

[Press Release]



Tongcheng Travel Holdings Limited

同程旅行控股有限公司

(Stock Code: 0780.HK)

Tongcheng Travel Sailed Through Pandemic with Strong Base to Embrace Growth

Strong User Base, Diversified Service Offerings and Deepened Penetration to Secure Opportunities from China's Travel Rebound

(21 March 2023 - Hong Kong) – **Tongcheng Travel Holdings Limited** ("Tongcheng Travel" or the "Company", together with its subsidiaries the "Group", stock code: 0780.HK), an innovator and leader in China's online travel industry, today announced its audited consolidated results for the year ended 31 December 2022 (the "period under review" or "FY2022").

In FY2022, Tongcheng Travel recorded a total revenue of approximately RMB6,585 million. The adjusted net profit amounted to approximately RMB646 million, representing an adjusted net margin of 9.8%. In 2022, Tongcheng Travel's number of average monthly active users ("MAUs") and number of average monthly paying users ("MPUs") reached 234 million and 29.7 million, respectively, with an increased paying ratio of 12.7%, while the number of annual paying users ("APUs") was 188 million.

Mr. Ma Heping, Executive Director and CEO of Tongcheng Travel, said, "We are pleased to have sailed through the rough tides during the pandemic which lasted over three years, with last year being the toughest of all due to a myriad of travel restrictions that severely hindered the mobility of people and business. In the past three years, we have expanded our active and paying user base, broadened our service offerings, developed new revenue streams through organic growth and acquisitions, sharpened our technological edge and deepened our presence in lower-tier cities market. These have improved our fundamentals and enhanced our strengths, laying a solid foundation for the Company's strong and sustainable growth going forward."

During the three-year span of the pandemic, the user demands have diversified, and the demand for local and short-haul travel gradually increased. Tongcheng Travel captured opportunities and achieved growth in both business and user amount. Its accommodation reservation business has delivered consecutive year-on-year growth since 2020. In addition, the number of average MAUs and MPUs posted growth in FY2022 as compared to the pre-pandemic period, with paying ratio edging up from 12% to 12.7% over the last three years.

Effectively Acquired Users with Diversified Traffic Channels

Tongcheng Travel maintained stable and effective traffic channels from Weixin mini program through deepening its cooperation with Tencent. Apart from the mini program, Tongcheng Travel kept exploring various scenarios within the Tencent ecosystem during the year to better interact with users and improve brand awareness.

Tongcheng Travel continued to develop its online and offline user acquisition channels to expand user base and further penetrate lower-tier cities market in China. It strengthened the cooperation with various hotels and tourist attractions to enrich its products and services on short-video platforms to provide users with more travel options and convenience. It also teamed up with hotels to acquire users through QR code scanning at hotels and continued to cultivate alternative traffic channels by further exploring public transport options such as metro and intra-city buses.

Reinforced Market Position by Expanding Business Scale

During the period under review, Tongcheng Travel continued to diversify its businesses to build a stronger foothold in the travel industry. Tongcheng Travel reinforced its presence in lower-tier cities by deepening the strategic cooperation with urban and rural bus operators. At the same time, Tongcheng Travel strived to enhance the travel efficiency across different business segments by promoting cross-selling, and enriched its one-stop products and services to better satisfy users' needs during their journeys and increase their stickiness to the Company's platform.

Furthermore, Tongcheng Travel continued advancing its technological capability to transform from Online Travel Agency ("OTA") to Intelligent Travel Assistant ("ITA"), aiming to obtain higher efficiency and contribute to the digitalization of the travel industry. Measures include introducing a self-developed AI system to more customer service scenarios, establishing strategic partnerships with various airports across China, as well as developing and applying comprehensive SaaS solutions, to help more individual, small and medium-sized chain hotels and alternative accommodations raise their operational efficiencies and monetization potential.

ESG Rating Upgraded to AA

With its strong commitment to good governance and social responsibility, Tongcheng Travel's MSCI ESG rating was upgraded from "A" to "AA" in September 2022. In the past year, the Company cooperated with different local governments to promote cultural heritage tourism, and formulated initiatives to give back to the society, such as helping graduates in their job seeking by offering them preferential air tickets and providing privileges to students during the winter break peak season.

Following the relaxation of travel restrictions earlier in 2023, Tongcheng Travel is optimistic about the recovery and sustainable growth of China's travel industry. On top of reinforcing its business fundamentals, it has also initiated a number of acquisitions and expansion to broaden its presence along the industry chain. Such efforts included the establishment of comprehensive accommodation industry platform which offering hotel management, information technology, trade and procurement services, and the acquisition of Tongcheng International Travel Service Co., Ltd. which focuses on leisure travel business, to further achieve greater economies of scale and solidify the market leading first-mover advantage of the Company.

Going forward, Tongcheng Travel will continue to develop its traffic channels with a strong focus on untapped markets such as lower-tier cities and leverage its innovation capabilities to optimize products and services and to capture the opportunities in the post-pandemic era. Tongcheng Travel will also focus on corporate governance, environmental protection, and social responsibility in business operations to generate long-term sustainable value.

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About Tongcheng Travel Holdings Limited (HKSE Stock Code: 0780.HK)

Tongcheng Travel is a one-stop shop for users' travel needs. With the mission "make travel easier and more joyful", Tongcheng Travel offers a comprehensive and innovative selection of products and services covering nearly all aspects of travel, including transportation ticketing, accommodation reservation, tourist attraction ticketing, and products including package tour, self-guided tour and cruise, covering a wide array of transportation and leisure travel scenarios primarily through its online platforms, which comprise its Tencent-based platforms, its proprietary mobile apps, quick apps and other channels.

As a technology-driven company, Tongcheng Travel leverages big data and AI capabilities to better understand the preferences and behaviors of users, thereby offering users customized products and services. Tongcheng Travel has a strategic focus on lower-tier cities in China and seized opportunities there supported by its diversified traffic sources, product innovation capability and flexible operation strategies. Through the in-depth understanding of user experience and advanced technological capabilities, Tongcheng Travel has been revolutionizing what consumers expect from the online travel industry, making the entire travel process more convenient, personalized and enjoyable than ever. Tongcheng Travel aims to develop and apply its advanced technology to transform from an online travel agency to intelligent travel assistant.

For more information, please visit the Group's website at <https://www.tongchengir.com>