

**Tongcheng Travel Holdings Limited**

同程旅行控股有限公司

(Stock Code: 0780.HK)

**Tongcheng Travel Reports Stable User Growth in 2022 Q3
Amid COVID Resurgence Crosswinds**

(22 November 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 consolidated results for the three months ended 30 September 2022 (the "period under review" or "2022 Q3").

2022 Q3 Results Highlights**Financial :**

- Revenue increased by 5.6% year-to-year to RMB2,048.0 million
- Adjusted EBITDA amounted to RMB462.2 million
- Adjusted net profit amounted to RMB251.7 million, representing an adjusted net margin of 12.3%

Operational:

- Revenue from accommodation reservation services increased by 26.9% year-to-year to RMB818.7 million
- Domestic hotel room nights sold in lower-tier cities increased by 10% year-on-year
- Bus ticketing volume surged by over 100%

User Acquisition:

- Number of average monthly active users ("MAUs") increased by 1.7% to a historical high of 281.5 million
- Number of average monthly paying users ("MPUs") increased by 9.5% year-to-year to a record high of 36.8 million
- Number of annual paying users ("APUs") increased from 196.1 million to 200.5 million when compared to the same period last year

Mr. Ma Heping, Executive Director and CEO of Tongcheng Travel, said, "The China domestic travel industry experienced a high degree of fluctuations in 2022 Q3. Tongcheng Travel reacted swiftly to market changes, maintained business resilience through adjustments in business strategies, cost control measures, and efficiency optimization. We continued to deliver impressive user growth, especially in lower-tier cities, to pave the way for sustainable growth when the outbreaks stabilize."

During the period under review, both average MAUs and average MPUs of the Group reached historical high, with the average MAUs posting a 1.7% increase to 281.5 million and average MPUs increasing by 9.5% year-to-year to 36.8 million. APUs increased by 2.2% year-to-year to 200.5 million. Paying ratio increased to 13.1%. Revenues from the accommodation business also reached record high, while the bus ticketing businesses registered a strong volume growth of over 100%.

Strengthened Brand Recognition Among Younger Generation

During the period under review, Tongcheng Travel continued to explore different scenarios within the Tencent ecosystem to enhance the brand awareness and strengthen interactions with users. It organized several e-Sports events utilizing popular IP rights entitled by Tencent. Moreover, Tongcheng Travel cooperated with Weixin Video Account and launched live-streaming events to strengthen interactions with users. It also cooperated with Shanxi Provincial Department of Culture and Tourism and co-launched a series of “blind box” themed marketing activities to enrich the campus card project and provide university students with more benefits and privileges, in order to increase the brand exposure among the younger generation.

Deepened Penetration in Lower-tier Cities

Tongcheng Travel further solidified its leading position in the China Online Travel Agency (“OTA”) market, striving to seize more opportunities in the under-penetrated lower-tier city market. The Company further penetrated the lower-tier cities leveraging its strategic cooperation with urban and rural bus operators. It also cultivated alternative user acquisition channels by further exploring mobility scenarios and tapping into public transit such as metro and intra-city bus in several cities. As of 30 September 2022, the registered users residing in non-first-tier cities in China accounted for approximately 87.4% of the total registered users. Around 60% of new paying users on the Weixin platform during 2022 Q3 were from tier-3 and below cities in China.

Promoted Industry Digitalization

Tongcheng Travel continued to leverage its technological capability to transform from OTA to ITA (“Intelligent Travel Assistant”). The Company further optimized its Huixing system’s display interface to provide intelligent travel solutions to address the transportation ticketing supply shortage in particular during the pandemic. Moreover, the Company further expanded strategic cooperation with four airports under the China West Airport Group to explore cooperation on digitalization construction, product and service development as well as marketing activities. It also contributed to the digitalization of the bus ticketing industry by deploying the bus ticketing system and smart ticketing equipment nationwide. Tongcheng Travel has further developed the hotel SaaS system, helping more hospitality industry operators to improve their operations and management efficiency by expanding the service scope from independent hotels and small- and medium-sized chain hotels to alternative accommodation.

Achieved Highest ESG Rating Among Hotel and Travel Industry Players

In September 2022, Tongcheng Travel’s MSCI ESG rating was upgraded to “AA”, which is the highest MSCI ESG rating received by global hotel and travel industry players, reflecting the Group’s outstanding improvements in corporate governance and labor management.

During the period under review, the Company utilized its industry resources and worked with Suzhou local government to build a rural resort destination. It also deepened the cooperation with Yan’an and other local governments to promote local produce leveraging its industry expertise and strong traffic to support local economy.

Going forward, Tongcheng Travel will continue to utilize its innovation capabilities to enhance products and services, aiming to transform from OTA to ITA. Concurrently, it will put more emphasis on corporate governance, environmental protection, and social responsibility to generate long-term sustainable value for stakeholders and the communities it serves.

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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 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>