

For Immediate Release



Tongcheng Travel Holdings Limited
同程旅行控股有限公司

(Stock Code: 0780.HK)

**Tongcheng Travel Achieves Solid User Growth in First Quarter of 2022
Amid Challenging Operating Environment**

(19 May 2022 - 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 unaudited financial results for the three months ended 31 March 2022 (the "period under review" or "2022 Q1").

Despite strong recovery of the domestic travel industry in the first two months of 2022, the sudden virus outbreaks in first-tier cities and regions since March 2022 has brought severe impact to the travel industry and halted recovery. Tongcheng Travel swiftly adjusted its business strategy in response to the rapidly changing operating environment and implemented stringent cost control measures to maintain resilience. It continued to deliver solid operational results in 2022 Q1. Financial highlights for the first quarter with comparative figures of the previous year are as follows:

- **Revenue increased by 6.5% to RMB1,718.0 million (2021 Q1: RMB1,613.8 million)**
- **Adjusted EBITDA rose 4.4% to RMB438.4 million (2021 Q1: RMB420.0 million)**
- **Adjusted profit for the period amounted to RMB245.0 million (2021 Q1: RMB298.9 million)**

Sustainable user growth was recorded in the first quarter of 2022. Key operational data are as follows:

- **Number of average monthly active users ("MAUs") increased by 4.5% to 244.8 million (2021 Q1: 234.2 million)**
- **Number of average monthly paying users ("MPUs") climbed 16.1% to 31.7 million (2021 Q1: 27.3 million)**
- **Number of paying users ("APUs") rose by 21.4% and reached a new high of 205.6 million (2021 Q1: 169.3 million)**
- **User paying ratio increased to 12.9% (2021 Q1: 11.6%).**

Mr. Ma Heping, Executive Director and CEO of Tongcheng Travel, said, "The first quarter of 2022 was a period of mixed opportunities and challenges as the pandemic continued to disrupt the travel industry in China. Tongcheng Travel reacted swiftly to the market turbulence, maintained flexible operations and continued to deliver stable growth in MAUs and MPUs. Our accommodation business in particular delivered robust growth in the first quarter, posting more than 10% growth in

room nights sold in lower-tier cities, with its absolute amount significantly surpassing the pre-COVID level. In the short run, the adverse impact of the pandemic will continue to exert pressure on the travel industry. We expect to see a shift in consumer travel preference from long-haul travel to first-tier cities to short-haul trips to nearby regions. Tongcheng Travel will leverage its diversified travel resources, leading market position, flexible operational strategy, and advanced technological capabilities to capture opportunities from this change.”

Multi-dimensional Traffic Channels to Boost User Acquisition

During the period under review, Tongcheng Travel continued to expand its traffic channels through multi-dimensional cooperation with Tencent to strengthen its brand exposure and direct users to its mini-program from multiple platforms. It also made use of a popular IP right authorized by Tencent to launch a series of eSports-related online and offline activities to engage the younger generation.

To enhance user experience, Tongcheng Travel improved the user interface of its App and enriched the contents therein. Collaboration with China’s major handset vendors enabled it to provide users with comprehensive products and services through its quick Apps on mobile phones and other mobile devices. Moreover, it worked with location-based apps to boost user acquisition and made use of short-video platforms to increase user engagement.

In view of the enormous potential in the under-penetrated yet rapidly-growing lower-tier cities market, Tongcheng Travel keeps exploring alternative offline user acquisition opportunities to expand its user base. It continued to collaborate with hotels and tourist attractions to acquire offline users. On top of that, it fostered strategic cooperation with urban and rural bus operations and continued to roll out smart ticketing equipment to enhance its offline coverage across the country.

Online and Offline Branding and Marketing Campaigns Strengthened User Engagements

Tongcheng Travel enhanced its brand profile both online and offline. To reach out further to the Z-generation, it appointed a Z-generation actress as its new brand ambassador. It also increased offline advertisement placement in tier-3 and below cities to build a stronger presence to amplify its lower-tier city strategy. In addition, the Group enriched the “campus card” program with added tailor-made products and services for university students. Marketing promotions were launched at universities and vocational schools to enhance interactions and user engagements.

Technology-driven Support to Promote Industry Digitization

With technology innovation at its core, Tongcheng Travel is committed to promoting digitization of the travel industry. It further optimized the Huixing system to provide intelligent travel solutions when the supply of transportation tickets was in shortage during the pandemic and the Spring Festival travel rush. It strengthened cooperation with airports to help them enhance operational efficiencies with its technological innovations. In addition, Tongcheng Travel provided SaaS solutions to more small- and medium-sized hotels in lower-tier cities to help them drive higher operational efficiency. The nationwide rollout of bus ticketing system and smart ticketing machine also contributed to the digitalization of the bus-ticketing sector.

Support to Small Chain Hotels to Weather the Pandemic

As a socially responsible enterprise, Tongcheng Travel endeavors to bring positive influence to society and proactively take part in charitable social activities. It volunteered to utilize its artificial

intelligence automated calling system to help disseminate COVID prevention policy information in Suzhou, Jiangsu Province, China, which greatly enhanced the efficiency of information distribution. To help individual and small chain hotels overcome the difficulties posed by the pandemic, it launched a series of free online professional courses containing industry-specific content. It also cooperated with Tencent and launched a charity activity to help rebuild the village that had suffered from a flooding disaster in Henan Province.

Rebound Anticipated after Temporary Disruption

The travel market is expected to experience volatility in the short term due to the pandemic. However, the travel market is expected to rebound once the pandemic situation becomes stable. The accelerated online penetration rate amid the pandemic has created immense opportunities for OTAs.

Mr. Ma said, “Going forward, we will further penetrate the travel market by leveraging our diversified traffic channels and actively exploring alternative travel resources to enlarge our user base. We will further enhance products and services by utilizing innovation and strengthen our technological capabilities to transform from an OTA to ITA. Moreover, we will seek investment opportunities aligned with our core strategies to propel future growth. Last but not least, we will reinforce corporate governance, environmental protection, and social responsibility in the course of operations to generate sustainable value for our stakeholders and the communities we serve”.

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

Tongcheng Travel (formerly known as Tongcheng-Elong) is an innovator and market leader in China's online travel industry. It was formed out of the merger of Tongcheng and eLong, the leading online travel agencies in China, in 2018. It 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 various ancillary value-added travel products and services designed to meet users' evolving travel needs throughout their trips 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 and 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>