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美团点评

Meituan Dianping

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

(Stock code: 3690)

NON-EXEMPT CONNECTED TRANSACTIONS — PROPOSED ISSUE OF CLASS B SHARES TO CONNECTED GRANTEEES OF RESTRICTED SHARE UNITS

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

Reference is made to the disclosure in the section headed “Statutory and General Information — D. Pre-IPO ESOP — Outstanding share options and RSUs granted” in Appendix IV to the Prospectus, in which, it was disclosed that 1,000,000, 15,700,000 and 5,072,250 RSUs have been granted to Mu Rongjun, Wang Huiwen and Chen Liang, respectively, under the Pre-IPO ESOP.

Reference is also made to the announcement of the Company dated November 23, 2018, in which the Company announced, among other things, that on November 23, 2018, the Company granted an aggregate of 180,000 award shares in the form of RSUs to the three Independent Non-executive Directors, namely, Orr Gordon Robert Halyburton, Leng Xuesong and Shum Heung Yeung Harry under the Post-IPO Share Award Scheme subject to the terms and conditions of the Post-IPO Share Award Scheme.

Subject to the approval of the Independent Shareholders, the Board resolved on January 18, 2019, to issue an aggregate of 21,952,250 Class B Shares to the above Connected Grantees upon vesting of the above RSUs. There will not be any actual cash outflow by the Group upon the Proposed Issue of Class B Shares to the Connected Grantees. Assuming the Connected Grantees become fully entitled to all RSUs after the vesting period, the total number of Class B Shares to be issued would be limited to 21,952,250, or approximately 0.40% of the total issued share capital of the Company (on a one share one vote basis) as at the date of this announcement.

IMPLICATIONS UNDER THE LISTING RULES

Mu Rongjun, Wang Huiwen, Orr Gordon Robert Halyburton, Leng Xuesong and Shum Heung Yeung Harry are Directors of the Company and Chen Liang is a director of certain significant subsidiaries of the Company. Therefore, they are connected persons of the Company. The Proposed Issue of Class B Shares to each of the Connected Grantees constitutes a non-exempt connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to reporting, announcement and the Independent Shareholders' approval requirements.

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

Reference is made to the disclosure in the section headed "Statutory and General Information — D. Pre-IPO ESOP — Outstanding share options and RSUs granted" in Appendix IV to the Prospectus, in which, it was disclosed that 1,000,000, 15,700,000 and 5,072,250 RSUs have been granted to Mu Rongjun, Wang Huiwen and Chen Liang, respectively, under the Pre-IPO ESOP.

Reference is also made to the announcement of the Company dated November 23, 2018, in which the Company announced, among other things, that on November 23, 2018, the Company granted an aggregate of 180,000 award shares in the form of RSUs to the three Independent Non-executive Directors under the Post-IPO Share Award Scheme subject to the terms and conditions of the Post-IPO Share Award Scheme, as detailed in the section headed "Statutory and General Information — F. Post-IPO Share Award Scheme" in Appendix IV to the Prospectus. The grant of RSUs to the Independent Non-executive Directors forms part of the remuneration package of the service contracts of such Directors. Pursuant to the terms of the Post-IPO Share Award Scheme, the RSUs may be satisfied through issue of new Class B Shares or on-market purchase of the Class B Shares. Pursuant to the conditions of the grant, the Company shall not be required to issue or transfer Class B Shares with respect to any vested RSUs to the Independent Non-executive Directors prior to fulfillment of all the following conditions: (a) the obtaining of any approval or other clearance from any competent authority which the committee designated by the Board shall, in its absolute discretion, determine to be necessary or advisable; and (b) the lapse of such reasonable period of time following the vesting of the RSUs as the committee may establish from time to time for reasons of administrative convenience.

Subject to the approval of the Independent Shareholders, the Board resolved on January 18, 2019, to issue an aggregate of 21,952,250 Class B Shares to the Connected Grantees upon vesting of the above RSUs:

Name of the Grantee	Position Held with the Company	No. of RSUs Granted	No. of Class B Shares Proposed to be Issued
Pre-IPO ESOP			
Mu Rongjun	Executive Director	1,000,000	1,000,000
Wang Huiwen	Executive Director	15,700,000	15,700,000
Chen Liang	Director of Certain Significant Subsidiaries of the Company	5,072,250	5,072,250
Post-IPO Share Award Scheme			
Orr Gordon Robert Halyburton	Independent Non-executive Director	60,000	60,000
Leng Xuesong	Independent Non-executive Director	60,000	60,000
Shum Heung Yeung Harry	Independent Non-executive Director	60,000	60,000
Total		21,952,250	21,952,250

The new Class B Shares, when issued and fully paid, shall rank pari passu among themselves and with those Class B Shares in issue. The Connected Grantees are not required to pay any consideration for them to be allotted and issued with the Class B Shares underlying the respective RSUs upon vesting. Class B Shares underlying the RSUs granted to the Connected Grantees are expected to be issued and allotted on or after March 20, 2019 according to the vesting schedule and subject to the terms and conditions of the Pre-IPO ESOP and the Post-IPO Share Award Scheme (as applicable). No fund will be raised by the Company as a result of the Proposed Issue of Class B Shares.

Principal Terms of the RSUs Granted to Mu Rongjun, Wang Huiwen and Chen Liang pursuant to the Pre-IPO ESOP

In accordance with the terms of the Pre-IPO ESOP, the RSUs were granted to Mu Rongjun, Wang Huiwen and Chen Liang under the following terms:

- Mu Rongjun, Wang Huiwen and Chen Liang are not required to pay for the grant of any RSUs under the Pre-IPO ESOP and no consideration is required from them to be allotted and issued with the Class B Shares underlying the respective RSUs upon vesting;
- the Company, in its sole discretion, may pay RSUs in the form of cash, Shares or a combination thereof;
- Mu Rongjun, Wang Huiwen and Chen Liang may not exercise any voting rights in respect of any Class B Shares underlying the RSUs that have not yet vested; and
- for each of Mu Rongjun, Wang Huiwen and Chen Liang, the RSUs granted to each of them shall vest as follows:

Name of the Grantee	Number of Class B Shares underlying the RSUs that have been Granted	Date of Grant	Vesting Schedule
Mu Rongjun	1,000,000	July 1, 2017	Pro rata over a six-year period on each anniversary of the grant date
Wang Huiwen	1,550,000	January 1, 2016	Pro rata over a four-year period on each anniversary of the grant date
	14,150,000	July 1, 2017 to July 1, 2018	Pro rata over a six-year period on each anniversary of the grant date
Chen Liang	872,250	January 1, 2016	Pro rata over a four-year period on each anniversary of the grant date
	4,200,000	July 1, 2017 to July 1, 2018	Pro rata over a six-year period on each anniversary of the grant date

Principal Terms of the RSUs Granted to the Three Independent Non-executive Directors pursuant to the Post-IPO Share Award Scheme

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

- the three Independent Non-executive Directors are not required to pay for the grant of any RSUs under the Post-IPO Share Award Scheme and no consideration is required from them to be allotted and issued with the Class B Shares underlying the respective RSUs upon vesting;
- the Company, in its sole discretion, may pay RSUs in the form of cash, Shares or a combination thereof;
- the three Independent Non-executive Directors may not exercise any voting rights in respect of any Class B Shares underlying the RSUs that have not yet vested; and
- 6.25% of the above RSUs granted to each Independent Non-executive Director shall vest in each quarter commencing from December 20, 2018 until September 20, 2022.

Interests of the Connected Grantees in the Securities of the Company

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

Name of the Connected Grantee	Position	Number of RSUs granted under the Pre-IPO ESOP and the Post-IPO Share Award Scheme		Percentage of the Company's enlarged share capital (on a one share one vote basis and enlarged by the maximum number of Class B Shares underlying RSUs Granted to the Connected Grantees) ⁽¹⁾
		Number of underlying Class B Shares involved	Percentage of the Company's total issued share capital as at the date of this announcement (on a one share one vote basis)	
Pre-IPO ESOP				
Mu Rongjun	Executive Director, Senior Vice President	1,000,000	0.02%	0.02%
Wang Huiwen	Executive Director, Senior Vice President	15,700,000	0.29%	0.28%
Chen Liang	Senior Vice President and Director of Certain Significant Subsidiaries of the Company	<u>5,072,250</u>	<u>0.09%</u>	<u>0.09%</u>
Post-IPO Share Award Scheme				
Orr Gordon	Independent			
Robert Halyburton	Non-executive Director	60,000	0.001%	0.001%
Leng Xuesong	Independent			
	Non-executive Director	60,000	0.001%	0.001%
Shum Heung	Independent			
Yeung Harry	Non-executive Director	<u>60,000</u>	<u>0.001%</u>	<u>0.001%</u>
Total		<u>21,952,250</u>	<u>0.40%</u>	<u>0.40%</u>

Note:

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

In addition, some Connected Grantees held certain Shares as at the date of this announcement. The total number of Shares held by the Connected Grantees before and upon the Proposed Issue of Class B Shares are set forth below:

Name of the Connected Grantee	As at the date of this announcement		Upon the issue of the maximum number of Class B Shares underlying RSUs granted to the Connected Grantees ⁽¹⁾	
	Number of Shares	Percentage of the Company's total issued share capital (on a one share one vote basis)	Number of Shares	Percentage of the Company's enlarged issued share capital (on a one share one vote basis)
Pre-IPO ESOP				
Mu Rongjun ⁽²⁾	125,980,000 Class A Shares	2.29%	125,980,000 Class A Shares	2.28%
			1,000,000 Class B Shares	0.02%
Wang Huiwen ⁽³⁾	36,400,000 Class A Shares	0.66%	36,400,000 Class A Shares	0.66%
			15,700,000 Class B Shares	0.28%
Chen Liang ⁽⁴⁾	nil	nil	5,072,250 Class B Shares	0.09%
Post-IPO Share Award Scheme				
Orr Gordon Robert Halyburton	nil	nil	60,000 Class B Shares	0.001%
Leng Xuesong	nil	nil	60,000 Class B Shares	0.001%
Shum Heung Yeung Harry	nil	nil	60,000 Class B Shares	0.001%
Sub-total	<u>162,380,000</u> <u>Class A Shares</u>	<u>2.96%</u>	<u>162,380,000</u> <u>Class A Shares</u>	<u>2.94%</u>
			<u>21,952,250</u> <u>Class B Shares</u>	<u>0.40%</u>
Other Shareholders	<u>573,188,783</u> <u>Class A Shares</u>	<u>10.44%</u>	<u>573,188,783</u> <u>Class A Shares</u>	<u>10.39%</u>
	<u>4,757,145,979</u> <u>Class B Shares</u>	<u>86.61%</u>	<u>4,757,145,979</u> <u>Class B Shares</u>	<u>86.26%</u>
Total	<u><u>5,492,714,762</u></u> ⁽⁵⁾	<u><u>100.00%</u></u>	<u><u>5,514,667,012</u></u>	<u><u>100.00%</u></u>

Notes:

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

- (2) *Charmway Enterprises, a company wholly-owned by Day One Holdings Limited, owns 118,650,000 Class A Shares. 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 118,650,000 Class A Shares held by Charmway Enterprises under the SFO. Mu Rongjun also beneficially owns 7,330,000 Class A Shares through Shared Vision, a company wholly-owned by himself. As of the date of this announcement, Mu Rongjun is granted RSUs equivalent to 1,000,000 Class B Shares and share options with respect to 5,000,000 Class B Shares under the Pre-IPO ESOP.*
- (3) *Kevin Sunny, a company wholly-owned by Aim Mars Investment Limited, owns 36,400,000 Class A Shares. The entire interest in Aim Mars Investment Limited is held through a trust which was established by Wang Huiwen (as settlor) for the benefit of Wang Huiwen and his family. Wang Huiwen is deemed to be interested in the 36,400,000 Class A Shares held by Aim Mars Investment Limited under the SFO. As of the date of this announcement, Wang Huiwen was granted RSUs equivalent to 15,700,000 Class B Shares and share options with respect to 7,578,600 Class B Shares under the Pre-IPO ESOP.*
- (4) *As of the date of this announcement, Chen Liang was granted RSUs equivalent to 5,072,250 Class B Shares and share options with respect to 9,223,610 Class B Shares under the Pre-IPO ESOP.*
- (5) *The total number of issued Shares as of the date of this announcement.*

Market Value

Based on the closing price of HK\$45.55 per Class B Share as quoted on the Stock Exchange on the date of this announcement, the market value of the Class B Shares underlying the RSUs granted to the Connected Grantees amounts to approximately HK\$999.92 million.

REASONS AND BENEFITS OF THE PROPOSED ISSUE OF CLASS B SHARES

The Pre-IPO ESOP and the Post-IPO Share Award Scheme are part of the Company's incentive scheme, the purpose of which is to closely align the interests and benefits of and risks sharing among the Shareholders, the Company, the Directors, the senior management and the employees in order to maximize the motivation of the Directors, the senior management and the employees of the Company. The award of RSUs and the Proposed Issue of Class B Shares to the Connected Grantees upon vesting of the RSUs recognize their continual support to the Group and their effort will promote the Group's future development. Please refer to the section headed "Directors and Senior Management" of the Prospectus for the background of the Connected Grantees.

There will not be any actual cash outflow by the Group upon the Proposed Issue of Class B Shares to the Connected Grantees. Assuming the Connected Grantees become fully entitled to all RSUs after the vesting period, the number of Class B Shares to be issued would be limited to 21,952,250, or approximately 0.40% of the total issued share capital of the Company (on a one share one vote basis) as at the date of this announcement.

DIRECTORS' VIEW

Given that the Proposed Issue of Class B Shares will incentivize the Connected Grantees and help retain talent for the long term to contribute to the sustainable development of the Group without having a negative impact on the Group's cashflow, the Directors consider that the Proposed Issue of Class B Shares is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

The RSUs granted under the Pre-IPO ESOP and the Post-IPO Share Award Scheme do not carry with them any options over new Class B Shares of the Company or its subsidiaries. Thus, the RSUs are not subject to provisions of Chapter 17 of the Listing Rules.

Mu Rongjun, Wang Huiwen, Orr Gordon Robert Halyburton, Leng Xuesong and Shum Heung Yeung Harry are Directors of the Company and Chen Liang is a director of certain significant subsidiaries of the Company. Therefore, they are connected persons of the Company. The Proposed Issue of Class B Shares to each of the Connected Grantees constitutes a non-exempt connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to reporting, announcement and the Independent Shareholders' approval requirements.

Mu Rongjun and his family, through a trust, own 100% of the interests in Charmway Enterprises, which, in turn, holds 118,650,000 Class A Shares. Mu Rongjun also owns 100% of the interests in Shared Vision, which, in turn, holds 7,330,000 Class A Shares. Pursuant to Chapter 14A of the Listing Rules, Charmway Enterprises and Shared Vision are required to abstain from voting on the resolution at the EGM to approve the Proposed Issue of Class B Shares to Mu Rongjun. Wang Huiwen and his family, through a trust, owns 100% of the interests in Kevin Sunny, which, in turn, holds 36,400,000 Class A Shares. Kevin Sunny is required to abstain from voting on the resolution at the EGM to approve the Proposed Issue of Class B Shares to Wang Huiwen. To the best of the Directors' knowledge, information and belief, none of the other Shareholders is materially interested in approving the Proposed Issue of Class B Shares as at the date of this announcement.

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

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

The Company has established the Independent Board Committee to advise the Independent Shareholders in respect of the non-exempt connected transactions relating to the Proposed Issue of Class B Shares. The Independent Financial Adviser has also been appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Proposed Issue of Class B Shares.

INFORMATION OF THE GROUP

The Company is China's leading e-commerce platform for service. Services offerings on our platform address people's daily needs for food, and extend further to broad lifestyles and travel services.

GENERAL

Ordinary resolutions will be proposed at the EGM to approve the Proposed Issue of Class B Shares. A circular containing, among other things, details of the Proposed Issue of Class B Shares, a letter from the Independent Board Committee and a letter from the Independent Financial Adviser together with the notice convening the EGM is expected to be dispatched to the Shareholders on or before January 31, 2019.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meanings ascribed to them below:

“Articles” or “Articles of Association”	the articles of association of the Company adopted on August 30, 2018 with effect from Listing Date
“Board”	the board of Directors of the Company
“Charmway Enterprises”	Charmway Enterprises Company Limited, a limited liability company incorporated under the laws of the British Virgin Islands which is controlled by Mu Rongjun
“Class A Share(s)”	class A shares of the share capital of the Company with a par value of US\$0.00001 each, conferring weighted voting rights in the Company such that a holder of a Class A Share is entitled to ten votes per share on any resolution tabled at the Company’s general meeting, save for resolutions with respect to any reserved matters as set out in the Articles of Association of the Company, in which case they shall be entitled to one vote per share
“Class A Shareholder(s)”	holder(s) of Class A Shares
“Class B Share(s)”	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
“Class B Shareholder(s)”	holder(s) of Class B Shares
“Company”	Meituan Dianping (美團點評), an exempted company with limited liability incorporated under the laws of the Cayman Islands on September 25, 2015, the Class B Shares of which are listed on the Main Board of the Stock Exchange of Hong Kong Limited (Stock Code: 3690)

“Connected Grantees”	Mu Rongjun, Wang Huiwen, Chen Liang, Orr Gordon Robert Halyburton, Leng Xuesong and Shum Heung Yeung Harry
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be held for the Shareholders to consider and, if thought fit, approve the Proposed Issue of Class B Shares
“Group”	the Company, its subsidiaries and consolidated affiliated entities it controls through the contractual arrangements
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent committee of the Board comprising all Independent Non-executive Directors, established to advise the Independent Shareholders in respect of the non-exempt connected transactions relating to the Proposed Issue of Class B Shares
“Independent Financial Adviser”	Halcyon Capital Limited, a corporation licensed to carry out Type 6 regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being appointed as the independent financial adviser to the Independent Board Committee and the Independent Shareholders
“Independent Shareholders”	the Shareholders who are not required under the Listing Rules to abstain from voting at the EGM to approve the non-exempt connected transactions relating to the Proposed Issue of Class B Shares
“Kevin Sunny”	Kevin Sunny Holding Limited, a limited liability company incorporated under the laws of the British Virgin Islands on May 22, 2018 which is wholly-owned by Wang Huiwen

“Listing Date”	September 20, 2018, being the date of the listing of the Company’s Class B Shares on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
“Post-IPO Share Award Scheme”	the Post-IPO share award scheme adopted by the Company on August 30, 2018, the principal terms of which are set out in the section headed “Statutory and General Information - F. Post-IPO Share Award Scheme” in Appendix IV of the Prospectus
“Pre-IPO ESOP”	the pre-IPO employee stock incentive scheme adopted by the Company dated October 6, 2015 as amended from time to time, the principal terms of which are set out in the section headed “Statutory and General Information - D. Pre-IPO ESOP” in Appendix IV of the Prospectus
“Prospectus”	the prospectus of the Company dated September 7, 2018
“Proposed Issue of Class B Shares”	the proposed issue of an aggregate of 21,952,250 underlying Class B Shares to the Connected Grantees upon vesting of the RSUs
“RSU(s)”	restricted share unit(s)
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“Share(s)”	the Class A Shares and the Class B Shares in the share capital of the Company, as the context so requires
“Shared Vision”	Shared Vision Investment Limited, a limited liability company incorporated under the laws of the British Virgin Islands which is wholly-owned by Mu Rongjun
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it in the Listing Rules

“U.S.” or “United States”	the United States of America, its territories and possessions and all areas subject to its jurisdiction
“US\$”	U.S. dollars, the lawful currency of the United States of America
“%”	per cent

By Order of the Board
Meituan Dianping
Wang Xing
Chairman

Beijing, January 18, 2019

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Wang Xing as Chairman and Executive Director, Mr. Mu Rongjun and Mr. Wang Huiwen as Executive Directors, Mr. Lau Chi Ping Martin and Mr. Neil Nanpeng Shen as Non-executive Directors, and Mr. Orr Gordon Robert Halyburton, Mr. Leng Xuesong and Mr. Shum Heung Yeung Harry as Independent Non-executive Directors.