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## **Tongcheng Travel Holdings Limited**

**同程旅行控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 0780)**

### **ANNOUNCEMENT OF THE RESULTS FOR THE YEAR ENDED DECEMBER 31, 2024**

The Board of the Company is pleased to announce the audited consolidated results of the Group for the year ended December 31, 2024, together with comparative figures for the same periods of 2023.

#### **FOR THE THREE MONTHS ENDED DECEMBER 31, 2024**

- Revenue increased by 34.8% year-to-year to RMB4,237.6 million in the fourth quarter of 2024 from RMB3,144.5 million in the same period of 2023.
- Adjusted EBITDA increased by 39.4% from RMB715.9 million in the fourth quarter of 2023 to RMB997.7 million in the same period of 2024. Adjusted EBITDA margin increased to 23.5% in the fourth quarter of 2024 from 22.8% in the fourth quarter of 2023.
- Adjusted net profit increased by 36.8% from RMB482.5 million in the fourth quarter of 2023 to RMB660.2 million in the fourth quarter of 2024. Adjusted net margin increased from 15.3% in the fourth quarter of 2023 to 15.6% in the fourth quarter of 2024.
- Average MPUs increased by 9.3% year-to-year from 37.5 million in the fourth quarter of 2023 to 41.0 million in the fourth quarter of 2024.

## 1. Key Financial Metrics for the three months ended December 31, 2024

	<b>Unaudited</b>		Year-to-year change
	<b>Three months ended December 31,</b>		
	<b>2024</b>	2023	
	<i>(in RMB'000)</i>		
Revenue	<b>4,237,555</b>	3,144,542	34.8%
Profit before income tax	<b>451,047</b>	385,183	17.1%
Profit for the period	<b>355,446</b>	311,126	14.2%
Adjusted EBITDA	<b>997,667</b>	715,851	39.4%
Adjusted net profit for the period	<b>660,214</b>	482,546	36.8%
Revenue growth (year-to-year)	<b>34.8%</b>	109.6%	
Adjusted EBITDA margin	<b>23.5%</b>	22.8%	
Adjusted net margin	<b>15.6%</b>	15.3%	

Note:

Please refer to “Other Financial Information” below for the meaning of “adjusted EBITDA” and “adjusted net profit for the period”.

## 2. Financial Information by Segment

Starting from the first quarter of 2024, our chief operating decision makers (“CODMs”) started to review information under a new reporting structure, and segment reporting has been updated to conform to this change. We think the new segment disclosure better reflects our business strategies, the development phases of various businesses and the financial performance, and better aligns with our resource allocation. Our updated reportable segments comprise (i) core OTA, which mainly includes the former OTA segment; and (ii) tourism, which mainly comprising offline travel agency related services and the operation of scenic park.

Comparative figures were reclassified to conform to this presentation.

	<b>Unaudited</b>							
	<b>Three months ended December 31,</b>							
	2024				2023			
	<i>(in RMB'000)</i>							
	Core OTA	Tourism	Unallocated items	Total	Core OTA	Tourism	Unallocated items	Total
Accommodation reservation	1,135,076	-	-	1,135,076	882,456	-	-	882,456
Transportation ticketing	1,723,040	-	-	1,723,040	1,472,823	-	-	1,472,823
Others	599,216	780,223	-	1,379,439	521,945	267,318	-	789,263
<b>Total revenue</b>	<b>3,457,332</b>	<b>780,223</b>	<b>-</b>	<b>4,237,555</b>	2,877,224	267,318	-	3,144,542
Cost of revenue, operating expenses and unallocated items	<u>(2,474,677)</u>	<u>(762,004)</u>	<u>(526,536)</u>	<u>(3,763,217)</u>	<u>(2,196,791)</u>	<u>(275,019)</u>	<u>(284,812)</u>	<u>(2,756,622)</u>
<b>Operating profit/(loss)</b>	<b><u>982,655</u></b>	<b><u>18,219</u></b>	<b><u>(526,536)</u></b>	<b><u>474,338</u></b>	<b><u>680,433</u></b>	<b><u>(7,701)</u></b>	<b><u>(284,812)</u></b>	<b><u>387,920</u></b>

Note:

Unallocated items mainly include (i) share-based compensation expenses; (ii) depreciation of property, plant and equipment and right-of use assets from acquisition; (iii) amortization of intangible assets from acquisition; (iv) fair value changes of other financial investments at fair value through profit or loss; (v) other income; (vi) other (losses)/gains net; and (vii) certain corporate administrative expenses and other miscellaneous items. They are not allocated to individual segment.

### 3. Operating Metrics for the three months ended December 31, 2024

	Three months ended December 31,		Year-to-year change
	2024	2023	
GMV (in RMB billion)	54.7	53.5	2.2%
Number of average MPUs (in million)	41.0	37.5	9.3%

#### FOR THE YEAR ENDED DECEMBER 31, 2024

- Revenue increased by 45.8% year-to-year to RMB17,340.7 million in 2024 from RMB11,896.2 million in 2023.
- Adjusted EBITDA increased by 29.7% year-to-year from RMB3,123.9 million in 2023 to RMB4,050.2 million in 2024. Adjusted EBITDA margin decreased from 26.3% in 2023 to 23.4% in 2024.
- Adjusted net profit increased by 26.7% from RMB2,199.1 million in 2023 to RMB2,785.4 million in 2024. Adjusted net margin decreased from 18.5% in 2023 to 16.1% in 2024.
- Average MPUs increased by 4.4% year-to-year from 41.3 million in 2023 to 43.1 million in 2024.
- APUs increased by 1.5% year-to-year from 234.7 million in 2023 to 238.3 million in 2024.
- Twelve-month Accumulated Number of Travelers Served increased 9.3% from 1,764.3 million in 2023 to 1,928.1 million in 2024.

#### 4. Key Financial Metrics for the year ended December 31, 2024

	Year ended December 31,		Year-to-year change
	2024	2023	
	<i>(in RMB'000)</i>		
Revenue	<b>17,340,686</b>	11,896,244	45.8%
Profit before income tax	<b>2,397,826</b>	1,853,689	29.4%
Profit for the year	<b>1,988,266</b>	1,565,563	27.0%
Adjusted EBITDA	<b>4,050,156</b>	3,123,894	29.7%
Adjusted net profit for the year	<b>2,785,403</b>	2,199,101	26.7%
Revenue growth (year-to-year)	<b>45.8%</b>	80.7%	
Adjusted EBITDA margin	<b>23.4%</b>	26.3%	
Adjusted net margin	<b>16.1%</b>	18.5%	

Note:

Please refer to “Other Financial Information” below for the meaning of “adjusted EBITDA” and “adjusted net profit for the year”.

#### 5. Financial Information by Segment

Comparative figures were reclassified to conform to this presentation.

	Year ended December 31,							
	2024				2023			
	Core OTA	Tourism	Unallocated items	Total	Core OTA	Tourism	Unallocated items	Total
	<i>(in RMB'000)</i>							
Accommodation reservation	<b>4,668,179</b>	-	-	<b>4,668,179</b>	3,899,514	-	-	3,899,514
Transportation ticketing	<b>7,229,031</b>	-	-	<b>7,229,031</b>	6,030,047	-	-	6,030,047
Others	<b>2,302,235</b>	<b>3,141,241</b>	-	<b>5,443,476</b>	1,699,365	267,318	-	1,966,683
<b>Total revenue</b>	<b>14,199,445</b>	<b>3,141,241</b>	-	<b>17,340,686</b>	11,628,926	267,318	-	11,896,244
Cost of revenue, operating expenses and unallocated items	<b>(10,384,772)</b>	<b>(3,054,592)</b>	<b>(1,477,824)</b>	<b>(14,917,188)</b>	<b>(8,676,985)</b>	<b>(275,019)</b>	<b>(1,074,875)</b>	<b>(10,026,879)</b>
<b>Operating profit/(loss)</b>	<b>3,814,673</b>	<b>86,649</b>	<b>(1,477,824)</b>	<b>2,423,498</b>	<b>2,951,941</b>	<b>(7,701)</b>	<b>(1,074,875)</b>	<b>1,869,365</b>

## 6. Operating Metrics for the year ended December 31, 2024

	Year ended December 31,		Year-to-year change
	2024	2023	
GMV (in RMB billion)	<b>255.7</b>	241.5	5.9%
Number of average MPUs (in million)	<b>43.1</b>	41.3	4.4%
APUs (in million)	<b>238.3</b>	234.7	1.5%
Twelve-month Accumulated Number of Travelers Served (in million)	<b>1,928.1</b>	1,764.3	9.3%

## **BUSINESS REVIEW AND OUTLOOK**

China's travel industry experienced robust growth throughout 2024, driven by consumers' strong desire for immersive travel experiences and exploration of various destinations. We observed a sustained growth trajectory in travel demand from the beginning of the year, which grew steadily through the second quarter and reached the peak in the third quarter. Despite the fourth quarter traditionally being a slack season, the travel industry exhibited great resilience.

As a leading travel platform in China, we swiftly adapted to market dynamics and implemented effective strategies to capture emerging opportunities. In 2024, we achieved remarkable milestones, with our user base expanding to new heights, and both business volume and revenue setting all-time records. These accomplishments were driven by our continuous efforts to enhance products and services, venture into new markets, as well as proactively elevating user value on our platform. Additionally, we made significant progress in expanding our outbound business and strengthened our global presence during the year. These achievements solidified our position in the market and set the stage for sustainable growth.

### *Results Highlights*

By implementing effective user acquisition and engagement initiatives, we have not only accumulated a large user base but also improved user value. For the three months ended December 31, 2024, our average MPUs increased by 9.3% year-to-year to 41.0 million. On a yearly basis, our MPUs increased by 4.4% year-to-year to 43.1 million. Our APUs increased by 1.5% year-to-year and reached 238.3 million, marking a record high. Our twelve-month Accumulated Number of Travelers Served increased by 9.3% to 1.93 billion, driven by the continuous improvement in user purchase frequency. Building on our core strengths in user acquisition and operational efficiency, we continued to expand our presence in China's mass market. As of December 31, 2024, our registered users residing in non-first tier cities in China accounted for over 87% of the total registered users. For the three months ended December 31, 2024, around 70% of our new paying users on the Weixin platform were from non-first tier cities in China.

We continuously capitalized on the market opportunities and outpaced the market with excellent results. For the fourth quarter of 2024, our total revenue increased by 34.8% year-to-year from RMB3,144.5 million for the same period of 2023 to RMB4,237.6 million. Driven by our enhanced operational efficiency and optimized marketing strategies, our adjusted net profit increased by 36.8% from RMB482.5 million to RMB660.2 million, representing an adjusted net margin of 15.6%. For the year ended December 31, 2024, our total revenue increased by 45.8% year-to-year from RMB11,896.2 million in 2023 to RMB17,340.7 million in 2024. Our adjusted net profit for the year increased by 26.7% from RMB2,199.1 million in 2023 to RMB2,785.4 million in 2024, also reaching a record high. The adjusted net margin stood at 16.1%.

## *Business Review*

We continued to expand our traffic sources through both online and offline channels, with a focus on improving operational efficiency. The Weixin ecosystem remained a vital traffic source for us, and we have effectively established a vast user base across China by leveraging its huge and stable traffic. We continued to refine our operations within the Weixin ecosystem to enhance user interactions. In addition, we have been actively diversifying our traffic sources. Our standalone APP has become increasingly important on a strategic level. Throughout the year, we have increased investments in our standalone APP and launched a variety of customized marketing campaigns to attract new users. As a result, the DAU of our standalone APP grew significantly during the year, more than doubling that of last year. Furthermore, we have recognized the potential power of social media platforms and have been actively leveraging this trend to enhance user engagement.

Our platform serves as a one-stop shop that provide travelers with an extensive array of products and services to address their diverse needs throughout their journeys. As of December 31, 2024, our online platforms offered around 460,000 routes operated by more than 740 airlines and agencies, approximately 3.9 million hotel selections and alternative accommodation options, more than 150,000 bus routes, over 800 ferry routes, and over 10,000 domestic tourist attraction ticketing services.

We place a strong emphasis on user value and have strategically invested in our user loyalty program. We offered premium members a range of tailored benefits, including price protection, free cancellation, access to VIP lounges, and priority customer service. Meanwhile, our Black Whale members were granted access to exclusive travel perks associated with social events, such as concerts and music festival. These initiatives have not only enhanced customer satisfaction but also fostered brand loyalty, hence increasing user value. Additionally, we continuously optimized our cross-selling strategy to increase revenue generation across multiple business units.

As we seek to expand our international presence and become a key market player, we continued to leverage our large user base to grow our outbound travel business. In 2024, we seized the opportunity presented by the recovery of demand in the outbound travel market and proactively enriched our product and service offerings by forging closer partnerships with travel service providers. Meanwhile, we adopted dynamic marketing strategies to engage with our users. As a result, our outbound business achieved terrific growth in the past year, further elevating our market share.

Our core OTA business demonstrated remarkable growth. For the fourth quarter of 2024, our revenue from transportation ticketing services increased by 17.0% year-to-year from RMB1,472.8 million to RMB1,723.0 million. For the year ended December 31, 2024, our revenue from transportation ticketing services increased by 19.9% year-to-year from RMB6,030.0 million to RMB7,229.0 million. The growth was mainly driven by the increase in ticketing volume and the enhancement in value-added products and services. Our air ticketing business continued to gain market share throughout the year, registering solid growth in volume that surpassed the overall industry growth. In particular, our international air ticketing business continued its rapid expansion, fueled by a competitive pricing approach and aggressive marketing efforts. Consequently, our international air ticket volume for the year recorded a remarkable growth rate of over 130% year-to-year. In addition, our train ticketing business delivered decent revenue growth, supported by ongoing efforts to improve monetization through optimizations of our intelligent Huixing system. The Huixing system offers practical and accessible travel solutions, which improves user experience and enhances user value on our platform.



Our accommodation business also experienced strong growth. For the fourth quarter of 2024, our revenue from the accommodation business increased by 28.6% year-to-year from RMB882.5 million to RMB1,135.1 million. This momentum carried through the year, and we achieved record highs in both room nights sold and revenue for the year ended December 31, 2024, with revenue growing by 19.7% year-to-year from RMB3,899.5 million to RMB4,668.2 million. During the year, we persisted our efforts to increase penetration in the mass market in China amid the resilient demand. We are committed to delivering the best value-for-money products and services to our users. We strengthened our partnership with suppliers and collaborated to offer users with differentiated products and services, thereby enhancing our product competitiveness. We also continued to implement our cross-selling strategy, further diverting traffic from our transportation business to our accommodation business. Moreover, our international accommodation business experienced robust growth, with room nights sold registering a year-to-year increase of over 110% for the full year.

Our other business segment once again delivered a solid performance. Thanks to the robust growth of our hotel management and online packaged tour business in the fourth quarter, revenue from other business reached RMB599.2 million for the three months ended December 31, 2024, representing an increase of 14.8% year-to-year. For the year ended December 31, 2024, revenue from other business increased by 35.5% year-to-year and reached RMB2,302.2 million. As one of our key industry chain initiatives, our hotel management business has continued its growth momentum. By the end of December 2024, the number of hotels in operation under our management has risen to nearly 2,300, with approximately 1,400 hotels in the pipeline.

Beyond our core OTA operations, we also expanded into the broader travel industry to explore growth opportunities. Our tourism business generated revenue of RMB780.2 million in the fourth quarter and RMB3,141.2 million for the full year, benefiting from the steady industry recovery and our efforts to capitalize on market opportunities.

We are committed to fostering high-quality development within the travel industry by empowering our industry partners and enhancing user experiences. In the fourth quarter of 2024, we partnered with the Eastern Airport Group to help them implement targeted marketing strategies to attract traffic. We also joined hands with a number of airports in Western China region to conduct joint marketing campaigns centered around a popular game, aiming at promoting the travel routes featured within the game and boosting local tourism development.

As a technology-oriented company, we strategically incorporated emerging technologies to enhance operational efficiency and elevate user experiences. We have implemented an AI-driven customer service system to streamline workflows and reduce workloads for our staff. Additionally, we have equipped our employees with DeepSeek and other generative AI agents so as to enhance their productivity at work. Additionally, we have self-developed Chengxin (程心), a proprietary generative AI system focusing on tourism, which helps users create personalized travel itineraries and comparing accommodation options based on their preferences. Through Chengxin, we have also developed digital assistants for several tourist destinations, providing personalized recommendations and facilitating seamless interaction with tourists. Moreover, Chengxin has been integrated into multiple external generative AI platforms and mobile devices to expand our user reach.



In pursuit of the best-in-class ESG practices globally, we have made significant progress in enhancing our ESG performance over the past few years. In recognition of our outstanding ESG performance, we received an “AA” rating for our MSCI ESG rating for the third consecutive year in 2024. Additionally, we were included in S&P Global Sustainability Yearbook (China) for the second consecutive year. Moving forward, we will continue to enhance our ESG performance by aligning with higher international standards, striving to generate greater value for society and our stakeholders.

### *Business Outlook and Strategies*

Throughout 2024, China’s travel industry exhibited strong growth and sustained its upward trajectory. This positive momentum has carried into 2025, as evidenced by the notable travel demand during the Chinese New Year travel rush, highlighting the industry’s ongoing expansion and vitality.

We maintain an optimistic outlook on the growth potential of China’s travel industry. We have observed a clear trend toward diversification and personalization. Consumers are increasingly seeking unique and authentic experiences that go beyond traditional tourist attractions, driving the creation of more diverse travel scenarios. At the same time, the Chinese government has introduced a series of supportive policies to expand the supply of travel products and enrich consumption experiences, aligning with the goal of establishing the travel industry as a key pillar of the national economy. Moreover, we are confident about the growth potential of China’s outbound travel, mainly driven by expansion of international flight capacity, relaxed visa policies, and evolving travel preferences shaped by generational changes.

Going forward, we will leverage our core strengths to foster enduring expansion. We are committed to strengthening our core OTA business by enriching our product and service offerings and delivering greater value to our users. At the same time, we will prioritize the expansion of our outbound business to seize emerging opportunities and bolster our global footprint. Besides, we will continue to advance our hotel management and packaged tour businesses to strengthen our influence and competitive edge within the industry. Furthermore, we will actively seek strategic investments that align with our long-term goals to fuel the Company’s growth trajectory. Last but not least, we will emphasize corporate governance, environmental protection, and social responsibility in our operations to generate long-term value for our stakeholders.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Year ended December 31, 2024 compared to Year ended December 31, 2023

	<b>Year ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
Revenue	<b>17,340,686</b>	11,896,244
Cost of revenue	<b>(6,227,199)</b>	(3,158,033)
<b>Gross profit</b>	<b>11,113,487</b>	8,738,211
Service development expenses	<b>(2,000,894)</b>	(1,820,569)
Selling and marketing expenses	<b>(5,620,710)</b>	(4,472,815)
Administrative expenses	<b>(1,206,179)</b>	(711,194)
Net reversal of/(provision for) impairment loss on financial assets	<b>17,791</b>	(17,482)
Fair value changes on investments measured at fair value through profit or loss	<b>27,001</b>	(32,493)
Other income	<b>104,257</b>	122,783
Other (losses)/gains – net	<b>(11,255)</b>	62,924
<b>Operating profit</b>	<b>2,423,498</b>	1,869,365
Finance income	<b>194,624</b>	174,776
Finance costs	<b>(230,895)</b>	(157,050)
Share of results of associates	<b>10,599</b>	(33,402)
<b>Profit before income tax</b>	<b>2,397,826</b>	1,853,689
Income tax expense	<b>(409,560)</b>	(288,126)
<b>Profit for the year</b>	<b><u>1,988,266</u></b>	<b><u>1,565,563</u></b>
Profit attributable to:		
Equity holders of the Company	<b>1,974,356</b>	1,554,131
Non-controlling interests	<b>13,910</b>	11,432
	<b><u>1,988,266</u></b>	<b><u>1,565,563</u></b>
Adjusted net profit for the year <sup>(a)</sup>	<b><u>2,785,403</u></b>	<b><u>2,199,101</u></b>

Note:

- (a) Please see “Other Financial Information – Non-IFRS Financial Measures” below for more information about “adjusted net profit for the year”.

## Revenue

Our revenue was generated from (i) the core OTA business, which mainly encompasses online accommodation reservations and transportation ticketing services; and (ii) the tourism business, which mainly includes offline travel agency operations. These two segments collectively represent the core sources of our financial performance.

	Year ended December 31,		Year-to-year change
	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>	
<b>Core OTA</b>			
Accommodation reservation services	<b>4,668,179</b>	3,899,514	19.7%
Transportation ticketing services	<b>7,229,031</b>	6,030,047	19.9%
Others	<b>2,302,235</b>	1,699,365	35.5%
	<b>14,199,445</b>	11,628,926	22.1%
<b>Tourism</b>	<b>3,141,241</b>	267,318	1075%
<b>Total revenue</b>	<b>17,340,686</b>	<b>11,896,244</b>	45.8%

Revenue increased by 45.8% from RMB11,896.2 million for the year ended December 31, 2023 to RMB17,340.7 million for the year ended December 31, 2024.

### Core OTA

The core OTA revenue was generated primarily from accommodation reservation services and transportation ticketing services, and was increased by 22.1% from RMB11,628.9 million for the year ended December 31, 2023 to RMB14,199.4 million for the year ended December 31, 2024.

Revenue from accommodation reservation services increased by 19.7% from RMB3,899.5 million for the year ended December 31, 2023 to RMB4,668.2 million in the same period of 2024. It was mainly due to (i) the increased demand of accommodation reservation services; and (ii) cross-selling strategies that we further enhanced.

Revenue from transportation ticketing services increased by 19.9% from RMB6,030.0 million for the year ended December 31, 2023 to RMB7,229.0 million for the year ended December 31, 2024, which was mainly due to the increase in demand in transportation ticketing services and value-added product and services we provided.

Revenue from others increased by 35.5% to RMB2,302.2 million for the year ended December 31, 2024 from RMB1,699.4 million for the year ended December 31, 2023, which was mainly due to increase in (i) hotel management services; (ii) online tourism services; and (iii) advertising services.

### *Tourism*

Tourism revenue mainly represents revenue from offline travel agency related services and the operation of scenic park, the businesses we acquired in late 2023 further expand our supply chain of the travel industry. Revenue for the year ended December 2023 only represented revenue after acquisition completed in fourth quarter of 2023.

### *Cost of revenue, operating expense and unallocated items*

The following table sets forth a breakdown of our cost of revenue, operating expense and unallocated items for the years ended December 31, 2024 and 2023:

	<b>Year ended December 31,</b>			
	<b>2024</b>		<b>2023</b>	
	<b>RMB'000</b>		<b>RMB'000</b>	
Cost of revenue	<b>6,227,199</b>	<b>41.7%</b>	3,158,033	31.5%
Service development expenses	<b>2,000,894</b>	<b>13.4%</b>	1,820,569	18.2%
Selling and marketing expenses	<b>5,620,710</b>	<b>37.7%</b>	4,472,815	44.6%
Administrative expenses	<b>1,206,179</b>	<b>8.1%</b>	711,194	7.1%
Net (reversal of)/provision for impairment				
loss on financial assets	<b>(17,791)</b>	<b>(0.1)%</b>	17,482	0.2%
Fair value changes on investments measured				
at fair value through profit or loss	<b>(27,001)</b>	<b>(0.2)%</b>	32,493	0.3%
Other income	<b>(104,257)</b>	<b>(0.7)%</b>	(122,783)	(1.2)%
Other losses/(gains) - net	<b>11,255</b>	<b>0.1%</b>	(62,924)	(0.7)%
<b>Total cost of revenue, operating expenses and unallocated items</b>	<b><u>14,917,188</u></b>	<b><u>100.0%</u></b>	<b><u>10,026,879</u></b>	<b><u>100.0%</u></b>

### *Cost of revenue*

Cost of revenue increased by 97.2% from RMB3,158.0 million for the year ended December 31, 2023 to RMB6,227.2 million for the year ended December 31, 2024. The increase was mainly due to the increase in (i) the cost of travel products of tourism services, in which the Group act as a principal; (ii) employee benefits driven by the increased number of our user services and TSP services employees; (iii) procurement cost of membership services and value-added user services; and (iv) order payment and settlement costs, as a result of increased GMV. Excluding share-based compensation charges, cost of revenue accounted for 35.8% of revenue for the year ended December 31, 2024, which increased from 26.5% for the year ended December 31, 2023.

### *Service development expenses*

Service development expenses increased by 9.9% from RMB1,820.6 million for the year ended December 31, 2023 to RMB2,000.9 million for the year ended December 31, 2024. The increase was mainly due to the increased number of IT employees and relevant increased employee benefits. Excluding share-based compensation charges, service development expenses accounted for 11.0% of revenue for the year ended December 31, 2024, which decreased from 14.7% for the year ended December 31, 2023.

### *Selling and marketing expenses*

Selling and marketing expenses increased by 25.7% from RMB4,472.8 million for the year ended December 31, 2023 to RMB5,620.7 million for the year ended December 31, 2024, which was mainly due to: (i) the increase in advertising and promotion expenses; and (ii) the increase in employee benefit expenses due to the increased number of sales employees. Excluding share-based compensation charges, selling and marketing expenses accounted for 32.2% of revenue for the year ended December 31, 2024 compared with 37.3% for the year ended December 31, 2023.

### *Administrative expenses*

Administrative expenses increased by 69.6% to RMB1,206.2 million for the year ended December 31, 2024 from RMB711.2 million for the year ended December 31, 2023. The increase was mainly due to (i) the increase in employee benefit expenses due to the increased number of administrative employees; and (ii) a non-recurring reversal of a provision for reorganization was recognised for the year ended December 31 2023, there was no such reversal for the year December 31 2024. Excluding share-based compensation charges, administrative expenses accounted for 5.4% of revenue for the year ended December 31, 2024, which increased from 4.1% for the year ended December 31, 2023.

### *Net reversal of/(provision for) impairment loss on financial assets*

We recorded net reversal for impairment loss on financial assets of RMB17.8 million for the year ended December 31, 2024 and net provision for impairment loss on financial assets of RMB17.5 million for the year ended December 31, 2023, respectively. This was mainly due to the decrease in expected credit losses on trade and other receivables.

### *Fair value changes on investments measured at fair value through profit or loss*

We recorded fair value gain on investments measured at fair value through profit or loss of RMB27.0 million for the year ended December 31, 2024, which mainly arose from the fair value gains recognized in wealth management products, being offset by the fair value losses on investments in certain public and private companies. For the year ended December 31, 2023, fair value losses of RMB32.5 was recorded.

### *Other income*

Other income decreased from RMB122.8 million for the year ended December 31, 2023 to RMB104.3 million for the year ended December 31, 2024. The decrease primarily reflected the decrease in government subsidies received.

### *Other (losses)/gains – net*

We recorded net other losses of RMB11.3 million for the year ended December 31, 2024 and net other gains of RMB62.9 million for the year ended December 31, 2023, respectively. The decrease was primarily due to (i) the increase in foreign exchange loss; and (ii) the decrease in investment income from time deposit.

### *Income tax expense*

We recorded an income tax expense of RMB409.6 million and RMB288.1 million for the years ended December 31, 2024 and 2023, respectively. The increase in income tax expense was primarily due to the increased current income tax charge for the year ended December 31, 2024.

### *Profit attributable to equity holders of the Company*

As a result of the foregoing, profit attributable to equity holders of the Company increased from RMB1,554.1 million for the year ended December 31, 2023 to RMB1,974.4 million for the year ended December 31, 2024.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Fourth Quarter of 2024 compared to Fourth Quarter of 2023

	<b>Unaudited</b>	
	<b>Three months ended</b>	
	<b>December 31,</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Revenue	<b>4,237,555</b>	3,144,542
Cost of revenue	<b>(1,547,872)</b>	(969,739)
<b>Gross profit</b>	<b>2,689,683</b>	2,174,803
Service development expenses	<b>(514,766)</b>	(515,273)
Selling and marketing expenses	<b>(1,283,228)</b>	(1,127,174)
Administrative expenses	<b>(340,938)</b>	(114,751)
Net reversal for impairment loss on financial assets	<b>1,711</b>	2,308
Fair value changes on investments measured at fair value through profit or loss	<b>(73,612)</b>	(107,476)
Other income	<b>25,013</b>	32,391
Other (losses)/gains – net	<b>(29,525)</b>	43,092
<b>Operating profit</b>	<b>474,338</b>	387,920
Finance income	<b>44,953</b>	49,397
Finance costs	<b>(76,358)</b>	(34,951)
Share of results of associates	<b>8,114</b>	(17,183)
<b>Profit before income tax</b>	<b>451,047</b>	385,183
Income tax expense	<b>(95,601)</b>	(74,057)
<b>Profit for the period</b>	<b>355,446</b>	311,126
Profit attributable to:		
Equity holders of the Company	<b>350,850</b>	310,101
Non-controlling interests	<b>4,596</b>	1,025
	<b>355,446</b>	311,126
Adjusted net profit for the period <sup>(a)</sup>	<b>660,214</b>	482,546

Note:

- (a) Please see “Other Financial Information – Non-IFRS Financial Measures” below for more information about “adjusted net profit for the period”.



## Revenue

Our revenue was generated from (i) the core OTA business, which mainly encompasses online accommodation reservations and transportation ticketing services; and (ii) the tourism business, which mainly includes offline travel agency operations. These two segments collectively represent the core sources of our financial performance.

	Unaudited Three months ended December 31,		Year-to-year change
	2024 RMB'000	2023 RMB'000	
<b>Core OTA</b>			
Accommodation reservation services	1,135,076	882,456	28.6%
Transportation ticketing services	1,723,040	1,472,823	17.0%
Others	599,216	521,945	14.8%
	<b>3,457,332</b>	2,877,224	20.2%
<b>Tourism</b>	<b>780,223</b>	267,318	191.9%
<b>Total revenue</b>	<b>4,237,555</b>	<b>3,144,542</b>	34.8%

Revenue increased by 34.8% from RMB3,144.5 million for the three months ended December 31, 2023 to RMB4,237.6 million for the three months ended December 31, 2024.

### Core OTA

The core OTA revenue was generated primarily from accommodation reservation services and transportation ticketing services, and was increased by 20.2% from RMB2,877.2 million for the three months ended December 31, 2023 to RMB3,457.3 million for the three months ended December 31, 2024.

Revenue from accommodation reservation services increased by 28.6% from RMB882.5 million for the three months ended December 31, 2023 to RMB1,135.1 million in the same period of 2024. The increase was mainly due to increased demand of accommodation reservation services and various accommodation products we offered.

Revenue from transportation ticketing services increased by 17.0% from RMB1,472.8 million for the three months ended December 31, 2023 to RMB1,723.0 million for the three months ended December 31, 2024, which was mainly due to the increase in demand in transportation ticketing services and value-added product and services we provided.

Revenue from others increased by 14.8% to RMB599.2 million for the three months ended December 31, 2024 from RMB521.9 million for the three months ended December 31, 2023, which was mainly due to increase in (i) hotel management services; and (ii) online tourism services.

### *Tourism*

Tourism revenue mainly represents revenue from offline travel agency related services and the operation of scenic park, the businesses we acquired in late 2023 further expand our supply chain of the travel industry.

### ***Cost of revenue, operating expenses and unallocated items***

The following table sets forth a breakdown of our cost of revenue, operating expenses and unallocated items in for the three months ended December 31, 2024 and 2023:

	<b>Unaudited</b>			
	<b>Three months ended</b>			
	<b>December 31,</b>			
	<b>2024</b>		<b>2023</b>	
	<b>RMB'000</b>		<b>RMB'000</b>	
Cost of revenue	<b>1,547,872</b>	<b>41.1%</b>	969,739	35.2%
Service development expenses	<b>514,766</b>	<b>13.7%</b>	515,273	18.7%
Selling and marketing expenses	<b>1,283,228</b>	<b>34.1%</b>	1,127,174	40.9%
Administrative expenses	<b>340,938</b>	<b>9.1%</b>	114,751	4.2%
Net reversal for impairment loss on financial assets	<b>(1,711)</b>	<b>0.0%</b>	(2,308)	(0.1)%
Fair value changes on investments measured at fair value through profit or loss	<b>73,612</b>	<b>2.0%</b>	107,476	3.9%
Other income	<b>(25,013)</b>	<b>(0.7)%</b>	(32,391)	(1.2)%
Other losses/(gains) - net	<b>29,525</b>	<b>0.7%</b>	(43,092)	(1.6)%
<b>Total cost of revenue, operating expenses and unallocated items</b>	<b><u>3,763,217</u></b>	<b><u>100.0%</u></b>	<b><u>2,756,622</u></b>	<b><u>100.0%</u></b>

### *Cost of revenue*

Cost of revenue increased by 59.6% from RMB969.7 million for the three months ended December 31, 2023 to RMB1,547.9 million for the three months ended December 31, 2024. The increase was mainly due to the increase in: (i) the cost of travel products of tourism services, in which the Group act as a principal; (ii) the procurement cost of hotel management services and value-added user services; and (iii) employee benefits driven by the increased number of our user services and TSP services employees. Excluding share-based compensation charges, cost of revenue accounted for 36.5% of revenue for the three months ended December 31, 2024, compared with 30.7% for the same period of 2023.

### *Service development expenses*

Service development expenses remained flattened at RMB514.8 million for the three months ended December 31, 2024, comparing to RMB515.3 million for the three months ended December 31, 2023. Excluding share-based compensation charges, service development expenses accounted for 12.0% of revenue for the three months ended December 31, 2024, compared with 15.5% for the same period of 2023.

### *Selling and marketing expenses*

Selling and marketing expenses increased by 13.8% from RMB1,127.2 million for the three months ended December 31, 2023 to RMB1,283.2 million for the three months ended December 31, 2024. The increase was mainly due to (i) the increased employee benefits due to the increased numbers of sales employees; (ii) the increase in advertising and promotion expenses; and (iii) the increase in agency commission expenses. Excluding share-based compensation charges, selling and marketing expenses accounted for 30.2% of revenue for the three months ended December 31, 2024 compared with 35.4% for the same period of 2023.

### *Administrative expenses*

Administrative expenses increased from RMB114.8 million for the three months ended December 31, 2023 to RMB340.9 million for the three months ended December 31, 2024. A non-recurring reversal of a provision for reorganization was recognised for the three months ended December 31, 2023, there was no such reversal for the three months ended December 31, 2024. Employee benefit expenses were increased due to increased number of administrative employees. Excluding share-based compensation charges, administrative expenses accounted for 6.6% of revenue for the three months ended December 31, 2024, which increased from 1.4% for the same period of 2023.

### *Net reversal for impairment loss on financial assets*

We recorded net reversal for impairment loss on financial assets of RMB1.7 million and RMB2.3 million for the three months ended December 31, 2024 and 2023, respectively. It was mainly due to the decrease in expected credit losses on trade and other receivables.

### *Fair value changes on investments measured at fair value through profit or loss*

We recorded fair value losses on investments measured at fair value through profit or loss of RMB73.6 million and RMB107.5 million for the three months ended December 31, 2024 and 2023, respectively. The decrease was mainly due to less fair value loss on wealth management products was recognized.

### *Other income*

We recorded other income of RMB25.0 million for the three months ended December 31, 2024, compared with RMB32.4 million for the three months ended December 31, 2023. The decrease was mainly due to less government subsidies received.

### *Other (losses)/gains – net*

We recorded net other losses of RMB29.5 million for the three months ended December 31, 2024 and net other gains of RMB43.1 million for the three months ended December 31, 2023. It was mainly due to (i) the increase in foreign exchange losses; (ii) less gains on time deposits; and (iii) partially offset by gains on derivative financial instruments and disposal of certain public investment.

### *Income tax expense*

We recorded income tax expense of RMB95.6 million and RMB74.1 million for the three months ended December 31, 2024 and 2023, respectively. The increase in income tax expense was primarily due to the impact of the increased taxable income for the three months ended December 31, 2024.

### *Profit attributable to equity holders of the Company*

As a result of the foregoing, profit attributable to equity holders of the Company increased from RMB310.1 million for the three months ended December 31, 2023 to RMB350.9 million for the three months ended December 31, 2024.

## **OTHER FINANCIAL INFORMATION**

### **Non-IFRS Financial Measures**

To supplement our consolidated results, which are presented in accordance with IFRS, we also use certain non-IFRS measures, namely adjusted EBITDA and adjusted net profit for the period/year, as additional financial metrics. These non-IFRS financial measures are not required by or presented in accordance with IFRS.

Adjusted EBITDA is defined as operating profit adjusted for (i) share-based compensation; (ii) amortization of intangible assets; (iii) depreciation of property, plant and equipment, and right-of-use assets; (iv) foreign exchange loss/(gain); (v) net losses/(gains) on investees; and (vi) others, including acquisition-related cost and net gain on foreign currency financial instruments, and other miscellaneous one-off items. Adjusted net profit for the period/year is defined as profit for the period/year adjusted for (i) share-based compensation; (ii) amortization of acquired intangible assets; (iii) foreign exchange loss/(gain); (iv) net loss/(gains) on investees; and (v) others, including acquisition-related cost, net gain on foreign currency financial instruments, depreciation of property, plant and equipment and right-of-use assets from acquisition, and other miscellaneous one-off items.

The above items are excluded from our adjusted EBITDA and adjusted net profit for the period/year measures because these items are either non-cash in nature, or are not driven by core operations which render comparisons with prior periods/years and competitors less meaningful. We believe the adjusted EBITDA and adjusted net profit for the period/year are useful measures for the analysts and investors as basis for evaluation of our future on-going operating performance as these measures allow more meaningful comparison of our performance and projected cash earnings with our historical results from prior periods/years and to the results of our competitors. Moreover, management uses these measures internally to evaluate the performance of our business as a whole. However, our presentation of such non-IFRS measures may not be comparable to similarly titled measures presented by other companies. The use of these non-IFRS measures has limitations as an analytical tool, and you should not consider it in isolation from, or as substitute for analysis of, our results of operations or financial condition as reported under IFRS.

**a. Reconciliation of adjusted EBITDA from operating profit**

The following table reconciles adjusted EBITDA from operating profit, its most directly comparable financial measure calculated and presented in accordance with IFRS presented:

	Three months ended		Year ended	
	December 31,		December 31,	
	2024	2023	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Operating profit</b>				
Add/(less):	<b>474,338</b>	387,920	<b>2,423,498</b>	1,869,365
Share-based compensation, gross <sup>(a)</sup>	<b>73,624</b>	116,623	<b>408,329</b>	348,136
Amortization of intangible assets	<b>194,174</b>	172,779	<b>726,786</b>	678,616
Depreciation of property, plant and equipment and right-of-use assets	<b>96,320</b>	70,193	<b>355,820</b>	232,141
Foreign exchange loss/(gain) <sup>(b)</sup>	<b>86,147</b>	(24,691)	<b>96,128</b>	66,767
Net losses/(gains) on investees <sup>(c)</sup>	<b>41,996</b>	(9,529)	<b>915</b>	(36,834)
Others	<b>31,068</b>	2,556	<b>38,680</b>	(34,297)
<b>Adjusted EBITDA</b>	<b><u>997,667</u></b>	<b><u>715,851</u></b>	<b><u>4,050,156</u></b>	<b><u>3,123,894</u></b>

Notes:

- (a) Represents gross expense related to equity-settled share-based payment transactions. This is a non-cash item and the value is determined by valuation techniques involving a few parameters out of the management's control such as macro economy index and retention rate of grantees.
- (b) Represents foreign exchange loss/(gain) which is the result of macro-economic factors and can vary significantly from one period to the next.
- (c) Include dividend income, fair value changes on equity investments, and losses/(gains) on disposal of investees.

**b. Reconciliation of adjusted net profit for the period/year from profit for the period/year**

The following table reconciles our adjusted net profit for the period/year from profit/(loss) for the period/year, its most directly comparable financial measure calculated and presented in accordance with IFRS, for the periods presented:

	<b>Three months ended</b>		<b>Year ended</b>	
	<b>December 31,</b>		<b>December 31,</b>	
	<b>2024</b>	2023	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000	<b>RMB'000</b>	RMB'000
<b>Profit for the period/year</b>				
Add/(less):	<b>355,446</b>	311,126	<b>1,988,266</b>	1,565,563
Share-based compensation, net <sup>(a)</sup>	<b>76,139</b>	132,496	<b>375,282</b>	376,356
Amortization of intangible assets from acquisition <sup>(b)</sup>	<b>64,514</b>	66,345	<b>263,900</b>	254,588
Foreign exchange loss/(gain) <sup>(c)</sup>	<b>86,147</b>	(24,691)	<b>96,128</b>	66,767
Net losses/(gains) on investees <sup>(d)</sup>	<b>41,996</b>	(9,529)	<b>915</b>	(36,834)
Others	<b>35,972</b>	6,799	<b>60,912</b>	(27,339)
<b>Adjusted net profit for the period/year</b>	<b><u>660,214</u></b>	<u>482,546</u>	<b><u>2,785,403</u></b>	<u>2,199,101</u>

Notes:

- (a) Represents expense related to equity-settled share-based payment transactions, net of the tax effect of temporary difference arises between the share-based compensation recognized in profit or loss and the tax deduction to be obtained in the future.
- (b) Represents amortization of intangible assets in relation to business combinations.
- (c) Represents foreign exchange loss/(gain) which is the result of macro-economic factors and can vary significantly from one period to the next.
- (d) Includes dividend income, fair value changes on equity investments, and losses net losses/(gains) on disposal of investees.



**Share-based compensation included in cost of revenue and expense items as follows:**

	<b>Three months ended</b>		<b>Year ended</b>	
	<b>December 31,</b>		<b>December 31,</b>	
	<b>2024</b>	2023	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000	<b>RMB'000</b>	RMB'000
Cost of revenue	<b>1,130</b>	4,157	<b>12,752</b>	10,266
Service development expenses	<b>8,333</b>	28,328	<b>87,388</b>	74,663
Selling and marketing expenses	<b>4,680</b>	14,133	<b>44,559</b>	36,676
Administrative expenses	<b>59,481</b>	70,005	<b>263,630</b>	226,531
<b>Total share-based compensation, gross</b>	<b>73,624</b>	116,623	<b>408,329</b>	348,136
Tax effect of temporary difference	<b>2,515</b>	15,873	<b>(33,047)</b>	28,220
<b>Total share-based compensation, net</b>	<b>76,139</b>	132,496	<b>375,282</b>	376,356

**Liquidity and Financial Resources**

We fund our liquidity needs mainly from (i) the proceeds received from bank borrowings; and (ii) net cash generated from our business operations.

We had cash and cash equivalents of RMB8,020.0 million and RMB5,192.4 million as of December 31, 2024 and 2023, respectively.

The following table sets forth our cash flows for the years indicated:

	<b>Year ended December 31,</b>	
	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000
Net cash generated from operating activities	<b>2,969,875</b>	4,003,442
Net cash used in investing activities	<b>(834,256)</b>	(1,762,217)
Net cash generated from/(used in) financing activities	<b>678,795</b>	(592,227)
<b>Net increase in cash and cash equivalents</b>	<b>2,814,414</b>	1,648,998
Cash and cash equivalents at beginning of the year	<b>5,192,398</b>	3,546,988
Effect of exchange rate changes on cash and cash equivalents	<b>13,151</b>	(3,588)
<b>Cash and cash equivalents at end of the year</b>	<b>8,019,963</b>	5,192,398

### **Net cash generated from operating activities**

For the year ended December 31, 2024, net cash generated from operating activities was RMB2,969.9 million, which was primarily attributable to the profit before income tax of RMB2,397.8 million, as adjusted by (i) amortization of intangible assets of RMB726.8 million, depreciation of property, plant and equipment and right-of-use assets of RMB355.8 million, share-based compensation of RMB408.3 million, net foreign exchange loss of RMB96.1 million, fair value gains on investments measured at fair value through profit or loss of RMB27.0 million, net other gain of RMB46.3 million, and finance cost of RMB230.9 million; and (ii) changes in working capital, which primarily consisted of an increase trade receivable of RMB477.2 million, an increase in trade payables of RMB306.8 million, an increase in prepayment and other receivables of RMB865.7 million, and an increase in accrued expenses and current liabilities of RMB340.1 million. We also paid income tax of RMB435.0 million and received interest income of RMB180.8 million.

### **Net cash used in investing activities**

For the year ended December 31, 2024, net cash used in investing activities was RMB834.3 million, which was primarily attributable to (i) payment for equity investment of RMB1,078.3 million; and (ii) partially offset by net cash received from time deposits and wealth management products of RMB563.7 million.

### **Net cash generated from financing activities**

For the year ended December 31, 2024, net cash generated from financing activities was RMB678.8 million, which was primarily due to (i) net proceed from long-term and short-term borrowings of RMB1,415.3 million; (ii) proceed from exercise of share options of RMB285.2 million. It is partially offset by (i) payment for settlement of long-term payable in respect of intangible assets of RMB578.9 million; (ii) payment of final dividend of RMB311.7 million; and (iii) payment for lease of RMB121.0 million.

### **Gearing Ratio**

As of December 31, 2024, our gearing ratio, calculated as total borrowings and lease liabilities divided by total equity attributable to equity holders of the Company was approximately 25.0%.

### **Pledge of assets**

On January 9, 2024, the Group entered into a loan agreement with the lending bank to borrow RMB410.0 million to provide financing for an acquisition completed in 2023. The loan was secured by pledging 100% of the equity interests of the target company.

## Capital Expenditure

	Year ended December 31,	
	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Purchase of property, plant and equipment, and right-of-use assets	403,157	952,122
Purchase of intangible assets	591,082	550,971
Placement of long-term investments <sup>(a)</sup>	1,078,270	1,721,677
<b>Total capital expenditure</b>	<b>2,072,509</b>	<b>3,224,770</b>

Note:

- (a) Placement of long-term investments represents investments accounted for using the equity method, investments measured at fair value through profit or loss and business combination.

Our capital expenditures primarily include purchase of property and equipment, intangible assets, investments accounted for using the equity method, investments measured at fair value through profit or loss and business combination. We fund our capital expenditure requirements mainly from cash generated from our operations as well as bank borrowings.

## Long-term Investments

	As at December 31,	
	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Investments accounted for using the equity method	1,682,145	1,429,800
Investments measured at fair value through profit or loss	957,238	1,039,294
Investments measured at amortized cost	1,329,289	683,879
<b>Total long-term investments</b>	<b>3,968,672</b>	<b>3,152,973</b>

Our long-term investments as of December 31, 2024 was RMB3,968.7 million, as compared to RMB3,153.0 million as of December 31, 2023. The increase in our investments accounted for using the equity method was caused by more investments in certain private companies and further increased investment in an investment fund that we have significant influences. The decrease in our long-term investments measured at fair value through profit or loss was caused by (i) transfer of investments in certain private companies to investment accounted for using the equity method; and (ii) disposal of certain investment funds that we have no significant influence. Long-term investments measured at fair value through profit or loss also consists of wealth management products with terms of more than one year, denominated in RMB, with expected rates of return at 8.00% per annum for the year ended December 31, 2024. The returns on all of these wealth management products are not guaranteed, hence their contractual cash flow do not qualify for solely payments of principal and interest. Therefore, they are measured at fair value through profit or loss. Investments measured at amortized cost represents investments in term deposits with terms from 2 years to 3 years which bear interests at fixed interest rates ranging from 2.70% to 3.55% per annum, denominated in RMB. As of December 31, 2024 and 2023, total long-term investments as a percentage to the Group's total assets is 10.5% and 9.9%, respectively. We made long-term investments in accordance with our general strategy of investing or acquiring businesses that are supplement and benefit our business. As of December 31, 2024, none of these individual investments is regarded as material. We plan to fund our long-term investments using cash flows generated from our operations.

### Short-term Investments

	<u>As at December 31,</u>	
	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Short-term investments measured at amortized cost	<b>160,639</b>	2,316,753
Short-term investments measured at fair value through profit or loss	<b><u>2,733,033</u></b>	<u>1,631,715</u>
<b>Total short-term investments</b>	<b><u><u>2,893,672</u></u></b>	<u><u>3,948,468</u></u>

Short-term investments measured at amortized cost in 2024 were time deposits within one year with fixed interest rates, denominated in RMB or USD. The investments were held for collection of contractual cash flow and the contractual cash flows of these investments qualify for solely payments of principal and interest, hence they were measured at amortized cost. Short-term investment measured at fair value through profit or loss primarily include wealth management products, denominated in RMB or USD, with expected rates of return ranging from 1.59% to 3.84% per annum for the year ended December 31, 2024. The returns on all of these wealth management products are not guaranteed, hence their contractual cash flows do not qualify for solely payments of principal and interest. Therefore, they are measured at fair value through profit or loss. As of December 31, 2024, and 2023, total short-term investments as a percentage to the Group's total assets is 7.7% and 12.5%, respectively. There is no individual investment having a percentage of over 5% to the Group's total assets. In view of an upside of earning with a more attractive return than current saving or fixed deposit are under the low interest rate trend, as well as the risk nature and the relatively short-term of maturity or flexible redemption terms of those financial products, the Group selected products with strong liquidity, safety feature and reasonable returns issued by reputable banks and licensed financial institutions.

## **Material Acquisition and Disposals**

There were no material acquisitions and disposals of subsidiaries, associates and joint ventures during the year ended December 31, 2024.

## **Foreign Exchange Risk**

Foreign exchange risk arises when future commercial transactions or recognized assets and liabilities are denominated in a currency that is not our functional currency. We manage our foreign exchange risk by performing regular reviews of our net foreign exchange exposures.

Our subsidiaries and Consolidated Affiliated Entities in the PRC operate mainly in the PRC with most of the transactions settled in RMB. There are certain financial assets or liabilities of our Group are denominated in the currencies other than the respective functional currencies of our Group's subsidiaries and Consolidated Affiliated Entities operating in the PRC, and as of December 31, 2024, the Group entered into certain derivative contracts with financial institutions which are used for economic hedging purposes. These derivative contracts are accounted for as financial assets at fair value through profit or loss.

## **Employee**

As of December 31, 2024, we had a total of 10,141 full-time employees. As of the same date, approximately 31.18% and 6.90% of our full-time employees were based in Suzhou and Beijing, respectively, while remaining 61.92% of them were based in the rest of the PRC and overseas.

We primarily recruit our employees through on-campus job fairs, recruitment agencies and online channels, including our corporate websites and social networking platforms. We have adopted robust internal training policies, pursuant to which management, technology and other training is regularly provided to our employees by in-house trainers or third-party consultants. We have also adopted 2018 Share Incentive Plan, 2019 RSU Plan, 2019 Share Option Plan, 2022 RSU Plan, 2022 Share Option Plan and 2024 Share Scheme.

As required by PRC laws, we participate in various statutory employee benefit plans, including social insurance funds, namely a pension contribution plan, a medical insurance plan, an unemployment insurance plan, a work-related injury insurance plan, a maternity insurance plan, and a housing provident fund. We are required under PRC laws to contribute to employee benefit plans at specified percentages of salaries, bonuses and certain allowances of our employees up to a maximum amount specified by the local governments from time to time.

We believe that we maintain good working relationship with our employees and we did not experience any significant labor disputes or any material difficulty in recruiting employees for our operations in the year ended December 31, 2024.

## CONSOLIDATED INCOME STATEMENT

For the year ended December 31, 2024

	Notes	Year ended December 31,	
		2024 RMB'000	2023 RMB'000
Revenue	2	17,340,686	11,896,244
Cost of revenue	3	(6,227,199)	(3,158,033)
<b>Gross profit</b>		<b>11,113,487</b>	<b>8,738,211</b>
Service development expenses	3	(2,000,894)	(1,820,569)
Selling and marketing expenses	3	(5,620,710)	(4,472,815)
Administrative expenses	3	(1,206,179)	(711,194)
Net reversal of/(provision for) impairment loss on financial assets		17,791	(17,482)
Fair value changes on investments measured at fair value through profit or loss	9(e)	27,001	(32,493)
Other income		104,257	122,783
Other (losses)/gains – net	4	(11,255)	62,924
<b>Operating profit</b>		<b>2,423,498</b>	<b>1,869,365</b>
Finance income		194,624	174,776
Finance costs		(230,895)	(157,050)
Share of results of associates		10,599	(33,402)
<b>Profit before income tax</b>		<b>2,397,826</b>	<b>1,853,689</b>
Income tax expense	5	(409,560)	(288,126)
<b>Profit for the year</b>		<b>1,988,266</b>	<b>1,565,563</b>
<b>Profit attributable to:</b>			
– Equity holders of the Company		1,974,356	1,554,131
– Non-controlling interests		13,910	11,432
		<b>1,988,266</b>	<b>1,565,563</b>
<b>Earnings per share (expressed in RMB per share):</b>			
– Basic	6	<b>0.87</b>	<b>0.69</b>
– Diluted	6	<b>0.86</b>	<b>0.68</b>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31, 2024

	Year ended December 31,	
	2024 RMB'000	2023 RMB'000
<b>Profit for the year</b>	<b>1,988,266</b>	1,565,563
<b>Other comprehensive income</b>		
<i>Items that may not be subsequently reclassified to profit or loss:</i>		
– Currency translation differences	<b>13,698</b>	18,658
<i>Items that may be subsequently reclassified to profit or loss:</i>		
– Currency translation differences	<b>3,061</b>	–
<b>Other comprehensive income for the year, net of tax</b>	<b>16,759</b>	18,658
<b>Total comprehensive income for the year</b>	<b>2,005,025</b>	1,584,221
<b>Total comprehensive income for the year attributable to:</b>		
– Equity holders of the Company	<b>1,991,115</b>	1,572,789
– Non-controlling interests	<b>13,910</b>	11,432
	<b>2,005,025</b>	1,584,221



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2024

		As at December 31,	
	Notes	2024 RMB'000	2023 RMB'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		3,146,926	2,495,259
Right-of-use assets		909,400	589,251
Investments accounted for using the equity method	8	1,682,145	1,429,800
Investments measured at fair value through profit or loss	9	957,238	1,039,294
Investments measured at amortized cost	9	1,329,289	683,879
Intangible assets		10,814,078	9,580,301
Deferred income tax assets		213,444	206,209
Prepayment and other receivables	10	475,761	792,970
Other non-current assets		8,354	–
		<b>19,536,635</b>	<b>16,816,963</b>
<b>Current assets</b>			
Trade receivables	11	1,727,587	1,218,288
Prepayment and other receivables	10	5,450,137	4,369,903
Inventories		6,647	997
Derivative financial instrument	12	6,194	24,699
Short-term investments measured at amortized cost	9	160,639	2,316,753
Short-term investments measured at fair value through profit or loss	9	2,733,033	1,631,715
Restricted cash		136,361	144,893
Cash and cash equivalents		8,019,963	5,192,398
		<b>18,240,561</b>	<b>14,899,646</b>
<b>Total assets</b>		<b>37,777,196</b>	<b>31,716,609</b>
<b>EQUITY</b>			
<b>Capital and reserves attributable to equity holders of the Company</b>			
Share capital		8,022	7,765
Share premium		20,761,663	20,115,692
Treasury shares		(123)	–
Other reserves		(2,519,667)	(2,507,888)
Retained earnings		1,751,576	87,142
		<b>20,001,471</b>	<b>17,702,711</b>
<b>Non-controlling interests</b>		<b>960,836</b>	<b>843,578</b>
<b>Total equity</b>		<b>20,962,307</b>	<b>18,546,289</b>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)**

As at December 31, 2024

		<b>As at December 31,</b>	
		<b>2024</b>	<b>2023</b>
	<i>Notes</i>	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	<i>13</i>	<b>2,794,457</b>	10,942
Lease liabilities		<b>680,485</b>	420,464
Other payables		<b>948,433</b>	74,636
Contract liabilities		<b>27,766</b>	32,324
Deferred income tax liabilities		<b>766,613</b>	744,860
		<b>5,217,754</b>	1,283,226
<b>Current liabilities</b>			
Borrowings	<i>13</i>	<b>1,359,289</b>	2,540,095
Trade payable	<i>14</i>	<b>4,467,130</b>	4,130,982
Other payable and accruals		<b>5,154,002</b>	4,939,325
Lease liabilities		<b>174,191</b>	40,736
Contract liabilities		<b>274,307</b>	111,184
Current income taxes liabilities		<b>168,216</b>	124,772
		<b>11,597,135</b>	11,887,094
<b>Total liabilities</b>		<b>16,814,889</b>	13,170,320
<b>Total equity and liabilities</b>		<b>37,777,196</b>	31,716,609

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2024

	Year ended December 31,	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Net cash generated from operating activities	<b>2,969,875</b>	4,003,442
Net cash used in investing activities	<b>(834,256)</b>	(1,762,217)
Net cash generated from/(used in) financing activities	<b>678,795</b>	(592,227)
<b>Net increase in cash and cash equivalents</b>	<b>2,814,414</b>	1,648,998
Cash and cash equivalents at beginning of the year	<b>5,192,398</b>	3,546,988
Effect of exchange rate changes on cash and cash equivalents	<b>13,151</b>	(3,588)
<b>Cash and cash equivalents at end of the year</b>	<b>8,019,963</b>	<b>5,192,398</b>

## NOTES

### 1. Basis of preparation

Tongcheng Travel Holdings Limited (the “Company”) is an exempted company with limited liability incorporated under the laws of the Cayman Islands on January 14, 2016.

The Company’s shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since November 26, 2018.

The Company is an investment holding company. The Company and its subsidiaries (together, the “Group”) are principally engaged in the provision of travel related services, including accommodation reservation services, transportation ticketing services, provision of other travel-related products and services, hotel management services and tourism services, mainly comprising online and offline travel agency related services in the PRC.

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards as issued by International Accounting Standard Board (“IASB”) and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622.

IFRS Accounting Standards comprise the following authoritative literature:

- IFRS Accounting Standards (“IFRS”)
- IAS Standards (“IAS”)
- Interpretations developed by the IFRS Interpretations Committee (“IFRIC interpretations”) or its predecessor body, the Standing Interpretations Committee (“SIC interpretations”).

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities (including derivative instruments) which are carried at fair value.

#### (a) New and amended standards adopted by the Group

The Group has applied the following amendments to accounting standards for the first time for the Group’s financial year beginning on January 1, 2024:

- Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – Amendments to IAS 1;
- Lease Liability in Sale and Leaseback – Amendments to IFRS 16; and
- Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7.

The amendments listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

#### (b) New and amended standards not yet early adopted

Certain new accounting standards and amendments to accounting standards have been published that are not mandatory for December 31, 2024 reporting periods and have not been early adopted by the Group. The Group’s assessment of the key impact of these new standards and amendments is set out below.

- (i) Lack of Exchangeability – Amendments to IAS 21 (effective for annual periods beginning on or after 1 January 2025)

The IASB amended IAS 21 to help entities to determine whether a currency is exchangeable into another currency, and which spot exchange rate to use when it is not. The Group does not expect these amendments to have a material impact on its operations or financial statements.

- (ii) Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after January 1, 2026)

The IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The Group does not expect these amendments to have a material impact on its operations or financial statements.

- (iii) Presentation and Disclosure in Financial Statements – IFRS 18 (effective for annual periods beginning on or after January 1, 2027)

IFRS 18 will replace IAS 1 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

- Although the adoption of IFRS 18 will have no impact on the Group's net profit, the Group expects that grouping items of income and expenses in the income statement into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the Group has performed, the following items might potentially impact operating profit: Foreign exchange differences currently aggregated in the line item "other gains/(losses) – net" in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit. The gain or loss of investments measured at fair value through profit or loss is presented below operating profit.
- The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation. In addition, since goodwill will be required to be separately presented in the statement of financial position, the Group will disaggregate goodwill and other intangible assets and present them separately in the statement of financial position.
- The Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:

- o management-defined performance measures;
  - o a break-down of the nature of expenses for line items presented by function in the operating category of the income statement – this break-down is only required for certain nature expenses; and
  - o for the first annual period of application of IFRS 18, a reconciliation for each line item in the income statement between the restated amounts presented by applying IFRS 18 and the amounts previously presented applying IAS 1.
- From a cash flow statement perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, and hence there may be certain a change from the current presentation as part of operating cash flows.

The Group will apply the new standard from its mandatory effective date of January 1, 2027. Retrospective application is required, and so the comparative information for the financial year ending December 31, 2026 will be restated in accordance with IFRS 18.

## **2. Revenue and segment information**

The Group's business activities, for which discrete financial information is available, are regularly reviewed and evaluated by the CODMs. In prior years, the CODMs reviewed the core operating results when making decisions about allocating resources and assessing performance of the Group as a whole (i.e. one reportable segment).

Starting from January 1, 2024, the Group has set up a new internal reporting structure separating (i) the reporting for the core online travel agency and related businesses; and (ii) the reporting for the offline travel agency and tourism related businesses (which were mainly acquired by the Group on November 30, 2023). Accordingly, the CODMs start to review and evaluate the business performance of these two businesses separately for allocating resources and making strategic decisions. Resulting from this change, the Group has identified two reportable segments, namely (i) core OTA segment, which comprising the core online travel agency and related businesses; and (ii) tourism segment, which comprising the offline travel agency and tourism related businesses. The segment information, including the comparatives, has been presented as below in response to this change.

The CODMs assess the performance of the operating segments mainly based on revenues and operating profit/loss of each operating segment. Thus, segment results would present revenue, cost of revenue and operating expenses, and operating profit/loss for each segment, which is in line with CODMs' performance review. There were no material inter-segment sales during the year ended December 31, 2024 and 2023. Certain unallocated items (primarily with respect to the share-based compensation expenses, amortization of those intangible assets as identified from business combinations, certain corporate administrative expenses, and other miscellaneous items) are not allocated to each segment as they are not directly relevant to the operating results used in the performance measurement and resource allocation by the CODMs.

Both the core OTA and tourism segments operate businesses in the PRC and substantially all of their revenue are generated from customers in the PRC. As at December 31, 2024 and 2023, substantially all of the non-current assets of the Group were located in the PRC. Therefore, no geographical segments are presented.

No analysis of segment assets or segment liabilities is presented as they are not used by the CODMs when making decisions about allocating resources and assessing performance of the Group.

The segment information of reportable segments for the relevant years are as follows:

	Year ended December 31,							
	2024				2023			
	Core OTA	Tourism	Unallocated items	Total	Core OTA	Tourism	Unallocated items	Total
	<i>(in RMB'000)</i>							
Accommodation reservation	4,668,179	-	-	4,668,179	3,899,514	-	-	3,899,514
Transportation ticketing	7,229,031	-	-	7,229,031	6,030,047	-	-	6,030,047
Others	2,302,235	3,141,241	-	5,443,476	1,699,365	267,318	-	1,966,683
<b>Total revenue</b>	<b>14,199,445</b>	<b>3,141,241</b>	<b>-</b>	<b>17,340,686</b>	<b>11,628,926</b>	<b>267,318</b>	<b>-</b>	<b>11,896,244</b>
Cost of revenue, operating expenses and unallocated items	(10,384,772)	(3,054,592)	(1,477,824)	(14,917,188)	(8,676,985)	(275,019)	(1,074,875)	(10,026,879)
<b>Operating profit/(loss)</b>	<b>3,814,673</b>	<b>86,649</b>	<b>(1,477,824)</b>	<b>2,423,498</b>	<b>2,951,941</b>	<b>(7,701)</b>	<b>(1,074,875)</b>	<b>1,869,365</b>

Revenue by service type for the years ended December 31, 2024 and 2023 are as follows:

	Year ended December 31,	
	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Accommodation reservation services	4,668,179	3,899,514
Transportation ticketing services	7,229,031	6,030,047
Others	5,443,476	1,966,683
<b>Total revenue</b>	<b>17,340,686</b>	<b>11,896,244</b>

### 3. Expenses by nature

	Year ended December 31,	
	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Employee benefit expense	4,117,614	3,144,799
Advertising and promotion expenses	3,524,351	2,894,590
Cost of travel products (a)	3,013,492	462,434
Order payment and settlement costs	1,399,631	1,332,083
Depreciation and amortization expense	1,082,606	910,757
Procurement costs	544,902	431,293
Commission expenses	524,595	505,540
Professional service fees and subcontractor charges	197,311	148,415
Bandwidth and servers custody fee	164,229	142,586
Travelling and entertainment expenses	139,523	112,732
Short-term rental and utility fees	121,461	74,885
Tax and surcharges	84,973	53,562
Telephone and communication	15,777	13,492
Audit fees	6,792	7,736
Others (b)	117,725	(72,293)
	<b>15,054,982</b>	<b>10,162,611</b>



Notes:

- (a) The cost of travel products for the year ended December 31, 2024 is primarily attributable to the Group's provision of offline travel agency services which are operated by the subsidiary group as acquired by the Group on November 30, 2023.
- (b) For the year ended December 31, 2023, included in "Others" was a reversal of provision for reorganisation costs as credited against the Group's administrative expenses of approximately RMB157.5 million.

**4. Other (losses)/gains – net**

	<b>Year ended December 31,</b>	
	<b>2024</b>	2023
	<b>RMB'000</b>	<i>RMB'000</i>
Investment income from investments measured at amortized cost	<b>55,155</b>	101,520
Foreign exchange losses, net	<b>(96,128)</b>	(66,767)
Donation	<b>(10,798)</b>	(279)
Net gain/(loss) on disposal of investments accounted for using the equity method	<b>111</b>	(14,037)
Net gain/(loss) on disposal of property, plant and equipment and termination of leases	<b>139</b>	(2,592)
Net gain on derivative financial instruments	<b>12,260</b>	37,638
Others	<b>28,006</b>	7,441
	<b>(11,255)</b>	62,924

**5. Income tax expense**

The income tax expense of the Group for the years ended December 31, 2024 and 2023 is analyzed as follows:

	<b>Year ended December 31,</b>	
	<b>2024</b>	2023
	<b>RMB'000</b>	<i>RMB'000</i>
Current income tax	<b>456,301</b>	277,445
Deferred income tax	<b>(46,741)</b>	10,681
	<b>409,560</b>	288,126

**(a) Cayman Islands income tax**

Under the current laws of the Cayman Islands, the Company is not subject to tax on the Company's income or capital gains. In addition, no Cayman Islands withholding tax is imposed upon any payments of dividends.

**(b) Hong Kong income tax**

Entities incorporated in Hong Kong are subject to Hong Kong profits tax at a rate of 8.25% on assessable profits up to HKD2 million and 16.5% on any part of assessable profits over HKD2 million for the years ended December 31, 2024 and 2023.

**(c) PRC corporate income tax (“CIT”)**

CIT provision was made on the estimated assessable profits of entities within the Group incorporated in the PRC for the years ended December 31, 2024 and 2023, calculated in accordance with the relevant regulations of the PRC after considering the available tax benefits from refunds and allowances. The general PRC CIT rate is 25% during the years ended December 31, 2024 and 2023.

Four of the Company’s directly held subsidiaries incorporated in the PRC are qualified as High and New Technology Enterprises (“HNTE”), and accordingly, they are subject to a reduced preferential CIT rate of 15% for the years ended December 31, 2024 and 2023 according to the applicable CIT law. The HNTE’s qualification of these four companies will be subject to renewal during 2024 to 2025.

Certain of the subsidiaries enjoy the preferential CIT tax rate of 20% as a small and low-profit enterprises.

Other subsidiaries of the Company incorporated in the PRC are subject to the general PRC CIT rate of 25% during the years ended December 31, 2024 and 2023.

**(d) PRC Withholding Tax (“WHT”)**

According to the applicable PRC tax regulations, dividends distributed by a company established in the PRC to a foreign investor with respect to profits derived after January 1, 2008 are generally subject to a 10% WHT. If a foreign investor incorporated in Hong Kong meets the conditions and requirements under the double taxation treaty arrangement entered into between the PRC and Hong Kong, the relevant withholding tax rate will be reduced from 10% to 5%.

As of December 31, 2024 and 2023, the Group does not have any plan to require its PRC subsidiaries to distribute their retained earnings and intends to retain them to operate and expand its business in the PRC. Accordingly, no deferred income tax liability on WHT was provided as at December 31, 2024 and 2023.

**6. Earnings per share**

**(a) Basic**

Basic earnings per share for the years ended December 31, 2024 and 2023 are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the respective years.

	<b>Year ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
Profit attributable to equity holders of the Company (RMB’000)	<b>1,974,356</b>	1,554,131
Weighted average numbers of ordinary shares in issue (thousand shares)	<b>2,269,241</b>	2,245,843
Basic earnings per share (expressed in RMB)	<b>0.87</b>	0.69

**(b) Diluted**

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding (excluding the treasury shares) to assume conversion of all dilutive potential ordinary shares.

As at December 31, 2024, 143,646,005 share options and 34,662,453 restricted share units (“RSUs”) were outstanding in total. For the year ended December 31, 2024, the share options and RSUs granted by the Company have potential dilutive effect on the earnings per share. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding (excluding the treasury shares) by the assumption of the conversion of all dilutive potential ordinary shares arising from share options and RSUs granted by the Company (collectively forming the denominator for computing the diluted earnings per share). No adjustment is made to earnings (numerator).

The diluted earnings per share for the year ended December 31, 2024 are calculated a below:

	<b>Year ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
Profit attributable to equity holders of the Company for calculation of diluted earnings per share (RMB'000)	<b>1,974,356</b>	1,554,131
Weighted average number of ordinary shares in issue (thousand shares)	<b>2,269,241</b>	2,245,843
Adjustments for RSUs granted to employees (thousand shares)	<b>21,782</b>	16,174
Adjustments for share options granted to employees (thousand shares)	–	34,820
Weighted average number of ordinary shares for calculation of diluted earnings per share (thousand shares)	<b>2,291,023</b>	2,296,837
Diluted earnings per share (expressed in RMB)	<b>0.86</b>	0.68

## 7. Dividend

On March 19, 2024, the Company declared a final dividend of HKD0.15 per share for the year ended December 31, 2023. The final dividend of HKD341.5 million (approximately RMB311.7 million) was paid on July 19, 2024.

## 8. Investments accounted for using the equity method

	<b>Year ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
At beginning of the year	<b>1,429,800</b>	1,379,267
Additions (a)	<b>176,482</b>	178,809
Transfer from investments measured at fair value through profit or loss	<b>108,448</b>	–
Transfer to investments measured at fair value through profit or loss (b)	–	(125,738)
Shares of profits/(losses)	<b>10,599</b>	(33,402)
Dividend declared	<b>(46,168)</b>	(12,071)
Others	<b>2,984</b>	42,935
At end of the year	<b>1,682,145</b>	1,429,800

Notes:

- (a) During the years ended December 31, 2024 and 2023, the Group obtained equity interests in certain unlisted companies/investment funds through either direct investments or business combination. The aggregate amount was approximately RMB176.5 million and RMB178.8 million, respectively. These companies/investment funds are principally engaged in travel industry investments, hotel management, software development, other travel-related business. The Group does not have control over these companies/investment funds and only has significant influence on them through its representative in the board of directors of these companies/investment funds.
- (b) The Group has disposed of part of shares and Group's representative had exited from the board of directors of the associate in June 2023 and thereafter the Group can no longer exercise significant influence. Therefore, the investment had been transferred as an investment measured at fair value through profit or loss.
- (c) The Group's investments in associates accounted for using equity method are not considered as material on individual basis. None of them individually exceeds 5% of the Group's total assets as at December 31, 2024 and 2023.

## 9. Investments

	As at December 31,	
	2024	2023
	<i>RMB '000</i>	<i>RMB '000</i>
<b>Current assets</b>		
Short-term investments measured at		
– Amortized cost (a)	160,639	2,316,753
– Fair value through profit or loss (b)	2,733,033	1,631,715
	<u>2,893,672</u>	<u>3,948,468</u>
<b>Non-current assets</b>		
Long-term investments measured at		
– Amortized cost (c)	1,329,289	683,879
– Fair value through profit or loss (d)	957,238	1,039,294
	<u>2,286,527</u>	<u>1,723,173</u>

### (a) Short-term investments measured at amortized cost

Short-term investments measured at amortized cost are time deposits within one year with fixed interest rates, denominated in RMB or USD. The investments are held for collection of contractual cash flow and the contractual cash flows of these investments qualify for solely payments of principal and interest, hence they are measured at amortized costs. None of these investments are past due.

### (b) Short-term investments measured at fair value through profit or loss

Short-term investments measured at fair value through profit or loss include wealth management products, denominated in RMB or USD, with expected rates of return ranging from 1.59% to 3.84% (2023: 1.30% to 5.20%) per annum for the year ended December 31, 2024. The returns on all these wealth management products are not guaranteed, hence their contractual cash flows do not qualify for solely payments of principal and interest. Therefore, they are measured at fair value through profit or loss. None of these investments are past due. The fair values are based on quoted prices (unadjusted) in active markets (level 1 of the fair value hierarchy) or the cash flow discounted using the expected return or expected recoverable cash flows based on management judgment (level 3 of the fair value hierarchy).

### (c) Long-term investments measured at amortized cost

Long-term investments measured at amortized cost are time deposits with terms from 2 years to 3 years which bear interests at fixed interest rates ranging from 2.70% to 3.55% (2023: 3.10% to 3.55%) per annum, and are all denominated in RMB. The investments are held for collection of contractual cash flow and the contractual cash flows of these investments qualify for solely payments of principal and interest, hence they are measured at amortized costs. None of these investments are past due.

**(d) Long-term investments measured at fair value through profit or loss**

As of December 31, 2024, and 2023, long-term investments measured at fair value through profit or loss represented equity interests held by the Group in several private and listed companies, funds as well as investments in wealth management products with terms of more than one year.

The equity interests held by the Group in the private and listed companies are (i) less than 20% of each entity and the Group does not have control nor significant influence over each of these entities, or (ii) not considered to be substantively the same as ordinary share due to the investment having a substantive liquidation preference or redemption rights. Therefore, these investments are classified as long-term investments measured at fair value through profit or loss. The fair values of the long-term investments are measured using a valuation technique with unobservable inputs and hence classified as level 3 of the fair value hierarchy for equity interests in private companies. For equity interests in listed companies, they are measured based on the quoted market prices in active markets and hence classified as level 1 of the fair value hierarchy.

The wealth management products with terms of more than one year are denominated in RMB, with expected rates of return at 8.00% (2023: 2.97% to 8.00%) per annum for the year ended December 31, 2024. The returns on all of these wealth management products are not guaranteed, hence their contractual cash flows do not qualify for solely payments of principal and interest. Therefore, they are measured at fair value through profit or loss. None of these investments are past due. The fair values are based on cash flow discounted using the expected return based on management judgment and are within level 3 of the fair value hierarchy.

The Group's investments as mentioned above are not considered as material on individual basis as none of them individually exceeds 5% of the Group's total assets as at December 31, 2024 and 2023.

**(e) Amounts recognized in profit or loss**

	Year ended December 31,	
	2024 RMB'000	2023 RMB'000
Fair value changes in long-term investments measured at fair value through profit or loss	(7,509)	46,530
Fair value changes in short-term investments measured at fair value through profit or loss	34,510	(79,023)
	<u>27,001</u>	<u>(32,493)</u>

## 10. Prepayment and other receivables

	As at December 31,	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Non-current</b>		
Prepayment to suppliers	69,844	52,992
Prepayment for property, plant and equipment	68,444	424,734
Prepayment for right-of-use assets	–	180,440
Prepayment to related parties	1,128	1,300
Prepayment for equity investment	1,619	40,000
	<hr/>	<hr/>
Total non-financial assets	141,035	699,466
	<hr/>	<hr/>
Deposits	7,532	7,281
Receivable from related parties	222,294	–
Others	104,900	86,223
	<hr/>	<hr/>
Total financial assets	334,726	93,504
	<hr/> <hr/>	<hr/> <hr/>
<b>Non-current, total</b>	475,761	792,970
	<hr/> <hr/>	<hr/> <hr/>
<b>Current</b>		
Prepayment to accommodation suppliers	262,841	229,516
Prepaid taxation	191,618	111,309
Prepayment to tickets suppliers	976,484	779,802
Prepayment for advertising	81,945	50,627
Prepayment for office rental	2,115	2,589
Prepayment to related parties	81,661	63,606
Others	244,309	205,864
	<hr/>	<hr/>
Total non-financial assets	1,840,973	1,443,313
	<hr/>	<hr/>
Designated deposit account with restrictive use	2,453,229	2,007,597
Deposits	397,495	324,851
Receivable from related parties	604,489	428,738
Others	261,353	267,480
	<hr/>	<hr/>
	3,716,566	3,028,666
	<hr/>	<hr/>
Less: provision for impairment	(107,402)	(102,076)
	<hr/>	<hr/>
Total financial assets	3,609,164	2,926,590
	<hr/>	<hr/>
<b>Current, total</b>	5,450,137	4,369,903
	<hr/> <hr/>	<hr/> <hr/>

## 11. Trade receivables

The Group normally allows a credit period of 30 days to its customers. An aging analysis of trade receivables based on invoice date is as follows:

	As at December 31,	
	2024 RMB'000	2023 RMB'000
Up to 6 months	1,702,620	1,209,113
Over 6 months	117,550	132,606
	<u>1,820,170</u>	<u>1,341,719</u>
Less: allowance for impairment of trade receivables	(92,583)	(123,431)
	<u>1,727,587</u>	<u>1,218,288</u>

## 12. Derivative financial instrument

The Group has the following derivative financial instrument which is accounted for as financial asset at fair value through profit or loss:

	As at December 31,	
	2024 RMB'000	2023 RMB'000
<b>Current assets</b>		
Derivative financial instruments	<u>6,194</u>	<u>24,699</u>

### Amount recognized in profit or loss

The following amounts were recognized in profit or loss as other (losses)/gains – net in relation to derivative financial instruments:

	Year ended December 31,	
	2024 RMB'000	2023 RMB'000
Net realized gains on foreign exchange forward contracts	30,920	2,167
Unrealized (losses)/gains on derivative financial instruments	<u>(18,660)</u>	<u>35,471</u>
	<u>12,260</u>	<u>37,638</u>

### 13. Borrowings

	As at December 31,	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Included in non-current liabilities:</b>		
Long-term unsecured bank borrowings (a)	2,429,577	1,442
Long-term secured bank borrowings (a)	364,880	9,500
	<u>2,794,457</u>	<u>10,942</u>
<b>Included in current liabilities:</b>		
Current portion of long-term unsecured bank borrowing (a)	147,120	1,814,969
Current portion of long-term secured bank borrowings (a)	43,028	–
Short-term secured bank borrowings	59,237	90,990
Short-term unsecured bank borrowings (b)	1,109,904	634,136
	<u>1,359,289</u>	<u>2,540,095</u>
	<u>4,153,746</u>	<u>2,551,037</u>

Notes:

- (a) As at December 31, 2024, the Group's long-term bank borrowings was RMB2,984.6 million in aggregate. These long-term bank borrowings are unsecured except that a borrowing of RMB408 million is secured by pledging certain assets of the group. Please refer to "Pledge of assets".

As at December 31, 2024, the effective interest rates of long-term bank borrowings were 2.46% to 5.69%.

- (b) The Group has drawn down certain short-term bank borrowings totalling RMB1,110 million in 2024. These borrowings are unsecured and denominated in RMB. As at December 31, 2024, these borrowings bear interests at fixed interest rates ranging from 2.00% to 5.50% per annum.

### 14. Trade payables

An aging analysis of trade payables based on invoice date is as follows:

	As at December 31,	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Up to 6 months	4,228,780	3,916,065
Over 6 months	238,350	214,917
	<u>4,467,130</u>	<u>4,130,982</u>



## **CORPORATE GOVERNANCE AND OTHER INFORMATION**

### **Purchase, Sale or Redemption of the Company's Listed Securities**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares (as defined under the Listing Rules)) during the year ended December 31, 2024.

As at December 31, 2024, there were no treasury shares (as defined in the Listing Rules) held by the Company.

### **Model Code for Securities Transactions**

The Company has adopted the Model Code. Specific enquiries have been made to all the Directors and the Directors have confirmed that they have complied with the Model Code for the year ended December 31, 2024.

The Company's employees, who are likely to be in possession of inside information of the Company, have also been subject to the Model Code for securities transactions. No incident of non-compliance of the Model Code by the employees was noted by the Company for the year ended December 31, 2024.

### **Compliance with the Corporate Governance Code**

The Company has adopted and applied the principles and code provisions as set out in the Corporate Governance Code. During the year ended December 31, 2024, the Company has complied with the code provisions in the Corporate Governance Code.

### **Audit Committee**

The Audit Committee has three members comprising two independent non-executive Directors, Mr. Yang Chia Hung (chairman of the Audit Committee) and Ms. Han Yuling and one non-executive Director, being Mr. Xie Qing Hua, with terms of reference in compliance with the Listing Rules.

The Audit Committee has considered and reviewed the accounting principles and practices adopted by the Group and has discussed matters in relation to internal controls and financial reporting with the management, including the review of the consolidated annual financial results of the Group for the year ended December 31, 2024. The Audit Committee considers that the annual financial results for the year ended December 31, 2024 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

### **Scope of Work of PricewaterhouseCoopers**

The figures in respect of the Group's consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, condensed consolidated statement of cash flows and the related notes thereto for the year ended December 31, 2024 as set forth in this announcement have been agreed by the Company's auditor, PricewaterhouseCoopers, to the amounts set forth in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by PricewaterhouseCoopers on this announcement.

## **Event After December 31, 2024**

There are no material events affecting the Group which have occurred since December 31, 2024 (being the end of the financial year for the Company) to the date of this announcement.

## **FINAL DIVIDEND**

The Board resolved to propose to the Shareholders at the AGM to be held on June 26, 2025 (Thursday) for the distribution of a final dividend of HKD0.18 per Share for the year ended December 31, 2024. The final dividend is expected to be paid on or about July 15, 2025 (Tuesday) to the Shareholders whose names are listed on the register of members of the Company on July 7, 2025. On the basis of the total number of the issued Shares of 2,328,763,467 as of March 20, 2025 (Thursday), it is estimated that the aggregate amount of final dividend would be approximately HKD419,177,424.06. The actual total amount of final dividends to be paid will be subject to the total number of issued Shares as at the record date for determining the entitlement of Shareholders to the final dividend. The proposal for the distribution of the final dividend above is subject to the consideration and approval of the Shareholders at the AGM. There is no arrangement that a Shareholder has waived or agreed to waive any dividend.

## **CLOSURE OF REGISTER OF MEMBERS AND RECORD DATE**

The register of members of the Company will be closed from June 23, 2025 (Monday) to June 26, 2025 (Thursday), both days inclusive, in order to determine the eligibility of the Shareholders to attend and vote at the AGM. The Shareholders whose names appear on the register of members of the Company at the close of business on June 20, 2025 (Friday) will be eligible to attend and vote at the AGM. In order to be eligible to attend and vote at the AGM, all transfers accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on June 20, 2025 (Friday).

The record date for qualifying to receive the proposed final dividend is July 7, 2025 (Monday). In order to determine the right of the Shareholders entitled to receive the proposed final dividend, which is subject to the approval by the Shareholders in the forthcoming AGM, the register of members of the Company will also be closed from July 3, 2025 (Thursday) to July 7, 2025 (Monday), both days inclusive. All transfer accompanied by the relevant share certificates and transfer forms must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on July 2, 2025 (Wednesday).

## **PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.tongchengir.com](http://www.tongchengir.com)).

The Company's annual report for the year ended December 31, 2024 containing all the information required by the Listing Rules will be dispatched to the Shareholders and/or made electronically available on the respective websites of the Stock Exchange and the Company in due course.

### **DEFINITION**

In this announcement, unless the context otherwise require, the following expressions shall have the following meaning:

“2018 Share Incentive Plan”	the share incentive plan adopted and approved by the Company on March 9, 2018
“2019 RSU Plan”	the 2019 restricted share unit plan adopted and approved by the Company on July 2, 2019
“2019 Share Option Plan”	the 2019 share option plan approved by an ordinary resolution passed by shareholders of the Company at the extraordinary general meeting of the Company on August 2, 2019
“2022 RSU Plan”	the 2022 restricted share unit plan adopted and approved by the Company on March 22, 2022
“2022 Share Option Plan”	the 2022 share option plan approved by an ordinary resolution passed by shareholders of the Company at the annual general meeting of the Company on May 31, 2022
“2024 Share Scheme”	the 2024 share scheme approved and adopted by the Company at the annual general meeting held on June 26, 2024
“Accumulated Number of Travelers Served”	total number of users who used our products and services in the twelve-month period ended December 31, 2024
“AGM”	the 2024 annual general meeting of the Company to be held on June 26, 2025 or any adjournment thereof
“AI”	artificial intelligence
“APUs”	annual paying users
“Audit Committee”	the audit committee of the Board
“Board”	the board of directors of the Company
“China” or “PRC”	People's Republic of China

“Company”	Tongcheng Travel Holdings Limited (同程旅行控股有限公司), an exempted company with limited liability incorporated under the laws of the Cayman Islands on January 14, 2016
“Consolidated Affiliated Entities”	the entities we control through certain contractual arrangements
“Corporate Governance Code”	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
“DAU”	daily active user
“Director(s)”	the director(s) of the Company
“ESG”	environmental, social, and governance
“GMV”	gross merchandise volume, the total value of merchandise sold in the specified market or through a specified platform during a given period
“Group”, “we”, “us”, or “our”	the Company, its subsidiaries and Consolidated Affiliated Entities from time to time
“HKD”	Hong Kong Dollar, the lawful currency in circulation of the Hong Kong Special Administrative Region of China
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“IFRS”	IFRS Accounting Standards (comprising IFRS Accounting Standards and IAS Standards, as well as their amendments and interpretations) as issued from time to time by the International Accounting Standards Board
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
“MPUs”	monthly paying users who make purchases on our platforms at least once during a calendar month
“OTA”	online travel agency

“RMB”	Renminbi, the lawful currency of China
“Share(s)”	ordinary share(s) in the share capital of the Company, currently of nominal value USD0.0005 each
“Shareholder(s)”	holder(s) of the Share(s)
“TSP(s)”	travel service provider(s)
“USD”	United States dollars, the lawful currency of the United States of America

## APPRECIATION

The Board would like to express its sincere gratitude to the Shareholders, management team, employees, business partners and customers of the Company for their support and contribution to the Group.

By Order of the Board  
**Tongcheng Travel Holdings Limited**  
**Ma Heping**  
*Executive Director and Chief Executive Officer*

Hong Kong, March 20, 2025

As at the date of this announcement, the Board comprises the following:

***Executive Directors***

Wu Zhixiang (*Co-Chairman*)  
Ma Heping (*Chief Executive Officer*)

***Non-executive Directors***

Liang Jianzhang (*Co-Chairman*)  
Jiang Hao  
Xie Qing Hua  
Brent Richard Irvin

***Independent Non-executive Directors***

Yang Chia Hung  
Dai Xiaojing  
Han Yuling