

RELATED PARTY TRANSACTIONS

We are seeking a listing on the Hong Kong Stock Exchange pursuant to Chapter 19C of the Hong Kong Listing Rules. Pursuant to Rule 19C.11 of the Hong Kong Listing Rules, Chapter 14A of the Hong Kong Listing Rules, governing connected transactions, does not apply to us. The following discussion of related party transactions has been prepared pursuant to the requirements of Form 20-F of the SEC, and is included in this document for disclosure purposes only.

ARRANGEMENTS WITH CONSOLIDATED AFFILIATED CHINESE ENTITIES

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 “History and corporate structure—Contractual Arrangements” for a summary of the contractual arrangements we have entered into with each of Ctrip Commerce, Chengdu Ctrip and Qunar Beijing, and their respective subsidiaries and shareholders.

SHARE INCENTIVE GRANTS

See “Directors and Senior Management—Compensation—Employees’ Share Incentive Plans” for a description of share-based compensation we have provided to our directors, officers and other individuals as a group.

EMPLOYMENT AGREEMENTS

See “Directors and Senior Management—Compensation—Compensation of our directors and executive officers” for a description of the employment agreements we have entered into with our senior executive officers.

COMMISSIONS FROM HOMEINNS AND BTG

In December 2016, in connection with our share exchange transaction with BTG Hotels (Group) Co., Ltd. (“**BTG**”) and Homeinns Hotel Group (“**Homeinns**”), we exchanged our previously held equity interest in Homeinns for 22% equity interest of BTG. BTG had entered into agreements with us to provide hotel rooms for our users. Total commissions from BTG amounted to RMB91 million for the year ended December 31, 2019 and RMB49 million for the year ended December 31, 2020. These commissions were paid to us in our ordinary course of business on terms substantially similar to those for our unrelated hotel suppliers.

COMMISSIONS FROM HUAZHU AND ITS AFFILIATES

One of our hotel partners, Huazhu Group Limited (“**Huazhu**”), has a director in common with our company and a director who is a family member of one of our officers. Huazhu has entered into agreements with us to provide hotel rooms for our customers. Total commissions Huazhu paid us amounted to RMB72 million for the year ended December 31, 2019 and RMB78 million for the year ended December 31, 2020. These commissions were paid to us in our ordinary course of business on terms substantially similar to those for our unrelated hotel suppliers.

COMMISSIONS TO/FROM TONGCHENG-ELONG

In 2018, eLong, Inc. completed a merger with Tongcheng Network Technology Co., Ltd. (“**LY.com**”) and the enlarged group Tongcheng-Elong Holdings Limited (“**Tongcheng-eLong**”)

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supersedes eLong, Inc. and LY.com to promote hotel rooms supplied by us on their platforms. In exchange for our prior holdings in eLong, we received an equity method investment in the enlarged group. Tongcheng-eLong provides hotel rooms for our users, from which we earn commissions. Tongcheng-eLong also promotes hotel rooms supplied by us on their platforms, for which we pay commissions. Total commissions to Tongcheng-eLong paid by us amounted to RMB579 million and Tongcheng-eLong paid commissions to us amounting to RMB217 million for the year December 31, 2019. Total commissions to Tongcheng-eLong paid by us amounted to RMB324 million and Tongcheng-eLong paid commissions to us amounting to RMB151 million for the year December 31, 2020.

SETTLEMENT WITH SKYSEA

In 2019, Skysea Holding International Ltd. (“**Skysea**”), a company in which we owned 35% equity interest and to which we provided a shareholder loan in a principal amount of US\$80 million, completed its winding down of the business and we entered into the final settlement with Skysea. According to the final settlement, we collected the amount due from Skysea and settled the provision and contingent liability of RMB603 million (recognized as other income), which includes RMB236 million previously made for loan receivable and RMB367 million previously made for contingent payables.