement entered into among Shanghai Hantao, relevant WFOE and the relevant Registered Shareholders on November 13, 2018, the exclusive option agreement entered into among Beijing Sankuai Cloud Computing, relevant WFOE and the relevant Registered Shareholders on December 1, 2019 and the exclusive option agreement entered into among Beijing Sankuai Technology, relevant WFOE and the relevant Registered Shareholders on November 30, 2020 (collectively, the "**Exclusive Option Agreements**"), the WFOEs have the rights to require the Registered Shareholders to transfer any or all their equity interests in the Onshore Holdcos to the WFOEs and/or a third party designated by it, in whole or in part at any time and from time to time, for considerations equivalent to the respectively outstanding loans owed to the Registered Shareholders (or part of the loan amounts in proportion to the equity interests being transferred) or, if applicable, for a nominal price, unless the relevant government authorities or the PRC laws request that another amount be used as the purchase price, in which case the purchase price shall be the lowest amount under such request. The Exclusive Option Agreements shall remain effective unless terminated in the event that the entire equity interests held by the Registered Shareholders in the Onshore Holdcos have been transferred to the WFOEs or their appointee(s).

REPORT OF DIRECTORS

Equity Pledge Agreements

Under the equity pledge agreements entered into among each Onshore Holdco (other than Shanghai Hantao, Beijing Sankuai Cloud Computing and Beijing Sankuai Technology), the relevant WFOE and the relevant Registered Shareholders on August 21, 2018, the equity pledge agreement entered into among Shanghai Hantao, relevant WFOE and the relevant Registered Shareholders on November 13, 2018, the equity pledge agreement entered into among Beijing Sankuai Cloud Computing, relevant WFOE and the relevant Registered Shareholders on December 1, 2019 and the equity pledge agreement entered into among Beijing Sankuai Technology, relevant WFOE and the relevant Registered Shareholders on November 30, 2020 (collectively, the "**Equity Pledge Agreements**"), the Registered Shareholders agreed to pledge all their respective equity interests in the Onshore Holdcos that they own, including any interest or dividend paid for the shares, to the WFOEs as a security interest to guarantee the performance of contractual obligations and the payment of outstanding debts. The pledge in respect of the Onshore Holdcos takes effect upon the completion of registration with the relevant administration for industry and commerce and shall remain valid until after all the contractual obligations of the Registered Shareholders and the Onshore Holdcos under the relevant Contractual Arrangements have been fully performed and all the outstanding debts of the Registered Shareholders and the Onshore Holdcos under the relevant Contractual Arrangements have been fully paid.

Powers of Attorney

Pursuant to the powers of attorney executed by the Registered Shareholders in connection with their rights in the Onshore Holdcos (other than Shanghai Hantao, Beijing Sankuai Cloud Computing and Beijing Sankuai Technology) on August 21, 2018, the powers of attorney executed by the Registered Shareholders in connection with their rights in Shanghai Hantao on November 13, 2018, the powers of attorney executed by the Registered Shareholders in connection with their rights in Beijing Sankuai Cloud Computing on December 1, 2019 and the powers of attorney executed by the relevant Registered Shareholders in connection with their rights in Beijing Sankuai Technology on November 30, 2020 (collectively, the "**Powers of Attorney**"), the relevant Registered Shareholders irrevocably appointed the WFOEs and their designated persons (including but not limited to Directors and their successors and liquidators replacing the Directors but excluding those who are non-independent or may give rise to conflicts of interest) as their attorneys-in-fact to exercise on their behalf, and agreed and undertook not to exercise without such attorneys-in-fact's prior written consent, any and all right that they have in respect of their equity interests in the Onshore Holdcos. The Powers of Attorney shall remain effective for so long as each Registered Shareholder holds equity interest in the Onshore Holdcos.

Loan Agreements

Pursuant to the loan agreements entered into between the relevant WFOEs (other than in the case of Beijing Mobike, Shanghai Hantao, Beijing Sankuai Cloud Computing, Beijing Sankuai Technology and Chengdu Meigengmei) and the Registered Shareholders on August 21, 2018, and the loan agreements entered into between Shanghai Hanhai, being the WFOE, and the Registered Shareholders of Shanghai Hantao on November 13, 2018, and the loan agreements entered into between Sankuai Cloud Online, being the WFOE, and the Registered Shareholders of Beijing Sankuai Cloud Computing on December 1, 2019, and the loan agreements entered into between Tianjin Hanbo, being the WFOE, and the Registered Shareholders of Beijing Sankuai Technology on November 30, 2020 (collectively, the "**Loan Agreements**"), the WFOEs agreed to provide loans to the Registered Shareholders, to be used exclusively as investment in the relevant Onshore Holdcos. The loans must not be used for any other purposes without the relevant lender's prior written consent. The term of each loan commences from the date of the agreement and ends on the date the lender exercises its exclusive call option under the relevant Exclusive Option Agreement, or when certain defined termination events occur, such as if the lender sends a written notice demanding repayment to the borrower, or upon the default of the borrower, whichever is earlier.

The Foreign Investment Law

On January 1, 2020, the Foreign Investment Law (外商投資法) (the "**FIL**") and the Regulations for Implementation of the Foreign Investment Law of the People's Republic of China (the "**Implementation Regulations**") came into effect and, replaced the previous laws regulating foreign investment in PRC, namely, the Sino-foreign Equity Joint Venture Enterprise Law, the Sino-foreign Cooperative Joint Venture Enterprise Law and the Wholly Foreign-invested Enterprise Law, together with their implementation rules and ancillary regulations. The FIL and its Implementation Regulations embody an expected regulatory trend in PRC to rationalize its foreign investment regulatory regime in line with prevailing international practice and the legislative efforts to unify the corporate legal requirements for both foreign and domestic investments.

The FIL does not explicitly stipulate the contractual arrangements as a form of foreign investment. The FIL does not mention concepts including "de facto control" and "controlling through contractual arrangements" nor does it specify the regulation on controlling through contractual arrangements. Furthermore, the FIL does not specifically stipulate rules on the Relevant Businesses. Instead, the FIL stipulates that "foreign investors invest in PRC through any other methods under laws, administrative regulations, or provisions prescribed by the State Council", which leaves leeway for future laws, administrative regulations or provisions promulgated by the Stale Council to provide for contractual arrangements as a method of foreign investment. On December 26, 2019, the Supreme People's Court issued the Interpretations on Certain Issues Regarding the Applicable of Foreign Investment Law ("**FIL Interpretations**"), which came into effect on January 1, 2020. In accordance with the FIL Interpretations, where a party concerned claims an investment agreement to be invalid on the basis that it is for an investment in the prohibited or restricted industries under the negative list and violates the restrictions set out therein, the courts should support such claim. In addition, the FIL does not specify what actions shall be taken with respect to the existing companies with a VIE structure, whether or not these companies are controlled by PRC entities and/or citizens.

REPORT OF DIRECTORS

Therefore, there are possibilities that future laws, administrative regulations or provisions of the State Council may stipulate contractual arrangements as a way of foreign investment, and then whether our Contractual Arrangements will be recognized as foreign investment, whether our Contractual Arrangements will be deemed to be in violation of the foreign investment access requirements and how our Contractual Arrangements will be handled are uncertain.

Save as disclosed above, there were no other new contractual arrangements entered into, renewed and/or reproduced between the Group and the Onshore Holdcos and/or Consolidated Affiliated Entities during the Reporting Period. There was no material change in the Contractual Arrangements and/or the circumstances under which they were adopted during the Reporting Period.

During the Reporting Period, none of the Contractual Arrangements had been unwound on the basis that none of the restrictions that led to the adoption of the Contractual Arrangements had been removed. As of December 31, 2024, the Company had not encountered interference or encumbrance from any PRC governing bodies in operating its businesses through its Consolidated Affiliated Entities under the Contractual Arrangements.

The revenue of the Onshore Holdcos and their respective subsidiaries amounted to RMB15.3 billion for the year ended December 31, 2024, representing approximately 4.5% of the total revenue for the year of the Group. The total assets of the Onshore Holdcos and their respective subsidiaries amounted to RMB17.8 billion as of December 31, 2024, representing approximately 5.5% of the total assets of the Group.

Reasons for Adopting the Contractual Arrangements

Our Consolidated Affiliated Entities conduct internet information platform services, cloud storage service, other value-added telecommunications service businesses, online culture business and radio and television program services, which are subject to foreign investment restrictions in accordance with the Special Administrative Measure for Foreign Investment Access (Negative List) (2022 Version) and other laws and regulations. After consultation with the Company's PRC Legal Advisor, Han Kun Law Offices, the Company determined that it was not viable for it to hold its Consolidated Affiliated Entities directly through equity ownership. Instead, we decided that, in line with common practice in industries in the PRC subject to foreign investment restrictions, we would gain effective control over, and receive all the economic benefits generated by the businesses currently operated by our Consolidated Affiliated Entities through the Contractual Arrangements between the WFOEs, on the one hand, and our Consolidated Affiliated Entities and the Registered Shareholders, on the other hand.

The Directors (including independent non-executive Directors) are of the view that the continuing connected transactions set out above have been entered into in the Company's ordinary and usual course of business on normal commercial terms or better which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Accordingly, notwithstanding that the transactions contemplated under the Contractual Arrangements technically constitute continuing connected transactions under Chapter 14A of the Listing Rules, the Directors consider that it would be unduly burdensome and impracticable and would add unnecessary administrative costs to the Company, for all the transactions contemplated under the Contractual Arrangements to be subject to strict compliance with the requirements set out under Chapter 14A of the Listing Rules, including, among other things, the announcement and approval of independent Shareholders.

Risks Relating to the Contractual Arrangements

These are the certain risks that are associated with the Contractual Arrangements, including:

- If the PRC government finds that the agreements that establish the structure for operating the Company's business do not comply with PRC laws and regulations, or if these regulations or their interpretations change in the future, the Company could be subject to severe penalties or be forced to relinquish its interests in those operations.

- Since the FIL remains relatively new, uncertainties exist with respect to the interpretation and implementation of the FIL and how it may impact the viability of the Company's current corporate structure, corporate governance and business operations.

- The Company's contractual arrangements may not be as effective in providing operational control as direct ownership, and its VIE shareholders may fail to perform their obligations under its contractual arrangements.

- The Company may lose the ability to use, or otherwise benefit from, the licences, approvals and assets held by its VIEs, which could render it unable to conduct some or all of its business operations and constrain its growth.

- The Contractual Arrangements with the Company's VIEs may be subject to scrutiny by the tax authorities in China. Any adjustment of related party transaction pricing could lead to additional taxes, and therefore could substantially reduce its consolidated profit and the value of your investment.

REPORT OF DIRECTORS

- The equity holders, directors and executive officers of the VIEs may have potential conflicts of interest with the Company.

- The Company conducts its business operations in China through its VIEs by way of Contractual Arrangements, but certain terms of the Contractual Arrangements may not be enforceable under PRC laws.

- If the Company exercises the option to acquire equity ownership of its VIEs, the ownership transfer may subject us to certain limitations and substantial costs.

The Group has adopted measures to ensure the effective operation of the Group's businesses with the implementation of the Contractual Arrangements and its compliance with the Contractual Arrangements, including:

(i) major issues arising from the implementation and compliance with the Contractual Arrangements or any regulatory enquiries from government authorities will be submitted to the Board, if necessary, for review and discussion on an occurrence basis;

(ii) the Board will review the overall performance of and compliance with the Contractual Arrangements at least once a year;

(iii) the Company will disclose the overall performance and compliance with the Contractual Arrangements in its annual reports; and

(iv) the Company will engage external legal advisers or other professional advisers, if necessary, to assist the Board to review the implementation of the Contractual Arrangements, review the legal compliance of WFOE and its Consolidated Affiliated Entities to deal with specific issues or matters arising from the Contractual Arrangements.

Listing Rules Implications and Waivers from the Stock Exchange

For the purposes of Chapter 14A of the Listing Rules, and in particular the definition of "connected person", the Consolidated Affiliated Entities will be treated as the Company's wholly owned subsidiaries, and their directors, chief executives or substantial shareholders (as defined in the Listing Rules) and their respective associates will be treated as the Company's "connected persons" as applicable under the Listing Rules (excluding for this purpose, the Consolidated Affiliated Entities), and transactions between these connected persons and our Group (including for this purpose, the Consolidated Affiliated Entities), other than those under the Contractual Arrangements, will be subject to requirements under Chapter 14A of the Listing Rules.

The transactions contemplated under the Contractual Arrangements constitute continuing connected transactions of the Company.

In relation to the Contractual Arrangements, the Stock Exchange has granted a waiver from strict compliance with (i) the announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of the transactions contemplated under the Contractual Arrangements pursuant to Rule 14A.105 of the Listing Rules, (ii) the requirement of setting an annual cap for the transactions under the Contractual Arrangements under Rule 14A.53 of the Listing Rules and (iii) the requirement of limiting the term of the Contractual Arrangements to three years or less under Rule 14A.52 of the Listing Rules, for so long as the Shares are listed on the Stock Exchange subject however to the following conditions:

(a) no change without independent non-executive Directors' approval;

(b) no change without independent Shareholders' approval;

(c) the Contractual Arrangements shall continue to enable the Group to receive the economic benefits derived by the Consolidated Affiliated Entities;

(d) the Contractual Arrangements may be renewed and/or reproduced (i) upon expiry or (ii) in relation to any existing, newly established or acquired wholly foreign-owned enterprise or operating company (including a branch company), engaging in the same business as that of our Group, without obtaining Shareholders' approval, on substantially the same terms and conditions as the Contractual Arrangements; and

(e) the Group will disclose details relating to the Contractual Arrangements on an ongoing basis.

Annual Review by the Independent Non-executive Directors and the Auditor

The independent non-executive Directors have reviewed the Contractual Arrangements outlined above, and confirmed that:

(a) the transactions carried out during the Reporting Period had been entered into in accordance with the relevant provisions of the Contractual Arrangements;

(b) no dividends or other distributions had been made by the Company's Consolidated Affiliated Entities to the holders of its equity interests which were not otherwise subsequently assigned or transferred to the Group; and

(c) any new contracts entered into, renewed and/or reproduced between the Group and the Consolidated Affiliated Entities during the Reporting Period are fair and reasonable, or advantageous to the Shareholders, so far as the Group is concerned and in the interest of the Shareholders as a whole.

REPORT OF DIRECTORS

The Auditor has carried out procedures in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants annually on the transactions carried out pursuant to the Contractual Arrangements. The Auditor has confirmed in a letter to the Board that the transactions carried out pursuant to the Contractual Arrangements during the year ended December 31, 2024 had received the approval of the Board, had been entered into in accordance with the relevant provisions of the Contractual Arrangements and that no dividends or other distributions had been made by the Company's Consolidated Affiliated Entities to the holders of their equity interests which were not otherwise subsequently assigned or transferred to the Group.

DONATIONS

During the Reporting Period, the charitable and other donations made by the Group amounted to approximately RMB7 million.

LEGAL PROCEEDINGS AND COMPLIANCE

From time to time the Company may become involved in legal proceedings or be subject to claims arising in the ordinary course of its business.

The Company is not presently a party to any legal proceedings that, if determined adversely to the Company, would individually or taken together have a material adverse effect on its business, results of operations, financial condition or cash flows. Regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.

As far as the Board is aware, the Group has complied with the relevant laws and regulations that have a significant impact on the Group in all material respects.

PERMITTED INDEMNITY PROVISION

Under the Articles of Association, during the Reporting Period and up to the date of this annual report, every Director or other officers of the Company acting in relation to any of the affairs of the Company shall be entitled to be indemnified against all actions, costs, charges, losses, damages and expenses which he may incur or sustain in or about the execution of his duties in his office. The Company has arranged appropriate insurance coverage in respect of legal action against the Directors and officers.

IMPORTANT EVENTS AFTER THE REPORTING PERIOD

There were no important events affecting the Company and its subsidiaries which occurred after December 31, 2024 and up to the date of this annual report.

AUDIT COMMITTEE

The Audit Committee, together with the Auditor, reviewed the accounting principles and policies adopted by the Group and the consolidated financial statements during the Reporting Period.

CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance practices. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report of this annual report.

SUFFICIENCY OF PUBLIC FLOAT

Based on information publicly available to the Company and to the best knowledge of the Directors, at least 25% of the Company's total issued shares, the prescribed minimum percentage of public float approved by the Stock Exchange and permitted under the Listing Rules, was held by the public at all times during the Reporting Period and as of the date of this annual report.

REPORT OF DIRECTORS

PROFESSIONAL TAX ADVICE RECOMMENDED

If the shareholders are unsure about the taxation implications of purchasing, holdings, disposing of, dealing in, or the exercise of any rights (including entitlements to any relief of taxation) in relation to, the Shares, they are advised to consult an expert.

AUDITOR

PricewaterhouseCoopers was re-appointed as the Auditor during the Reporting Period. The accompanying financial statements prepared in accordance with IFRS Accounting Standards have been audited by PricewaterhouseCoopers. There has been no change in Auditors in preceding three years.

PricewaterhouseCoopers shall retire at the forthcoming AGM and, being eligible, will offer itself for re-appointment. A resolution for the re-appointment of PricewaterhouseCoopers as Auditor will be proposed at the AGM.

On behalf of the Board

Wang Xing
Chairman

Hong Kong, March 21, 2025

CORPORATE GOVERNANCE REPORT

The Board is pleased to present the corporate governance report of the Company for the Reporting Period.

CORPORATE GOVERNANCE CULTURE AND PURPOSE

The Company is committed to ensuring that its affairs are conducted in accordance with high ethical standards. This reflects its belief that, to achieve its long-term objectives, it is imperative to act with probity, transparency and accountability. By so acting, the Company believes that Shareholder wealth will be maximised in the long term and that its employees, its business partners and the communities it operates in will all benefit.

Corporate governance is the process by which the Board instructs management of the Group to conduct its affairs with a view to ensuring that its objectives are met. The Board is committed to maintaining and developing robust corporate governance practices that are intended to ensure:

– satisfactory and sustainable returns to Shareholders;

– that the interests of those who deal with the Company are safeguarded;

– that overall business risk is understood and managed appropriately;

– the delivery of high-quality products and services meeting the satisfaction of customers; and

– that high standards of ethics are maintained.

CORPORATE GOVERNANCE PRACTICES

The Board is committed to ensuring the Company adhere to a high standard of corporate governance.

The Board believes that good corporate governance standards are essential in providing a framework for the Company to safeguard the interests of shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has adopted and applied the principles as set out in the CG Code. The Board is of the view that during the Reporting Period, the Company has complied with all the applicable code provisions as set out in the CG Code, except for code provision C.2.1 described in the paragraph headed “Board of Directors – Chairman and Chief Executive Officer”.

CORPORATE GOVERNANCE REPORT

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code 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 or she has complied with the required standards as set out in the Model Code for the Reporting Period.

The Company has also adopted its own code of conduct regarding employees' securities transactions on terms no less exacting than the standards set out in the Model Code for the compliance by its relevant employees who are likely to be in possession of unpublished inside information of the Company in respect of their dealings in the Company's securities.

BOARD OF DIRECTORS

The Company is headed by an effective Board which assumes responsibility for its leadership and control and be collectively responsibility for promoting the Company's success by directing and supervising the Company's affairs. Directors take decisions objectively in the best interests of the Company.

The Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business and regularly reviews the contribution required from a Director to perform his responsibilities to the Company and whether the Director is spending sufficient time performing them that are commensurate with their role and the Board responsibilities. The Board includes a balance composition of Executive Directors and Non-executive Directors (including Independent Non-executive Directors) so that there is a strong independent element on the Board, which can effectively exercise independent judgement.

Responsibilities

The Board is responsible for leading and controlling the Company and overseeing the Group's businesses, strategic decisions and performance and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. Directors of the Board make decisions objectively in the interests of the Company.

The Board directly, and indirectly through its committees, leads and provides direction to the management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

All Directors have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. The independent non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgement on corporate actions and operations.

All Directors have full and timely access to all the information of the Company as well as the services and advice from the joint company secretaries and senior management. The Directors may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expense for discharging their duties to the Company.

The Directors shall disclose to the Company details of other offices held by them and the Board regularly reviews the contribution required from each Director to perform his/her responsibilities to the Company.

The Board reserves its discretion on all major matters including policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant operational matters of the Company.

Responsibilities relating to implementing decisions of the Board, directing and coordinating the daily operation and management of the Company are delegated to the senior management of the Group. The senior management administers, interprets, enforces, supervises compliance with the internal policies and operational procedures and conducts regular reviews on such policies and procedures across different levels of the Group. The senior management communicates with the Board on a regular basis.

Continuous Professional Development of Directors

The Company believes education and training are important for maintaining an effective Board. Every Director has received formal and comprehensive training to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

The Company arranges continuous professional development training to Directors such as internally facilitated briefings and provision of reading material on relevant topics to ensure Directors keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board remains informed and relevant. Directors also regularly meet with the senior management team to understand the Group's businesses, governance policies and regulatory environment. All Directors are also encouraged to attend relevant training courses.

CORPORATE GOVERNANCE REPORT

The Directors pursued continuous professional development for the Reporting Period and relevant details are summarized as follows:

Name of Director	Participated in continuous professional development(1)
Executive Directors	
Wang Xing	A, B
Mu Rongjun	A, B
Non-executive Director	
Neil Nanpeng Shen *(retired with effect from June 14, 2024)*	A, B
Independent Non-executive Directors	
Orr Gordon Robert Halyburton	A, B
Leng Xuesong	A, B
Shum Heung Yeung Harry	A, B
Yang Marjorie Mun Tak	A, B

Note:

(1) Type of continuous professional development
A: Attending training sessions, including but not limited to briefings, seminars, conferences and workshops;
B: Reading relevant news alerts, newspapers, journals, magazines and relevant publications.

Chairman and Chief Executive Officer

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 a 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 Group and enables more effective and efficient overall strategic planning for the Group. 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 Group as a whole.

Composition

As at the date of this annual report, the Board is comprised of six Directors, with two executive Directors and four independent non-executive Directors.

During the year ended December 31, 2024 and up to the date of this annual report, the composition of the Board comprised the following Directors:

Executive Directors
Mr. WANG, Xing *(Chairman of the Board and Chief Executive Officer)*
Mr. MU, Rongjun

Non-executive Director
Mr. SHEN, Nanpeng Neil *(retired with effect from June 14, 2024)*

Independent non-executive Directors
Mr. ORR, Gordon Robert Halyburton
Mr. LENG, Xuesong
Dr. SHUM, Heung Yeung Harry
Ms. YANG, Marjorie Mun Tak

During the Reporting Period and up to the date of this annual report, Mr. SHEN, Nanpeng Neil retired as a non-executive Director with effect from June 14, 2024, due to other business commitments. On March 22, 2024, Ms. Yang Marjorie Mun Tak was appointed as a member of the Audit Committee, and save as aforesaid, there has been no other change to the composition of the Board.

A list of Directors and their respective biographies are set out in the section headed “Directors and Senior Management” of this annual report. There is no financial, business, family or other material/ relevant relationship between members of the Board.

CORPORATE GOVERNANCE REPORT

Board Independence Evaluation

The Board has established mechanisms to ensure independent views and input are available to the Board. The Board ensures the appointment of at least three independent non-executive directors and at least one-third of its members being independent non-executive directors. Further, independent non-executive directors will be appointed to Board Committees as required under the Listing Rules and as far as practicable to ensure independent views and input are available. The Nomination Committee strictly adheres to the independence assessment criteria as set out in the Listing Rules with regard to the nomination and appointment of independent non-executive directors, and is mandated to assess annually the independence of independent non-executive directors to ensure that they can continually exercise independent judgement.

Independent Non-executive Directors

The Board's composition is in compliance with the requirement under Rules 3.10(1) and (2) and 3.10A of the Listing Rules relating to the appointment of at least three independent non-executive directors representing at least one-third of the Board and at least one of them have appropriate professional qualifications or accounting or related financial management expertise. The Board believes that the balance between the executive Directors and the non-executive Directors is reasonable and adequate to provide sufficient checks and balances that safeguard the interests of the Shareholders and the Group. None of the members of the Board is related to one another.

The Board values the importance of professional judgment and advice provided by non-executive Directors to safeguard the interests of the Shareholders. The non-executive Directors contribute diversified qualifications and experience to the Group by expressing their views in a professional, constructive and informed manner, and actively participate in Board and committee meetings to bring professional judgment and advice on issues relating to the Group's strategies, policies, performance, accountability, resources, key appointments, standards of conduct, conflicts of interest and management process, with the Shareholders' interests being the utmost important factor. The non-executive Directors also exercise their professional judgment and utilise their expertise to scrutinise the Company's performance in achieving agreed corporate goals, and monitor performance reporting.

Further, in compliance with Rule 3.10 of the Listing Rules, one of the Company's independent non-executive Directors has the appropriate professional qualifications of accounting or related financial management expertise, and provides valuable advice from time to time to the Board. The Company has also received from each independent non-executive Director an annual confirmation of his or her independence and the Nomination Committee has conducted an annual review and considers that all independent non-executive Directors are independent, taking into account of the independence guidelines set out in Rule 3.13 of the Listing Rules in the context of the length of service of each independent non-executive Director.

As part of the Company's corporate governance practice to provide transparency to the investor community and in compliance with the Listing Rules and the CG Code, the independent non-executive Directors are clearly identified in all corporate communications containing the names of the Directors. In addition, an up-to-date list of Directors identifying the independent non-executive Directors and the roles and functions of the Directors is maintained on the Company's website and the Stock Exchange's website.

Appointments and Re-election of Directors

Each of the executive Directors has entered into a service contract with the Company. Pursuant to this agreement, they agree to act as executive Directors for an initial term of three years with effect from the date the appointment is approved by the Board or until the third annual general meeting of the Company after the Listing Date (whichever is earlier), upon which the service contracts were automatically renewed. Either party has the right to give not less than three months' written notice to terminate the agreement.

Mr. Shen Nanpeng Neil, as a non-executive Director, has entered into an appointment letter with the Company. The initial term of his appointment is three years and automatically renewed for successive period of three years unless terminated in accordance with the terms and conditions of the appointment letter or by either party giving to the other not less than one month's prior notice in writing. Mr. Shen retired as a non-executive Director with effect from June 14, 2024 due to other business commitments.

Each of the independent non-executive Directors has entered into an appointment letter with the Company. The initial term of their appointments shall be three years with automatic renewal unless terminated in accordance with the terms and conditions of the appointment letter or by either party giving to the other not less than three months' prior notice in writing. On June 30, 2023, Ms. Yang Marjorie Mun Tak entered into an appointment letter with the Company for three years. On August 30, 2024, Mr. Orr Gordon Robert Halyburton, Mr. Leng Xuesong, and Dr. Shum Heung Yeung Harry entered into an appointment letter, respectively, with the Company on similar terms for three years.

None of the Directors has entered into a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

In accordance with the Articles of Association, all Directors are subject to retirement by rotation at least once every three years and any new Director appointed to fill a casual vacancy shall submit himself for re-election by the Shareholders at the first general meeting of the Company after appointment and new Directors appointed as an addition to the Board shall submit himself for re-election by the Shareholders at the next following general meeting of the Company after appointment.

The procedures and process of appointment, re-election and removal of Directors are set out in the Articles of Association. The Nomination Committee is responsible for reviewing the Board composition and making recommendations to the Board on the appointment or re-election of Directors and succession planning for Directors.

CORPORATE GOVERNANCE REPORT

Board Activity

The Board has met four times during the Reporting Period. The attendance of each Director at Board meetings, committee meetings and general meeting of Shareholders of the Company, whether in person or by means of electronic communication, is detailed in the table below:

	Attendance/No. of Meetings held during the Reporting Period					
Name of Director	Board	Audit Committee	Remuneration Committee	Nomination Committee	Corporate Governance Committee	General Meeting of Shareholders
Executive Directors						
Wang Xing	4/4					1/1
Mu Rongjun	4/4		1/1			1/1
Non-executive Director						
Neil Nanpeng Shen *(retired with effect from June 14, 2024)*	2/2					1/1
Independent Non-executive Directors						
Orr Gordon Robert Halyburton	4/4	4/4			2/2	1/1
Leng Xuesong	4/4	4/4	1/1	1/1	2/2	1/1
Shum Heung Yeung Harry	4/4	4/4	1/1	1/1	2/2	1/1
Yang Marjorie Mun Tak	4/4	4/4				

At the Board meetings held during the Reporting Period, the Board discussed a wide range of matters, including the Company's financial and operational performances, approved interim and quarterly results of the Company, business prospects and other significant matters.

During the Reporting Period, the Chairman met once with the independent non-executive Directors without the presence of executive Directors.

On June 14, 2024, the Company held its annual general meeting to consider and approve (i) the proposed re-election of Directors; (ii) the proposed granting of general mandate to issue and repurchase Shares; (iii) the proposed re-appointment of auditor; and (iv) the proposed amendments to the Articles of Association and the adoption of the Eighth Amended and Restated Memorandum and Articles of Association. All the proposed resolutions to the annual general meeting were taken by poll and the poll results were set out in the Company's announcement dated June 14, 2024. The Chairman as well as other members of the Board were available to respond to enquiries during the annual general meeting, which provided opportunities for communication between Directors, senior management and the Shareholders.

BOARD COMMITTEES

The Board has established four committees, namely, the Audit Committee, the Remuneration Committee, the Nomination Committee and the Corporate Governance Committee. All Board committees of the Company are established with specific written terms of reference which deal clearly with their authority and duties. The terms of reference of the Audit Committee, the Nomination Committee, the Remuneration Committee and the Corporate Governance Committee are available on the Company's website and the Stock Exchange's website.

Audit Committee

The Company has established an audit committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code. The primary duties of the Audit Committee include the followings:

(a) making recommendations to the Board on the appointment, re-appointment and removal of the external auditor;

(b) reviewing and monitoring the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards;

(c) developing and implementing policies on engaging an external auditor to supply non-audit services;

(d) monitoring the integrity of the Company's financial statements, annual reports, accounts and half-yearly reports; and

(e) reviewing financial information and oversight of the Company's financial reporting, financial controls, risk management and internal control systems.

During the Reporting Period, the Audit Committee consisted of four independent non-executive Directors, namely Orr Gordon Robert Halyburton, Leng Xuesong, Shum Heung Yeung Harry and Yang Marjorie Mun Tak (appointed as a member of the Audit Committee on March 22, 2024). Orr Gordon Robert Halyburton has been appointed as the chairperson of the Audit Committee and is the independent non-executive Director with the appropriate professional qualifications.

During the Reporting Period, the Audit Committee met four times. Individual attendance of each Audit Committee member is set out on page 96. The Audit Committee also met the external auditor four times without the presence of the executive Directors.

CORPORATE GOVERNANCE REPORT

The Audit Committee's major work during the Reporting Period includes:

(a) reviewing the 2023 Annual Report and the 2024 Interim Report;

(b) reviewing the Company's quarterly result announcements for the first quarter ended March 31, 2024 and the third quarter ended September 30, 2024, respectively;

(c) reviewing the Company's compliance with CG Code, Listing Rules and relevant laws;

(d) reviewing the Company's cybersecurity structure and the effectiveness of the Company's cybersecurity management and technology framework;

(e) reviewing the Company's continuing connected transactions;

(f) reviewing the terms of engagement, independence and remuneration of the external auditor;

(g) reviewing the Company's ESG work; and

(h) reviewing the risk management and internal control systems.

The Audit Committee annually reviews the relationship of the Company with the Auditor and recognizes that the Auditor's independence is a fundamental governance principle. The Auditor provides quarterly updates to the Audit Committee if any independence issue is identified and is required to give an annual confirmation on their independence. Having also reviewed the effectiveness of the external audit process as well as the independence and objectivity of the Auditor, the Audit Committee is satisfied with this relationship. As such, the Audit Committee has recommended their re-appointment at the AGM.

Remuneration Committee

The Company has established a remuneration committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the CG Code. The primary duties of the Remuneration Committee include the following:

(a) making recommendations to the Board on the remuneration packages and the Company's policy and structure for remuneration for all Directors and senior management;

(b) reviewing and approving the management's remuneration proposals with reference to the corporate goals and objectives resolved by the Board from time to time;

(c) establishing formal and transparent procedures for developing remuneration policy and structure to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration; and

(d) advising Shareholders on how to vote in respect of any service contracts of Directors that require shareholders' approval in accordance with the Listing Rules.

The Remuneration Committee consists of three members, namely Leng Xuesong and Shum Heung Yeung Harry, the independent non-executive Directors and Mu Rongjun, the executive Director. Leng Xuesong has been appointed as the chairperson of the Remuneration Committee.

During the Reporting Period, the Remuneration Committee met once. Individual attendance of each Remuneration Committee member is set out on page 96.

The Remuneration Committee's major work during the Reporting Period includes:

(a) review compensation and benefits framework and structure; and

(b) review of Director (including the independent non-executive Directors) and management compensation scheme.

During the Reporting Period, the Remuneration Committee approved the matters relating to share schemes (as defined under Chapter 17 of the Listing Rules), including the approval of the grants of 20,807 RSUs to Orr Gordon Robert Halyburton, Leng Xuesong and Shum Heung Yeung Harry, respectively, and noted that (a) such grant which involves certain RSUs having a vesting period shorter than 12 months, is (i) consistent with previous customary practice of the Company in terms of equity-based remuneration to independent non-executive Directors; and (ii) in line with the purpose of attracting, motivating and retaining core talents of the Group; and (b) such grant without any performance-related elements attached is consistent with the previous customary practice of the Company in terms of equity-based remuneration to independent non-executive Directors. The Remuneration Committee is mindful of the Recommended Best Practice E.1.9 of Appendix C1 to the Listing Rules which recommends that issuers generally should not grant equity-based remuneration with performance-related elements to independent non-executive directors.

For details in relation to the Company's Pre-IPO ESOP, Post-IPO Share Option Scheme and Post-IPO Share Award Scheme, please refer to the section headed "Report of Directors" of this annual report.

Nomination Committee

The Company has established a nomination committee with written terms of reference in compliance with Rule 3.27A of the Listing Rules and the CG Code. The primary duties of the Nomination Committee include the following:

(a) reviewing the Board composition;

(b) developing the criteria for identifying candidates for nomination and appointment of Directors;

(c) assessing the independence of independent non-executive Directors;

(d) making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors; and

(e) developing a policy concerning diversity of Board members, and disclosing the policy or a summary of the policy in the corporate governance report.

CORPORATE GOVERNANCE REPORT

During the Reporting Period, the Nomination Committee consists of two members, namely Leng Xuesong and Shum Heung Yeung Harry, the independent non-executive Directors. Leng Xuesong has been appointed as the chairman of the Nomination Committee.

The Nomination Committee reviews at least annually the structure, size, composition (including the skills, knowledge and experience) and diversity of the Board and where appropriate, makes recommendations on changes to the Board to complement the Company's corporate strategy.

The Company regards increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. The Company has implemented a board diversity policy. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. The Company aims to maintain an appropriate balance of diversity perspectives of the Board that are relevant to the Company's business growth. In recognising the particular importance of gender diversity, the Board currently consists of one female director. We are also committed to adopting a similar approach to promote diversity within the management (including but not limited to the senior management) of our Company to enhance the effectiveness of corporate governance of our Company as a whole.

The Nomination Committee has a primary responsibility for identifying suitably qualified candidates to become members of the Board and, in carrying out this responsibility, will give adequate consideration to the board diversity policy. In forming its perspective on diversity, the Nomination Committee will also take into account factors based on the Company's business model and specific needs from time to time, including without limitation, skills, knowledge, experience, gender and background.

The Nomination Committee will ensure that the Board has the appropriate balance of skills, experience and diversity of perspectives that are required to support the execution of its business strategy and in order for the Board to be effective. The Nomination Committee will report annually on the Board's composition and make appropriate disclosures regarding the board diversity policy in the Corporate Governance Report of the Company's annual reports. It will also monitor the implementation of the board diversity policy.

During the Reporting Period, the Nomination Committee met once. Individual attendance of each Nomination Committee member is set out on page 96.

The Nomination Committee's major work during the Reporting Period includes:

(a) reviewing and monitoring the implementation of the board diversity policy;

(b) reviewing and assessing the structure, size, composition and diversity of the Board;

(c) reviewing the re-election of Directors and its schedule; and

(d) reviewing and assessing the independence of the independent non-executive Directors.

In accordance with the board diversity policy of the Company, the Nomination Committee considered the gender, age, cultural and education background, professional experience, knowledge, independency, length of service of the candidates for re-election of the retiring executive Directors, Wang Xing and Mu Rongjun, in the annual general meeting of the Company held on June 14, 2024. After due consideration of the aforesaid mentioned factors and the previous contributions of the Directors, the Nomination Committee was satisfied that Wang Xing and Mu Rongjun would continue to bring valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning and diversity.

Director Nomination Policy

The Board has delegated its responsibilities and authority for selection and appointment of Directors to the Nomination Committee.

The Company has adopted a Director Nomination Policy which sets out the selection criteria and nomination process and the Board succession planning considerations in relation to nomination and appointment of Directors and aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company and the continuity of the Board and appropriate leadership at Board level.

The nomination process set out in the Director Nomination Policy:

(i) The company secretary shall call a meeting of the Nomination Committee, and invite nominations of candidates from Board members if any, for consideration by the Nomination Committee prior to its meeting. The Nomination Committee may also put forward candidates who are not nominated by Board members.

(ii) For filling a casual vacancy, the Nomination Committee shall make recommendations for the Board's consideration and approval. For proposing candidates to stand for election at a general meeting, the Nomination Committee shall make nominations to the Board for its consideration and recommendation.

(iii) In order to provide information of the candidates nominated by the Board to stand for election at a general meeting, and to invite nominations from shareholders, a circular will be sent to shareholders. The circular will set out the lodgement period for shareholders to make the nominations. The names, brief biographies (including qualifications and relevant experience), independence, proposed remuneration and any other information, as required pursuant to the applicable laws, rules and regulations, of the proposed candidates will be included in the circular to shareholders.

(iv) A shareholder can serve a notice to the company secretary within the lodgement period of its intention to propose a resolution to elect a certain person as a Director, without the Board's recommendation or the nomination committee's nomination, other than those candidates set out in the shareholder circular. The particulars of the candidates so proposed will be sent to all shareholders for information by a supplementary circular.

(v) The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election at any general meeting.

CORPORATE GOVERNANCE REPORT

Pursuant to the Director Nomination Policy, for assessing the suitability and the potential contribution to the Board of a proposed candidate, the Nomination Committee will consider, including but not limited to (i) reputation for integrity, (ii) accomplishment and experience in the internet industry, (iii) commitment in respect of available time and relevant interest, and (iv) diversity in all its aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

The Nomination Committee will review the Director Nomination Policy, as appropriate, to ensure its effectiveness.

Corporate Governance Committee

The Company has established a corporate governance committee in compliance with Chapter 8A of the Listing Rules. The primary duties of the Corporate Governance Committee are to ensure that the Company is operated and managed for the benefit of all Shareholders and to ensure the Company's compliance with the Listing Rules and safeguards relating to the WVR Structure of the Company.

The Corporate Governance Committee comprises three independent non-executive Directors, namely Leng Xuesong, Orr Gordon Robert Halyburton and Shum Heung Yeung Harry. Leng Xuesong is the chairperson of the Corporate Governance Committee.

In accordance with Rule 8A.30 of the Listing Rules and the Corporate Governance Code, the duties of the Corporate Governance Committee as set out in its terms of reference include:

(a) developing and reviewing the Company's policies and practices on corporate governance and make recommendations to the Board;

(b) reviewing and monitoring the training and continuous professional development of Directors and senior management;

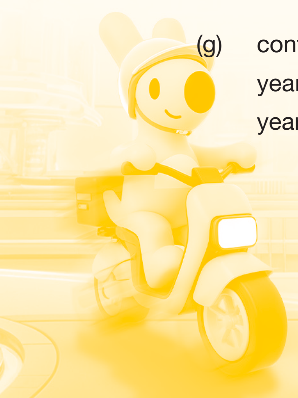
(c) reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements;

(d) developing, reviewing and monitoring the code of conduct and compliance manual applicable to employees and Directors;

(e) reviewing the Company's compliance with the CG Code and disclosure in the Corporate Governance Report;

(f) reviewing and monitoring whether the Company is operated and managed for the benefit of all of its shareholders;

(g) confirming, on an annual basis, that the WVR Beneficiaries have been members of the Board throughout the year and that no matters under Rule 8A.17 of the Listing Rules have occurred during the relevant financial year;



(h) confirming, on an annual basis, whether or not the WVR Beneficiaries have complied with Rules 8A.14, 8A.15, 8A.18 and 8A.24 of the Listing Rules throughout the year;

(i) reviewing and monitoring the management of conflicts of interests and making a recommendation to the Board on any matter where there is a potential conflict of interest between the Company, its subsidiary or consolidated affiliated entity and/or shareholder on one hand and any WVR Beneficiary on the other;

(j) reviewing and monitoring all risks related to the Company's WVR structure, including connected transactions between the Company and/or its subsidiary or consolidated affiliated entity on one hand and any WVR Beneficiary on the other and making a recommendation to the Board on any such transaction;

(k) making a recommendation to the Board as to the appointment or removal of the compliance adviser;

(l) seeking to ensure effective and on-going communication between the Company and its shareholders, particularly with regards to the requirements of Rule 8A.35 of the Listing Rules;

(m) reporting on the work of the Corporate Governance Committee on at least a half-yearly and annual basis covering all areas of its terms of reference; and

(n) disclosing, on a compliance or explanation basis, its recommendations to the Board in respect of the matters in sub-paragraphs (i) to (k) above in the report referred to in sub-paragraph (m) above.

During the Reporting Period, the Corporate Governance Committee met two times. Individual attendance of each Corporate Governance Committee member is set out on page 96.

The Corporate Governance Committee's major work during the Reporting Period includes:

(a) reviewing and monitoring the training and continuous professional development of Directors and senior management (in particular, Chapter 8A of the Listing Rules and knowledge in relation to risks relating to the weighted voting rights structure);

(b) reviewing the code of conduct applicable to employees and Directors;

(c) assessing, reviewing and making recommendation to the Board for the re-appointment of the Company's compliance advisor;

(d) reviewing the disclosure in the Corporate Governance Report and the Company's compliance with the CG Code;

(e) reviewing and assessing the Conflict of Interest Declaration Policy of the Company and any potential conflict of interest between the Company and the WVR beneficiaries and making relevant recommendations to the Board to ensure good corporate governance standards and to avoid potential conflicts of interest between the Company or the Shareholders on the one hand and the WVR Beneficiaries on the other;

(f) assessing, reviewing and monitoring all risks related to the Company's WVR Structure, including connected transactions between the Company and its subsidiary or Consolidated Affiliated Entity on the one hand and any WVR Beneficiary on the other;

(g) reviewing the written confirmation provided by the WVR Beneficiaries that they have complied with Rules 8A.14, 8A.15, 8A.18 and 8A.24 of the Listing Rules throughout the Relevant Period;

(h) developing and reviewing the Company's various policies and practices on corporate governance, including but not limited to the Company's shareholders' communication policy; and

(i) reporting on the work of the Corporate Governance Committee covering all areas of its terms of reference.

During the Reporting Period, the Corporate Governance Committee has sought to ensure effective and on-going communication between the Company and the Shareholders, in particular, by ensuring that: (i) the general meeting of the Company (where the Board of Directors and appropriate senior management of the Company are available to respond to enquiries) was held to provide an opportunity for communication between the Directors, senior management and the Shareholders; (ii) both English and Chinese version of any corporate communication that requires Shareholders' attention or any announcements relating to matters to be disclosed under the Listing Rules (including but not limited to those involving insider information, corporate actions and corporate transactions) were published in a timely manner; (iii) quarterly results that include detailed financial and operating results were prepared and published as voluntary periodic disclosure; (iv) the Company's website, where information on the Company's announcements, reports, financial information and other information are available for public access, has been maintained as a communication platform with the Shareholders; and (v) written enquiries or requests sent by Shareholders to the Company's address or email are dealt with in an informative and timely manner.

The Corporate Governance Committee has confirmed that (i) the WVR beneficiaries have been members of the Board throughout the Reporting Period; (ii) no matter under Rule 8A.17 has occurred during the Reporting Period; and (iii) the WVR Beneficiaries have complied with Rules 8A.14, 8A.15, 8A.18 and 8A.24 of the Listing Rules during the Reporting Period. The Corporate Governance Committee has also reviewed the remuneration and terms of engagement of the Company's compliance advisor and recommended to re-appoint Guotai Junan Capital Limited as the compliance advisor of the Company.

RISK MANAGEMENT AND INTERNAL CONTROL

Adequate and effective risk management and internal control systems are key to safeguarding the achievement of the Company's business strategies. The risk management and internal control systems shall also ensure the achievement of the Company's objectives in operational effectiveness and efficiency, reliable financial reporting, and compliance with applicable laws, regulations and regulatory policies.

The Board acknowledges that it is the Board's responsibility to ensure that the Company has established and maintained adequate and effective risk management and internal control systems, and that the Board is also responsible for ensuring that the effectiveness of the Company's risk management and internal control systems is reviewed annually. The Board delegates its responsibility to the Audit Committee to review the practices of management with respect to the design, implementation and supervision of risk management and internal control systems. This review formally takes place at quarterly intervals, one of which includes an annual review on the effectiveness of the risk management and internal control systems. The Board is responsible for overseeing the risk appetite of the Company including determining the risk level the Company expects and is able to take, and proactively considering, analysing and formulating strategies to manage the key risks that the Company is exposed to. Such risks include, among others, material risks relating to ESG.

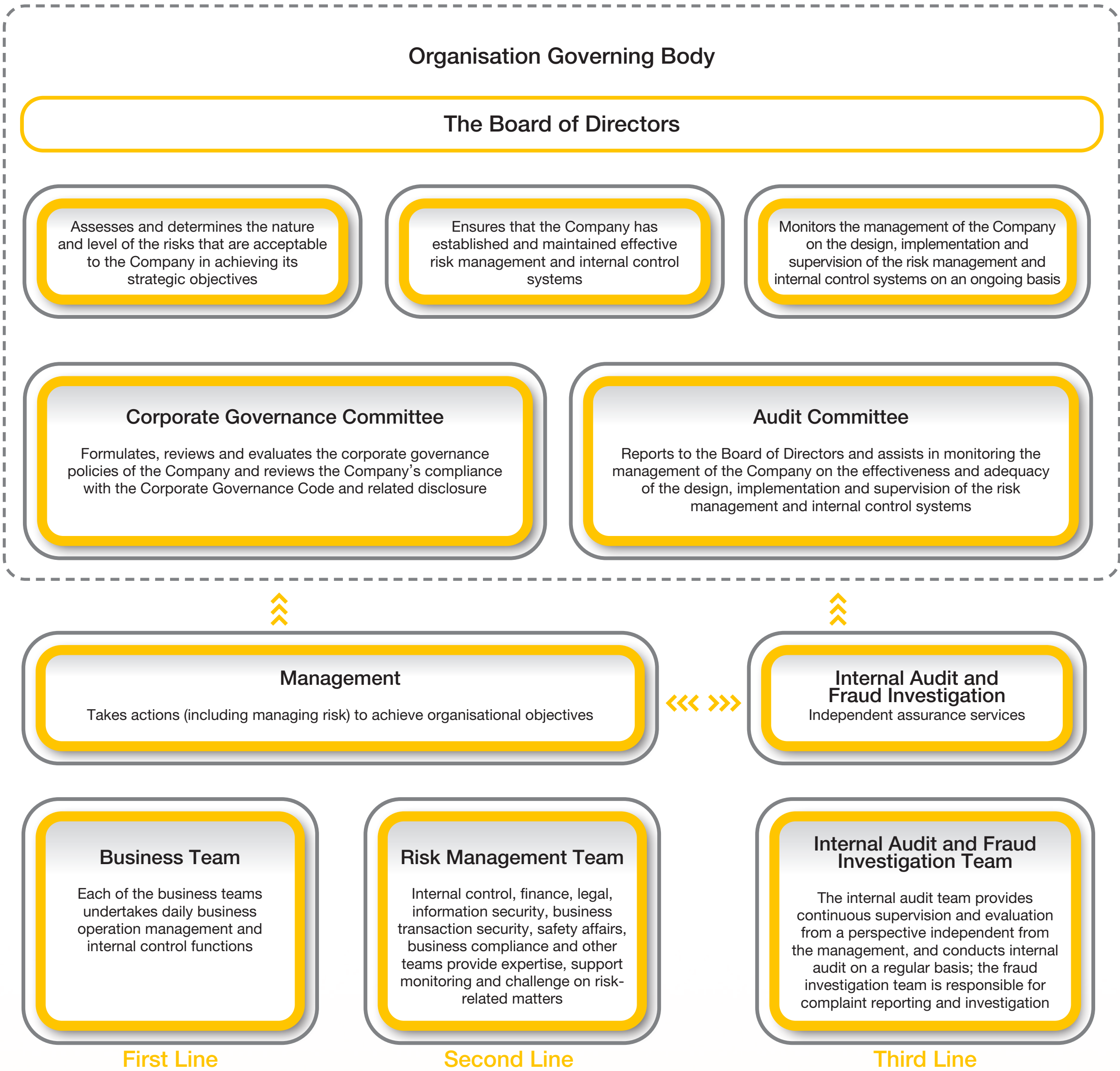
The Company is devoted to establishing and maintaining risk management and internal control systems including policies and procedures that it considers to be appropriate for its business operations, and it is dedicated to continuously improving these systems.

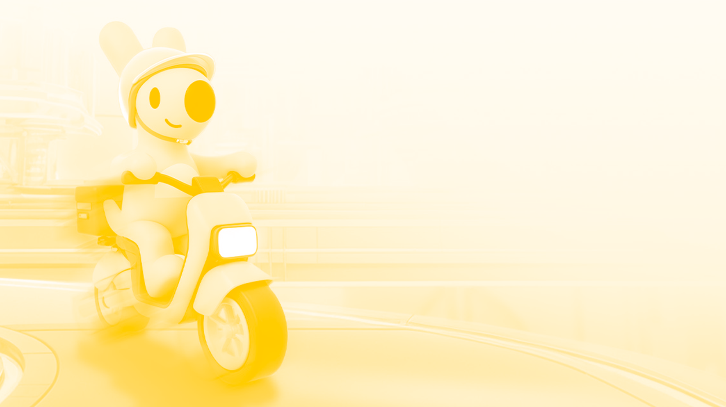
Organisational Structure for Risk Management

The Company has established a risk management system which sets out the roles and responsibilities of each relevant party as well as the relevant risk management policies and processes. The Company is committed to continuously improving the risk management system by optimising the organisational structure for risk management, standardizing the risk management process and enhancing the risk management capability, with an aim to ensure long-term growth and sustainable development of the Company's business.

The Company adheres to the fundamental concept that risk management serves to achieve its strategic objectives with the participation of all employees. To ensure that the risk management and internal control systems are effective, the Company, under the supervision and guidance of the Board and factoring in the actual needs of the Company, has adopted an organisational structure for risk management across all divisions, details of which are set out below:

CORPORATE GOVERNANCE REPORT





Organisation Governing Body – Oversight

The Organisation Governing Body mainly comprises of the Board of Directors, Corporate Governance Committee and Audit Committee of the Company. It is responsible for establishing a reasonable framework and workflow for effective organisational governance and ensuring that the goals and activities of the organisation align with the primary interests of the stakeholders.

Management

First Line – Operation and Management

The first line is mainly formed by the business departments and functional departments of the Company who are responsible for daily operation and management. It is responsible for designing and implementing mitigation measures to address the risks.

Second Line – Risk Management

The second line mainly consists of, among others, the internal control department, finance department, legal department, information security department, risk management department, safety affairs department and business compliance department of the Company. It is responsible for formulating policies related to management of operations, finance, compliance and litigation, information security and fraud risks and the internal control of the Company, and for planning and establishing an integrated risk control system. For ensuring effective implementation of such systems, the second line also assists and supervises the first line in the establishment and improvement of risk management and internal control systems.

Third Line – Internal audit and fraud investigation – Independent Assurance

The third line mainly consists of the departments of internal audit and fraud investigation of the Company. The internal audit department is responsible for providing an independent and objective assurance and consulting on the effectiveness of the Company's risk management and internal control systems, and monitoring management's continuous improvement over the risk management and internal control areas. The Company has established the whistle-blowing policy and system as well as the policy and system to promote and support anti-corruption laws and regulations. The fraud investigation department is responsible for receiving whistle-blower reports through various channels and for following up and carrying out independent investigations on alleged fraudulent activities.

The systems mentioned above are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatements or losses.

CORPORATE GOVERNANCE REPORT

Risk Management Process

The Company is an internet company with diverse business areas and the Company's business is characteristic of its variety and fast adaptations. Therefore, catering to these characteristics, the risk management of the Company has established a dynamic risk management process and has updated and optimised such process constantly. During the Reporting Period, in order to further improve the coverage and depth of risk assessment, a risk assessment project team established by the Company carried out risk assessment works covering all business areas of the Company, identified relevant risks faced by the Company via management interviews, questionnaires, collective discussions, expert consultations, scenario analyses and other methods, categorized and assessed relevant risk factors, comprehensively and systematically analysed and assessed key risks with reference to the Company's risk mitigation measures and the management's risk appetite, and established a long-term risk assessment mechanism.

In conducting risk assessments, the Company comprehensively utilised a combination of qualitative and quantitative methods to analyse the possibility of risk occurrence and the impact on the achievement of objectives, and finally prioritized the risks according to their significance.

With regard to daily operations, each business departments and functional departments of the Company identify, assess and respond to the risk issues in their operations. The internal control department reports significant risks at the Company level through collecting, consolidating and analysing such risk issues, and ensures that appropriate response strategies and control measures have been taken, which are reviewed by the management teams. The internal control department reviews and evaluates the actions made in response to the significant risks from time to time.

The Company recognizes the importance of employees' risk awareness for risk management and internal control. Through thematic training and activities, risk research and investigation, project collaboration, promotional material etc., our risk management department introduces concepts and knowledge of risk management and internal control to all the staff and promotes participation of business personnel during projects, to cultivate the risk awareness and compliance concept of employees.

Major Risks

In 2024, management of the Company identified six major risks through the above risk management process. Compared with last year, in light of the constantly changing external environment and the continuous expansion of the Company's business scale and scope of operation, the management is of view that the top six risks disclosed in 2023 still persist, and the overall ranking of major risks remains the same.

Below is a summary of the significant risks of the Company along with the applicable response strategies. With the growth of business scale, scope, complexity and the constantly changing external environment, the Company's risk profile may change and the list below is not intended to be exhaustive.

Market Competition and Innovation Risk

The internet and technology industry faces with keen competition from rapid market changes, the emergence of new business models and the entry of well-funded competitors, which may pose certain challenges to the achievement of the Company's business goals and maintaining sustainable and healthy business growth. In the meantime, the industry may undergo new changes and the Company's business model may be challenged as users increase their demand for innovation in services and products, and the innovation of AI related technologies and competition are becoming intensified.

The Company closely monitors the landscape of industry and market competition, and also attaches significant importance to the changing trends of user demand. The Company supports its establishment of strategies to address market competition risks through continuous in-depth analysis and research in the industry. The Company strives to consolidate its core competitiveness by continuously enhancing the diversity and quality of the platform's offerings, improving the operation efficiency and enhancing and improving the responsiveness, functionality and features of its mobile apps, websites and systems, and brings new value and experience to its users and partners by exploring emerging technology application scenarios. Meanwhile, the Company has been committed to the innovation of business planning, with a focus on the core businesses while launching new initiatives, which helps strengthen the competitiveness of its core businesses, and constantly builds and consolidates its ecosystem.

Compliance Risk

Although the internet and technology industry is still evolving, regulatory authorities in numerous jurisdictions have been, in an attempt to keep up with such evolution, developing more comprehensive and stringent laws, regulations and policies to regulate the industry, including obtaining and maintaining necessary licences, approvals and permits relevant to applicable business. The Company, when conducting its business, is required to comply with new or revised laws, regulations and policies by different regulatory authorities, such as regulations and policy documents relating to food safety, data protection, cybersecurity, anti-monopoly, IP, financial compliance, etc.

In the past year, the policy focus has been adjusted in line with the improvement of the compliance of the platform economy. The competition order in the platform economy has been improving steadily, and the business environment of the platform economy has been continuously optimized, benefiting from more emphasis on "enhancing the healthy development of the platform economy". On one hand, the compliance of platform enterprises has been continuously enhanced; on the other hand, the relevant laws and policies in the field of platform economy have been gradually refined, and more reliant on clear regulatory rules to guide and maintain a fair and orderly competitive market environment, making compliance requirements and regulatory expectations clearer and more stable. It is expected that the internet industry will maintain a normalized regulatory posture in the long run. The Company will maintain its strict compliance standard and regulate its operation in accordance with relevant laws and regulations.

The Company has several professional departments and teams that work closely with management of business groups and identify changes in any relevant laws, regulations and regulatory policies, so as to take appropriate actions or measures, update and improve internal system and processes continuously, to facilitate that the Company is in compliance with applicable laws, regulations and regulatory policies, ensuring the healthy and compliant development of the business thereof.

Information Security Risk

Protection of user data and other related information is critical to the Company's business. The Standing Committee of the National People's Congress promulgated the Data Security Law and the Personal Information Protection Law in 2021. The above-mentioned laws have strengthened the security protection of data and personal information, and further refined and improved the basic principles and compliance requirements for data security management and personal information protection. The Company is strongly aware that any loss or leakage of sensitive user information could have a significant negative impact on affected users and the Company's reputation, and even lead to potential legal action against the Company. Therefore, the Company actively deploys compliance strategies to continuously improve its data security and personal information protection capabilities. Cyberspace regulatory authorities of China have issued the Provisions on the Administration of Algorithm-generated Recommendations for Internet Information Services, which established explicit requirements for the provision of Internet information services by applying recommendation algorithm technology. In accordance with the requirements, the Company proactively improved the lifecycle process of algorithms, enhanced the governance capacity of algorithm security, and finished the filing of 7 algorithm systems in total, such as scheduling decision-making, personalised recommendation and generation and integration.

The Board and the management of the Company place emphasis on information security risk management, and continue to improve the Company's data security and privacy protection management system. We have established a Data Compliance and Privacy Protection Committee to coordinate the Company's internal data compliance and privacy protection governance, including formulating management strategies, promoting and supervising the effective implementation of the strategies.

The Company has implemented various controls to ensure that user data is protected and risks of leakage and loss of such data is mitigated. It collects personal information and data from users in strict compliance with applicable laws and regulation, and implement company-wide policies on data collection, usage, disclosure, transfer and storage. It also encrypts user data in network transmission. For data storage, the Company uses encryption technologies at software and hardware levels to protect sensitive user data.

User data is handled strictly in accordance with the Company's defined policies. It has obtained the ISO 27001, ISO 27018 and National Information System Security Level Protection Level 3 Certification. It has established a coordination mechanism with third-party agencies to handle information security threats in a timely manner.

At the enterprise level, the Company established a systematic and universal user account authorization and management mechanism based on which it periodically reviews the status of user accounts and the related authorization information. Security configuration assessments on its databases and servers are regularly performed with implementation of procedures for system log management.

The Company has put in place a series of backup management procedures. For its AI and cloud platforms, the Company deploys different backup mechanisms, including local backups and offsite backups, depending on the needs of its business, to minimise the risk of user data loss. For its site reliability, our technical department establishes protocols for the design, implementation and monitoring of offsite backups.

The Company provides information security training to employees and conduct ongoing trainings. The Company also has an emergency response mechanism to evaluate critical risks, formulate disaster response plans and perform emergency drills on a regular basis. The emergency drill system is recognised by Ministry of Industry and Information Technology and awarded the outstanding project award.

The Company's Audit Committee also reviews the cybersecurity updates regularly to provide suggestions and recommendations on the compliance with information security compliance requirements and for the proper functioning of the information security systems under cyberattack, to help the Company to improve customer trust and user experience. During the Reporting Period, the Company's Audit Committee held meetings in the second and fourth quarters and reviewed the latest regulatory requirements of cyber security and compliance process of the Company.

Crisis Management and Reputation Risk

The Company processes an extremely large number of transactions on a daily basis on its platform. With continuous expansion of its overall business scope, heightened public concerns over consumer protection and consumer safety issues, the Company may be subject to additional legal and social responsibilities and more impacts of negative publicity and regulatory concerns over these issues. If the Company does not pay sufficient attention to public opinion or if any incident arises but is not dealt with in a timely manner, its reputation, brand and image will be affected.

The Company always upholds the principle of being "customer-centric" to satisfy its customers and safeguard their interests when rendering services. Therefore, an effective risk management mechanism has been established to continuously minimize risks in the Company's ongoing business procedures or information system through a series of evaluations and analysis with an aim to optimise its management system, upgrade its risk management and continuously reduce the Company's exposure to any crisis. In addition, the Company's public relations department maintains close connections and interactions with other operation departments and related functional units, proactively responds to societal concerns and deals with crises in a lawful and reasonable manner and protects the Company's reputation in accordance with established policies and working procedures.

Fraud Risk

In light of the rapid development of the internet industry, fraud cases have occurred frequently outside and within the industry and have caused harm to the internet industry as a whole. Fraudulent activities engaged by business partners, employees or third parties may exert a negative impact on the operations, finance and reputation of the Company.

The Company consistently adheres to its fundamental principle of integrity, combats fraud and has zero tolerance for it. The Company has established effective internal control systems and continuously optimises such systems to identify and mitigate fraud risk. The Company conducts comprehensive and thorough investigation on any potential fraudulent conduct. Once any fraudulent conduct is found, it will be dealt with strictly in accordance with the relevant rules and regulations of the Company. For any matter suspected of violating the laws, the Company will promptly report it to the public security authorities, and it will be further handled by the judicial departments in accordance with the laws. Meanwhile, the Company combats the illegal internet industry together with the police force and promotes the establishment of the Trust and Integrity Enterprise Alliance together with other members of the internet industry to combat internet fraudulent behaviours and to build a healthy, orderly and civilized internet ecosystem.

Human Resources Risk

The internet industry is highly dependent on the basic qualities of its employees; therefore, gradually improving core personnel capabilities to catch up with the Company's rapid development is essential to the strategic development of the Company.

Human capital has always been the Company's core asset. The Company has formulated and implemented a series of measures to provide continuous professional development for its employees, in order to facilitate business development and to maintain sustainable competitiveness. Such measures include: (i) improving recruitment standards and attracting better talents to join the Company, raising employees' qualities from the source; (ii) increasing investment in building a study and development department covering all employees, developing the "panoramic learning map" and continuously enriching the training system that encapsulates the promotion of culture, general competency, professional expertise and leadership and to provide targeted trainings for employees; and (iii) supporting and facilitating the leadership role of its management, stimulating its employees' full potential and promoting personal development among its employees.

Meanwhile, the Company adheres to the value of integrity, and has carried out measures such as implementing the employees' code of conduct, providing anti-bribery and anti-corruption trainings, implementing a whistle-blower mechanism, conducting investigations and punishment on any acts of bribery and corruption, to ensure that its employees adhere to its fundamental values.

Internal Control

Based on the Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organisations ("**COSO**"), the Company established an internal control system which has been tailored to the actual circumstances of the Company. The objective of the Company's internal control is to provide reasonable assurance to the achievement of its operational, reporting and compliance objectives.

The Audit Committee is delegated to monitor the implementation of the risk management policies (covering material monitoring measures in various aspects such as finance, operation, and compliance) across the Company on an ongoing basis in order to ensure that the internal control system is effective in identifying, managing and mitigating risks in its business operations.

The Company also maintains an internal audit department which is responsible for reviewing the effectiveness of internal control and reporting any issues identified by the department to the Audit Committee. Members of the internal audit department hold regular meetings with the management to discuss about any internal control issues it faces and the corresponding measures to resolve them. The internal audit department reports to the Audit Committee to ensure that any material issue identified is delivered to the Audit Committee in a timely manner. The Audit Committee discusses the reported issues and reports to the Board when necessary.

The Company has designed and adopted strict internal procedures to ensure its business operation complies with the relevant rules and regulations. Its internal control department works closely with its business units to (i) perform risk assessments and provide advice on risk management strategies, (ii) monitor internal control effectiveness and promote risk management level and (iii) promote risk awareness throughout the Company. Apart from its internal control department, the Company has also established different functional divisions and teams to cooperate with each other in their areas of expertise in order to improve the effectiveness of its internal control systems, with details as follows:

In accordance with its internal procedures, the Company's legal department performs the fundamental function of reviewing and updating the form of contracts it enters into with its consumers, merchants and relevant third-parties. The Company's legal department examines the contractual terms and reviews relevant documents for its business operations, and the necessary underlying due diligence materials, before it enters into any contract or business arrangements. In addition, the Company's quality control departments of each business segments are also responsible for reviewing the licences and permits of the business partners and proposed commercial terms before it enters into any contract or business arrangements.

The Company's legal department reviews its services for regulatory compliance before they are made available to the general public. Its legal department and administrative department are responsible for obtaining any requisite governmental pre-approvals or consents, including preparing and submitting all necessary documents for filing with relevant government authorities within the prescribed regulatory timelines.

The business compliance departments of the Company consist of various professional functions, among which (i) the content compliance department is responsible for the compliance management of the internet content, conducts compliance reviews on the internet content through a combination of automated and manual control, and removes inappropriate content in order to mitigate compliance risk of internet content; (ii) the food safety compliance department is responsible for the food safety management, conducts study on regulations, policies and industry trend, optimizes the internal control policy of food safety, guides and supervises the implementation of food safety laws and regulations requirements and internal compliance measures in all food business segments, and enables partners such as merchants and suppliers to jointly control and mitigate food safety risks; (iii) the internet finance compliance department is responsible for the compliance risk management of the internet finance business; by analyzing rules and regulations and the regulatory environment, it provides guidance and support to each finance business line to implement rules, regulations and financial regulatory requirements, in order to mitigate financial compliance risks.

The information security department of the Company promotes the information security management of the Company through technical and management measures, focusing on the cybersecurity, data security and the protection of user privacy, and it periodically reports to the Audit Committee.

The business transaction security team of the Company mitigates internet fraud, internet cheats in relation to illegal industry, and operational risks to ensure assets safeguard and the effectiveness of operation by providing continuous training, improving the business transaction security management system, and upgrading the risk control models as well as resolving risk events.

Effectiveness of Risk Management and Internal Control

The Audit Committee, on behalf of the Board, continuously reviews the risk management (including ESG risks) and internal control systems of the Company. The review process comprises, among other things, meetings with management of business, the internal audit department, legal personnel and the external auditors, reviewing the relevant work reports and information of key performance indicators, and discussing the major risks with the management of the Company. The Board is of the view that during the Reporting Period, the risk management and internal control systems of the Company are effective and adequate, and the Board also confirms that the Company's systems of risk management and internal control are appropriate and effective in addressing the identified risks, safeguarding the Company's assets, preventing and detecting fraud, misconduct and loss, ensuring the accuracy of financial reporting and complying with applicable laws and regulations.

In addition, the Board believes that the Company's accounting, internal audit, financial reporting functions and functions relating to environmental, social and governance performance and reporting have been performed by employees of the appropriate qualifications and experience and that such employees receive appropriate and sufficient training and development, and the related budgets are sufficient.

COMMUNICATIONS WITH SHAREHOLDERS

The Company strives to provide ready, fair, regular and timely disclosure of information that is material to the investor community. Therefore, the Company works to maintain effective and on-going communication with shareholders so that they, along with prospective investors, can exercise their rights in an informed manner based on a good understanding of the Group's operations, businesses and financial information. The Company also encourages Shareholders' active participation in annual general meetings and other general meetings or other proper means. General meetings can provide an opportunity for communication between the directors, senior management and the Shareholders. The Company recognizes the importance of effective communication with Shareholders and encourages them to attend general meetings to raise any concerns they might have with the Board of Directors or the senior management directly. Board members and appropriate senior management of the Company are available at such meetings to respond to enquiries raised by the Shareholders.

To safeguard Shareholders' interests and rights, a separate resolution will be proposed for each issue at general meetings, including the election of individual Directors. All resolutions put forward at general meetings will be voted by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and the Stock Exchange in a timely manner after each general meeting.

During the Reporting Period, the Company held an annual general meeting on June 14, 2024. Notice of the meeting was sent to the Shareholders on May 23, 2024, at least 21 calendar days before the meeting. The chairman of the Board and the chairperson of each of the Audit Committee, the Corporate Governance Committee, the Nomination Committee and the Remuneration Committee attended the annual general meeting and were available to answer any questions raised by the Shareholders. A representative of the Auditor also attended the meeting to answer any questions about the conduct of the audit, the preparation and content of the auditors' report, the accounting policies and auditor independence.

CORPORATE GOVERNANCE REPORT

The Company has developed and maintains the shareholders' communication policy with the objective of promoting effective and on-going communication between the Company and the Shareholders, which is available on the Company's website at "about.meituan.com". The Company's website is maintained as a communication platform with the Shareholders, where information on the Company's announcements, reports, financial information and other information are available for public access.

The Company's management regularly reviewed the implementation and effectiveness of these shareholder communication channels in 2024. Having compared the implementation and outcome of the shareholder communication channels of the Group with that of the other listed issuers who principally engage in comparable industry, the effectiveness of these shareholder communication channels was confirmed.

A summary of the disclosure of interests of the substantial Shareholders is set out in the section headed "Report of Directors" of this annual report.

Convening of Extraordinary General Meeting and Putting Forward Proposals

Shareholders may put forward proposals for consideration at a general meeting of the Company according to the Articles of Association. Any one or more members holding as of date of deposit of the requisition not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition, to require an extraordinary general meeting of the Company to be called by the Board for the transaction of any business specified in such requisition. A written requisition shall be deposited at the Company's principal place of business in Hong Kong. If within 21 days of such deposit the Board fails to proceed to convene such meeting to be held within a further 21 days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

As regards proposing a person for election as a Director, the procedures are available on the website of the Company.

Enquiries to the Board

Shareholders who intend to put forward their enquiries about the Company to the Board can send their enquiries to the headquarters of the Company at Block B&C, Hengjiweiye Building, No. 4 Wang Jing East Road, Chaoyang District, Beijing, People's Republic of China to the attention of the Joint Company Secretaries or send an email to ir@meituan.com.

The Company welcomes views and enquiries of the Shareholders. Enquiries to the Board or senior management of the Company will be dealt with in an informative and timely manner.

Contact Details

Shareholders may send their enquiries or requests as mentioned above to the following:

Address:	Block B&C, Hengjiweiye Building, No. 4 Wang Jing East Road, Chaoyang District, Beijing, China (For the attention of the Investor Relations Department)
Email:	ir@meituan.com

For the avoidance of doubt, Shareholders must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address, apart from the registered office of the Company, and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

SHAREHOLDERS' COMMUNICATION POLICY

The Company has in place a Shareholders' Communication Policy. The policy aims at promoting effective communication with Shareholders and other stakeholders, encouraging Shareholders to engage actively with the Company and enabling Shareholders to exercise their rights as Shareholders effectively. The Board reviewed the implementation and effectiveness of the Shareholders' Communication Policy, including the various communication channels available for shareholders, and considered that the results were satisfactory.

The Company has established a number of channels for maintaining an on-going dialogue with its Shareholders as follows:

(a) Corporate Communication

"Corporate Communication" as defined under the Listing Rules refers to any document issued or to be issued by the Company for the information or action of holders of any of its securities, including but not limited to the following documents of the Company: (a) the directors' report, annual accounts together with a copy of the auditor's report and, where applicable, its summary financial report; (b) the interim report and, where applicable, its summary interim report; (c) a notice of meeting; (d) a listing document; (e) a circular; and (f) a proxy form. Pursuant to Rule 2.07A of the Listing Rules regarding the expansion of paperless listing regime and electronic dissemination of corporate communications that came into effect on December 31, 2023, the Company has adopted electronic dissemination of Corporate Communications, and only send Corporate Communications in printed form to the Shareholders upon request (except for Actionable Corporate Communications[(1)]). The Corporate Communication of the Company will be published on the Company's website (about.meituan.com) and the Stock Exchange's website (www.hkexnews.hk) in a timely manner as required by the Listing Rules. Corporate Communication will be provided to Shareholders and non-registered holders of the Company's securities in both English and Chinese versions or where permitted, in a single language, in a timely manner as required by the Listing Rules.

Note:

(1) Actionable Corporate Communication is any Corporate Communication that seeks instructions from Shareholders on how they wish to exercise their rights or make an election.

(b) Announcements and Other Documents pursuant to the Listing Rules

The Company shall publish announcements (on inside information, corporate actions and transactions etc.) and other documents (e.g. Memorandum and Articles of Association) on the Stock Exchange's website in a timely manner in accordance with the Listing Rules.

(c) Corporate Website

Any information or documents of the Company posted on the Stock Exchange's website will also be published on the Company's website (about.meituan.com).

(d) Shareholders' Meetings

The annual general meeting and other general meetings of the Company are the primary forum for communication between the Company and its Shareholders. The Company shall provide Shareholders with relevant information on the resolutions(s) proposed at a general meeting in a timely manner in accordance with the Listing Rules. The information provided shall be reasonably necessary to enable Shareholders to make an informed decision on the proposed resolution(s). Shareholders are encouraged to participate in general meetings or to appoint proxies to attend and vote at the meetings for and on their behalf if they are unable to attend the meetings. Where appropriate or required, the Chairman of the Board and other Board members, the chairpersons of board committees or their delegates, and the external auditors should attend general meetings of the Company to answer Shareholders' questions (if any).

(e) Shareholders' Enquiries

Enquiries about shareholdings

Shareholders should direct their enquiries about their shareholdings to the Company's Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, by Online Feedback at https://www.computershare.com/hk/en/online_feedback or calling its hotline at 2862 8555, or going in person to its public counter at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

Enquiries about Corporate Governance or Other Matters to be put to the Board and the Company

The Company will not normally deal with verbal or anonymous enquiries. Shareholders may send written enquiries to the Company, for the attention of the Board by mail to Block B&C, Hengjiweiye Building, No. 4 Wang Jing East Road, Chaoyang District, Beijing 100102, China.

AMENDMENTS TO CONSTITUTIONAL DOCUMENTS

Upon the Shareholders' approval on June 14, 2024 at the annual general meeting, the Company has adopted the Eighth Amended and Restated Memorandum of Association and Articles of Association for the purpose of, among others, (i) bringing the Articles of Association in line with the Listing Rules which mandate the electronic dissemination of corporate communications by listed issuers to their securities holders from December 31, 2023 onwards; and (ii) making other house-keeping amendments to clarify, update and/or modify certain provisions of the Articles of Association in accordance with, or to better align with the applicable laws.

For further details, please refer to the announcement of the Company dated March 22, 2024 and the circular of the Company dated May 23, 2024.

JOINT COMPANY SECRETARIES

Ms. Xu Sijia, a joint company secretary of the Company, is responsible for advising the Board on corporate governance matters and ensuring that the Board policies and procedures, as well as the applicable laws, rules and regulations are followed. Ms. Xu Sijia has been appointed to succeed Mr. Wang Yixiang as joint company secretary of the Company effective since July 31, 2020. For further details, please refer to the announcement of the Company dated July 31, 2020.

In order to uphold good corporate governance and ensure compliance with the Listing Rules and applicable Hong Kong laws, the Company also engages Ms. Lau Yee Wa, a director of corporate services division of Tricor Services Limited, as the other joint company secretary to assist Ms. Xu Sijia to discharge her duties as a company secretary of the Company. Ms. Lau Yee Wa's primary contact person at the Company is Ms. Xu Sijia.

For the year ended December 31, 2024, Ms. Xu Sijia and Ms. Lau Yee Wa undertook not less than 15 hours of relevant professional training respectively in compliance with Rule 3.29 of the Listing Rules.

CORPORATE GOVERNANCE REPORT

DIRECTORS AND OFFICERS LIABILITY INSURANCE

The Company has arranged appropriate directors and officers' liability insurance in respect of legal action against the Directors and officers.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Please refer to Note 8 to the consolidated financial statements for details of remuneration of Directors for the year ended December 31, 2024.

Details of the remuneration by band of Directors and senior management of the Company, whose biographies are set out in the section headed "Directors and Senior Management" of this annual report, and for the year ended December 31, 2024 are set out below:

Remuneration band (RMB)	Number of individuals
0	1
1 – 5,000,000	4
>5,000,000	5

The Company's compensation policy is to ensure that the remuneration offered to employees, including Directors and senior management, is based on skill, knowledge, responsibilities and involvement in the Company's affairs. The remuneration packages of executive Directors are also determined with reference to the Company's performance and profitability, the prevailing market conditions and the performance or contribution of each executive Director. The remuneration for the executive Directors comprises basic salary, pensions and discretionary bonus. The remuneration policy for non-executive Directors and independent non-executive Directors is to ensure that non-executive Directors and independent non-executive Directors are adequately compensated for their efforts and time dedicated to the Company's affairs, including their participation in Board committees. The remuneration for the non-executive Directors and independent non-executive Directors mainly comprises Director's fee which is determined with reference to their duties and responsibilities by the Board. Individual Directors and senior management have not been involved in deciding their own remuneration.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENT

The Directors acknowledge their responsibility for preparing the financial statement of the Company for the year ended December 31, 2024, and are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the Independent Auditors about their reporting responsibilities on the financial statements is set out in the section headed "Independent Auditor's Report".

AUDITOR'S REMUNERATION

The remuneration for the audit and non-audit services provided by the Auditor to the Group during the year ended December 31, 2024 was approximately as follows:

Type of Services	Amount (RMB'000)
Audit and audit-related services	33,956
Non-audit services[1]	7,020
Total	40,976

Note:

(1) The non-audit services conducted by the Auditor mainly include certain consulting services.

POLICY ON THE DISCLOSURE OF INSIDE INFORMATION

The Company has put in place an internal policy for the handling and disclosure of inside information in compliance with the SFO. The internal policy sets out the procedures and internal controls for the handling and dissemination of inside information in a timely manner and provides the Directors, senior management and relevant employees a general guide in monitoring information disclosure and responding to enquiries.

Control procedures have been implemented to ensure that unauthorized access and use of inside information are strictly prohibited.

DIVIDEND POLICY

The Company has adopted a Dividend Policy on payment of dividends. The Company do not have any pre-determined dividend payout ratio. Depending on the financial conditions of the Company and the Group and the conditions and factors as set out in the Dividend Policy, dividends may be proposed and/or declared, subject to approval from the Board or Shareholders in accordance with the Articles of Associations and applicable laws.

CORPORATE GOVERNANCE REPORT

DIVERSITY

The Company is committed to promoting diversity in our Company to the extent practicable by taking into consideration a number of factors in respect of our corporate governance structure. The Company seeks to achieve board diversity and workforce diversity through the consideration of a number of factors, including but not limited to gender, age, language, cultural background, educational background, industry experience and professional experience.

The Company aims to maintain an appropriate balance of diversity perspectives that are relevant to the Company's business growth and is also committed to ensuring that recruitment and selection practices at all levels (from the Board downwards) are appropriately structured so that a diverse range of candidates are considered.

* The Board will consider setting measurable objectives to implement the Board Diversity Policy and review such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives.

* The Nomination Committee will review the Board Diversity Policy, as appropriate, to ensure its effectiveness.

We have adopted the board diversity policy which sets out the objective and approach to achieve and maintain diversity of our Board in order to enhance the effectiveness of our Board. The Board currently consists of one female director. In 2024, we hired 109,185 employees, of which 67,401 were male and 41,784 were female. The gender ratio in the workforce (including senior management) was approximately 16 males to 10 females. The Company is aiming to achieve a more balanced gender ratio in the workforce next year and will continue to monitor and evaluate the diversity policy from time to time to ensure its continued effectiveness.

GENDER DIVERSITY

The Company values gender diversity across all levels of the Group. The following table sets out the gender ratio in the workforce of the Group, including the Board and senior management as at the date of this annual report:

	Female	Male
Board	16.67% (1)	83.33% (5)
Senior Management (as listed in this annual report)	0% (0)	100% (5)
Other employees	61.74% (67,400)	38.26% (41,774)
Overall workforce	61.73% (67,401)	38.27% (41,784)

Details on the gender ratio of the Group together with relevant data can be found in the Environmental, Social and Governance Report on pages 123 to 196 of this annual report.

REPORT OVERVIEW

Meituan (hereinafter referred to as "**the Company**", "**Company**" or "**We**") prepared this report in accordance with *Appendix C2 Environmental, Social and Governance Reporting Code* in Listing Rules of the Stock Exchange of Hong Kong Limited, and complied with the principles of materiality, quantitative, balance, and consistency.

We proactively engaged with key stakeholders and gathered insights into their concerns regarding environmental, social and governance (ESG) issues. These ESG issues were prioritised and addressed in the report according to their materiality, as discussed in the chapters "Stakeholder Engagement" and "Materiality Assessment". Quantitative information was used to present environmental and social key performance indicators (KPIs) for reliable evaluation and validation. The criteria for quantification, methodologies, assumptions, and/or calculation tools for KPIs, as well as the sources of conversion factors, were indicated and explained in the appropriate places. The statistical approach for information disclosure in this report remains consistent with previous years, with individual changes duly clarified in the appropriate places in the report.

This report aims to present our ESG performance in 2024 on an objective, fair, and balanced basis. It is recommended to read the governance section in conjunction with the "Corporate Governance Report" included in this annual report.

Unless otherwise specified, the scope of this report is the ESG performance of businesses directly operated and managed by the Company and the reporting period for this report is from January 1, 2024 to December 31, 2024.

BOARD STATEMENT

The Board takes full responsibility for the Company's ESG strategy and reporting. The Audit Committee assists the Board in overseeing ESG issues. The ESG Governance Team is responsible for routine management of ESG issues and provides guidance on ESG practices. The ESG Execution Team, which consists of key members from major business and functional departments, coordinates and implements ESG initiatives, and periodically reports the progress to the management and governance teams. The Board, the responsible management, and the execution team participate in ESG training programs annually, including corporate governance, climate change risks and opportunities, information security and privacy protection, etc., to enhance their expertise in ESG and keep up with the latest trends in the field.

The Company conducts materiality assessments to understand key ESG issues of stakeholders' interest and develops and integrates ESG management strategies into daily operations and management. The Board participates in assessing and prioritising key ESG issues and reviews ESG management strategies on a regular basis to evaluate their potential impact on the Company's overall strategy. In 2024, the Company made continuous efforts and achieved progress on key ESG issues such as climate change action, management and protection of couriers, environmental protection action in the food delivery industry, environmental management of data centres, and information security and privacy protection.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Company recognises the significant impact that ESG-related risks and opportunities could potentially have and thus incorporates them into the Company's overall risk management system. The Board oversees the assessment of ESG-related risks and opportunities and ensures the establishment of an appropriate and effective ESG risk management and internal supervision system. This year, the Company further improved the internal process to identify, assess, and manage climate-related risks and opportunities. And we continued to carry out risk identification, assessment, and management for ESG issues, such as business compliance, information security, and human resource management. For more information, please refer to the chapter of "Climate Change Action" in this report and the chapter of "Corporate Governance Report – Risk Management and Internal Control" in the annual report.

The Company has set ESG goals associated with business operations, including environmental targets, such as energy conservation, water conservation, and waste management within the workplace. The Board regularly reviews the progress of these targets.

OUR VALUES AND ESG MANAGEMENT

As our mission is "we help people eat better, live better", we adhere to the values including "customer-centric", "integrity", "win-win cooperation", and "striving for excellence".

Based on the Company's mission and values, we enhance the integration of the following ESG visions with our business practices and strategic planning:

1. *Environment:*

    - Advocate green consumption
    - Promote the harmonious coexistence of corporate development and environmental sustainability
    - Promote the industry's capacity for environmental protection

2. *Customers:*

    - Be customer-centric
    - Strive for excellence, continuously improve, and build a positive reputation among customers
    - Create more value in people's life

3. *Partners:*

    - Achieve win-win cooperation with ecosystem partners
    - Safeguard the interests of partners
    - Promote the sustainable development of the industry

4. *Operation:*

- Maintain integrity
- Protect employee's rights and benefits
- Facilitate talent development

5. *Community:*

- Support solving more social issues
- Create greater social value
- Advocate for community participation in public service activities

ESG Governance

To enhance the implementation of our ESG management strategies and strengthen our competence in sustainable development, we have established a three-tier ESG governance structure of "Governance – Management – Execution" and documented rules that outline the responsibilities and duties of each tier when facilitating our ESG work. The purpose of this governance structure is to support the long-term administration of ESG within the Company and foster collaboration with stakeholders.

Governance

The Board of Directors serves as the highest decision-making body in ESG management. It participates in assessing and prioritising key ESG issues and holds overall responsibility for ESG strategies and reporting. It authorises the Audit Committee to supervise ESG management and receives regular updates from the Audit Committee on significant ESG-related matters.

The Audit Committee is responsible for supervising ESG matters. It evaluates the Company's ESG related strategies, frameworks, principles and policies, and assesses and supervises the Company's relevant practices. It also monitors the setting and progress of the Company's ESG goals and reports these matters to the Board.

Management

Consisted of key members from major business and functional departments, the ESG Governance Team is established to manage ESG matters. It is responsible for reviewing ESG strategies, frameworks, principles, and policies of the Company, providing guidance on ESG practices, regularly assessing progress towards ESG goals, and participating in specialised trainings on ESG topics.

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Execution

Comprised of representatives from major businesses and functional departments, the ESG Execution Team facilitates the execution of management strategies and realisation of ESG goals. It is tasked with conducting ESG materiality assessment, incorporating ESG risk management into daily risk control processes, organising ESG-focused trainings to raise awareness among employees at different levels and in different roles, conducting specialised research on critical ESG issues such as the impact of climate risks and opportunities, and regularly reporting to the Company's management and governance bodies.

Stakeholder Engagement

We actively listen and respond to the demands of stakeholders. In line with the *Environmental, Social and Governance Reporting Code*, we identified the key stakeholders and collected their main concerns through various communication channels.

The main stakeholders, ESG concerns, and communication channels are listed as follows.

Main stakeholders	Main ESG concerns	Main communication channels
Couriers	Courier Health and Safety, Customer Service, and Product and Service Quality Management	Courier feedback session and grievance, and complaint hotline
Government and regulatory bodies	Product and Service Quality Management, Anti-corruption, Compliance of Content, Employment Practices, Courier Health and Safety, Information Security and Privacy Protection, Climate Change Action, Retail Industry Empowerment and Development, Intellectual Property Rights, and Corporate Governance	Policy consultation, incident reporting, visitor reception, information disclosure, and participation in government meeting
Shareholders and investors	Courier Health and Safety, Information Security and Privacy Protection, Employee Training and Development, Product and Service Quality Management, Anti-corruption, Corporate Governance, and Diversity and Equal Opportunities	Shareholder meeting, earnings release, annual report, interim report, official website, communication meeting, and email communication
Employees	Employment Practices, Employee Rights and Benefits, Employee Training and Development, Occupational Health and Safety, Diversity and Equal Opportunities, Product and Service Quality Management, and Social Welfare Participation	HR helpdesk, employee engagement meeting, social media and in-person meeting, and communication hotline
Customers	Product and Service Quality Management, Information Security and Privacy Protection, and Customer Service	Online platform, customer service hotline, social media, and information disclosure
Platform merchants	Customer Service, Retail Industry Empowerment and Development, and Product and Service Quality Management	Online platform, customer service hotline, merchant meeting, and merchant inspection

Main stakeholders	Main ESG concerns	Main communication channels
Suppliers	Supply Chain Management, Product and Service Quality Management, Anti-corruption, and Information Security and Privacy Protection	Supplier inspection and supplier meeting
Media and non-governmental organisations	Courier Health and Safety, Product and Service Quality Management, Customer Service, Promoting Green Development of the Industry Chain, Energy Conservation, Retail Industry Empowerment and Development, and Water Conservation	Social media, official website, press conference, information-sharing meeting, and dedicated customer service

Materiality Assessment

We maintain ongoing communication with key stakeholders, annually assess the materiality of ESG issues for business and stakeholders and conduct ESG issues materiality assessment. The result of the assessment is incorporated into the Company's overall risk management and prioritisation frameworks, and served as a reference for our ESG action planning and report preparation. The result of our materiality assessment is presented in the following figure, and each issue identified will be discussed in detail in this report.

1. Energy Conservation
2. Water Conservation
3. Climate Change Action
4. Promoting Green Development of the Industry Chain
5. Employment Practices
6. Employee Rights and Benefits
7. Diversity and Equal Opportunities
8. Occupational Health and Safety
9. Employee Training and Development
10. Courier Health and Safety
11. Product and Service Quality Management
12. Customer Service
13. Intellectual Property Rights
14. Compliance of Content
15. Retail Industry Empowerment and Development
16. Social Welfare Participation
17. Corporate Governance
18. Anti-corruption
19. Information Security and Privacy Protection
20. Supply Chain Management

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ENVIRONMENT

We remain committed to actively practising the concept of environmental protection and green operation to minimise the impact of our operation on the environment and promote the green development of the industry chain. We actively identify the impacts of climate change and comprehensively manage climate risks and opportunities.

Practising Green Operations

We strictly abide by environmental laws and regulations, such as the *Environmental Protection Law of the People's Republic of China* and the *Law of the People's Republic of China on Energy Conservation*. Managers from relevant departments are designated to supervise the Company's environmental management. They continuously drive the implementation of specific initiatives related to environmental management and green operation in our daily office and business operations.

Green Workplace

The main resources consumed in our workplaces are electricity, water, and paper. Major types of waste we generated include domestic waste, electronic waste, batteries, toner cartridges, ink cartridges, and fluorescent tubes. In collaboration with environment management relevant departments, we have established a workplace environmental management team led by the management. The team is responsible for promoting energy and resource conservation measures and ensuring compliant disposal of all types of waste.

We continuously enhance our energy conservation performance by taking measures such as: (i) improving electrical equipment management: we conduct regular inspections of office workplaces to prevent unnecessary lighting in unoccupied areas, and shut down non-essential equipment in offices during off-hours. We have implemented a monitoring mechanism to track monthly and quarterly workplace electricity consumption. By using online energy management system, we collect and analyse real-time energy consumption data of selected workplaces, manage and control abnormal conditions, and evaluate the effectiveness of energy-saving measures; (ii) exploring new energy-saving technologies: we expand the use of energy-saving LEDs and replace manual switches with sound-activated ones to shorten lighting duration. We also set up a temperature monitoring system in our workplaces and install centralised control systems for air conditioning in selected meeting rooms and cafeterias to avoid wastage of electricity; and (iii) raising awareness of energy conservation: we set up energy-saving reminders and labels next to thermostats, switch panels and other locations, and release monthly environmental protection publications to popularise knowledge of energy conservation and raise energy conservation awareness of employees.

For water conservation, we install sensor taps for selected workplaces. For paper conservation, we set all printers to default double-sided printing mode in our offices to improve the efficient use of paper. We also set up water and paper conservation signs throughout our workplaces to strengthen employees' environmental awareness.

In terms of waste treatment, we strictly follow local authorities' requirements in our areas of operation and set categorised dustbins. Hazardous waste from our workplaces, such as batteries, toner cartridges, ink cartridges, and fluorescent tubes, is collected separately and handed over to qualified agencies for further processing. Among them, waste toner cartridges and ink cartridges generated by printing equipment are all handed over to printing service suppliers for recycling and disposal. For electronic waste (such as obsolete computers, monitors, telephones, and projectors), we have formulated an internal processing procedure for centralised management and handed the waste over to professional institutions for harmless disposal and recycling. We classify the garbage generated in the cafeteria into kitchen waste, recyclable waste and other waste to dispose. For kitchen waste, we require our restaurant suppliers to collaborate with qualified institutions in kitchen waste disposal. Recyclable waste and other waste are handed over to property management companies of the leased park for further treatment.

Environmental Management of Retail Businesses

We integrate energy-saving technologies into our cold chain management, logistics management, and warehouse network planning to promote precision operations, reduce resource consumption, and improve resource efficiency in our retail business.

- Cold chain management: (i) electric appliance monitoring: we optimise lighting duration, conduct real-time monitoring of temperature and frosting of cold storage by using intelligent equipment, and regulate energy consumption of electric facilities to improve operation efficiency; (ii) use of refrigerant freezing racks: we use refrigerant freezing racks to replace plastic baskets and cage trolleys for better freezing efficiency; (iii) energy-saving awareness promotion: we promote energy-saving knowledge, conduct environmental training, and disseminate internal energy consumption management policies to all relevant employees to raise their energy-saving awareness; and (iv) waste reduction in turnover materials: we carry out reduction design for baskets, trays and other turnover materials, while ensuring performance or functionality requirements. We also reduce the use of disposable packaging materials to minimise waste generation in our operations.

- Logistics management: (i) efficient distribution: we set up centralised distribution centres to coordinate the overall scheduling of vehicle delivery and transportation. We optimise vehicle dispatching by taking into account the volume and time requirements of each route, and reduce vehicle delivery frequency and match appropriate vehicle models through monitoring vehicle load rates and vehicle model structures. We also implement a distribution system that combines long-distance deliveries by small vehicles with trunk transportation by large vehicles; and (ii) precision management of vehicles: we perform regular maintenance to ensure optimal performance of vehicles, and reduce fuel consumption across various vehicle models through implementing incentive measures.

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- Warehouse network planning: (i) reasonable arrangement of warehouse and facilities: we evaluate the product demand of both merchants and consumers, and reasonably position warehouses to shorten the transportation distance. We also apply double-sided loading and unloading stations and multi-layer storage racks in warehouse to reduce the frequency of goods delivery; (ii) inventory turnover improvement: we promote inventory sharing to shorten the duration of inventory turnover, reduce inventory footprint and energy consumption in the process of goods circulation; and (iii) energy conservation and emission reduction: we perform month-on-month energy consumption analysis and compare theoretical values with actual values to assess the energy consumption improvement measures and reduce energy consumption. We also lease warehouses equipped with photovoltaic equipment to reduce carbon emissions.

Environmental Management of Power Banks

We strive to minimise the environmental impact of our power banks throughout their full lifecycle by considering factors such as product service life, resource utilisation efficiency, and the use of environmentally friendly materials.

- Design phase: we focus on product service life and energy conversion efficiency. We adopt product design schemes with high-energy conversion efficiency and select high-performance electronic components to reduce energy loss during charging and discharging processes.

- Production phase: in terms of product manufacturing, we have established detailed environmental and quality management requirements, and fully examined the qualifications of our production suppliers, including ISO 9001 quality management system certification and ISO 14001 environmental management system certification. Also, in order to control the environmental impact and quality risks, we have established the mechanism of onboarding review, routine review and annual review for production supplier. In terms of raw material selection, we strictly control the use of hazardous substances, such as lead and mercury. In 2024, our power bank products were all in compliance with the European Union's RoHS Directive[1], and had obtained various quality certifications including CB certification[2] and UN 38.3 certification[3].

- Operation and maintenance phase: we continuously optimise the distribution and management of charging stations through analysing the utilisation of power banks in deployment areas, avoiding resource wastage due to redundant placement. We recycle worn-out power banks and hand them over to qualified recycling and processing companies to ensure proper end treatments.

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1 RoHS Directive: refers to EU's *Directive 2011/65/EU on the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment (Restriction of Hazardous Substances)*, which aims to standardise the materials and manufacturing processes of electronic and electrical products, and eliminate the use of lead, mercury, cadmium, and hexavalent chromium in such devices.

2 CB certification: refers to the IEC System for Conformity Assessment Schemes for Electrotechnical Equipment and Components (IECEE) - CB scheme certification, which aims to regulate safety standards for electrical and electronic products.

3 UN 38.3 certification: refers to the certification specified in the Section 38.3, Part III of *UN Manual of Tests and Criteria on the Transport of Dangerous Goods*, which aims to regulate safety standards for the transport, storage and handling of lithium-ion cells and batteries.

Environmental Management of Data Centres

The Company has not yet built its own data centre. We actively respond to the policy guidance such as the *Guiding Opinions on Strengthening the Construction of Green Data Centres*, and attach importance to environmental protection and low-carbon operations of the leased data centres.

To enhance the environmental management of our leased data centres, we take actions on five major areas, including optimising location selection, defining onboarding standards, implementing management requirements for the full lifecycle, adopting green technologies and exploring the use of renewable energy.

- Optimising location selection: we lay out data centres based on the latency feature of our businesses. We prioritise locations with abundant green energy resources and natural cooling sources when selecting sites for leased data centres. Moreover, according to the national standard *Maximum Allowable Values of Energy Efficiency and Energy Efficiency Grades for Data Centres*, we gradually decommission data centres with low energy efficiency.

- Defining onboarding standards: we prioritise the leasing of eco-friendly data centres, considering various factors related to environmental impacts, resource consumption, renewable energy utilisation, and regional climate conditions. In addition, we require data centre suppliers to obtain certification such as ISO 9001 quality management system certification, ISO 20000 IT service management system certification. We also review data centres' environmental impact assessment reports and energy-saving assessment reports.

- Implementing management requirements for the full lifecycle: we propose appropriate management requirements for data centre suppliers in construction, operation, and decommissioning stages. During the construction stage, we require data centre suppliers to select eco-friendly materials and fill in the Standardised Manual on Safe and Courteous On-site Construction and the Manual on Hazardous Waste Management. These measures aim to refine the management tasks related to waste sorting, collection, storage, and recycling at the construction site. During the operation stage, we assess on-site environment of data centres, monitor real-time electricity consumption at customised data centres, and periodically evaluate the power consumption indicators of the server room to ensure the equipment work within a high energy-efficient workload range. Meanwhile, we assess the water resource supply in some of the areas where the data centres are located, analyse the water demand and supply during the summer peak seasons, and initiate water storage measures in advance. We regularly inspect the water quality of the circulating water system in data centres to ensure water safety. We publicise the requirements for the end treatment of pollutants, and ensure compliant disposal of hazardous waste such as waste batteries. During the decommissioning stage, suppliers are required to scrap and recycle servers in accordance with relevant requirements.

- Adopting green technologies: for energy saving, we adopt advanced environmental technologies and devices, such as indirect evaporative cooling technology, high-voltage direct current power supply, heat recovery units, variable-frequency fluorine pump air conditioning and intelligent lighting control to reduce energy consumption in infrastructure. For water saving, we use liquid-cooling server rooms to enhance heat exchange efficiency with less coolant evaporation, thus effectively cutting water usage.

- Exploring the use of renewable energy: we have installed distributed photovoltaic generation and energy storage systems on the rooftops and walls of our data centre in Beijing, Shanghai and Zhongwei to power the lighting in the server rooms and the auxiliary power areas. Moreover, we have adopted structural design, temperature control, heat recovery, and other technical means to continuously control and reduce the power usage effectiveness (PUE).

In 2024, the overall average PUE of our data centres in Beijing, Shanghai, and Zhongwei was reduced to 1.25, and that of Huailai even lowered to 1.2, both superior to the industry average.

Promoting Green Development of the Industry Chain

We pay attention to the environmental impacts across the value chain of our business and proactively seek solutions to promote green development of the value chain.

Environmental Protection Action in the Food Delivery Industry

We implement various environmental protection initiatives in response to the *Working Guidance for Carbon Dioxide Peaking and Carbon Neutrality in Full and Faithful Implementation of the New Development Philosophy by the Communist Party of China Central Committee and the State Council*, the *Opinions of the General Office of the State Council on Accelerating the Construction of a Waste Recycling System*, the *Anti-food Waste Law of the People's Republic of China*, and other state policies and regulations.

Meituan has launched the "Lush Mountain Project" since 2017 as the food delivery industry's first action plan to focus on environmental protection. The "Lush Mountain Project" aims to promote the low-carbon society transformation through building a green and low-carbon consumption ecosystem in cooperation with the industry chain and consumers. We formulate short, medium, and long-term environmental goals and plans, and carry out environmental protection work through four modules, including "Green Packaging", "Low-carbon Ecology", "Green Tech" and "Green Charity". In 2024, continuing with our vision of "better life, better nature", we focused on developing low-carbon alternatives for our business on all platforms, further collaborating with all ecological partners for sustainable development, and exploring the way of harmonious coexistence between human and nature.

Green Packaging

We actively collaborate with industry associations, manufacturers, catering merchants, and research institutions to innovate green packaging solutions for food delivery. We also explore innovative and practical green packaging solutions that meet the needs of catering merchants. In collaboration with the China Packaging Federation and other industry associations, we established the "Working Group on Green Packaging Application in Food Delivery"[4], to develop the "Food Delivery Green Packaging Solution". Based on the green packaging solutions in 2023, the Working Group further completed the second phase of this project, launching green packaging solution for another 6 categories of dishes in 2024. By the end of 2024, we had facilitated the development and launched 43 green packaging products on the market, with a total of over 4.15 million pieces.

We actively participate in the establishment of green packaging standards for food delivery services. We are continuously working to improve the relevant standard system under the three defined major categories of green packaging. We guide the supply chain of the food delivery industry to produce in a standardised manner, thereby promoting the wider adoption of green packaging. By the end of 2024, we had cumulatively initiated or participated in the formulation of 11 national standards and association standards.

To continuously encourage merchants to use green packaging, we have launched the industry's first digital platform for green packaging in food delivery together with institutions such as the China Packaging Federation and the China Environmental Protection Foundation. This platform displays recommended products for green packaging and supports the release on relevant procurement and bidding information. We collaborated with Hong Kong Quality Assurance Agency in hosting the briefing session of the Hong Kong Green Tableware Platform, aiming to help top-notch green packaging suppliers from mainland China gain market insights from Hong Kong while providing catering merchants in Hong Kong with diversified green packaging choices. In addition, we collaborated with professional agencies in issuing the "2024 Recommended List for Green Packaging in Food Delivery". A total of 129 pieces of green products from 79 high-quality packaging manufacturers were selected into the list, including biodegradable plastic boxes, pulp-moulded boxes, transparent PP plastic boxes and paper straws, for reference and selection by catering merchants.

4 The "Working Group on Green Packaging Application in Food Delivery" aims to promote the research and development and design of green packaging through innovation and collaboration, advance its application in the food delivery industry, and roll out the "Green Packaging Solution" of 16 categories of dishes in three phases by 2025.

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To promote large-scale recycling of plastic take-out boxes, we work with professional organisations to investigate the challenges and suitable recycling methods under different scenarios. In 2024, we launched several projects with recycling enterprises, environmental protection organisations, and regulatory authorities for the large-scale recycling of plastic take-out boxes. These efforts include: (i) in collaboration with the China Environmental Protection Foundation, we released the "Directory of Large-scale Plastic Box Recycling Projects (Second Batch)" under the "Boxes Transformers" programme. A total of 10 new projects in 9 provinces were added to the directory, and 5 recycling demonstration bases were newly established. We sought to increase public awareness of "plastic take-out boxes are recyclable" by assisting recycling partners in promoting garbage sorting, installing recycling facilities for take-out boxes and establishing environmental education demonstration practices; (ii) we rolled out the "Low-carbon Space" project with recycling enterprises in Shanghai. By designating areas such as waste sorting rooms, waste collection area and low-carbon park, the project guided the public to participate in the sorting and recycling of food delivery packaging, use products made from recycled materials, and thereby enhancing the public awareness of waste sorting; (iii) in collaboration with the Plastic Recycling Division of CRRA and the China Environmental Protection Foundation, we developed "Take-out Box Recycling Map" to improve the informatisation and visualisation level of the industry; (iv) working with tea beverage brands and recycling enterprises, we launched the "Revival of Milk Tea Cups" campaign, encouraging consumers to tear off labels and drop off plastic milk tea cups to recycling stations, thereby promoting a full lifecycle green transformation of beverage cups. We continuously explore the effective method to integrate take-out boxes into urban waste recycling system and share our achievements across the industry. By the end of 2024, we had facilitated large-scale waste sorting and plastic box recycling projects in 22 cities of 20 provinces across the country. Approximately 29 thousand tonnes of take-out boxes had been recycled, making an increase of over 11 thousand tonnes compared to 2023.

We continuously expand the application of recycled products. Leveraging technologies such as "Low-carbon Polypropylene Fabric from Recycled Meal Boxes" and "Innovative Process for High-Value Recycling of Meal Boxes", supported by the "Green Tech Fund", we have introduced a number of eco-friendly products. These eco-friendly products include charity running vests and "Sub-3" capes for Shenzhen Marathon, and quick-drying T-shirts co-branded with Meituan. Additionally, we cooperated with a trendy toy brand in launching eco-friendly storage boxes that become popular among young consumers. Each box is made from 58 plastic take-out boxes through stages such as recycling, washing, reforming, and reprocessing.

Low-carbon Ecology

We promote the construction of a sustainable ecosystem involving “Merchants – Platform – Consumers”. We encourage merchants to practise sustainable operations through constraint and incentive mechanisms. We guide consumers to achieve sustainable consumption through product design and campaigns. We also collaborate with industry partners to develop tools and guidelines that promote the sustainable development of the food delivery industry.

- On the merchant side, we continue to operate the “merchant’s lush mountain profile” feature to encourage catering merchants to share their environmental protection practices with consumers. In addition, we pay close attention to promoting food saving. We incentivise catering merchants in a variety of ways to provide “Small-portion Dishes” and “Meal for One” dishes to consumers. By the end of 2024, there had been more than 9.22 million types of “Small-portion Dishes” provided by over 2.9 million merchants.

- On the consumer side, we advocate sustainable consumption. In the entire process of food ordering, consumers receive reminders such as “portion size” and “order proper portion” in the ordering interface. In addition, since 2017, we have utilised both online and offline resources, and cooperated with public welfare organisations, industry associations, merchants, and other relevant parties, to establish the “Meituan Food Delivery Environmental Protection Day”. The initiative includes a series of environmental protection advocacy activities, such as cutlery saving, waste sorting, food waste reduction, and wild animal protection. By the end of 2024, more than 490 million consumers had used the “no need for cutlery” feature while ordering, and the cumulative carbon reduction exceeded 330 thousand tonnes. We also partnered with the China Environmental Protection Foundation and external consulting firms to issue the Handbook on Green and Low-carbon Actions for Food Delivery Consumption, which details 13 green and low-carbon initiatives that provide consumers with guidance on green food delivery consumption.

- On the industry side, we actively promote sustainable operations in the Chinese catering industry. In 2024, together with the China Hospitality Association and the China National Food Industry Association, we released the group standard *Implementation Guide for Reducing Food Waste in the Catering Industry*. The standard serves as the first technical specification in the field of anti-food waste. Leveraging the leading role of our platform, we aim to comprehensively foster a good culture of “Practising Thrift and Opposing Waste” in the food delivery industry.

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Green Tech

In 2021, we launched the "Meituan Green Tech Fund", which mainly supports two areas: public welfare award for young scientists and demonstration projects of environmental science and technology innovations.

- We continue the "Meituan Green Tech Award" selection to encourage more young scientists to engage in scientific exploration and technological transformation in the green and low-carbon field. In 2024, the award focused on four major topics: green and low-carbon materials, carbon capture and resource utilisation, new energy and energy storage, and synchronous control of pollution reduction and carbon emissions, covering key research topics, such as material science, chemistry, chemical engineering, environmental science, and energy science. We rewarded each scientist with RMB1 million to encourage and support their research. By the end of 2024, a total of 29 winners had been awarded.

- We make steady efforts regarding the "Innovation China Meituan Green Tech Demonstration Project Grant", focusing on three major areas of technology, including green innovative packaging, green recycling, and green supply chain systems. The shortlist for the second phase of the "Innovation China Meituan Green Tech Demonstration Project Grant" was released in 2024. Projects on the shortlist are scheduled to deliver results within two years to contribute to the green innovation of the industry. By the end of 2024, the two phases of demonstration projects had supported 12 organisations with over RMB25 million, and leveraged industrial funds of nearly RMB200 million.

Green Charity

We leverage the platform's philanthropic influence and gather support from merchants, to collaboratively foster the ecosystem for environmental protection and public welfare. We encourage platform merchants to participate in public welfare projects to become "Lush Mountain Charitable Merchants". By the end of 2024, more than 1.6 million merchants had joined the "Lush Mountain Public Welfare Action".

In 2024, we carried out a series of environmental public welfare activities on different issues and participants, including: (i) we partnered with the China Environmental Protection Foundation to establish the "Lush Mountain Nature Guard Campaign". The campaign provides financial support to social organisations and scientific research institutions, implements nature-based solutions to carry out public welfare projects in conservation areas. Through the campaign, we aim to improve the ecological quality, enhance human adaptability to climate change, and foster harmony between human and nature. We invited representatives of charitable merchants to visit the "Daxiangling Panda Habitat Restoration Project" and the "Zhanjiang Mangrove Wetland Conservation and Habitat Enhancement Project" in 2024. The representatives visited the project sites as "eco-volunteers" to learn about ecological protection knowledge and experience ecological restoration work; (ii) in partnership with Society of Entrepreneurs and Ecology (SEE) Foundation, we launched the "Lush Mountain Public Welfare Clean Nature Campaign", supporting grassroots efforts, scientific enhancement, and cross-sectoral promotion of the zero-waste topic across urban, wildland, and marine environments. A total of 16 partner organisations participated in the initiative on the second phase of recruitment launched on National Ecology Day, August 15, 2024; and (iii) to promote environmental protection, we have launched the "Beautiful China, I Am a Doer – Lush Mountain Public Welfare Eco-environmental Volunteer Service Project", funding social organisations to promote ecological civilisation, disseminate eco-knowledge, and facilitate green practices in communities and schools, thereby raising public awareness of environmental responsibility. This project won the Gold Award at the 7th China Young Volunteer Service Project Award in December 2024. By the end of 2024, the project had covered 421 communities and schools across 39 cities, providing more than 90 thousand hours of volunteer service.

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Low-carbon Consumption Behaviours in the Bike and E-moped Sharing and Hotel Industry

We actively practice the green development, continuously encourage consumers to adopt low-carbon consumption behaviours.

For the bike and e-moped sharing businesses, we roll out varied material and intangible incentives to motivate consumers to adopt green travel, and participate in low-carbon public welfare initiatives such as the "Contribute to Carbon Reduction – Playground Environmental Protection Corner Programme/Carbon Quest Miraculous Space Program" through the carbon credits earned from riding. In 2024, our nationwide consumers reduced about 560 thousand tonnes[5] of carbon emissions through low-carbon riding. We supported "zero carbon operations" for major events such as the "8•15 National Ecology Day Beijing Promotional Activities" and the "Beijing Municipal Administrative Centre Green Development Forum", offering carbon reduction advice throughout event preparation and execution. By donating the carbon reduction credits from citizen's daily lives verified by the Beijing Carbon Inclusivity platform to offset greenhouse gas (GHG) emissions of such events, we supported the development of Beijing's carbon inclusivity initiatives. Furthermore, we actively engaged in the construction of carbon inclusivity platforms initiated by other local governments. Leveraging methodology across regions, we assist local governments in scientifically calculating the carbon reductions of bike and e-moped sharing consumers, crediting their personal contributions from green travel to respective carbon inclusivity platforms, thereby broadening the consumer base for green travel. In addition, we have always followed the principle of "3 Rs" – reduce, reuse, recycle in the production, operation, and disposal of Meituan bikes and e-mopeds. By doing so, we promote the effective reuse of the parts from the bikes and e-mopeds. In 2024, Meituan bikes and e-mopeds were certified as "carbon-negative" products in the full lifecycle for the second time.

In the hotel business, we proactively follow the group standards of the *ESG Management System Requirements for the Accommodation Industry* and the *ESG Evaluation Guidelines for Enterprises in the Accommodation Industry*. By embracing the concept of sustainability management in the industry while considering our hotel business characteristics, we launched the innovative "Low-carbon Hotel Stay" initiative in 2024. When booking hotels, consumers can select the "no disposable supplies" option. For each order under the "Low-carbon Hotel Stay" initiative, carbon emissions can be reduced by 203.2 grams.

[5] Data calculated according to the carbon emission calculating methodology in the *Report on Bike-sharing Contribution to Pollution and Carbon Reduction* issued by the Environmental Development Centre of the Ministry of Ecology and Environment and the China Environmental United Certification Centre.

Climate Change Action

Against the backdrop of global efforts to address climate change and enhance climate governance, we have prioritised "continuously strengthening the assessment and responses to risks related to climate change" as one of our key tasks. This year, with reference to the section of "Climate-related Disclosure" under Part D of the *Environmental, Social and Governance Reporting Code* of the Stock Exchange of Hong Kong Limited and other standards and guidelines, we continued to strengthen our climate governance and risk management capability, and launched a carbon inventory covering Scope 3 emissions.

Governance

We have integrated climate-related supervision and management into our three-tier ESG structure[6] of "Governance – Management – Execution". The Audit Committee is responsible for overseeing the Company's overall strategy and practices in addressing climate change. It receives a report annually on the assessment results of climate risks and opportunities, response strategies, goal setting and progress, and then puts forward suggestions for improvement. Our ESG Governance Team is responsible for planning and guiding relevant departments at the executive level to participate in climate-related work. We prioritise enhancing employees' understanding of climate change-related matters at all levels. In 2024, the Company offered Board training on climate change to help the governance team integrate climate factors into the decision-making of risk management.

We have set energy-saving targets and included climate-related KPIs in team performance evaluations, such as the effectiveness of workplace energy-saving measures, warehouse energy consumption, and logistics vehicle loading rate.

Strategies

We focus on eight key climate risks and opportunities, assessing their management performance based on industry trends. With inputs from external experts, we analyse the impact of climate change over short-, medium-, and long-term periods. This year, by taking into account external trends and internal business development, we further sorted out the impact of key climate risks and opportunities on the Company's business model and value chain in different periods. For the identified climate risks and opportunities, we have formulated and implemented corresponding risk management and opportunity capturing measures.

6 For more information about our three-tier ESG governance structure, please refer to the chapter of "Our Values and ESG Management" in this report.

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Climate-related risk Physical risks	Category	Potential impacts	Impact period[7]	Major risk mitigation measures
Increasingly frequent extreme weather events, such as hurricanes and floods	Acute physical risks	Extreme climate hazards such as severe precipitation, floods, and typhoons can result in asset losses and disruptions in service fulfilment. Moreover, these hazards can also damage infrastructure, thereby affecting the overall efficiency of the value chain.	Short, medium, and long term	In daily operations, set up a standardised emergency management system for extreme weather events to take corresponding management measures in a timely manner. Prior to an event, use the "Weather Forewarning System" to issue weather forewarning to employees and partners across the country. Stock up emergency supplies and reinforce protective facilities for workplaces or premises in regions vulnerable to extreme climate hazards, and purchase commercial insurance for assets that are susceptible to extreme climate hazards. Integrate extreme weather response knowledge into the regular training, and regularly provide special trainings for employees and couriers. During the event, adjust the response level according to the weather conditions, and promptly initiate various support measures to help the affected employees and partners based on the actual disruptions occurred in workplaces and business operations. After the event, conduct timely and comprehensive assessment of the damage, and orderly restore workplace and business operations.

7 By referencing extensive external information and considering the Company's business operations, we have defined the time frames for the impacts of climate risks and opportunities as follows: (i) short-term: within 1 year (inclusive) after the end of the reporting period; (ii) medium-term: 1 to 5 years (inclusive) after the end of the reporting period; and (iii) long-term: more than 5 years after the end of the reporting period.

Physical risks	Category	Potential impacts	Impact period[7]	Major risk mitigation measures
Rising average temperature	Chronic physical risks	Persistent heat waves may pose challenges to control the quality of fresh food and other perishable goods throughout stages such as storage, cold chain logistics, and delivery. This may also lower consumer satisfaction.	Short, medium, and long term	Optimise supply chain infrastructure and reduce product loss by strengthening the construction of cold storage, flexibly deploying mobile cold storage, and enhancing temperature management during storage and transportation. Establish comprehensive standards for the entire workflow of cold chain operations, covering operational procedures, control mechanisms, and product quality management to ensure consistent quality management throughout the logistics and transportation process for fresh goods. For more information, please refer to the chapter of “Environmental Management of Retail Businesses” in this report.

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Transition risks	Category	Potential impacts	Impact period	Major risk mitigation measures
Tightening climate-related disclosure requirements	Policy and legal risks	The tightening of climate-related policies has led to increasingly stringent compliance requirements for related data management and information disclosure, which requires enterprises to enhance data and statistics management capabilities, hire additional industry experts, etc., resulting in potential management costs. Failure to do so can lead to compliance and disclosure risks.	Short, medium, and long term	Actively build a professional team, learn from industry experts, establish and improve the data management system, and continuously track and understand the latest updates in climate-related disclosure standards to steadily improve climate-related disclosure performance and enhance the ability to manage and control climate risks and identify opportunities.
Mandatory regulation on existing goods and services	Market risks	Due to national or regional regulatory policies, such as plastic restriction, waste sorting, and gasoline & diesel truck restriction, our key businesses are required to meet higher environmental protection requirements in the provision of goods and services. Failure to adjust goods and services in a timely manner in accordance with regulatory requirements can result in value chain compliance risks.	Short, medium, and long term	Promptly identify and interpret major national, provincial and municipal climate-related policies, including plastic restrictions, waste sorting, and gasoline & diesel truck restrictions, and assess their impacts. Evaluate substitute green plastic materials to ensure compliance with national and regional requirements, categorise solid waste and identify recyclable waste to reduce disposal costs, and expand high-quality cooperation channels for new energy vehicle leasing and purchasing. In 2024, the proportion of new energy vehicles in our fleet increased significantly compared to 2023.

Climate-related opportunities

Opportunities	Category	Potential impacts	Impact period	Actions to seize opportunity
Recycling of packaging and other materials	Resource efficiency	Increase the use of reusable packaging materials to improve resource efficiency. Support the development and industrialisation of green packaging R&D projects to create a greener and more efficient value chain.	Short, medium, and long term	Continuously increase the use of reusable packaging materials, such as containers, in retail and other key businesses. Through the delivery network, enable the full-cycle recycling of reusable packaging materials from upstream merchants to downstream sales. Launch the “Lush Mountain Project” to promote the use of green packaging materials across the entire food delivery industry. For more information, please refer to the chapter of “Environmental Protection Action in the Food Delivery Industry” in this report.
Active exploration of innovative voluntary emissions reduction mechanisms	Exploration of innovative voluntary emissions reduction mechanisms	Actively explore the diversified application of “Carbon Inclusion” programme, and motivate consumers to choose low-carbon and green travel modes to enhance consumers’ loyalty.	Medium and long term	Promote the concept of green travel and environmental protection, scientifically quantify the carbon emissions reductions of consumers, and actively participate in piloting carbon inclusion platforms in provincial and municipal governments. For more information, please refer to the chapter of “Low-carbon Consumption Behaviours in the Bike and E-moped Sharing and Hotel Industry” in this report.

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Opportunities	Category	Potential impacts	Impact period	Actions to seize opportunity
Shifts in consumer preferences	Goods and services	As the government continuously advocates the concept of green consumption, more Chinese consumers are willing to purchase green and low-carbon goods and services.	Short, medium, and long term	Meituan Food Delivery cooperates with merchants in expanding the supply of "Small-portion Dishes" and other dish categories, and reminds consumers to "order proper portion" and "no need for cutlery". Meituan bikes and e-mopeds continue exploring measures to reduce the carbon footprint from bike production and operation, and have been certified by China Communications (Beijing) Transportation Product Certification Centre as full lifecycle carbon-negative product.
Office buildings with lower energy consumption	Resilience	Construct office buildings that meet national and international leading green building standards, and plan for ongoing management of energy efficiency and other green aspects in office and operating spaces to increase climate resilience.	Medium and long term	Apply the green building concepts of safety, durability, and liveability throughout the site selection, design, and construction processes. Benchmark against green building standards in terms of water conservation, energy efficiency, and renewable energy utilisation.

Climate Resilience

To further understand and assess the potential impacts of climate risks, we have initiated scenario analysis, selecting publicly available scenarios outlined in the *Implementation Guidance for Climate Disclosures under the HKEX ESG reporting framework*. We prioritise scenario analysis on physical risks that have broader potential impacts, higher data availability of external parameters and more precise[8] internal business forecast data, to understand the potential impacts of climate-related physical risks on our business and operations under different climate scenarios, continuously enhancing our climate resilience.

We adopt the SSP1-2.6[9] and SSP5-8.5[10] scenarios from the Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC), and selected year 2025, 2030, and 2050 as our time horizons. By integrating internal data, we build a climate scenario model for analysis. The results indicate that over time, the frequency and intensity of extreme weather events will continue to rise under both scenarios, along with an increase in average temperature. The changes are more dramatic under the high-emission scenario, presenting potential impacts on our relevant assets and business operations across the selected time horizons. In response to the impacts of extreme weather events such as severe precipitation, floods, and typhoons on our assets and service fulfilment, we have established a comprehensive risk management mechanism covering event prevention, response, and recovery. Additionally, we have secured insurance coverage for vulnerable assets to effectively reduce the overall risk levels. Regarding the potential quality risks posed by persistent heat waves to fresh goods in storage, cold chain logistics, and delivery, we have formulated guidelines for refrigerant usage and cooling facilities to manage these risks effectively.

Meanwhile, we recognise uncertainties of the frequency and intensity of physical risks in the future. In the long term, extreme weather events and rising average temperature may affect our business operations, asset security and personnel safety. We will regularly refine our climate scenario analysis and consistently improve our risk mitigation measures, to build a more climate-resilient management system.

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8 We consider the existing mitigation measures for climate-related physical risks and assume that these measures remain unchanged to assess the impacts of climate risks over different time horizons.

9 IPCC SSP1-2.6 Low Greenhouse Gas Emission Scenario: the world takes proactive climate actions, achieves a low-carbon transition and limits global warming to within 2°C (above pre-industrial levels). The frequency and intensity of extreme weather events, and the rising average temperature increase but at a relatively moderate rate.

10 IPCC SSP5-8.5 Very High Greenhouse Gas Emission Scenario: global greenhouse gas emissions remain uncontrolled, with economic development relying heavily on fossil fuels, leading to high carbon emissions and severe climate change. The frequency and intensity of extreme weather events, and the rising average temperature increase significantly.

Risk Management

This year, under the oversight of the governance team and the guidance from the management team, we refined our annual process for identifying and assessing climate risks and opportunities. Specifically, (i) risk identification: guided by the climate risks and opportunities analysing framework recommended by Task Force on Climate-related Financial Disclosure, as well as industry practices, we conducted industry analysis and developed a reference list of potential climate risks and opportunities. Considering the characteristics of our core businesses, we leveraged internal discussions and expert consultations to pinpoint key climate risks and opportunities from both business and company perspectives; (ii) risk assessment: through focused workshops, we gathered insights and current management practices from management of key functional and business units on climate risks and opportunities, to derive the impacts of climate change on our business models and the value chain. In 2024, we utilised scenario analysis for the first time to evaluate the impact of physical risks, which have broader potential impacts, on our business strategies and financial planning across various climate scenarios; and (iii) risk mitigation: based on the assessment results, we evaluated the adequacy of resource allocation, the effectiveness of mitigation measures, and the feasibility of transition plans and integrated climate risk management into the Company's overall risk management and prioritisation frameworks.

Environmental Targets

We set environmental targets based on our previous environmental performances and the characteristics of our own operations, as described below:

Environmental targets	2024 progress of the environmental targets
Starting from 2022, waste sorting in all headquarter offices will be conducted.	Waste sorting was implemented in all headquarter offices in 2024.
Starting from 2022, electronic waste generated in all headquarter offices will be 100% treated for harmless disposal.	Electronic waste generated in all headquarter offices was 100% treated for harmless disposal in 2024.
Starting from 2022, all offices will stop using fluorescent tubes in all newly renovated or entirely replaced lighting systems.	All newly renovated or entirely replaced lighting systems in our offices did not use fluorescent tubes in 2024.
Using running water consumption per employee in 2021 as a benchmark, by the end of 2026, running water consumption per employee in headquarter offices will be reduced by 8%.	In pursuit of the target. We have promoted water saving in the workplace by installing water saving sanitary ware and advocating water saving awareness.
Using total energy consumption per employee in 2021 as a benchmark, by the end of 2026, total energy consumption per employee in headquarter offices will be reduced by 8%.	In pursuit of the target. We have promoted workplace energy conservation by strengthening the management of electrical equipment, exploring energy-saving technologies, and promoting energy-saving awareness.

Our GHG emissions are mainly generated from the energy consumption of our operations. Since the energy efficiency target has already been set, we did not set a separate GHG emissions reduction target this year. For more information on initiatives to achieve our environmental targets, please refer to the chapter of "Green Workplace" in this report.

Environmental Performance Indicators

Below are the key environmental performance indicators of the Company. The scope of these includes headquarter offices, regional sales offices, warehouses and service stations. Currently, the Company does not have a self-owned data centre and the values of the emissions, the resource and energy consumption of the leased data centres are not included in the scope.

"Headquarter (HQ) offices" include headquarter workplaces located in Beijing, Shanghai and Chengdu, and call centre workplaces with functions such as customer services and telemarketing. The headquarter workplaces mainly include our Beijing Hengdian office and the surrounding workplaces, Rongxin, Dingcheng, and the Hulianbaodi office in Shanghai. The call centre workplaces are mainly located in Shijiazhuang, Yangzhou, Wuhan, Luoyang, Chengdu and Xi'an.

"Regional sales offices" refer to offices used by sales personnel and other supporting personnel. They are mainly distributed in 22 provinces, 5 autonomous regions, 4 municipalities in Mainland China, and the Hong Kong Special Administrative Region.

"Warehouses and service stations" refer to the main warehouses and stations used for the business units of Meituan Select, B2B food distribution ("**Kuailv**"), Xiaoxiang Supermarket, and Bike and E-moped Sharing.

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Emissions[11,12,13,14]

HQ offices	**2024**
Total GHG emissions (tonnes)	24,845.66
GHG emissions per employee (tonnes per employee)	0.39
Total hazardous waste (tonnes)	22.86
Hazardous waste per employee (tonnes per employee)	0.00
Total non-hazardous waste (tonnes)	5,553.27
Non-hazardous waste per employee (tonnes per employee)	0.09

Regional sales offices	**2024**
Total GHG emissions (tonnes)	8,237.25
GHG emissions per employee (tonnes per employee)	0.16
Total hazardous waste (tonnes)	7.75
Hazardous waste per employee (tonnes per employee)	0.00
Total non-hazardous waste (tonnes)	4,496.60
Non-hazardous waste per employee (tonnes per employee)	0.09

Warehouses and service stations	**2024**
Total GHG emissions (tonnes)	231,271.32

11 Due to the Company's business nature, the primary emissions of the Company are GHG emissions, arising from the use of gasoline and electricity generated from fossil fuels.

12 GHG emissions include carbon dioxide, methane, and nitrous oxide. GHG emissions data is presented in carbon dioxide equivalent. The Scope 1 emissions are calculated in accordance with the *General Rules for Calculation of the Comprehensive Energy Consumption (GB/T 2589-2020)* and the *2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventory* issued by IPCC; the Scope 2 emissions are calculated based on the national average carbon dioxide emission factor for electricity of the *Announcement on the Release of the Electricity Carbon Dioxide Emission Factor for 2022* issued by the Ministry of Ecology and Environment. In 2024, the Scope 1 and Scope 2 emissions of the Company were 78.29 tonnes and 264,275.94 tonnes respectively.

13 The Company's hazardous waste mainly contains waste lead-acid batteries, waste fluorescent tubes, toner cartridges and ink cartridges from offices, which are disposed by qualified institutions. In 2024, the actual hazardous waste per employee in the HQ offices was 0.0004 tonnes, and the actual hazardous waste per employee in regional sales offices was 0.0001 tonnes. The data listed in the table above is rounded to two decimal places.

14 The Company's non-hazardous waste mainly includes domestic waste and waste electronic equipment from various types of offices. Domestic waste mainly includes office waste, which is handled by the property management companies, and we calculate such waste according to the *First National Census on Pollution Sources – Manual for Waste Generation and Discharge Coefficients in Urban Households* published by the State Council of the PRC. Waste electronic equipment is handed to professional institutions for harmless disposal and recycling.

Energy and Resources Consumption[15,16,17]

HQ offices	**2024**
Total energy consumption (MWh)	46,462.01
Energy consumption per employee (MWh per employee)	0.74
Running water consumption (tonnes)	407,895.11
Running water consumption per employee (tonnes per employee)	6.56

Regional sales offices	**2024**
Total energy consumption (MWh)	15,350.81
Energy consumption per employee (MWh per employee)	0.31
Running water consumption (tonnes)	74,265.92
Running water consumption per employee (tonnes per employee)	3.46

Warehouses and service stations	**2024**
Total energy consumption (MWh)	430,993.90
Running water consumption (tonnes)	2,499,570.98

15 Total energy consumption includes electricity and gasoline consumption. Electricity expense of some offices, warehouses and service stations are included in property management fees. Electricity consumption of such places cannot be counted separately and is not included in the total energy consumption. Gasoline consumption is calculated with reference to the coefficients in the *General Rules for Calculation of the Comprehensive Energy Consumption (GB/T 2589-2020)*. In 2024, the gasoline consumption is 305.89 MWh.

16 The water resources used by the Company come from municipal water supply and there were no concerns in sourcing water. Water fees of some offices, warehouses and service stations are included in property management fees. Water consumption of such places cannot be counted separately and is not included in the running water consumption.

17 The Company's core businesses do not directly produce finished products, therefore the Key Performance Indicator A2.5 – Total packaging material used for finished products with reference to per unit produced is not applicable to the Company.

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EMPLOYMENT MANAGEMENT

Employees are one of the most vital assets of the Company. We strive to build a comfortable and harmonious working environment through implementing equal employment policies, protecting employees' rights, providing competitive compensation and benefits that match employees' capabilities, as well as ensuring sufficient learning resources and opportunities for employees. For more information, please refer to the chapter of "Management Discussion and Analysis – Employees" in this annual report.

Employment and Labour Standards

We abide by the *Labour Law of the People's Republic of China*, the *Labour Contract Law of the People's Republic of China*, the *Social Insurance Law of the People's Republic of China*, the *Law of the People's Republic of China on the Protection of Women's Rights and Interests*, the *Provisions on Prohibition of Child Labour*, and relevant laws and regulations in regions where we operate to safeguard employees' legitimate rights and prevent child labour and forced labour. We have established internal policies to standardise management in recruitment, departure, compensation, benefits, performance review, and promotion, as described below.

Recruitment and Departure Management

We recruit candidates who best match the positions. We treat everyone equally to ensure that admission and development opportunities are accessible to all. We have formulated internal policies such as the Employee Recruitment and Selection Policy and the Interviewer Management Specifications to clarify the code of conduct for the recruitment process and the penalties for possible violations such as discrimination.

We continuously strengthen our talent recruitment and expand our talent pool by standardising the recruitment and interview process, diversifying talent recruitment channels, and strengthening talent planning to attract individuals aligned with our development directions:

- Standardising the recruitment and interview process: we ensure job descriptions are free from discriminatory language or statements that violate equal opportunity principles. We organise recruitment trainings and conduct regular reviews to optimise the recruitment process and ensure the implementation of our equality and diversity policies. We set up the follow-up and tracking process and provide feedback mechanism for candidates. We will revoke the interview authorisation of any interviewer who violates related policies and negatively affects candidates' experience.

- Diversifying talent recruitment channels: we attach great importance to campus recruitment. Through online and offline channels such as seminars, live streaming and mock interviews, we offer students visiting tours and career advice. We promote internal hires by establishing the position rotation and transfer mechanism to assist employees in selecting career paths that match their interests.

- Strengthening talent planning and reserve: we regularly analyse our talent structure, undertake annual talent reviews, analyse human capital data, and focus on the talent structure and efficiency of each position. We implement effective training and appointment mechanisms and engage with the management on critical appointments and succession planning for key positions. We continue hosting the "Beidou Program" to recruit professional talents who specialised in emerging technologies, such as autonomous delivery vehicles, drones, big model inference, and machine learning from universities around the world, ensuring excellent human resources. For AI-related social recruitment positions, we have established recruitment procedures suitable for professional insight exchanges to create a good interview environment.

We comply with relevant laws and regulations, and communicate with employees adequately in case of employee departure. We have formulated the Employee Departure Policy, a standard procedure to protect employees' rights and interests on departure.

Labour Standards

We have formulated the Attendance Management Policy and the Integrity Workplace Code of Conduct to safeguard our employees' legitimate rights and interests. We verify the identification documents of all candidates during the recruitment process to prevent the employment of child labour. Since the establishment of the Company, there has been no illegal employment incidents, such as child labour. We respect the willingness of employees at all stages of employment, avoiding forced labour. We have formulated internal management policies following the requirements of relevant laws and regulations, specifying the remedial measures that should be implemented in case of child labour and forced labour.

Compensation and Benefits

We offer competitive salaries to all employees. We conduct annual market benchmarking[18] to ensure salary competitiveness, so as to attract, motivate, and retain top-tier talents. Following the principle of equal pay, we monitor the gender pay gap on a regular basis. In 2024, the mean gender pay gap of salary between male and female employees was less than 1.5% for full-time employees.

We foster a high-performance culture by providing performance-based incentives, encouraging employees to consistently strive for excellence and reach their full potential. We grant shares to employees in key positions and those who have contributed to the Company's long-term development, motivating them to continue creating value for the Company and our clients.

We provide social insurance and housing fund for employees in accordance with relevant laws and regulations. We offer commercial insurance in different categories, including accident, life, and supplementary medical insurance, as well as various subsidies. We also established a kind fund, which includes support categories such as kind loans, critical illness care, death grants, special occasions solatium, and emergency fund, to help employees and their families in need.

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[18] The benchmarking dimensions include macroeconomic indicators such as Gross Domestic Product at city level, average social wage levels, per capita disposable income, total retail sales of consumer goods, and house rental costs.

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Performance and Promotion

We have established a performance and position ranking management system, supported by policies such as the Performance Management Policy and the Position Ranking Management Policy, to standardise goal management, performance evaluation, feedback communication, and promotion reviews.

We attach importance to developing goal management skills for our employees. Driven by team goals, we clarify individual's annual milestones, and conduct monthly or quarterly evaluation to ensure the effectiveness of the team goals. The team goals are further broken down into individual goals and assigned to employees. Employees discuss their progress, challenges and goal adjustments with their manager in one-on-one meetings.

We tailor performance evaluation methods to different positions. For sales and customer service personnel focused on short-term goals, we conduct monthly or quarterly evaluations to align with their performance cycles. For R&D and functional personnel, a comprehensive annual evaluation is conducted to guide them in focusing on long-term development. For the management, annual 360-degree performance evaluations are conducted to collect feedback from subordinates and partners on different dimensions. We value timely and effective performance feedback. We require managers to communicate with employees on evaluation results and follow up their feedback in a timely manner.

We evaluate the employees' promotion based on the performance contribution, leadership, and professional competence. Employees with outstanding contributions are offered fast-track promotions. Prior to the evaluation, employees can participate in trainings to understand the criteria and processes. During the evaluation process, we have established an internal supervision mechanism for the promotion evaluation. Employees can make suggestions regarding their promotion or report any violations.

Work-life Balance

We have formulated the Attendance Management Policy, the Holiday Management Policy, and other policies to manage working hours while maintaining appropriate flexibility.

We offer facilities including gyms, libraries and nursing rooms, and distribute gifts to employees at festivals, such as Spring Festival, Mid-autumn Festival, as well as on important occasions, such as marriages, births and work anniversaries to continuously enhance employees' sense of well-being. We encourage employees to actively take part in recreation and sports activities by organising more than 50 social clubs across the country to enrich their spare time.

We respect the rights to take leave for all our employees. We provide paid annual leave, various welfare leaves, fully paid sick and parental leave, and extend the marital leave, maternity leave, and paternity leave for our employees. We also explore a flexible operation and management model for some business scenarios, offering work-from-home solutions to promote blended working options among more employees.

We make great efforts to improve the employee experience by collecting and analysing employees' annual satisfaction survey through questionnaires and face-to-face communication. In 2024, we conducted the "Heart-Warming Group" user survey for all employees to understand their sense of identity with the Company and their expectations. Meanwhile, we collect and assess employee experience on topics such as "onboarding experience" and "working environment" by conducting annual employee experience index survey with reference to the calculation method of Net Promoter Score (NPS)[19].

Communication and Open Management

We provide a variety of communication channels for employees to create an open and equal working environment. In 2024, we integrated the HR helpdesk services, allowing employees to access a one-stop platform to raise inquires, provide feedback on their needs, and express their opinions. This effort improved the flow of information and responsiveness to needs, fostering a positive and supportive workplace. We value ongoing communication between employees and the management. Through face-to-face communication and group meetings, we help the management listen to employees' suggestions and answer questions. We also clarify matters of general concern to employees through the official WeChat account and face-to-face communication.

We provide employees with unimpeded channels for complaints and reports. If an employee disagrees with the performance evaluation or promotion results, or identifies a suspected violation of Integrity Workplace Code of Conduct such as harassment and discrimination, the employee may submit formal complaints or reports through channels such as the Integrity Workplace Reporting e-mail address and the reporting platform. We also provide anonymous reporting options to protect whistle-blowers' privacy. Our HR helpdesk is equipped with an automatic keyword-triggered response mechanism. When receiving an employee complaint, the HR helpdesk notifies the appropriate department to handle the complaint according to the complaint category and inform the employee of the handling result. During employee onboarding, we conduct Integrity Workplace Training, as well as introductions for the reporting mechanism and channels. In 2024, the training covered all newly recruited employees.

We have victim remedy procedures in place to ensure that employees' complaints or reports are handled promptly and fairly. Upon receiving a report, we will promptly initiate an investigation procedure conducted by independent compliance and human resource teams. If the misconduct such as harassment and discrimination is confirmed, we will take disciplinary measures, adjust the victim's work arrangements and provide psychological counselling and legal support to victims as needed, ensuring a safe and comfortable working environment.

We have introduced the Measures for Releasing Institutional Policies and an internal platform for policy release to implement open management and communication. Before officially releasing significant policies that directly impact employee interests, we conduct survey interviews with employees to listen to their opinions and suggestions, ensuring their rights and interests are sufficiently protected.

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19 Net Promoter Score (NPS): a measure of the extent to which employees would recommend the Company to others for a job.

Occupational Health and Safety

We abide by the *Work Safety Law of the People's Republic of China*, the *Fire Protection Law of the People's Republic of China* and other laws and regulations to provide a safe working environment for our employees.

We have formulated policies, such as the Administrative Measures for Access Control of Office Areas and the Fire Safety Management Policy of Meituan to constantly improve our workplace safety management system. We have obtained the ISO 45001 occupational health and safety management system certification in some of the workplaces and maintained the validity of the certification through annual follow-up audits. In accordance with the requirements of the certification standards, we have set up the workplace risk assessment mechanism and internal audit standards to perform safety audits. The audits cover different aspects including the identification of occupational health and safety risk factors, as well as the effectiveness of risk management. Based on the audit results and fields of improvement, we establish safety operation performance evaluation indicators such as safety inspection completion rate and on-time rectification rate of safety hazard. We urge the prioritization and implementation of key improvements, and monitor the achievement of these evaluation indicators.

We take a variety of measures to ensure workplace safety, including: (i) we refine safety management standards in workplace through formulating operating manuals and guidance documents, and arranging standard operating process to standardise safety requirements; (ii) we enhance system application by establishing workplace security systems and security operation centres, integrating emergency supplies and personnel information, and providing 24-hour response to urgent security needs. Workplaces are equipped with early warning systems and fire safety assessments are conducted regularly; (iii) we develop data visualisation capabilities to identify, evaluate, and quantify security risks, enabling us to monitor risk levels online, generate real-time risk maps, and prioritise the management and control of high-risk areas; (iv) we organise safety training and emergency drills on a regular basis, release publicity materials on workplace safety according to major events and seasonal safety characteristics. We also organise activities such as Work Safety Month and Fire Safety Month, and complete in-person safety knowledge promotions, first aid training and fire drills in all of our workplaces to raise employees' safety awareness; and (v) we set emergency handling process, providing detailed alarm labels and standard handling specifications to deal with employee safety accidents in a timely and compliant manner.

We continually strengthen the safety protection capabilities of frontline employees in positions such as sales and warehouse management to reduce the probability of safety accidents in high-risk work scenarios and the harm from occupational diseases through multi-level protection practices, including: (i) we formulate safety rules and requirements for work scenarios involving field operations, discover and actively rectify safety hazards through morning meetings and routine inspections; (ii) we specify the standards of safe operation in warehouses and standardise the use of warehouse equipment; (iii) we strengthen the safety awareness of sales employees, notify employees safety precautions while adding reflective strips to the employees' electric vehicles to reduce the probability of traffic accidents; and (iv) we hire professional physical and mental health service agencies to evaluate employees' mental health, and conduct professional training to improve their mental stability.

In addition, we provide various services and organise activities to improve employees' physical and mental health, including: (i) we monitor air and drinking water quality, as well as lighting and noise conditions in our workplace, to provide a comfortable working environment for our employees; (ii) we provide employees with online consultation, annual physical examinations, and supplementary medical reports interpretations, and continue to expand the coverage of activities such as workplace health days and vaccinations; (iii) we organise a series of "Healthy Lecture" and "Healthy Life" seminars and activities to share health knowledge, and set health stations in some workplaces to provide health consultation services and basic medicines to employees; (iv) we organise special health training programmes, such as the "Healthy Weight Loss Camp", the "Cloud Sleeping Camp", the "Smoking Cessation Camp" and the "Psychological Resilience Training Camp" to guide employees in enhancing physical conditions and relieving work stress; and (v) we host an employee assistance programme and partner with external organisations to offer mental health hotline, host regular mental health training sessions, and introduce a new complimentary mental health and stress assessment service. Moreover, we carry out the "Heart-Warming Classes" mental care programme, and organise internal mental health related activities focusing on themes such as "Mental Growth" and "Positive Psychology".

We are committed to facilitating our employees in the workplace by installing barrier-free facilities to ensure that those with mobility impairments due to injuries or illnesses can work safely and comfortably.

Employee Training and Development

Emphasising the concept of "truth-seeking and being practical" and focusing on "talent development", "cultural heritage" and "knowledge management", we have set up a learning and development department for all employees to create a talent development system that aligns with industry trends and represents our company characteristics. We continuously improve the training management mechanism, and standardise the planning, implementation and management of training contents. We appoint the Company's experienced employees from different professional fields as training experts and cooperate with external agencies to introduce learning resources to help employees enrich their knowledge about the industry and broaden their horizons. We highly value the learning experience and development of all employees and business partners. We conduct online and offline courses, as well as practical activities to provide systematic training resources matching different job titles, career stages, and positions of employees.

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Professional Competence and Leadership Development

We offer diversified learning programs for employees across various business and functional departments. Depending on the working scenarios and learning demands, we develop customised learning programmes, standardised learning products and personalised learning programmes for all employees, such as:

- We pay attention to cultivating the professional skills of newly recruited employees, guiding them to better integrate into the workplace: (i) for campus recruitment, we provide the "Sprout Campus Recruitment" training programme, covering topics such as company culture, management policies and business capabilities, to help the recruits master job skills, and effectively adapt to the workplace atmosphere and quickly become part of their team. In 2024, the "Sprout Campus Recruitment" training programme covered 3,085 newly recruited campus employees; (ii) for social recruitment, we provide a dedicated "Sprout Social Recruitment" training programme, offering appropriate professional competence training based on employees' previous experience to enhance the integration efficiency. In 2024, the "Sprout Social Recruitment" training programme covered 5,924 newly recruited social employees; and (iii) for senior managers who have joined the Company within one year through social recruitment, we host a customised "Tree Planting Plan", including various learning support, such as one-on-one learning peers and exchange activities, helping them to understand the Company's business, discover diversified perspectives, and formulate personal growth paths to accelerate integration. In 2024, this programme covered all newly recruited senior managers.

- We continuously enhance the professional quality and ability of employees, focusing on professional skill trainings based on workplace scenarios: (i) for technical personnel, we organise a dedicated learning space on big model, launch the "AIGC Hackathon Contest", and carry out a series of "AIGC Hack Show" empowering activities targeted at technical employees. These efforts are aimed at promoting more insight exchanges and learning among employees in AI application. In 2024, the number of participants in the "AIGC Hack Show" programme reached 5,966; (ii) for sales personnel, we continuously strengthen the essential knowledge and skills of frontline sales personnel, helping them become familiar with sales service process. We conduct training programmes such as "Enhancement of Professional Competence for Core Local Commerce Sales Personnel" and "Freshmen Training for Kuailv Sales Team" based on the current capabilities of different sales positions. By implementing differentiated competency enhancement strategies, we ensure our sales personnel adapt to business adjustments quickly, accelerating the efficiency of newcomers' onboarding and business competence. In 2024, the "Enhancement of Professional Competence for Core Local Commerce Sales Personnel" programme attracted a total of 49,836 participation instances, while the "Freshmen Training for Kuailv Sales Team" programme cultivated over 2,000 newly recruited sales employees; (iii) for quality control personnel, we have designed and established a professional development learning system for on-the-job employees. By standardising job skills, we aim to enhance their theoretical knowledge of quality inspection and practical skills, thereby contributing to the improvement of the quality control professional competence and providing consumers with higher-quality goods; and (iv) for customer service personnel, we launch the training project to shorten the maturity cycle of new employees. With "five-star satisfaction" as the training objective, the training system was established to realise features such as simulated training and curriculum reforms with intelligent assistants, thereby enhancing the service quality and business skills of new frontline customer service employees.

- We aim to assist different levels of management in improving their management skills, including target management, employee coaching, and talent review, through customised management training lessons: (i) leadership training system: for junior management, we provide the "New Tree Plan" to clarify the development direction and meet the management challenges of their current role. For middle management, through case studies and mutual coaching, we provide the "Shade Tree Plan" to help them obtain systematic knowledge about the core concepts, tools, and potential problems in terms of manager selection and coaching, team building, effective authorisation and horizontal cooperation. For senior management, we provide the "Prosperity Plan" to help break through the limitations of thinking and communication, and establish multiple perspectives through pre-training online learning, offline training and post-training feedback follow-up; and (ii) succession planning for key positions: we establish a talent pool system and a development programme for key management positions. For management talents at the same level, we establish a unified talent profile, curriculum system, and evaluation model to comprehensively cultivate high-potential successors. Particularly, for the retail business, we initiate the "North Star Plan". By establishing job competency requirements and training standards, we effectively identify, assess, and cultivate high-potential management. This plan aims to enhance the management's capacities toward logistics and merchandise management, fostering future leaders in the retail sector.

School-enterprise Joint Training Programmes

We continuously carry out school-enterprise cooperation and promote close collaboration with universities and research institutions, including: (i) we partner with Tsinghua University to develop a series of "Listen, Speak, Read, Write, and Think" programmes, which are pushed out to all employees monthly with learning resources and activities to enhance the professional quality of employees. By the end of 2024, more than 40,000 employees had studied the programmes; (ii) we organise a series of events such as "Expert Sharing on Teacher's Day" and "Psychology Expert Sharing" events for all employees, inviting experts from universities to assist employees in comprehending and applying a growth mindset, broadening their professional perspective in psychology, and fostering a healthy mindset in the workplace through online live broadcasts; (iii) we host the "Business Analysis Elite Contest" for students from colleges and universities across the globe, attracting tens of thousands of students from thousands of colleges and universities to participate in. The contest provides high-quality opportunities for exchange and learning to students with great potential in business analysis; and (iv) we organise the second "Low-altitude Economy Intelligent Flight Management Challenge" jointly with the Tsinghua Shenzhen International Graduate School, which is open to university students from both China and abroad, aiming to cultivate talents for the development of the low-altitude economy. The contest attracted 345 students across 74 colleges and universities in China and abroad.

Employment Management Performance Indicators

Employment

Indicators		**2024**
Total number of employees		109,185
Number of employees by gender	Male	67,401
	Female	41,784
Number of employees by age group	Age 30 and under	55,955
	Age 31 to 50	53,204
	Above age 50	26
Number of employees by geographical region	Mainland China	108,447
	Hong Kong, Macao and Taiwan	225
	Other countries and regions	513
Number of employees by management level	Management	468
	Non-management	108,717
Number of employees by employment type	Full-time	108,900
	Contractors and other types	285
Total turnover rate		18.62%
Employee turnover rate by gender	Male	18.98%
	Female	18.05%
Employee turnover rate by age group	Age 30 and under	24.64%
	Age 31 to 50	13.02%
	Above age 50	28.00%
Employee turnover rate by geographical region	Mainland China	18.62%
	Hong Kong, Macao and Taiwan	22.45%
	Other countries and regions	6.19%

Employee turnover rate = number of employee departure in the reporting year*2/(the number of employees at the beginning of the reporting year + the number of employees at the end of the reporting year).

The number of employees leaving the Company includes the number of employees who resigned voluntarily. The number does not include employees leaving during their probation period.

Health and Safety

Indicators	2024	2023	2022
Number of work-related fatalities	3	3	2
Rate of work-related fatality	0.0027%	0.0026%	0.0022%

The number of working days lost due to work injuries in 2024 was 13,241 days[20].

The data of occupational health and safety-related deaths and injuries due to work is identified by the Human Resources and Social Security Bureau. The rate of work-related fatality = number of work-related fatalities/total number of employees.

Employee Training

Indicators		2024
Percentage of employees trained by gender	Male	99.53%
	Female	99.78%
Percentage of employees trained by management level	Management	99.36%
	Non-management	99.63%
Average training hours of employees by gender	Male	28.08
	Female	28.35
Average training hours of employees by management level	Management	23.92
	Non-management	28.20

SUPPLY CHAIN MANAGEMENT

Our main suppliers are delivery partners and suppliers of goods and services. We attach great importance to supply chain compliance management, establish stable business partnerships, and encourage partners to improve their ESG risk management.

20 The number of working days lost due to work injuries is mainly from the rest days taken by employees due to fracture injury from traffic accidents.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Whole Process Management of the Supply Chain

We have established a comprehensive supply chain management mechanism with the Procurement Management Policy as the general guideline. We continuously consolidate our policy norms and clarify management requirements covering different stages, including supplier onboarding management, daily management and performance evaluation. In 2024, we focused on compliance and risk management, strengthened the early warning and control capabilities of the procurement risk system. We expanded the scope of product categories and suppliers included in the performance evaluation, effectively enhancing suppliers' ESG risks management and control.

Onboarding Management

During supplier onboarding, we conduct qualification reviews and risk screenings to proactively manage suppliers' ESG risks:

- Qualification review: we require suppliers to provide qualifications for goods or services and proof of no violations of law and discipline, and review the corporate reputation of suppliers by checking the national corporate credit information system. We ask our suppliers to meet the ESG management requirements specified in the Supplier Code of Conduct, incorporate ESG considerations[21] into the supplier scoring system for certain categories, and give priority to suppliers with better ESG performance.

- Risk screening: we establish suppliers categorisation using specific labels. For those with high-risk labels, such as suppliers and their affiliates that have been included in the supplier blacklist, and other suppliers involved in inappropriate business practices, we implement stricter risk management and control measures. We initiate on-site audit and information verification procedures for key suppliers[22], whose annual estimated cooperation value reaches a certain amount and suppliers in specific categories, to assess their ESG risks and relevant managerial capabilities.

We maintain a database of qualified suppliers, and all suppliers listed in the database have undergone supplier onboarding audits.

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21 The considerations encompass suppliers' compliance with business ethics, as well as their management system certifications based on supplier categories, such as ISO 14001 environmental management system certification and ISO 45001 occupational health and safety management certification.

22 Key suppliers: suppliers that, through our supplier screening process, are identified as consistently reliable and meet specific criteria, as well as suppliers that pose relatively high ESG risks, regional risks, or product quality risks (e.g., meat, poultry, and vegetable products).

Daily Management and Performance Evaluation

We continuously manage suppliers' qualification, performance, and compliance with the Supplier Code of Conduct to continuously track and evaluate their professional services capabilities throughout the contract execution.

We conduct various types of audits on suppliers, including remote, on-site, and supervisory audits either internally or through third parties. Following the audit, we communicate with suppliers in a timely manner. For suppliers with unsatisfactory performance, procurement personnel collaborate with suppliers to develop a performance improvement plan, and urge them to implement the rectification advice. Two weeks after the implementation of the performance improvement plan, our supplier management team assesses the rectification results and conducts a follow up audit when necessary. For suppliers in breach of the procurement red line, we impose penalties based on the blacklisting mechanism, and permanently exclude the supplier from our platform. For suppliers who fail to meet the standards after rectification or violate ESG standards such as integrity, information security, and other critical areas, we terminate cooperation and promptly establish partnerships with alternative suppliers to ensure that goods or services are delivered on time.

We enhance the professional capabilities of procurement personnel through internal sharing and special trainings to ensure the implementation of supplier management policies and processes. In 2024, we conducted 19 training sessions for procurement personnel on category management, supplier management and ESG risk management, etc.

Supply Chain Anti-corruption

We have implemented supplier feedback and investigation mechanisms. Suppliers can report any corruption-related issues during business cooperation on Meituan official websites or via the supplier portal. Meanwhile, suppliers can fill out questionnaire to report service satisfaction and suggestions regarding procurement personnel, business personnel, procurement processes and systems, compliance and integrity reporting channels.

Before official engagement, we require all suppliers to complete real-name authentication, sign the Anti-commercial Bribery Agreement, the Confidentiality Agreement, as well as the Commitment of Self-discipline, and abide by the provisions on anti-corruption, confidentiality, and integrity. Once we detect and confirm any violations by a supplier, we will terminate the cooperation and revoke the supplier's service qualifications. In 2024, a total of 2,947 newly contracted centralised procurement suppliers completed the signing of the Anti-commercial Bribery Agreement, the Confidentiality Agreement, and the Commitment of Self-discipline.

We continuously promote the construction of a culture of integrity among our suppliers to enhance the awareness of collaborative integrity. We regularly conduct supplier integrity training and send integrity reminder emails to suppliers on certain holidays. In 2024, we enabled the online promotion function on the supplier portal, achieving full coverage of integrity cooperation promotion for centralised procurement suppliers. We organised a supplier conference where we shared and promoted integrity-based cooperation ideas with participating suppliers, elaborating on our cooperation vision of "integrity, long-term partnership, health, and mutual benefit".

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Green Procurement

We pay attention to environmental protection when procuring goods and services. We continue to advocate the application of packaging made of environmentally friendly materials, such as fully biodegradable bags and environmentally friendly paper bags across our businesses. In 2024, the annual procurement amounts of such packaging exceeded RMB300 million. Also, some of our business lines are actively increasing the utilization of new energy vehicles in logistics and transportation, and have set specific targets for the proportion of new energy vehicles within our fleets by 2025. When choosing kitchen equipment, we give priority to energy-saving and environmentally friendly equipment, such as energy-saving gas stoves and automatic spray dishwashers, and adding UV lights to the exhaust hood to reduce particulate matter emissions.

Number of Suppliers[23]

Number of suppliers by geographical region	**2024**
Mainland China	42,807
Hong Kong, Macao and Taiwan	50
Other countries and regions	76

Management and Protection of Couriers

Our platform requires a substantial number of couriers to provide delivery service. The safety and rights of couriers are essential to our supply chain risk management and the fulfilment of our social responsibility.

Standardisation of Management Mechanism for Partners

We permit our delivery partners to use our logo and require them to comply with relevant laws and regulations to protect couriers' safety and labour rights. We require our delivery partners to comply with operation and delivery standards as contracted, formulate reasonable labour management rules, and set recruitment standards for couriers. Furthermore, we have established explicit requirements of fair employment for couriers, and prohibit delivery partners from engaging in any form of discrimination during courier recruitment. Delivery partners must not discriminate against women or individuals with disabilities, nor infringe upon the fair employment rights of workers in any form. We enhance the salary management mechanism of delivery partners to ensure couriers are properly paid on time, while continuously optimizing order structures to secure a stable income for couriers.

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[23] Number of suppliers: refers to the number of suppliers in collaboration and maintained in the supplier management system as of December 31, 2024. "Region" refers to the place where the suppliers are registered.

We require our delivery partners to set safety management system for couriers and consider courier safety indicators in the delivery partner assessment, including: (i) we build assessment mechanisms for violations on safety rules and policies. Delivery partners with poor safety management performance are restricted from expansion, dismissed some or all their sites, and charged with penalties; (ii) we set up dynamic assessment indicators, considering couriers' accident and helmet wearing rates, high-speed riding cases and delivery vehicle compliance to urge partners to fulfil their safety management responsibilities; and (iii) we continuously operate remote monitor centres, requiring delivery partners to update their safety equipment, and persistently monitoring the safety equipment operation status. We also regularly conduct offline safety inspection of sites and require delivery partners to rectify non-compliance items in time.

We require our delivery partners to provide adequate safety training for couriers, including: (i) providing safety training before couriers receive orders and advanced training once couriers have received a certain number of orders; (ii) offering monthly routine safety trainings and special trainings for couriers who have traffic violations or accidents; and (iii) evaluating couriers' knowledge of the traffic rules, riding safety, emergency response, and dress codes through training assessments. Couriers can only start to work after passing the corresponding assessments.

Optimising Couriers' Rights and Interests Protection Measures

We safeguard couriers' rights and interests by expanding insurance, protecting safety, improving work experience, and providing practical support to couriers.

Expanding Courier Insurance

We safeguard couriers' personal safety and delivery operations through a dual protection mechanism combining commercial insurance with occupational injury protection policies. Depending on the types of couriers, we require partners to purchase "Employer's Liability Insurance" for couriers or collaborate with delivery partners to offer "Personal Accident Insurance" products for couriers across the country. In 2024, we required the insurance enrolment rate for couriers to reach 100% during their service. We continuously improve the commercial insurance claim process and enable couriers to self-claim settlements with one click on the App, to significantly improve the efficiency of the settlement process. We also actively cooperated with regulatory authorities to launch occupational injury protection policies in seven provinces and cities, such as Beijing, Shanghai, Jiangsu and Guangdong, to ensure couriers are properly insured and with a sound claim settlement process in place. We conduct an in-depth study on pension insurance and other social security schemes for couriers and carry out thorough research across different regions and cities. Under the guidance of relevant authorities, we have developed a preliminary pilot scheme and are currently in the process of establishing an information system for couriers' social security. We will gradually provide social security coverage for full-time and stable part-time couriers starting from the second quarter of 2025.

Protecting Couriers' Safety

The effectiveness of our health and safety measures is directly related to the safety of couriers and is a key concern of external stakeholders. Also, ensuring couriers' safety is the prerequisite for us to complete delivery services. In 2024, we enhanced our capabilities on protecting couriers' safety to help couriers to handle and reduce safety risks during delivery services:

- Technological upgrade: in terms of software, we optimised the dispatch system by setting reasonable delivery time limits and routes, and enabled flexibility in the delivery time for couriers. In order to improve delivery safety, we provided complaint channels for couriers so that they are capable of extending the delivery time limit in special scenarios, such as severe weather and delayed preparation of meals. We continued to optimise the "dispatching upon meal prepared" mechanism to alleviate the issue related to couriers' long waiting period during order pickup. Additionally, we initiated a nationwide pilot of the anti-fatigue mechanism, introducing a fatigue alert pop-up feature and implementing mandatory log-off and rest measures to prevent couriers from overexerting. In terms of hardware, we continuously upgraded the smart helmets and expanded their application, allowing couriers to receive orders through voice commands, reducing distractions during rides. The helmets were also equipped with self-sensing taillights to remind vehicles behind at night and lower the risk of traffic accidents. We also strictly standardised the use of batteries and charging equipment for couriers' e-mopeds. We cooperated with battery swapping and charging service providers to offer high-density, safe charging and swapping equipment, and distributed battery swap coupons to encourage couriers to use swapping services instead of charging, thereby reducing the fire risks associated with improper battery charging. By the end of 2024, the battery swap coupons had offered more than RMB50 million in discounts for couriers.

- Risk management and control: we continued to enhance our ability to detect risky behaviours among couriers, such as not wearing helmets, speeding, and running red lights across the country. Based on the detected results, we implemented tiered management measures, including pop-up reminders, mandatory education, in-person training, and order acceptance limits. We organised blood pressure monitoring for all couriers across the country, and took actions such as coordinating schedules, advising rest or seeking medical attention to minimise accidents. We piloted smart blood pressure monitors in nine cities, such as Shenzhen and Guiyang, enabling automatic evaluation on blood pressure risks and urging couriers to seek medical attention promptly.

- Raising awareness: we offered safety training courses on the Couriers' App, covering traffic safety, fire safety, and emergency response. We organised diverse safety promotion activities during specific periods such as "Safe Production Month" and "National Firefighting Day on 9 November", and incorporated safety into couriers' bonuses to strengthen their awareness of riding safety. In 2024, through various channels, we provided more than 190 million times of online training for couriers in safety and other topics. We organised promotion and training jointly with traffic police departments and hosted on-site legal education and law enforcement activities with couriers, allowing couriers to engage in the traffic control and obtain a better understanding of riding safety. We also launched the police-enterprise joint governance initiative, known as the "Lighthouse Plan", to accurately identify couriers engaging in or at risk of traffic violations such as speeding, running red lights, and riding against traffic, and implement measures including preventive education, offline training, and order acceptance limits to reduce the rates of traffic violations and accidents. By the end of 2024, the "Lighthouse Plan" had covered 38 cities nationwide.

Improving Couriers' Work Experience

We keep optimising delivery rules, providing work support, and listening to couriers' voice to improve their work experience:

- Optimising delivery rules: we have set up a dedicated section for disclosing the delivery algorithms, where we engage in ongoing communication with different stakeholders on the fundamental principles and operational mechanisms behind the algorithms. This initiative aims to enhance the transparency and promote the algorithms that are fairer and more courier-friendly.

- Providing work support: we launch the "Courier-friendly Community" initiative nationwide, collaborating with parties such as subdistricts, communities, property management companies, and industrial parks to provide couriers with services and facilities such as delivery route maps, rest stations, and dedicated elevators, helping couriers access communities more efficiently and enhance their delivery experience. By the end of 2024, over 16 thousand communities in over 150 cities across the country had embraced the "Courier-friendly Community" initiative. In addition, we launch the "Courier-friendly Merchant" initiative, collaborating with renowned catering and health service chains to provide couriers with rest areas, drinking water, discounted meal packages, and other services. By the end of 2024, a total of 220 thousand stores had participated in the "Courier-friendly Merchant" initiative.

- Listening to couriers' voice: we actively expand the communication channels for couriers and continue to promote the development of the couriers' union. Through events such as "Couriers Feedback Sessions", we listen to couriers' general concerns and enhance open and equal communication with couriers. For pervasive issues that posed significant impact on couriers' work and life, we have implemented specific improvements. For example, we collected information on natural barriers such as overpasses and rivers in major cities to optimise route planning, and enhance couriers' delivery experience. By the end of 2024, we had held 400 "Couriers Feedback Sessions" across the country, covering nearly 80 cities and involving over 5,000 couriers.

Caring for Couriers

We keep improving the courier welfare policy to provide support and care for couriers in their work and life:

- Caring for couriers' health: we regularly distribute allowances for medicine to couriers every month and provide twenty-four seven online health counselling and medicine-delivery services for couriers and their families. We continue to enhance the "Tongzhou 1 m^2 Protection" self-service health area, providing couriers with essential medicines, cold and heat protection supplies, and health service information to ensure their well-being. In addition, we set up a courier's mental health counselling hotline and mental health mini-classes to help couriers relieve pressure and negative emotion in their daily work and life and maintain a positive and optimistic mindset. We also provide female couriers with free cervical and breast cancer screening services, offer a "Health Kit" at distribution sites, Party-masses service centres, courier stations, and other locations across the country, and regularly hold the "Health Salon" on women's health.

- Looking after couriers' families: we continue delivering the "Baby Kangaroo Charity Project". Targeting families of couriers and other workers in new employment forms, we offer medical assistance for serious illnesses and educational support for their minor children. By the end of 2024, the "Baby Kangaroo Charity Project" had provided assistance for 959 couriers' children across 12 instant delivery platforms, and established a total of 21 "Baby Kangaroo Charity Homes" in Beijing, Shanghai, Guangdong, Hebei, Shandong, Zhejiang, Jiangsu, Anhui and Yunnan, providing community education support for over 143 thousand participation instances.

- Helping couriers in need: we have established the "Kind Funding for Serious Diseases" to help couriers and their families suffering from serious illnesses. By the end of 2024, the fund had provided a total of RMB190 million to 6,137 couriers and courier families.

Empowering Couriers' Development

Focusing on couriers' occupational development, we keep improving the "Courier Growth Plan", covering different career stages, from entry, proficiency and promotion to further career transition. The plan aims to create a development path that encompasses skill, career, education, job transfer, and career transition to broaden couriers' career horizon and enlarge the talent pool, including:

- Skill: we provide newly onboarded couriers with new courier orders and liability exemption cards to help them quickly familiarise with the working mechanism. We release an instructional video of order receiving skills through the "Order Receiving VR Simulation" function on Couriers' App, and carry out the "Experienced Couriers Help the New Ones" project to help new couriers master basic career skills.

- Career: we continuously improve the courier training and development system. Through holding the "Station Manager Training Plan" and other projects, we keep discovering management talents among couriers. By the end of 2024, there had been 675 thousand times of participation in the "Station Manager Training Plan".

- Education: collaborated with the Open University of China, the "Couriers Go to Universities" project provides outstanding couriers with financial pressure-free opportunities for academic advancement, sending high-quality talents to the industry. By the end of 2024, a total of 385 couriers had been admitted to study logistics management at the Open University of China.

- Job transfer: we provide job transfer opportunities for couriers through the "Courier Job Transfer Programme", enabling them to gain experience in different roles within our business operations, such as customer service and training instructor.

- Career transition: we encourage couriers to explore diverse career paths and get themselves armed with skills and resources for starting new journeys in other industries.

PRODUCT RESPONSIBILITY

Platform Responsibility

Meituan is a tech-driven retail company. It 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. In accordance with the requirements of the *E-commerce Law of the People's Republic of China*, the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests* and other laws and regulations, we systematically manage the goods and services provided by the platform in terms of safety guarantees, merchant management, customer service, etc., to protect the legal rights and interests of consumers.

Safety Guarantees

Food Safety

We prioritise food safety and, in compliance with the *Food Safety Law of the People's Republic of China* and other regulations, oversee and manage food safety across our platform and retail operations. We regularly follow up on updates to food safety regulations and make timely and dynamic adjustments to compliance requirements.

We take our role in food safety seriously, strengthening our food safety management system, and continuously enhancing our organisational and human resource capabilities. At the Company level, we have established the Food Safety Office to take responsibility for formulating strategies and coordinating multiple business lines. At the business operations level, we have set up specialised quality control teams for different business types. These teams oversee food safety compliance in various areas, including merchant qualification reviews, on-site inspections, goods warehousing, in-stock management, as well as transportation and distribution, thereby achieving efficient and unified management of food safety within the Company.

We develop and implement targeted food safety initiatives tailored to our platform and retail operations:

- On food delivery: we keep optimising our rule systems, developing and timely updating internal policies, such as the Food Safety Management Measures for Meituan Online Food Ordering, the Online Catering Service Provider Review and Registration Specifications and the Food Safety Issues in Meituan Delivery Processing Specifications. We carry out dedicated food safety management initiatives, increase the frequency of online merchant qualification checks, establish non-compliance disclosure mechanism, and promptly supervise merchants' rectifications. We continuously promote the on-site inspection and third-party sampling inspections for merchant partners, so as to identify and promptly address food safety issues. We develop the intelligence-empowered food safety control system, which automatically analyses and manages risks by level. We continue applying daily cleaning and disinfection to delivery boxes whilst collaborating with market regulatory authorities and industry partners to promote food safety sealing labels. As a result, we further guarantee the food safety during delivery.

- On food retail: we always shoulder the primary responsibility for food safety and implement the risk prevention and control mechanism of "Daily Controlling, Weekly Investigating and Monthly Scheduling". We have refined food safety management policies throughout the whole business process, including supplier admission, goods warehousing, and product selling. In the supplier admission stage, we verify suppliers' compliance qualifications, and conduct on-site inspections and monitoring for suppliers with large volume of purchases and sales. In the goods warehousing stage, we conduct sensory inspections of goods and rapid tests of fresh agricultural products. In the product selling stage, we make use of the food quality monitoring system and third-party inspections to assure the food quality and safety.

- On community e-commerce food: we establish a food safety and quality assurance system that covers all aspects of the workflow, including platform partner merchants, storage facilities and self-pickup stations, to improve food safety management capabilities in all stages.

- On private label products: we have improved the full lifecycle food safety management system covering product selection, supplier screening, R&D, production, storage and delivery. Before production, we perform inspections on suppliers in aspects of qualifications, on-site environment and product compliance and formulate product quality specifications to standardise the requirements. Moreover, we are committed to commissioning premium producers for the production of private label products. Some suppliers for private label products have obtained ISO 9001 quality management system certification, ISO 22000 food safety management system certification, HACCP certification[24], BRC certification[25] and IFS certification[26]. During production, we monitor and inspect the production process to assure product quality. When selling products, we dynamically monitor food quality and safety by conducting sampling inspections on food safety and utilising the food quality monitoring system.

We have established a food safety emergency response mechanism with standardised procedures for handling emergencies. We cooperate with market regulatory authorities and other relevant departments to ensure proper emergency handling as required by the law. We have also established a food recall management policy to clarify the recall process and the disposal method. In 2024, there were no significant food safety incidents requiring recalls for health and safety reasons.

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24 HACCP certification: refers to the Hazard Analysis and Critical Control Point certification, which aims to systematically identify and assess hazards that may occur during food production and to determine critical control points to prevent food safety risks.

25 BRC certification: refers to the British Retail Consortium certification, which aims to ensure compliance of food safety by assessing retail suppliers' product quality and safety management systems with stringent standards that cover key aspects of production, storage, distribution, etc.

26 IFS certification: refers to the International Food Standard certification, which aims to ensure food safety and quality along the food supply chain by means of transparent and comprehensive auditing standards for food suppliers.

In addition, we actively promote collaborative governance in food safety, strengthening communication and cooperation with regulatory authorities, industry associations, research institutions, and think tanks in three areas: standard setting, empowerment training, and collaborative governance.

- Standard setting: we actively participate in the setting of food safety standards. We participate in drafting group standards such as the *Food Safety Compliance Management Requirements for Online Sales of Fresh Agricultural Products*, to formulise food safety management requirements.

- Empowerment training: we continuously organise food safety training for different audiences to enhance awareness and capability of food safety compliance. For employees, we regularly conduct "Food Safety Lecture" training applicable to all employees. For couriers, we provide regular training on food safety during delivery process. For suppliers and merchants, we periodically disseminate "Key Points on Food Safety Management" and keep holding the "Safe 365" public welfare training programme on food safety.

- Collaborative governance: we continue strengthening government and business collaboration in food safety through actively participating in "Food Safety Publicity Weeks" activities and supporting the co-construction of food safety demonstration stores, districts, and cities. We continue the online exhibition initiative "Bright Kitchen and Stove", and launched the "Sunlit Kitchen" project in February 2025. The project encourages catering merchants to fully showcase their food processing conditions, providing consumers with clear and reliable references and helping high-quality merchants to achieve better development. Additionally, we keep exploring strategies to address malicious claims within the industry, enhancing the synergy of food safety governance in food delivery services. We have strengthened cooperation with research institutions and think tanks on food safety governance innovations, to further guide food safety practices with scientific theories.

Biking Safety

We actively implement and abide by the *Announcement on Strengthening the Access and Industry Standard Management of Electric Bicycle Products* and the relevant national standards, strictly prohibiting the use of non-compliant e-moped in our operations to ensure vehicle safety.

We have set product quality standards for our bikes and e-mopeds that surpass national benchmarks, and require our suppliers to strictly comply with such standards by signing a formal agreement. During vehicle design stage, we carry out procedures such as key process reviews and internal and external validation to ensure that the vehicles meet our quality requirements. During vehicle production stage, we control suppliers' material quality, production quality and shipment quality through on-site inspections, remote monitoring, market sampling and other measures, so as to identify and address issues in a timely manner.

We take several measures to ensure the safety of bikes and e-mopeds in use, including: (i) we ensure the reliability of operated vehicles through management methods, such as preventive maintenance, fault detection, automatic off-line of malfunctioning vehicles and overall vehicle maintenance; (ii) we optimise the vehicle design, equip vehicles with loading sensors, monitor vehicle speeds and areas of operation, monitor and manage scenarios involving multiple riding on e-mopeds and other high-risk riding behaviours; (iii) we adopt the in-house battery energy management system for the full lifecycle management of battery, continuously detect battery status and abnormalities by uploading vehicle data in real time to prevent the risk of spontaneous combustion of battery; (iv) we install the self-adjusted braking system, which automatically adjust the brake tightness during riding, to prevent and reduce accidents; (v) we apply consumer real-name authentication, facial recognition, and other technological means and manage consumer credit by taking multiple factors into account, to prevent account sharing and underage riding; and (vi) we purchase riding accident insurance for consumers to ensure the personal safety and property security of consumers and third parties.

In 2024, we assisted the regulatory authorities to promote riding safety and manage consumers' riding behaviours. In cooperation with local public safety and traffic management departments, we launch a series of traffic safety publicity activities under the theme of "Safe Riding with Helmet On", drawing the public's attention to traffic safety.

Merchant Management

Abiding by relevant laws and regulations, such as the *Electronic Commerce Law of the People's Republic of China* and the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests*, we have formulated rules and policies based on different business models for managing the operations and services of merchants on our platform. In 2024, we revised the Meituan Food Delivery Market Management Rules to further standardise the service behaviours of merchants, and enhance the protection measures for the rights and interests of consumers and merchants, continuously improving the service awareness of merchants and consumers experience.

We guide merchants to provide safe, healthy and convenient goods and services to consumers. We have launched service quality assurance initiatives, which are tailored to different business models, to enhance consumers' experience.

- For catering merchants: we continue to promote the food safety insurance "Safe Dining" and "Food Safety for Food Delivery", which allow consumers to file claims in case of food safety issues such as foreign objects in meals, expired meals, or spoiled meals. Once we receive a claim, we provide timely feedback to effectively protect the rights and interests of consumers.

- For accommodation merchants: in the hotel sector, we have established a merchant service rating system to guide merchants in providing consumers with a good hotel booking and service experience. In the homestay sector, we have introduced the intelligent customer service assistant, which can help merchants quickly and accurately interact with consumers through natural language in multiple rounds, answering questions, and improving consumers' satisfaction.

- For education merchants: we have launched the "Meituan EduGuard+" initiative to guarantee consumers' fund security. The initiative allows consumers to redeem services in instalments, merchants to settle payments in stages, and platform to freeze the prepaid deposits, to enhance service experience of both consumers and merchants. By the end of 2024, we had collaborated with the regulatory authorities in Hangzhou and Suzhou to roll out the initiative, covering nearly a thousand pilot stores.

- For medicine & health merchants: in the medicine sector, we have established risk identification capability based on the characteristics of medicines. Through partnership with medicine brands and third-party testing organisations, we combat the sale of counterfeit medicines and other illegal behaviours. In addition, we tackle store violations, such as unattended adult product vending kiosks, store clusters without inventory, and sham stores, to maintain order in market operations. In the beauty and medical aesthetics sector, we have cooperated with the Chinese Association of Plastics and Aesthetics to provide the "Safe Beauty" authenticity guarantee service. Specifically, we apply our self-developed intelligent authentication equipment to processes such as online store selection, in-store service and dispensing service to document the service performance of the merchants. This equipment also supports medicine authentication via code scanning, medicine traceability, and live dispensing services, ultimately enhancing the consumer experience.

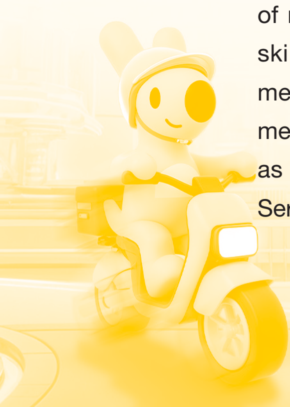
We supervise and assess platform merchants' quality of service and take appropriate actions against violations such as failure to fulfil service obligations, engaging in false behaviours, violating consumer privacy, and infringing on brand rights and interests. In response to certain merchant violations, we, as a clue provider, have established a joint working mechanism with the public security authorities. We keep implementing a systematic violation handling process and hierarchical punishment mechanism to standardise the behaviour of merchants and safeguard consumers' rights and interests. Depending on the severity of a merchant's violation, we impose penalties, such as warnings, rectification within a specified time limit, adjustments to search results, hiding of ratings, delisting of business and store information, account bans and fines.

We set up a training system for merchants on our platform and encourage merchants to attend training courses periodically, to enhance their service awareness.

- Legal awareness campaigns: we carry out legal awareness campaigns to continuously enhance merchants' understanding of our platform's rules, guiding them to operate their business in compliance with laws, regulations and the baseline rules of the platform.

- Live Q&A: we organise live Q&A sessions for merchants to promptly address questions regarding their business operations. For example, we share industry success stories and insights with merchants through live streaming, helping merchants to accumulate service experience.

- Tiered and customised empowerment: we provide tiered and customised training tailored to different stage of merchant management development to enhance merchant business awareness and practical application skills in a targeted manner. For example, we launch the "Growth Series Courses" for medicine & health merchants, providing customised learning content and guidelines based on different business stages. For medicine & health e-commerce merchants, we develop hierarchical learning content, focusing on topics such as "Capability Model Building for New Merchants", "Live Training Courses for Merchants" and "Design of Series Courses for Merchants".



Customer Service

We strive to improve customer satisfaction by providing high-quality customer service. We have established operation centres across Shijiazhuang, Yangzhou, Nantong, Wuhan, Luoyang and Zhangjiakou with professional service teams to respond faster to customers.

We apply ticketing systems to record customer issues, creating a closed-loop process that includes initiation, handling, resolution, and evaluation for issue resolution. We clarify the internal responsible parties at key nodes while urging and following up with the main responsible party to ensure timely feedback and resolution. We promptly address and respond to customers' feedback and requests through different channels, including customer satisfaction questionnaires and public opinion monitoring, continuously improving and standardising our customer service procedures.

We continue to improve intelligent management of customer service and carry out empowerment training activities for customer service personnel, so as to promote service efficiency and experience:

- Intelligent management of customer service: by using intelligent assistance, we quickly answer high-frequency and repetitive inquiries, and handle standardised tasks automatically, so as to manage unexpected and high-volume service demands. By using the intelligent quality inspection system, we quickly identify potential service issues and enhance our service management capabilities. We upgrade customer service system tools by introducing a recommended process for issue resolution and an intuitive information display feature, thus accelerating the speed at which customer service personnel process customer information and ensuring solution consistency.

- Capability enhancement of customer service personnel: we enhance the problem-solving capability of our customer service personnel by sorting out major customer service procedures, increasing their knowledge on procedures in different business scenarios and refining customer service personnel management. We grant customer service personnel with authority so that they can deal with different situations flexibly. For example, if we receive a complaint regarding a merchant refusing to serve a customer, our customer service personnel will check and confirm the complaint promptly. Once the complaint is confirmed, customer service personnel will gain the authority to suspend the merchant from listing goods and services on the platform until the rectification is completed.

In 2024, we received a total of 966,653 customer complaints, which accounted for 0.09% of the total number of service times, and 92.4% of the complaints were resolved within 3 working days.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Intellectual Property Rights

We recognise the importance of protecting intellectual property rights (IPR) and thus focus on IPR application and accumulation. We conduct comprehensive IPR management in accordance with the *Copyright Law of the People's Republic of China*, the *Patent Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China*, and relevant laws and regulations in other jurisdictions where we operate. We are the director unit of the China Trademark Association, and the standing director unit of the China Intellectual Property Society.

We have established effective mechanisms to manage IPR risks, including: (i) we systematically identify and evaluate IPR risks, and set up response plans to refine our IPR risk prevention mechanisms; (ii) we set up evaluation procedures in key business stages, including IPR pre-examination rules during procurement and R&D, trademark reviews during new brand design, to provide IPR protection for major projects; (iii) we enhance the integrity of the market and safeguard the interests of consumers through monitoring and combating external infringements, eliminating counterfeit fake trademarks and applications; (iv) we enhance our resilience against IPR risks through external exchanges and cooperation; and (v) we improve IPR operation guidelines across all business processes and undertake ongoing training and publicity to raise awareness of IPR risks.

We continuously strengthen IPR management, foster a culture of innovation, respect and encourage originality, to enhance the accumulation of our own IPR. Based on the standards of patent output and value evaluation, we have formulated our Guidelines for Patent Application, reviewed pre-patent proposals, and performed sampling inspection on the application text quality, to improve patent filing efficiency and output value. Also, we encourage innovation through material incentives. We improve our overall ability of IPR management in terms of quantity and quality by tracking important projects, setting up systematic IPR operation indicators, and controlling key innovative achievements.

We also respect the IPR of other parties and safeguard the legitimate rights and interests of rights holders by taking measures such as formulating user agreements and implementing platform IPR protection mechanisms. Once receiving infringement notices, we delete or block the alleged infringing item in accordance with relevant laws and regulations and the evidence provided in the complaint. We establish a closed-loop management mechanism for IPR owners, including: (i) front-end: we conduct high-frequency training to raise awareness of IPR among merchants; (ii) mid-end: we establish a long-term brand monitoring mechanism and continuously enhance control efforts to promote compliance operations of existing merchants; (iii) back-end: we launch and iterate our "IPR Protection Platform" to serve brand owners on their requests and complaints, and improve processing efficiency and transparency; and (iv) co-governance and supervision: we collaborate with IPR owners, regulatory authorities and the public for collaborative governance, assist the IPR owners who submit protection requests on the "Brand Protection Service Station". We launch "Meituan Community Reviewer" project to allow the public participation in the formulation of IPR protection rules through introducing a public review mechanism. We promote brand protection in cooperation with IPR protection associations, and by the end of 2024, we had engaged in targeted communication with over 50 catering and fast-moving consumer goods brands to discuss their brand protection strategies and collaboration plans. We have also established long-term partnerships with regulatory authorities and public security authorities in various regions nationwide, continuously enhancing the level of risk prevention and control.

Information Security and Privacy Protection

We strictly abide by the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*, the *Provisions on the Administration of Mobile Internet Applications Information Services* and other laws and regulations. We continue managing the information security and privacy protection by defining systematic management requirements, implementing internal procedures and control measures, and other measures.

Defining Systematic Management Requirements

We continue improving the data security and privacy protection system. The Audit Committee receives reports on data security and privacy protection issues twice a year, makes decisions on the risk response strategy, and oversees the effective implementation of the strategy. The Data Compliance and Privacy Protection Committee, which led by the Company's executive director, is responsible for coordinating the internal data compliance and privacy protection management of the Company, developing and implementing the Company's data compliance and privacy protection management strategy.

We have established comprehensive data security and privacy protection policies, formulated the Regulations on Privacy Protection, the Software Development Lifecycle Management Process and other internal management policies, which are applicable to all entities of the Company. In addition, we have issued the Meituan Basic Features Privacy Policy to standardise the management requirements for the full lifecycle of personal information. For more details on the personal information control rights, the collection, use and retention of personal information, and the data sharing with third parties, please refer to the Meituan Basic Features Privacy Policy.

We protect information security and user privacy in compliance with international and industry standards. We have obtained ISO 27001 information security management system certification, ISO 27701 privacy information management system certification, ISO 27018 public cloud privacy security management system certification, CSA Star certification and the Certificate of Level 3 Classified Protection of Cybersecurity. Meituan App has received the Mobile Internet Application Security certification issued by China Cybersecurity Review Technology and Certification Centre (CCRC). Business systems and products we provide to consumers under the Company's operations are both operate in accordance with the above certification standards. We perform independent third-party audits on an annual basis to maintain the validity of such certifications.

Implementing Internal Procedures and Control Measures

We safeguard the information security of the Company and users through authorisation management, risk evaluation, security assessment, data encryption and other measures:

- Authorisation management: we have established systematic and universal rules regarding user account authorisation and management and implemented access controls over network access devices. We regularly check the status of user accounts and authorisation, automatically revoking expired accounts and permissions.

- Risk evaluation: we conduct annual security evaluation of the configuration management and access control of databases and servers to identify security vulnerabilities and potential risks. We set up the Meituan Security Emergency Response Centre, and continuously conduct product security testing and collect threat intelligence through crowdsourced security testing. Depending on the impact, we classify and manage data breaches hierarchically, apply patch as needed, and continuously track improvements.

- Security assessment: we adapt an automated security assessment system to monitor high-risk operations in real time, identify misuse and abuse of data, and prevent cases of unauthorised access timely, reducing the risk of data breach. In 2024, we commissioned a third-party organisation to carry out network security risks and level protection evaluations for business operation system of Meituan, Meituan Food Delivery and other platforms, and several registered systems. We invited the China Academy of Information and Communications Technology to conduct a data security assessment of the Company's data risks and data processing activities. In addition, our Software as a Service (SaaS) product undergoes regular third-party audits, receiving a System and Organization Controls (SOC) report from a third party to demonstrate the effectiveness of the risk controls on protecting user data.

- Data encryption: we encrypt user data at the software and hardware levels and standardise its storage and usage. In addition, we protect personal information from unauthorised access, disclosure, use, modification, damage, or loss through the establishment of information confidentiality agreements and monitoring mechanisms for data contactors.

- Data recovery and backup: we develop backup management procedures and a backup recovery process to ensure timely recovery of damaged data. For artificial intelligence and cloud platforms, we deploy local or off-site backup depending on the business requirements to minimise the risk of losing users' data.

- Emergency response: we formulate emergency response mechanisms and disaster response plans for security incidents, and conduct emergency drills annually. We classify security incidents based on their severity and clarify the process of handling and responding to security incidents at all levels, aiming to build a scientific and efficient emergency response mechanism, and achieve closed-loop management of security emergencies. It includes: (i) we monitor, analyse and confirm security incidents, formulate remediation plans with business managers promptly after a security incident occurs, and ensure the resource inputs for incident handling; (ii) we develop an immediate response mechanism for information security incidents, enabling quick detection, isolation and traceback, as well as response of the incident, to ensure timely restoration of our services; (iii) we support business teams to review and summarise security incidents through assessing the impact and damage caused by the incident, formulating short- and long-term corrective strategies, and identifying causes to prevent future occurrences.

In privacy protection, we focus on refining privacy rules, iterating product functions, standardising data retention and enhancing demand review:

- Refining privacy rules: we set up the privacy policy pop-up window, the privacy rule authorisation pop-up window, the list of personal information collection, and the list of third-party data sharing during the registration of the App. This helps inform users regarding how we collect and use their personal information. We also grant the rights for users to access, rectification and deletion of their individuals' data.

- Iterating product functions: we have developed and released the visitor browsing mode, enabling users to browse, search, and use other functions on the Meituan App without registering their mobile phone number. We also introduce the mechanism of algorithmic recommendations for users and provide a convenient opt-out option for the personalised content and personalised advertisement recommendation features.

- Standardising data retention: in strict accordance with the requirements of relevant national laws and regulations, we set up a retention period for users' personal information based on the completion of transaction purposes, maintenance of transaction records, and safeguarding the safety and quality of services. After users unsubscribe their accounts, we delete or anonymise users' personal information, unless otherwise stipulated by laws and regulations and the corresponding national standards.

- Enhancing demand review: we establish a personal information protection impact assessment system and set up a specialised review team to assess compliance of newly launched products, functions, and other data requirements involving users' personal privacy, so as to identify personal data response risks and assess risk scenarios in a timely manner. Furthermore, we develop compliance solutions with suppliers or partners to ensure the compliant handling or application of personal data. We also conduct internal compliance audits of personal information protection to ensure the lawful and reasonable use of personal information.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Fostering Employees' Security Awareness

We sign confidentiality agreements with our employees, and provide relevant training regularly. All staff, including full-time employees, contract personnel, and interns, are required to take courses on information security and pass relevant examinations before taking on duties. We provide targeted training on information leakage prevention and "anti-phishing" for key employees who have access to highly sensitive information or are engaged in the processing of such information, to uplift their awareness of information security. In 2024, we conducted an information security training for all employees and over 80 targeted trainings on information security precaution consciousness, data breach prevention, anti-phishing and office security.

Our Integrity Workplace Code of Conduct and Integrity Management Responsibility Policy clarify clear stipulations on information security management, interaction security, and information release control on employee departure and transfer, strictly dealing with employees' data breach behaviours.

Promoting the Orderly Development of the Industry

We implement the "least-necessary" principle to strictly manage all third-party data exchanges. We have clarified the types of data shared with third parties and our requirements on third-party data usage through the Meituan Basic Features Privacy Policy. We regularly conduct information security promotion for suppliers and partners, and have set up a dedicated team to ensure security and compliance during cooperation by means of qualification assessment, prevention and control management, and violation accountability:

- Qualification assessment: we set up supplier onboarding requirements and a hierarchical security deposit mechanism and verify the supporting materials submitted by suppliers. We only cooperate with suppliers who have met all onboarding requirements, such as qualification and data security capabilities. Additionally, we sign the confidentiality agreement with suppliers to specify obligations for data security and violation penalty rules binding on both parties during our cooperation.

- Prevention and control management: we control potential security risks in data exchanges with suppliers by overseeing online data interfaces, assessing the necessity and sensitivity of interfaces, and checking data transfer logs and exceptions.

- Violation accountability: we have established a violation accountability mechanism, through which different punishments such as fines, contract termination, and legal actions are imposed on suppliers who are engaged in improper data processing. Furthermore, we will trigger an emergency response process when necessary to ensure effective protection of user data.

We are actively engaged in the enhancement of industry-wide data security and user personal information management. As a member of the National Information Security Standardisation Technical Committee, we actively participate in the formulation of national standards for data security and user's personal information management. In 2024, we participated in the formulation of standards published by the Ministry of Industry and Information Technology of the People's Republic of China, including the *Series of Standards for Personal Information Protection of Mini-programs and Related Platforms* and the *Series of Requirements for User Rights Protection of Generative Artificial Intelligence Products and Services*. We also contributed to the revision of the *Technical Requirements for Payment Service Facilities of Non-bank Payment Institutions* issued by the People's Bank of China. Moreover, we actively participated in industry cybersecurity technology exchange activities, such as the "2024 Beijing-Tianjin-Hebei Information and Communication Industry Cybersecurity Attack and Defence Drill" organised by the Beijing Communications Administration, where we received the Best Defence Unit Award. We also engaged in the cybersecurity technology talent exchange event organised by the National Computer Virus Emergency Response Centre, facilitating the exchange and cultivation of cybersecurity technology talent in the industry.

Compliance of Content

Compliance of Advertisement

We abide by the *Advertising Law of the People's Republic of China* and other laws and regulations, and have formulated the Meituan Food Delivery Marketing Rules and the Meituan Advertisement Audit Guidelines, to ensure the authenticity of advertisement content and promote the healthy development of advertisement activities. We keep overseeing the advertising behaviours of all entities on the platform and manage misleading advertising, false marketing, unfair competition and other improper behaviours.

We continue to improve the rules, standards, and processes of advertisement review, focusing on enhancing the capability to better identify and handle illegal activities and content in advertising on our platform. We upgrade the sensitive word and image filtering system to enhance the accuracy of machine review and ensure the legitimacy and compliance of advertising content. For major wellbeing-oriented industries, such as medical treatment, medicine and food, we conduct focused review on these advertisements in accordance with relevant special advertisement reviewing rules to protect the rights and interests of consumers. We enhance education on advertising compliance, establish a systematic training mechanism based on the interpretation of the latest regulations, and leverage internal and external experts to communicate compliance requirements and non-compliance risks related to advertising placement and product design, improving the awareness of advertising compliance among employees.

Compliance of UGC

We strictly comply with the *Measures for the Administration of Internet Information Services* and other policies and continue enhancing compliance and quality management of User Generated Content (UGC). We have established a Content Security Committee to oversee the development of the content security system and ensure UGC compliance and quality.

In terms of UGC review, we establish a dual inspection mechanism. For automatic inspections, we constantly enhance the automatic identification system by improving the text recognition capability, and optimising the image recognition and semantic analysis models to improve the screening accuracy of violations. For manual inspection, we assign different levels of reviewers based on content, and designate personnel in charge of screening high-risk contents. We implement a hierarchical management policy to block or delete identified illegal content. When necessary, we would carry out investigations, collect evidence, and report to the relevant government agencies.

In terms of UGC risk prevention and control, we construct a security prevention and control system for big model business, continuously improve the content management of videos and live streaming, and solidify the security control chain to ensure content compliance.

We have established a specific emergency response system and a protection mechanism of sensitive information. We have set up an emergency response mechanism for content management with a dedicated twenty-four seven on-call team, covering regulatory requirements, trending public opinions and user violations, to enable recall capabilities for UGC contingency on the platform. We continuously optimise the public opinion monitoring and analysis system and refine the external public opinion emergency response mechanisms, covering the phased handling process of public opinion in terms of early warning, identification, response, and resolution. We continuously enrich a sensitive-word database to track and update new sensitive words. For sensitive occasions such as festivals, we have established a protection mechanism to enhance content security. In addition, we have set up communication channels with regulatory authorities to respond quickly and continue managing UGC in line with regulatory requirements.

We strengthen our employees' abilities to manage UGC through diverse content safety courses, and provide specialised training before the launch of significant occasions' special initiatives. We assess employees' awareness of UGC security and require all UGC reviewers to take special training, following which they have to pass examinations before they start to work.

Compliance of POI

We attach great importance to the compliance, authenticity and accuracy of POIs (Points of Interests, i.e., the places that consumers find interesting or useful).

We continuously improve the review system and refine the quality control of POI content, including: (i) we integrate manual review with the intelligent identification system to conduct quality sampling inspection and review of POI content. We continuously identify potential POIs at risk by using big model technology to enhance the authenticity and reliability of POI information; (ii) we collect the POI content through various channels, such as complaints and whistleblowing, and carry out unified revision, review, and rectification of incorrect, duplicate, and false information as well as strengthen the supervision of the source information from partners; (iii) we keep adequate communication with regulatory authorities and improve POI management according to regulatory requirements; and (iv) we increase investment in POI risk training and examination processes, strengthen compliance management in the data reporting process to ensure that relevant personnel can promptly identify and correct inaccurate information, avoiding potential conflicts of interest.

In 2024, we improved the POI information feedback channel to increase a sense of participation and contribution for users in contributing information. We applied user feedback as a key reference for data refinement and product upgrades, further improving users experience.

ANTI-CORRUPTION

Anti-fraud

We strictly adhere to the *Anti-Unfair Competition Law of the People's Republic of China* and other relevant laws and regulations, continuously enhance our internal policies and management systems to improve our capabilities for fraud risk prevention and management. We are committed to fostering a culture of integrity and building a clean, transparent, and fair workplace. For external partnership, we create an open and honest cooperation environment to attract high-quality partners.

Anti-fraud Policy and System Construction

We have formulated the Integrity Workplace Code of Conduct and the Integrity Management Responsibility Policy to specify our integrity requirements and clarify managers' accountability for employee fraud, reflecting our requirement to integrity as the bottom-line.

We have established the Integrity Committee to lead the Company's anti-corruption efforts, policy system development, violation investigations, and integrity culture development. The committee is chaired by one of the Company's executive directors and the head of the relevant functional department serves as the Secretary-general. Adhering to our Specification for Integrity Committee and Framework of Integrity & Operational Mechanism of Integrity Committee, the committee independently reports to the senior managements. The committee's main responsibilities include:

- Formulate and optimise our code of professional conduct, while implementing an integrity strategy to comprehensively identify and prevent integrity risks.
- Lead the investigation and handling of disciplinary breaches, accept and adjudicate appeals from employees regarding disciplinary treatment.
- Establish an internal integrity system, integrating modules such as report handling, violation investigation, as well as disciplinary enforcement.
- Build and continuously enhancing the Company's integrity culture.

We assess potential corruption risks involved in internal and external communication of employees, comprehensively monitor fraud conducts, adopt a "zero tolerance" policy, and deal with violations strictly in accordance with rules and regulations. In 2024, the Integrity Committee focused on promoting fraud and corruption governance in key areas of the value chain, such as procurement of goods, services, products and spare parts, and major business cooperation.

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We have established a whole-crew risk management system based on the "Three Lines Model" and our actual needs. For more details on the risk management system, please refer to the chapter of "Risk Management and Internal Control – Organisational Structure for Risk Management" in this annual report. To mitigate fraud risk, we continuously evaluate the effectiveness of fraud risk management across all operations, and continuously iterate and improve the Company's internal policies and processes.

Fostering a Corporate Culture of Integrity

We adhere to the integrity concept of "making integrity one of the organisational capabilities and core competencies" and carry out a series of integrity culture development, including training, assessment and cultural publicity.

We coordinate all departments to foster an integrity culture, ensuring all employees understand and comply with the Integrity Workplace Code of Conduct. We conduct integrity training and publicity at different levels, including the Board of Directors and the management, and all employees are required to take integrity examinations. In 2024, we delivered 977 sessions of integrity training or publicity activities, including 1 session of integrity training for all Board members. Additionally, we conducted 29 sessions of orientation and integrity training for newly recruited employees, covering a total of 10,048 new employees.

Our culture of integrity is further promoted by a series of publicity activities. For example, in 2024, we organised publicity activities and commitment activities in various forms to raise employees' awareness of gifts declaration. A total of 7,359 employees participated in the activities and declared giving or receiving gifts.

We have conducted an integrity index survey for employees and partners since 2017, covering factors such as integrity perception, integrity status and trend of changes. The results are then analysed and explained in a timely manner.

Whistleblowing and Inspection Mechanism

We have established the Integrity Declaration Platform to encourage employees to proactively report any instances of gift-giving, gift-receiving, and conflicts of interest. We also gather employees' reports of violations on laws and business ethics standards through an internal reporting and whistleblowing mechanism. We have established an internal integrity management system that integrates complaint acceptance, investigation, and disciplinary enforcement into a closed-loop process. Moreover, we have established a standardised operation for handling reporting clues with "full coverage, no omissions, high efficiency, and mandatory feedback", while protecting whistle-blowers through a robust whistle-blower protection policy. Our Department of Integrity and Supervision accepts fraud reports and forms investigative teams. We have established a grievance and clarification mechanism to ensure fair and accurate investigations, allowing individuals to present their cases. Employees who are found to be related to fraud are dismissed based on laws and regulations. For cases suspected of violating the law, we will promptly report to the public security authorities, and the judicial authorities will deal with the case in accordance with the law.

As one of the initiators and vice-chairman units of the strategic decision-making committee of the "Trust and Integrity Enterprise Alliance", we have been continuously participating in the work of the "Trust and Integrity Enterprise Alliance" since 2017, and jointly carrying out anti-corruption actions. We are committed to fostering a community of integrity with our partners, which aims at cracking down corruption, fraud, counterfeiting, breach of information security rules, and other criminal acts through Internet approaches, to improve the anti-corruption governance level of alliance members and foster a positive atmosphere of integrity in business.

In 2024, we received the investigation and litigation outcomes of 6 corruption cases which we previously reported to the public security authorities. All 6 employees involved in the cases were sentenced in accordance with the law. We have terminated labour relations with the above-mentioned employees by the Integrity Workplace Code of Conduct and established a case review mechanism to avoid the recurrence of similar cases. The cases have not had a significant impact on our business.

Anti-money Laundering and Countering Terrorism Financing

We abide by the *Anti-money Laundering Law of the People's Republic of China*, and the *Administrative Measures for the Anti-money Laundering and Anti-Terrorist Financing Work of Payment Institutions*. Moreover, we promptly interpret the requirements of newly-effective laws and regulations, and continuously improve our internal management policies. In 2024, based on our daily operational practices and risk exposures, we refined the Guidelines for Anti-money Laundering List Monitoring Operations and the Guidelines for Strengthened Anti-money Laundering Due Diligence to effectively enhance the anti-money laundering compliance management and risk control.

In compliance with regulatory requirements, we have set up multiple positions to carry out precision management of anti-money laundering and strengthen the professional allocation, including: (i) we establish an anti-money laundering management department and a dedicated anti-money laundering compliance position in the public affairs department to coordinate and implement various anti-money laundering work; (ii) we assign personnel in the risk control department for suspicious transaction monitoring, anti-money laundering product, and anti-money laundering strategy. The personnel is responsible for the implementations of suspicious transaction monitoring, money laundering watchlist monitoring, and due diligence for high-risk customers; and (iii) in the technical department, we set up anti-money laundering system and data support positions, which are responsible for the development, daily maintenance, and upgrade of the anti-money laundering system.

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In terms of money laundering risk assessment, following the “risk priority” principle, we comprehensively consider the perspectives of customer characteristics, geographical characteristics, business characteristics and transaction characteristics to thoroughly control money laundering risks. In 2024, we assessed money laundering risk for a variety of products and services, promptly developed specific risk control suggestions and required the business teams to rectify accordingly. To promote the effectiveness of money laundering and terrorist financing risk monitoring, we have improved the rationality of suspicious transaction monitoring model and iterated the money laundering watchlist scanning and matching logic.

In terms of customer due diligence, following the “know your customer” principle, we continuously refine the due diligence process. In the early stage of due diligence, we verify the qualifications and licences submitted by customers and verify customers’ identities via officially authorised third-party verification channels. In the ongoing stage of due diligence, we refine the identification scenarios. If customers’ qualifications are abnormal, changed, or expired, we reach and remind them to update their qualification files, and take proper control actions when necessary. In the enhanced stage of due diligence, we upgrade the mechanism for due diligence on high-risk customers and design more effective follow-up control measures.

We pay great attention to improving employees’ and partner merchants’ awareness and knowledge of anti-money laundering, and we are working to foster an anti-money laundering culture both internally and externally. Internally, we have formulated the Policy for Anti-money Laundering Training and Publicity Management to specify the content, form, and frequency of anti-money laundering trainings. The topics of anti-money laundering training include basic knowledge, typical cases and interpretation of related laws and regulations. In 2024, we held training sessions of anti-money laundering at least once every quarter for the management, anti-money laundering related personnel, partners and the public. We report to the management on anti-money laundering and the progress of important projects, while interpreting latest laws and regulations on anti-money laundering every month. Externally, we conduct training to our partner merchants through social media posts, covering topics such as anti-money laundering knowledge, telecom fraud preventing and financial risks avoidance. We carry out publicity at business premises, in commercial districts, and among communities, involving a wide range of participants and achieving favourable results.

In 2024, we maintained communication with the People’s Bank of China, reported our experience and challenges in anti-money laundering projects, and facilitated their research studies. Moreover, we exchanged the insights on anti-money laundering duties with the digital currency institute. Besides, we attended and offered our insights at the symposium on the revision draft of the anti-money laundering law co-organised by the Standing Committee of the National People’s Congress, the Legislative Affairs Commission and the People’s Bank of China. Also, we kept strengthening communication and cooperation with peers, and actively participated in various seminars organised by industry associations to exchange with peers on issues such as telecom fraud and new money laundering tricks, thereby strengthening our own ability to perform anti-money laundering duties.

COMMUNITY INVESTMENT

We actively engage with communities to understand their needs and implement diverse projects that promote sustainable community development.

Public Welfare Platform and Projects

Meituan Public Welfare Platform is one of the online fundraising platforms designated by the Ministry of Civil Affairs of the People's Republic of China. Positioned in the "Internet + Public Welfare" model, the platform connects consumers, merchants and charity organisations to offer safe, simple, and convenient donation channels. We integrate technological and social innovation, using our self-developed donation tracking system to monitor donation flows and establish a closed-loop feedback mechanism.

For the public, we collaborate with charity organisations to continuously promote the Meituan playgrounds for rural children project, building multifunctional playgrounds in less-developed areas to promote joyful and healthy growth for children. Through the donation tracking system, we provide timely updates on playground construction progress, making the impact of donations visible. By the end of 2024, with the support of 1,382 thousand charitable merchants and 989 thousand warm-hearted consumers, the project had supported constructing 2,653 playgrounds in 29 provinces, autonomous regions and municipalities, such as Guizhou, Yunnan, Xizang, and Qinghai, directly benefiting 370 thousand children in 1,939 rural areas.

We focus on enhancing the sports experience and enjoyment of rural children. During the Children's Day in 2024, under the guidance and support of multiple departments in Guizhou Province and the Centre for Behavioural Health, Beijing Normal University, we organised the "Meituan Playgrounds for Rural Children – Village Games" nationwide with Guizhou project parks as the starting point. The project enriched the sports activities for rural children, with a total of 1,045 parks participated this year. We continue to expand the impact of the playground project. On the National Fitness Day in 2024, we launched the "Meituan Playgrounds for Rural Children – Champion's Hometown Charity Project" along with the China Sports Foundation and the One Foundation. This special project aimed to join hands with outstanding athletes to give back to their hometowns and bring the attention of the community to the development of physical education for rural children.

Within the Company, our employees participate in public welfare initiatives in various ways.

- Environmental protection public welfare: we launched the "Empty Bottle for Gift" campaign, encouraging employees to contribute to environmental protection through plastic bottle recycling. By the end of 2024, we had cumulatively recycled nearly 400 thousand empty plastic bottles in office area, with a weight of about 8 tonnes, equivalent to carbon emission reduction of approximately 11.3 tonnes.

- Public welfare art education: our employees voluntarily delivered charity art classes for children from the "Baby Kangaroo Charity Homes" and the Meituan playgrounds for rural children project. The class paintings were developed into charitable cultural and creative merchandise and sold online, with a portion of the proceeds donated to charity projects.

- Charity bazaars: gifts donated by employees or declared through our "Integrity Workplace Declaration" project are sold at charity sales. All proceeds are donated to public welfare projects. In 2024, a total of RMB128 thousand was raised from the auction to support the "Baby Kangaroo Charity Project" serious diseases assistance project.

Barrier-free Optimisation

As a life service platform, we leverage our unique business features and proactively enhance information accessibility. We strive to become an important tool facilitating the life of special groups, such as the disabled and disadvantaged, as well as an important channel which they can find employment or self-employment opportunities.

We have set up a dedicated team on accessibility experience management, aiming to make digital life easier for special groups by taking the following measures for barrier-free management and optimisation, including: (i) we conduct targeted training on barrier-free optimisation, including topics on international standard interpretation, sharing of self-testing and acceptance methods; (ii) we constantly raise employees' awareness through exploring the development and application of barrier-free automatic testing tools and popularising the concept of barrier-free development, thereby improving the R&D staff's awareness and ability to serve special groups. We strengthen the training on basic knowledge of accessibility to improve the quality of customer service for special groups; and (iii) we optimise product functions, actively collect the needs of the visually impaired and conduct research on their demands and experience for optimisation. We help the visually impaired obtain information conveniently and use our products accurately and smoothly by offering features such as "converting text and pictures to voice", "reducing man-machine verification and identity verification", as well as "blocking advertising and marketing content", to improve their experience. In 2024, in response to the feedback that the order address editing page has "screen reading" exception, we delved into the cause, fixed product logic and engineering defects, and gradually launched the relevant functions.

Elderly-friendly Upgrade

In line with the *Implementation Plan for Effectively Resolving the Difficulties Facing the Elderly in the Use of Intelligent Technologies* and other policies, we have established an "Elderly-oriented Product and Service" team, aiming to continuously optimise product functions based on the actual needs of the elderly and improve their experience in digital service.

We make efforts in both online operation optimisation and offline elderly assistance services to provide comprehensive elderly-friendly daily life services across all scenarios. For online operation, we have optimised the operation interfaces or product functions of the "Elderly Consumer Version" Meituan App, "Elderly Consumer Version" Dianping App, "Taxi at One Click", "Voice-enabled Delivery", and "Scenic Spots Tickets 'Elderly-friendly' Project", making these Apps more friendly to elderly consumers. For offline elderly assistance services, we have carried out several initiatives, including "Youth Volunteer Service Station for the Community", "Filial Piety Orders", "Elderly-friendly Renovation at Scenic Spots", "Dedicated Service Personnel and Exclusive Service Materials for the Elderly at Scenic Spots", and "Shanghai Digital Experience Project", bringing "elderly-friendly approaches" to every aspect of the elderly people's life.

Rural Revitalisation

In 2024, to meet the new deployment and requirements of the Rural Revitalisation Strategy, we took full advantage of digital technology and talents, and closely integrated the revitalisation of rural industries and talent with the Company's business to improve the living standards of rural residents and actively fulfil our corporate social responsibility.

Industry Upgrade

We continue cooperating with large-scale agricultural enterprises and bases to directly source high-quality products to benefit farmers by bringing their products directly to our communities. We leverage the advantages of the digital economy to help and improve the production, circulation, and consumption of agricultural products through scientific and technological innovation. Also, we promote the digitalisation, standardisation, and branding of the agricultural product supply chains to help rural revitalisation and county economy development.

- Commodity side: we promote high-quality agricultural specialties across the country. We carry out a series of "Local Top-notch Product" activities in conjunction with seasonal availability of agricultural products. We also help platform merchants gain more exposure opportunities and traffic during online shopping festivals, in an effort to raise the brand-awareness of local quality products. We shorten the supply chain of agricultural products and promote local employment and agricultural brands development by leveraging our digital capabilities in the on-demand retail industry. We also strengthen collaboration with local governments to launch the "Direct Sourcing of Fresh Produce" to increase direct procurement of high-quality agricultural products at source.

- Sales side: we fully leverage the advantages of the retail platform to create more exposure opportunities and traffic for agricultural products. During the 2024 Farmers' Harvest Festival, we collaborated with more than 1.3 million merchants on our platform for online promotion of fresh produce, rice, flour, grain, and oil to increase farmers' income. We also actively participated in production-to-retail marketing activities organised by governments of multiple provinces and cities to help sell local agricultural products across the country.

Talent Development

In response to policies and guidance such as the *Opinions on Accelerating the Revitalisation of Rural Talents*, we strive to play a more positive role in training talents and increasing employment in rural areas by conducting training for agricultural product suppliers and bolstering the development of new business modes.

- Training for agricultural product suppliers: we creatively leverage on our professional abilities and industry assistance to continuously conduct training for high-quality agricultural product suppliers. For each key stage in the supply process, we provide training on different themes to make the flow of agricultural products more organised, effective, and standardised. By the end of 2024, we had trained for more than 2,600 suppliers of high-quality agricultural products.

- New form of business: we keep exploring new business modes to help boost and broaden employment channels in rural areas, in a bid to bring more opportunities and space for people in rural areas to increase their income. Couriers and other new employment forms have become an important employment option for workers in key assisted counties.

Retail Industry Empowerment and Development

We focus on enhancing the capabilities of service retail industry practitioners to drive industry growth. We respond to policies, including the *Guiding Opinions on Promoting Standardised and Healthy Development of Platform Economy* and the *Implementation Plan for National Vocational Education Reform*, to create a base camp of talent in the retail industry. We have set up several training centres on catering, food delivery, hotel, beauty care, and homestay to meet the learning and certification needs of industry practitioners and help cultivate talents in the retail industry.

To empower the long-term industry development, we launch the "Pilot Programme for Cultivating On-demand Retail Talents" in collaboration with regional governments through "On-demand Retail Open Class" activities. By organising offline lecture tours across cities, we share trends in the on-demand retail industry to help practitioners understand the methods for merchandise management, marketing strategies, and service enhancement. we have also reorganised the lecture content into sections and conducted weekly online live broadcasts for practitioners nationwide. In 2024, the live broadcasts garnered over 100,000 views.

We support the development of couriers and other flexible employment models. We provide digital competency training on product development, data analysis, business understanding, and consumer and platform operation for industry practitioners. We continue improving the courier training system, providing diversified training courses for couriers. For more information, please refer to the chapter of "Empowering Couriers' Development" in this report.

We create an industry exchange and learning platform for hotel practitioners. We share cutting-edge information and views in the industry through open courses, special coaching and other forms, to help cultivate talents in the industry. By the end of 2024, the "Internet Marketer Course" launched by the Meituan Hotel Training Centre had attracted approximately 250 thousand participants. Meanwhile, we have been honoured as the fourth batch of vocational education and training evaluation organisations and registered in the vocational skill level certificate list by the Ministry of Education of the People's Republic of China. We can issue relevant professional skills certificates to vocational college students and practitioners in the industry. By the end of 2024, we had 21 cooperating universities for "1+X certificate (academic certificate + multiple vocational skill certificates)" pilots, and the number of students applying for hotel revenue management majors reached 1,051.

Supporting the Development of the Real Economy

We are committed to cultivating an ecosystem where industries thrive together. Through collaborating with government authorities on the "E-coupons for Merchants and Consumers" project, promoting the transformation of the catering industry through digital initiatives, supporting the development of hotel and travel industry, as well as empowering the upgrade of the medicine & health industry, we aim to facilitate the development of real economy.

Enhancing Support for Merchants and Consumers

Leveraging the scale advantage of merchants and consumers on our platform, we support the government in the "E-coupons for Merchants and Consumers" project, which aims to stimulate consumption intention by issuing e-coupons, thereby increasing the transaction scale of physical retailers and supporting the development of city economies. We actively expand our service boundaries by participating in the programme for trade-in of old consumer goods and promoting the programme to cover more provinces. We also rely on the integration of both online and offline platforms to drive the sales growth of physical stores.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Promoting Digital Integration

We carry out digital transformation initiatives to support the quality development of the catering industry. In 2024, aligning with the "Prosperity Plan", we launched the "Catering Merchants Assistance Initiative", offering RMB1 billion to support high-quality catering merchants dedicated to product excellence and innovation, which aimed at fostering the industry's quality growth. Additionally, guided by government authorities, we initiated the "Digital Enhancement Programme for the Catering Industry", taking several measures to promote the industry's development. These measures include: (i) we improve the digital management capabilities of catering merchants to provide catering merchants with one-on-one free "Food Delivery Butler Service". We support the development of satellite food delivery stores for catering brands to open up new revenue streams; (ii) we reinforce the digital infrastructure to help catering merchants to set up their online stores, and empower food delivery merchants to boost their online sales with a suite of digital solutions; (iii) we improve digital fulfilment capabilities, and tailor service solutions based on the characteristics of each merchant. We improve services for "dispatch after preparation of meals" and "system-initiated reassignment" to provide merchants with more professional and affordable fulfilment options; and (iv) we scale up the training of digital operations talent, provide free courses on food delivery operation for practitioners in the catering industry to enhance operation professional skills. We also carry out digital transformation among new and existing merchants. For new stores, we have launched the "Meituan New Merchants Growth Plan", providing new catering merchants with exclusive benefits, such as traffic attracting support, priority exposure and new store labels, to help new stores operate efficiently. For existing merchants, we empower the time-honoured brands through digital transformation to facilitate their innovative development and attract young consumers. By the end of 2024, we had labelled 176 time-honoured catering brands in 31 provinces across the country.

We have created a digital intelligence platform to promote the integrated development of the travel industry. We have launched a series of "Food Map for Travel Destination" project to help the development of the travel industry. By integrating destination travel routes, top-quality rankings, content guides, and other elements, we have created a smart tourism platform that consolidates functions such as government resource integration, brand promotion, and consumption stimulation. In 2024, in collaboration with the Chaozhou Culture and Tourism Bureau, leading travel and catering companies, we carried out the "Chaozhou Travel Destination and Food Map" product. For out-of-town tourists, the display of Dianping App off-site homepage provided rich content such as destination notes and guides, local activities, treasure catering merchants, and sent out discounts. In addition, we organised offline activities of food and travel to promote consumption, helped promote the integrated consumption model of "culture + travel + cuisine", which enhanced the experience of consumers and promoted the development of the travel industry in the destination cities.

We leverage the platform's marketing and digital capabilities to help hotel merchants increase their operating revenue. Through building a closed-loop platform ecosystem that combines the internet with industrialization and includes factories sources, construction teams, merchants, and consumers, we provide product upgrade solutions that guarantee certain investment returns to merchants and offer comfortable, natural and interesting spaces for the new generation consumers, creating a rich experience of "living + entertainment". We also launch a diagnosis function for merchants' operation to help them automatically analyse operational issues and provide merchants with suggestions through multi-dimensional operational data analysis.

We construct a digital business model to empower the medicine & health industry to operate efficiently. We launch the "HEALTH Growth Model" for chain merchants in the medicine & health industry to empower their operational capabilities through digital tools and services, mainly including: (i) business data analysis, which focuses on the actual business scenarios of the merchants, provides data analysis and diagnostic recommendations on operational aspects such as product selection, pricing, and inventory management, and assists merchants in adjusting the commodity structure to improve operational efficiency; (ii) market information empowerment, which provides merchants with multi-dimensional digital capabilities covering market analysis and demand insights to help merchants grasp potential market opportunities; (iii) platform functions simplification, which reduces the cost of using and understanding platform functions, and alleviates the burden of online operations for merchants; and (iv) service empowerment, which provides live training on a regular basis to offer merchants with business empowerment methods.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Independent practitioner's limited assurance report on Meituan's ESG Data
To the board of directors of Meituan

LIMITED ASSURANCE CONCLUSION

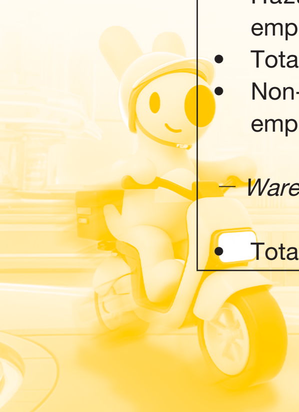
We have conducted a limited assurance engagement on the selected Environmental, Social and Governance ("**ESG**") data of Meituan (the "**Company**") listed below and included in the Company's 2024 ESG report (the "**ESG Data**") as at December 31, 2024 and for the year then ended.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the ESG Data is not prepared, in all material respects, in accordance with the criteria applied as explained in the section headed "Report Overview" and notes to the ESG Data in the Company's 2024 ESG report (the "**Criteria**").

ESG DATA

The ESG Data as at December 31, 2024 and for the year then ended is summarised below:

Environmental Performance Indicators	**Employment Management Performance Indicators**
Emissions • Scope 1 emissions (tonnes) • Scope 2 emissions (tonnes) — *HQ offices* • Total GHG emissions (tonnes) • GHG emissions per employee (tonnes per employee) • Total hazardous waste (tonnes) • Hazardous waste per employee (tonnes per employee) • Total non-hazardous waste (tonnes) • Non-hazardous waste per employee (tonnes per employee) — *Regional sales offices* • Total GHG emissions (tonnes) • GHG emissions per employee (tonnes per employee) • Total hazardous waste (tonnes) • Hazardous waste per employee (tonnes per employee) • Total non-hazardous waste (tonnes) • Non-hazardous waste per employee (tonnes per employee) — *Warehouses and service stations* • Total GHG emissions (tonnes)	**Employment** • Total number of employees • Number of employees by gender – Male – Female • Number of employees by age group – Age 30 and under – Age 31 to 50 – Above age 50 • Number of employees by geographical region – Mainland China – Hong Kong, Macao and Taiwan – Other countries and regions • Number of employees by management level – Management – Non-management • Number of employees by employment type – Full-time – Contractors and other types • Total turnover rate • Employee turnover rate by gender – Male – Female • Employee turnover rate by age group – Age 30 and under – Age 31 to 50 – Above age 50 • Employee turnover rate by geographical region – Mainland China – Hong Kong, Macao and Taiwan – Other countries and regions



Energy and Resources Consumption — *HQ offices* • Total energy consumption (MWh) • Energy consumption per employee (MWh per employee) • Running water consumption (tonnes) • Running water consumption per employee (tonnes per employee) — *Regional sales offices* • Total energy consumption (MWh) • Energy consumption per employee (MWh per employee) • Running water consumption (tonnes) • Running water consumption per employee (tonnes per employee) — *Warehouses and service stations* • Total energy consumption (MWh) • Running water consumption (tonnes)	**Health and Safety** • Number of work-related fatalities • Rate of work-related fatality • Number of working days lost due to work injuries **Employee Training** • Percentage of employees trained by gender – Male – Female • Percentage of employees trained by management level – Management – Non-management • Average training hours of employees by gender – Male – Female • Average training hours of employees by management level – Management – Non-management
Number of Suppliers • Number of suppliers by geographical region – Mainland China – Hong Kong, Macao and Taiwan – Other countries and regions	**Platform Responsibility** • Total number of customer complaints received **Anti-Fraud** • Number of corruption cases the Company received litigation outcomes

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

BASIS FOR CONCLUSION

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements ISAE 3000 (Revised), *Assurance engagements other than audits or reviews of historical financial information* ("**ISAE 3000 (Revised)**"), issued by the International Auditing and Assurance Standards Board (the "**IAASB**").

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the Practitioner's responsibilities section of our report.

Our independence and quality management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management 1 issued by the IAASB, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

RESPONSIBILITIES FOR THE ESG DATA

Management of the Company is responsible for:

- The preparation of the ESG Data in accordance with the Criteria;

- Designing, implementing and maintaining such internal control as management determines is necessary to enable the preparation of the ESG Data, in accordance with the Criteria, that is free from material misstatement, whether due to fraud or error; and

- The selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Those charged with governance are responsible for overseeing the Company's sustainability reporting process.

Inherent limitations in preparing the ESG Data

The absence of a significant body of established practice upon which to draw to evaluate and measure non-financial information allows for different, but acceptable, evaluation and measurement techniques that can affect comparability between entities, and over time.

PRACTITIONER'S RESPONSIBILITIES

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the ESG Data is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. We report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the ESG Data.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), we exercise professional judgement and maintain professional scepticism throughout the engagement. We also:

- Determine the suitability in the circumstances of the Company's use of the Criteria as the basis for the preparation of the ESG Data.

- Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of providing a conclusion on the effectiveness of the Company's internal control.

- Design and perform procedures responsive to where material misstatements are likely to arise in the ESG Data. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

SUMMARY OF THE WORK PERFORMED

A limited assurance engagement involves performing procedures to obtain evidence about the ESG Data. The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of where material misstatements are likely to arise in the ESG Data, whether due to fraud or error.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

In conducting our limited assurance engagement, we:

- Obtained an understanding of the Company's reporting processes relevant to the preparation of its ESG Data by:
  - Making inquiries of the persons responsible for the ESG Data;
  - Understanding the process for collecting and reporting the ESG Data;
- Evaluated the appropriateness of measurement and evaluation methods, reporting policies used and estimates made by the Company;
- Performed limited substantive testing on a selective basis of the ESG Data, which is aggregated from information submitted by the Company's office in Beijing. Testing involved: agreeing arithmetical accuracy and agreeing data points to or from source information to check that the ESG Data had been appropriately evaluated or measured, recorded, collated and reported; and
- Consider the disclosure and presentation of the ESG Data in the Company's 2024 ESG Report.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, April 28, 2025

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Meituan
(incorporated in the Cayman Islands with limited liability)

OPINION

What we have audited

The consolidated financial statements of Meituan (the "**Company**") and its subsidiaries (the "**Group**"), which are set out on pages 203 to 335, comprise:

- the consolidated statement of financial position as at December 31, 2024;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("**ISAs**"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("**IESBA Code**"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters identified in our audit are summarised as follows:

- Revenue recognition
- Impairment assessments of goodwill

Key Audit Matter	How our audit addressed the Key Audit Matter
Revenue recognition	
Refer to Notes 2.1.15, 4.1, 4.2 and 6 to the consolidated financial statements. The Group provides an e-commerce platform that offers diversified daily goods and services in the broader retail by leveraging technology, including on-demand delivery, in-store, hotel and travel booking and other services and sales. The Group mainly generates revenue in the way of delivery services, commission, online marketing services and other services and sales. Revenue of RMB337,592 million was recognised for the current year. We focused on this area as significant efforts were spent on auditing the revenue recognition due to the magnitude of revenue amount and the huge volume of revenue transactions recorded in the operating systems and then interfaced with the financial system.	Our procedures in relation to the revenue recognition included: We understood and tested management's process and controls in respect of revenue recognition and calculation derived from different services. We discussed with management and evaluated their judgements made in determining the method and timing of revenue recognition and calculation. We tested the general control environment and automated controls of the information technology systems used in the transaction processes. We tested, on a sample basis, the interface between the operating and financial systems. We tested, on a sample basis, transactions by reviewing the underlying contracts, identifying the key terms and attributes from the contracts and checking them against the underlying data from the system used in the transaction processes, checking the cash settlement and then recalculating the revenue amount. Based on the procedures performed, we found that the Group's revenue recognition was supported by the evidence obtained.

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment assessments of goodwill	
Refer to Notes 2.1.8, 4.3 and 16 to the consolidated financial statements. As at December 31, 2024, the net carrying amount of goodwill amounted to RMB27,774 million. Under International Accounting Standards ("**IAS**") 36 Impairment of Assets, the Group is required to perform goodwill impairment assessment both annually and whenever there is an indication that a cash-generating unit ("**CGU**") to which goodwill has been allocated may be impaired. The Group engaged an independent external valuer to assist the preparation of the goodwill impairment testing. The recoverable amounts of CGUs were determined based on the value-in-use calculations using cash flow projections. The key assumptions used include annual revenue growth rate for the 5-year period, gross margin, terminal revenue growth rate and pre-tax discount rate. We focused on this area due to (a) the magnitude of the carrying amount of goodwill; and (b) the estimation of recoverable amount is subject to uncertainty.	Our procedures in relation to the impairment assessments of goodwill included: We obtained an understanding of the management's internal control and assessment process of goodwill impairment and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors such as complexity, subjectivity, changes and susceptibility to management bias or fraud. We evaluated the outcome of prior period impairment assessment of the goodwill to assess the effectiveness of the management's estimation process. We evaluated and tested the key controls over the impairment assessment of goodwill. We tested management's assessment including periodic impairment indications evaluation as to whether indicators of impairment exist by corroborating with management and market information. We evaluated the independent valuer's objectivity, competence and capabilities. We assessed the appropriateness of the valuation models and significant assumptions with the involvement of our internal valuation experts. We assessed the key assumptions adopted including annual revenue growth rate for the 5-year period and gross profit rate by examining the approved financial/business forecast models, and comparing actual results for the year against the previous period taking into consideration of market trends and our industry knowledge. We assessed terminal revenue growth rate and pre-tax discount rate with the involvement of our internal valuation experts.

INDEPENDENT AUDITOR'S REPORT

Key Audit Matter	How our audit addressed the Key Audit Matter
	We independently tested, on a sample basis, the accuracy of mathematical calculation applied in the valuation models and the calculation of impairment charges. We evaluated the reasonableness of management's forecast performance and assessed management's sensitivity analysis around the key assumptions, to ascertain the extent to which adverse changes, would result in the goodwill being impaired. We assessed the adequacy of the disclosures related to goodwill impairment in the context of the applicable financial reporting framework. We considered whether the judgements made in selecting the models, significant assumptions and data would give rise to indicators of possible management bias. Based on the procedures performed, we considered that the risk assessment of goodwill impairment remained appropriate and the key assumptions adopted by management in the assessment of goodwill impairment are supported by the evidence obtained.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

INDEPENDENT AUDITOR'S REPORT

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Jack Li.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong, March 21, 2025

CONSOLIDATED INCOME STATEMENT

	Note	Year ended December 31, 2024 RMB'000	2023 RMB'000
Revenues	5,6	**337,591,576**	276,744,954
Including: Interest revenue		**1,964,341**	1,449,743
Cost of revenues	7	**(207,806,982)**	(179,553,793)
Gross profit		**129,784,594**	97,191,161
Selling and marketing expenses	7	**(63,975,235)**	(58,616,997)
Research and development expenses	7	**(21,053,601)**	(21,201,005)
General and administrative expenses	7	**(10,729,203)**	(9,372,067)
Net provisions for impairment losses on financial and contract assets		**(897,505)**	(1,135,405)
Fair value changes of other financial investments at fair value through profit or loss	19	**140,921**	234,227
Other gains, net	9	**3,574,985**	6,315,473
Operating profit	5	**36,844,956**	13,415,387
Finance income	10	**1,291,807**	818,986
Finance costs	10	**(1,337,038)**	(1,425,157)
Share of profits of investments accounted for using the equity method	12	**1,185,704**	1,212,652
Profit before income tax		**37,985,429**	14,021,868
Income tax expenses	13	**(2,177,107)**	(164,537)
Profit for the year		**35,808,322**	13,857,331
Profit for the year attributable to:			
Equity holders of the Company		**35,807,179**	13,855,828
Non-controlling interests		**1,143**	1,503
		35,808,322	13,857,331
Earnings per share for profit for the year attributable to the equity holders of the Company	14		
Basic earnings per share (RMB)		**5.85**	2.23
Diluted earnings per share (RMB)		**5.66**	2.11

The notes on pages 212 to 335 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Year ended December 31,	
		2024	2023
	Note	RMB'000	RMB'000
Profit for the year		**35,808,322**	13,857,331
Other comprehensive income, net of tax:			
Items that may be reclassified to profit or loss			
Share of other comprehensive (loss)/income of investments accounted for using the equity method	12,27	**(4,218)**	5,192
Fair value changes of debt instruments at fair value through other comprehensive income	27	**74,913**	334,551
Net provisions for impairment losses on debt instruments at fair value through other comprehensive income	27	**4,675**	142,190
Net movement for net investment hedges	27	**351,737**	–
Currency translation differences	27	**(3,553,277)**	(1,577,819)
Items that will not be reclassified to profit or loss			
Share of other comprehensive income of investments accounted for using the equity method	12,27	**2,038**	36,880
Fair value changes of other financial investments at fair value through other comprehensive income	20,27	**493,470**	(426,513)
Currency translation differences	27	**4,490,470**	1,852,874
Other comprehensive income for the year		**1,859,808**	367,355
Total comprehensive income for the year		**37,668,130**	14,224,686
Total comprehensive income for the year attributable to:			
Equity holders of the Company		**37,666,987**	14,223,183
Non-controlling interests		**1,143**	1,503
		37,668,130	14,224,686

The notes on pages 212 to 335 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As of December 31, 2024 RMB'000	2023 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	15	**30,238,782**	25,977,845
Intangible assets	16	**30,230,342**	30,397,947
Deferred tax assets	18(a)	**1,925,046**	1,914,449
Long-term treasury investments	21	**7,528,508**	8,527,142
Other financial investments at fair value through profit or loss	19	**17,776,330**	18,481,104
Investments accounted for using the equity method	12	**19,800,129**	18,289,183
Other financial investments at fair value through other comprehensive income	20	**3,732,341**	2,314,536
Prepayments, deposits and other assets	22	**3,388,578**	4,011,247
		114,620,056	109,913,453
Current assets			
Inventories	23	**1,734,124**	1,304,595
Trade receivables	24	**2,653,046**	2,742,999
Prepayments, deposits and other assets	22	**17,554,813**	14,534,923
Short-term treasury investments	21	**97,409,161**	111,820,679
Restricted cash	25(b)	**19,549,620**	19,373,229
Cash and cash equivalents	25(a)	**70,834,097**	33,339,754
		209,734,861	183,116,179
Total assets		**324,354,917**	293,029,632
EQUITY			
Share capital	26	**404**	418
Share premium	26	**308,861,196**	325,578,612
Treasury shares	26	**–**	–
Shares held for shares award scheme	26	**–**	–
Other reserves	27	**3,603,145**	2,051,062
Accumulated losses		**(139,801,785)**	(175,616,885)
Equity attributable to equity holders of the Company		**172,662,960**	152,013,207
Non-controlling interests		**(58,882)**	(56,840)
Total equity		**172,604,078**	151,956,367

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As of December 31, 2024 RMB'000	2023 RMB'000
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities	18(b)	**1,480,825**	968,230
Financial liabilities at fair value through profit or loss		**–**	378,720
Borrowings	31	**1,175,045**	610,103
Notes payable	32	**38,009,069**	34,610,966
Lease liabilities		**3,134,776**	3,598,252
Other non-current liabilities		**15,484**	32,899
		43,815,199	40,199,170
Current liabilities			
Trade payables	29	**25,193,149**	22,980,506
Payables to merchants		**25,131,850**	23,798,004
Advances from transacting users		**11,147,206**	8,547,635
Other payables and accruals	30	**21,340,998**	17,942,215
Borrowings	31	**1,079**	19,321,793
Notes payable	32	**16,567,532**	–
Deferred revenues	28	**5,724,688**	5,598,132
Lease liabilities		**2,622,066**	2,479,785
Income tax liabilities		**207,072**	206,025
		107,935,640	100,874,095
Total liabilities		**151,750,839**	141,073,265
Total equity and liabilities		**324,354,917**	293,029,632

The notes on pages 212 to 335 are an integral part of these consolidated financial statements.

The consolidated financial statements on pages 203 to 335 were approved by the Board of Directors on March 21, 2025 and were signed on its behalf:

Wang Xing
Director

Mu Rongjun
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Share capital RMB'000	Share premium RMB'000	Treasury shares RMB'000	Shares held for shares award scheme RMB'000	Other reserves RMB'000	Accumulated losses RMB'000	Equity attributable to equity holders of the Company RMB'000	Non-controlling interests RMB'000	Total RMB'000
As of January 1, 2024		418	325,578,612	–	–	2,051,062	(175,616,885)	152,013,207	(56,840)	151,956,367
Comprehensive income										
Profit for the year		–	–	–	–	–	35,807,179	35,807,179	1,143	35,808,322
Other comprehensive income, net of tax										
Share of other comprehensive income of investments accounted for using the equity method	12,27	–	–	–	–	(2,180)	–	(2,180)	–	(2,180)
Fair value changes of other financial investments at fair value through other comprehensive income	20,27	–	–	–	–	493,470	–	493,470	–	493,470
Fair value changes of debt instruments at fair value through other comprehensive income	27	–	–	–	–	74,913	–	74,913	–	74,913
Net provisions for impairment losses on debt instruments at fair value through other comprehensive income	27	–	–	–	–	4,675	–	4,675	–	4,675
Net movement for net investment hedges	27	–	–	–	–	351,737	–	351,737	–	351,737
Currency translation differences	27	–	–	–	–	937,193	–	937,193	–	937,193
Total comprehensive income		–	–	–	–	1,859,808	35,807,179	37,666,987	1,143	37,668,130

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Share capital RMB'000	Share premium RMB'000	Treasury shares RMB'000	Shares held for shares award scheme RMB'000	Other reserves RMB'000	Accumulated losses RMB'000	Equity attributable to equity holders of the Company RMB'000	Non-controlling interests RMB'000	Total RMB'000
Transfer of gains on disposal of other financial investments at fair value through other comprehensive income to accumulated losses	20,27	–	–	–	–	(30,111)	30,111	–	–	–
Share of other changes in net assets of associates	12,27	–	–	–	–	367,399	–	367,399	–	367,399
Transaction with owners in their capacity as owners										
Equity-settled share-based payments	27,33	–	–	–	–	7,592,398	–	7,592,398	–	7,592,398
Shares held for shares award scheme	26	4	–	–	(4)	–	–	–	–	–
Repurchase of ordinary shares	26	–	–	(26,081,235)	–	–	–	(26,081,235)	–	(26,081,235)
Cancellation of ordinary shares	26	(19)	(26,089,602)	26,081,235	–	–	–	(8,386)	–	(8,386)
Exercise of share options and RSUs vesting	26,27	1	9,372,186	–	4	(9,221,528)	–	150,663	–	150,663
Distributions from a non wholly-owned subsidiary		–	–	–	–	–	–	–	(3,185)	(3,185)
Tax benefit from share-based payments	27	–	–	–	–	961,927	–	961,927	–	961,927
Appropriations to general reserves	27	–	–	–	–	22,190	(22,190)	–	–	–
Total transaction with owners in their capacity as owners		(14)	(16,717,416)	–	–	(645,013)	(22,190)	(17,384,633)	(3,185)	(17,387,818)
As of December 31, 2024		404	308,861,196	–	–	3,603,145	(139,801,785)	172,662,960	(58,882)	172,604,078

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Share capital RMB'000	Share premium RMB'000	Shares held for shares award scheme RMB'000	Other reserves RMB'000	Accumulated losses RMB'000	Equity attributable to equity holders of the Company RMB'000	Non-controlling interests RMB'000	Total RMB'000
As of January 1, 2023		415	316,743,344	–	1,484,187	(189,466,336)	128,761,610	(55,893)	128,705,717
Comprehensive income									
Profit for the year		–	–	–	–	13,855,828	13,855,828	1,503	13,857,331
Other comprehensive income, net of tax									
Share of other comprehensive income of investments accounted for using the equity method	12,27	–	–	–	42,072	–	42,072	–	42,072
Fair value changes of other financial investments at fair value through other comprehensive income	20,27	–	–	–	(426,513)	–	(426,513)	–	(426,513)
Fair value changes of debt instruments at fair value through other comprehensive income	27	–	–	–	334,551	–	334,551	–	334,551
Net provisions for impairment losses on debt instruments at fair value through other comprehensive income	27	–	–	–	142,190	–	142,190	–	142,190
Currency translation differences	27	–	–	–	275,055	–	275,055	–	275,055
Total comprehensive income		–	–	–	367,355	13,855,828	14,223,183	1,503	14,224,686
Share of other changes in net assets of associates	12,27	–	–	–	322,150	–	322,150	–	322,150
Transaction with owners in their capacity as owners									
Equity-settled share-based payments	27,33	–	–	–	8,394,315	–	8,394,315	–	8,394,315
Shares held for shares award scheme	26	2	–	(2)	–	–	–	–	–
Exercise of share options and RSUs vesting	26,27	1	8,835,268	2	(8,739,989)	–	95,282	–	95,282
Distributions from a non wholly-owned subsidiary		–	–	–	–	–	–	(2,450)	(2,450)
Tax benefit from share-based payments	27	–	–	–	216,667	–	216,667	–	216,667
Appropriations to general reserves	27	–	–	–	6,377	(6,377)	–	–	–
Total transaction with owners in their capacity as owners		3	8,835,268	–	(122,630)	(6,377)	8,706,264	(2,450)	8,703,814
As of December 31, 2023		418	325,578,612	–	2,051,062	(175,616,885)	152,013,207	(56,840)	151,956,367

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Year ended December 31, 2024 RMB'000	2023 RMB'000
Cash flows from operating activities			
Cash generated from operations	36(a)	**57,936,420**	40,744,699
Income tax paid		**(789,636)**	(222,849)
Net cash flows generated from operating activities		**57,146,784**	40,521,850
Cash flows from investing activities			
Purchases and prepayments of property, plant and equipment and intangible assets		**(10,999,490)**	(6,879,551)
Proceeds from disposals of property, plant and equipment and intangible assets		**897,206**	301,073
Acquisitions of businesses, net of cash acquired		**(36,158)**	365,114
Purchases of treasury investments and others		**(216,575,232)**	(132,980,842)
Sales or maturities of treasury investments and others		**233,047,082**	114,679,410
Purchases of investments accounted for using the equity method		**–**	(60,000)
Proceeds from disposals of investments in associates and others		**1,814,238**	90,052
Purchases and prepayments of other financial investments at fair value		**(2,149,038)**	(3,588,016)
Net cash outflow arising from disposals or deemed disposals of subsidiaries		**(150,977)**	–
Gains received from treasury investments and other financial instruments		**4,245,488**	2,465,591
Dividends received		**111,949**	34,101
Loans payments to investees and others		**–**	(202,500)
Loans repayments from investees and others		**184**	1,111,724
Net cash flows generated from/(used in) investing activities		**10,205,252**	(24,663,844)

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Year ended December 31, 2024 RMB'000	2023 RMB'000
Cash flows from financing activities	36(c)		
Proceeds from borrowings and notes payable		20,262,380	42,809,865
Repayments of borrowings and notes payable		(21,491,985)	(42,146,859)
Finance costs paid		(427,053)	(578,058)
Proceeds from exercise of share options		152,038	193,492
Payments of lease liabilities		(3,097,904)	(2,969,089)
Receipt amount in other financial liabilities		280,670	278,720
Dividends paid to non-controlling interests		(3,185)	(2,450)
Repayments of Assumed Liabilities		–	(366,924)
Repurchase and cancellation of ordinary shares		(26,089,621)	–
Net cash flows used in financing activities		(30,414,660)	(2,781,303)
Net increase in cash and cash equivalents		36,937,376	13,076,703
Cash and cash equivalents at the beginning of the year		33,339,754	20,158,606
Exchange gains on cash and cash equivalents		556,967	104,445
Cash and cash equivalents at the end of the year	25(a)	70,834,097	33,339,754

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

1 GENERAL INFORMATION

Meituan (the "**Company**") was incorporated in the Cayman Islands on September 25, 2015 as an exempted company with limited liability under the laws of the Cayman Islands. The registered office is at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The Company's Class B shares have been listed on the Main Board of the Hong Kong Stock Exchange since September 20, 2018.

The Company is an investment holding company. The Company and its subsidiaries, together with structured entities (collectively, the "**Group**"), offers diversified daily goods and services in the broader retail by leveraging technology.

The consolidated financial statements are presented in Renminbi ("**RMB**"), unless otherwise stated.

2 SUMMARY OF ACCOUNTING POLICIES

The accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Summary of material accounting policies

2.1.1 Basis of preparation and changes in accounting policies and disclosures

The consolidated financial statements of the Group have been prepared in accordance with all applicable International Financial Reporting Standards as issued by the IASB ("**IFRS Accounting Standards**") and disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss or through other comprehensive income, which are carried at fair value.

The preparation of the consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

2 SUMMARY OF ACCOUNTING POLICIES *(Continued)*

2.1 Summary of material accounting policies *(Continued)*

2.1.1 Basis of preparation and changes in accounting policies and disclosures (Continued)

(a) New amendments adopted by the Group

The Group has applied the following new amendments for the first time commencing January 1, 2024:

Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 7 and IFRS 7 (Note (i))	Supplier Finance Arrangements

Note (i): The Group applied Amendments to IAS 7 and IFRS 7 from the effective date on January 1, 2024 and disclosed related supplier finance arrangements in Note 29 and Note 30. The comparative information disclosure is exempted when the Group first applies the amendments.

The adoption of the other new amendments did not have any significant financial impact on these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

2 SUMMARY OF ACCOUNTING POLICIES *(Continued)*

2.1 Summary of material accounting policies *(Continued)*

2.1.1 Basis of preparation and changes in accounting policies and disclosures (Continued)

(b) New standards and amendments not yet adopted by the Group

The following relevant new standards and amendments have been issued, but are not effective for the Group's financial year beginning on January 1, 2024 and have not been early adopted by the Group.

		Effective for financial year beginning on or after
Amendments to IAS 21	Lack of Exchangeability	January 1, 2025
Amendment to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	January 1, 2026
Amendment to IFRS accounting standards	Annual Improvements – Volume 11 IFRS accounting standards	January 1, 2026
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027

As of the date of approval of these consolidated financial statements, the Group is still in the process of assessing the effects of adopting these new standards and amendments to standards and has not identified any significant effect on its financial statements, except for IFRS 18 which will have an impact on presentation and disclosure. The Group will continue to assess the effects of these new and amended standards.

2 SUMMARY OF ACCOUNTING POLICIES *(Continued)*

2.1 Summary of material accounting policies *(Continued)*

2.1.2 Subsidiaries

Subsidiaries are entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity (including structured entities) and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position respectively.

(a) Business combinations

The Group applies the acquisition method to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interests in the subsidiary.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

2 SUMMARY OF ACCOUNTING POLICIES *(Continued)*

2.1 Summary of material accounting policies *(Continued)*

2.1.2 Subsidiaries (Continued)

(a) Business combinations (Continued)

Identifiable assets acquired and liabilities, contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interests in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interests' proportionate share of the acquired entity's identifiable net assets.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, amount of any non-controlling interests in the acquiree, and the acquisition-date fair value of any previous equity interests in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill.

Contingent consideration is classified either as equity or financial liability. Amounts classified as financial liability are subsequently remeasured to fair value with changes in fair value recognised in the consolidated income statement. Amounts classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interests in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in the consolidated income statement.

(b) Changes in ownership interests in subsidiaries without change of control

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interests results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to equity holders of the Company.

2 SUMMARY OF ACCOUNTING POLICIES *(Continued)*

2.1 Summary of material accounting policies *(Continued)*

2.1.2 Subsidiaries (Continued)

(c) Changes in ownership interests in subsidiaries with change of control

When the Group ceases to consolidate a subsidiary resulting from a loss of control, any retained interests in the entity are remeasured to its fair value with the change in carrying amount recognised in the consolidated income statement. This fair value becomes the initial carrying amount for the purpose of subsequently accounting for the retained interests as an associate, a joint venture or a financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the consolidated income statement or transferred to another category of equity as specified/permitted by applicable IFRS Accounting Standards.

2.1.3 Associates

Associates are entities over which the Group has significant influence but not control or joint control. The Group's investments in associates in the form of convertible redeemable preferred instruments or ordinary shares with preferential rights are classified as financial assets measured at fair value through profit or loss (Note 2.1.10). All investments in the form of ordinary shares with significant influence are accounted for using the equity method.

The investments accounted for using the equity method are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition movements in equity of the investee in the consolidated income statement or other reserves. Dividends received or receivable from associates accounted for using the equity method are recognised as a reduction in the carrying amount of the investment.

Upon the acquisition of the ownership interest in an associate, any difference between the cost of the associate and the Group's share of the net fair value of the associate's identifiable assets and liabilities is treated as goodwill which is included in the carrying amount of the investment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

2 SUMMARY OF ACCOUNTING POLICIES *(Continued)*

2.1 Summary of material accounting policies *(Continued)*

2.1.3 Associates (Continued)

When the Group's share of losses in an investment accounted for using the equity method equals or exceeds its interest in the investee, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the investee.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these investees. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Group determines at each reporting period end whether there is any objective evidence that investments accounted for using the equity method are impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the investment and its carrying value and recognises the amount in the consolidated income statement.

If the ownership interest in an associate accounted for using the equity method is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income/(losses) are reclassified to the consolidated income statement or retained earnings/(accumulated losses) where appropriate.

2.1.4 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received or receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2 SUMMARY OF ACCOUNTING POLICIES *(Continued)*

2.1 Summary of material accounting policies *(Continued)*

2.1.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("**CODM**"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, mainly refers to the executive Directors. Two or more operating segments may be aggregated into a single operating segment if aggregation is consistent with the core principle of IFRS 8, including the segments which have similar economic characteristics, and the segments which are similar in the nature of the products and services, the nature of the production processes, the type or class of customer for their products and services, the methods used to distribute their products or provide their services; and if applicable, the nature of the regulatory environment.

2.1.6 Foreign currency exchange and translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("**functional currency**"). The Company's functional currency is USD as its key activities and transactions are denominated in USD. The Company's primary subsidiaries were incorporated in the People's Republic of China ("**PRC**") and these subsidiaries considered RMB as their functional currency. The Group's presentation currency is RMB.

(b) Transactions and balances

Foreign currency transactions are exchanged into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains or losses resulting from the settlement of such transactions and from the exchange of monetary assets and liabilities denominated in foreign currencies at period end exchange rates are generally recognised in consolidated income statement on a net basis within "Other gains, net".

Non-monetary items that are measured at fair value and denominated in a foreign currency are exchanged using the exchange rates at the date when the fair value was determined. Exchange differences on assets and liabilities carried at fair value are reported as part of the fair value changes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

2 SUMMARY OF ACCOUNTING POLICIES *(Continued)*

2.1 Summary of material accounting policies *(Continued)*

2.1.6 Foreign currency exchange and translation (Continued)

(c) Group companies

The Group applied the direct method in preparing the consolidated financial statements. The financial statements of the foreign operations (none of which has the currency of a hyperinflationary economy) are translated directly into the functional currency of the Company and the whole is translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate of the date of that statement of financial position
- income and expenses for each income statement and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting translation differences are recognised in other comprehensive income.

The Company and intermediate holding companies have monetary items that are receivables from or payables to foreign operations. The items for which settlements are neither planned nor likely to occur in the foreseeable future are, in substance, part of the Company and intermediate holding companies' net investments in foreign operations. Such monetary items include long-term receivables or loans. On consolidation, foreign exchange gains or losses arising from the exchange of any net investment in foreign entities are recognised in the consolidated statement of comprehensive income. When a foreign operation is disposed, the related foreign exchange gains or losses are reclassified into the consolidated income statement, as part of "Other gains, net".

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and are translated at the closing rate.

2 SUMMARY OF ACCOUNTING POLICIES *(Continued)*

2.1 Summary of material accounting policies *(Continued)*

2.1.7 Property, plant and equipment

All property, plant and equipment ("**PP&E**") are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, where appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the consolidated income statement during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method or the sum-of-the-years'-digits method which is used to reflect the pattern in which the asset's future economic benefits are expected to be consumed, to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

• Electronic equipment	3-5 years
• Bikes and electric mopeds	2-3 years
• Others	2-5 years

Leasehold improvements are depreciated over the shorter of the lease term or the estimated useful lives.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains or losses on disposals are determined by comparing proceeds with carrying amount, and are recognised in "Other gains, net" in the consolidated income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

2 SUMMARY OF ACCOUNTING POLICIES *(Continued)*

2.1 Summary of material accounting policies *(Continued)*

2.1.8 Intangible assets

(a) Goodwill

Goodwill arising from the acquisition of subsidiaries represents the excess of the aggregate purchase consideration transferred, the amount of any non-controlling interests in the acquiree and the acquisition-date fair value of any previous equity interests in the acquiree over the fair value of the identifiable net assets acquired. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less impairment losses. Gains or losses on the disposals of a subsidiary include the carrying amount of goodwill relating to the subsidiary sold.

Goodwill is allocated to cash-generating units ("**CGU**") for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose. The CGUs or groups of CGUs are identified at the lowest level which goodwill is monitored for internal management purposes below the operating segments.

(b) Other intangible assets

Other intangible assets mainly include those arising from business combinations other than goodwill and software and others. They are initially recognised and measured at cost or fair value where appropriate. Other intangible assets are amortised over their estimated useful lives using the straight-line method as follows, reflecting the pattern in which the intangible asset's future economic benefits are expected to be consumed.

- Other intangible assets arising from business combinations 2-25 years
- Software and others 1-10 years

2 SUMMARY OF ACCOUNTING POLICIES *(Continued)*

2.1 Summary of material accounting policies *(Continued)*

2.1.8 Intangible assets (Continued)

(c) Research and development

Research expenditures are recognised as expenses as incurred. Costs incurred on development projects are capitalised as intangible assets when recognition criteria are met, including (a) it is technically feasible to complete the software so that it will be available for use; (b) management intends to complete the software and use or sell it; (c) there is an ability to use or sell the software; (d) it can be demonstrated how the software will generate probable future economic benefits; (e) adequate technical, financial and other resources to complete the development and to use or sell the software are available; and (f) the expenditure attributable to the software during its development can be reliably measured. Other development costs that do not meet those criteria are expensed as incurred. There were no development costs meeting these criteria and capitalised as intangible assets for the years ended December 31, 2024 and 2023.

2.1.9 Land use rights

Land use rights are up-front payments to acquire long-term interest in land. They are stated at historical cost less accumulated depreciation and impairment in “Property, plant and equipment”, and are depreciated over the remaining period of the lease on a straight-line basis.

The land use rights mainly represented prepaid lease payments in respect of land in the Mainland of China with lease periods of 40 to 50 years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

2 SUMMARY OF ACCOUNTING POLICIES *(Continued)*

2.1 Summary of material accounting policies *(Continued)*

2.1.10 Financial assets

(a) Classification

The Group classifies its financial assets in the following measurement categories:

- financial assets measured at amortised cost;
- financial assets measured at fair value through other comprehensive income ("**FVOCI**"); or
- financial assets measured at fair value through profit or loss ("**FVPL**").

The classification is based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Business model

The Group's business model reflects how the Group manages its financial assets in order to generate cash flows. The business model determines whether the cash flow will result from collecting contractual cash flows, selling of financial assets or both.

The contractual cash flow characteristics

The characteristics of the contractual cash flow of financial assets refer to the cash flow attributes agreed in the contract of financial instruments that reflect the economic characteristics of the relevant financial assets.

- Financial assets measured at amortised cost

A debt instrument is measured at amortised cost if both of the following conditions are met and is not designated as FVPL: (i) the asset is managed within a business model whose objective is to hold assets in order to collect contractual cash flows; (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2 SUMMARY OF ACCOUNTING POLICIES *(Continued)*

2.1 Summary of material accounting policies *(Continued)*

2.1.10 Financial assets (Continued)

(a) ***Classification*** *(Continued)*

- Financial assets measured at fair value through other comprehensive income

Financial assets measured at FVOCI include debt instruments measured at FVOCI and equity instruments designated as FVOCI.

A debt instrument which is measured at FVOCI if both of the following conditions are met: (i) the asset is managed within a business model whose objective is achieved by collecting contractual cash flows and selling financial assets; (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group may make an irrevocable election at initial recognition to designate an equity instrument as FVOCI if it is not held for trading purpose.

- Financial assets measured at fair value through profit or loss

Financial assets measured at FVPL include the debt instruments that do not meet the criteria for amortised cost or FVOCI, and the equity instruments which are not designated as FVOCI.

The Group reclassifies debt instruments when and only when its business model for managing financial assets changes.

(b) ***Recognition and derecognition***

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

2 SUMMARY OF ACCOUNTING POLICIES *(Continued)*

2.1 Summary of material accounting policies *(Continued)*

2.1.10 Financial assets (Continued)

(b) Recognition and derecognition *(Continued)*

The Group derecognises a financial asset, if the part being considered for derecognition meets one of the following conditions: (i) the contractual rights to receive the cash flows of the financial asset expire; (ii) the contractual rights to receive the cash flows and substantially all the risks and rewards of ownership of the financial asset have been transferred; or (iii) the Group retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to the eventual recipient in an agreement that meets all the conditions of derecognition of transfer of cash flows ("pass through" requirements) and substantially all the risks and rewards of ownership of the financial asset have been transferred.

Where a transfer of a financial asset in its entirety meets the criteria for derecognition, the difference between the two amounts below is recognised in the consolidated income statement or retained earnings:

– the carrying amount of the financial asset transferred; and

– the sum of the consideration received from the transfer and any cumulative gains or losses that has been recognised directly in equity.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability.

As part of its operations, the Group securitises financial assets, generally through the sale of these assets to special purpose vehicles which issue securities to investors. When the securitisation of financial assets is qualified for derecognition, the relevant financial assets are derecognised in their entirety and a new financial asset or liability is recognised regarding the interest in the unconsolidated securitisation vehicles that the Group acquired. When the securitisation of financial assets is not qualified for derecognition, the relevant financial assets are not derecognised, and the consideration paid by third parties are recorded as a financial liability. When the securitisation of financial assets is partially qualified for derecognition, the book value of the transferred assets should be recognised between the derecognised portion and the retained portion based on their respective fair values, and the difference between the book value of the derecognised portion and the total consideration paid for the derecognised portion shall be recorded in the consolidated income statement.

2 SUMMARY OF ACCOUNTING POLICIES *(Continued)*

2.1 Summary of material accounting policies *(Continued)*

2.1.10 Financial assets (Continued)

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, transaction costs that are directly attributable to the acquisition of the financial asset, in case that a financial asset is not FVPL. Transaction costs of financial assets at FVPL are expensed in the consolidated income statement.

For assets measured at fair value, gains or losses will either be recorded in the consolidated income statement or other comprehensive income. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

(i) Debt instruments

- Amortised cost: Interest income from these financial assets is recognised using the effective interest rate method. Any gains or losses arising from derecognition and impairment are recognised directly in the consolidated income statement.

- FVOCI: Movements in the carrying amount are taken through other comprehensive income, except for the provisions or reversals of impairment losses, interest income and foreign exchange gains or losses which are recognised in the consolidated income statement. When the financial asset is derecognised, the cumulative gains or losses previously recognised in other comprehensive income is reclassified to the consolidated income statement and presented in "Other gains, net". Interest income from these financial assets is recognised using the effective interest rate method. Foreign exchange gains or losses are presented in "Other gains, net" and impairment losses are presented as a separate line item in the consolidated income statement.

- FVPL: Gains or losses on debt instruments that is subsequently measured at FVPL are recognised in the consolidated income statement and presented within "Other gains, net" or "Fair value changes of other financial investments at fair value through profit or loss".

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

2 SUMMARY OF ACCOUNTING POLICIES *(Continued)*

2.1 Summary of material accounting policies *(Continued)*

2.1.10 Financial assets (Continued)

(c) ***Measurement*** *(Continued)*

(ii) Equity instruments

The Group subsequently measures all equity instruments at fair value. Where the Group's management has elected to present fair value changes of equity instruments in other comprehensive income, there is no subsequent reclassification of such fair value changes to the consolidated income statement following the derecognition of the financial assets. Dividends from such equity instruments continue to be recognised in the consolidated income statement when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in "Fair value changes of other financial investments at fair value through profit or loss" as applicable.

(d) ***Impairment***

The Group assesses on a forward-looking basis the expected credit losses ("**ECL**") associated with its debt instruments carried at amortised cost and FVOCI (Note 3.1.2).

2.1.11 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is primarily determined using the weighted average method. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Inventories recognised in the consolidated income statement during the year ended December 31, 2024 amounted to RMB42,551 million (2023: RMB30,422 million).

2 SUMMARY OF ACCOUNTING POLICIES *(Continued)*

2.1 Summary of material accounting policies *(Continued)*

2.1.12 Borrowings, notes payable and borrowing costs

Borrowings and notes payable issued by the Group are initially recognised at fair value, net of transaction costs incurred. They are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the consolidated income statement over their contractual terms using the effective interest rate method.

The fair value of the liability portion of convertible bonds is determined using a market interest rate for equivalent non-convertible bonds. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the convertible bonds. The remainder of the proceeds is allocated to the conversion option, which is recognised in other reserves, net of income tax effects.

Borrowings and notes payable are classified as current liabilities unless, at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the reporting period.

Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification.

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings, pending their expenditure on qualifying assets, is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

Borrowings and notes payable are derecognised from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

2 SUMMARY OF ACCOUNTING POLICIES *(Continued)*

2.1 Summary of material accounting policies *(Continued)*

2.1.13 Current and deferred income tax

The income tax expenses or credits for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred income tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. The deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that future taxable profit, against which the temporary differences and tax losses can be utilised, will be probably available.

2 SUMMARY OF ACCOUNTING POLICIES *(Continued)*

2.1 Summary of material accounting policies *(Continued)*

2.1.13 Current and deferred income tax (Continued)

***(b) Deferred income tax** (Continued)*

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries and associates, except for deferred income tax liabilities where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only when there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference in the foreseeable future, deferred tax liabilities in relation to taxable temporary differences arising from the subsidiaries and associates' undistributed profits are not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries and associates only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income tax assets and liabilities relate to income tax levied by the same taxation authority on either the taxable entities or different taxable entities where there is an intention to settle the balances on a net basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

2 SUMMARY OF ACCOUNTING POLICIES *(Continued)*

2.1 Summary of material accounting policies *(Continued)*

2.1.14 Share-based payments

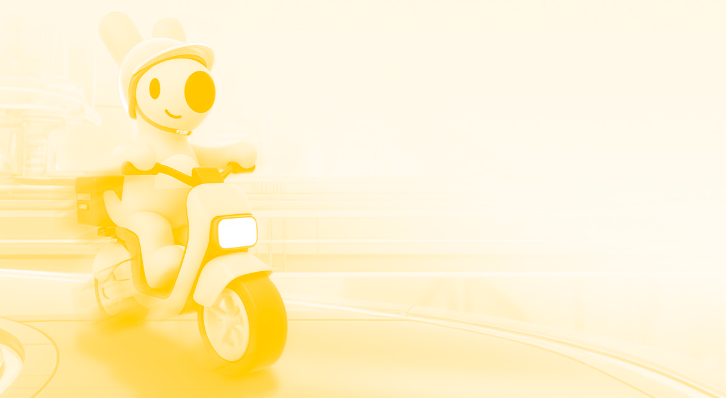
The Group has operated share incentive awards including share option schemes and share award schemes. The pre-IPO employee stock incentive scheme adopted by the Company dated October 6, 2015 ("**Pre-IPO ESOP**") was administered until the initial public offering, after which it was replaced by the post-IPO share option scheme ("**Post-IPO Share Option Scheme**") and the post-IPO share award scheme ("**Post-IPO Share Award Scheme**") adopted by the Company on August 30, 2018. The Group receives services from employees and other qualified participants as consideration for equity instruments (including share options and restricted share units, "**RSUs**") of the Group under the above schemes. The fair value of the services received in exchange for the grant of the equity instruments is recognised as an expense in the consolidated income statement. The total expenses are recognised over the vesting period, over which all of the specified vesting conditions are to be satisfied.

(a) Share options

For grant of share options, the total amount to be expensed is determined by reference to the fair value of the share options granted using Black-Scholes models:

- including the impact of any market performance conditions
- excluding the impact of any service and non-market performance conditions, and
- including the impact of any non-vesting conditions

At the end of each period, the Group revises its estimates of the number of share options that are expected to become vested based on the non-market performance and service conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated income statement, with a corresponding adjustment to equity.



2 SUMMARY OF ACCOUNTING POLICIES *(Continued)*

2.1 Summary of material accounting policies *(Continued)*

2.1.14 Share-based payments (Continued)

(b) RSUs

For grant of RSUs, the total amount to be expensed is determined by reference to the fair value of the Company's shares at the grant date.

In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purpose of recognising the expenses during the period between service commencement date and grant date.

(c) Modifications and cancellations

The Group may modify the terms and conditions of share incentive awards granted. If a modification increases the fair value of the equity instruments granted, the incremental fair value granted is included in the measurement of the amount recognised for the services received over the remainder of the vesting period.

A grant of share incentive awards, that is cancelled or settled during the vesting period, is treated as an acceleration of vesting. The Group immediately recognises the amount that otherwise would have been recognised for services received over the remainder of the vesting period.

2.1.15 Revenue recognition

Revenues are principally comprised of delivery services, commission, online marketing services and other services and sales. The Group recognises revenues when or as the control of the promised goods or services is transferred to the customers, netting of value-added taxes ("**VAT**"). Depending on the terms of the contracts and the laws that apply to the contracts, if control of the promised goods or services is transferred over time, revenues are recognised over the period of the contracts by reference to the progress towards complete satisfaction of those performance obligations. Otherwise, revenues are recognised at a point in time when the customers obtain control of the promised goods or services.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

2 SUMMARY OF ACCOUNTING POLICIES *(Continued)*

2.1 Summary of material accounting policies *(Continued)*

2.1.15 Revenue recognition (Continued)

In arrangements with multiple distinct performance obligations, total consideration is allocated to each performance obligation based on its relative standalone selling price ("**SSP**"). The Group generally determines the SSP based on the prices charged to customers. Relevant information will be taken into consideration when more than one SSP for individual performance obligation exists. If the SSP is not directly observable, it is estimated based on adjusted market assessment approach or cost plus a margin, depending on the availability of observable information.

The Group evaluates whether it acts as a principal or an agent to determine whether it is appropriate to record the gross amount of revenues and related costs, or the net amount earned as commission. The Group is a principal if it controls the specified goods or services before being transferred to the customers. Generally, a principal is the primary obligor, has latitude in establishing the selling price, or is subject to inventory risks. Otherwise, the Group is an agent to arrange for goods or services to be provided by other parties.

(a) The accounting policy for the Group's principal revenue types

(i) Delivery services

The Group provides on-demand delivery services to certain merchants and transacting users (collectively as the "**Delivery services Customers**") as a principal. Delivery services revenue is recognised at the time when the on-demand delivery services are provided and is determined based on the fees charged to the Delivery services Customers, netting of any possible transacting users incentives which are not in exchange for a distinct good or service to the Group.

2 SUMMARY OF ACCOUNTING POLICIES *(Continued)*

2.1 Summary of material accounting policies *(Continued)*

2.1.15 Revenue recognition (Continued)

(a) The accounting policy for the Group's principal revenue types (Continued)

(ii) Commission

The Group uses technology to arrange for the provision of the specified goods or services by merchants or third-party partners (collectively as the "**Commission Customers**") in the Group's online marketplaces as an agent. Technical service fees charged to the Commission Customers, primarily determined as a percentage of respectively relevant transaction amount, are recognised as commission revenue upon the completion of the underlying goods or services provided by the Commission Customers to the transacting users.

The advance payments from the transacting users are initially recorded in "Advances from transacting users", which can be withdrawn prior to service received. Once the commission revenue is recognised, the amounts to be remitted to the Commission Customers are recorded in "Payables to merchants".

(iii) Online marketing services

The Group provides various online marketing services primarily to merchants in the Group's online marketplaces or through the third-party marketing affiliate programme, including but not limited to pay for performance marketing services on which the merchants are charged through market-based mechanism based on effective clicks on certain information, display marketing services that allow merchants to place promotion information online, and other value-added marketing services under an annual plan.

Revenue from performance-based marketing services is recognised when relevant specified performance measures are fulfilled. Revenues from display-based and other value-added marketing services are recognised ratably over the contractual service period. The online marketing services revenue is recorded on a gross basis when the Group is the principal to the merchants in the respective arrangements.

In general, the merchants need to make advance payments for most of the online marketing services which is primarily recorded in "Deferred revenues".

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

2 SUMMARY OF ACCOUNTING POLICIES *(Continued)*

2.1 Summary of material accounting policies *(Continued)*

2.1.15 Revenue recognition (Continued)

(a) The accounting policy for the Group's principal revenue types *(Continued)*

(iv) Other services and sales

The Group recognises the other services and sales revenue on a gross basis when acting as a principal. Revenue recognition occurs upon transferring control of goods to customers or rendering the respective services. In this process, the Group nets any transacting user incentives that aren't exchanged for a distinct good or service. Other services and sales revenue primarily comprises (i) sales of goods, mainly generated from Xiaoxiang Supermarket and B2B food distribution ("**Kuailv**"), (ii) various services rendered by various businesses such as Meituan Select, bike sharing and e-moped sharing, power banks and micro-credit.

Revenues generated from micro-credit primarily consist of revenues generated from loan facilitation services and post-origination services, and interest revenue. Loan facilitation services and post-origination services are identified as two distinct performance obligations, to which the total consideration is allocated based on relative SSP appropriately. Loan facilitation services revenue is recognised at point of time when the loan contract is established between borrowers and lenders and post-origination services revenue is recognised over the loan contract period.

Interest revenue is derived from the loan principal, funded entirely or partially by the Group, by applying the effective interest rate to the gross carrying amount of loan receivables.

2 SUMMARY OF ACCOUNTING POLICIES *(Continued)*

2.1 Summary of material accounting policies *(Continued)*

2.1.15 Revenue recognition (Continued)

(b) Contract Balances

When either party to a contract has fulfilled the obligation, the Group presents the contract in the consolidated statement of financial position as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment.

A contract asset is the Group's right to consideration in exchange for goods and services that the Group has transferred to a customer. A receivable is recorded when the Group has an unconditional right to consideration, if only the passage of time is required before payment of that consideration is due. The Group's contract assets are mainly generated from loan facilitation services.

If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the Group transfers goods or services to the customer, the Group presents the contract liability when the payment is made, or a receivable is recorded (whichever is earlier). A contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. The Group's contract liabilities are mainly resulted from the online marketing services and subscription services, which are recorded as deferred revenues.

Contract costs include incremental costs of obtaining a contract and costs to fulfil a contract with the customers. The contract costs are amortised using a method which is consistent with the pattern of recognition of the respective revenues.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

2 SUMMARY OF ACCOUNTING POLICIES *(Continued)*

2.1 Summary of material accounting policies *(Continued)*

2.1.15 Revenue recognition (Continued)

(c) Incentives to transacting users

When incentives provided to transacting users that are considered as customers from an accounting perspective, the incentives are recorded as a reduction of revenue if there is no exchange of a distinct good or service to the Group or the fair value of the good or service received cannot be reasonably estimated. Otherwise, despite the absence of any explicit contractual obligations to incentivise the transacting users on behalf of customers, which in most circumstances are merchants, the Group further evaluates the varying features of different incentive programmes to determine that whether the incentives represent implicit obligations to transacting users on behalf of customers. If so, it will be recorded as a reduction of revenues, otherwise the "Selling and marketing expenses".

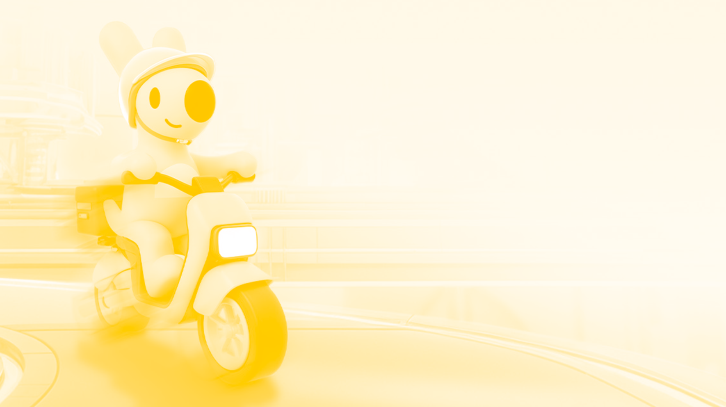
(d) Practical Expedients and Exemptions

The transaction price allocated to the performance obligations that are unsatisfied, or partially unsatisfied, has not been disclosed, as substantially all the Group's contracts with customers have a duration of 1 year or less.

2.1.16 Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial assets (after the deduction of the loss allowance).

Interest income earned from financial assets that are held for cash management purposes is presented as finance income. Interest income earned from loan receivables that are held for micro-credit business is presented as interest revenue (Note 2.1.15(a)(iv)). Interest income from treasury investments is included in "Other gains, net".



2 SUMMARY OF ACCOUNTING POLICIES *(Continued)*

2.1 Summary of material accounting policies *(Continued)*

2.1.17 Leases other than land use rights

The Group leases land use rights (Note 2.1.9), various offices and others. The lease contracts other than land use rights are typically for fixed periods of 1 month to 10 years and may have extension options. They do not impose any covenants other than the security interests in the leased assets that are held by the lessors. Leased assets other than land use rights may not be used as security for borrowing purposes.

Leases other than land use rights are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

(a) Lease liabilities

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

The lease payments to be made under reasonably certain extension options are also included in the measurement of the lease liabilities.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

2 SUMMARY OF ACCOUNTING POLICIES *(Continued)*

2.1 Summary of material accounting policies *(Continued)*

2.1.17 Leases other than land use rights (Continued)

(a) Lease liabilities *(Continued)*

- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have third-party financing; and

- makes adjustments specific to the lease, e.g. term, country, currency and security.

The lease payments are allocated between the lease liabilities and the finance costs. The finance costs are charged to the consolidated income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the lease payments for each period.

(b) Right-of-use assets

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liabilities;

- any lease payments made at or before the commencement date;

- any initial direct costs; and

- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the right-of-use assets' useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use assets are depreciated over the underlying assets' useful life.

Right-of-use assets are presented in "Property, plant and equipment" in the Group's consolidated statement of financial position.

The payments associated with leases of the low-value assets are recognised on a straight-line basis as expenses in the consolidated income statement. The low-value assets comprise small items of facilities. Variable lease payments not based on an index or a rate are recognised in the consolidated income statement when the triggering condition of those payments occurs.

2 SUMMARY OF ACCOUNTING POLICIES *(Continued)*

2.1 Summary of material accounting policies *(Continued)*

2.1.18 Derivative and hedging activities

(a) Initial recognition and subsequent measurement

Derivatives are initially recognised at fair value on the date when a derivative contract is entered into, and they are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative, which are recognised in the consolidated financial statements (Note 3.1.1(a)). The full fair value of hedging derivatives is classified as a non-current asset or liability unless the remaining maturity of the hedged items is less than 12 months. Trading derivatives are classified as a current asset or liability.

(b) Net investment hedges

The Group designates certain derivatives as hedges of net investment in a foreign operation ("**net investment hedges**"). At inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items as well as its risk management objective and strategy for undertaking its hedge transactions. The fair values of derivative financial instruments designated in hedge relationships are disclosed in Note 3.1.1(a). Movements in the hedging reserve in shareholders' equity are shown in Note 27.

Any gain or loss on the hedging instruments relating to the effective portion of the hedge is recognised in other comprehensive income until the disposal of the foreign operation, when the cumulative amount is reclassified from equity to the consolidated income statement. The gain or loss relating to the ineffective portion is recognised immediately in the consolidated income statement within "other gains, net".

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

2 SUMMARY OF ACCOUNTING POLICIES *(Continued)*

2.1 Summary of material accounting policies *(Continued)*

2.1.18 Derivative and hedging activities (Continued)

(b) Net investment hedges *(Continued)*

The forward foreign exchange risk of derivative financial instruments is included in the hedge designation, whereas the foreign currency basis spreads is excluded in the hedge designation and the hedge effectiveness assessment. The cost of hedging approach has been applied for the foreign currency basis spreads. The change in the foreign currency basis spreads related to the time-period hedged items is recognised within other comprehensive income as the costs of hedging reserve accumulated in equity. The foreign currency basis spreads at the date of designation are amortised on a systematic and rational basis over the period of the hedging relationship. In each reporting period, the amortisation amount is reclassified from the separate component of equity to the consolidated income statement.

2.2 Summary of other accounting policies

2.2.1 Joint arrangements

The Group has applied IFRS 11 to all joint arrangements. Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has only joint ventures. Interests in joint ventures are accounted for using the equity method as mentioned in Note 2.1.3.

2.2.2 Shares held for shares award scheme

The nominal value of the shares transferred by the Company to the Share Scheme Trust, is presented as "Shares held for shares award scheme".

When the Share Scheme Trust transfers the Company's shares to the awardees upon vesting, the related nominal value of the awarded shares vested are credited to "Shares held for shares award scheme" and related equity-settled share-based payments were transferred from "Other reserves" to "Share premium".

2 SUMMARY OF ACCOUNTING POLICIES *(Continued)*

2.2 Summary of other accounting policies *(Continued)*

2.2.3 Impairment of non-financial assets other than goodwill

Other than goodwill mentioned in Note 2.1.8(a), other non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.2.4 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position where the Group currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The Group has also entered into arrangements that do not meet the criteria for offsetting but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or the termination of a contract.

2.2.5 Trade and other receivables

Trade receivables are amounts due from customers for goods and services provided in the ordinary course of business.

Trade and other receivables are generally due for settlement within 1 year and therefore are all classified as current assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

2 SUMMARY OF ACCOUNTING POLICIES *(Continued)*

2.2 Summary of other accounting policies *(Continued)*

2.2.5 Trade and other receivables (Continued)

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. Other receivables are recognised initially at fair value. Trade and other receivables are subsequently measured at amortised cost using the effective interest rate method, less allowance for impairment.

2.2.6 Cash and cash equivalents and restricted cash

Cash and cash equivalents includes cash on hand and cash in bank, deposits held at call with banks within three months and certain amounts of cash held in accounts managed by other financial institutions in connection with the provision of services and sales of goods.

Cash that restricted from withdrawal, use or pledged as security is reported separately in the consolidated statements of financial position, and is not included in the total cash and cash equivalents in the consolidated statements of cash flows.

The Group does not recognise cash amounts deposited with banks in the Mainland of China under users' entrustment in the consolidated statement of financial position as the Group acts as a custodian according to the relevant users' agreements.

2.2.7 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or share options are shown in equity as a deduction from the proceeds.

2.2.8 Repurchases of shares

Where the Group repurchases the Company's ordinary shares, the consideration paid, including any directly attributable incremental costs, is deducted from equity attributable to equity holders of the Company as treasury shares until the ordinary shares are cancelled or reissued.

2.2.9 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the end of the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest rate method.

2 SUMMARY OF ACCOUNTING POLICIES *(Continued)*

2.2 Summary of other accounting policies *(Continued)*

2.2.10 Financial liabilities at fair value through profit or loss

The Group irrevocably designate a financial liability at fair value through profit or loss when doing so results in more relevant information at initial recognition, because either:

(a) it eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as "**an accounting mismatch**") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases; or

(b) a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Group's key management personnel.

2.2.11 Employee benefits

(a) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period. Employee entitlements to sick and maternity leave are not recognised until the time of leave.

(b) Pension obligations and other social welfare benefits

The Group contributes on a monthly basis to various defined contribution plans organised by the relevant governmental authorities. The Group's liability in respect of these plans is limited to the contributions payable in each period. The Group's contributions to these plans are expensed as incurred. Assets of the plans are held and managed by government authorities and are separated from those of the Group. During the reporting period, no forfeited contributions had been used by the Group to reduce the existing level of contributions.

(c) Bonus plan

The expected cost of bonuses is recognised as a liability when the Group has a present legal or constructive obligation for payment of bonuses as a result of services rendered by employees and a reliable estimate of the obligation being made. Liabilities for bonuses are expected to be settled within 1 year and are measured at the amounts expected to be paid when they are settled.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

2 SUMMARY OF ACCOUNTING POLICIES *(Continued)*

2.2 Summary of other accounting policies *(Continued)*

2.2.12 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events. It is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating loss.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expenses.

2.2.13 Dividend income

Dividend income is recognised when it is received or when the right to collection is unconditionally established.

2 SUMMARY OF ACCOUNTING POLICIES *(Continued)*

2.2 Summary of other accounting policies *(Continued)*

2.2.14 Dividends distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's consolidated financial statements in the period in which the dividend is approved by the Company's shareholders or Directors where appropriate.

2.2.15 Government subsidies

Subsidies from the government are recognised at their fair value where there is a reasonable assurance that the subsidies will be received and the Group will comply with all attached conditions. Under these circumstances, the subsidies are recognised as income or matched with the associated costs which the subsidies are intended to compensate.

3 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk, and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by the senior management of the Group.

3.1 Financial risk factors

3.1.1 Market risk

(a) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the Group entities' functional currency. The Group manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposures and tries to minimise these exposures through natural hedges, wherever possible, and may enter into forward foreign exchange contracts or cross currency swap contracts, when necessary.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

3.1.1 Market risk (Continued)

(a) ***Foreign exchange risk*** *(Continued)*

The Group operates mainly in the PRC with most of the transactions settled in RMB, and the functional currency of the Company is USD whereas functional currency of the subsidiaries operating in the PRC is RMB. The management considers that the business is not exposed to any significant foreign exchange risk as there are no significant financial assets or liabilities of the Group are denominated in the currencies other than the respective functional currencies of the Group's entities. As of December 31, 2024, the Group considered that any reasonable changes in foreign exchange rates between RMB and USD would not result in a significant change in the Group's results. Accordingly, no sensitivity analysis is presented for foreign exchange risk.

In order to better manage the foreign exchange risk of certain net investments in foreign operations in PRC, the Group enters into fixed-fixed cross currency interest rate swaps (the "**CCIRSs**") to buy USD for RMB and applies hedge accounting. There is an economic relationship between the hedged items and the hedging instruments as the net investment creates a translation risk that will match the foreign exchange risk on the CCIRSs. The Group does not hedge 100% of its net investments in foreign operations, and so the hedged items are identified as a proportion of the outstanding net investments in foreign operations up to the notional and interest amount of the CCIRSs.

No ineffectiveness is expected unless changes in circumstances affect the foreign operations such that the critical terms of the hedging instruments no longer match exactly with the hedged items, the Group uses the hypothetical derivative method to assess effectiveness. Hedge ineffectiveness in relation to the CCIRSs was negligible for 2024.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

3.1.1 Market risk (Continued)

*(a) **Foreign exchange risk** (Continued)*

The effects of the foreign currency-related hedging instruments on the Group's financial position and performance are as follows:

	2024 RMB'000
Carrying amount included in non-current portion of Prepayments, deposits and other assets (Note 22)	420,579
Notional amount	17,645,090
Maturity date	April 2, 2028, October 2, 2029
Hedge ratio	1:1
Change in fair value of forward foreign exchange rate of hedging instruments recognised in OCI for the year (Note 27)	228,087
Change in value of hedged items used to determine hedge effectiveness for the year	(228,087)
Weighted average hedged foreign exchange rate for the year (including forward points)	RMB7.0580:USD1.0000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

3.1.1 Market risk (Continued)

(b) Cash flow and fair value interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates and the Group has no significant interest-bearing assets except for cash and cash equivalents, restricted cash, loan receivables and treasury investments at amortised cost, and details of which have been disclosed in Note 25, Note 22(a) and Note 21.

The Group's exposure to changes in interest rates is also attributable to its borrowings and notes payable, details of which have been disclosed in Note 31 and Note 32. Borrowings and notes payable carried at floating rates expose the Group to cash flow interest rate risk whereas those carried at fixed rates expose the Group to fair value interest rate risk.

As of December 31, 2024, the Group's notes payable were carried at fixed rates, and the Group's borrowings were carried at floating rates.

(c) Price risk

The Group is exposed to price risk in respect of financial assets measured at fair value held by the Group. The Group is not exposed to commodity price risk. To manage its price risk arising from the financial assets, the Group diversifies its portfolio. Each investment is managed by senior management on a case by case basis. The sensitivity analysis is performed by management (Note 3.3.4).

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

3.1.2 Credit risk

The Group is exposed to credit risk in relation to certain financial and contract assets, of which the carrying amounts represent the Group's maximum exposure to the credit risk. The ECL arising from the credit risk are presented as "Net provisions for impairment losses on financial and contract assets" in the consolidated income statement.

(a) Cash and cash equivalents, restricted cash and treasury investments

To manage credit risk arising from cash and cash equivalents, restricted cash and treasury investments, the Group only transacts with state-owned or reputable financial institutions. There has been no recent history of default in relation to these institutions. These instruments are considered to have a low credit risk and the counterparty has a strong capacity to meet its contractual cash flows obligations in the near term. The identified credit losses are immaterial.

(b) Trade receivables and contract assets

To manage credit risk arising from trade receivables and contract assets, the Group has policies in place to ensure that credit terms are made to counterparties with an appropriate credit history and the management performs ongoing credit evaluations of its counterparties. The credit period granted to the customers is usually no more than 180 days considering their financial position, past experience and other factors.

The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. To measure the ECL, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due.

The Group applies the IFRS 9 simplified approach to measure ECL which uses lifetime expected loss allowance for all trade receivables and contract assets. The expected loss rates are based on the payment profiles of sales over a period of 36 months or enough credit cycle for those new lines of business and the corresponding historical credit losses experienced within this period. The Group identifies the per capita disposable income of urban residents and the total retail sales of consumer goods of the countries to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the financial assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

3.1.2 Credit risk (Continued)

(b) Trade receivables and contract assets *(Continued)*

Trade receivables are written off when there is no reasonable expectation of recovery with indicators including, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments after exhausting all practical recovery efforts. Subsequent recoveries of amounts previously written off are credited against the same line item. Details of the allowance for impairment of trade receivables were disclosed in Note 24.

(c) Loan receivables

To manage credit risk arising from loan receivables, standardised credit management procedures are performed. For pre-approval investigation, the Group optimises the review process using big data technology through its platform and system, including credit analysis, assessment of collectability of borrowers, monitoring the cash flows status of the merchants, possibility of misconduct and fraudulent activities. In terms of credit examining management, specific policies and procedures are established to assess loans offering. For subsequent monitoring, the Group monitors the cash flows and operation status of each borrower. Once the loan is issued, all borrowers will be assessed by fraud examination model to prevent fraudulent behaviours. In post-loan supervision, the Group establishes risk monitoring alert system through periodical monitoring. The estimation of credit exposure for risk management purposes is complex and requires use of models as the exposure varies with changes in market conditions, expected cash flows and passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of default corrections between counterparties. The Group measures credit risk using Probability of Default ("**PD**"), Exposure at Default ("**EAD**") and Loss Given Default ("**LGD**"). This is consistent with the general approach used for the purpose of measuring ECL under IFRS 9.

(i) ECL model for loan receivables:

The impairment of loan receivables was provided based on the "three-stages" model by referring to the changes in credit quality since initial recognition.

- The loan receivables that are not credit-impaired on initial recognition are classified in "Stage 1" and have its credit risk continuously monitored by the Group. The ECL is measured on a 12-month basis.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

3.1.2 Credit risk (Continued)

(c) ***Loan receivables*** *(Continued)*

(i) ECL model for loan receivables: (Continued)

- If an SICR (as defined below) since initial recognition is identified, the loan receivables are moved to "Stage 2" but are not yet deemed to be credit-impaired. The ECL is measured on lifetime basis.

- If the loan receivables are credit-impaired (as defined below), then they are moved to "Stage 3". The ECL is measured on lifetime basis.

- In Stages 1 and 2, interest revenue is calculated on the gross carrying amount (without deducting the loss allowance). If in Stage 3, the Group is required to calculate the interest revenue by applying the effective interest rate method in subsequent reporting periods to the amortised cost of the loan receivables (the gross carrying amount net of loss allowance) other than the gross carrying amount.

The key judgements and assumptions adopted by the Group in addressing the requirements of the standard are discussed below:

- Significant increase in credit risk (SICR)

  The Group considers loan receivables to have experienced an SICR if the borrower is past due more than 1 day on its contractual payments.

- Definition of default and credit-impaired assets

  The Group defines a financial instrument as in default and credit-impaired, when the borrower is more than 90 days past due on its contractual payments. This has been applied to all loan receivables held by the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

3.1.2 Credit risk (Continued)

***(c) Loan receivables** (Continued)*

(i) ECL model for loan receivables: (Continued)

- Measuring ECL – Explanation of inputs, assumptions and estimation techniques

  The ECL is measured on either a 12-month or lifetime basis depending on whether an SICR has occurred since initial recognition or whether an asset is considered to be credit-impaired. ECL are the discounted product of the PD, EAD, and LGD.

  The ECL is determined by projecting the PD, EAD and LGD for each future month and for each portfolio and these three components are multiplied together. This effectively calculates an ECL for each future month, which is then discounted back to the reporting period end and summarised. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

- Forward-looking information incorporated in the ECL models

  The calculation of ECL incorporates forward-looking information. The Group has performed historical analysis and identified the per capita disposable income of urban residents as the key economic variables impacting credit risk and ECL.

  As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Group considers these forecasts to represent its best estimate of the possible outcomes and has analysed the non-linearities and asymmetries within the Group's different portfolios to establish that the chosen scenarios are appropriately representative of the range of possible scenarios.

- Grouping of instruments for losses measured on a collective basis

  For ECL provisions modeled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogeneous.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

3.1.2 Credit risk (Continued)

(c) ***Loan receivables*** *(Continued)*

(ii) Loss allowance

The loss allowance recognised in the reporting period is impacted by a variety of factors, as described below:

- Transfers between Stage 1, Stage 2 or Stage 3 due to loan receivables experiencing significant increases (or decreases) of credit risk in the reporting period, and the subsequent "step up" (or "step down") between 12-month and lifetime ECL;

- Increases of loss allowance for new financial instruments recognised, as well as decreases due to loan receivables derecognition in the reporting period;

- Loan receivables derecognised and write-offs of loss allowance related to assets that were written off during the reporting period, and the subsequent recovery; and

- Changes in the inputs, assumptions and estimation techniques of ECL calculation during the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

3.1.2 Credit risk (Continued)

(c) Loan receivables (Continued)

(ii) Loss allowance (Continued)

The gross carrying amount of the loan receivables explains their significance to the changes in the loss allowance as discussed above:

	Stage 1 12-month ECL RMB'000	Stage 2 Lifetime ECL RMB'000	Stage 3 Lifetime ECL RMB'000	Total RMB'000
Gross carrying amount as of January 1, 2024	8,372,567	49,109	17,698	8,439,374
Transfers:				
Transfer from Stage 1 to Stage 2	(183,141)	183,141	–	–
Transfer from Stage 1 to Stage 3	(420,861)	–	420,861	–
Transfer from Stage 2 to Stage 1	235	(235)	–	–
Transfer from Stage 2 to Stage 3	–	(223,944)	223,944	–
Net increases/(decreases)	1,952,305	85,646	(20,335)	2,017,616
Write-offs	–	–	(650,485)	(650,485)
Recovered after written off	–	–	65,632	65,632
Gross carrying amount as of December 31, 2024	9,721,105	93,717	57,315	9,872,137

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

3.1.2 Credit risk (Continued)

*(c) **Loan receivables** (Continued)*

(ii) Loss allowance (Continued)

	Stage 1 12-month ECL RMB'000	Stage 2 Lifetime ECL RMB'000	Stage 3 Lifetime ECL RMB'000	Total RMB'000
Gross carrying amount as of January 1, 2023	8,448,135	48,193	22,729	8,519,057
Transfers:				
Transfer from Stage 1 to Stage 2	(136,982)	136,982	–	–
Transfer from Stage 1 to Stage 3	(258,938)	–	258,938	–
Transfer from Stage 2 to Stage 1	72	(72)	–	–
Transfer from Stage 2 to Stage 3	–	(61,483)	61,483	–
Net increases/(decreases)	320,280	(74,511)	(64,350)	181,419
Write-offs	–	–	(306,796)	(306,796)
Recovered after written off	–	–	45,694	45,694
Gross carrying amount as of December 31, 2023	8,372,567	49,109	17,698	8,439,374

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

3.1.2 Credit risk (Continued)

(c) Loan receivables (Continued)

(ii) Loss allowance (Continued)

The following table explains the changes in the loss allowance for loan receivables between the beginning and the end of the reporting period due to these factors:

	Stage 1 12-month ECL RMB'000	Stage 2 Lifetime ECL RMB'000	Stage 3 Lifetime ECL RMB'000	Total RMB'000
Loss allowance as of January 1, 2024	(275,143)	(103,043)	(54,066)	(432,252)
Transfers:				
Transfer from Stage 1 to Stage 2	6,161	(116,518)	–	(110,357)
Transfer from Stage 1 to Stage 3	14,159	–	(288,309)	(274,150)
Transfer from Stage 2 to Stage 1	(8)	150	–	142
Transfer from Stage 2 to Stage 3	–	142,476	(153,412)	(10,936)
Net (increases)/decreases	(65,682)	4,734	46,784	(14,164)
Write-offs	–	–	650,485	650,485
Recovered after written off	–	–	(65,632)	(65,632)
Changes in ECL measurement	(14,124)	20,865	(167,179)	(160,438)
Loss allowance as of December 31, 2024	(334,637)	(51,336)	(31,329)	(417,302)

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

3.1.2 Credit risk (Continued)

(c) Loan receivables *(Continued)*

(ii) Loss allowance (Continued)

	Stage 1 12-month ECL RMB'000	Stage 2 Lifetime ECL RMB'000	Stage 3 Lifetime ECL RMB'000	Total RMB'000
Loss allowance as of January 1, 2023	(218,933)	(53,900)	(36,622)	(309,455)
Transfers:				
Transfer from Stage 1 to Stage 2	4,026	(98,022)	–	(93,996)
Transfer from Stage 1 to Stage 3	7,610	–	(210,451)	(202,841)
Transfer from Stage 2 to Stage 1	(2)	51	–	49
Transfer from Stage 2 to Stage 3	–	43,997	(49,970)	(5,973)
Net decreases/(increases)	(9,412)	6,814	31,958	29,360
Write-offs	–	–	306,796	306,796
Recovered after written off	–	–	(45,694)	(45,694)
Changes in ECL measurement	(58,432)	(1,983)	(50,083)	(110,498)
Loss allowance as of December 31, 2023	(275,143)	(103,043)	(54,066)	(432,252)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

3.1.2 Credit risk (Continued)

*(c) **Loan receivables** (Continued)*

(iii) Write-off policy

The Group writes off loan receivables, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include ceasing enforcement activity.

The Group may write off loan receivables that are still subject to enforcement activity.

(iv) Modification

The Group rarely modifies the terms of loans provided to customers due to commercial renegotiations, or for distressed loans, with a view to maximising recovery. The Group considers the impact from such modification is not significant.

3.1.3 Liquidity risk

The Group aims to maintain sufficient cash and cash equivalents. Due to the dynamic nature of the underlying businesses, the policy of the Group is to regularly monitor the Group's liquidity risk and to maintain adequate cash and cash equivalents or to adjust financing arrangements to meet the Group's liquidity requirements.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

3.1.3 Liquidity risk (Continued)

The Group analyses its non-derivative financial liabilities into relevant maturity grouping based on the remaining year at each reporting period end to the contractual maturity date. The amount disclosed in the table is the contractual undiscounted cash flows.

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
As of December 31, 2024					
Trade payables	25,193,149	–	–	–	25,193,149
Payables to merchants	25,131,850	–	–	–	25,131,850
Advances from transacting users	11,147,206	–	–	–	11,147,206
Other payables and accruals (excluding non-financial liabilities items)	12,458,322	–	–	–	12,458,322
Borrowings	35,865	37,411	363,358	1,017,563	1,454,197
Notes payable	17,596,712	12,217,965	21,021,157	9,415,936	60,251,770
Lease liabilities	2,771,887	1,679,424	1,562,094	28,120	6,041,525
	94,334,991	13,934,800	22,946,609	10,461,619	141,678,019

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
As of December 31, 2023					
Trade payables	22,980,506	–	–	–	22,980,506
Payables to merchants	23,798,004	–	–	–	23,798,004
Advances from transacting users	8,547,635	–	–	–	8,547,635
Other payables and accruals (excluding non-financial liabilities items)	9,994,009	–	–	–	9,994,009
Borrowings	19,425,020	21,032	142,804	607,487	20,196,343
Notes payable	382,908	16,241,706	11,570,122	9,393,431	37,588,167
Lease liabilities	2,674,679	1,616,926	2,137,652	57,082	6,486,339
	87,802,761	17,879,664	13,850,578	10,058,000	129,591,003

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.2 Capital management

The Group's objectives when managing capital are to:

- Safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to Shareholders, return capital to Shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital (including share capital, share premium, treasury shares and shares held for shares award scheme) by regularly reviewing the capital structure. As a part of this review, the Group considers the cost of capital and the risks associated with the issued share capital. In the opinion of the Directors of the Company, the Group's capital risk is low.

3.3 Fair value estimation

3.3.1 Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the consolidated financial statements. To provide an indication about the reliability of the inputs used in determining the fair values, the Group has classified its financial instruments into three levels prescribed under the accounting standards.

The Group analyses its financial instruments carried at fair values by level of the inputs to valuation techniques used to measure the fair values. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Level 1: unadjusted quoted prices in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within level 1 that are observable for the assets or liabilities, either directly (that is, as prices) or indirectly (that is, derived from prices)
- Level 3: inputs for the assets or liabilities that are not based on observable market data (that is, unobservable inputs)

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.3 Fair value estimation *(Continued)*

3.3.1 Fair value hierarchy (Continued)

The following tables present the Group's assets and liabilities that are measured at fair value as of December 31, 2024 and 2023.

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
As of December 31, 2024				
Financial assets				
Treasury investments at fair value through profit or loss (Note 21)	–	10,381,301	74,372,084	84,753,385
Treasury investments at fair value through other comprehensive income (Note 21)	–	3,346,369	9,555,055	12,901,424
Loan receivables at fair value through other comprehensive income (Note 22(a))	–	–	8,959,554	8,959,554
Other financial investments at fair value through profit or loss (Note 19)	–	–	17,776,330	17,776,330
Other financial investments at fair value through other comprehensive income (Note 20)	2,195,341*	–	1,537,000	3,732,341
Derivative financial instruments (Note 22)	–	420,579	–	420,579
	2,195,341	14,148,249	112,200,023	128,543,613

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.3 Fair value estimation *(Continued)*

3.3.1 Fair value hierarchy (Continued)

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
As of December 31, 2023				
Financial assets				
Treasury investments at fair value through profit or loss (Note 21)	–	–	91,193,316	91,193,316
Treasury investments at fair value through other comprehensive income (Note 21)	–	7,963,958	12,630,261	20,594,219
Loan receivables at fair value through other comprehensive income (Note 22(a))	–	–	7,798,413	7,798,413
Other financial investments at fair value through profit or loss (Note 19)	–	–	18,481,104	18,481,104
Other financial investments at fair value through other comprehensive income (Note 20)	901,536*	–	1,413,000	2,314,536
	901,536	7,963,958	131,516,094	140,381,588
Financial liabilities				
Financial liabilities at fair value through profit or loss	–	–	378,720	378,720

* This presents investments in listed entities with observable quoted price.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.3 Fair value estimation *(Continued)*

3.3.2 *Valuation techniques used to determine fair values*

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required for evaluating the fair value of a financial instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to measure financial instruments of level 2 and level 3 include:

- The use of quoted market prices or dealer quotes for similar instruments;
- The discounted cash flow model using observable input of yield curve or unobservable inputs mainly including assumptions of expected future cash flows and discount rate;
- The latest round financing, i.e. the prior transaction price or the third-party pricing information; and
- A combination of observable and unobservable inputs, including risk-free rate, expected volatility, discount rate for lack of marketability, market multiples, etc.

There was no change to valuation techniques in use during the year ended December 31, 2024.

All of the resulting fair value estimates are included in level 2 and level 3.

3.3.3 *Fair value measurements using significant unobservable inputs (level 3)*

The following tables present the movement of level 3 items which use significant unobservable inputs in determining their fair values for the years ended December 31, 2024 and 2023. The Group determines transfers between levels of the fair value hierarchy are deemed to have occurred on the date of the event or change in circumstances that caused the transfer.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.3 Fair value estimation *(Continued)*

3.3.3 Fair value measurements using significant unobservable inputs (level 3) (Continued)

	Treasury investments at fair value through profit or loss RMB'000	Treasury investments at fair value through other comprehensive income RMB'000	Loan receivables at fair value through other comprehensive income RMB'000	Other financial investments at fair value through profit or loss RMB'000	Other financial investments at fair value through other comprehensive income RMB'000	Financial liabilities at fair value through profit or loss RMB'000
As of January 1, 2024	91,193,316	12,630,261	7,798,413	18,481,104	1,413,000	378,720
Additions	195,900,377	6,210,000	150,766,558	2,720,798	124,000	280,670
Deductions	(215,936,898)	(9,687,052)	(149,664,259)	(2,856,094)	(224,157)	(659,390)
Transfers, net	–	–	–	(901,763)	40,197	–
Changes in fair values	2,713,193	321,889	58,842	140,921	169,601	–
Currency translation differences	502,096	79,957	–	191,364	14,359	–
As of December 31, 2024	74,372,084	9,555,055	8,959,554	17,776,330	1,537,000	–
Net unrealised gains/(losses) for the year	1,025,711	174,806	58,842	(514,443)	134,730	–

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.3 Fair value estimation *(Continued)*

3.3.3 Fair value measurements using significant unobservable inputs (level 3) (Continued)

	Treasury investments at fair value through profit or loss RMB'000	Treasury investments at fair value through other comprehensive income RMB'000	Loan receivables at fair value through other comprehensive income RMB'000	Other financial investments at fair value through profit or loss RMB'000	Other financial investments at fair value through other comprehensive income RMB'000	Financial liabilities at fair value through profit or loss RMB'000
As of January 1, 2023	77,845,116	6,307,707	7,124,305	15,073,013	1,413,000	100,000
Additions	109,851,696	10,887,755	126,392,046	3,568,111	–	278,720
Deductions	(100,219,456)	(5,001,192)	(125,627,921)	(85,065)	–	–
Transfers, net	–	–	–	(400,261)	–	–
Changes in fair values	3,384,290	383,190	(90,017)	234,227	–	–
Currency translation differences	331,670	52,801	–	91,079	–	–
As of December 31, 2023	91,193,316	12,630,261	7,798,413	18,481,104	1,413,000	378,720
Net unrealised gains/(losses) for the year	1,780,851	312,858	(90,017)	224,175	–	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.3 Fair value estimation *(Continued)*

3.3.4 Valuation process, inputs and relationships to fair value

The Group has a team that manages the valuation of financial instruments for financial reporting purposes. The team manages the valuation exercise of the investments on a case by case basis. At least once every year, the team would use valuation techniques to determine the fair values of the Group's level 2 and level 3 instruments. External valuation experts will be involved when necessary.

The Group's level 3 instruments are listed in the table in Note 3.3.3. As these instruments are not traded in active markets, their fair values have been determined using various applicable valuation techniques, including discounted cash flow, market approach, etc.

The following table summarises the quantitative information about the significant unobservable inputs used in recurring level 3 fair value measurements.

Description	Fair values as of December 31,		Unobservable inputs	Range of inputs as of December 31,		Relationships of unobservable inputs to fair value
	2024 RMB'000	2023 RMB'000		2024	2023	
Other financial investments at fair value	**19,313,330**	19,894,104	Expected volatility	**26%-68%**	31%-65%	Note (i)
			Discount for lack of marketability ("DLOM")	**10%-40%**	15%-30%	The higher the DLOM, the lower the fair value
Treasury investments at fair value through profit or loss	**74,372,084**	91,193,316	Expected rate of return	**0.00%-10.20%**	0.00%-9.34%	The higher the expected rate of return, the higher the fair value
Treasury investments at fair value through other comprehensive income	**9,555,055**	12,630,261	Expected rate of return	**1.50%-9.20%**	0.94%-4.17%	The higher the expected rate of return, the higher the fair value
Loan receivables at fair value through other comprehensive income	**8,959,554**	7,798,413	Note (ii)	**Note (ii)**	Note (ii)	The higher the risk-adjusted discount rate, the lower the fair value
Financial liabilities at fair value through profit or loss	**-**	378,720	Note (iii)	**Note (iii)**	Note (iii)	Note (iii)

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.3 Fair value estimation *(Continued)*

3.3.4 Valuation process, inputs and relationships to fair value (Continued)

Note (i): Other financial investments at fair value

The unobservable inputs of expected volatility is used in the valuation of other financial investments at fair value. The relationship between them is uncertain.

Note (ii): Loan receivables at fair value through other comprehensive income

For loan receivables at fair value through other comprehensive income, the fair values are determined based on discounted cash flow model using unobservable discount rates that reflect credit risk and market risk.

Note (iii): Financial liabilities at fair value through profit or loss

In December 2022, the Group established and consolidated a limited partnership investment fund ("**the Fund**") with limited life. The Fund invested in private companies in the form of ordinary shares or preferred shares that are measured at fair value through profit or loss. The Group designates the returns to other limited partners as financial liabilities at fair value through profit or loss. These returns are calculated based on the fair value of underlying investments and the predetermined distribution mechanism of returns set out in the agreement of the Fund.

If the respective unobservable inputs of financial assets at fair value through profit or loss held by the Group had been 10% higher or lower, the aggregate profit before income tax for the year ended December 31, 2024 would have been approximately RMB69 million lower or RMB70 million higher (for the year ended December 31, 2023: RMB59 million lower or RMB59 million higher).

If the respective unobservable inputs of financial assets at fair value through other comprehensive income held by the Group had been 10% higher or lower, the aggregate other comprehensive income for the year ended December 31, 2024 would have been approximately RMB12 million higher or RMB9 million lower (for the year ended December 31, 2023: RMB22 million higher or RMB17 million lower).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of consolidated financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgements in applying the Group's accounting policies.

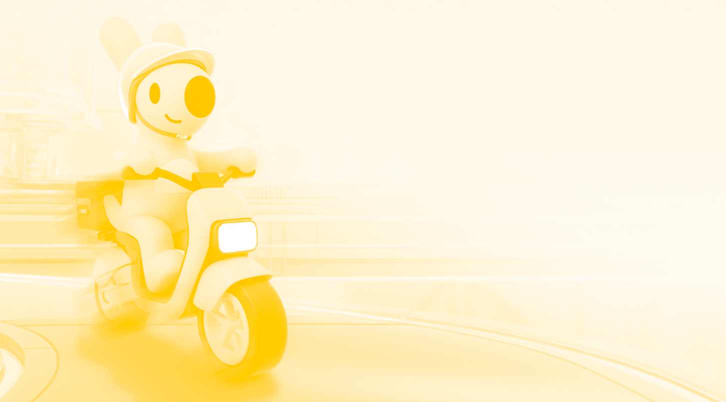
Estimates and judgements are continually evaluated. They are based on historical experiences and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

4.1 Incentives

As disclosed in Note 2.1.15(c), all incentives provided to customers from an accounting perspective are recorded as a reduction of revenue if there is no exchange of a distinct good or service to the Group or the fair value of the goods and services received cannot be reasonably estimated, to the extent of the revenue earned from that customer on a transaction by transaction basis. For certain other incentives, management judgement is required to determine whether the incentives are in substance payments on behalf of customers and should therefore be recorded as a reduction of revenue or selling and marketing expenses. Some of the factors considered in management's evaluation if such incentives are in substance payments on behalf of customers include whether the incentives are provided at the Group's discretion and the objectives, business strategy and design of the incentive programmes.

4.2 Principal versus agent considerations

Determining whether the Group is acting as a principal or as an agent in the provision of certain goods or services to its customers requires judgement and consideration of all relevant facts and circumstances. In evaluation of the Group's role as a principal or an agent, the Group considers, individually or in combination, whether the Group controls the specified good or service before it (i) is transferred to the customer, (ii) is primarily responsible for fulfilling the contract, (iii) is subject to inventory risk, and (iv) has discretion in establishing prices.



4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

4.3 Recoverability of goodwill

The Group tests whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2.1.8(a). Management judgement is required in goodwill impairment assessment particularly in assessing: (i) whether an event has occurred that may indicate that the carrying amounts of related CGUs or group of CGUs allocated to the goodwill may not be recoverable; (ii) whether the carrying amounts of related assets can be supported by the recoverable amounts, being the higher of fair value less costs of disposal and net present value of future cash flows which are estimated based upon the continued use of the asset in the business; (iii) the selection of the most appropriate valuation technique, e.g. the market approach, the income approach, as well as a combination of approaches, including the adjusted net asset method; and (iv) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management in assessing impairment, including the revenue growth rate and gross margin, terminal growth rates and pre-tax discount rates assumptions in the cash flow projections, could materially affect the net present value used in the impairment test and as a result affect the Group's financial condition and results of operations. If there is a significant adverse change in the projected performance and resulting future cash flow projections, it may be necessary to take an impairment charge to the consolidated income statement. Management determined the recoverable amounts of these CGUs or group of CGUs based on the higher of (i) their value in use ("**VIU**") and (ii) their fair value less costs of disposal, of which VIU is calculated based on discounted cash flows expected to be derived from the respective CGUs or group of CGUs.

4.4 Recognition of share-based compensation expenses

As mentioned in Note 2.1.14, the Group set up the Pre-IPO ESOP, Post-IPO Share Option Scheme and Post-IPO Share Award Scheme and granted share options and RSUs to employees and other qualified participants. The Group has used Black-Scholes model to determine the fair value of the share option as of the grant date. Significant estimates on assumptions, such as risk-free interest rate and expected volatility, are made by the management. The fair value of the RSUs is determined by reference to the grant-date market price of the ordinary shares. Forfeitures are estimated based on historical experience and are periodically reviewed. Where the actual forfeitures differ from the initial estimate, such difference will impact the share-based compensation expenses in subsequent periods.

4.5 Estimation of the fair values of financial assets and financial liabilities

The fair values of financial instruments that are not traded in active markets are determined using valuation techniques. The Group uses its judgements to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Changes in these assumptions and estimates could materially affect the respective fair values of these financial assets and financial liabilities (Note 3.3.4).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

4.6 Current and deferred income tax

The Group is subject to income taxes in several jurisdictions. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences or tax losses are recognised when management considers that it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilisation may be different from management's estimation.

4.7 Presentation and measurement of investments in associates

The Group made certain investments in the form of convertible redeemable preferred shares or ordinary shares with preferential rights of investee companies. As the Group has significant influence on these investee companies, judgement is required in determining whether these investments are in substance existing ownership interests. If not, they should be measured at fair value through profit or loss. Different conclusions around these judgements may affect how these investments presented and measured in the consolidated statement of financial position of the Group.

4.8 Scope of consolidation

Consolidation is required only if control exists. The Group controls an investee when it has all the following: (i) power over the investee; (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect the amount of the Group's returns. Power results from rights that can be straightforward through voting rights or complicated in contractual arrangements. Variable returns normally encompass financial benefits and risks, but in certain cases, they also include operational values specific to the Group. These three factors cannot be considered in isolation by the Group in its assessment of control over an investee. Where the factors of control are not apparent, significant judgement is applied in the assessment, which is based on an overall analysis of all of the relevant facts and circumstances. The Group is required to reassess whether it controls the investee if facts and circumstances indicate a change to one or more of the three factors of control.

5 SEGMENT REPORTING

5.1 Description of segments and principal activities

The Group's business activities, for which discrete financial information is available, are regularly reviewed and evaluated by the CODM. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, mainly includes the executive Directors of the Company that make strategic decisions. The Group evaluated its operating segments separately or aggregately, and determined that it has reportable segments as follows.

The CODM assesses the performance of the operating segments mainly based on revenues and operating profit or loss of each operating segment. There were no material inter-segment sales during the years ended December 31, 2024 and 2023.

The revenues from customers reported to CODM are measured as revenues in each segment. The operating profit or loss in each segment reported to CODM are measured as cost of revenues and operating expenses deducted from its revenues. Certain unallocated items are not allocated to each segment as they are not directly relevant to the operating results used in the performance measurement and resource allocation by the CODM.

Core local commerce

The Core local commerce segment includes food delivery, Meituan Instashopping, in-store, hotel and travel businesses. The food delivery and Meituan Instashopping businesses primarily help consumers place orders of food and grocery prepared by merchants through the Group's online tools, mainly various of mobile apps, and offers On-demand Delivery services. The in-store, hotel and travel businesses primarily help consumers purchase local consumer services provided by merchants in numerous in-store categories or make reservations for hotels, attraction ticketing and transportation ticketing. Revenues from the Core local commerce segment primarily consist of (a) delivery services from both merchants and consumers; (b) commission from technology service charged to merchants and third-party partners; and (c) online marketing services in various formats provided to merchants.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

5 SEGMENT REPORTING *(Continued)*

5.1 Description of segments and principal activities *(Continued)*

New initiatives

The Group continually develops various New initiatives, including Meituan Select, Xiaoxiang Supermarket, B2B food distribution ("**Kuailv**") etc., to satisfy consumers' diverse needs in different consumption scenarios. Revenues from the New initiatives segment primarily consist of (a) sales of goods primarily from B2B food distribution ("**Kuailv**") and Xiaoxiang Supermarket; and (b) various services rendered by various businesses such as Meituan Select, bike sharing, e-moped sharing, power banks and micro-credit.

There were no separate segment assets and segment liabilities information provided to the CODM, as CODM does not use such information to allocate resources to or to evaluate the performance of the operating segments.

The Group's revenues are mainly generated in the PRC.

The segment information provided to the Group's CODM for the reportable segments for the years ended December 31, 2024 and 2023 is as follows:

	Year ended December 31, 2024			
	Core local commerce RMB'000	New initiatives RMB'000	Unallocated items* RMB'000	Total RMB'000
Delivery services	98,065,260	–	–	98,065,260
Commission	92,288,620	3,052,336	–	95,340,956
Online marketing services	48,836,066	404,326	–	49,240,392
Other services and sales (including interest revenue)	11,057,550	83,887,418	–	94,944,968
Total revenues	250,247,496	87,344,080	–	337,591,576
Cost of revenues, operating expenses and unallocated items	(197,832,334)	(94,617,394)	(8,296,892)	(300,746,620)
Operating profit/(loss)	52,415,162	(7,273,314)	(8,296,892)	36,844,956

5 SEGMENT REPORTING *(Continued)*

5.1 Description of segments and principal activities *(Continued)*

	Year ended December 31, 2023			
	Core local commerce RMB'000	New initiatives RMB'000	Unallocated items* RMB'000	Total RMB'000
Delivery services	82,190,980	–	–	82,190,980
Commission	74,630,737	2,057,806	–	76,688,543
Online marketing services	40,266,890	246,326	–	40,513,216
Other services and sales (including interest revenue)	9,818,325	67,533,890	–	77,352,215
Total revenues	206,906,932	69,838,022	–	276,744,954
Cost of revenues, operating expenses and unallocated items	(168,208,085)	(90,004,506)	(5,116,976)	(263,329,567)
Operating profit/(loss)	38,698,847	(20,166,484)	(5,116,976)	13,415,387

* 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) certain items in other gains/(losses), net and (v) certain corporate administrative expenses and other items. They are not allocated to individual segments.

There is no concentration risk as no revenue from a single external customer was more than 10% of the Group's total revenues for the years ended December 31, 2024 and 2023.

The assets and liabilities related to contract with customers are disclosed in Note 22 and 28.

The reconciliation from operating profit to profit before income tax for the years ended December 31, 2024 and 2023 is shown in the consolidated income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

5 SEGMENT REPORTING *(Continued)*

5.2 Segment assets

As of December 31, 2024 and 2023, substantially all of the non-current assets of the Group were located in the PRC.

6 REVENUES BY TYPE

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Delivery services	**98,065,260**	82,190,980
Commission	**95,340,956**	76,688,543
Online marketing services	**49,240,392**	40,513,216
Other services and sales (including interest revenue)	**94,944,968**	77,352,215
	337,591,576	276,744,954

Further analysis of revenue disaggregation is included in Note 5.

7 EXPENSES BY NATURE

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Logistics expenses	**124,150,285**	106,209,101
Transaction costs (Note (i))	**50,714,987**	38,906,399
Employee benefits expenses (Note 8)	**45,219,277**	43,094,011
Promotion, advertising and user incentives	**39,117,851**	36,474,673
Outsourcing costs	**13,352,504**	14,667,368
Depreciation of property, plant and equipment (Note 15)	**8,181,701**	7,687,823
Amortisation of intangible assets (Note 16)	**239,649**	308,934
Auditor's remuneration		
– Audit and audit-related services	**33,956**	32,197
– Non-audit services	**7,020**	2,434

Note (i): Transaction costs consist of cost of inventories sold and certain costs for services rendered.

8 EMPLOYEE BENEFITS EXPENSES

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Wages, salaries and bonuses	**29,165,299**	27,164,687
Share-based compensation expenses (Note 33)	**7,582,693**	8,383,353
Other employee benefits	**5,168,236**	4,645,325
Pension costs – defined contribution plans (Note (i))	**3,303,049**	2,900,646
	45,219,277	43,094,011

Note (i): Pension costs – defined contribution plans

Employees of the Group companies in the PRC are required to participate in a defined contribution retirement scheme administered and operated by the governmental authorities. The Group contributes funds which are calculated on certain percentages of the employees' salary subject to certain ceilings imposed by governmental authorities to each scheme locally.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

8 EMPLOYEE BENEFITS EXPENSES *(Continued)*

(a) Share-based compensation expenses have been charged to the consolidated income statement as follows:

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Cost of revenues	**235,050**	305,253
Selling and marketing expenses	**1,109,079**	1,229,818
Research and development expenses	**3,589,386**	4,753,890
General and administrative expenses	**2,649,178**	2,094,392
	7,582,693	8,383,353

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group do not include any Director for the year ended December 31, 2024 (2023: None). The emoluments to the five highest paid individuals for the years ended December 31, 2024 and 2023 are as follows:

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Basic salaries	**19,397**	17,307
Bonuses	**625**	1,360
Pension costs and other employee benefits	**731**	561
Share-based compensation expenses	**984,500**	502,347
	1,005,253	521,575

8 EMPLOYEE BENEFITS EXPENSES *(Continued)*

(b) Five highest paid individuals *(Continued)*

The emoluments fell within the following bands:

	Number of individuals Year ended December 31, 2024	2023
Emolument bands (in HK dollar)		
HK$57,500,001 – HK$58,000,000	1	–
HK$71,000,001 – HK$71,500,000	–	1
HK$80,500,001 – HK$81,000,000	1	–
HK$81,000,001 – HK$81,500,000	1	–
HK$83,500,001 – HK$84,000,000	–	1
HK$106,000,001 – HK$106,500,000	–	1
HK$112,000,001 – HK$112,500,000	1	–
HK$142,000,001 – HK$142,500,000	–	1
HK$172,000,001 – HK$172,500,000	–	1
HK$735,500,001 – HK$736,000,000	1	–
	5	5

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

8 EMPLOYEE BENEFITS EXPENSES *(Continued)*

(c) Directors' and chief executive's emoluments

The emoluments of Directors and the chief executive is set out below:

For the year ended December 31, 2024:

Name	Fees RMB'000	Basic salaries RMB'000	Bonuses RMB'000	Pension costs and other employee benefits RMB'000	Share-based compensation expenses RMB'000	Total RMB'000
Wang Xing	–	5,040	–	212	–	5,252
Mu Rongjun	–	4,080	–	228	912	5,220
Neil Nanpeng Shen	–	–	–	–	–	–
Orr Gordon Robert Halyburton	652	–	–	–	1,280	1,932
Shum Heung Yeung Harry	652	–	–	–	1,280	1,932
Leng Xuesong	652	–	–	–	1,280	1,932
Yang Marjorie Mun Tak	500	–	–	–	1,158	1,658
	2,456	9,120	–	440	5,910	17,926

For the year ended December 31, 2023:

Name	Fees RMB'000	Basic salaries RMB'000	Bonuses RMB'000	Pension costs and other employee benefits RMB'000	Share-based compensation expenses RMB'000	Total RMB'000
Wang Xing	–	5,040	–	170	–	5,210
Mu Rongjun	–	4,080	–	170	3,635	7,885
Wang Huiwen	374	375	–	46	–	795
Neil Nanpeng Shen	–	–	–	–	–	–
Orr Gordon Robert Halyburton	500	–	–	–	1,030	1,530
Shum Heung Yeung Harry	500	–	–	–	1,030	1,530
Leng Xuesong	500	–	–	–	1,030	1,530
Yang Marjorie Mun Tak	127	–	–	–	1,277	1,404
	2,001	9,495	–	386	8,002	19,884

8 EMPLOYEE BENEFITS EXPENSES *(Continued)*

(c) Directors' and chief executive's emoluments *(Continued)*

(i) Directors' termination benefits

No Directors' termination benefits subsisted at the end of the years or at any time during the years ended December 31, 2024 and 2023.

(ii) Consideration provided to or receivable by third parties for making available Directors' services

No consideration provided to or receivable by third parties for making available Directors' services subsisted at the end of the years or at any time during the years ended December 31, 2024 and 2023.

(iii) Information about loans, quasi-loans and other dealings in favour of Directors, controlled bodies corporate by and connected entities with such Directors

There were no loans, quasi-loans and other dealings in favour of Directors, their controlled bodies corporate and connected entities subsisted at the end of the years or at any time during the years ended December 31, 2024 and 2023.

(iv) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the years or at any time during the years ended December 31, 2024 and 2023.

(v) Waiver of Directors' emoluments

None of the Directors waived or have agreed to waive any emoluments during the years ended December 31, 2024 and 2023.

(vi) Mr. Wang Huiwen has been redesignated from an executive Director to a non-executive Director with effect from March 25, 2023, and has resigned as a non-executive Director with effect from June 26, 2023.

(vii) Ms. Yang Marjorie Mun Tak was appointed as an independent non-executive Director on June 30, 2023.

(viii) Mr. Neil Nanpeng Shen retired as a non-executive Director with effect from June 14, 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

9 OTHER GAINS, NET

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Fair value changes and gains from treasury investments	**3,743,149**	4,108,802
Foreign exchange (losses)/gains, net	**(197,631)**	74,998
Others	**29,467**	2,131,673
	3,574,985	6,315,473

10 FINANCE INCOME AND COSTS

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Finance income		
Interest income from bank deposits	**1,291,807**	818,986
Finance costs		
Interest expenses on bank borrowings and notes payable	**(1,132,174)**	(1,163,175)
Interest in respect of lease liabilities	**(204,760)**	(260,678)
Others	**(104)**	(1,304)
	(1,337,038)	(1,425,157)

11 SUBSIDIARIES

The Company's major subsidiaries (including directly held and indirectly held, collectively controlled, and structured entities) for the years ended December 31, 2024 and 2023 are set out below.

Name	Place of incorporation/ establishment and kind of legal entity	Particulars of issued capital	Effective interests held (Note (i)) As of December 31, 2024	2023	Principal activities and place of operation
Directly held:					
Inspired Elite Investments Limited	The British Virgin Islands, limited liability company	USD50,000	100%	100%	Investment holding in The British Virgin Islands
Indirectly held:					
Beijing Sankuai Online Technology Co., Ltd.	Beijing, the PRC, limited liability company	USD5,045,770,000	100%	100%	E-commerce service platform in the PRC
Hanhai Information Technology (Shanghai) Co., Ltd.	Shanghai, the PRC, limited liability company	USD495,000,000	100%	100%	Multimedia information technology services in the PRC
Xiamen Sankuai Online Technology Co., Ltd.	Xiamen, the PRC, limited liability company	USD549,049,120	100%	100%	E-commerce service platform in the PRC
Shanghai Sankuai Zhisong Technology Co., Ltd.	Shanghai, the PRC, limited liability company	USD320,000,000	100%	100%	Delivery services in the PRC
Chongqing Meituan Sankuai Micro-credit Co., Ltd.	Chongqing, the PRC, limited liability company	RMB7,500,000,000	100%	100%	Micro-credit business in the PRC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

11 SUBSIDIARIES *(Continued)*

Name	Place of incorporation/ establishment and kind of legal entity	Particulars of issued capital	Effective interests held (Note (i)) As of December 31, 2024	2023	Principal activities and place of operation
Structured entities (Note (ii)):					
Beijing Sankuai Technology Co., Ltd.	Beijing, the PRC, limited liability company	RMB5,480,000,000	**100%**	100%	E-commerce service platform in the PRC
Shanghai Sankuai Technology Co., Ltd.	Shanghai, the PRC, limited liability company	RMB5,000,000	**100%**	100%	Online retail platform in the PRC
Beijing Sankuai Cloud Computing Co., Ltd.	Beijing, the PRC, limited liability company	RMB870,000,000	**100%**	100%	Cloud computing in the PRC
Shanghai Hantao Information Consultancy Co., Ltd.	Shanghai, the PRC, limited liability company	RMB10,000,000	**100%**	100%	Merchant information advisory services in the PRC

Note (i): The Effective interests held by the Group have no changes since January 1, 2025 until the reporting date.

Note (ii): The Company does not have directly or indirectly legal ownership in equity of structured entities or their subsidiaries. Nevertheless, under certain contractual arrangements entered into with these structured entities and their registered owners, the Company and its legally owned subsidiaries have rights to exercise power over these structured entities, to receive variable returns from their involvement in these structured entities, and have the ability to affect those returns through their power over these structured entities. As a result, the Company is able to control these structured entities or their subsidiaries and therefore consolidated these entities.

Due to the implementation of the shares award scheme of the Group mentioned in Note 2.2.2, a structured entity ("**Share Scheme Trust**") has been set up. The principal activities of Share Scheme Trust is administering and holding the Company's shares issued for Post-IPO Share Award Scheme. As the Company has the power to govern the financial and operating policies of the Share Scheme Trust and can derive benefits from the contributions of the eligible persons who are awarded with the shares by the schemes, the Directors of the Company consider that it is appropriate to consolidate the Share Scheme Trust.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

12 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	As of December 31,	
	2024	2023
	RMB'000	RMB'000
Associates (a)	19,800,129	18,289,183
Joint ventures	–	–
	19,800,129	18,289,183

(a) Investments in associates accounted for using the equity method

	As of December 31,	
	2024	2023
	RMB'000	RMB'000
Investments in associates		
– listed entities	18,045,199	16,321,321
– unlisted entities	1,754,930	1,967,862
	19,800,129	18,289,183

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

12 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD *(Continued)*

(a) Investments in associates accounted for using the equity method *(Continued)*

The quoted fair value of the investments in listed entities was RMB24,999 million and RMB36,429 million as of December 31, 2024 and 2023, respectively.

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
At the beginning of the year	**18,289,183**	16,568,451
Share of profits of investments accounted for using the equity method	**1,185,704**	1,227,019
Share of other changes in equity	**366,354**	368,098
Dividends from associates	**(55,841)**	(28,416)
Dilution (losses)/gains (Note (i))	**(181,117)**	89,123
Business combination	**–**	30,411
Other additions	**–**	2,687
Impairment provision (Note (ii))	**(300,577)**	(185,564)
Currency translation differences	**496,423**	217,374
At the end of the year	**19,800,129**	18,289,183

Note (i): Dilution (losses)/gains mainly comprised (losses)/gains on dilution of the Group's equity interests in associates due to their issuance of additional shares.

Note (ii): During the years ended December 31, 2024 and 2023, the Group identified indications that investments in associates may be impaired with significant or prolonged declines in values of the associates, mainly due to the adverse financial and business outlook of the associates. The Group carried out impairment assessment and determined the respective recoverable amount with reference to the higher of value in use and fair value less cost of disposal. The calculation of discounted cash flow was based on cash flow projected by management and pre-tax discount rate applied to the estimated cash flow projection.

12 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD *(Continued)*

(a) Investments in associates accounted for using the equity method *(Continued)*

There were no material contingent liabilities relating to the Group's interests in the associates accounted for using the equity method.

There were no individually material associates that are accounted for using the equity method as of December 31, 2024 (December 31, 2023: RMB13,942 million of Li Auto Inc.).

Aggregated amount of the Group's share of profits of individually immaterial associates accounted for using the equity method is as follows:

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
– Profit from operations	**1,185,704**	98,462
– Other comprehensive (loss)/income	**(1,663)**	10,807
	1,184,041	109,269

13 TAXATION

(a) Value Added Tax

The Group is mainly subject to VAT rate of 6% for services revenues or 13% for revenues of inventories sales, and relevant surcharges on VAT payments according to mainland China tax law.

(b) Income tax

Cayman Islands

Under the current laws of the Cayman Islands, the Company and its subsidiaries incorporated in the Cayman Islands are not subject to tax on their income or capital gains. Additionally, the Cayman Islands does not impose a withholding tax on payments of dividends to shareholders.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

13 TAXATION *(Continued)*

(b) Income tax *(Continued)*

British Virgin Islands

Under the current laws of the British Virgin Islands, entities incorporated in the British Virgin Islands are not subject to tax on their income or capital gains. Additionally, the British Virgin Islands does not impose a withholding tax on payments of dividends to shareholders.

Hong Kong

Subsidiaries incorporated in Hong Kong are subject to Hong Kong profits tax of which the tax rate is 8.25% for assessable profits on the first HK$2 million and 16.5% for any assessable profits in excess of HK$2 million.

*Mainland China corporate income tax (“**CIT**”)*

CIT provision was made on the estimated assessable profit of entities within the Group incorporated in mainland China and was calculated in accordance with the relevant regulations of mainland China after considering the available tax benefits from refunds and allowances. The general mainland China CIT rate was 25% for the years ended December 31, 2024 and 2023.

Certain subsidiaries of the Group in mainland China are subject to “high and new technology enterprises”, whose preferential income tax rate was 15% for the years ended December 31, 2024 and 2023. Certain mainland China subsidiaries located in western region and engaged in certain encouraged industries were eligible for a preferential income tax rate of 15% for the years ended December 31, 2024 and 2023. In addition, certain mainland China subsidiaries of the Group are subject to “small and thin-profit enterprises” under the CIT Law, whose preferential income tax rate was 20% for the years ended December 31, 2024 and 2023.

13 TAXATION *(Continued)*

(b) Income tax *(Continued)*

Withholding tax on undistributed dividends

Pursuant to the CIT Law, a 10% withholding tax is levied on dividends declared by companies established in mainland China to foreign investors effective from January 1, 2008. The withholding tax rate may be lowered to a minimum of 5% if there is a tax arrangement between mainland China and the jurisdiction of the foreign investors. However, the 5% withholding tax rate does not automatically apply and certain requirements must be satisfied.

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Current income tax expenses	**(1,157,899)**	(388,300)
Deferred income tax (expenses)/credits (Note 18)	**(1,019,208)**	223,763
Total income tax expenses	**(2,177,107)**	(164,537)

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the tax rate of 25% for the years ended December 31, 2024 and 2023, being the tax rate of the major subsidiaries of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

13 TAXATION *(Continued)*

(b) Income tax *(Continued)*

The difference is analysed as follows:

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Profit before income tax	**37,985,429**	14,021,868
Tax calculated at statutory income tax rate of 25% in mainland China	**(9,496,357)**	(3,505,467)
Tax effects of:		
– Different tax rates available to different jurisdictions	**245,902**	227,858
– Preferential income tax rates applicable to subsidiaries	**3,116,399**	708,080
– Non-deductible expenses and non-taxable income, net	**76,379**	86,758
– Super deduction for research and development expenses	**2,027,031**	1,874,565
– Tax losses utilised from previous periods, net	**3,010,407**	850,268
– Other temporary differences for which no deferred income tax assets was recognised, net	**(215,607)**	(332,021)
– Withholding tax	**(855,285)**	(35,981)
– Others	**(85,976)**	(38,597)
Total income tax expenses	**(2,177,107)**	(164,537)

13 TAXATION *(Continued)*

(b) Income tax *(Continued)*

OECD Pillar Two model rules

The Group is within the scope of the OECD Pillar Two model rules. Pillar Two legislation was effective in certain jurisdictions the Group operates (e.g. South Korea, the Netherlands, Italy and Japan) from January 1, 2024. Under the legislation, the Group is liable to Pillar Two income taxes from the constituent entities in these jurisdictions where the Pillar Two effective tax rate is below 15%. The Group has no related current tax exposure in these jurisdictions for the year ended December 31, 2024. The Group applies the IAS 12 exception to recognising and disclosing related information about deferred tax assets and liabilities related to Pillar Two income taxes.

Pillar Two legislation was enacted or substantively enacted in certain jurisdictions the Group operates and will come into effect from January 1, 2025. Since the Pillar Two legislation was not effective at the reporting date, the Group has no related current tax exposure for the reporting period in these jurisdictions. The Group has engaged external tax specialists in assessing its tax exposure to the Pillar Two legislation for when it comes into effect.

14 EARNINGS PER SHARE

(a) Basic earnings per share for the years ended December 31, 2024 and 2023 were calculated by dividing the profit attributable to the Company's equity holders by the weighted average number of ordinary shares outstanding during the year.

	Year ended December 31,	
	2024	2023
Profit for the year attributable to the equity holders of the Company (RMB'000)	**35,807,179**	13,855,828
Weighted average number of ordinary shares outstanding (thousands)	**6,125,058**	6,212,999
Basic earnings per share (RMB)	**5.85**	2.23

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

14 EARNINGS PER SHARE *(Continued)*

(b) The Company has three categories of dilutive potential ordinary shares: share options, RSUs and convertible bonds. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares (denominator) outstanding to assume conversion of all potential dilutive ordinary shares arising from share options and RSUs granted by the Company. As the inclusion of potential ordinary shares from the convertible bonds would be anti-dilutive, it is not included in the calculation of diluted earnings per share. In addition, profit for the year attributable to the equity holders of the Company (numerator) has been adjusted by all the dilutive effects.

	Year ended December 31,	
	2024	2023
Profit for the year attributable to the equity holders of the Company (RMB'000)	**35,807,179**	13,855,828
Dilutive effect arising from share options and RSUs granted by associates (RMB'000)	**(568,146)**	(585,295)
Profit for the year attributable to the equity holders of the Company used as the numerator in calculating diluted earnings per share (RMB'000)	**35,239,033**	13,270,533
Weighted average number of ordinary shares outstanding (thousands)	**6,125,058**	6,212,999
Adjustments for the dilutive impact of share options and RSUs (thousands)	**100,631**	87,269
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share (thousands)	**6,225,689**	6,300,268
Diluted earnings per share (RMB)	**5.66**	2.11

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

15 PROPERTY, PLANT AND EQUIPMENT

	Electronic equipment RMB'000	Bikes and electric mopeds RMB'000	Assets under construction RMB'000	Right-of-use assets RMB'000	Others RMB'000	Total RMB'000
As of January 1, 2024						
Cost	16,194,832	8,826,992	1,770,228	16,963,677	3,977,767	47,733,496
Accumulated depreciation and impairment	(8,326,271)	(6,688,339)	(7,598)	(4,584,261)	(2,149,182)	(21,755,651)
Net book amount	7,868,561	2,138,653	1,762,630	12,379,416	1,828,585	25,977,845
For the year ended December 31, 2024						
Opening net book amount	7,868,561	2,138,653	1,762,630	12,379,416	1,828,585	25,977,845
Additions	6,472,125	–	4,029,724	2,931,611	327,767	13,761,227
Transfers	(108,324)	2,421,994	(3,029,230)	–	715,560	–
Disposals	(431,028)	(142,689)	(10,313)	(349,198)	(232,752)	(1,165,980)
Depreciation charges	(2,824,425)	(1,492,437)	–	(3,038,484)	(971,593)	(8,326,939)
Impairment charges	–	–	(5,131)	–	(3,374)	(8,505)
Currency translation differences	502	–	–	630	2	1,134
Ending net book amount	10,977,411	2,925,521	2,747,680	11,923,975	1,664,195	30,238,782
As of December 31, 2024						
Cost	21,432,926	9,130,391	2,754,123	17,515,129	4,765,633	55,598,202
Accumulated depreciation and impairment	(10,455,515)	(6,204,870)	(6,443)	(5,591,154)	(3,101,438)	(25,359,420)
Net book amount	10,977,411	2,925,521	2,747,680	11,923,975	1,664,195	30,238,782

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

15 PROPERTY, PLANT AND EQUIPMENT *(Continued)*

	Electronic equipment RMB'000	Bikes and electric mopeds RMB'000	Assets under construction RMB'000	Right-of-use assets RMB'000	Others RMB'000	Total RMB'000
As of January 1, 2023						
Cost	12,166,263	9,391,090	1,250,535	15,227,521	3,204,135	41,239,544
Accumulated depreciation and impairment	(7,214,796)	(6,683,432)	(86,840)	(3,583,263)	(1,469,954)	(19,038,285)
Net book amount	4,951,467	2,707,658	1,163,695	11,644,258	1,734,181	22,201,259
For the year ended December 31, 2023						
Opening net book amount	4,951,467	2,707,658	1,163,695	11,644,258	1,734,181	22,201,259
Additions	4,687,246	–	3,436,946	4,470,507	324,094	12,918,793
Transfers	3,073	1,926,883	(2,749,866)	–	819,910	–
Disposals	(67,172)	(166,068)	(82,288)	(854,275)	(109,049)	(1,278,852)
Depreciation charges	(1,704,625)	(2,329,820)	–	(2,881,187)	(913,667)	(7,829,299)
Impairment charges	(1,447)	–	(5,857)	–	(26,884)	(34,188)
Currency translation differences	19	–	–	113	–	132
Ending net book amount	7,868,561	2,138,653	1,762,630	12,379,416	1,828,585	25,977,845
As of December 31, 2023						
Cost	16,194,832	8,826,992	1,770,228	16,963,677	3,977,767	47,733,496
Accumulated depreciation and impairment	(8,326,271)	(6,688,339)	(7,598)	(4,584,261)	(2,149,182)	(21,755,651)
Net book amount	7,868,561	2,138,653	1,762,630	12,379,416	1,828,585	25,977,845

15 PROPERTY, PLANT AND EQUIPMENT *(Continued)*

Depreciation charges were expensed or capitalised in the following categories in the consolidated income statement or the consolidated statement of financial position respectively:

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Cost of revenues	**5,486,879**	5,268,327
Selling and marketing expenses	**1,825,362**	1,499,261
Research and development expenses	**577,952**	592,405
General and administrative expenses	**291,508**	327,830
Assets under construction	**145,238**	141,476
	8,326,939	7,829,299

(a) Leases

The carrying amounts of right-of-use assets by category are as follows:

	As of December 31,	
	2024	2023
	RMB'000	RMB'000
Land use rights	**6,435,557**	6,579,764
Offices	**3,971,661**	4,043,206
Others	**1,516,757**	1,756,446
	11,923,975	12,379,416

The consolidated financial statements shows the following amounts relating to leases:

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Depreciation charges of right-of-use assets	**3,038,484**	2,881,187
Interest expenses (included in finance costs)	**204,760**	260,678

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

16 INTANGIBLE ASSETS

	Goodwill RMB'000	Other intangible assets arising from business combinations RMB'000	Software and others RMB'000	Total RMB'000
As of January 1, 2024				
Cost	27,975,138	7,731,891	2,066,631	37,773,660
Accumulated amortisation and impairment	(201,587)	(5,206,260)	(1,967,866)	(7,375,713)
Net book amount	27,773,551	2,525,631	98,765	30,397,947
For the year ended December 31, 2024				
Opening net book amount	27,773,551	2,525,631	98,765	30,397,947
Additions	–	–	72,749	72,749
Amortisation charges	–	(171,127)	(69,227)	(240,354)
Ending net book amount	27,773,551	2,354,504	102,287	30,230,342
As of December 31, 2024				
Cost	27,975,138	7,731,891	398,065	36,105,094
Accumulated amortisation and impairment	(201,587)	(5,377,387)	(295,778)	(5,874,752)
Net book amount	27,773,551	2,354,504	102,287	30,230,342

16 INTANGIBLE ASSETS *(Continued)*

	Goodwill RMB'000	Other intangible assets arising from business combinations RMB'000	Software and others RMB'000	Total RMB'000
As of January 1, 2023				
Cost	27,975,138	7,730,260	2,016,238	37,721,636
Accumulated amortisation and impairment	(201,587)	(4,960,070)	(1,917,004)	(7,078,661)
Net book amount	27,773,551	2,770,190	99,234	30,642,975
For the year ended December 31, 2023				
Opening net book amount	27,773,551	2,770,190	99,234	30,642,975
Additions	–	1,631	63,245	64,876
Amortisation charges	–	(246,190)	(63,714)	(309,904)
Ending net book amount	27,773,551	2,525,631	98,765	30,397,947
As of December 31, 2023				
Cost	27,975,138	7,731,891	2,066,631	37,773,660
Accumulated amortisation and impairment	(201,587)	(5,206,260)	(1,967,866)	(7,375,713)
Net book amount	27,773,551	2,525,631	98,765	30,397,947

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

16 INTANGIBLE ASSETS *(Continued)*

Amortisation charges were expensed or capitalised in the following categories in the consolidated income statement or the consolidated statement of financial position respectively:

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
General and administrative expenses	**176,854**	173,547
Research and development expenses	**31,286**	30,464
Cost of revenues	**28,064**	60,759
Selling and marketing expenses	**3,445**	44,164
Assets under construction	**705**	970
	240,354	309,904

Impairment of goodwill

Management reviews the business performance based on type of business and monitors the goodwill at the CGU level. The following is a summary of goodwill allocation for CGUs:

Year ended December 31, 2024	**Opening RMB'000**	**Additions RMB'000**	**Reallocation RMB'000**	**Ending RMB'000**
Food delivery	**4,845,229**	**–**	**–**	**4,845,229**
In-store, hotel & travel (Note (i))	**18,950,647**	**–**	**(239,152)**	**18,711,495**
Bike sharing and e-moped sharing services	**3,707,427**	**–**	**–**	**3,707,427**
Other CGUs	**270,248**	**–**	**239,152**	**509,400**
	27,773,551	**–**	**–**	**27,773,551**

Note (i): In 2024, the Group decided to reallocate goodwill resulting from certain business system from in-store, hotel & travel to other CGUs due to business structure adjustment.

Year ended December 31, 2023	Opening RMB'000	Additions RMB'000	Ending RMB'000
Food delivery	4,845,229	–	4,845,229
In-store, hotel & travel	18,950,647	–	18,950,647
Bike sharing and e-moped sharing services	3,707,427	–	3,707,427
Other CGUs	270,248	–	270,248
	27,773,551	–	27,773,551

16 INTANGIBLE ASSETS *(Continued)*

Impairment of goodwill *(Continued)*

The goodwill balance mainly arose from the strategic transaction of Meituan and Dianping and business combination of Mobike. Goodwill is attributable to the acquired transacting volume and economies of scale expected to be derived from combining with the operations of the Group.

The Group carries out its annual impairment test on goodwill by comparing the recoverable amounts of CGUs to the carrying amounts. The recoverable amounts of CGUs were determined based on value-in-use calculations. These calculations used pre-tax cash flow projections based on financial budgets approved by management covering a 5-year period with a terminal value related to the future cash flows extrapolated using the estimated growth rates stated below beyond the 5-year period. The accuracy and reliability of the information is reasonably assured by the appropriate budgeting, forecast and control process established by the Group. The management leveraged their extensive experiences in the industries and provided forecast based on past performance and their expectation of future business plans and market developments.

Impairment review on the goodwill of the Group has been conducted by the management as of December 31, 2024 and 2023, according to IAS 36 "Impairment of assets".

The key assumptions used in the value-in-use calculations for significant group of CGUs allocated with goodwill are as follows:

As of December 31, 2024	Food delivery	In-store, hotel & travel	Bike sharing and e-moped sharing services
Annual revenue growth rate for 5-year period	3%-13%	6%-22%	3%-4%
Gross margin	27%	87%	26%-33%
Terminal revenue growth rate	2.0%	2.0%	2.0%
Pre-tax discount rate	24%	23%	24%

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16 INTANGIBLE ASSETS *(Continued)*

Impairment of goodwill *(Continued)*

As of December 31, 2023	Food delivery	In-store, hotel & travel	Bike sharing and e-moped sharing services
Annual revenue growth rate for 5-year period	3%-15%	3%-33%	1%-9%
Gross margin	28%	84%	28%-36%
Terminal revenue growth rate	2.5%	2.5%	2.5%
Pre-tax discount rate	26%	26%	25%

The budgeted gross margin used in the goodwill impairment testing are determined by the management based on past performance and its expectation for market development. The expected revenue growth rates are following the business plan approved by the Group. Pre-tax discount rates reflect market assessments of the time value and the specific risks relating to the industry.

Other CGUs cover the business of SAAS, micro-credit business and Meituan Instashopping. As of December 31, 2024 and 2023, the pre-tax discount rates used in the impairment testing for other CGUs were from 20% to 28% and 21% to 30%, while the terminal revenue growth rate were 2.0% and 2.5%.

Management had not identified any reasonably possible change in key assumptions that could cause carrying amounts of CGUs to exceed the recoverable amounts.

17 FINANCIAL INSTRUMENTS BY CATEGORY

The Group holds the following financial instruments:

	Note	As of December 31, 2024 RMB'000	As of December 31, 2023 RMB'000
Assets as per consolidated statement of financial position			
Financial assets at fair value through profit or loss:			
– Treasury investments at fair value through profit or loss	21	**84,753,385**	91,193,316
– Other financial investments at fair value through profit or loss	19	**17,776,330**	18,481,104
		102,529,715	109,674,420

17 FINANCIAL INSTRUMENTS BY CATEGORY *(Continued)*

	Note	As of December 31, 2024 RMB'000	As of December 31, 2023 RMB'000
Financial assets at fair value through other comprehensive income:			
– Treasury investments at fair value through other comprehensive income	21	**12,901,424**	20,594,219
– Loan receivables at fair value through other comprehensive income	22(a)	**8,959,554**	7,798,413
– Other financial investments at fair value through other comprehensive income	20	**3,732,341**	2,314,536
		25,593,319	30,707,168
Financial assets at amortised cost:			
– Trade receivables	24	**2,653,046**	2,742,999
– Prepayments, deposits and other assets (excluding non-financial assets items)	22	**6,007,842**	5,947,057
– Treasury investments at amortised cost	21	**7,282,860**	8,560,286
– Restricted cash		**19,549,620**	19,373,229
– Cash and cash equivalents	25(a)	**70,834,097**	33,339,754
		106,327,465	69,963,325
Derivative financial instruments	22	**420,579**	–
Liabilities as per consolidated statement of financial position			
Financial liabilities at fair value through profit or loss		**–**	378,720
Financial liabilities at amortised cost:			
– Trade payables	29	**25,193,149**	22,980,506
– Payables to merchants		**25,131,850**	23,798,004
– Advances from transacting users		**11,147,206**	8,547,635
– Other payables and accruals (excluding non-financial liabilities items)	30	**12,458,322**	10,061,018
– Borrowings	31	**1,176,124**	19,931,896
– Notes payable	32	**54,576,601**	34,610,966
– Lease liabilities		**5,756,842**	6,078,037
		135,440,094	126,008,062

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18 DEFERRED INCOME TAXES

The following amounts, determined after appropriate offsetting, are shown in the consolidated statement of financial position:

(a) Deferred tax assets

	As of December 31,	
	2024	2023
	RMB'000	RMB'000
The balance comprises temporary differences attributable to:		
– Tax losses	**2,424,641**	2,669,381
– Lease liabilities	**1,220,832**	1,310,968
– Others	**166,682**	111,242
Total gross deferred tax assets	**3,812,155**	4,091,591
Set-off of deferred tax assets pursuant to set-off provisions	**(1,887,109)**	(2,177,142)
Net deferred tax assets	**1,925,046**	1,914,449

	As of December 31,	
	2024	2023
	RMB'000	RMB'000
Deferred tax assets:		
– to be recovered after 12 months	**272,473**	949,352
– to be recovered within 12 months	**1,652,573**	965,097
	1,925,046	1,914,449

18 DEFERRED INCOME TAXES *(Continued)*

(a) Deferred tax assets *(Continued)*

The movement on the gross deferred tax assets is as follows:

	Tax losses RMB'000	Lease liabilities RMB'000	Others RMB'000	Total RMB'000
As of January 1, 2024	**2,669,381**	**1,310,968**	**111,242**	**4,091,591**
(Charged)/credited to consolidated income statement	**(829,985)**	**(90,136)**	**65,717**	**(854,404)**
Credited/(charged) to other reserves	**585,245**	**–**	**(10,277)**	**574,968**
As of December 31, 2024	**2,424,641**	**1,220,832**	**166,682**	**3,812,155**
As of January 1, 2023	1,836,236	1,050,416	405,282	3,291,934
Credited/(charged) to consolidated income statement	691,359	260,552	(280,967)	670,944
Credited/(charged) to other reserves	141,786	–	(13,073)	128,713
As of December 31, 2023	2,669,381	1,310,968	111,242	4,091,591

The Group only recognises deferred tax assets for cumulative tax losses if it is probable that future taxable income will be available to utilise those tax losses. Management will continue to assess the recognition of deferred tax assets in future reporting periods. As of December 31, 2024 and 2023, the Group did not recognise deferred tax assets of RMB10,228 million and RMB14,290 million in respect of cumulative tax losses amounting to RMB64,219 million and RMB88,482 million, respectively, including the tax losses arising from the excess deduction of share-based payments. These tax losses will expire from 2025 to 2029 (2023: 2024 to 2028), and the expiration of tax losses of certain subsidiaries of the Group may extend to 2034 (2023: 2033).

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18 DEFERRED INCOME TAXES *(Continued)*

(b) Deferred tax liabilities

	As of December 31,	
	2024	2023
	RMB'000	RMB'000
The balance comprises temporary differences attributable to:		
– Other intangible assets arising from business combinations	**(348,983)**	(374,250)
– Withholding tax on the earnings anticipated to be remitted by subsidiaries	**(500,624)**	–
– Investments accounted for using the equity method or at fair value	**(1,098,559)**	(1,088,421)
– Right-of-use assets	**(1,208,714)**	(1,296,868)
– Others	**(211,054)**	(385,833)
Total gross deferred tax liabilities	**(3,367,934)**	(3,145,372)
Set-off of deferred tax liabilities pursuant to set-off provisions	**1,887,109**	2,177,142
Net deferred tax liabilities	**(1,480,825)**	(968,230)

	As of December 31,	
	2024	2023
	RMB'000	RMB'000
Deferred tax liabilities:		
– to be recovered after 12 months	**(940,356)**	(901,331)
– to be recovered within 12 months	**(540,469)**	(66,899)
	(1,480,825)	(968,230)

18 DEFERRED INCOME TAXES *(Continued)*

(b) Deferred tax liabilities *(Continued)*

The movement on the gross deferred tax liabilities is as follows:

	Other intangible assets arising from business combinations RMB'000	Withholding tax on the earnings anticipated to be remitted by subsidiaries RMB'000	Investments accounted for using the equity method or at fair value RMB'000	Right-of-use assets RMB'000	Others RMB'000	Total RMB'000
As of January 1, 2024	**(374,250)**	**–**	**(1,088,421)**	**(1,296,868)**	**(385,833)**	**(3,145,372)**
(Charged)/credited to consolidated income statement	25,267	(494,970)	79,723	88,154	137,022	(164,804)
(Charged)/credited to other reserves	–	(5,654)	(89,861)	–	37,757	(57,758)
As of December 31, 2024	**(348,983)**	**(500,624)**	**(1,098,559)**	**(1,208,714)**	**(211,054)**	**(3,367,934)**
As of January 1, 2023	(410,827)	–	(999,646)	(1,048,294)	(182,164)	(2,640,931)
(Charged)/credited to consolidated income statement	36,577	–	(72,610)	(248,574)	(162,574)	(447,181)
Charged to other reserves	–	–	(16,165)	–	(41,095)	(57,260)
As of December 31, 2023	(374,250)	–	(1,088,421)	(1,296,868)	(385,833)	(3,145,372)

As of December 31, 2024, the Group recognised the relevant deferred income tax liabilities of RMB501 million (December 31, 2023: nil) on earnings anticipated to be remitted by certain subsidiaries in the foreseeable future. No withholding tax had been provided for the earnings of approximately RMB24,106 million (2023: RMB16,036 million) expected to be retained by the PRC subsidiaries and not to be remitted to a foreign investor in the foreseeable future based on several factors, including management's estimation of overseas funding requirements.

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19 OTHER FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As of December 31,	
	2024	2023
	RMB'000	RMB'000
Associates (a)	**10,872,539**	10,719,380
Other investees (b)	**6,903,791**	7,761,724
	17,776,330	18,481,104

(a) Associates

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
At the beginning of the year	**10,719,380**	7,901,487
Additions	**1,417,237**	2,802,076
Changes in fair values	**(785,370)**	67,670
Disposals	**(481,566)**	(85,065)
Transfers	**(100,000)**	–
Currency translation differences	**102,858**	33,212
At the end of the year	**10,872,539**	10,719,380

19 OTHER FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS *(Continued)*

(b) Other investees

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
At the beginning of the year	**7,761,724**	7,171,526
Additions	**1,303,561**	766,035
Changes in fair values	**926,291**	166,557
Disposals	**(2,374,528)**	–
Transfers, net (Note (i))	**(801,763)**	(400,261)
Currency translation differences	**88,506**	57,867
At the end of the year	**6,903,791**	7,761,724

Note (i): The net amount transferred was mainly due to the transfer of an investment from other financial investments at fair value through profit or loss to other financial investments at fair value through other comprehensive income as a result of conversion of the preferred shares into ordinary shares during the year ended December 31, 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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20 OTHER FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As of December 31,	
	2024	2023
	RMB'000	RMB'000
Equity investments in listed entities	**2,195,341**	901,536
Equity investments in unlisted entities	**1,537,000**	1,413,000
	3,732,341	2,314,536

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
At the beginning of the year	**2,314,536**	2,321,865
Additions	**124,000**	–
Changes in fair values	**561,529**	(426,513)
Disposals	**(224,157)**	–
Transfers (Note 19(b)(i))	**901,763**	400,261
Currency translation differences	**54,670**	18,923
At the end of the year	**3,732,341**	2,314,536

21 TREASURY INVESTMENTS

	As of December 31,	
	2024	2023
	RMB'000	RMB'000
Long-term treasury investments at		
– Amortised cost	915,806	729,656
– Fair value through profit or loss	6,612,702	7,797,486
	7,528,508	8,527,142
Short-term treasury investments at		
– Amortised cost	6,367,054	7,830,630
– Fair value through profit or loss	78,140,683	83,395,830
– Fair value through other comprehensive income	12,901,424	20,594,219
	97,409,161	111,820,679

Treasury investments at amortised cost were primarily fixed rate certificates of deposit and term deposits. Treasury investments at fair value through profit or loss were primarily wealth management products on which the principal and returns were not guaranteed. Treasury investments at fair value through other comprehensive income were large-denomination negotiable certificates of term deposits and other financial products.

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For the year ended December 31, 2024

22 PREPAYMENTS, DEPOSITS AND OTHER ASSETS

	As of December 31,	
	2024	2023
	RMB'000	RMB'000
Non-current		
Loan receivables (a)	**2,002,736**	2,375,377
Rental deposits	**527,963**	449,792
Derivative financial instruments (Note 3.1.1(a))	**420,579**	–
Prepayments for PP&E and other assets	**387,613**	813,390
Others	**49,687**	372,688
	3,388,578	4,011,247
Current		
Loan receivables (a)	**7,786,660**	6,043,377
Contract assets	**2,601,105**	2,115,482
Deductible value-added tax	**1,370,684**	1,303,839
Prepayments on behalf of third parties	**1,358,139**	891,442
Prepayments to merchants	**1,320,543**	1,711,802
Prepayments for goods or services	**1,151,288**	685,739
Receivables upon share-based payments vesting or exercise	**964,439**	623,089
Deposits in third-party payment processors	**253,674**	360,971
Amounts due from related parties (Note 37)	**77,906**	70,211
Others	**670,375**	728,971
	17,554,813	14,534,923

22 PREPAYMENTS, DEPOSITS AND OTHER ASSETS *(Continued)*

(a) Loan receivables

Loan receivables are derived from micro-credit business and are initially measured at fair value. Depending on the business models in which the loan receivables are held, the subsequent measurement could be at amortised cost or at fair value through other comprehensive income. Breakdown for loan receivables including both current and non-current portion is as follows:

	As of December 31,	
	2024	2023
	RMB'000	RMB'000
Loan receivables at amortised cost	**830,378**	640,961
Less: allowance for impairment (Note 3.1.2(c))	**(536)**	(20,620)
	829,842	620,341
Loan receivables at fair value through other comprehensive income	**9,041,759**	7,939,460
Less: fair value changes of loan receivables	**(82,205)**	(141,047)
	8,959,554	7,798,413
Allowances for impairment losses on loan receivables at fair value through other comprehensive income (Note 3.1.2(c))	**(416,766)**	(411,632)

23 INVENTORIES

	As of December 31,	
	2024	2023
	RMB'000	RMB'000
Finished goods	**1,703,789**	1,238,098
Raw materials	**55,195**	101,712
	1,758,984	1,339,810
Less: provisions for impairment	**(24,860)**	(35,215)
	1,734,124	1,304,595

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24 TRADE RECEIVABLES

	As of December 31,	
	2024	2023
	RMB'000	RMB'000
Trade receivables	3,170,119	3,034,648
Less: allowance for impairment	(517,073)	(291,649)
	2,653,046	2,742,999

Movements on the Group's allowance for impairment of trade receivables are as follows:

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
At the beginning of the year	(291,649)	(315,226)
Credit loss allowance recognised, net	(270,145)	(37,740)
Write-offs	44,721	61,317
At the end of the year	(517,073)	(291,649)

The Group considered that the carrying amounts of the trade receivables approximated their fair values as of December 31, 2024 and 2023.

Aging analysis of trade receivables (net of allowance for impairment of trade receivables) based on recognition date is as follows:

	As of December 31,	
	2024	2023
	RMB'000	RMB'000
Trade receivables		
Within 3 months	2,274,723	2,411,778
3 to 6 months	306,678	250,334
6 months to 1 year	61,492	66,861
Over 1 year	10,153	14,026
	2,653,046	2,742,999

24 TRADE RECEIVABLES *(Continued)*

The majority of the Group's trade receivables was denominated in RMB.

The maximum exposure to credit risk as of December 31, 2024 and 2023 was the carrying value of the trade receivables. The Group did not hold any collateral as security.

25 CASH AND BALANCES WITH BANKS AND FINANCIAL INSTITUTIONS

(a) Cash and cash equivalents

	As of December 31,	
	2024	2023
	RMB'000	RMB'000
Cash on hand and cash in bank	**51,178,071**	29,071,668
Term deposits with initial terms three months or less	**17,801,245**	3,397,467
Cash held in other financial institutions (Note (i))	**1,854,781**	870,619
	70,834,097	33,339,754

Cash and cash equivalents of the Group primarily represents bank deposits and fixed deposits with maturities of three months or less.

Note (i): As of December 31, 2024 and 2023, the Group had certain amounts of cash held in accounts managed by other financial institutions in connection with the ordinary course of business, which have been classified as cash and cash equivalents on the consolidated statement of financial position.

(b) Restricted cash

Restricted cash balances were those held in bank accounts subject to certain restriction according to agreement with certain parties.

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26 SHARE CAPITAL, SHARE PREMIUM, TREASURY SHARES AND SHARES HELD FOR SHARES AWARD SCHEME

As of December 31, 2024 and 2023, the total number of authorised shares of the Company is 10,000,000,000 with par value of USD0.00001 per share, comprising of 735,568,783 Class A Shares and 9,264,431,217 Class B Shares, respectively. Each Class A Share will entitle the holder to exercise ten votes, and each Class B Share will entitle the holder to exercise one vote, respectively, on any resolution tabled at the Company's general meetings, except for resolutions with respect to a limited number of reserved matters, in relation to which each Share is entitled to one vote. Class A Shares may be converted into Class B Shares on a one to one ratio. The weighted voting rights attached to the Company's Class A Shares will cease when none of the holders of the Class A Shares have beneficial ownership of any of our Class A Shares.

Issued and fully paid:

	Number of ordinary shares '000	Share capital RMB'000	Share premium RMB'000	Treasury shares RMB'000	Shares held for shares award scheme RMB'000
As of January 1, 2024	6,244,549	418	325,578,612	–	–
Exercise of share options and RSUs vesting	4,510	1	9,372,186	–	4
Repurchase of ordinary shares (Note (i))	–	–	–	(26,081,235)	–
Cancellation of ordinary shares (Note (i))	(261,397)	(19)	(26,089,602)	26,081,235	–
Shares held for shares award scheme	58,567	4	–	–	(4)
As of December 31, 2024	6,046,229	404	308,861,196	–	–
As of January 1, 2023	6,193,151	415	316,743,344	–	–
Exercise of share options and RSUs vesting	11,538	1	8,835,268	–	2
Shares held for shares award scheme	39,860	2	–	–	(2)
As of December 31, 2023	6,244,549	418	325,578,612	–	–

As of December 31, 2024, there were 579,439,171 Class A Shares amongst the total issued Shares of the Company and the remainders were Class B Shares.

Note (i): During the year ended December 31, 2024, the Company repurchased 261,396,700 of Class B Shares in the open market, and all shares have been cancelled as of December 31, 2024. The shares were repurchased at prices ranging from HKD68.20 to HKD143.50 per share, with an average price of HKD107.72 per share.

27 OTHER RESERVES

	Capital reserve RMB'000	Share-based payments RMB'000	Currency translation differences RMB'000	Conversion option of convertible bonds RMB'000	Others RMB'000	Total RMB'000
As of January 1, 2024	20	9,976,464	(10,430,194)	1,513,938	990,834	2,051,062
Equity-settled share-based payments	–	7,592,398	–	–	–	7,592,398
Exercise of share options and RSUs vesting	–	(9,221,528)	–	–	–	(9,221,528)
Share of changes in net assets of associates	–	–	–	–	365,219	365,219
Currency translation differences	–	–	937,193	–	–	937,193
Fair value changes of and net provisions for impairment losses on financial assets	–	–	–	–	573,058	573,058
Tax benefit from share-based payments	–	–	–	–	961,927	961,927
Appropriations to general reserves	–	–	–	–	22,190	22,190
Net movement for net investment hedges (Note (i))	–	–	228,087	–	123,650	351,737
Transfer of gains on disposal of other financial investments at fair value through other comprehensive income to accumulated losses	–	–	–	–	(30,111)	(30,111)
As of December 31, 2024	20	8,347,334	(9,264,914)	1,513,938	3,006,767	3,603,145

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27 OTHER RESERVES *(Continued)*

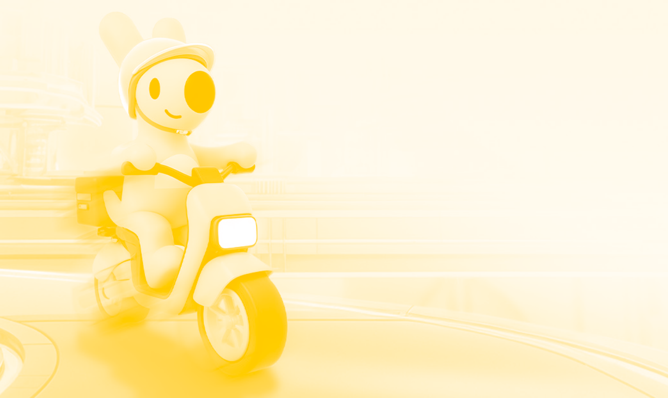
	Capital reserve RMB'000	Share-based payments RMB'000	Currency translation differences RMB'000	Conversion option of convertible bonds RMB'000	Others RMB'000	Total RMB'000
As of January 1, 2023	20	10,322,138	(10,705,249)	1,513,938	353,340	1,484,187
Equity-settled share-based payments	–	8,394,315	–	–	–	8,394,315
Exercise of share options and RSUs vesting	–	(8,739,989)	–	–	–	(8,739,989)
Share of changes in net assets of associates	–	–	–	–	364,222	364,222
Currency translation differences	–	–	275,055	–	–	275,055
Fair value changes of and net provisions for impairment losses on financial assets	–	–	–	–	50,228	50,228
Tax benefit from share-based payments	–	–	–	–	216,667	216,667
Appropriations to general reserves	–	–	–	–	6,377	6,377
As of December 31, 2023	20	9,976,464	(10,430,194)	1,513,938	990,834	2,051,062

Note (i): Net movement for net investment hedges including RMB228 million related to the effective portion of the net investment hedges as disclosed in Note 3.1.1(a) and RMB124 million in respect of the net changes in the currency basis spreads of the cross currency interest rate swaps deferred in other reserves.

28 DEFERRED REVENUES

	As of December 31, 2024 RMB'000	As of December 31, 2023 RMB'000
Online marketing services	**4,348,546**	4,271,958
Subscription services	**1,007,861**	1,072,778
Others	**368,281**	253,396
	5,724,688	5,598,132

For the year ended December 31, 2024, the revenues recognised that were included in the deferred revenues balance at the beginning of the year was RMB4,753 million (2023: RMB4,248 million).



29 TRADE PAYABLES

As of December 31, 2024 and 2023, the aging analysis of the trade payables based on invoice date is as follows:

	As of December 31,	
	2024	2023
	RMB'000	RMB'000
Trade payables		
Within 3 months	**24,515,415**	22,467,344
3 to 6 months	**278,013**	194,288
6 months to 1 year	**133,986**	129,805
Over 1 year	**265,735**	189,069
	25,193,149	22,980,506

The Group's trade payables were primarily denominated in RMB.

As of December 31, 2024, there were RMB373 million of liabilities under supplier finance arrangement included in trade payables (2023: RMB371 million) (Note 30).

30 OTHER PAYABLES AND ACCRUALS

	As of December 31,	
	2024	2023
	RMB'000	RMB'000
Employee payroll and benefits payables	**6,747,539**	6,468,239
Deposits from merchants and transacting users	**6,470,973**	5,941,154
Amounts collected on behalf of third parties	**2,035,142**	1,846,855
Taxes and surcharges payables	**1,373,158**	738,151
Liabilities under supplier finance arrangement (Note (i))	**1,019,561**	–
Customer advances	**941,862**	778,055
Accrued expenses	**659,728**	624,740
Amounts due to related parties (Note 37)	**261,377**	360,139
Others	**1,831,658**	1,184,882
	21,340,998	17,942,215

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

30 OTHER PAYABLES AND ACCRUALS *(Continued)*

Note (i): The Group has entered into different types of supplier finance arrangements with several financial institutions. These arrangements provide suppliers with early payment terms compared to the related invoice payment due dates. The terms such as payment due dates related to the Group's payment obligations to participating suppliers (which may be assigned to the financial institutions) remain unchanged as part of the agreement. Under the arrangements, financial institutions become the legal owner of the trade receivables instead of the suppliers. The Group does not bear interest expense in substance under any type of aforementioned arrangement, therefore, none of the payables is considered in financing nature. Trade payables liabilities which remain unchanged in nature and terms in the supplier finance arrangements continue to be presented as such, while liabilities with substantially different terms, including, but not limited to, joint and several liability and cross-default clauses, are presented in other payables and accruals.

	As of December 31, 2024 RMB'000	As of January 1, 2024 RMB'000
Carrying amount of liabilities under supplier finance arrangement		
Liabilities under supplier finance arrangement		
– Trade payables	**372,874**	371,462
– Other payables and accruals	**1,019,561**	–
Of which the supplier has received payment from the finance provider		
– Trade payables	**372,874**	—
– Other payables and accruals	**1,019,561**	—

There were non-cash transfers from trade payables to other payables and accruals of RMB3,889 million for the year ended December 31, 2024.

The carrying amounts of liabilities under the supplier finance arrangement are considered to be reasonable approximations of their fair values, due to their short-term nature.

31 BORROWINGS

	As of December 31,	
	2024	2023
	RMB'000	RMB'000
Included in non-current liabilities:		
RMB bank borrowings – secured (Note (i))	**1,175,045**	610,103
Included in current liabilities:		
RMB bank borrowings – unsecured	**1,079**	19,321,793

As of December 31, 2024, the effective interest rates for bank borrowings were 2.51%-3.05% (2023: 1.10%-3.40%).

The amount of borrowing costs capitalised during the years ended December 31, 2024 and 2023 was immaterial.

Note (i): As of December 31, 2024, the Group's land use rights with an original book value and a net book value of RMB6,920 million and RMB6,436 million (2023: RMB6,738 million and RMB6,398 million, respectively) had been charged as collateral for borrowings.

The Group had complied with all covenants of its borrowing facilities for the years ended December 31, 2024 and 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

32 NOTES PAYABLE

	As of December 31,	
	2024	2023
	RMB'000	RMB'000
Included in non-current liabilities:		
Non-current portion of long-term USD senior notes (a)	**27,226,545**	14,112,131
Non-current portion of long-term USD convertible bonds (b)	**10,782,524**	20,498,835
	38,009,069	34,610,966
Included in current liabilities:		
Current portion of long-term USD convertible bonds (b)	**10,818,047**	–
Current portion of long-term USD senior notes (a)	**5,749,485**	67,009
	16,567,532	67,009

The notes payable were repayable as follows:

	As of December 31,	
	2024	2023
	RMB'000	RMB'000
Within 1 year	**16,567,532**	67,009
Between 1 and 2 years	**10,782,524**	15,581,442
Between 2 and 5 years	**18,125,651**	10,216,809
More than 5 years	**9,100,894**	8,812,715
	54,576,601	34,677,975

All of these notes payable issued by the Group were unsecured.

32 NOTES PAYABLE *(continued)*

(a) Long-term USD senior notes

On October 29, 2020, the Company issued senior notes on the Hong Kong Stock Exchange which were comprised of 2.125% senior notes in the aggregate principal amount of US$750 million due October 28, 2025 and 3.05% senior notes in the aggregate principal amount of US$1,250 million due October 28, 2030.

In October 2024, the Company issued senior notes with an aggregate principal amount of US$2,500 million on the Hong Kong Stock Exchange as set out below.

	Amount (USD million)	Interest Rate (per annum)	Due Date
2028 senior notes	1,200	4.500%	April 2, 2028
2029 senior notes	1,300	4.625%	October 2, 2029
	2,500		

As of December 31, 2024, the fair value of the senior notes was RMB31,190 million (2023: RMB12,498 million). The respective fair values were assessed based on the quoted market price of these senior notes at the end of each reporting period.

The undue interests accrued for long-term USD senior notes of RMB67 million was included in other payables and accruals as of December 31, 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

32 NOTES PAYABLE *(continued)*

(b) Long-term USD convertible bonds

On April 27, 2021, the Company completed the issuance of US$1,483,600,000 zero coupon convertible bonds ("**Series 1 Bonds**") due on April 27, 2027 and US$1,500,000,000 zero coupon convertible bonds ("**Series 2 Bonds**") due on April 27, 2028 (together, the "**Bonds**") to third party professional investors (the "**Bondholders**").

The Bonds will, at the option of the Bondholders, be convertible on or after June 7, 2021 up to the 10 days prior to the Maturity date (both days inclusive) into Class B ordinary shares of the Company at a conversion price of HK$431.24 per Class B share, subject to adjustments. The Company will, at the option of the Bondholders, redeem all or some only of such Bondholder's Series 1 Bonds on April 27, 2025 at 100.37% of the principal amount of the Series 1 Bonds, and redeem all or some only of such Bondholder's Series 2 Bonds on April 27, 2026 at 101.28% of the principal amount of the Series 2 Bonds. Series 1 Bonds of RMB10,818 million were classified as current liability as of December 31, 2024.

The Company may at any time redeem in whole, but not in part, the Bonds at the early redemption amount, if, immediately prior to the date the notice of redemption is given, 90% or more in principal amount of the Bonds originally issued has already been converted, redeemed or purchased and cancelled. The early redemption amount is determined by the principal amount with a gross yield of negative 0.182% and positive 0.255% per annum calculated on a semi-annual basis for the Series 1 Bonds and the Series 2 Bonds, respectively. The Company will redeem each bond at 100.00% of its principal amount in respect of the Series 1 Bonds and 101.80% of its principal amount in respect of the Series 2 Bonds, on April 27, 2027 and April 27, 2028, respectively, if not previously redeemed, converted or purchased and cancelled.

Subsequent to the initial recognition, the liability component of the Bonds was carried at amortised cost using the effective interest rate method. The effective interest rates of the liability component of the Series 1 Bonds and the Series 2 Bonds were 1.94% per annum and 2.26% per annum, respectively.

32 NOTES PAYABLE *(continued)*

(b) Long-term USD convertible bonds *(Continued)*

The movement of the liability component of the Bonds for the years ended December 31, 2024 and 2023 is set out below:

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
At the beginning of the year	**20,498,835**	19,742,317
Interest expenses	**436,018**	419,410
Currency translation differences	**665,718**	337,108
At the end of the year	**21,600,571**	20,498,835

The equity component of the Bonds of RMB1,514 million was included in "Other reserves" (Note 27) of the Group as of December 31, 2024 and 2023.

As of December 31, 2024, the total fair value of the Bonds was RMB21,108 million (2023: RMB18,839 million). Such fair values were assessed based on the quoted market price of these Bonds at the end of each reporting period.

33 SHARE-BASED PAYMENTS

As of December 31, 2024, there was a total of 482,984,682 share options and RSUs available for further grant under all schemes of the Company.

Share options

Share options granted typically expire in 10 years from the respective grant dates, and vest in tranches from the vesting commence date over the vesting period, on condition that participants remain in service without any performance targets.

The share options may not be exercised until vested subject to the terms of the award agreement and are exercisable for a maximum period of 10 years after the date of grant.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

33 SHARE-BASED PAYMENTS *(Continued)*

Share options *(Continued)*

Movements in the number of share options and their related weighted average exercise prices are as follows:

	Number of share options	Weighted average exercise price per share option (HKD)
Outstanding as of January 1, 2024	**21,893,044**	**37.14**
Granted during the year	**56,113,263**	**93.30**
Forfeited during the year	**(21,335)**	**186.10**
Exercised during the year	**(4,509,330)**	**36.74**
Outstanding as of December 31, 2024	**73,475,642**	**80.01**
Vested and exercisable as of December 31, 2024	**17,130,588**	**35.84**
Outstanding as of January 1, 2023	27,067,581	38.31
Forfeited during the year	(1,921,391)	60.74
Exercised during the year	(3,253,146)	32.94
Outstanding as of December 31, 2023	21,893,044	37.14
Vested and exercisable as of December 31, 2023	18,246,636	33.18

The weighted average remaining contractual life of outstanding share options was 7.7 years as of December 31, 2024 (2023: 3.7 years). The weighted average price of the shares at the time these share options were exercised was HKD135.07 per share (equivalent to approximately RMB122.50 per share) during the year ended December 31, 2024 (2023: HKD128.49 per share (equivalent to approximately RMB116.04 per share)).

33 SHARE-BASED PAYMENTS *(Continued)*

Fair value of share options

The Group has used Black-Scholes model to determine the fair value of the share option as of the grant date. Significant estimates on assumptions are made by the management. Key assumptions for the year ended December 31, 2024 are set as below. There was no option granted for the year ended December 31, 2023.

	Year ended December 31, 2024
Risk-free interest rates	3.4%-3.5%
Expected volatility	43.6%-44.3%
Fair value of share options per share (HKD)	46.74
Exercise price (HKD)	93.30

The weighted average fair value of granted options was HKD46.74 per share for the year ended December 31, 2024.

RSUs

The Company also grants RSUs to employee participants, related entity participants, and service providers under the Post-IPO Share Award Scheme. The RSUs awarded vest in tranches from the vesting commence date over a certain service period. Once the vesting conditions of RSUs are met, the RSUs are considered duly and validly issued to the holder, and free of restrictions on transfer.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

33 SHARE-BASED PAYMENTS *(Continued)*

RSUs *(Continued)*

Movements in the number of RSUs and the respective weighted average grant date fair value are as follows:

	Number of RSUs	Weighted average grant date fair value per RSU (HKD)
Outstanding as of January 1, 2024	**119,992,525**	**167.29**
Granted during the year	**76,083,478**	**109.13**
Vested during the year	**(58,822,522)**	**168.15**
Forfeited during the year	**(14,704,651)**	**153.17**
Outstanding as of December 31, 2024	**122,548,830**	**132.47**
Outstanding as of January 1, 2023	132,202,319	188.60
Granted during the year	65,990,343	128.21
Vested during the year	(51,377,038)	186.50
Forfeited during the year	(26,823,099)	139.36
Outstanding as of December 31, 2023	119,992,525	167.29

The fair value of each RSU at the grant dates is determined by reference to the fair value of the underlying ordinary shares on the date of grant.

33 SHARE-BASED PAYMENTS *(Continued)*

The total share-based payments charges were expensed or capitalised in the following categories in the consolidated income statement or the consolidated statement of financial position respectively:

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
RSUs	**7,057,309**	8,390,805
Share options	**535,089**	3,510
Total share-based payments charges	**7,592,398**	8,394,315
Amount capitalized	**(9,705)**	(10,962)
Share-based compensation expenses	**7,582,693**	8,383,353

34 DIVIDENDS

No dividends have been paid or declared by the Company during each of the years ended December 31, 2024 and 2023.

35 CAPITAL COMMITMENTS

	As of December 31,	
	2024	2023
	RMB'000	RMB'000
Within 1 year	**4,766,983**	10,482,123
1 – 2 years	**696,117**	1,003,032
2 – 5 years	**338,094**	166,419
More than 5 years	**–**	60
	5,801,194	11,651,634

	As of December 31,	
	2024	2023
	RMB'000	RMB'000
Purchase of property, plant and equipment	**4,708,901**	10,483,811
Investments	**1,092,293**	1,167,823
	5,801,194	11,651,634

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

36 NOTE TO CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Cash generated from operations

	Note	Year ended December 31, 2024 RMB'000	2023 RMB'000
Profit before income tax		37,985,429	14,021,868
Adjusted for:			
Depreciation and amortisation	15,16	8,421,350	7,996,757
Net provisions for impairment losses on financial and contract assets		897,505	1,135,405
Share-based compensation expenses	33	7,582,693	8,383,353
Net losses/(gains) arising from disposals or deemed disposals of subsidiaries and investees		199,483	(95,307)
Net provisions for impairment of non-financial assets		309,140	219,752
Share of profits of investments accounted for using the equity method	12	(1,185,704)	(1,212,652)
Fair value changes of other financial investments at fair value through profit or loss	19	(140,921)	(234,227)
Fair value changes and interest income related to treasury investments and others		(3,825,792)	(4,143,108)
Finance costs		1,336,934	1,423,853
Foreign exchange losses/(gains), net	9	197,631	(74,998)
Net gains on sales of non-current assets		(306,897)	(151,527)
Changes of working capital:			
Increase in restricted cash		(185,863)	(4,760,593)
Increase in trade receivables		(180,257)	(727,944)
Increase in prepayments, deposits and other assets		(3,014,154)	(1,984,534)
Increase in inventories		(428,955)	(141,830)
Increase in trade payables		2,992,838	4,381,206
Increase in payables to merchants		1,328,603	11,368,449
Increase in advances from transacting users		2,599,432	3,467,173
Increase in deferred revenues		126,556	544,757
Increase in other payables and accruals		3,244,784	1,335,720
Decrease in other non-current liabilities		(17,415)	(6,874)
Cash generated from operations		57,936,420	40,744,699

36 NOTE TO CONSOLIDATED STATEMENTS OF CASH FLOWS *(Continued)*

(b) Major non-cash transactions

Other than the acquisition of right-of-use assets described in Note 15 and deemed disposal of fund in Note 3.3.4, there were no other material non-cash transactions during the year ended December 31, 2024 and 2023.

(c) Reconciliation of liabilities related to cash flows generated from financing activities

	Borrowings RMB'000	Notes payable and undue interests RMB'000	Financial liabilities at fair value through profit or loss RMB'000	Lease liabilities RMB'000	Assumed Liabilities RMB'000
Liabilities as of January 1, 2024	**19,931,896**	**34,677,975**	**378,720**	**6,078,037**	**–**
Cash flows	(18,870,240)	17,213,582	280,670	(3,097,904)	–
Other additions	–	–	–	2,931,611	–
Deductions	–	–	(659,390)	(360,282)	–
Finance costs	114,874	1,045,743	–	204,760	–
Currency translation differences	(406)	1,639,301	–	620	–
Liabilities as of December 31, 2024	**1,176,124**	**54,576,601**	**–**	**5,756,842**	**–**
Liabilities as of January 1, 2023	19,111,112	33,673,264	100,000	5,369,141	–
Cash flows	475,496	(390,548)	278,720	(2,969,089)	(366,924)
Business combination	–	–	–	–	366,924
Other additions	–	–	–	4,287,702	–
Deductions	–	–	–	(870,506)	–
Finance costs	340,760	822,415	–	260,678	–
Currency translation differences	4,528	572,844	–	111	–
Liabilities as of December 31, 2023	19,931,896	34,677,975	378,720	6,078,037	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

37 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control or joint control the other party or to exercise significant influence over the other party in making financial and operational decisions. Parties are also considered to be related if they are subjected to common control or joint control. Members of key management and their close family members are also considered as related parties of the Group.

The following significant transactions were carried out between the Group and its related parties during the years presented. In the opinion of the Directors of the Company, the related party transactions were carried out in the ordinary course of business and at terms negotiated between the Group and the respective related parties.

(a) Names of and the Group's relationship with related parties

The following companies are significant related parties of the Group that had transactions and/or balances with the Group during the years and/or as of years then ended.

Name of related parties	Relationship
Dalian Tongda Enterprise Management Co., Ltd. and its subsidiaries	Associate of the Group
Guangxi Dossen Hotel Management Group Co., Ltd.	Associate of the Group
Tianjin Maoyan and its subsidiaries	Associate of the Group

(b) Significant transactions with related parties

	Year ended December 31,	
	2024 RMB'000	2023 RMB'000
(i) Sales of services		
Associates of the Group	**435,254**	421,242
(ii) Purchases of goods and services		
Associates of the Group	**1,486,523**	1,468,202

37 RELATED PARTY TRANSACTIONS *(Continued)*

(c) Balances with related parties

	As of December 31,	
	2024	2023
	RMB'000	RMB'000
(i) Due from related parties		
Associates of the Group	**77,906**	70,211
(ii) Due to related parties		
Associates of the Group	**261,377**	360,139

(d) Key management compensation

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Fees	**2,455**	2,002
Basic salaries and bonuses	**75,393**	84,156
Pension costs and other employee benefits	**1,073**	903
Share-based compensation expenses	**867,919**	376,771
	946,840	463,832

38 CONTINGENCIES

The Group did not have any material contingent liabilities as of December 31, 2024 and 2023.

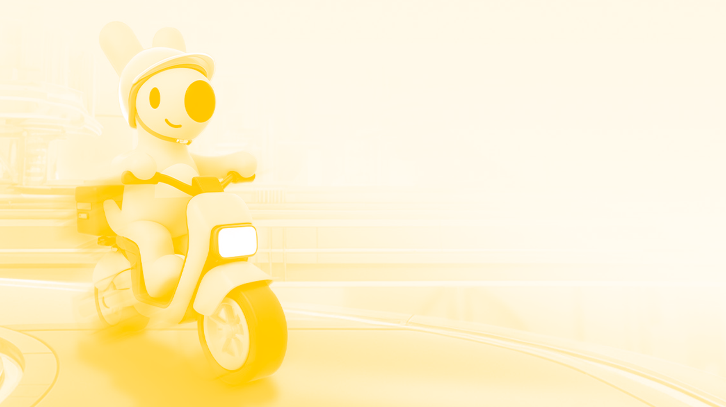
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

39 FINANCIAL POSITION AND OTHER RESERVES MOVEMENT OF THE COMPANY

(a) Financial position of the Company

	Note	As of December 31, 2024 RMB'000	As of December 31, 2023 RMB'000
ASSETS			
Non-current assets			
Investments in subsidiaries		**98,320,500**	90,712,346
Intangible assets		**–**	1,392
Long-term treasury investments		**–**	2,646,902
Prepayments, deposits and other assets		**93,263,726**	125,724,237
		191,584,226	219,084,877
Current assets			
Short-term treasury investments		**27,077,883**	18,191,343
Prepayments, deposits and other assets		**409,497**	255,770
Cash and cash equivalents		**23,203,046**	2,083,676
		50,690,426	20,530,789
Total assets		**242,274,652**	239,615,666
EQUITY			
Share capital	26	**404**	418
Share premium	26	**308,861,196**	325,578,612
Treasury shares	26	**–**	–
Shares held for shares award scheme	26	**–**	–
Other reserves		**11,218,810**	9,682,271
Accumulated losses		**(138,757,659)**	(137,305,984)
Total equity		**181,322,751**	197,955,317



39 FINANCIAL POSITION AND OTHER RESERVES MOVEMENT OF THE COMPANY *(Continued)*

(a) Financial position of the Company *(Continued)*

	Note	As of December 31, 2024 RMB'000	As of December 31, 2023 RMB'000
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities		–	3,073
Notes payable	32	38,009,069	34,610,966
		38,009,069	34,614,039
Current liabilities			
Borrowings		–	647,912
Notes payable	32	16,567,532	–
Other payables and accruals		6,375,300	6,398,398
		22,942,832	7,046,310
Total liabilities		60,951,901	41,660,349
Total equity and liabilities		242,274,652	239,615,666

The statement of financial position of the Company was approved by the Board of Directors on March 21, 2025 and was signed on its behalf.

Wang Xing
Director

Mu Rongjun
Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

39 FINANCIAL POSITION AND OTHER RESERVES MOVEMENT OF THE COMPANY *(Continued)*

(b) Other reserves movement of the Company

	Capital reserve RMB'000	Share-based payments RMB'000	Currency translation differences RMB'000	Conversion option of convertible bonds RMB'000	Others RMB'000	Total RMB'000
As of January 1, 2024	20	9,976,464	(1,673,592)	1,513,938	(134,559)	9,682,271
Other comprehensive income, net of tax						
Currency translation differences	–	–	3,064,265	–	–	3,064,265
Fair value changes of and net provisions for impairment losses on financial assets	–	–	–	–	101,404	101,404
Total other comprehensive income	–	–	3,064,265	–	101,404	3,165,669
Transaction with owners in their capacity as owners						
Equity-settled share-based payments	–	7,592,398	–	–	–	7,592,398
Exercise of share options and RSUs vesting	–	(9,221,528)	–	–	–	(9,221,528)
Total transaction with owners in their capacity as owners	–	(1,629,130)	–	–	–	(1,629,130)
As of December 31, 2024	20	8,347,334	1,390,673	1,513,938	(33,155)	11,218,810

39 FINANCIAL POSITION AND OTHER RESERVES MOVEMENT OF THE COMPANY *(Continued)*

(b) Other reserves movement of the Company *(Continued)*

	Capital reserve RMB'000	Share-based payments RMB'000	Currency translation differences RMB'000	Conversion option of convertible bonds RMB'000	Others RMB'000	Total RMB'000
As of January 1, 2023	20	10,322,138	(3,483,212)	1,513,938	(327,147)	8,025,737
Other comprehensive income, net of tax						
Currency translation differences	–	–	1,809,620	–	–	1,809,620
Fair value changes of and net provisions for impairment losses on financial assets	–	–	–	–	192,588	192,588
Total other comprehensive income	–	–	1,809,620	–	192,588	2,002,208
Transaction with owners in their capacity as owners						
Equity-settled share-based payments	–	8,394,315	–	–	–	8,394,315
Exercise of share options and RSUs vesting	–	(8,739,989)	–	–	–	(8,739,989)
Total transaction with owners in their capacity as owners	–	(345,674)	–	–	–	(345,674)
As of December 31, 2023	20	9,976,464	(1,673,592)	1,513,938	(134,559)	9,682,271

40 SUBSEQUENT EVENTS

There were no material subsequent events during the period from January 1, 2025 to the approval date of these consolidated financial statements by the Board on March 21, 2025.

41 RECLASSIFICATION OF COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year presentation.

DEFINITIONS

"2023 Annual Report"	the annual report of the Company for the year ended December 31, 2023 published on April 29, 2024
"2024 Interim Report"	the interim report of the Company for the six months ended June 30, 2024 published on September 23, 2024
"AGM"	the forthcoming annual general meeting of the Company to be held in June 2025
"Articles" or "Articles of Association"	the eighth amended and restated articles of association of the Company adopted by special resolution passed on June 14, 2024, as amended from time to time
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Audit Committee"	the audit committee of the Board
"Auditor"	the external auditor of the Company
"Beijing Kuxun Interaction"	Beijing Kuxun Interaction Technology Co., Ltd. (北京酷訊互動科技有限公司), a limited liability company incorporated under the laws of the PRC on March 29, 2006 and our Consolidated Affiliated Entity
"Beijing Kuxun Technology"	Beijing Kuxun Technology Co., Ltd. (北京酷訊科技有限公司), a limited liability company incorporated under the laws of the PRC on April 27, 2006 and our indirect wholly-owned subsidiary
"Beijing Mobike"	Beijing Mobike Technology Co., Ltd. (北京摩拜科技有限公司), a limited liability company incorporated under the laws of the PRC on January 27, 2015 and our Consolidated Affiliated Entity
"Beijing Sankuai Cloud Computing"	Beijing Sankuai Cloud Computing Co., Ltd. (北京三快雲計算有限公司), a limited liability company incorporated under the laws of the PRC on June 17, 2015 and our Consolidated Affiliated Entity
"Beijing Sankuai Online"	Beijing Sankuai Online Technology Co., Ltd. (北京三快在線科技有限公司), a limited liability company incorporated under the laws of the PRC on May 6, 2011 and our indirect wholly-owned subsidiary
"Beijing Sankuai Technology"	Beijing Sankuai Technology Co., Ltd. (北京三快科技有限公司), a limited liability company incorporated under the laws of the PRC on April 10, 2007 and our Consolidated Affiliated Entity

DEFINITIONS

"Beijing Xinmeida"	Beijing Xinmeida Technology Co., Ltd. (北京新美大科技有限公司), a limited liability company incorporated under the laws of the PRC on March 17, 2016 and our Consolidated Affiliated Entity
"Board"	the board of Directors
"BVI"	the British Virgin Islands
"CG Code" or "Corporate Governance Code"	the corporate governance code as set out in Appendix C1 to the Listing Rules
"Charmway Enterprises"	Charmway Enterprises Company Limited, a limited liability company incorporated under the laws of the BVI, which is indirectly wholly owned by a trust established by Mu Rongjun (as settlor) for the benefit of Mu Rongjun and his family
"Chengdu Meigengmei"	Chengdu Meigengmei Information Technology Co., Ltd. (成都美更美信息技術有限公司), a limited liability company incorporated under the laws of the PRC on July 18, 2014 and our Consolidated Affiliated Entity
"Class A Shares"	Class A ordinary 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" or "Hong Kong 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 (美团點評)), 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

DEFINITIONS

"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"connected transaction(s)"	has the meaning ascribed to it under the Listing Rules
"Consolidated Affiliated Entities"	the entities we control through the Contractual Arrangements, namely, the Onshore Holdcos and their respective subsidiaries (each a "**Consolidated Affiliated Entity**")
"Contractual Arrangement(s)"	the series of contractual arrangements entered into between WFOEs, Onshore Holdcos and Registered Shareholders (as applicable)
"Controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to Wang Xing and the directly and indirectly held companies through which Wang Xing has an interest in the Company
"Crown Holdings"	Crown Holdings Asia Limited, a limited liability company incorporated under the laws of the BVI, which is indirectly wholly owned by a trust established by Wang Xing (as settlor) for the benefit of Wang Xing and his family
"date of this annual report"	March 21, 2025
"Director(s)"	the director(s) of the Company
"Group", "our Group" or "the Group", "we", "us", or "our"	the Company and its subsidiaries and Consolidated Affiliated Entities from time to time
"Hong Kong dollars", "HK dollars", "HK$" or "HKD"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong Securities and Futures Ordinance" or "SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Hong Kong Share Registrar"	Computershare Hong Kong Investor Services Limited
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"HKD counter"	the HKD counter for trading in the Class B Shares on the Stock Exchange
"IFRS Accounting Standards"	International Financial Reporting Standards, as issued from time to time by the International Accounting Standards Board

DEFINITIONS

"Independent Third Party(ies)"	person(s) or company(ies) which, to the best of the Directors' knowledge having made all due and careful enquiries, is/are not connected (within the meaning of the Listing Rules) with the Company
"IPO"	initial public offering
"Listing"	the listing of the Class B Shares on the Main Board of the Stock Exchange
"Listing Date"	September 20, 2018
"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
"Meituan Finance"	Beijing Meituan Finance Technology Co., Ltd. (北京美团金融科技有限公司), a limited liability company incorporated under the laws of the PRC on August 9, 2017 and our Consolidated Affiliated Entity
"Memorandum" or "Memorandum of Association"	the memorandum of association of the Company adopted on August 30, 2018 with effect from the Listing Date, as amended from time to time
"Mobike"	mobike Ltd., an exempted company with limited liability incorporated under the laws of the Cayman Islands on April 2, 2015 and our direct wholly owned subsidiary
"Mobike Beijing"	Mobike (Beijing) Information Technology Co., Ltd. (摩拜(北京)信息技術有限公司), a limited liability company incorporated under the laws of the PRC on January 12, 2016 and our indirect wholly owned subsidiary
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules

DEFINITIONS

"Onshore Holdcos," each an "Onshore Holdco"	Tianjin Antechu Technology, Beijing Kuxun Interaction, Shanghai Sankuai Technology, Meituan Finance, Beijing Sankuai Cloud Computing, Beijing Xinmeida, Chengdu Meigengmei, Beijing Mobike, Beijing Sankuai Technology and Shanghai Hantao
"Option(s)"	a right granted to subscribe for Class B Shares
"Post-IPO Share Award Scheme"	the post-IPO scheme award scheme adopted by the Company on August 30, 2018 and subsequent amended on June 30, 2023
"Post-IPO Share Option Scheme"	the post-IPO share option scheme adopted by the Company on August 30, 2018 and subsequent amended on June 30, 2023
"PRC"	the People's Republic of China
"PRC Legal Advisor"	Han Kun Law Offices, legal advisor to the Company as to PRC laws
"Pre-IPO ESOP"	the pre-IPO employee stock incentive scheme adopted by the Company dated October 6, 2015, as amended from time to time
"Prospectus"	prospectus of the Company dated September 7, 2018
"Registered Shareholders"	the registered shareholders of the Onshore Holdcos
"Reporting Period"	the year ended December 31, 2024
"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 or 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
"RMB counter"	the RMB counter for trading in the Class B Shares on the Stock Exchange under the HKD-RMB Dual Counter Model program launched by the Stock Exchange
"RSU(s)"	restricted share unit(s)

DEFINITIONS

"Sankuai Cloud Online"	Beijing Sankuai Internet Technology Co., Ltd. (北京三快網絡科技有限公司) (formerly known as Sankuai Cloud Online Technology Co., Ltd. (三快雲在線(北京)科技有限公司)), a limited liability company incorporated under the laws of the PRC on November 3, 2015 and our indirect wholly-owned subsidiary
"Scheme Administrator"	the committee of the Board or person(s) to which the Board has delegated its authority (as applicable) to administer the Post-IPO Share Award Scheme
"Scheme Limit"	the limit on grant(s) of share option(s) and/or award(s) over new Shares under all share schemes of the Company approved by the Shareholders, which must not exceed 624,212,527 (being 10% of the total number of issued Shares as at the date of the Shareholders' approval of the Scheme Limit)
"service provider(s)"	shall have the same meaning as set out in Rule 17.03A of the Listing Rule and permitted under the Post-IPO Share Award Scheme
"Service Provider Sublimit"	a sublimit under the Scheme Limit for share options and/or awards over new shares of the Company under all share schemes adopted by the Company granted to the Service Providers, which must not exceed 62,421,252 (being 1% of the total number of issued Shares as at the date of the Shareholders' approval of the Service Provider Sublimit)
"Shanghai Hanhai"	Hanhai Information Technology (Shanghai) Co., Ltd. (漢海信息技術(上海)有限公司), a limited liability company incorporated under the laws of the PRC on March 16, 2006 and our indirect wholly-owned subsidiary
"Shanghai Hantao"	Shanghai Hantao Information Consultancy Co., Ltd. (上海漢濤信息諮詢有限公司), a limited liability company incorporated under the laws of the PRC on September 23, 2003 and our Consolidated Affiliated Entity
"Shanghai Sankuai Technology"	Shanghai Sankuai Technology Co., Ltd. (上海三快科技有限公司), a limited liability company incorporated under the laws of the PRC on September 19, 2012 and our Consolidated Affiliated Entity
"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)

DEFINITIONS

"Shared Patience"	Shared Patience Inc., a limited liability company incorporated under the laws of the BVI, which is wholly owned by Wang Xing
"Shared Vision"	Shared Vision Investment Limited, a limited liability company incorporated under the laws of the BVI, which is wholly owned by Mu Rongjun
"Shares Repurchased"	has the meaning ascribed to it in the section headed "Purchase, Sale or Redemption of the Listed Securities of the Company or Sale of Treasury Shares" in this annual report
"Shenzhen Sankuai Online"	Shenzhen Sankuai Online Technology Co., Ltd. (深圳三快在線科技有限公司), a limited liability company incorporated under the laws of the PRC on November 18, 2015 and our indirect wholly-owned subsidiary
"Shenzhen Tencent Computer"	Shenzhen Tencent Computer Systems Co., Ltd. (深圳市騰訊計算機系統有限公司), a company established in the PRC on November 11, 1998 and a consolidated affiliated entity of Tencent
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it in section 15 of the Companies Ordinance
"substantial shareholder"	has the meaning ascribed to it in the Listing Rules
"Tencent"	Tencent Holdings Limited (HKEx Stock Code: 700), or Tencent Holdings Limited and/or its subsidiaries, as the case may be
"Tianjin Antechu Technology"	Tianjin Antechu Technology Co., Ltd. (天津安特廚科技有限公司), a limited liability company incorporated under the laws of the PRC on January 17, 2018 and our Consolidated Affiliated Entity
"Tianjin Hanbo"	Tianjin Hanbo Information Technology Co., Ltd. (天津漢博信息技術有限公司), a limited liability company incorporated under the laws of the PRC on September 19, 2014 and our indirect wholly-owned subsidiary
"Tianjin Wanlong"	Tianjin Wanlong Technology Co., Ltd. (天津萬龍科技有限公司), a limited liability company incorporated under the laws of the PRC on August 18, 2015 and our indirect wholly-owned subsidiary

DEFINITIONS

"Tianjin Xiaoyi Technology"	Tianjin Xiaoyi Technology Co., Ltd. (天津小蟻科技有限公司), a limited liability company incorporated under the laws of the PRC on February 13, 2018 and our indirect wholly-owned subsidiary
"Treasury Shares"	has the meaning ascribed to it in the Listing Rules as amended from time to time
"United States", "U.S." or "US"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"US dollars", "U.S. dollars" or "US$"	United States dollars, the lawful currency of the United States
"VIE(s)"	variable interest entity(ies)
"weighted voting right" or "WVR"	has the meaning ascribed to it in Rule 8A.02 of the Listing Rules
"WFOEs", each a "WFOE"	Tianjin Xiaoyi Technology, Beijing Kuxun Technology, Tianjin Wanlong, Beijing Sankuai Online, Shenzhen Sankuai Online, Shanghai Hanhai, Sankuai Cloud Online, Mobike Beijing and Tianjin Hanbo
"WVR Beneficiaries"	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to Wang Xing and Mu Rongjun, being the holders of the Class A Shares, entitling each to weighted voting rights
"WVR Structure"	has the meaning ascribed to it in the Listing Rules
"%"	per cent

Unless otherwise expressly stated or the context otherwise requires, all data in this document is as of the date of this document.

The English names of the PRC entities, PRC laws or regulations, and the PRC governmental authorities referred to in this document are translations from their Chinese names and are for identification purposes. If there is any inconsistency, the Chinese names shall prevail.

Certain amounts and percentage figures included in this document have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

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 enterprise resource planning (ERP) systems
"DAU"	daily active user
"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 value-added tax (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 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 and e-moped sharing businesses, 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