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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)**

### **INSIDE INFORMATION**

### **LETTER OF INTENT IN RELATION TO A POSSIBLE ACQUISITION**

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

### **THE POSSIBLE ACQUISITION**

#### **Background**

Reference is made to the announcement of the Company dated December 29, 2022, pursuant to which Tongcheng Network (a consolidated affiliated entity of the Company), being one of the Investors, made a capital contribution to Target Company. Following the completion of the aforementioned capital contribution, which has taken place as at the date of this announcement, the Target Company was held as to approximately (i) 55.14% by the Seller; (ii) 13.85% by Tongcheng Network; and (iii) 31.01% by other Independent Third Parties.

#### **Letter of Intent**

The Board is pleased to announce that on February 7, 2024, the Investors (an indirectly wholly-owned subsidiary and a consolidated affiliated entity of the Company, respectively), the Target Company and the Seller entered into the Letter of Intent, pursuant to which, it is proposed that the Seller shall sell, and the Investors shall acquire, the Target Equity for a total consideration not exceeding an indicative consideration of RMB1.15 billion. The exact consideration is expected to be determined in the definitive and legally-binding formal agreement(s) (the “**Definitive Agreement(s)**”) which may be entered into amongst the parties after arms’ length negotiations.

#### **Exclusivity Period and Earnest Money**

Pursuant to the Letter of Intent, the Seller has undertaken with the Investors not to (whether directly or indirectly through its representatives), during the period within 180 calendar days from the Letter of Intent or such other date as agreed in writing by the parties (both days inclusive) (the “**Exclusivity Period**”), discuss, negotiate and/or enter into any agreement, arrangement or understanding with any other party with respect to the disposal of all or any part of the Target Equity.

The Investors shall pay RMB100 million as earnest money (the “**Earnest Money**”) to the Seller within 15 working days of the date of the Letter of Intent. The payment of the Earnest Money shall be applied to offset the total consideration for the Possible Acquisition in the event the Definitive Agreement(s) has been entered into. It is expected that the payment of the total consideration shall be settled by the Group by internal resources.

If the parties fail to enter into a Definitive Agreement within 180 calendar days from the Letter of Intent, or the Letter of Intent is otherwise terminated for any reason whatsoever by the parties thereto, the Seller shall return the Earnest Money in full to the Investors (without any deduction or set off) within five (5) workings days of the date of termination of the Letter of Intent or notice in writing by the Investors (whichever is earlier).

### **Non-legally binding effect**

As at the date of this announcement, the Possible Acquisition and the terms and conditions of the Letter of Intent are not legally-binding to the parties thereof, save for those provisions relating to Earnest Money, confidentiality, Exclusivity Period, expenses, governing law and dispute resolution.

### **The Target Group and the Seller**

The Target Group is principally engaged in the provision of digital financing services. As at the date of this announcement, the Target Company was held as to approximately (i) 55.14% by the Seller; (ii) 13.85% by Tongcheng Network (a consolidated affiliated entity of the Company); and (iii) 17.23% by Qingdao Haikong Investment Holding Co., Ltd.\* (青島海控投資控股有限公司, which is indirectly wholly-owned by the State-owned Assets Administration Bureau of Qingdao West Coast New Area\* (青島西海岸新區國有資產管理局), being a governmental authority in the PRC), and save for the aforesaid, there are no other shareholders who hold 10% or more equity interest in and of the Target Company. In the event that the Possible Acquisition materializes, the Company (through the Investors) will indirectly hold approximately 68.99% equity interest of the Target Company, and the Target Company shall become a subsidiary of the Company, the financial results of which shall be consolidated into the financial statements of the Group.

The Seller is a limited liability company established in the PRC which is principally engaged in the provision of software development, technical services, technical development and technical consultation services. As at the date of this announcement, the Seller was held (i) by 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, a subsidiary of Trip.com Group, a connected person of the Company at the issuer level) as to approximately 15.09%; (iii) by subsidiaries of Tencent Holdings (a connected person of the Company at the issuer level) 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, the ultimate beneficial owner of which is the State-owned Assets Supervision and Administration Commission of the State Council\* (國務院國有資產監督管理委員會)) 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 the Seller.

To the best knowledge, information and belief of the Directors and after making reasonable enquiries, as at the date of this announcement, each of the Seller and its respective ultimate beneficial owner(s) is an Independent Third Party.

## **REASONS FOR AND BENEFITS OF THE POSSIBLE ACQUISITION**

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

The Board believes that the Possible Acquisition is in line with the business development strategies of the Group in terms of (i) introducing financial technology to enhance the payment experience of users and better meet their needs; and (ii) deepening the collaboration with the tourism industry chain by providing fintech products and digital technology solutions that facilitate the tourism industry ecosystem.

## **IMPLICATION UNDER THE LISTING RULES**

The Board wishes to emphasize that the Possible Acquisition is subject to the entering into of the Definitive Agreement(s) and the terms of which are subject to further negotiations among the Investors and the Seller. As at the date of this announcement, no Definitive Agreement has been entered into. Accordingly, the Possible Acquisition may or may not proceed.

In the event that the Definitive Agreement(s) is entered into by the parties in relation to the Possible Acquisition after completion of, inter alia, due diligence procedures, the Possible Acquisition is expected to constitute a discloseable transaction of the Company and shall be subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

The Company will make further announcement(s) as and when appropriate in relation to any material development in the Possible Acquisition and to fulfill its disclosure obligations in accordance with the Listing Rules in a timely manner.

**As at the date of this announcement, the scope, consideration and other material terms of the Possible Acquisition are not yet determined. The Possible Acquisition is subject to the conclusion of Definitive Agreement(s) and various regulatory and corporate approvals, and may or may not proceed. There is no assurance that the parties will enter into the Definitive Agreement or that the Possible Acquisition will be implemented or finalized. Accordingly, Shareholders and potential investors of the Company are advised 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:

“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 Stock Exchange (stock code: 780);
“Definitive Agreement(s)”	has the meaning ascribed to it in the section headed “Letter of Intent” in this announcement;
“Director(s)”	the director(s) of the Company;
“Earnest Money”	has the meaning ascribed to it in the section headed “Exclusivity Period and Earnest Money” in this announcement;
“Exclusivity Period”	has the meaning ascribed to it in the section headed “Exclusivity Period and Earnest Money” in this announcement;
“Group”	the Company, its subsidiaries and consolidated affiliated entities;
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons (as defined under the Listing Rules);
“Investors”	collectively, Suzhou Longyue Tiancheng and Tongcheng Network;
“Letter of Intent”	the letter of intent dated February 7, 2024 entered into amongst the Investors, the Seller, and the Target Company in relation to the possible transfer of the Target Equity;
“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)), (i) the general partner of which is Suzhou Industrial Park Investment Management; (ii) which, to the best of the Directors’ knowledge, information and belief after having made all reasonable enquiries, as at the date of this announcement, was held by Shenzhen Lihui Fengying No. 1 Venture Capital Partnership (Limited Partnership)* (深圳力滙豐盈一號創業投資合夥企業(有限合夥), 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, the ultimate beneficial owner of which is Mr. Zhu Weihang* (朱偉航)), as to approximately 47.71%, and save for the aforesaid, there are no other limited partners who hold 10% or more equity interest in and of the Limited Partnership;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;

“Possible Acquisition”	the possible acquisition of the Target Equity pursuant to the Letter of Intent;
“PRC”	the People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC;
“Seller”	Suzhou Tongcheng Lvjin Technology Co., Ltd.* (蘇州同程旅金科技有限公司), a limited liability company established in the PRC;
“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;
“Suzhou Longyue Tiancheng”	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 wholly foreign-owned enterprise established under the laws of the PRC on September 7, 2017 and an indirectly wholly-owned subsidiary of our Company;
“Suzhou Industrial Park Investment Management”	Suzhou Industrial Park Tiancheng 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 Company”	Guangzhou Lvjin Technology Co., Ltd.* (廣州旅金科技有限公司有限公司), a limited liability company established in the PRC;
“Target Equity”	the entire equity interest in the Target Company held by the Seller, which represent approximately 55.14% equity interest in and of the Target Company as at the date of this announcement;
“Target Group”	collectively, the Target Company and its subsidiaries;
“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) and a substantial Shareholder;
“Tongcheng Network”	Tongcheng Network Technology Co., Ltd.* (同程網絡科技股份有限公司), a joint stock limited company established under the laws of the PRC on March 10, 2004 and a consolidated affiliated entity of the Company;

“Trip.com Group”	Trip.com Group Limited, previously known as Ctrip.com International, Ltd., a limited liability company incorporated under the laws of the Cayman Islands on March 3, 2000, the American depositary shares of which are listed on the NASDAQ and the ordinary shares of which are listed on the Stock Exchange (NASDAQ: TCOM; Stock Exchange: 9961), and a substantial Shareholder;
“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, February 7, 2024

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

\* *For identification purposes only*