

【Press Release】



Tongcheng Travel Holdings Limited
同程旅行控股有限公司
(Stock Code: 0780.HK)

Tongcheng Travel Achieves Record High Results in 2023
Revenue Reaches RMB11.9 Billion

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Continues to Penetrate Non-first-tier Cities in PRC and
Taps into International Market

Offers Diverse Travel Experiences to Develop Into
New Generation National Travel Platform

(19 March 2024 - Hong Kong) - **Tongcheng Travel Holdings Limited** ("Tongcheng Travel" or the "Company", together with its subsidiaries the "Group", stock code: 0780.HK), an innovator and leader in China's online travel industry, today announced its audited consolidated results for the year ended 31 December 2023 (the "period under review" or "2023").

2023 Results Highlights with Year-on-year (yoy) Change

Robust Financial Growth with Revenues Reaching New Highs

- Revenue increased by 80.7% yoy to RMB11.9 billion, representing a 60.9% increase compared to 2019.
- Adjusted EBITDA increased yoy by 117.4% to RMB3.12 billion; adjusted EBITDA margin increased by 4.5 percentage points to 26.3%. Adjusted EBITDA increased by 54.8% compared to 2019.
- Adjusted net profit increased by 240.3% to RMB2.2 billion; adjusted net margin increased by 8.7 percentage points to 18.5%. Adjusted net profit increased by 42.4% compared to 2019.

Committed to Penetrating Non-first-tier Markets

- Average monthly paying users for 2023 rose by 39.1% to 41.3 million.
- Annual paying users grew by 25.2% to a historic high of 234.7 million.
- 72.7% of new paying users on the Weixin platform were from non-first-tier cities.
- Registered users residing in non-first-tier cities accounted for 86.9% of the total registered users.

Major Businesses Recorded Strong Demand Rebound, Surpassing the Levels in 2019

- Transportation ticketing services revenue rose by 78.5% to RMB6.03 billion, representing a 33.5% increase compared 2019.
- Accommodation reservation services revenue rose by 61.5% to RMB3.90 billion, representing a 65.4% increase compared to 2019.
- Revenue from others* increased by 148.6% to RMB1,996.7 million, representing a 280.3% increase compared to 2019.

* Revenue from others mainly includes revenues generated from (i) tourism services; (ii) advertising services; (iii) hotel management services; (iv) corporate travel services and (v) ancillary value-added user services.

In 2023, Tongcheng Travel capitalized on growth opportunities and outperformed the market with remarkable results. The Group's total revenue amounted to RMB 11.90 billion. Adjusted net profit reached RMB2.20 billion, representing a significant yoy increase of 240.3%, with an adjusted net profit margin of 18.5%. In 2023, the Group's average monthly paying users rose by 39.1% to 41.3 million and the annual paying users grew by 25.5% to 234.7 million. Gross merchandise volume achieved record high and increased by 96.8% yoy to RMB241.5 billion.

Mr. Ma Heping, Executive Director and Chief Executive Officer of Tongcheng Travel, said, "China's tourism industry achieved exceptional recovery momentum in 2023, which is set to continue into 2024. The Group's revenue recorded robust growth to a record high in the year under review, surpassing the same period in 2019. The Group will continue to penetrate domestic market to gain more market shares. Significant progress has been achieved in our hotel management and packaged tour businesses which will pave the way to a second growth trajectory. Furthermore, the resumption of international market development will bring new opportunities for business expansion going forward."

Developing into a New Generation National Travel Platform to Propel APUs to New Record High

To expand its traffic sources, the Group continued to pursue various channels in both online and offline scenarios such as maintaining stable and effective traffic within the WeChat Mini Program and deepening strategic cooperation with Tencent. The Group explored various scenarios within the Tencent ecosystem to expand the user reach and made consistent efforts to refine the operations to enhance user acquisition efficiency. To attract young users, the Group collaborated with Tencent Games and launched e-Sports activities. It also optimized the entry point interfaces on QQ Browser and Weixin Search platform to deliver better user experience.

The Group also increased efforts in operating its mini-program on Alipay and explored the potential of the ecosystem. Moreover, it continued the partnership with a prominent handset vendor, offering its users convenient and reliable services for transportation ticketing and accommodation reservations. Simultaneously, the Group persisted in developing offline user acquisition channels. Throughout 2023, the Group was dedicated to crafting marketing strategies with creativity. It initiated a variety of innovative marketing campaigns, such as e-sports games, open-door marketplace and music festivals, to strengthen bonding with younger users.

As the coverage of service scenarios expands and users' trust level increases, Tongcheng Travel has gradually grown into the "New Generation National Travel Platform". During the

period under review, the Group's average monthly paying users for 2023 increased by 39.1% yoy to 41.3 million, representing a 53.5% increase compared to 2019. Annual paying users increased by 25.2% year-to-year to a historic high 234.7 million, representing a 54.0% increase compared to 2019.

Core Businesses Delivered Solid Growth while Other Businesses Expanded Rapidly

The Group's revenue from transportation ticketing services increased by 78.5% yoy to RMB6.03 billion in the period under review, mainly driven by the strong rebound in demand for transportation ticketing services. For the fourth quarter of 2023, the group's air ticket volume increased by over 16% compared to the same period of 2019, far exceeding the overall industry performance. The Group's train ticketing business experienced a revenue growth that outpaced the increase in business volume, due to the strategic shifts to monetization enhancement. Moreover, Tongcheng Travel capitalized on the opportunities arising from the surge in local and short-haul travel demand and enhanced the operations of its bus and car-hailing businesses.

The Group's accommodation business exhibited robust growth in both business volume and revenue. During the period under review, the revenue from the accommodation business increased by 61.5% yoy to RMB3.90 billion. In 2023Q4, the domestic room nights sold registered more than 70% growth compared with the same period of 2019 and the international room nights sold had fully recovered to the level in 2019.

Besides, the Group is committed to achieving business diversification. Others business includes tourism services, advertising services, hotel management services, corporate travel services and ancillary value-added user services. Revenue from others business increased by 148.6% yoy to RMB1.97 billion, representing a 280.3% increase compared to 2019. The proportion of others business revenue segments in total revenue has continued to increase, rising by 9.5 percentage points from 7% in 2019 to 16.5% in 2023. The increase in other revenue is mainly attributed to the Group's further development of its tourism services, advertising services, and hotel management services.

Integrating Intelligent Travel with Sustainable Development to Shape the Future of the Tourism Industry.

To ensure a gratifying experience for users, the Group has improved the intelligent Huixing system, which offers customized travel solutions according to their preferences. For customer services, the Group has persistently applied Artificial Intelligence Generated Content (AIGC) to improve efficiency and quality. In 2023Q4, the Group signed a strategic agreement with Chengdu Shuangliu Airport, aiming to collaborate in establishing the airport as a regional transit hub. Tongcheng Travel also partnered with Changbai Mountain to develop an intelligent tourist service platform that consolidates local tourism information. Additionally, the Group has built a comprehensive portfolio of PMS brands to offer Software-as-a-Service (SaaS) solutions to more individual and chain hotels as well as alternative accommodation to enhance their daily operation efficiency.

Tongcheng Tavel intensifies efforts to improve its ESG performance and has attained remarkable results. The Group's MSCI ESG rating received AA rating for the second consecutive year in 2023 and was successfully included in The Sustainability Yearbook (China) 2023 by S&P Global. As a socially responsible enterprise, Tongcheng Travel is committed to supporting the sustainable development of the travel industry. The Group continued its contribution to the rural revitalization through projects such as the "Lindu Warm

Village”. It has also launched a training program on digital operation and marketing of rural tourism for tourism professionals to foster the growth of the rural economy. Moreover, the Group is focused on the well-being of the community it serves. It cooperated with various hotels in China throughout the year, initiated a hotel alliance “Tongcheng Shelter”, to offer complimentary supplies and resting areas to users under diverse scenarios, such as during the college admission exam season and in response to extreme weather conditions in China.

China's travel industry has obtained astonishing recovery momentum, driven by diversified travel demand. This trend will continue seamlessly into 2024. Looking ahead, the Group will continue to leverage its competitive strengths, including its solid market position, diverse traffic sources and advanced technological capabilities. The Group will focus on enhancing user loyalty and value, while broadening the user base. The Group will intensify efforts to enrich and refine products and services, thereby enhancing the user experience. In addition, the Group is committed to leveraging technology to transition from an OTA to an ITA. It will actively seek investment opportunities in line with its strategic objectives to foster future growth. It will integrate corporate governance, environmental protection and social responsibility into its operations and create long-term sustainable value for stakeholders.

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

Travel is a one-stop shop for users' travel needs. With the mission "make travel easier and more joyful", Tongcheng Travel offers a comprehensive and innovative selection of products and services covering nearly all aspects of travel, including transportation ticketing, accommodation reservation, tourist attraction ticketing, and products including package tour, self-guided tour and cruise, including a wide array of transportation and leisure travel scenarios primarily through its online platforms, which comprise its Tencent-based platforms, its proprietary mobile apps, quick apps and other channels.

As a technology-driven company, Tongcheng Travel leverages big data and AI capabilities to better understand the preferences and behaviors of users, thereby offering users customized products and services. Tongcheng Travel has a strategic focus on lower-tier cities in China and seized opportunities there supported by its diversified traffic sources, product innovation capability and flexible operation strategies. Through the in-depth understanding of user experience and advanced technological capabilities, Tongcheng Travel has been revolutionizing what consumers expect from the online travel industry, making the entire travel process more convenient, personalized and enjoyable than ever. Tongcheng Travel aims to develop and apply its advanced technology to transform from an online travel agency to intelligent travel assistant.

For more information, please visit the Group's website at <https://www.tongchengir.com>

*Issued by Cornerstones Communications Ltd. on behalf of **Tongcheng Travel Holdings Limited***

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