

For Immediate Release



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

(Stock Code: 0780.HK)

**Tongcheng Travel Announces 2022 Interim Results
Maintains Resilience Against Headwinds**

(22 August 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 ("2022 Q2") and the six months ended 30 June 2022 (the "period under review" or "2022 1H"). In the face of unprecedented disruptions and escalating pressure on the travel industry brought about by the COVID-19 spike across the nation, the Group remained resilient, maintained profitability, and outperformed the industry.

Operational highlights for 2022 Q2:

- **Increased market penetration** - accelerated the penetration in lower-tier cities, with approximately 87.1% of registered users from non-first-tier cities. New paying users on Weixin platform from tier-3 or below cities increased by 2.4 percentage points from 59.3% to 61.7% when compared to the same period in 2021.
- **Effective user acquisition initiatives** - number of paying users ("APUs") for the 12 months ended 30 June 2022 rose by 8.0% year-to-year to 197 million.
- **Broadened business coverage** - achieved rapid year-to-year growth in the bus ticketing business and delivered solid performance in the hotel business.
- **Increased internal efficiency and optimized organizational structure** - implemented cost control measures and flexibly adjusted marketing strategies in response to the market changes.

In 2022 Q2, the Group's total revenue amounted to RMB1,319 million. With effective cost control measures and flexible operating strategies, the Group recorded an adjusted net profit of RMB112.0 million. Adjusted net margin stood at 8.5%. Number of average monthly active users ("MAUs") and number of average monthly paying users ("MPUs") amounted to 198 million and 26.1 million, respectively.

In 2022 1H, the Group recorded a total revenue of RMB3,037 million and an adjusted net profit of RMB357.0 million. The adjusted net margin was 11.8%. MAUs and MPUs amounted to 221.2 million and 28.9 million, respectively.

Mr. Ma Heping, Executive Director and CEO of Tongcheng Travel, said, "The travel industry was under intense pressure in 2022 Q2 due to the resurgence of COVID cases. We have swiftly adjusted our business strategies, further extended our reach to lower-tier cities and underpenetrated markets. We also strengthened our cost control and optimized organizational structure to achieve higher operating efficiencies, paving the way to capture future growth associated with travel demand rebound. Looking ahead, while we expect the market to remain volatile in the near term, we are seeing signs

of gradual recovery and are positive about the industry outlook. It is expected that the market growth will be driven by local and short-haul leisure travels, as well as the increase in the number of business trips. Building on our solid market foothold, we are confident about the industry prospects and development outlook of the Company.”

Explored Diversified Service Applications to Enhance Brand Awareness and User Engagement

During the period under review, Tongcheng Travel continued to diversify its service scenarios. Through its Weixin mini program and deepened collaboration with Tencent, Tongcheng Travel maintained stable and effective traffic channels. To reach out to the younger generation, Tongcheng Travel launched a series of e-Sports events in several cities using popular IP rights entitled by Tencent. It also teamed up with Hengdian World Studios and KuGou to organize the Water Music Festival. These initiatives effectively increased the Company’s brand exposure among the younger generation.

In addition, Tongcheng Travel integrated online and offline channels to diversify traffic sources. The Company optimized its App interface and enriched tourism-related content to add value and provide better user experiences, and continued to cooperate with China’s major handset vendors and provided users with one-stop products and services through its quick Apps on mobile devices. It also worked with location-based Apps to expand user acquisition channels. It also embarked on new marketing campaigns. For the first time it marketed its membership program through a popular TV drama on Tencent Video platform. Furthermore, the Company cooperated with the Jiangxi Provincial Department of Culture and Tourism to launch marketing activities that targeted university students.

Consolidated Online and Offline Resources to Tap into Underpenetrated Lower-tier Cities

The Company continued to pursue offline user acquisition to attract users from underpenetrated lower-tier city markets. During the period under review, it launched various effective user acquisition initiatives, such as adding QR code scanning functions at hotels and tourist attractions to direct users to book through its mini-program, and establishing strategic cooperation with urban and rural bus operators to increase nationwide transportation business coverage. In 2022 Q2, Tongcheng Travel’s bus ticketing business achieved rapid year-to-year growth. As of 30 June 2022, the number of registered users residing in non-first-tier cities in China accounted for approximately 87.1% of the total registered users.

Pursued Technology Advancement and Promoted Digitalization of the Industry

Tongcheng Travel continued to develop and apply innovative technology to transform from online travel agency (“OTA”) to intelligent travel assistant (“ITA”). The Company further optimized and utilized the Huixing system to provide intelligent travel solutions, and promoted the digitalization of the travel industry by leveraging its technological innovation and deepened cooperation with upstream suppliers. It also started to cooperate with more airport operators to improve their operational efficiencies. In 2022 Q2, the Company cooperated with Urumqi Airport in Xinjiang and helped the airport develop a mini-program to facilitate passenger flight transit. In addition, it also contributed to the digitalization of the bus ticketing industry through implementing the bus ticketing system and expanding the coverage of smart ticketing equipment nationwide. Tongcheng Travel’s property management system (“PMS”) brands, Zhuzhe, Jintiane, and Yunzhangui continued to provide the PMS system and technical services to domestic individual hotels and small- and medium-sized hotel operators to help them reduce costs and increase efficiency.

Committed to Corporate Social Responsibility

Tongcheng Travel is committed to positively influencing society and proactively participating in social activities. It has implemented various measures to provide support to its partners. During the period under review, the Company initiated an empowerment program to provide wide-ranging free online professional courses for tourism professionals, in order to help them overcome the difficulties caused by the COVID-19 pandemic and the uncertain market situation. In the summer of 2022, Tongcheng Travel, in conjunction with over 100 domestic hotels, launched a charitable campaign called "Tongcheng Service Point" (同程小站), converting hotel lobbies into the service points to provide resting spaces for outdoor workers in hot weather, thereby facilitating more hotels to integrate into the community.

Going forward, the Company will continue to innovate and enhance its products and services, and seek investment opportunities that align with its core strategies to drive business growth. Concurrently, it will put more effort into 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 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>

*Issued by Cornerstones Communications Ltd. on behalf of **Tongcheng Travel Holdings Limited**
For further information, please contact:*

Cornerstones Communications Ltd.

Ms. Harriet Lau / Mr. Kendrick Tsoi

T: +852 2903 9290 / 2903 9211

E: harriet.lau@cornerstonescom.com / kendrick.tsoi@cornerstonescom.com