

[Press Release]



Tongcheng Travel Holdings Limited

同程旅行控股有限公司

(Stock Code: 0780.HK)

Tongcheng Travel Delivers Sustained Growth in 2024 Q1 Robust Travel Demands Drive Strong Growth in Core OTA Businesses

* * *

**Broad User Base with Strong Monetization Capability
International and Diversified Vertical Expansion Foster New Growth Engines**

(21 May 2024 - Hong Kong) – **Tongcheng Travel Holdings Limited** ("Tongcheng Travel" or the "Company", together with its subsidiaries the "Group", stock code: 0780.HK), a leading comprehensive travel platform in China, today announced its unaudited consolidated results for the three months ended 31 March 2024 (the "period under review" or "2024 Q1").

2024 Q1 Highlights With Year-on-year Comparison

Sustained Growth in Revenue and Profit

- Revenue increased by 49.5% to RMB3,866.3 million
- Adjusted EBITDA increased by 12.0% to RMB820.2 million; adjusted EBITDA margin stood at 21.2%
- Adjusted net profit for the period increased by 10.9% to RMB558.5 million; adjusted net margin was 14.4%
- GMV increased by 15.2% to RMB65.9 billion

Penetrating Non-first-tier Markets with User Purchase Frequency on the Rise

- Annual paying users ("APUs") increased by 14.3% to 229.3 million
- Accumulated number of travelers served increased by 57.4% to 1,826.7 million¹
- Over 70% of new paying users on the Weixin platform were from non-first tier cities
- Registered users residing in non-first-tier cities accounted for 87% of the total registered users

Strong Domestic and Outbound Travel Demands Boosted Core Businesses

- Transportation ticketing services revenue increased by 25.6% to RMB1,736.5 million
 - ◆ Domestic and air-ticketing volume grew by 30% and over 260% respectively
- Accommodation reservation services revenue increased by 15.6% to RMB964.7 million
 - ◆ Domestic and international hotel room nights sold grew by 10% and over 150% respectively
- Revenue from others rose by 36.0% to RMB505.2 million²

1. For the 12 months ended 31 March 2024

2. Revenue from others includes revenue from advertising services, membership services, hotel management, attraction ticketing services and ancillary value-added user services.

Diversified Vertical Expansion Foster New Growth Engines

- Revenue from the tourism business (including revenue from offline travel agency related services and operation of tourist parks), amounting to RMB662.9 million, was consolidated following completion of the acquisition of the business at the end of 2023.

Mr. Ma Heping, Executive Director and Chief Executive Officer of Tongcheng Travel, said, “We are pleased to see the sustained growth of the Chinese travel market, with both domestic and outbound travel demand maintaining an upward trajectory. Tongcheng Travel has seized the emerging opportunities to accelerate its development, expanding its market share, and achieving rapid growth. Our international expansion has started to bear fruit and has laid a solid foundation for future development. In addition, the Group has made significant progress in the hotel management and tourism businesses. These new businesses are key to our vertical expansion, complementing our core OTA businesses and creating new growth engines. With the resumption of international flights and the simplification of visa policies by a number of countries, the Group is optimistic about the Chinese travel industry and the outbound travel market.

All-round Service Scenarios, Strong Payment Conversion Capabilities

Tongcheng Travel continued to explore new user acquisition opportunities across both online and offline channels. For online channels, it maintained stable cooperation with Tencent and focused on enhancing operational efficiency within the ecosystem. While continuing to use Weixin mini-programs as a pivotal channel of traffic, it also made solid progress on its proprietary APP, attracting younger users through its innovative and customized marketing activities. At the same time, the Group strengthened cooperation with Alipay to expand its mini-program, enriching traffic sources continuously. As for offline channels, the Group continued to leverage innovative offline public transport initiatives by tapping into the metro systems, taking advantage of the huge commuter traffic to expand its user base.

During the period under review, the Group’s APUs increased by 14.3% year-on-year to 229.3 million, and the accumulated number of travelers served rose by 57.4% to 1.83 billion, which is evident that user purchasing frequency has been on the rise. The number of Black Whale members recorded considerable growth during the first quarter of 2024.

Impressive Growth in Core Businesses of Transportation and Accommodation

During the period under review, thanks to the surge in ticketing volume as well as the enhancement of its value-added products and services, the Group’s revenue from transportation ticketing services increased by 25.6% year-on-year to RMB1,736.5 million, of which the air ticketing business achieved record highs in business volume. During the period under review, the domestic air ticketing volume saw a significant year-on-year increase of 30%, and international air ticketing volume also reported exceptional growth of over 260%, thanks to the effective execution of its international expansion strategy.

The Group’s accommodation business continued to achieve solid results in business volume and revenue. During the period under review, revenue from the accommodation business increased by 15.6% year-on-year to RMB964.7 million. The Group persistently optimized its cross-selling strategy and enhanced efficiency, and explored more hotel stay scenarios, resulting in domestic hotel room nights sold increasing by 10% year-on-year, while international hotel room nights sold surged by over

150% year-on-year.

Delving into the Industry Chain, Hotel Management and Tourism Businesses Emerging as New Growth Engines

The Group is committed to diversifying its business. As an important complement to its core OTA business, the hotel management and tourism businesses ensure the Group's sustainable growth. For the hotel management business, the Group has established a comprehensive portfolio of hotel brands ranging from economy to luxury categories. During the period under review, the Group prioritized geographic expansion across the country, increasing the number of hotels in operation to more than 1,600, in addition, over 800 in the pipeline. As for the tourism business, the Group has developed its own package tour products and acquired Beijing Tongcheng Tourism Investment Group Co., Ltd. (北京同程旅業投資集團有限公司), a leading travel agency group in China which had approximately 500 travel agencies across the country by the end of March 2024. The Group believes these businesses will become new growth engines.

Driving Digital Transformation and Accelerating the Sustainable Development of the Travel Industry

The Group's priority is its users, for whom it ensured a satisfying, seamless and comfortable travel experience. The Group's advanced Huixing system provided accessible and tailored travel solutions, while maximizing the utilization of transport capacity. In terms of customer service, the Group integrated more automated and intelligent features into its customer service operations, significantly improving the user experience and reducing the workload of its customer service officers, thereby increasing the overall efficiency of its service. The Group facilitated the digital transformation and development of transit products for various airports, and collaborated with tourist destinations to augment their digital competencies. In addition, the Group leveraged its comprehensive portfolio of PMS brands to provide Software-as-a-Service (SaaS) solutions to a wide range of individual and chain hotels, as well as alternative accommodation, to enhance their operational efficiency.

Since the beginning of 2024, China's domestic travel market has experienced significant expansion. At the beginning of the second quarter, the sustained travel demand is a testament to travelers' persistent passion for exploration and the continued vitality of the travel industry. Looking ahead, the Chinese government's support for the travel industry will accelerate the growth of tourism spending and drive economic expansion. The Group will focus on enhancing user value and broadening the user base, while continuously refining its products and services to meet and exceed user expectations. It will also expand its international footprint to achieve a more robust global presence. In addition, the Group will improve its industry chain to bolster its hotel management and tourism businesses to support its long-term growth, in a bid to become a leading comprehensive travel platform. Last but not least, the Group will place emphasis on corporate governance, environmental protection, and social responsibility in its operations to create long-term sustainable value for its stakeholders.

-End-

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, including 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>