

SUMMARY

This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. Moreover, there are risks associated with any [REDACTED]. Some of the particular risks of [REDACTED] in the [REDACTED] are set out in “Risk Factors.” You should read the entire document carefully before you decide to [REDACTED] in the [REDACTED].

WHO WE ARE TODAY

Today, we are a leading one-stop travel platform globally, integrating a comprehensive suite of travel products and services and differentiated travel content. We are the go-to destination for travelers in China, and increasingly for travelers around the world, to explore travel and get inspired, to make informed and cost-effective travel bookings, and to enjoy hassle-free, on-the-go support and share travel experience. Users come to our platform for any type of trip, from in-destination activities, weekend getaways, and short-haul trips, to cross-border vacations and business trips. Our diverse product and service portfolio covers budget, high-end, customized, and boutique offerings that appeal to both our domestic users and our growing global user base. Founded in 1999, we now operate the most well-known travel brands in China according to the Analysys Report, and have solidified our leadership over the past two decades. We have been the largest online travel platform in China over the past decade and the largest online travel platform globally from 2018 to 2020, both in terms of gross merchandise volume, or GMV, according to the Analysys Report.

OUR MISSION

Our mission is to make every trip effortlessly enjoyable.

Travel is a way of life and life is a trip. Travel is more than transportation, lodging, dining, and sightseeing. Travel is a lifestyle and an indispensable dimension of life. We travel for fun and for work; we travel alone and with family and friends; we travel far away and nearby. Our travel experiences help shape who we are.

We make every trip personalized, convenient, enjoyable, and inspirational by building a travel ecosystem integrating rich and diverse travel products, services, and content offerings. Over the past two decades, we have been elevating the travel experience and lifestyles for people in China and around the world.

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Leading Brands



One-Stop Travel Platform



Breadth of Offering*



1.2mm+
global
accommodation offerings



480+
global airlines from
low-cost to full-service carriers



310,000+
global in-destination
activities



30,000+
other ecosystem
partners

200+ countries and regions

* As of December 31, 2020

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OVERVIEW

How We Create an Effortlessly Enjoyable Travel Experience

User Centricity. We are a user-centric company committed to providing each user with a personalized, convenient, enjoyable, and inspirational travel experience. Before a trip, we provide personalized content to inspire our users to make informed travel decisions and a smooth booking process with full pricing transparency. Throughout a trip, we provide convenient and reliable on-the-go support through our mobile applications and around-the-clock customer service centers. After a trip, we continue to engage with our users, encourage them to review and share their experiences, and then use the feedback to consistently refine our services and inspire other users.

Open Platform. We enable a network of ecosystem partners, including listed accommodations, airlines, and other travel product providers, to access our massive user traffic, deep travel insights, and technology-enabled solutions. As a result, our open platform seamlessly aggregates and presents diverse travel products and services across the world with great scalability.

Proprietary Technology. We focus on building technology to improve travel experience. We were the first travel platform in China to launch a mobile-based transaction platform that enables convenient booking anywhere and anytime. Our proprietary artificial intelligence (AI) and big data analytics technologies allow us to transform our massive travel data into business intelligence and operating know-how to consistently enhance our travel offerings and our operating efficiency.

Our Resilience

Our 17-year journey as a public company started in December 2003, shortly after the SARS outbreak in China, and the resilience that we demonstrated then continues today. Since the beginning of 2020, we, similar to other companies in the travel industry, have been negatively impacted by the COVID-19 pandemic. Nevertheless, we have continued to innovate our product, service, and content offerings to continuously deliver high-quality travel experience to our users. We not only strengthened collaboration with our hotel partners by launching a broader range of room and non-room offerings at attractive prices, but also developed “pre-order” offerings, which allow our users to lock in a competitive price while enjoying great flexibility in determining the actual travel date. We also launched our live streaming functions to help our ecosystem partners promote travel destinations across China and offer the latest great deals from hotels and flights to excursion tickets and in-destination activity packages. These efforts have created new ways to engage with users and ignite increasing local and domestic travel demand, and enabled us to continue to provide diverse marketing services to ecosystem partners.

As social and economic conditions gradually recovered from the COVID-19 pandemic within China, we observed an emerging demand for short-haul travel, local trips, and domestic boutique and premium accommodation experiences. We have rolled out new product offerings in these categories to better serve users’ travel demand and recorded a strong recovery in our domestic travel business. As of December 31, 2020, the number of in-destination activity ecosystem partners increased by approximately 25% compared to December 31, 2019. In the fourth quarter of 2020, we had an over 20% increase in our intra-provincial hotel GMV and an over 100% increase in number of reservations for attractions and activities, compared to the same period in 2019. Our continued innovations in products, services, and content offerings allow us to identify the evolving need of users, putting us in an advantageous position to capture pent-up demand for outbound travel post-COVID-19.

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Our Value Propositions

Our Value Propositions to Users

Users come to us for inspiration, diverse selection, personalized, convenient, and enjoyable experiences, trustworthiness, value-based pricing, and efficiency.

Inspiration. The digital nature and scale of our platform have allowed us to accumulate content shared by travelers based on their real travel experiences and professionally generated content from our ecosystem partners. Our immersive and appealing content inspires travel ideas and bookings, and motivates future sharing from users after their own trips, thereby continuously enriching our content offerings.

Diverse Selection. Our one-stop travel platform offers a vast number of accommodations, transportation options, vacation packages, in-destination activities, and service offerings with expanding geographical coverage. From budget to premium, our diverse selection of travel product and service offerings, including long-tail and customized products, allows us to capture the varying demands of our broad user base. Our global travel offerings enable our users to book travel within China and elsewhere in the world.

Personalized, Convenient, and Enjoyable Experience. Our proprietary AI and big data analytics technologies enable us to provide each user with a personalized content feed. Our search and transaction engines integrate extensive product and service offerings around the world, provide real-time updates on pricing and availabilities, handle complex routing and matching calculations, and enable flexible payment options to maximize convenience for our users.

Trustworthiness. Our on-the-go travel services accompany users throughout their entire journey. Our service center is reachable 24/7. We proactively take swift measures to safeguard our users’ safety and economic interests constantly, especially when emergency situations arise such as the COVID-19 pandemic. This further solidifies the trustworthiness of our brands.

Value-Based Pricing. We are able to negotiate competitive prices for users not only because of our scale, but also because of our ability to improve our ecosystem partners’ operating efficiency by effectively matching demand with supply through our proprietary technology.

Efficiency. Leveraging our proprietary AI and big data analytics technologies, we have been continuously improving our user support efficiency and user experience through our self-developed automated instant messenger system, telephone system distribution software, and personalized search engine and recommendation system. We also use our industry-leading technologies in search and transactions of flight ticket, hotels, and accommodations to shorten search latencies and processing time, and generate relevant results efficiently to ensure good user experience. See “Business—Technology.”

Our Value Propositions to Ecosystem Partners

Our ecosystem partners collaborate with us for our scale, innovation, and insights and technology solutions.

Scale. Leveraging our open platform, we enable our ecosystem partners to gain access to our massive user base. We improve the efficiency of our ecosystem partners and conversions on our open platform through targeted online marketing and content creation tools, demand forecast data insights, dynamic pricing engines, an integrated payment system, and supply chain financing facilitation. These value-added services help expand our travel offerings with competitive pricing and elevate travel

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experience and service for users, thereby enabling our platform to attract those users with the strong intent to travel, which drives high conversion rates and return on investment for our ecosystem partners.

Innovation. Due to our scale, deep understanding of the industry, and proprietary technology, we not only match demand with supply, but also create new demand and drive value creation for the entire industry. For example, we have recently identified increasing user demand for short-haul trips and weekend getaways. As a result, we have introduced new product offerings to capture these emerging trends and leveraged our live streaming function to promote local attractions and activities.

Insights and Technology Solutions. We combine our travel insights and technology know-how to help our ecosystem partners grow their businesses. We provide our ecosystem partners with a comprehensive suite of technology solutions such as targeted online marketing tools, demand forecast and user behavior analytics models, an integrated payment system, and supply chain financing facilitation. As our partners grow their businesses, we both stand to benefit.

We offer various travel offerings such as air tickets and hotel listings to our users and charge them directly. In order to better meet users’ increasing needs for diversified products and services, we allow trusted ecosystem partners to directly post their own product and service offerings on our open platform alongside products and services that are negotiated with business partners and offered by us. In substantially all of our hotel-related and air ticket-related transactions, we generally act as agent for our hotel reservation partners and airline ticket partners, and collect commissions from these ecosystem partners on products and services booked and sold through us. We allow ecosystem partners to determine the prices of their own products posted on our platform, and ensure adequate pricing competition among ecosystem partners through our open platform, thereby providing our users with a wide range of travel offerings with competitive and transparent pricing.

As our ecosystem partners increase their scale and achieve better profitability, we are able to offer products and services with better quality and value to our users, which ultimately enhances our value proposition to our users and the overall travel industry.

STRENGTHS

We have achieved a leading position, in part, by establishing the following competitive strengths:

- the leading travel platform in China with growing global presence;
- one-stop destination for a comprehensive suite of travel offerings;
- user centricity throughout the journey;
- proprietary technologies underpinning our entire operations;
- ecosystem empowering travel partners; and
- management team with extensive industry experience and entrepreneurial culture.

For a detailed discussion of these strengths, see “Business—Our Strengths.”

STRATEGIES

We operate our business with local focus and global vision. We will continue to refine and iterate our products and services, innovate our business model and technologies, and drive value creation for all the travel industry stakeholders in China. In the meantime, we plan to remain keenly

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focused on building our global presence for users within China and the expanding user base outside China. We believe that we are well-positioned to replicate our success in China and globally leveraging our extensive know-how and travel partnership network. In particular, we set the following strategies to:

- expand our one-stop travel offerings;
- upgrade our content capabilities;
- further improve our service quality;
- continue to invest in technology; and
- enhance our global leadership.

For a detailed discussion of these strategies, see “Business—Our Strategies.”

OUR INNOVATION

We believe that our success is attributable to our continuous innovations, our innovative business model, and our strength in technologies. Our track record of innovations and our continued success in a competitive industry are widely recognized. See “Business—Our Innovation.”

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

Rule 13.46(2) of the Hong Kong Listing Rules requires an overseas issuer to send an annual report or a summary financial report within four months after the end of the financial year to which the report relates. As an issuer seeking a listing as a Grandfathered Greater China Issuer pursuant to Chapter 19C of the Hong Kong Listing Rules, we are not subject to the disclosure requirements under notes 4(a) and (b) to Rule 13.46(2) of the Hong Kong Listing Rules. As this document already includes the financial information of the Company for the year ended December 31, 2020, the Company will not separately prepare and send an annual report to its shareholders for the year ended December 31, 2020, which will not be in breach of its constitutional documents, laws and regulations of the Cayman Islands or other regulatory requirements. We will lay our annual financial statements for the year ended December 31, 2020 before our members at the next annual general meeting after the Listing to be convened in December 2021.

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Summary Consolidated Statements of Comprehensive Income Data

The following table sets forth a summary of our consolidated statements of operations in absolute amount and as a percentage of net revenues for the periods indicated. This information should be read together with our consolidated financial statements included in the Accountant’s Report in Appendix I to this document. The results of operations in any period are not necessarily indicative of our future trends.

	For the Year Ended December 31,					
	2018		2019		2020	
	RMB	%	RMB	%	RMB	%
	(in millions, except percentages)					
Revenues:						
—Accommodation reservation	11,580	37	13,514	38	7,132	39
—Transportation ticketing	12,947	42	13,952	39	7,146	39
—Packaged tours	3,772	12	4,534	13	1,241	7
—Corporate travel	981	3	1,255	4	877	5
—Others	1,824	6	2,461	6	1,931	10
Total revenues	31,104	100	35,716	100	18,327	100
Less: Sales tax and surcharges	(139)	(0)	(50)	(0)	(11)	(0)
Net revenues	30,965	100	35,666	100	18,316	100
Cost of revenues	(6,324)	(20)	(7,372)	(21)	(4,031)	(22)
Gross profit	24,641	80	28,294	79	14,285	78
Operating expenses:						
—Product development ⁽¹⁾	(9,620)	(31)	(10,670)	(30)	(7,667)	(42)
—Sales and marketing ⁽¹⁾	(9,596)	(31)	(9,295)	(26)	(4,405)	(24)
—General and Administrative ⁽¹⁾	(2,820)	(9)	(3,289)	(9)	(3,636)	(20)
Total operating expenses	(22,036)	(71)	(23,254)	(65)	(15,708)	(86)
Income/(Loss) from operations	2,605	9	5,040	14	(1,423)	(8)
Interest income	1,899	6	2,094	6	2,187	12
Interest expense	(1,508)	(5)	(1,677)	(5)	(1,716)	(9)
Other (expense)/income	(1,075)	(3)	3,630	10	(273)	(1)
Income/(loss) before income tax expense and equity in loss of affiliates	1,921	7	9,087	25	(1,225)	(6)
Income tax expense	(793)	(3)	(1,742)	(5)	(355)	(2)
Equity in loss of affiliates	(32)	(0)	(347)	(1)	(1,689)	(9)
Net income/(loss)	1,096	4	6,998	19	(3,269)	(17)
Net loss attributable to non-controlling interests	16	0	57	0	62	0
Accretion to redemption value of redeemable non-controlling interests	—	—	(44)	(0)	(40)	(0)
Net income/(loss) attributable to Trip.com Group Limited	1,112	4	7,011	19	(3,247)	(17)

Note:

(1) Share-based compensation was included in the associated operating expense categories as follows:

	For the Year Ended December 31,					
	2018		2019		2020	
	RMB	%	RMB	%	RMB	%
	(in millions, except percentages)					
Product development	(934)	(3)	(919)	(3)	(964)	(5)
Sales and marketing	(156)	(1)	(144)	(0)	(159)	(1)
General and administrative	(617)	(2)	(651)	(2)	(750)	(4)

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During the Track Record Period, our total revenues increased by 15% from RMB31.1 billion in 2018 to RMB35.7 billion in 2019, and decreased by 49% to RMB18.3 billion in 2020, primarily due to the negative impact from the COVID-19 pandemic in China and globally. In 2018, 2019, and 2020, the aggregate revenues from Greater China market contributed to 90%, 87%, and 93% of our total revenues, respectively. Our cost of revenues increased by 17% from RMB6.3 billion in 2018 to RMB7.4 billion in 2019, and decreased by 45% to RMB4.0 billion in 2020, which was in line with the revenue decrease in 2020. In 2018, 2019, and 2020, we had gross margins of 80%, 79%, and 78%. Our net revenues increased by 15% from RMB31.0 billion in 2018 to RMB35.7 billion in 2019, and decreased by 49% to RMB18.3 billion in 2020. We recorded net income of RMB1.1 billion and RMB7.0 billion in 2018 and 2019, respectively, and net loss of RMB3.3 billion in 2020, primarily due to the impact of COVID-19 pandemic to our revenues, which were materially and adversely affected by the domestic and international travel restrictions, and significant incremental costs and expenses incurred to facilitate our users’ cancellations and refund requests, and equity in loss of affiliates. While the duration and the development of the pandemic is difficult to predict, our performance generally improved in the third and fourth quarter of 2020 compared to the first two quarters of 2020, in terms of our key financial metrics such as revenues and gross margin, and we have recorded net income in each of the third and fourth quarters of 2020, compared with net loss recorded in the first and second quarter of 2020, benefiting from the containment of the COVID-19 pandemic in China starting from the third quarter of 2020.

Summary Consolidated Balance Sheets Data

The table below sets forth our selected consolidated balance sheet data as of the dates indicated:

	As of December 31,		
	2018	2019	2020
	(RMB in millions)		
Current assets:			
Cash and cash equivalents	21,530	19,923	18,096
Restricted cash	4,244	1,824	1,319
Short-term investments	36,753	23,058	24,820
Accounts receivable, net	5,668	7,661	4,119
Due from related parties	1,642	2,779	1,802
Prepayments and other current assets	9,557	12,710	7,855
Total current assets	79,394	67,955	58,011
Investments	26,874	51,278	47,943
Goodwill	58,026	58,308	59,353
Total assets	185,830	200,169	187,249
Current liabilities:			
Short-term debt and current portion of long-term debt	36,011	30,516	33,665
Accounts payable	11,714	12,294	4,506
Due to related parties	492	400	241
Salary and welfare payable	3,694	4,829	3,534
Taxes payable	1,019	1,449	1,217
Advances from customers	9,472	11,675	7,605
Accrued liability for rewards program	528	478	478
Other payables and accruals	5,854	7,541	7,123
Total current liabilities	68,784	69,182	58,369
Long-term debt	24,146	19,537	22,718
Total liabilities	97,097	93,324	85,682
Net current assets/(liabilities)	10,610	(1,227)	(358)
Net assets	88,733	106,845	101,567
Total Trip.com Group Limited shareholders’ equity	86,715	103,442	100,354
Non-controlling interests	2,018	2,261	1,213
Total shareholders’ equity	88,733	105,703	101,567

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Our short-term investments were RMB24.8 billion as of December 31, 2020, in line with our short-term investments of RMB23.1 billion as of December 31, 2019. Our short-term investments as of December 31, 2019 decreased by 37% from RMB36.8 billion as of December 31, 2018, primarily because we strategically invested a portion of the cash previously invested in short-term financial products to long-term products in 2019 to achieve an optimized rate of investment return. Our investments decreased by 7% from RMB51.3 billion as of December 31, 2019 to RMB47.9 billion as of December 31, 2020, primarily due to the losses incurred from our equity method investments, mainly in MakeMyTrip, which was significantly impacted by the COVID-19 pandemic. Our investments as of December 31, 2019 increased by 91% from RMB26.9 billion as of December 31, 2018, primarily due to investment in MakeMyTrip and we strategically invested a portion of the cash previously invested in short-term financial products to long-term products in 2019 to achieve an optimized rate of investment return. Our short-term debt and current portion of long-term debt increased by 10% from RMB30.5 billion as of December 31, 2019 to RMB33.7 billion as of December 31, 2020. Our short-term debt and current portion of long-term debt as of December 31, 2019 decreased by 15% from RMB36.0 billion as of December 31, 2018. Our long-term debt increased by 16% from RMB19.5 billion as of December 31, 2019 to RMB22.7 billion as of December 31, 2020. Our long-term debt as of December 31, 2019 decreased by 19% from RMB24.1 billion as of December 31, 2018.

We had net current assets of RMB10.6 billion as of December 31, 2018, net current liabilities of RMB1.2 billion as of December 31, 2019, and net current liabilities of RMB358 million as of December 31, 2020. The net current liabilities of RMB1.2 billion we had as of December 31, 2019, as compared to net current assets of RMB10.6 billion as of December 31, 2018, were primarily due to a decrease of RMB13.7 billion in our short-term investments, as we strategically invested a portion of the cash previously invested in short-term financial products to long-term products in 2019 to achieve an optimized rate of investment return. The net current liabilities of RMB358 million we had as of December 31, 2020, as compared to net current liabilities of RMB1.2 billion as of December 31, 2019, was due to decreases in both total current assets and total current liabilities of RMB9.9 billion and RMB10.8 billion, respectively, primarily attributable to (i) a decrease in accounts receivable of RMB3.5 billion and additional allowance for expected credit losses from the receivables, (ii) a decrease of accounts payable of RMB7.8 billion; (iii) a decrease in prepayments and other current assets of RMB4.9 billion due to decline in our financial service business; and (iv) a decrease in advances from customers of RMB4.1 billion, which was as a result of the impact of the COVID-19 pandemic to our business. The foregoing were partially offset by an increase in short-term debt and current portion of long-term debt of RMB3.1 billion, mainly due to the loan facility we obtained in 2020. See “Risk Factors—Risks Relating to Our Business and Industry—We have incurred net current liabilities and net operating cash outflow in the past, and may not be able to achieve or maintain net assets or net operating cash inflow in the future.” Our net assets decreased from RMB106.8 billion as of December 31, 2019 to RMB101.6 billion as of December 31, 2020, primarily due to downward adjustments and impairment to our long-term investments and additional allowance for expected credit losses from the receivables as a result of the impact of the COVID-19 pandemic to our business. For a detailed discussion on our cash position, being the balance sheet item that has material impact on our liquidity, as well as material changes in the various working capital items, see “Financial Information—Liquidity and Capital Resources.”

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Selected Consolidated Cash Flows Data

The following table sets forth a summary of our cash flows for the periods indicated:

	For the Year Ended December 31,		
	2018	2019	2020
	(RMB in millions)		
Operating cash flows before movement in working capital	7,751	10,184	5,992
Changes in working capital	2,123	282	(6,934)
Cash paid during the period for income taxes	(1,315)	(1,496)	(1,239)
Cash paid for interest, net of amounts capitalized	(1,444)	(1,637)	(1,642)
Net cash provided by/(used in) operating activities	7,115	7,333	(3,823)
Net cash used in investing activities	(14,078)	(2,413)	(3,821)
Net cash provided by/(used in) financing activities	11,926	(9,256)	6,025
Effect of foreign exchange rate changes on cash and cash equivalents, restricted cash	819	309	(713)
Net increase/(decrease) in cash and cash equivalents, restricted cash	5,782	(4,027)	(2,332)
Cash and cash equivalents, restricted cash, beginning of year	19,992	25,774	21,747
Cash and cash equivalents, restricted cash, end of year	25,774	21,747	19,415

We had net operating cash outflow of RMB3.8 billion in 2020, primarily due to our net loss, a decrease in accounts payable, and a decrease in advances from customers, partially offset by an add-back in non-cash expense or loss items. See the section headed “Financial Information—Liquidity and Capital Resources” for more details.

We believe that our current cash and cash equivalents and our anticipated cash flows from operations will be sufficient to meet our anticipated working capital requirements and capital expenditures for at least the next 12 months from the date of this [REDACTED]. We plan to enhance our cash flow position by generating increased cash from our business operation as our business grows.

SHAREHOLDING AND CORPORATE STRUCTURE

Major Shareholders

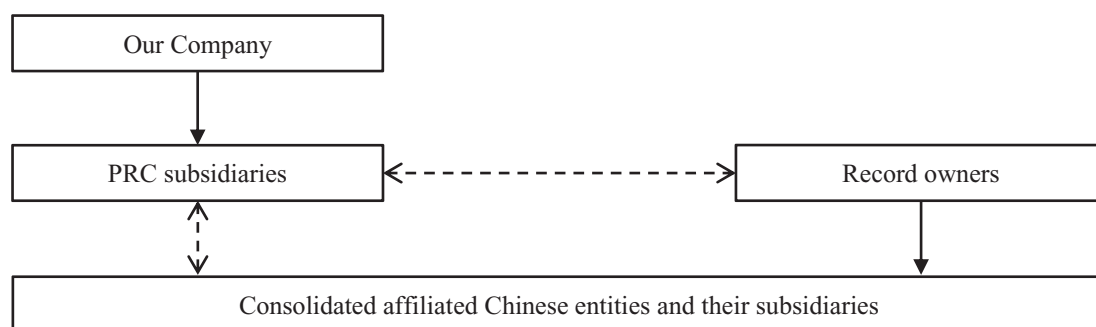
Baidu beneficially owned approximately 11.5% of our Shares as of February 28, 2021. It is, and is expected to remain following the [REDACTED], our single largest shareholder. As of February 28, 2021, our directors and executive officers (as a group) beneficially owned approximately 6.7% of our Shares, and Naspers beneficially owned approximately 5.5% of our Shares. See “Major Shareholders” for further details.

VIE structure

Current PRC laws and regulations impose substantial restrictions on foreign ownership of the travel agency and value-added telecommunications businesses in China. Therefore, we conduct part of our businesses through a series of agreements between our PRC subsidiaries, our consolidated affiliated Chinese entities and/or their respective shareholders. See “Contractual Arrangements” for details.

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The following simplified diagram illustrates the structure created by our Contractual Arrangements:



Notes:

- (1) “——>” denotes legal and beneficial ownership in equity interest.
- (2) “<-.->” denotes contractual relationship.

Defense Mechanism Against Hostile Takeovers

We have implemented a defense mechanism to impede hostile takeovers through a rights agreement. On November 23, 2007, our board of directors declared a dividend of one ordinary share purchase right (a “**Right**”), for each of our ordinary shares outstanding at the close of business on December 3, 2007, pursuant a rights agreement. As long as the Rights are attached to the ordinary shares, we will issue one Right (subject to adjustment) with each new ordinary share so that all such ordinary shares, including shares in this [REDACTED], will have attached Rights. When exercisable, each Right will entitle the registered holder, except the acquirer that triggers the exercise of Rights by crossing certain thresholds of share ownership percentage, to purchase from us US\$700 worth of ordinary shares at significantly discounted market price, subject to adjustment. As a result, the acquirer (and the shareholders who choose not to exercise the Rights) will be greatly diluted if most of other existing shareholders choose to exercise the Rights, and other existing shareholders who exercise the Rights will not be diluted, thereby effectively reducing the risk of a potential hostile takeover. We believe that this mechanism is beneficial to our Company as it encourages anyone seeking to acquire our Company to negotiate with our board of directors prior to attempting a takeover, thereby ensuring the continuity of our visionary management and strategies, minimizing potential business disruption, and enabling our board to make more informed decisions for the benefit of our shareholders. Subsequently, we have entered into various amendments to the Rights Agreement dated as of November 23, 2007 between The Bank of New York Mellon and us through which we: (i) extended the term of our rights agreement for another ten years and the Rights will expire on August 6, 2024, subject to the right of our board of directors to extend the rights agreement for another ten years prior to its expiration; (ii) modified the trigger threshold of the Rights to allow more flexibility; (iii) include certain shareholders in the definition of “Exempt Person” under the then effective rights agreement under certain circumstances. See “Share capital—Defense Mechanism Against Hostile Takeovers” for details.

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RISK FACTORS

Our business and the [REDACTED] involve certain risks and uncertainties, some of which are beyond our control and may affect your decision to [REDACTED] in us and/or the value of your [REDACTED]. See “Risk Factors” for details of our risk factors, which we strongly urge you to read in full before making an [REDACTED] in our Shares. Some of the major risks we face include that:

- pandemics (such as COVID-19), epidemics, or fear of spread of contagious diseases could disrupt the travel industry and our operations, which could materially and adversely affect our business, financial condition, and results of operations;
- our business could suffer if we do not successfully manage current growth and potential future growth, or if we are unable to execute our strategies effectively;
- our business is sensitive to global economic conditions. A severe or prolonged downturn in the global or Chinese economy may have a material and adverse effect on our business, and may materially and adversely affect our growth and profitability;
- general declines or disruptions in the travel industry may materially and adversely affect our business and results of operations;
- fluctuation of fair value change of short-term investments we made may affect our results of operations;
- we recorded a significant amount of goodwill and indefinite lived intangible assets in connection with our strategic acquisitions and investments, and we may incur material impairment charges to our goodwill and indefinite lived intangible assets if the recoverability of these assets became substantially reduced; and
- our ADSs may be delisted under the Holding Foreign Companies Accountable Act if the Public Company Accounting Oversight Board, or the PCAOB, is unable to inspect auditors who are located in China. The delisting of our ADSs, or the threat of their being delisted, may materially and adversely affect the value of your [REDACTED]. Additionally, the inability of the PCAOB to conduct inspections deprives our investors with the benefits of such inspections.

USE OF [REDACTED]

We estimate that we will receive [REDACTED] of approximately HK\$[REDACTED] after deducting the estimated [REDACTED] and the estimated [REDACTED] payable by us in the [REDACTED], and assuming a [REDACTED] and [REDACTED] of HK\$[REDACTED] per [REDACTED] and assuming the [REDACTED] is not exercised, or HK\$[REDACTED] if the [REDACTED] is exercised in full.

We intend to use the [REDACTED] we will receive from this [REDACTED] for the following purposes:

- **approximately [REDACTED]% of [REDACTED], or approximately HK\$[REDACTED], assuming the [REDACTED] is not exercised, to fund the expansion of our one-stop travel offerings and improve user experience.** We plan to use part of the [REDACTED] to broaden the one-stop travel offerings on our platform to cater to users with different needs and their evolving preferences. We will continue to focus on growing our user base and retaining our existing users through upgrading our content capabilities. We will also make additional investments to further improve our service quality by delivering personalized, convenient, enjoyable, and inspirational user experience through more support such as immediate alerts on potential health and safety risks during the trip, more flexible reservation change and refund policies, broader on-the-go emergency service, and more quality content offerings.

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- **approximately [REDACTED]% of [REDACTED], or approximately HK\$[REDACTED], assuming the [REDACTED] is not exercised, to invest in technology to bolster our leading market position in products and services and improve our operating efficiency.** We plan to improve the application of AI, big data analytics, virtual reality and cloud technologies to continuously deliver products, content, and services to our users, and offer more automated and intelligent user support and more convenient transaction experiences for our users. We intend to invest resources to empower our ecosystem partners through providing enhanced technology solutions for product and services, content and marketing, and other supporting features. We will continue to attract and nurture software engineers, data scientists, AI experts, and other research and development talent in areas that will improve our technology infrastructure, and continuously enhance the efficiency of our business management and operation.
- **approximately [REDACTED]% of [REDACTED], or approximately HK\$[REDACTED], assuming the [REDACTED] is not exercised, for general corporate purposes.** We will use the remaining [REDACTED] for general corporate purposes and working capital needs, as well as potential strategic investments and acquisitions, although we have not identified any specific investments or acquisition opportunities at this time.

To the extent that the [REDACTED] of the [REDACTED] are not immediately required for the above purposes or if we are unable to put into effect any part of our plan as intended, we may hold such unused [REDACTED] in cash or short-term deposit at banks and/or authorized financial institutions.

See “Use of [REDACTED]” for further details.

THE LISTING

ADSs representing our Shares have been listed and traded on Nasdaq since December 9, 2003. Each ADS represents one Share. Dealings in ADSs on Nasdaq are conducted in U.S. dollars. We have applied for listing of our Shares on the Main Board under Rule 8.05(3) and Chapter 19C (Secondary Listings of Qualifying Issuers) of the Hong Kong Listing Rules. Dealings in our Shares on the Hong Kong Stock Exchange will be conducted in Hong Kong dollars. Our Shares will be traded on the Hong Kong Stock Exchange in [REDACTED] of [REDACTED] Shares. See “Information about this document and the [REDACTED]” for further details.

WAIVERS AND EXEMPTIONS

As we are applying for listing under Chapter 19C of the Hong Kong Listing Rules, we will not be subject to certain provisions of the Hong Kong Listing Rules, including, among others, rules on notifiable transactions, connected transactions, share option schemes, content of financial statements as well as certain other continuing obligations. In addition, in connection with the Listing, we have applied for a number of waivers and/or exemptions from strict compliance with the Hong Kong Listing Rules, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the SFO and a ruling under the Takeovers Codes. See “Waivers and Exemptions” for further details.

We enjoy exemptions from certain obligations under U.S. securities laws and Nasdaq rules as a foreign private issuer as defined under the U.S. Exchange Act. [REDACTED] See “Information about the Listing—Summary of Exemptions as a Foreign Private Issuer in the U.S.”

ARTICLES OF ASSOCIATION

We are an exempted company incorporated in the Cayman Islands with limited liability and our affairs are governed by our Articles of Association, the Cayman Companies Act, as well as the

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common law of the Cayman Islands. The laws of Hong Kong differ in certain respects from the Cayman Companies Act, and our Articles of Association are specific to us and include certain provisions that may be different from common practices in Hong Kong. Therefore, we have applied for, [and the Hong Kong Stock Exchange has granted], among others, a waiver from strict compliance with: Rule 19C.07(3) of the Hong Kong Listing Rules, which requires that the appointment, removal and remuneration of auditors must be approved by a majority of a Qualifying Issuer’s members or other body that is independent of the issuer’s board of directors. We have also applied for[, and the Hong Kong Stock Exchange has granted,] a waiver from strict compliance with Rule 19C.07(4) of the Hong Kong Listing Rules, subject to the condition that we will put forth a resolution at the next annual general meeting after the Listing to be convened in December 2021 (the “**Next AGM**”) to revise our Articles of Association to comply with Rule 19C.07(4) of the Hong Kong Listing Rules (the “**AGM Resolution**”) so as to require our Company to hold an annual general meeting each year for so long as our Company remains listed on the Hong Kong Stock Exchange. We undertake to put forth resolutions at the Next AGM to revise our Articles of Association, so that we are required to provide at least 14 days’ notice for any general meetings and a members’ right to vote shall be subject to the Hong Kong Listing Rules (together with the AGM Resolution, the “**Proposed Resolutions**”). Our executive directors and officers, [Baidu Holdings Limited, and MIH Internet SEA Private Limited] will give, before the Listing, an irrevocable undertaking that they will use their voting rights to vote in favor of the Proposed Resolutions. Our Company and our board undertake (i) that we will convene an AGM each year with at least 14 days of notice after the Listing and (ii) for so long as the Company remains listed on the Hong Kong Stock Exchange, in the event that the Proposed Resolutions are not approved by our Shareholders, to put forth the Proposed Resolutions (to the extent not yet passed) at each AGM until all of the Proposed Resolutions are passed. See “Risk Factors—Risks Relating to our Shares, Our ADSs and the Listing—As a company applying for listing under Chapter 19C, we adopt different practices as to certain matters as compared with many other companies listed on the Hong Kong Stock Exchange”, “Information about the Listing” and “Waivers and Exemptions—Shareholder Protection Requirements” for further details.

[REDACTED]

SUMMARY

[REDACTED]

LISTING EXPENSES

We expect to incur listing expenses of approximately RMB[REDACTED] (assuming a [REDACTED] and [REDACTED] of HK\$[REDACTED] and the [REDACTED] is not exercised), representing approximately [REDACTED] of the [REDACTED] from the [REDACTED]. We expect to recognize RMB[REDACTED] as general and administrative expenses in the year ended December 31, 2021 and RMB[REDACTED] as a deduction in equity directly.

NO MATERIAL ADVERSE CHANGE

Our directors confirm that, as of the date of this document, except as disclosed herein, there has been no material adverse change in our financial or trading position since December 31, 2020 (being the date on which the latest audited consolidated financial information of our Group was prepared) and there has been no event since December 31, 2020 that would materially affect the information shown in our consolidated financial statements included in the Accountant’s Report in Appendix I.

IMPACT OF THE COVID-19 PANDEMIC AND RECENT DEVELOPMENT

The global travel market has taken a hit from the COVID-19 pandemic, due to the travel restrictions and a great number of canceled trips for both business and pleasure purposes, as well as a decrease in economic activities globally, according to the Analysys Report. Nevertheless, as vaccines roll out globally and the total vaccination rate continues to climb, it is estimated that the pandemic would be effectively contained, which in turn lays the foundation for a rapid resurgence of the global travel market. Driven by people’s increasing interest in travel, rising spending power and a possible rebound consumption boom, China’s and global travel market is estimated to recover to the pre-COVID level in 2021 and 2022, respectively, according to the Analysys Report. See “Industry Overview—Industry Recovery and New Norms after the COVID-19 Pandemic.”

Our results of operations for the year ended December 31, 2020 have been significantly and negatively impacted by the COVID-19 pandemic. The pandemic drove a significant decline in travel demand resulting in reservation cancelations and reduced new orders. In addition, the allowance for credit losses and impairments of long-term investments both increased. In response to the COVID-19 pandemic, we have swiftly adopted cost control measures to mitigate a significant slowdown in user demand. As the COVID-19 pandemic is still evolving, we will continuously review the provisions for losses and make adjustment accordingly.

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For the year ended December 31, 2020, our revenues were materially and adversely affected as a result of the domestic and international travel restrictions and significant incremental costs and expenses incurred to facilitate our users’ cancellations and refund requests. While we have seen recovery in the China travel market since the second half of 2020 due to the substantial containment of the COVID-19 pandemic in China, we have seen a slower recovery of the international travel market, and in turn, a slower recovery of our international business. In addition, we made provisions for the expected difficulty in collection of receivables, which resulted in additional allowance for expected credit losses from the receivables due from our customers, and significant downward adjustments and impairment to our long-term investments as the impacts of the COVID-19 pandemic on certain of our long-term investments are considered to be other than temporary. In 2020, we recognized allowance for credit losses of RMB700 million primarily for our ecosystem partners, such as airlines, hotels, and packaged-tour providers in China and globally, and impairments of long-term investments of RMB905 million, compared to RMB191 million and RMB205 million in 2019, respectively. Our net revenues for the year ended December 31, 2020 decreased by 49% from 2019. While the duration and the development of the pandemic is difficult to predict, our performance generally improved starting from the third quarter of 2020 compared to the first two quarters, in terms of our key financial metrics such as revenues and gross margin, and we have recorded net income in each of the third and fourth quarter of 2020, compared with net loss recorded in the first and second quarters of 2020, benefiting from the containment of the COVID-19 pandemic in China starting from the third quarter of 2020. Our GMV decreased by 51%, 72%, 51%, and 45% in the first, second, third, and fourth quarter of 2020, each comparing to the respective periods in 2019. In each of the third and fourth quarter of 2020, we recorded a reversal of allowance for credit losses for our travel ecosystem partners reflecting the improvement in credit risk profile with domestic travel industry recovery. In particular, we recorded reversal of allowance for credit losses for our ecosystem partners, including major airlines in China as they gradually recovered from the COVID 19 pandemic. As a result, our allowance for credit losses increased from the pre-COVID level in the first quarter of 2020, followed by a decrease thereafter. Since the third quarter of 2020, we have also seen reservation cancellation rate of users dropping back to the level prior to the COVID-19 pandemic, which was substantially lower than the reservation cancellation rate in the first quarter of 2020. In the third and fourth quarters of 2020, no significant impairment expense was realized on our long-term investments.

The global spread of COVID-19 pandemic in a significant number of countries around the world has resulted in, and may intensify, global economic distress, and the extent to which it may affect our financial condition, results of operations, and cash flows will depend on future developments, which are highly uncertain and cannot be predicted. Since the beginning of 2021, a few waves of COVID-19 infections have emerged in various regions of China. In early 2021, precautionary measures, including varying levels of travel restrictions and encouragement of reduced travel during the Chinese New Year, were reinstated in China. These travel restrictions reduce users’ demand for our products, and are expected to materially and adversely affect our results of operations in the first quarter of 2021 and potentially beyond. According to the Analysys Report, the travel market in China exhibited a quick rebound after the Chinese New Year. See “Risk Factors—Risks Relating to Our Business and Industry—Pandemics (such as COVID-19), epidemics, or fear of spread of contagious diseases could disrupt the travel industry and our operations, which could materially and adversely affect our business, financial condition, and results of operations.”

Any future outbreak of contagious diseases or similar adverse public health developments, extreme unexpected bad weather, or severe natural disasters would affect our business and operating results. Ongoing concerns regarding contagious disease or natural disasters, particularly its effect on travel, could adversely affect our users’ desire to travel. If there is a recurrence of an outbreak of certain contagious diseases or natural disasters, travel to and from affected regions could be curtailed. Public policy regarding, or governmental restrictions on, travel to and from these and other regions on

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account of an outbreak of any contagious disease or occurrence of natural disasters could materially and adversely affect our business and operating results.

Extraordinary General Meeting of Shareholders to approve Share Subdivision

The Company held an extraordinary general meeting of shareholders on March 18, 2021. A proposal of changing the Company’s authorized share capital by one-to-eight subdivision of shares was submitted to the Company’s shareholders to be considered and voted upon at the meeting. The Company’s board of directors approved a change in the ADS ratio proportionate to the Share Subdivision from eight (8) ADSs representing one (1) ordinary share to one (1) ADS representing one (1) ordinary share, which took effect on March 18, 2021.