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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)**

## **DISCLOSEABLE TRANSACTION INVESTMENTS IN THE TARGET COMPANIES**

### **INTRODUCTION**

The Group is a market leader in China's online travel industry, and offers a comprehensive and innovative selection of products and services covering nearly all aspects of travel.

Having been exploring potential acquisition, investment, joint venture and partnership opportunities, the Company is pleased to announce that the Group have, in the past 12 months and as at the date of this announcement, entered into the Transactions to invest, in varying degree, in the Target Companies.

### **CAPITAL CONTRIBUTION AGREEMENT A**

On December 22, 2021, Investor A (a consolidated affiliated entity of the Company) entered into the Capital Contribution Agreement A with, amongst others, Target Company A, pursuant to which Investor A agreed to make a capital contribution of RMB450,000,000 to Target Company A for an amount of RMB95,430,000 of the registered capital of the Target Company A.

Prior to completion of the Capital Contribution A, Investor A did not hold any equity interest in Target Company A. Following completion of the Capital Contribution A, Target Company A was held as to approximately 13.85% by Investor A. As of the date of this announcement, completion of the Capital Contribution A has taken place.

### **SHARE SUBSCRIPTION AGREEMENT B**

On February 17, 2022, Subscriber B (an indirectly wholly-owned subsidiary of the Company) entered into the Share Subscription Agreement B with, amongst others, Target Company B, pursuant to which Subscriber B agreed to subscribe for 107,142,857 ordinary shares of Target Company B at a total subscription amount of RMB299,999,999.60.

Prior to completion of the Share Subscription B, Subscriber B did not hold any equity interest in Target Company B. Following completion of the Share Subscription B, Target Company B was held as to, amongst others, approximately 5.67% by Subscriber B. As of the date of this announcement, the requisite business registration procedures with competent authorities have not been completed.

## **EQUITY TRANSFER AGREEMENT C**

On April 25, 2022, the Transferee (an indirectly wholly-owned subsidiary of the Company) entered into the Equity Transfer Agreement C with the Transferor and Target Company C, pursuant to which the Transferee agreed to acquire, and the Transferor agreed to sell, the entire equity interest in Target Company C held by the Transferor for a total consideration of RMB15,154,800.

Prior to completion of the Equity Transfer C, Target Company C was held as to 100% by the Transferor. Immediately upon completion of the Equity Transfer C (which has taken place as at the date of this announcement), Target Company C became a directly wholly-owned subsidiary of the Transferee, and therefore became an indirectly wholly-owned subsidiary of the Company, with the financial results of the Target Company C consolidated into the Group's financial statements.

## **EQUITY TRANSFER AGREEMENT D**

On April 25, 2022, the Transferee (an indirectly wholly-owned subsidiary of the Company) entered into the Equity Transfer Agreement D with the Transferor and Target Company D, pursuant to which the Transferee agreed to acquire, and the Transferor agreed to sell, the entire equity interest in Target Company D held by the Transferor for a total consideration of RMB15,882,500.

Prior to completion of the Equity Transfer D, Target Company D was held as to 100% by the Transferor. Immediately upon completion of the Equity Transfer D (which has taken place as at the date of this announcement), Target Company D became a directly wholly-owned subsidiary of the Transferee, and therefore became an indirectly wholly-owned subsidiary of the Company, with the financial results of the Target Company D consolidated into the Group's financial statements.

## **EQUITY TRANSFER AGREEMENT E**

On December 29, 2022, the Transferee (an indirectly wholly-owned subsidiary of the Company) entered into the Equity Transfer Agreement E with the Transferor E and Target Company E, pursuant to which Transferee agreed to acquire, and the Transferor E agreed to sell, the entire equity interest in Target Company E held by the Transferor E for a total consideration of RMB200,000,000.

Prior to completion of the Equity Transfer E, Target Company E was held as to 100% by the Transferor E. Immediately upon the completion of the Equity Transfer E (which has not taken place as at the date of this announcement), Target Company E shall become a directly wholly-owned subsidiary of the Transferee, and thus an indirectly wholly-owned subsidiary of the Company, the financial results of which shall be consolidated into the financial statements of the Group.

## IMPLICATIONS UNDER THE LISTING RULES

Given that the Transactions (i) are entered into by wholly-owned subsidiaries (or consolidated affiliated entity(ies)) of the Company with the same party or with parties connected or otherwise associated with one another; (ii) involve the acquisition of interest in one particular group of companies; and (iii) are all completed within a 12-month period, the Transactions are required to be aggregated as a series of transactions pursuant to Rules 14.22 and 14.23 of the Listing Rules.

As the highest applicable percentage ratio in respect of the Transactions, on an aggregated basis, exceeds 5% but is less than 25%, the Transactions, on an aggregated basis, constitute a discloseable transaction of the Company and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

**Shareholders and potential investors of the Company should note that completion of the Equity Transfer E is subject to the fulfilment (or waiver, where applicable) of the relevant conditions precedent. As the Equity Transfer E may or may not proceed, Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.**

## INTRODUCTION

The Group is a market leader in China's online travel industry, and offers a comprehensive and innovative selection of products and services covering nearly all aspects of travel, including transportation ticketing, accommodation reservation, attraction ticketing services and various ancillary value-added travel products and services designed to meet users' evolving travel needs.

Having been exploring potential acquisition, investment, joint venture and partnership opportunities which the Company believes to be in line with the overall business strategies of the Group, the Company is pleased to announce that the Group had, in the past 12 months and as at the date of this announcement, entered into the Transactions to invest, in varying degree, in the Target Companies.

The scope of business of the Target Companies spans across (i) information technology consulting service, software development, computer technology development and technical services and software retail; (ii) domestic air passenger and cargo transportation business, air transport supporting services, and civil aviation domestic passenger and cargo sales agency business; and (iii) provision of services directly related to tourism business, covering the full supply chain including downstream services such as hotel management, catering management, to upstream services such as ticket agency service, conference and exhibition services.

Accordingly, through the Transactions, the Group is able to tap into the full ecosystem of tourism related business by accessing the upstream and downstream supply chain businesses which the Target Companies operate.

Further details on the Transactions are set forth below.

# THE CAPITAL CONTRIBUTION AGREEMENT, SHARE SUBSCRIPTION AGREEMENT AND EQUITY TRANSFER AGREEMENTS

## A. Capital Contribution Agreement A

The principal terms of the Capital Contribution Agreement A are set out below:

- Date : December 22, 2021
- Parties : (i) Investor A;  
(ii) Target Company A;  
(iii) Existing Shareholder A1;  
(iv) Existing Shareholder A2; and  
(v) subsidiaries of the Target Company A
- Capital contribution and basis of determining the consideration : A capital contribution of RMB450,000,000 by Investor A in the Target Company A.

The consideration of the Capital Contribution A was determined after arm's length negotiation among the parties to the Capital Contribution Agreement A based on the valuation of the Target Company A of RMB2.8 billion and the financial position thereof as at December 31, 2020.

- Key conditions precedent : Completion of the Capital Contribution A was conditional upon fulfilment (or waiver thereof, if applicable) of the following key customary conditions precedent, including without limitation:
- (i) there being no applicable laws or judgment, decision, ruling, injunction or order of governmental authorities restricting, prohibiting or cancelling the current transaction;
  - (ii) Target Company A having obtained the necessary approvals and completed the necessary registration procedures with competent authorities;
  - (iii) Investor A having completed necessary due diligence on the Target Company A to its satisfaction; and
  - (iv) the Existing Shareholder A2 having completed all approvals, procedures and consents where application of state-owned asset regulators and other competent authorities or departments for the Capital Contribution A.

- Performance guarantee in favor of Investor A : Pursuant to the Capital Contribution Agreement A, Target Company A has guaranteed to Investor A that the audited consolidated net profit after taxation (the “**Actual Performance**”) arising from the ordinary course of business of Target Company A for the three financial years ending December 31, 2023 (the “**Guarantee Period**”) shall be no less than RMB900,000,000 (the “**Guaranteed Performance**”).

In the event that the Actual Performance (having deducted any other cash compensation payable to the other shareholders of Target Company A due to any other performance guarantees during the Guarantee Period (the “**Other Compensation**”)) is less than 80% of the Guaranteed Performance, Investor A may opt for (i) a cash compensation amount (the “**Cash Compensation**”) or (ii) equity compensation amount (the “**Equity Compensation**”), which will be calculated as follows:

$$\text{Cash Compensation} = \frac{(\text{Previous Valuation} - \text{Adjusted Valuation})}{(1 - 13.85\%)} \times 13.85\% - \text{Distributed Profits}$$

Notes:

1. *Adjusted Valuation = Previous Valuation × Actual Performance Index*
2. *Actual Performance Index =  $\frac{\text{Actual Performance} - \text{Other Compensation}}{\text{Guaranteed Performance}}$*
3. *13.85% represent the percentage of equity interest in Target Company A held by Investor A.*

$$\textit{Equity Compensation} = \frac{\text{Cash Compensation}}{\frac{\text{Adjusted Valuation}}{\text{RMB593,750,000}}}$$

Notes:

1. *The Equity Compensation may be effected by way of nil-paid capital contribution or capital contribution by nominal value to Target Company A.*
2. *RMB593,750,000 represents the registered capital of Target Company A prior to the Capital Contribution A.*

The profit guarantee represents that Target Company A is confident on its prospects of meeting the said profit guarantee.

- Completion : Completion of the Capital Contribution A took place on the date when all the conditions precedent under the Capital Contribution Agreement A had been fulfilled or waived. As of the date of this announcement, completion of the Capital Contribution A has taken place.
- Payment : Investor A shall pay RMB450,000,000 by way of bank transfer to the designated bank account of the Target Company A. Such payment has been settled in full as at the date of this announcement.
- Shareholding structure of the Target Company A before and after the completion of the Capital Contribution A : Prior to completion of the Capital Contribution A, Investor A did not hold any equity interest in Target Company A. Following completion of the Capital Contribution A, Target Company A was held as to approximately 13.85% by Investor A; 68.92% by Existing Shareholder A1; and 17.23% by Existing Shareholder A2.

## **B. Share Subscription Agreement B**

The principal terms of the Share Subscription Agreement B are set out below:

- Date : February 17, 2022
- Parties : (i) Target Company B;  
(ii) Existing Shareholder B1;  
(iii) Existing Shareholder B2;  
(iv) Existing Shareholder B3;  
(v) Existing Shareholder B4;  
(vi) Fund Subscriber; and  
(vii) Subscriber B

- Share subscription amount and its basis of determination : Subscriber B agreed to subscribe for 107,142,857 ordinary shares of Target Company B at a total subscription amount of RMB299,999,999.60. Such subscription amount was determined after arm's length negotiation among the parties to the Share Subscription Agreement B based on the valuation of the Target Company B of RMB4,686,956,520.40 and the financial position thereof as at December 31, 2020.
- Key conditions precedent : Completion of the Share Subscription B was conditional upon fulfilment (or waiver thereof, if applicable) of the following key customary conditions precedent, including without limitation:
- (i) the Share Subscription B and amendments to the articles of association of the Target Company B having been approved in the general meeting(s) of the Target Company B; and
  - (ii) the Fund Subscriber and the Subscriber B having completed necessary due diligence on financials, technology, operation, law and/or other aspects of the Target Company B.
- Completion : Within 20 working days following the necessary regulatory approval, Target Company B shall submit the application for business registration for the Share Subscription B. As of the date of this announcement, the requisite business registration procedures with competent authorities have not been completed.
- Payment : Subscriber B shall pay the consideration by way of bank transfer to the designated account of the Target Company B respectively no later than 10 working days following the fulfilment (or waiver, if applicable) of the relevant conditions precedent.
- Shareholding structure of the Target Company B before and after the completion of the Share Subscription B : Prior to completion of the Share Subscription B, neither (i) the Fund Subscriber nor (ii) Subscriber B held any equity interest in Target Company B.
- Following completion of the Share Subscription B, the approximate shareholding structure of Target Company B was as follows:
- |   |        |
|---|--------|
| Existing Shareholder B1                           | 34.36% |
| Existing Shareholder B2                           | 23.05% |
| Existing Shareholder B3                           | 17.79% |
| Existing Shareholder B4                           | 10.86% |
| An individual which is an Independent Third Party | 2.60%  |
| Fund Subscriber                                   | 5.67%  |
| Subscriber B                                      | 5.67%  |

## C. Equity Transfer Agreement C

The principal terms of the Equity Transfer Agreement C are set out below:

- Date : April 25, 2022
- Parties : (i) Transferee (as the transferee of the Target Equity C);  
(ii) Transferor (as the transferor of the Target Equity C); and  
(iii) Target Company C (as the target company of the Equity Transfer C)
- Target equity to be acquired : The Transferee agreed to acquire, and the Transferor agreed to sell, the entire equity interest in Target Company C held by the Transferor.
- Consideration and its basis of determination : The consideration for Equity Transfer C is RMB15,154,800, which shall be payable by the Transferee to the Transferor in the following manner:  
(i) RMB10,000,000 shall be settled by offsetting the debt of the same amount owed by Transferor to Transferee; and  
(ii) the remaining RMB5,154,800 shall be paid in cash by bank transfer by the Transferee to the Transferor by April 30, 2022.

As of the date of this announcement, the consideration has been completely paid by the Transferee to the Transferor pursuant to the Equity Transfer Agreement C.

The consideration of the Equity Transfer Agreement C was determined after arm's length negotiation between the Transferee and the Transferor, after considering various factors, including among others, the value attributable to the core assets held by Target Company C, its business capabilities, and the financial performance of the Target Company C as at March 31, 2022.

- Key conditions precedent : Completion of the Equity Transfer C was conditional upon fulfilment (or waiver thereof, if applicable) of the following key customary conditions precedent, including without limitation:  
(i) no later than 45 days after signing the Equity Transfer Agreement C, the certificates and documents crucial to the normal operation of the Target Company C, including the business certificate, company seal, company bank account and bank U-key, having been delivered to the designated person the Transferee to the effect that the Transferee is able to take over and control the Target Company C; and



- (ii) no later than 30 business days after signing the Equity Transfer Agreement C, the Transferor having submitted the application documents in relation to equity change to the industry and commerce department.

Completion : As of the date of this announcement, completion of the Equity Transfer C has taken place.

Prior to completion of the Equity Transfer Agreement C, Target Company C was held as to 100% by the Transferor.

Immediately upon the completion of the Equity Transfer C, Target Company C became a directly wholly-owned subsidiary of the Transferee, and therefore became an indirectly wholly-owned subsidiary of the Company, with the financial results of the Target Company C consolidated into the Group's financial statements.

#### **D. Equity Transfer Agreement D**

The principal terms of the Equity Transfer Agreement D are set out below:

Date : April 25, 2022

Parties : (i) Transferee (as the transferee of the Target Equity D);  
(ii) Transferor (as the transferor of the Target Equity D); and  
(iii) Target Company D (as the target company of the Equity Transfer D)

Target equity to be acquired : The Transferee agreed to acquire, and the Transferor agreed to sell, the entire equity interest in Target Company D held by the Transferor.

Consideration and its basis of determination : The consideration for Target Equity D was RMB15,882,500, which shall be payable by the Transferee to the Transferor in the following manner:

- (i) RMB10,000,000 shall be settled by offsetting the debt of the same amount owed by Transferor to Transferee; and
- (ii) the remaining RMB5,882,500 shall be paid in cash by bank transfer by the Transferee to the Transferor by April 30, 2022.

As of the date of this announcement, the aforesaid consideration has been settled in full by the Transferee to the Transferor pursuant to the Equity Transfer Agreement D.

The consideration under the Equity Transfer Agreement D was determined after arm's length negotiation between the Transferee and the Transferor, after considering various factors, including among others, the value attributable to the core assets held by Target Company D, its business capabilities, and the financial performance of the Target Company D as at March 31, 2022.

Key conditions precedent : Completion of the Equity Transfer D was conditional upon fulfilment (or waiver thereof, if applicable) of the following key customary conditions precedent, including without limitation:

- (i) no later than 45 days after signing the Equity Transfer Agreement D, the certificates and documents crucial to the normal operation of the Target Company D, including the business certificate, company seal, company bank account and bank U-key, having been delivered to the designated person the Transferee to the effect that the Transferee is able to take over and control the Target Company D;
- (ii) no later than 30 business days after signing the Equity Transfer Agreement D, the Transferor having submitted the application documents in relation to equity change to the relevant regulatory authorities.

Completion : As of the date of this announcement, completion of the Equity Transfer D has taken place.

Prior to completion of the Equity Transfer Agreement D, Target Company D was held as to 100% by the Transferor.

Immediately upon completion of the Equity Transfer D, Target Company D became a directly wholly-owned subsidiary of the Transferee, and thus an indirectly wholly-owned subsidiary of the Company, with the financial results of the Target Company D consolidated into the financial statements of the Group.

## **E. Equity Transfer Agreement E**

The principal terms of the Equity Transfer Agreement E are set out below:

Date : December 29, 2022

Parties : (i) Transferee (as the transferee of the Target Equity E);  
(ii) Transferor E; and  
(iii) Target Company E

Target equity to be acquired : The Transferee agreed to acquire, and the Transferor E agreed to sell, the entire equity interest in Target Company E held by the Transferor E.

- Consideration and its basis of determination : The consideration for the Target Equity E was RMB200,000,000, which shall be payable by the Transferee to the Transferor E in the following manner:
- (i) RMB70,000,000 shall be paid in cash no later than 5 working days after the fulfillment of the Conditions Precedent for the Initial Installment Payment; and
  - (ii) the remaining RMB130,000,000 shall be paid in cash no later than 5 working days after the fulfillment of the Conditions Precedent for the Second Installment Payment.

The consideration of the Equity Transfer Agreement E was determined after arm's length negotiation between the Transferee and the Transferor E based on the valuation of the Target Company E of RMB200,000,000 as appraised by an independent third party valuer, having considered various factors, including amongst others, the financial performance of the Target Company E as at September 30, 2022.

- Key conditions precedent : Completion of the Equity Transfer E shall be conditional upon fulfilment (or waiver thereof, if applicable) of the following key customary conditions precedent, including without limitation:
- (i) no later than 10 days following the effective date of the Equity Transfer Agreement E, the following key customary conditions having been fulfilled, including:
    - a. the Transferor E and the Target Company E having obtained all necessary consents and authorisations to effect the Equity Transfer E; and
    - b. there having been no breach of any terms and conditions to the Equity Transfer Agreement E and the representations and undertakings made by the Transferor E or the Target Company E remaining true and accurate(collectively, the “**Conditions Precedent for the Initial Installment Payment**”); and
  - (ii) no later than 30 days following the effective date of the Equity Transfer Agreement E, the following key customary conditions having been fulfilled, including:
    - a. the Conditions Precedent for the Initial Installment Payment having been fulfilled;

- b. the Target Company E having completed the transfer of its equity interests held in 11 subsidiaries (the “**Disposed Subsidiaries**”) in the manner approved by the Transferee and completing the registration in relation to such transfers with the relevant regulatory authorities;
- c. the debts and liabilities (i) owed by the Target Company E to the Transferor E and (ii) amongst the Target Company E and the Disposed Subsidiaries having been dealt with or otherwise disposed of in the manner approved by the Transferee;
- d. the completion of all the necessary procedures, including but not limited to, the necessary tax declaration and payment, for the registration of the relevant regulatory authorities in relation to the Equity Transfer E;
- e. the delivery of the corresponding supporting documents regarding the satisfaction of the Conditions Precedent for the Second Installment Payment (as defined below) and the letter explaining the achievement of the Conditions Precedent for the Second Installment Payment (as defined below) to the Transferee (collectively, the “**Conditions Precedent for the Second Installment Payment**”).

Completion : As of the date of this announcement, completion of the Equity Transfer E has not taken place.

Prior to completion of the Equity Transfer Agreement E, Target Company E was held as to 100% by the Transferor E.

Immediately upon completion of the Equity Transfer E, Target Company E shall become a directly wholly-owned subsidiary of the Transferee, and thus an indirectly wholly-owned subsidiary of the Company, the financial results of which shall be consolidated into the financial statements of the Group.

## **INFORMATION ABOUT THE GROUP**

The Group is a market leader in China’s online travel industry. The Group offers a comprehensive and innovative selection of products and services covering nearly all aspects of travel, including transportation ticketing, accommodation reservation, attraction ticketing services and various ancillary value-added travel products and services designed to meet users’ evolving travel needs.

## INFORMATION ABOUT THE PARTIES

### *Under the Capital Contribution Agreement A*

Investor A                      Investor A is a limited liability company established in the PRC and a consolidated affiliated entity of the Company. It is principally engaged in the provision of travel related services.

Existing Shareholder A1      Existing Shareholder A1 is a limited liability company established in the PRC. It is principally engaged in the provision of software development, technical services, technical development and technical consultation services. As at the date of this announcement, Existing Shareholder A1 was held by (i) the Limited Partnership as to approximately 18.00%; (ii) by Shanghai Ctrip International Travel Agency Co., Ltd.\* (上海攜程國際旅行社有限公司) as to approximately 15.09%; (iii) by subsidiaries of Tencent Holdings, on an aggregated basis, as to approximately 13.33%; and (iv) by Shenzhen Overseas Chinese Town Capital Investment Management Co., Ltd.\* (深圳華僑城資本投資管理有限公司) as to approximately 11.54%, and save for the aforesaid, there are no other shareholders who hold 10% or more equity interest in and of Existing Shareholder A1. The general partner of the Limited Partnership is Suzhou Industrial Park Investment Management. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Limited Partnership was held by (i) Shenzhen Lihui Fengying No. 1 Venture Capital Partnership (Limited Partnership)\* (深圳力匯豐盈一號創業投資合夥企業(有限合夥)) as to approximately 47.71% (which in turn was held as to approximately 78.96% by Guangdong Pearl River Investments Co., Ltd.\* (廣東珠江投資股份有限公司)); and (ii) by Shenzhen Jinzhen Investment Enterprise (Limited Partnership)\* (深圳金渥投資企業(有限合夥)) as to approximately 16.78% (which in turn was held as to approximately 20% by five limited partnerships, respectively), and save for the aforesaid, there are no other shareholders who hold 10% or more equity interest in and of the Limited Partnership.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, each of the Existing Shareholder A1 and its ultimate beneficial owner(s) is an Independent Third Party.

Existing Shareholder A2      Existing Shareholder A2 is a limited liability company established in the PRC. It is principally engaged asset management, equity investment, venture capital, private equity fund management and economic information consulting. Existing Shareholder A2 is indirectly wholly-owned by Qingdao Huangdao District State-owned Assets Development Center\* (青島市黃島區國有資產發展中心), being a governmental authority in the PRC.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, each of the Existing Shareholder A2 and its ultimate beneficial owner(s) is an Independent Third Party.

## Target Company A

Target Company A is a limited liability company established in the PRC. It is principally engaged in information technology consulting service, software development, computer technology development and technical services and software retail.

Set out below is the audited consolidated financial information for the two years ended December 31, 2019 and 2020 of the Target Company A in accordance with the accounting policies generally accepted in the PRC:

	<b>For the year ended</b>	
	<b>December 31</b>	
	<b>2020</b>	<b>2019</b>
	<b>(audited)</b>	<b>(audited)</b>
	<b>(RMB'000)</b>	<b>(RMB'000)</b>
Revenue	696,828.78	626,718.81
Profit/(loss) before tax	117,754.06	78,794.59
Profit/(loss) after tax	93,087.04	78,097.62

## *Under the Share Subscription Agreement B*

### Subscriber B

Subscriber B is a limited liability company established in the PRC, and an indirectly wholly-owned subsidiary of the Company. It is principally engaged in information technology outsourcing.

### Fund Subscriber

The Fund Subscriber is a limited liability company established in the PRC and is principally engaged in the entrusted management of private industry funds and equity investment funds, entrusted asset management and investment management. It is indirectly wholly-owned by The Office of the People's Government of Hunan Province\* (湖南省人民政府辦公廳).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, each of the Fund Subscriber and its ultimate beneficial owner(s) is an Independent Third Party.

## Existing Shareholder B1

The Existing Shareholder B1 is a limited liability company established in the PRC. It is principally engaged in tourism business, conference and exhibition services, aviation operations support services, airline business services, and air transport cargo packing services. The Existing Shareholder B1 is directly wholly-owned by Suzhou Tongcheng Hanglv Technology Co., Ltd.\* (蘇州同程航旅科技有限公司), which is in turn held by (i) the Limited Partnership as to approximately 18.00%; (ii) by Shanghai Ctrip International Travel Agency Co., Ltd.\* (上海攜程國際旅行社有限公司) as to approximately 15.09%; (iii) by subsidiaries of Tencent Holdings as to approximately 13.33%; and (iv) by Shenzhen Overseas Chinese Town Capital Investment Management Co., Ltd.\* (深圳華僑城資本投資管理有限公司) as to approximately 11.54%, and save for the aforesaid, there are no other shareholders who hold 10% or more equity interest in and of Existing Shareholder B1.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, each of Existing Shareholder B1 and its ultimate beneficial owner(s) is an Independent Third Party.

## Existing Shareholder B2

The Existing Shareholder B2 is a limited partnership established in the PRC. It is principally engaged in equity investment activities and related consulting services. Its general partner is the Fund Subscriber. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, Existing Shareholder B2 is owned as to approximately (i) 1.58% by its general partner, the Fund Subscriber; (ii) 4.74% by Suzhou Chengyi Internet Technology Limited\* (蘇州程藝網絡科技有限公司), a limited liability company established in the PRC and a consolidated affiliated entity of the Company; (iii) 52.92% by its largest limited partner, Hunan Emerging Industry Guided Investment Partnership (Limited Partnership)\* (湖南省新興產業引導投資合夥企業(有限合夥)); and (iv) 45.50% by other five limited partners, among which Hunan Caixin Fund Management Co., Ltd. and Hunan Emerging Industry Guided Investment Partnership (Limited Partnership) are indirectly wholly-owned by The Office of the People's Government of Hunan Province\* (湖南省人民政府辦公廳). Save for the aforesaid, there are no other shareholders who hold 10% or more equity interest in and of Existing Shareholder B2.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, each of Existing Shareholder B2 and its ultimate beneficial owner(s) is an Independent Third Party.

Existing Shareholder B3      The Existing Shareholder B3 is a limited liability established in the PRC. It is principally engaged in entrusted asset management, investment management, asset management and financial information consulting.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, each of Existing Shareholder B3 and its ultimate beneficial owner(s) is an Independent Third Party.

Existing Shareholder B4      The Existing Shareholder B4 is a limited liability company established in the PRC. It is principally engaged in industry sector investment.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, each of Existing Shareholder B4 and its ultimate beneficial owner(s) is an Independent Third Party.

Target Company B              The Target Company B is a joint-stock limited liability company established in the PRC. Its principal business includes domestic air passenger and cargo transportation business, air transport supporting services, and civil aviation domestic passenger and cargo sales agency business.

Set out below is the audited consolidated financial information for the two years ended December 31, 2020 and 2021 of the Target Company B in accordance with the accounting policies generally accepted in the PRC:

	<b>For the year ended</b>	
	<b>December 31</b>	
	<b>2021</b>	<b>2020</b>
	<b>(audited)</b>	<b>(audited)</b>
	<b>(RMB'000)</b>	<b>(RMB'000)</b>
Revenue	1,019,909.62	1,227,198.46
Profit/(loss) before tax	(656,894.59)	(589,017.92)
Profit/(loss) after tax	(606,114.33)	580,636.43

*Under the Equity Transfer Agreements C and D*

Transferee                      The Transferee is a limited liability company established in the PRC and an indirectly wholly-owned subsidiary of the Company. It is principally engaged in the provision of platform service for hotel businesses.



Transferor The Transferor is a limited liability company established in the PRC and a wholly-owned subsidiary of Existing Shareholder B1. It is principally engaged in domestic tourism business, inbound tourism business and outbound tourism business.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, each of the Transferor and its ultimate beneficial owner(s) is an Independent Third Party.

Target Company C Target Company C is a limited liability company established in the PRC. It is principally engaged in tourism business, ticket agency service, hotel management, and catering management.

Set out below is the unaudited financial information for the two years ended December 31, 2020 and 2021 of the Target Company C in accordance with the accounting policies generally accepted in the PRC:

	<b>For the year ended December 31</b>	
	<b>2021</b>	<b>2020</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Revenue	642.59	1,576.54
Profit/(loss) before tax	(1,374.95)	(8,529.41)
Profit/(loss) after tax	(1,438.93)	(9,616.72)

Target Company D Target Company D is a limited liability company established in the PRC. It is principally engaged in tourism development project planning and consulting, conference and exhibition service, ticket agency service.

Set out below is the unaudited financial information for the two years ended December 31, 2020 and 2021 of the Target Company D in accordance with the accounting policies generally accepted in the PRC:

	<b>For the year ended December 31</b>	
	<b>2021</b>	<b>2020</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Revenue	1,074.46	4,537.84
Profit/(loss) before tax	(1,298.64)	(7,528.80)
Profit/(loss) after tax	(1,659.70)	(9,341.83)

## *Under the Equity Transfer Agreement E*

Transferee The Transferee is a limited liability company established in the PRC. For details, please refer to the paragraph headed “*Information About the Parties – Under the Equity Transfer Agreements C and D – Transferee*” in this announcement.

Transferor E (as known as Existing Shareholder B1 in this announcement) Transferor E is a limited liability company established in the PRC. For details, please refer to the paragraph headed “*Information About the Parties – Under the Share Subscription Agreement B – Existing Shareholder B1*” in this announcement.

Target Company E The Target Company E is a limited liability company established in the PRC. It is principally engaged in domestic tourism business, inbound tourism business and outbound tourism business.

Set out below is the unaudited consolidated financial information for the two years ended December 31, 2020 and 2021 of the Target Company E in accordance with the accounting policies generally accepted in the PRC:

	<b>For the year ended</b>	
	<b>December 31</b>	
	<b>2021</b>	<b>2020</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
	<b>(RMB'000)</b>	<b>(RMB'000)</b>
Revenue	29,521.05	104,069.10
Profit/(loss) before tax	(48,464.20)	(131,402.64)
Profit/(loss) after tax	(46,755.88)	(212,101.97)

*Note: The financial information of the Target Company E has consolidated the financial results of the Disposed Subsidiaries.*

## **REASONS FOR AND BENEFITS OF THE TRANSACTIONS**

The Group is a market leader in China’s online travel industry, and offers a comprehensive and innovative selection of products and services covering nearly all aspects of travel, including transportation ticketing, accommodation reservation, attraction ticketing services and various ancillary value-added travel products and services designed to meet users’ evolving travel needs. The Company has been exploring potential acquisition, investment, joint venture and partnership opportunities which it believes to be in line with the overall business strategies of the Group.

As disclosed in the section headed “*Information About the Parties*” in this announcement, Target Company A is principally engaged in information technology consulting service, software development, computer technology development and technical services and software retail; whereas Target Company B is principally engaged in domestic air passenger and cargo transportation business, air transport supporting services, and civil aviation domestic passenger and cargo sales agency business. On the other hand, Target Company C, D and E are principally engaged in the provision of services directly related to tourism business, covering the full supply chain ranging from downstream services such as hotel management, catering management, to upstream services such as ticket agency service, conference and exhibition services.

Accordingly, through the Transactions, the Group is able to tap into the full ecosystem of tourism related business by accessing the upstream and downstream supply chain businesses which the Target Companies operate. By such, the Group is able to benefit and gain leverage from the expertise and technological development of the Target Companies, achieve greater economies of scale, solidify its market leading first-mover advantage and further strengthen its market position of comprehensive travel product and service offerings.

On the above basis, the Board is of the view that the Transactions are, and will be (as the case may be), complementary to the Group's existing travel business portfolio and enable the Group to further expand its scale of business in the online travel industry to enhance further return to the Shareholders. The Directors (including the independent non-executive Directors) consider that the terms and conditions of the Transactions are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **IMPLICATIONS UNDER THE LISTING RULES**

Given that the Transactions (i) are entered into by wholly-owned subsidiaries of the Company with the same party or with parties connected or otherwise associated with one another; (ii) involve the acquisition of interest in one particular group of companies; and (iii) are all completed within a 12-month period, the Transactions are required to be aggregated as a series of transactions pursuant to Rules 14.22 and 14.23 of the Listing Rules.

As the highest applicable percentage ratio in respect of the Transactions, on an aggregated basis, exceeds 5% but is less than 25%, the Transactions, on an aggregated basis, constitute a discloseable transaction of the Company and are therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

**Shareholders and potential investors of the Company should note that completion of the Equity Transfer E is subject to the fulfilment (or waiver, if applicable) of the relevant conditions precedent. As the Equity Transfer E may or may not proceed, Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.**

## **DEFINITIONS**

In this announcement, unless the context requires otherwise, the following terms shall have the meanings as set out below:

“Actual Performance”	has the meaning ascribed to it in the sub-section headed “ <i>Cash Compensation</i> ” in this announcement;
“Actual Performance Index”	has the meaning ascribed to it in the sub-section headed “ <i>Performance guarantee</i> ” in this announcement;
“Adjusted Valuation”	the product of Previous Valuation and Actual Performance Index;
“Board”	the board of Directors;

“Capital Contribution A”	the capital contribution to the Target Company A pursuant to the Capital Contribution Agreement A;
“Capital Contribution Agreement A”	the capital contribution agreement dated December 22, 2022 entered into by, amongst others, the Investor A, the Target Company A, the Existing Shareholder A1, the Existing Shareholder A2 and the subsidiaries of the Target Company A listed in the first schedule to the Capital Contribution Agreement A;
“Cash Compensation”	has the meaning ascribed to it in the sub-section headed “ <i>Performance guarantee</i> ” in this announcement;
“Company”	Tongcheng Travel Holdings Limited (同程旅行控股有限公司) (formerly known as Tongcheng-Elong Holdings Limited (同程藝龍控股有限公司)), an exempted company incorporated under the laws of the Cayman Islands with limited liability the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 780);
“Director(s)”	the director(s) of the Company;
“Distributed Profit(s)”	the aggregate amount of distributable profits which Investor A has received during the relevant Guarantee Period, if any;
“Equity Transfer Agreement C”	the equity transfer agreement dated April 25, 2022 entered into among the Transferee, the Transferor and the Target Company C, in relation to the transfer of the entire Target Equity C;
“Equity Transfer Agreement D”	the equity transfer agreement dated April 25, 2022 entered into among the Transferee, the Transferor and the Target Company D, in relation to the transfer of the Target Equity D;
“Equity Transfer Agreement E”	the equity transfer agreement dated December 29, 2022 entered into among the Transferee, the Transferor and the Target Company E, in relation to the transfer of the Target Equity E;
“Equity Transfer C”	the transfer of Target Equity C pursuant to the Equity Transfer Agreement C;
“Equity Transfer D”	the transfer of Target Equity D pursuant to the Equity Transfer Agreement D;
“Equity Transfer E”	the proposed transfer of Target Equity E pursuant to the Equity Transfer Agreement E;

“Equity Transfers”	collectively, Equity Transfer C, Equity Transfer D and Equity Transfer E;
“Existing Shareholder A1”	Suzhou Tongcheng Lvjin Technology Co., Ltd.* (蘇州同程旅金科技有限公司);
“Existing Shareholder A2”	Qingdao Haikong Investment Holding Co., Ltd.* (青島海控投資控股有限公司) (formerly known as Qingdao Haikong Group Financial Holding Co., Ltd.* (青島海控集團金融控股有限公司));
“Existing Shareholder B1” or “Transferor E”	Tongcheng Air Travel Service Group Co., Ltd.* (同程航空旅遊服務集團有限公司);
“Existing Shareholder B2”	Hunan Province Emerging Industry Equity Investment Guidance Fund Partnership (Limited Partnership)* (湖南省新興產業股權投資引導基金合夥企業(有限合夥));
“Existing Shareholder B3”	Shenzhen Tiansong Wealth Asset Management Co., Ltd.* (深圳市天頌財富資產管理有限公司) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, is owned as to 49% by Mr. Huang Tingwei (黃庭偉), and as to 51% by Qiaoxin Holding (Group) Co., Ltd.* (僑信控股(集團)有限公司) whose ultimate beneficial owner is Mr. Huang Chaokai (黃朝楷);
“Existing Shareholder B4”	Suzhou Jinju Phase I Investment Partnership (Limited Partnership)* (蘇州金桔壹期投資合夥企業(有限合夥)) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, is owned as to 99% by Existing Shareholder B1, and as to 1% by Suzhou Xingtian Jiacheng Enterprise Management Consulting Co., Ltd.* (蘇州興天嘉程企業管理諮詢有限公司) (being its executive general partner which, in turn, is owned as to 60% by Mr. Wu Jiazhu (吳嘉竹) and as to 40% by Ms. Chen Xiaorong (陳曉蓉));
“Existing Shareholders B”	the Existing Shareholder B1, the Existing Shareholder B2, the Existing Shareholder B3, and the Existing Shareholder B4;
“Equity Compensation”	has the meaning ascribed to it in the sub-section headed “ <i>Performance guarantee</i> ” in this announcement;
“Fund Subscriber”	Hunan Caixin Fund Management Co., Ltd.* (湖南省財信產業基金管理有限公司);
“Group”	the Company and its subsidiaries;

“Guaranteed Period”	has the meaning ascribed to it in the sub-section headed “ <i>Performance guarantee</i> ” in this announcement;
“Guaranteed Performance”	has the meaning ascribed to it in the sub-section headed “ <i>Performance guarantee</i> ” in this announcement;
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons (as defined under the Listing Rules);
“Investor A”	Tongcheng Network Technology Co., Ltd.* (同程網絡科技股份有限公司);
“Limited Partnership”	Suzhou Huafan Runhe Venture Capital Partnership (Limited Partnership)* (蘇州華帆潤禾創業投資合夥企業(有限合夥));
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Other Compensation”	has the meaning ascribed to it in the sub-section headed “ <i>Performance guarantee</i> ” in this announcement;
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excludes Hong Kong Special Administrative Region of the People’s Republic of China, Macau Special Administrative Region of the People’s Republic of China and Taiwan;
“Previous Valuation”	RMB2.8 billion, being the valuation of Target Company A prior to Capital Contribution A;
“RMB”	Renminbi, the lawful currency of the PRC;
“Share Subscription Agreement B”	the share subscription agreement dated February 17, 2022 among the Target Company B, the Existing Shareholder B1, the Existing Shareholder B2, the Existing Shareholder B3, the Existing Shareholder B4, the Fund Subscriber and the Subscriber B;
“Share Subscription B”	the subscription of the shares of the target company B pursuant to the Share Subscription Agreement B;
“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);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

“Subscriber B”	Suzhou Longyue Tiancheng Venture Capital Group Co., Ltd.* (蘇州龍悅天程創業投資集團有限公司), a company established in the PRC with limited liability and an indirectly wholly owned subsidiary of the Company;
“Suzhou Industrial Park Investment Management”	Suzhou Industrial Park Days Cheng Jiahua Investment Management Co., Ltd.* (蘇州工業園區天程嘉華投資管理有限公司), which is directly owned as to 20% by each of Mr. Ma Heping (馬和平, an executive Director and chief executive officer of the Company), Mr. Wu Zhixiang (吳志祥, an executive Director and Co-Chairman of the Company), and three Independent Third Parties, namely Mr. Wang Zhuan (王專), Mr. Zhang Hailong (張海龍) and Ms. Wu Jian (吳劍);
“Target Companies”	collectively, Target Company A, Target Company B, Target Company C, Target Company D and Target Company E;
“Target Company A”	Guangzhou Lvjin Technology Co., Ltd.* (廣州旅金科技有限公司);
“Target Company B”	Hunan Airline Company Limited* (湖南航空股份有限公司) (formerly known as Hunan Red Earth Airline Company Limited* (湖南紅土航空股份有限公司));
“Target Company C”	Beijing Tongcheng Guoqing International Travel Agency Co., Ltd.* (北京同程國青國際旅行社有限公司);
“Target Company D”	Guangdong Tongcheng Chuangyou International Travel Agency Co., Ltd.* (廣東同程創游國際旅行社有限公司);
“Target Company E”	Tongcheng International Travel Service Co., Ltd.* (同程國際旅行社有限公司);
“Target Equity C”	the entire equity interest in Target Company C;
“Target Equity D”	the entire equity interest in Target Company D;
“Target Equity E”	the entire equity interest in Target Company E;
“Tencent Holdings”	Tencent Holdings Limited, a company redomiciled to the Cayman Islands on February 27, 2004 as an exempted company under the laws of the Cayman Islands, whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (stock code: 700);
“Transactions”	collectively, Capital Contribution A, Share Subscription B and Equity Transfers;

“Transferee”	eLong Net Information Technology (Beijing) Co., Ltd.* (藝龍網信息技術(北京)有限公司);
“Transferor”	Tongcheng International Travel Agency Co., Ltd.* (同程國際旅行社有限公司);
“USD”	United States dollars, the lawful currency of the United States of America; and
“%”	percent.

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

Hong Kong, December 29, 2022

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

***Executive Directors***

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

***Independent Non-executive Directors***

Yang Chia Hung  
Dai Xiaojing  
Han Yuling

***Non-executive Directors***

Liang Jianzhang (*Co-Chairman*)  
Jiang Hao  
Cheng Yun Ming Matthew  
Brent Richard Irvin

\* *For identification purposes only*