
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 UNDER
THE SECURITIES EXCHANGE ACT OF 1934

For the month of March 2024

Commission File Number: 001-38591

PDD Holdings Inc.

First Floor, 25 St Stephen's Green,
Dublin 2, D02 XF99
Ireland
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F Form 40-F

Exhibit Index

[Exhibit 99.1—Press Release \(Earnings Release\)](#)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

PDD HOLDINGS INC.

By : /s/ Lei Chen
Name : Lei Chen
Title : Chairman of the Board of Directors and Co-Chief Executive Officer

Date: March 21, 2024

PDD Holdings Announces Fourth Quarter 2023 and Fiscal Year 2023 Unaudited Financial Results

DUBLIN and SHANGHAI, March 20, 2024 (GLOBE NEWSWIRE) – PDD Holdings Inc. (“PDD Holdings” or the “Company”) (NASDAQ: PDD), today announced its unaudited financial results for the fourth quarter ended and the fiscal year ended December 31, 2023.

Fourth Quarter 2023 Highlights

- **Total revenues** in the quarter were RMB88,881.0 million (US\$¹12,518.6 million), an increase of 123% from RMB39,820.0 million in the same quarter of 2022.
- **Operating profit** in the quarter was RMB22,395.0 million (US\$3,154.3 million), an increase of 146% from RMB9,113.7 million in the same quarter of 2022. **Non-GAAP² operating profit** in the quarter was RMB24,579.9 million (US\$3,462.0 million), an increase of 112% from RMB11,600.1 million in the same quarter of 2022.
- **Net income attributable to ordinary shareholders** in the quarter was RMB23,280.3 million (US\$3,279.0 million), an increase of 146% from RMB9,453.7 million in the same quarter of 2022. **Non-GAAP net income attributable to ordinary shareholders** in the quarter was RMB25,476.5 million (US\$3,588.3 million), an increase of 110% from RMB12,105.8 million in the same quarter of 2022.

“2023 represents a pivotal chapter in our corporate history as we transition towards high-quality development,” said Mr. Lei Chen, Chairman and Co-Chief Executive Officer of PDD Holdings. “In 2024, we remain dedicated to further improving consumer experiences, enhancing technology innovations, and generating positive impacts in our communities.”

“In the fourth quarter, we saw growing demand driven by encouraging consumer sentiment,” said Mr. Jiazhen Zhao, Executive Director and Co-Chief Executive Officer of PDD Holdings. “We will continue our high-quality development strategy, stay dedicated to offer great value and exceptional service, and keep building thriving communities that can benefit all.”

“In 2023, our R&D investment exceeded RMB10 billion for the second consecutive year, underscoring our dedication to technology and agricultural advancements,” said Ms. Jun Liu, VP of Finance of PDD Holdings. “Our focus remains on creating lasting value through strategic initiatives with sustainable and positive impacts.”

¹ This announcement contains translations of certain Renminbi (“RMB”) amounts into U.S. dollars (“US\$”) at a specified rate solely for the convenience of the reader. Unless otherwise noted, the translation of RMB into US\$ has been made at RMB7.0999 to US\$1.00, the noon buying rate in effect on December 29, 2023 as set forth in the H.10 Statistical Release of the Federal Reserve Board.

² The Company’s non-GAAP financial measures exclude share-based compensation expenses, fair value change of certain investments, and interest expenses related to the convertible bonds’ amortization to face value. See “Reconciliation of Non-GAAP Measures to The Most Directly Comparable GAAP Measures” set forth at the end of this press release.

Fourth Quarter 2023 Unaudited Financial Results

Total revenues were RMB88,881.0 million (US\$12,518.6 million), an increase of 123% from RMB39,820.0 million in the same quarter of 2022. The increase was primarily due to an increase in revenues from online marketing services and transaction services.

- **Revenues from online marketing services and others** were RMB48,675.6 million (US\$6,855.8 million), an increase of 57% from RMB31,023.4 million in the same quarter of 2022.
- **Revenues from transaction services** were RMB40,205.4 million (US\$5,662.8 million), an increase of 357% from RMB8,796.6 million in the same quarter of 2022.

Total costs of revenues were RMB35,078.3 million (US\$4,940.7 million), an increase of 293% from RMB8,926.7 million in the same quarter of 2022. The increase mainly came from the increased fulfilment fees, payment processing fees, maintenance costs and call center expenses.

Total operating expenses were RMB31,407.8 million (US\$4,423.7 million), an increase of 44% from RMB21,779.6 million in the same quarter of 2022. The increase was primarily due to an increase in sales and marketing expenses.

- **Sales and marketing expenses** were RMB26,638.5 million (US\$3,752.0 million), an increase of 50% from RMB17,732.4 million in the same quarter of 2022, mainly due to the increased spending in promotion and advertising activities.
- **General and administrative expenses** were RMB1,904.8 million (US\$268.3 million), compared with RMB1,640.5 million in the same quarter of 2022.
- **Research and development expenses** were RMB2,864.4 million (US\$403.4 million), compared with RMB2,406.7 million in the same quarter of 2022.

Operating profit in the quarter was RMB22,395.0 million (US\$3,154.3 million), an increase of 146% from RMB9,113.7 million in the same quarter of 2022. **Non-GAAP operating profit** in the quarter was RMB24,579.9 million (US\$3,462.0 million), an increase of 112% from RMB11,600.1 million in the same quarter of 2022.

Net income attributable to ordinary shareholders in the quarter was RMB23,280.3 million (US\$3,279.0 million), an increase of 146% from RMB9,453.7 million in the same quarter of 2022. **Non-GAAP net income attributable to ordinary shareholders** in the quarter was RMB25,476.5 million (US\$3,588.3 million), an increase of 110% from RMB12,105.8 million in the same quarter of 2022.

Basic earnings per ADS was RMB17.00 (US\$2.39) and diluted earnings per ADS was RMB15.83 (US\$2.23), compared with basic earnings per ADS of RMB7.42 and diluted earnings per ADS of RMB6.52 in the same quarter of 2022. **Non-GAAP diluted earnings per ADS** was RMB17.32 (US\$2.40), compared with RMB8.34 in the same quarter of 2022.

Net cash generated from operating activities was RMB36,890.7 million (US\$5,195.9 million), compared with RMB26,550.3 million in the same quarter of 2022, mainly due to the increase in net income.

Cash, cash equivalents and short-term investments were RMB217.2 billion (US\$30.6 billion) as of December 31, 2023, compared with RMB149.4 billion as of December 31, 2022.

Fiscal Year 2023 Unaudited Financial Results

Total revenues were RMB247,639.2 million (US\$34,879.3 million), representing an increase of 90% from RMB130,557.6 million in 2022. The increase was primarily due to an increase in revenues from online marketing services and transaction services.

· **Revenues from online marketing services and others** were RMB153,540.6 million (US\$21,625.7 million), representing an increase of 49% from RMB102,931.1 million in 2022.

· **Revenues from transaction services** were RMB94,098.7 million (US\$13,253.5 million), representing an increase of 241% from RMB27,626.5 million in 2022.

Total costs of revenues were RMB91,723.6 million (US\$12,919.0 million), an increase of 192% from RMB31,462.3 million in 2022. The increase mainly came from the increased fulfilment fees, payment processing fees, maintenance costs and call center expenses.

Total operating expenses were RMB97,216.9 million (US\$13,692.7 million), an increase of 42% from RMB68,693.4 million in 2022.

· **Sales and marketing expenses** were RMB82,188.9 million (US\$11,576.1 million), an increase of 51% from RMB54,343.7 million in 2022, mainly due to the increased spending in promotion and advertising activities.

- **General and administrative expenses** were RMB4,075.6 million (US\$574.0 million), compared with RMB3,964.9 million in 2022.
- **Research and development expenses** were RMB10,952.4 million (US\$1,542.6 million), compared with RMB10,384.7 million in 2022.

Operating profit was RMB58,698.8 million (US\$8,267.5 million), an increase of 93% from RMB30,401.9 million in 2022. **Non-GAAP operating profit** was RMB65,777.6 million (US\$9,264.6 million), an increase of 73% from RMB38,120.3 million in 2022.

Net income attributable to ordinary shareholders was RMB60,026.5 million (US\$8,454.6 million), an increase of 90% from RMB31,538.1 million in 2022. **Non-GAAP net income attributable to ordinary shareholders** was RMB67,899.3 million (US\$9,563.4 million), an increase of 72% from RMB39,529.7 million in 2022.

Basic earnings per ADS was RMB44.33 (US\$6.24) and diluted earnings per ADS was RMB41.15 (US\$5.80), compared with basic earnings per ADS of RMB24.94 and diluted earnings per ADS of RMB21.93 in 2022. **Non-GAAP diluted earnings per ADS** was RMB46.51 (US\$6.56), compared with RMB27.45 in 2022.

Net cash generated from operating activities was RMB94,162.5 million (US\$13,262.5 million), compared with RMB48,507.9 million in 2022, mainly due to the increase in net income and the changes in working capitals.

Conference Call

The Company's management will hold an earnings conference call at 7:30 AM ET on March 20, 2024 (11:30 AM GMT and 7:30 PM HKT on the same day).

The conference call will be webcast live at <https://investor.pddholdings.com/investor-events>. The webcast will be available for replay at the same website following the conclusion of the call.

Use of Non-GAAP Financial Measures

In evaluating the business, the Company considers and uses non-GAAP measures, such as non-GAAP operating profit, non-GAAP net income attributable to ordinary shareholders, non-GAAP diluted earnings per ordinary share and non-GAAP diluted earnings per ADS, as supplemental measures to review and assess operating performance. The presentation of these non-GAAP financial measures is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The Company's non-GAAP financial measures exclude the impact of share-based compensation expenses, fair value change of certain investments, and interest expenses related to the convertible bonds' amortization to face value.

The Company presents these non-GAAP financial measures because they are used by management to evaluate operating performance and formulate business plans. The Company believes that the non-GAAP financial measures help identify underlying trends in its business by excluding the impact of share-based compensation expenses, fair value change of certain investments, and interest expenses related to the convertible bonds' amortization to face value, which are non-cash charges. The Company also believes that the non-GAAP financial measures may provide further information about the Company's results of operations, and enhance the overall understanding of the Company's past performance and future prospects.

The Company's non-GAAP financial measures are not defined under U.S. GAAP and are not presented in accordance with U.S. GAAP. The non-GAAP financial measures have limitations as analytical tools. These non-GAAP financial measures do not reflect all items of income and expenses that affect the Company's operations and do not represent the residual cash flow available for discretionary expenditures. Further, these non-GAAP measures may differ from the non-GAAP information used by other companies, including peer companies, and therefore their comparability may be limited. The Company compensates for these limitations by reconciling the non-GAAP financial measures to the nearest U.S. GAAP performance measure, all of which should be considered when evaluating performance. The Company encourages you to review the Company's financial information in its entirety and not rely on a single financial measure.

For more information on the non-GAAP financial measures, please see the table captioned "Reconciliation of Non-GAAP Measures to The Most Directly Comparable GAAP Measures" set forth at the end of this press release.

Safe Harbor Statements

This announcement contains forward-looking statements. These statements are made under the “safe harbor” provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as “will,” “expects,” “anticipates,” “aims,” “future,” “intends,” “plans,” “believes,” “estimates,” “confident,” “potential,” “continue” or other similar expressions. Among other things, the business outlook and quotations from management in this announcement, as well as the Company’s strategic and operational plans, contain forward-looking statements. The Company may also make written or oral forward-looking statements in its periodic reports to the U.S. Securities and Exchange Commission (the “SEC”), in its annual report to shareholders, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Statements that are not historical facts, including but not limited to statements about the Company’s beliefs and expectations, are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties. A number of factors could cause actual results to differ materially from those contained in any forward-looking statement, including but not limited to the following: the Company’s growth strategies; its future business development, results of operations and financial condition; its ability to understand buyer needs and provide products and services to attract and retain buyers; its ability to maintain and enhance the recognition and reputation of its brand; its ability to rely on merchants and third-party logistics service providers to provide delivery services to buyers; its ability to maintain and improve quality control policies and measures; its ability to establish and maintain relationships with merchants; trends and competition in the e-commerce markets globally and in the countries or regions where the Company has operations; changes in its revenues and certain cost or expense items; the expected growth of e-commerce markets globally and in the countries or regions where the Company has operations; developments in the relevant governmental policies and regulations relating to the Company’s industry; and general economic and business conditions globally and in the countries or regions where the Company has operations; and assumptions underlying or related to any of the foregoing. Further information regarding these and other risks is included in the Company’s filings with the SEC. All information provided in this press release and in the attachments is as of the date of this press release, and the Company undertakes no obligation to update any forward-looking statement, except as required under applicable law.

About PDD Holdings

PDD Holdings is a multinational commerce group that owns and operates a portfolio of businesses. PDD Holdings aims to bring more businesses and people into the digital economy so that local communities and small businesses can benefit from the increased productivity and new opportunities.

For investor and media inquiries, please contact:

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PDD HOLDINGS INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Amounts in thousands of Renminbi (“RMB”) and U.S. dollars (“US\$”))

| | As of | | |
|---|----------------------|--------------------|---------------------|
| | December 31, 2022 | December 31, 2023 | |
| | RMB | RMB (Unaudited) | US\$ (Unaudited) |
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | 34,326,192 | 59,794,469 | 8,421,875 |
| Restricted cash | 57,974,225 | 61,985,436 | 8,730,466 |
| Receivables from online payment platforms | 587,696 | 3,914,117 | 551,292 |
| Short-term investments | 115,112,554 | 157,415,365 | 22,171,490 |
| Amounts due from related parties | 6,318,830 | 7,428,070 | 1,046,222 |
| Prepayments and other current assets | 2,298,379 | 4,213,015 | 593,390 |
| Total current assets | 216,617,876 | 294,750,472 | 41,514,735 |
| Non-current assets | | | |
| Property, equipment and software, net | 1,044,847 | 979,597 | 137,973 |
| Intangible assets | 134,002 | 21,148 | 2,979 |
| Right-of-use assets | 1,416,081 | 4,104,889 | 578,162 |
| Deferred tax assets | 1,045,030 | 270,738 | 38,133 |
| Other non-current assets | 16,862,117 | 47,951,276 | 6,753,796 |
| Total non-current assets | 20,502,077 | 53,327,648 | 7,511,043 |
| Total Assets | 237,119,953 | 348,078,120 | 49,025,778 |

PDD HOLDINGS INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Amounts in thousands of Renminbi (“RMB”) and U.S. dollars (“US\$”))

| | As of | | |
|---|----------------------|--------------------|---------------------|
| | December 31, 2022 | December 31, 2023 | |
| | RMB | RMB (Unaudited) | US\$ (Unaudited) |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | |
| Current liabilities | | | |
| Amounts due to related parties | 1,676,391 | 1,238,776 | 174,478 |
| Customer advances and deferred revenues | 1,389,655 | 2,144,610 | 302,062 |
| Payable to merchants | 63,316,695 | 74,997,252 | 10,563,142 |
| Accrued expenses and other liabilities | 20,960,723 | 55,351,399 | 7,796,081 |
| Merchant deposits | 15,058,229 | 16,878,746 | 2,377,322 |
| Convertible bonds, current portion | 13,885,751 | 648,570 | 91,349 |
| Lease liabilities | 602,036 | 1,641,548 | 231,207 |
| Total current liabilities | 116,889,480 | 152,900,901 | 21,535,641 |
| Non-current liabilities | | | |
| Convertible bonds | 1,575,755 | 5,231,523 | 736,845 |
| Lease liabilities | 870,782 | 2,644,260 | 372,436 |
| Deferred tax liabilities | 13,025 | 59,829 | 8,427 |
| Total non-current liabilities | 2,459,562 | 7,935,612 | 1,117,708 |
| Total Liabilities | 119,349,042 | 160,836,513 | 22,653,349 |
| Shareholders' equity | | | |
| Ordinary shares | 170 | 177 | 25 |
| Additional paid-in capital | 99,250,468 | 107,293,091 | 15,111,916 |
| Statutory reserves | 5,000 | 105,982 | 14,927 |
| Accumulated other comprehensive income | 3,322,238 | 4,723,760 | 665,328 |
| Retained earnings | 15,193,035 | 75,118,597 | 10,580,233 |
| Total Shareholders' Equity | 117,770,911 | 187,241,607 | 26,372,429 |
| Total Liabilities and Shareholders' Equity | 237,119,953 | 348,078,120 | 49,025,778 |

PDD HOLDINGS INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Amounts in thousands of RMB and US\$)

| | For the three months ended December 31, | | | For the year ended December 31, | | |
|--|---|---------------------|---------------------|---------------------------------|---------------------|---------------------|
| | 2022 | 2023 | | 2022 | 2023 | |
| | RMB (Unaudited) | RMB (Unaudited) | US\$ (Unaudited) | RMB | RMB (Unaudited) | US\$ (Unaudited) |
| Revenues | 39,820,028 | 88,881,036 | 12,518,632 | 130,557,589 | 247,639,205 | 34,879,253 |
| Costs of revenues | (8,926,705) | (35,078,272) | (4,940,671) | (31,462,298) | (91,723,577) | (12,918,996) |
| Sales and marketing expenses | (17,732,384) | (26,638,524) | (3,751,958) | (54,343,719) | (82,188,870) | (11,576,060) |
| General and administrative expenses | (1,640,527) | (1,904,842) | (268,291) | (3,964,935) | (4,075,622) | (574,039) |
| Research and development expenses | (2,406,677) | (2,864,430) | (403,447) | (10,384,716) | (10,952,374) | (1,542,610) |
| Total operating expenses | (21,779,588) | (31,407,796) | (4,423,696) | (68,693,370) | (97,216,866) | (13,692,709) |
| Operating profit | 9,113,735 | 22,394,968 | 3,154,265 | 30,401,921 | 58,698,762 | 8,267,548 |
| Interest and investment income, net | 1,351,698 | 4,359,384 | 614,006 | 3,997,100 | 10,238,080 | 1,442,003 |
| Interest expenses | (12,221) | (8,155) | (1,149) | (51,655) | (43,987) | (6,195) |
| Foreign exchange (loss)/ gain | (23,819) | (198,819) | (28,003) | (149,710) | 35,721 | 5,031 |
| Other income, net | 168,825 | 328,204 | 46,227 | 2,221,358 | 2,952,579 | 415,862 |
| Profit before income tax and share of results of equity investees | 10,598,218 | 26,875,582 | 3,785,346 | 36,419,014 | 71,881,155 | 10,124,249 |
| Share of results of equity investees | (78,908) | (15,066) | (2,122) | (155,285) | (4,707) | (663) |
| Income tax expenses | (1,065,613) | (3,580,207) | (504,262) | (4,725,667) | (11,849,904) | (1,669,024) |
| Net income | 9,453,697 | 23,280,309 | 3,278,962 | 31,538,062 | 60,026,544 | 8,454,562 |

PDD HOLDINGS INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Amounts in thousands of RMB and US\$, except for per share data)

| | For the three months ended December 31, | | | For the year ended December 31, | | |
|---|---|--------------------|---------------------|---------------------------------|--------------------|---------------------|
| | 2022 | 2023 | | 2022 | 2023 | |
| | RMB (Unaudited) | RMB (Unaudited) | US\$ (Unaudited) | RMB | RMB (Unaudited) | US\$ (Unaudited) |
| Net income | 9,453,697 | 23,280,309 | 3,278,962 | 31,538,062 | 60,026,544 | 8,454,562 |
| Net income attributable to ordinary shareholders | 9,453,697 | 23,280,309 | 3,278,962 | 31,538,062 | 60,026,544 | 8,454,562 |
| Earnings per ordinary share: | | | | | | |
| -Basic | 1.85 | 4.25 | 0.60 | 6.24 | 11.08 | 1.56 |
| -Diluted | 1.63 | 3.96 | 0.56 | 5.48 | 10.29 | 1.45 |
| Earnings per ADS (4 ordinary shares equals 1 ADS): | | | | | | |
| -Basic | 7.42 | 17.00 | 2.39 | 24.94 | 44.33 | 6.24 |
| -Diluted | 6.52 | 15.83 | 2.23 | 21.93 | 41.15 | 5.80 |
| Weighted average number of outstanding ordinary shares (in thousands): | | | | | | |
| -Basic | 5,099,138 | 5,478,111 | 5,478,111 | 5,057,540 | 5,416,106 | 5,416,106 |
| -Diluted | 5,809,212 | 5,882,980 | 5,882,980 | 5,761,291 | 5,839,630 | 5,839,630 |

PDD HOLDINGS INC.
NOTES TO FINANCIAL INFORMATION
(Amounts in thousands of RMB and US\$)

| | For the three months ended December 31, | | | For the year ended December 31, | | |
|--|---|--------------------------|--------------------------|---------------------------------|---------------------------|--------------------------|
| | 2022 | 2023 | | 2022 | 2023 | |
| | RMB (Unaudited) | RMB (Unaudited) | US\$ (Unaudited) | RMB | RMB (Unaudited) | US\$ (Unaudited) |
| Revenues | | | | | | |
| - Online marketing services and others | 31,023,400 | 48,675,618 | 6,855,817 | 102,931,095 | 153,540,553 | 21,625,735 |
| - Transaction services | 8,796,628 | 40,205,418 | 5,662,815 | 27,626,494 | 94,098,652 | 13,253,518 |
| Total | <u>39,820,028</u> | <u>88,881,036</u> | <u>12,518,632</u> | <u>130,557,589</u> | <u>247,639,205</u> | <u>34,879,253</u> |

PDD HOLDINGS INC.
NOTES TO FINANCIAL INFORMATION
(Amounts in thousands of RMB and US\$)

| | For the three months ended December 31, | | | For the year ended December 31, | | |
|---|---|-------------------------|-----------------------|---------------------------------|-------------------------|-----------------------|
| | 2022 | 2023 | | 2022 | 2023 | |
| | RMB (Unaudited) | RMB (Unaudited) | US\$ (Unaudited) | RMB (Unaudited) | RMB (Unaudited) | US\$ (Unaudited) |
| Share-based compensation expenses included in: | | | | | | |
| Costs of revenues | 11,777 | 46,404 | 6,536 | 33,788 | 132,470 | 18,658 |
| Sales and marketing expenses | 535,550 | 411,048 | 57,895 | 2,158,676 | 2,354,097 | 331,568 |
| General and administrative expenses | 1,279,760 | 1,230,358 | 173,292 | 3,004,327 | 2,289,272 | 322,437 |
| Research and development expenses | 659,298 | 497,134 | 70,020 | 2,521,574 | 2,302,955 | 324,364 |
| Total | <u>2,486,385</u> | <u>2,184,944</u> | <u>307,743</u> | <u>7,718,365</u> | <u>7,078,794</u> | <u>997,027</u> |

PDD HOLDINGS INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in thousands of RMB and US\$)

| | For the three months ended December 31, | | | For the year ended December 31, | | |
|--|---|---------------------------|--------------------------|---------------------------------|---------------------------|--------------------------|
| | 2022 | 2023 | | 2022 | 2023 | |
| | RMB (Unaudited) | RMB (Unaudited) | US\$ (Unaudited) | RMB | RMB (Unaudited) | US\$ (Unaudited) |
| Net cash generated from operating activities | 26,550,262 | 36,890,671 | 5,195,942 | 48,507,860 | 94,162,531 | 13,262,515 |
| Net cash used in investing activities | (8,559,916) | (16,470,671) | (2,319,845) | (22,361,670) | (55,431,278) | (7,807,332) |
| Net cash generated from/ (used in) financing activities | 9,510 | (8,968,297) | (1,263,158) | 10,079 | (8,960,626) | (1,262,078) |
| Effect of exchange rate changes on cash, cash equivalents and restricted cash | (109,374) | (1,025,057) | (144,377) | 100,177 | (291,139) | (41,006) |
| Increase in cash, cash equivalents and restricted cash | 17,890,482 | 10,426,646 | 1,468,562 | 26,256,446 | 29,479,488 | 4,152,099 |
| Cash, cash equivalents and restricted cash at beginning of period/ year | 74,409,935 | 111,353,259 | 15,683,779 | 66,043,971 | 92,300,417 | 13,000,242 |
| Cash, cash equivalents and restricted cash at end of period/ year | <u>92,300,417</u> | <u>121,779,905</u> | <u>17,152,341</u> | <u>92,300,417</u> | <u>121,779,905</u> | <u>17,152,341</u> |

PDD HOLDINGS INC.
RECONCILIATION OF NON-GAAP MEASURES TO THE MOST DIRECTLY COMPARABLE GAAP MEASURES
(Amounts in thousands of RMB and US\$, except for per share data)

| | For the three months ended December 31, | | | For the year ended December 31, | | |
|--|---|--------------------------|-------------------------|---------------------------------|--------------------------|-------------------------|
| | 2022 | 2023 | | 2022 | 2023 | |
| | RMB (Unaudited) | RMB (Unaudited) | US\$ (Unaudited) | RMB | RMB (Unaudited) | US\$ (Unaudited) |
| Operating profit | 9,113,735 | 22,394,968 | 3,154,265 | 30,401,921 | 58,698,762 | 8,267,548 |
| Add: Share-based compensation expenses | 2,486,385 | 2,184,944 | 307,743 | 7,718,365 | 7,078,794 | 997,027 |
| Non-GAAP operating profit | <u>11,600,120</u> | <u>24,579,912</u> | <u>3,462,008</u> | <u>38,120,286</u> | <u>65,777,556</u> | <u>9,264,575</u> |
| Net income attributable to ordinary shareholders | 9,453,697 | 23,280,309 | 3,278,962 | 31,538,062 | 60,026,544 | 8,454,562 |
| Add: Share-based compensation expenses | 2,486,385 | 2,184,944 | 307,743 | 7,718,365 | 7,078,794 | 997,027 |
| Add: Interest expenses related to convertible bonds' amortization to face value | 12,221 | 8,155 | 1,149 | 51,655 | 43,987 | 6,195 |
| Add: Loss from fair value change of certain investments | 153,467 | 3,052 | 430 | 221,640 | 749,967 | 105,631 |
| Non-GAAP net income attributable to ordinary shareholders | <u>12,105,770</u> | <u>25,476,460</u> | <u>3,588,284</u> | <u>39,529,722</u> | <u>67,899,292</u> | <u>9,563,415</u> |
| Non-GAAP diluted weighted-average number of ordinary shares outstanding (in thousands) | 5,809,212 | 5,882,980 | 5,882,980 | 5,761,291 | 5,839,630 | 5,839,630 |
| Diluted earnings per ordinary share | 1.63 | 3.96 | 0.56 | 5.48 | 10.29 | 1.45 |
| Add: Non-GAAP adjustments to earnings per ordinary share | 0.45 | 0.37 | 0.04 | 1.38 | 1.34 | 0.19 |
| Non-GAAP diluted earnings per ordinary share | <u>2.08</u> | <u>4.33</u> | <u>0.60</u> | <u>6.86</u> | <u>11.63</u> | <u>1.64</u> |
| Non-GAAP diluted earnings per ADS | <u>8.34</u> | <u>17.32</u> | <u>2.40</u> | <u>27.45</u> | <u>46.51</u> | <u>6.56</u> |