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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)**

### **GRANT OF SHARE OPTIONS AND GRANT OF RESTRICTED SHARE UNITS**

Pursuant to Rules 17.06A, 17.06B and 17.06C of the Listing Rules, the Board announces that on October 20, 2023 (after trading hours), (1) a total of 27,729,938 Share Options were granted to certain Directors, employee participants and related entity participants pursuant to the 2022 Share Option Plan to subscribe for a total of 27,729,938 Shares, and (2) a total of 27,729,938 RSUs were granted to certain employee participants and related entity participants pursuant to the 2022 RSU Plan.

#### **(1) GRANT OF SHARE OPTIONS**

The details of the Share Options granted to the Grantees are as follows:

- |  |  |
|--|--|
| 1. Date of grant                           | October 20, 2023 (after trading hours) |
| 2. Exercise price of Share Options granted | HK\$15.516                             |

The exercise price of HK\$15.516 per Share represents the highest of (i) the nominal value of the Share, which is US\$0.0005, (ii) the closing price of HK\$14.800 per Share as stated in the daily quotation sheet issued by the Stock Exchange on the date of the grant, and (iii) the average closing price of HK\$15.516 per Share as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the date of Grant.

The Group will not provide any financial assistance to the Grantees to facilitate the exercise of Share Options under the 2022 Share Option Plan.

3. Grantees and number of Share Options granted 27,729,938 Share Options were granted to the Grantees under the 2022 Share Option Plan, among which:–

(i) 2,200,000 Share Options are granted to 2 Directors with details as follows:–

<b>Name of Grantees</b>	<b>Relationship with the Company</b>	<b>Number of Share Options</b>
Mr. Wu Zhixiang	Executive Director	500,000
Mr. Ma Heping	Executive Director	1,700,000

(ii) 25,440,738 Share Options are granted to 858 employees of the Group (including certain senior managers); and

(iii) 89,200 Share Options are granted to 4 related entity participants, who are employees of the Group's associates.

In accordance with Rule 17.04(1) of the Listing Rules, the grant of the Share Options to the above Directors has been approved by the independent non-executive Directors. The Grantees who are Directors have also abstained from voting on the relevant board resolution insofar as they were concerned.

4. Total number of Shares to be issued upon exercise of the Share Options in full 27,729,938, which represent approximately 1.23% of the total issued Shares as at the date of this announcement. The new Shares, when being issued and allotted, shall rank *pari passu* among themselves and with the fully paid Shares in issue.

5. Closing price of Shares on the date of grant HK\$14.800

6. Average closing price of the Shares for the five consecutive business days prior to the date of grant HK\$15.516

7. Exercise period of Share Options granted Each Share Option shall be exercisable at such times and subject to such terms and conditions as the Board determines, provided that it shall not be beyond the expiration of 10 years from the date of grant.

8. Vesting period
- The Share Options granted shall vest in the following manner:
- 25% of the total number of Share Options granted shall vest on the first anniversary of the date of grant;
  - 25% of the total number of Share Options granted shall vest on the second anniversary of the date of grant;
  - 25% of the total number of Share Options granted shall vest on the third anniversary of the date of grant; and
  - 25% of the total number of Share Options granted shall vest on the fourth anniversary of the date of grant.
9. Performance target
- Share Options were granted to the Grantees under the 2022 Share Option Plan without any performance target.
- In view that (i) the Grantees are (a) Directors, employees of the Group and senior managers who will directly contribute to the overall business performance, sustainable development and/or good corporate governance of the Group, and (b) the related entity participants, being sales and marketing and technical staff of the Group's associates who will contribute directly and indirectly to the Group; (ii) the Grant serving as a recognition for the Grantees' contributions to the Group; (iii) the value of the Share Options granted were intrinsically linked to the market price of the Shares, which in turn is driven by the overall business performance of the Group, hinging on the performance and contributions of the respective Grantees; (iv) the Share Options are subject to a time-based vesting schedule and the terms of the 2022 Share Option Plan; and (v) grants made under the 2022 Share Option Plan customarily do not attach any performance target attached thereto, the Remuneration Committee is of the view that the grant of the Share Options to the Grantees without any performance target is market competitive and aligns with the overall purpose of the 2022 Share Option Plan.
10. Clawback mechanism
- If the employment or service of a Grantee is terminated by any member of the Group due to the following reasons: (i) the Grantee having committed intentional or gross negligence in the performance of his/her/its duties, or has seriously violated its employment agreement, or the internal rules and procedures of any member of the Group; (ii) the Grantee having pleaded guilty or innocent, or has been found guilty of a crime; (iii) the Grantee having seriously violated the fiduciary obligations with any member of the Group; or (iv) the Grantee having had a material breach of any confidentiality obligations, inducements or non-competition obligations owed to any member of the Group, then all Share Options, whether vested or not, shall cease to have effect immediately thereupon.

The Stock Exchange has previously granted its approval of the listing of, and permission to deal in, new Shares which may be issued upon exercise of Share Options which may be granted pursuant to the 2022 Share Option Plan. Subsequent to aforementioned grant of the Share Options and as at the date of this announcement, there are no Shares available for future grants under the 2022 Share Option Plan.

## (2) GRANT OF RSU

The details of the RSUs granted to the Grantees are as follows:

1. Date of grant October 20, 2023 (after trading hours)
2. Purchase price of the RSUs granted Nil  

The Group will not provide any financial assistance to the Grantees to facilitate the purchase of Shares underlying the RSUs granted under the 2022 RSU Plan.
3. Grantees and number of the RSUs granted 27,729,938 RSUs were granted to Grantees under the 2022 RSU Plan, among which:
  - (i) 27,489,938 RSUs are granted to 279 employees of the Group; and
  - (ii) 240,000 RSUs are granted to 9 related entity participants, who are employees of the Group's associates.
4. Total number of Shares underlying the RSUs granted 27,729,938, which represent approximately 1.23% of the total issued Shares as at the date of this announcement. The new Shares, when being issued and allotted, shall rank *pari passu* among themselves and with the fully paid Shares in issue.
5. Closing price of Shares on the date of grant HK\$14.800
6. Vesting period The RSUs granted shall vest in the following manner:
  - 25% of the total number of RSUs granted shall vest on the first anniversary of the date of grant;
  - 25% of the total number of RSUs granted shall vest on the second anniversary of the date of grant;
  - 25% of the total number of RSUs granted shall vest on the third anniversary of the date of grant; and
  - 25% of the total number of RSUs granted shall vest on the fourth anniversary of the date of grant.

Any RSU granted shall be subject to such terms and conditions as the Board determines, provided that it shall lapse automatically on the tenth anniversary of the date of grant.

7. Performance target RSUs were granted to the Grantees under the 2022 RSU Plan without any performance target.

In view that (i) the Grantees are (a) employees of the Group who will contribute directly to the overall business performance, sustainable development and/or good corporate governance of the Group, and (b) the related entity participants, being the sales and marketing and technical staff of the Group's associates who will contribute directly and indirectly to the Group; (ii) the Grant serving as a recognition for the Grantees' contributions to the Group; (iii) the value of the RSUs granted were intrinsically linked to the market price of the Shares, which in turn is driven by the overall business performance of the Group, hinging on the performance and contributions of the respective Grantees; (iv) the RSUs granted are subject to a time-based vesting schedule, and the terms of the 2022 RSU Plan; and (v) grants made under the 2022 RSU Plan customarily do not have any performance target attached thereto, the Remuneration Committee is of the view that the grant of the RSUs to the Grantees without any performance target is market competitive and aligns with the overall purpose of the 2022 RSU Plan.

8. Clawback mechanism In the event that the employment or service of a Grantee is terminated by any member of the Group due to: (i) the Grantee having committed intentional or gross negligence in the performance of his/her/its duties, or has seriously violated its employment agreement, or the internal rules and procedures of any member of the Group; (ii) the Grantee having pleaded guilty or innocent, or has been found guilty of a crime; (iii) the Grantee having seriously violated the fiduciary obligations with any member of the Group; or (iv) the Grantee having had a material breach of any confidentiality obligations, inducements or non-competition obligations owed to any member of the Group, then all RSUs, whether vested or not, shall cease to have effect immediately thereupon.

The Company may direct and procure the Trustee to purchase existing Shares or subscribe for new Shares to satisfy the RSUs granted to the Grantees upon vesting (in the latter case, an application will be made by the Company to the Stock Exchange for approval of the listing of, and permission to deal in, the new Shares to satisfy the vesting of the RSUs). The Board considers that the grant of the RSUs is fair and reasonable and is in the best interests of the Company and its shareholders as a whole. Subsequent to aforementioned grant of the RSUs and as at the date of this announcement, there are no Shares available for future grants under the 2022 RSU Plan.

### **(3) REASONS FOR GRANT OF THE SHARE OPTIONS AND THE RSUS**

The aforementioned Grant is to align the interests of the Grantees with those of the Group through ownership of Shares, dividends and other distributions paid on Shares and/or the increase in value of the Shares, and to recognise the contributions made by the Grantees and to attract and retain talent for the continuous operations and development of the Group. As to the related entity participants who are the employees of the Group's associates responsible for sales, marketing and technical functions, the Company believes that the success and growth of the Group requires cooperation and contribution from such individuals. Sales and marketing staff of the associates of the Group could, on the one hand, help to expand the Group's sales network by exploring and referring new customers to the Group, serving as an important offline user acquisition channel for the Group and allowing the Group to further accelerate the online penetration in lower-tier cities. On the other hand, through retaining core technical staff of the Group's associates, the Group can help its associates to enhance its research and development functions, further develop their businesses and thereby maximizing its return from minority investments in the long run.

In light of the above, the Board is of the view that the grant of Share Options and/or RSUs to such individual related entity participants (i) benefits the Group and its shareholders as a whole since maintaining sustainable and stable relationship with them is conducive to the business development of the Group, (ii) will align their interests with the Group's, incentivizing them to provide better services to, create more opportunities for and/or contribute to the success of the Group in the long run, (iii) is consistent with the Company's customary practice, and therefore (iv) aligns with the purpose of the 2022 Share Option Plan and the 2022 RSU Plan.

To the best knowledge of the Directors, as of the date of this announcement and save as disclosed in this announcement, none of the other Grantees of the Share Options and the RSUs is (i) a director, chief executive or substantial shareholder of the Company, or an associate of any of them; (ii) a participant with options and awards granted and to be granted exceeding the 1% individual limit under the Listing Rules; or (iii) a related entity participant or a service provider with options and awards granted and to be granted exceeding 0.1% of the total issued Shares in any 12-month period up to and including the Grant Date.

The Company will comply with Chapter 17 of the Listing Rules in accordance with the transitional arrangements for the existing share schemes of the Company (including the 2022 Share Option Plan and the 2022 RSU Plan).

#### (4) DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“1% individual limit”	has the meaning ascribed thereto in Chapter 17 of the Listing Rules;
“2022 RSU Plan”	the 2022 restricted share unit plan adopted and approved by the Board on March 22, 2022;
“2022 Share Option Plan”	the share option plan approved by an ordinary resolution passed by the shareholders of the Company at the annual general meeting of the Company held on May 31, 2022;
“associate(s)”	has the meaning ascribed thereto under the Listing Rules;
“Board”	the board of Directors;
“Company”	Tongcheng Travel Holdings Limited (同程旅行控股有限公司), 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;
“Grant”	the grant of 27,729,938 Share Options and 27,729,938 RSUs to the Grantees in accordance with the 2022 Share Option Plan and the 2022 RSU Plan, respectively, on October 20, 2023 (after trading hours);
“Grantee(s)”	grantees of the Grant;
“Group”	the Company, its subsidiaries and consolidated affiliated entities;
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“related entity participant(s)”	has the meaning ascribed thereto in Chapter 17 of the Listing Rules;
“Remuneration Committee”	the remuneration committee of the Board;
“RSUs”	restricted share unit(s) granted to eligible participant(s) under the 2022 RSU Plan;
“senior manager(s)”	has the meaning ascribed thereto in Chapter 17 of the Listing Rules;

“Share(s)”	ordinary share(s) in the share capital of the Company, currently of nominal value USD0.0005 each;
“Share Options”	option(s) granted under the 2022 Share Option Plan to purchase the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Trustee”	the trustee appointed by the Company in respect of the 2022 RSU Plan;
“USD”	United States dollars, the lawful currency of the United States of America;
“%”	percent.

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

Hong Kong, October 23, 2023

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

***Executive Directors***

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

***Non-executive Directors***

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

***Independent Non-executive Directors***

Yang Chia Hung  
Dai Xiaojing  
Han Yuling