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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)

### CONTINUING CONNECTED TRANSACTIONS (A) THE SUZHOU CHENGYI SECOND SUPPLEMENTAL ARRANGEMENTS; AND (B) THE NEW VIE AGREEMENTS OF BEIJING E-DRAGON

#### INCREASE OF REGISTERED CAPITAL OF SUZHOU CHENGYI

References are made to (i) the sections headed “*Contractual Arrangements*” and “*Connected Transactions*” of the Prospectus in relation to, among other things, the Contractual Arrangements and (ii) the announcement of the Company dated March 20, 2019 in relation to the continuing connected transactions constituted by the Suzhou Chengyi Supplemental Arrangements.

The Board hereby announces that, in order to increase the registered capital of Suzhou Chengyi to RMB900 million so as to provide flexibility for investments opportunities of the Group, on July 13, 2023 the following agreements were entered into by the relevant parties:

- the Suzhou Chengyi Supplemental Loan Agreement, pursuant to which Longyue Tiancheng WFOE agreed to provide an additional loan of RMB438,600,000 and an additional loan of RMB421,400,000 to Mr. Wu and Mr. Ma respectively, which shall be used solely to make the necessary capital contribution to Suzhou Chengyi; and
- the Suzhou Chengyi Second Amended and Restated Exclusive Share Purchase Right Agreement, Suzhou Chengyi Second Amended and Restated Share Pledge Agreement, Suzhou Chengyi Second Amended and Restated Powers of Attorney and Suzhou Chengyi Second Amended and Restated Irrevocable Undertakings, pursuant to which consequential administrative changes were made to reflect the increased registered capital of Suzhou Chengyi and the entering into of the Suzhou Chengyi Supplemental Loan Agreement.

The Suzhou Chengyi Exclusive Technology Consulting and Services Agreement will not be amended and restated. Upon execution of the Suzhou Chengyi Second Supplemental Arrangements, the Contractual Arrangements of Suzhou Chengyi shall be referred to as the Suzhou Chengyi Second Supplemental Arrangements and the Suzhou Chengyi Exclusive Technology Consulting and Services Agreement.

Suzhou Chengyi will remain a consolidated affiliated entity of the Company and its financial results will continue to be accounted for and consolidated in the accounts of the Group.

## **CHANGE OF REGISTERED SHAREHOLDER OF BEIJING E-DRAGON**

Reference is made to the sections headed “*Contractual Arrangements*” and “*Connected Transactions*” in the Prospectus.

In order to enhance the internal control and management system of the Group and for administration efficiency purpose, on July 13, 2023, the following agreements were entered into by the relevant parties in order to change one of the registered shareholders of Beijing E-dragon from Mr. Jiang Hao to Mr. Ma, our executive Director and chief executive officer:

- the Termination Agreement, pursuant to which Mr. Jiang Hao, E-dragon Beijing WFOE and Beijing E-dragon agreed that the Existing VIE Structure of Beijing E-dragon in relation to Beijing E-dragon shall be terminated;
- the Beijing E-dragon Equity Transfer Agreement, pursuant to which Mr. Jiang Hao agreed to transfer 50% of the equity interests in Beijing E-dragon to Mr. Ma at nil consideration; and
- the New VIE Agreements of Beijing E-dragon, pursuant to which the Group established the New VIE Structure of Beijing E-dragon.

The Beijing E-dragon Exclusive Technology Consulting and Services Agreement will not be amended and restated. Upon execution of the New VIE Agreements of Beijing E-dragon, the Contractual Arrangements of Beijing E-dragon shall be referred to as the New VIE Agreements of Beijing E-dragon and the Beijing E-dragon Exclusive Technology Consulting and Services Agreement.

Beijing E-dragon will remain a consolidated affiliated entity of the Company and its financial results will continue to be accounted for and consolidated in the accounts of the Group.

### **IMPLICATIONS UNDER THE LISTING RULES**

#### **(A) Suzhou Chengyi Second Supplemental Arrangements**

Upon the Suzhou Chengyi Second Supplemental Arrangements taking effect, the financial results of Suzhou Chengyi will continue to be accounted for and consolidated in the accounts of the Group as if it is a wholly-owned subsidiary of the Company. Mr. Wu, being the executive Director of the Company and the Co-Chairman of the Board, and Mr. Ma, being the executive Director and the Chief Executive Officer of the Company, are Connected Persons. Accordingly, the transactions contemplated under the Suzhou Chengyi Second Supplemental Arrangements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Since the Suzhou Chengyi Second Supplemental Arrangements are reproduced from the Existing VIE Structure of Suzhou Chengyi as provided under one of the conditions of the IPO Waiver, the Suzhou Chengyi Second Supplemental Arrangements are on substantially the same terms as those currently in place under the Existing VIE Structure of Suzhou Chengyi and the Suzhou Chengyi Supplemental Loan Agreement is structured in substantially the same terms as the Suzhou Chengyi Loan Agreement, the Stock Exchange has confirmed that the transactions contemplated under the Suzhou Chengyi Second Supplemental Arrangements are exempt from strict compliance with (i) the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules and (ii) the requirement of setting an annual cap for the transactions under the Suzhou Chengyi Second Supplemental Arrangements.

**(B) New VIE Agreements of Beijing E-dragon**

Upon the New VIE Agreements of Beijing E-dragon taking effect, the financial results of Beijing E-dragon will continue to be accounted for and consolidated in the accounts of the Group as if it is a wholly-owned subsidiary of the Company. Mr. Ma, being the executive Director and the Chief Executive Officer of the Company, is a Connected Person. Accordingly, the transactions contemplated under the New VIE Agreements of Beijing E-dragon constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Since the New VIE Structure of Beijing E-dragon is reproduced from the Existing VIE Structure of Beijing E-dragon as provided under one of the conditions of the IPO Waiver, the New VIE Agreements of Beijing E-dragon are on substantially the same terms as those currently in place under the Existing VIE Structure of Beijing E-dragon, the transactions contemplated under the New VIE Structure of Beijing E-dragon are exempt from strict compliance with (i) the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules, and (ii) the requirement of setting an annual cap for the transactions under the transactions under the New VIE Structure of Beijing E-dragon.

## 1. INTRODUCTION

### (A) Increase of Registered Capital of Suzhou Chengyi

References are made to (i) the sections headed “*Contractual Arrangements*” and “*Connected Transactions*” of the Prospectus in relation to, among other things, the Contractual Arrangements and (ii) the announcement of the Company dated March 20, 2019 in relation to the continuing connected transactions constituted by the Suzhou Chengyi Supplemental Arrangements.

The Board hereby announces that, in order to increase the registered capital of Suzhou Chengyi to RMB900 million so as to provide flexibility for investments opportunities of the Group, on July 13, 2023 the following agreements were entered into by the relevant parties:

- the Suzhou Chengyi Supplemental Loan Agreement, pursuant to which Longyue Tiancheng WFOE agreed to provide an additional loan of RMB438,600,000 and an additional loan of RMB421,400,000 to Mr. Wu and Mr. Ma respectively, which shall be used solely to make the necessary capital contribution to Suzhou Chengyi; and
- the Suzhou Chengyi Second Amended and Restated Exclusive Share Purchase Right Agreement, Suzhou Chengyi Second Amended and Restated Share Pledge Agreement, Suzhou Chengyi Second Amended and Restated Powers of Attorney and Suzhou Chengyi Second Amended and Restated Irrevocable Undertakings, pursuant to which consequential administrative changes were made to reflect the increased registered capital of Suzhou Chengyi and the entering into of the Suzhou Chengyi Supplemental Loan Agreement.

The Suzhou Chengyi Exclusive Technology Consulting and Services Agreement will not be amended and restated. Upon execution of the Suzhou Chengyi Second Supplemental Arrangements, the Contractual Arrangements of Suzhou Chengyi shall be referred to as the Suzhou Chengyi Second Supplemental Arrangements and the Suzhou Chengyi Exclusive Technology Consulting and Services Agreement.

Suzhou Chengyi will remain a consolidated affiliated entity of the Company and its financial results will continue to be accounted for and consolidated in the accounts of the Group.

### (B) Change of Registered Shareholder of Beijing E-Dragon

Reference is made to the sections headed “*Contractual Arrangements*” and “*Connected Transactions*” in the Prospectus.

In order to enhance the internal control and management system of the Group and for administration efficiency purpose, on July 13, 2023, the following agreements were entered into by the relevant parties to change one of the registered shareholders of Beijing E-dragon from Mr. Jiang Hao to Mr. Ma, our executive Director and chief executive officer:

- the Termination Agreement, pursuant to which Mr. Jiang Hao, E-dragon Beijing WFOE and Beijing E-dragon agreed that the Existing VIE Structure of Beijing E-dragon in relation to Beijing E-dragon shall be terminated;

- the Beijing E-dragon Equity Transfer Agreement, pursuant to which Mr. Jiang Hao agreed to transfer 50% of the equity interests in Beijing E-dragon to Mr. Ma at nil consideration; and
- the New VIE Agreements of Beijing E-dragon, pursuant to which the Group established the New VIE Structure of Beijing E-dragon.

The Beijing E-dragon Exclusive Technology Consulting and Services Agreement will not be amended and restated. Upon execution of the New VIE Agreements of Beijing E-dragon, the Contractual Arrangements of Beijing E-dragon shall be referred to as the New VIE Agreements of Beijing E-dragon and the Beijing E-dragon Exclusive Technology Consulting and Services Agreement.

Beijing E-dragon will remain a consolidated affiliated entity of the Company and its financial results will continue to be accounted for and consolidated in the accounts of the Group.

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

### **(A) Increase of Registered Capital of Suzhou Chengyi**

The main businesses of Suzhou Chengyi and its subsidiaries are, among others, the provision of insurance agency services through online platforms operated under Beijing E-dragon and Tongcheng Network and call center businesses subject to foreign investment restrictions under PRC law. As of the date of this announcement, Tongcheng Insurance is the only entity in the Group that engages in the aforementioned insurance agency business and is held by Suzhou Chengyi as to 50.02% and Tongcheng Network as to 49.98%.

Suzhou Chengyi is owned by Mr. Wu as to 51% and Mr. Ma as to 49%. As disclosed in the Prospectus and the 2019 Announcement, due to applicable regulatory restrictions on foreign ownership in insurance agency services and applicable laws and regulatory restrictions on foreign investors conducting call center services, the Group has in place a series of contractual arrangements with Suzhou Chengyi that are designed to allow the Company to exercise control over the operations of Suzhou Chengyi and enjoy the economic benefits generated by Suzhou Chengyi. Please refer to the section headed “*Contractual Arrangements*” of the Prospectus for the detailed reasons why the Company’s businesses are required to be carried out by way of contractual arrangements from the perspective of compliance of PRC laws and the details of the Existing VIE Structure of Suzhou Chengyi.

Shortly after the Listing of the Company on November 26, 2018, as requested by CBIRC and to allow Suzhou Chengyi, as a shareholder of Tongcheng Insurance, to have sufficient self-owned funds, the Company injected capital into Suzhou Chengyi such that its registered capital has increased to RMB40 million.

The purpose for such capital injection in 2019 was to ensure that Suzhou Chengyi, as a shareholder of Tongcheng Insurance, has sufficient self-owned funds. As the Company is minded to capture more investments and acquisition opportunities, the proposed capital increase in the registered capital of Suzhou Chengyi is to ensure that Suzhou Chengyi, as the only operating company under the Contractual Arrangements which is not subject to foreign ownership, has sufficient self-owned funds to carry out investments and acquisitions opportunities for the Relevant Businesses of the Group in China.

Similar to the capital increase taken place in 2019, the proposed increase in registered capital of Suzhou Chengyi to RMB900 million should be contributed by the Suzhou Chengyi Registered Holders. Accordingly, Longyue Tiancheng WFOE entered into the Suzhou Chengyi Supplemental Loan Agreement with Suzhou Chengyi Registered Holders, pursuant to which Longyue Tiancheng WFOE agreed to provide an additional interest-free loan of RMB438,600,000 to Mr. Wu, and an additional interest-free loan of RMB421,400,000 to Mr. Ma, respectively, for them to make the necessary capital contribution to Suzhou Chengyi.

Longyue Tiancheng WFOE, the Suzhou Chengyi Registered Holders and other relevant parties also entered into the other Suzhou Chengyi Second Supplemental Arrangements on July 13, 2023, in order to make consequential administrative changes to the Contractual Arrangements of Suzhou Chengyi to reflect the increased registered capital of Suzhou Chengyi and the entering into of the Suzhou Chengyi Supplemental Loan Agreement.

### **(B) New VIE Agreements of Beijing E-dragon**

Beijing E-dragon was owned by Mr. Jiang Hao as to 50% and E-dragon Beijing WFOE as to 50% before the Beijing E-dragon Equity Transfer Agreement coming into effect.

As disclosed in the Prospectus, due to applicable laws and regulatory restrictions on foreign ownership in the Relevant Businesses, the Group has effected a series of contractual arrangements with Beijing E-dragon with a view to consolidating our interest in Beijing E-dragon and attracting further investments to support our growing business, and in order to comply with PRC laws and regulations while availing ourselves of international capital markets and maintaining effective control over all of our operations. Please refer to the section headed “*Contractual Arrangements*” of the Prospectus for the detailed reasons why our businesses are required to be carried out by way of contractual arrangements from a perspective of compliance of PRC laws and regulations and the details of the Existing VIE Structure of Beijing E-dragon.

Considering that Mr. Ma is our executive Director and the chief executive officer of the Company, who is in charge of the day-to-day operations of the Group, changing one of the registered shareholders of Beijing E-dragon from Mr. Jiang Hao to Mr. Ma will:

- facilitate the internal control and management of Beijing E-dragon; and
- make administrative matters or filings which require the signatures of the registered holders of Beijing E-dragon be handled more efficiently and effectively, considering that Mr. Jiang Hao is our non-executive Director who is not involved in and familiar with the day-to-day operations of the Group.

### **3. LEGALITY OF THE CONTRACTUAL ARRANGEMENTS**

The Company’s PRC Legal Advisor confirmed that:

- (i) as confirmed by the parties to each of the Suzhou Chengyi Second Supplemental Arrangements and the New VIE Agreements of Beijing E-dragon, such parties have obtained all necessary approvals and authorizations to execute and perform the Suzhou Chengyi Second Supplemental Arrangements and the New VIE Agreements of Beijing E-dragon respectively;
- (ii) none of the Suzhou Chengyi Second Supplemental Arrangements or the New VIE Agreements of Beijing E-dragon violates any provisions of the articles of association of Suzhou Chengyi, Longyue Tiancheng WFOE, Beijing E-dragon or E-dragon Beijing WFOE (whichever applicable);

(iii) the parties to each of the Suzhou Chengyi Second Supplemental Arrangements and the New VIE Agreements of Beijing E-dragon are not required to obtain any approvals or authorizations from the PRC governmental authorities, except that:

- any equity pledge contemplated under the Share Pledge Agreements is subject to the registration with competent SAMR;
- the exercise of the option by Longyue Tiancheng WFOE or E-dragon Beijing WFOE of its right under the Exclusive Share Purchase Right Agreements to acquire all or part of the equity interests in and/or assets of Suzhou Chengyi or Beijing E-dragon (whichever applicable) is subject to the approvals of, consents of, filing with and/or registrations with PRC governmental authorities;
- the transfer and/or licensing of intellectual property rights under the Exclusive Technology Consulting and Services Agreements and Exclusive Share Purchase Right Agreements may be subject to approval of and/or registration with the PRC governmental authorities;
- the arbitration awards/interim remedies provided under the dispute resolution provisions of the Suzhou Chengyi Second Supplemental Arrangements and the New VIE Agreements of Beijing E-dragon shall be recognized by the PRC courts before compulsory enforcement;

(iv) each of the Suzhou Chengyi Second Supplemental Arrangements and the New VIE Agreements of Beijing E-dragon is valid, legal and binding under the PRC laws, and none of them would be deemed as void under the PRC Civil Code or is in violation of applicable PRC laws and regulations, except for the risk factors in the section headed “*Risks Factors – Risks Relating to Our Contractual Arrangements*” as disclosed in the Prospectus and the following provisions regarding dispute resolution:

- the Suzhou Chengyi Second Supplemental Arrangements and the New VIE Agreements of Beijing E-dragon provide that any dispute shall be submitted to CIETAC for arbitration, in accordance with the then effective arbitration rules. The arbitration shall be conducted in Beijing. They also provide that the arbitrator may award interim remedies over the shares or assets of Suzhou Chengyi or Beijing E-dragon (whichever applicable) and/or their respective subsidiaries or injunctive relief (e.g. for the conduct of business or to compel the transfer of assets) or order the winding up of Suzhou Chengyi or Beijing E-dragon (whichever applicable) and/or their respective subsidiaries, and the courts of Hong Kong, the Cayman Islands (being the place of incorporation of the Company), the PRC (being the place of establishment of Suzhou Chengyi and Beijing E-dragon) and the places where the principal assets of Suzhou Chengyi or Beijing E-dragon (whichever applicable) and/or their respective subsidiaries are located also have jurisdiction for the grant and/or enforcement of the arbitral award and the interim remedies against the shares or properties of Suzhou Chengyi or Beijing E-dragon (whichever applicable) and/or their respective subsidiaries, while under PRC laws, an arbitral body has no power to grant injunctive relief and may not directly issue a provisional or final liquidation order for the purpose of protecting assets of or equity interests in Suzhou Chengyi or Beijing E-dragon (whichever applicable) in case of disputes. In addition, interim remedies or enforcement orders granted by overseas courts such as Hong Kong and the Cayman Islands may not be recognizable or enforceable in PRC; and

- to the extent permitted by PRC laws and where appropriate, the arbitration tribunal may grant any remedies in accordance the relevant agreement and applicable PRC laws, including preliminary and permanent injunctive relief (such as injunction against carrying out business activities, or mandating the transfer of assets), specific performance of contractual obligations, remedies concerning the equity interest or assets of Suzhou Chengyi or Beijing E-dragon (whichever applicable) and/or their respective subsidiaries and awards directing Suzhou Chengyi or Beijing E-dragon (whichever applicable) and/or their respective subsidiaries to conduct liquidation.

Nevertheless, the Company has been advised by the PRC Legal Advisor that there are substantial uncertainties regarding the interpretation and application of current and future PRC laws and regulations. Accordingly, there can be no assurance that the PRC regulatory authorities will not in the future take a view that is contrary to the above view. The Company has been further advised by the PRC Legal Advisor that if the PRC government finds that the Suzhou Chengyi Second Supplemental Arrangements and/or the New VIE Agreements of Beijing E-dragon do not comply with the applicable PRC laws or regulations concerning foreign ownership restrictions, the Company could be subject to severe penalties, which could include:

- (i) revoking the business and operating licenses of Longyue Tiancheng WFOE, E-dragon Beijing WFOE, Suzhou Chengyi and/or Beijing E-dragon;
- (ii) restricting or prohibiting related party transactions among Longyue Tiancheng WFOE and Suzhou Chengyi, and/or related party transactions among E-dragon Beijing WFOE and Beijing E-dragon;
- (iii) imposing fines or other requirements with which the Company, Longyue Tiancheng WFOE, E-dragon Beijing WFOE, Suzhou Chengyi and/or Beijing E-dragon may find difficult or impossible to comply;
- (iv) requiring the Company, Longyue Tiancheng WFOE, E-dragon Beijing WFOE, Suzhou Chengyi and/or Beijing E-dragon to restructure the relevant ownership structure or operations; and
- (v) restricting or prohibiting the use of any proceeds from the Global Offering (as defined in the Prospectus) to finance the Company's business and operations in the PRC.

The imposition of any of these penalties could have a material adverse effect on the Company's ability to conduct its business.

#### **4. THE BOARD'S VIEW ON THE CONTRACTUAL ARRANGEMENTS**

Based on the above analysis and advice from the PRC Legal Advisor, the Directors are of the view that the adoption of each of the Suzhou Chengyi Second Supplemental Arrangements and the New VIE Agreements of Beijing E-dragon is unlikely to be deemed ineffective or invalid under the applicable PRC laws and regulations and that each of the arrangements under the Suzhou Chengyi Second Supplemental Arrangements and the New VIE Agreements of Beijing E-dragon conferring significant control and economic benefits from Suzhou Chengyi and Beijing E-dragon is enforceable under relevant laws and regulations.

## **(A) Suzhou Chengyi Second Supplemental Arrangements**

The Directors believe that the Suzhou Chengyi Second Supplemental Arrangements are fair and reasonable because: (i) the entering into of the Suzhou Chengyi Supplemental Loan Agreement replicates the existing loan agreement in relation to the Suzhou Chengyi Loan Agreement (except in relation to the amount of the loan and other corresponding changes), (ii) the entering into of the Suzhou Chengyi Second Amended and Restated Exclusive Share Purchase Right Agreement replicates the existing arrangement in relation to Suzhou Chengyi Amended and Restated Exclusive Share Purchase Right Agreement; (iii) the entering into of the Suzhou Chengyi Second Amended and Restated Share Pledge Agreement, Suzhou Chengyi Second Amended and Restated Powers of Attorney and Suzhou Chengyi Second Amended and Restated Irrevocable Undertakings are merely to reflect the increased registered capital of Suzhou Chengyi and the entering into of the Suzhou Chengyi Supplemental Loan Agreement, and are administrative in nature; (iv) there is no change in nature of the existing Contractual Arrangements in relation to Suzhou Chengyi; and (v) a number of other companies use similar arrangements to accomplish the same purpose.

Further, the Directors are of a view that it is in the best interests of the Company's Shareholders and creditors to enter into the Suzhou Chengyi Second Supplemental Arrangements because the amount of secured liabilities owed by the Suzhou Chengyi Registered Holders to the Company will be RMB900 million instead of RMB40 million, and the Company will not have to compete with the other unsecured creditors of the Suzhou Chengyi Registered Holders in a winding up situation for any deficit, which will be detrimental to the Company's Shareholders and creditors as a whole. As of the date of this announcement, the Company has not encountered any interference or encumbrance from any PRC governing bodies in operating its business through Suzhou Chengyi under the Existing VIE Structure of Suzhou Chengyi.

## **(B) New VIE Agreements of Beijing E-dragon**

The Directors believe that the New VIE Agreements of Beijing E-dragon are fair and reasonable because the New VIE Agreements of Beijing E-dragon were reproduced from the Existing VIE Structure of Beijing E-dragon.

As of the date of this announcement, we had not encountered any interference or encumbrance from any PRC governmental bodies in operating our businesses through Beijing E-dragon under the Existing VIE Structure of Beijing E-dragon.

## **5. PRINCIPAL TERMS OF THE SUZHOU CHENGYI SECOND SUPPLEMENTAL ARRANGEMENTS AND THE NEW VIE AGREEMENTS OF BEIJING E-DRAGON**

### **(A) Suzhou Chengyi Second Supplemental Arrangements**

The Suzhou Chengyi Second Supplemental Arrangements will be on substantially the same terms as those currently in place under the Existing VIE Structure of Suzhou Chengyi.

In relation to the contractual arrangements under the Suzhou Chengyi Second Supplemental Arrangements, the Company will fulfill and comply with the same conditions as those imposed on the contractual arrangements under the Existing VIE Structure of Suzhou Chengyi as disclosed on pages 225 to 227 of the Prospectus, *mutatis mutandis*.

A summary of the principal terms of the Suzhou Chengyi Second Supplemental Arrangements is set forth below.

**(1) Suzhou Chengyi Second Amended and Restated Exclusive Share Purchase Right Agreement**

**Date:** July 13, 2023

**Parties:**

- (a) Suzhou Chengyi
- (b) Longyue Tiancheng WFOE
- (c) the Suzhou Chengyi Registered Holders

**Subject:** Upon the entering into of the Suzhou Chengyi Second Amended and Restated Exclusive Share Purchase Right Agreement, the Suzhou Chengyi Amended and Restated Exclusive Share Purchase Right Agreement shall be null and void.

The Suzhou Chengyi Registered Holders granted Longyue Tiancheng WFOE an irrevocable and exclusive right to purchase, or designate one or more persons (each, a “**designee**”) to purchase, the equity interests then held by the relevant Suzhou Chengyi Registered Holders in, and/or the assets of Suzhou Chengyi (the “**Optioned Interest**”) once or at multiple times at any time in part or in whole at the sole and absolute discretion of Longyue Tiancheng WFOE to the extent permitted under the applicable laws of PRC. Where Longyue Tiancheng WFOE chooses to purchase the Optioned Interest, the relevant Suzhou Chengyi Registered Holders shall cause Suzhou Chengyi to promptly convene a shareholders’ meeting, at which a resolution shall be adopted approving the relevant Suzhou Chengyi Registered Holders’ transfer of the Optioned Interests to Longyue Tiancheng WFOE and/or its designees.

The purchase price for the purchase by Longyue Tiancheng WFOE of any Optioned Interests held by the Suzhou Chengyi Registered Holders in Suzhou Chengyi upon exercise of the option by Longyue Tiancheng WFOE shall be RMB459,000,000 for Mr. Wu and RMB441,000,000 for Mr. Ma, or any other amount as separately agreed between Longyue Tiancheng WFOE and Mr. Ma or Mr. Wu, respectively. The purchase price received by each of the Suzhou Chengyi Registered Holders shall be used to offset his loan due to Longyue Tiancheng WFOE under the Suzhou Chengyi Supplemental Loan Agreement (as defined below), in which case such loan shall be deemed as the pre-paid purchase price. For details of the Suzhou Chengyi Supplemental Loan Agreement, see paragraph headed “ – (4) *Suzhou Chengyi Supplemental Loan Agreement*” below.

Each of Suzhou Chengyi and the Suzhou Chengyi Registered Holders, among other things, has covenanted that:

- (a) without the prior written consent of Longyue Tiancheng WFOE, it/he shall not in any manner supplement, change or amend the articles of association of Suzhou Chengyi, increase or decrease its registered capital or number of shares, or change the structure of its registered capital in other manner;
- (b) maintain Suzhou Chengyi's operation as a going concern, obtain all government permits and licenses necessary for its business, and prudently and effectively operate its business in accordance with sound financial and business practices;
- (c) without the prior consent of Longyue Tiancheng WFOE, it/he shall not sell, transfer, mortgage or dispose of in any manner any assets of more than RMB500,000 of Suzhou Chengyi, business, operation rights, legitimate interest in its income, or permit the creation of any secured interests thereon;
- (d) without the prior consent of Longyue Tiancheng WFOE, it/he shall not change or remove any of Suzhou Chengyi's directors or senior management personnel;
- (e) without the prior consent of Longyue Tiancheng WFOE, Suzhou Chengyi shall not incur, inherit, guarantee or assume any debt of more than RMB500,000, except for (i) debts incurred in the ordinary course of business other than through loans and (ii) debts disclosed to Longyue Tiancheng WFOE and the incurrence, inheritance, guarantee or assumption of which was consented to by Longyue Tiancheng WFOE;
- (f) always operate all businesses during the ordinary course of business to maintain Suzhou Chengyi's asset value and refrain from any action/omission that may adversely affect its operating status and asset value; and
- (g) without the prior consent of Longyue Tiancheng WFOE, Suzhou Chengyi shall not execute any major contract with a value above RMB500,000, except for contracts executed in the ordinary course of business.

Further, each of the Suzhou Chengyi Registered Holders, among other things, has also covenanted that:

- (a) without the prior written consent of Longyue Tiancheng WFOE, he shall not sell, transfer, mortgage or dispose of in any other manner any legal or beneficial interest in the equity interests in Suzhou Chengyi held by such shareholder, or allow the encumbrance thereon, except for the interest pledged in accordance with the Suzhou Chengyi Second Supplemental Arrangements;
- (b) without the prior written consent of Longyue Tiancheng WFOE, he shall not, on any shareholders' meeting of Suzhou Chengyi, vote in favor of, support or sign any shareholders' resolutions approving (i) the amendment of the articles of association or increase/decrease of registered share capital or number of shares, or in any manner change the share capital of Suzhou Chengyi; or (ii) the sale, transfer, mortgage or disposal of any legal or beneficial interest in Suzhou Chengyi, or the encumbrance thereon, except in favor of Longyue Tiancheng WFOE or its designees, as the case may be;
- (c) without the prior written consent of Longyue Tiancheng WFOE, he shall not, on any shareholders' meeting of Suzhou Chengyi, vote in favor of, support or sign any shareholders' resolutions approving the merger or integration of Suzhou Chengyi, or the acquisition of or investment in any parties;
- (d) he shall immediately notify Longyue Tiancheng WFOE upon the actual or potential occurrence of litigation, arbitration or administrative action in respect of the equity interest held by him;
- (e) upon the exercise by Longyue Tiancheng WFOE (or its designees) of the irrevocable and exclusive right to purchase the equity interests then held by him, and/or the assets of Suzhou Chengyi, he shall consent to such transfer or purchase of the equity interests and/or assets;
- (f) he shall sign all necessary and applicable documents and take all necessary and applicable action to commence action or claim or defend any action or claim as is necessary or appropriate to safeguard the ownership rights in Suzhou Chengyi; and
- (g) he shall appoint any designee of Longyue Tiancheng WFOE as the director of Suzhou Chengyi, at the request of Longyue Tiancheng WFOE.

**Term:** The Suzhou Chengyi Second Amended and Restated Exclusive Share Purchase Right Agreement shall remain effective for a period of 20 years from the date of registration of the capital increase of Suzhou Chengyi with competent SAMR, and automatically renewed upon expiration of the preceding 20 year-period unless the Suzhou Chengyi Second Amended and Restated Exclusive Share Purchase Right Agreement is terminated by Longyue Tiancheng WFOE by written notice.

**(2) Suzhou Chengyi Second Amended and Restated Share Pledge Agreement**

**Date:** July 13, 2023

**Parties:**

- (a) Suzhou Chengyi
- (b) Longyue Tiancheng WFOE
- (c) the Suzhou Chengyi Registered Holders

**Subject:** Upon the entering into of the Suzhou Chengyi Second Amended and Restated Share Pledge Agreement, the Suzhou Chengyi Amended and Restated Share Pledge Agreement shall be null and void.

Under the Suzhou Chengyi Second Amended and Restated Share Pledge Agreement, the Suzhou Chengyi Registered Holders agreed to pledge all their respective equity interests in Suzhou Chengyi that they own, including any interest or dividend paid for the shares, to Longyue Tiancheng WFOE as a security interest to guarantee the performance of contractual obligations and the payment of outstanding debts of the Suzhou Chengyi Registered Holders under the Suzhou Chengyi Exclusive Technology Consulting and Services Agreement, the Suzhou Chengyi Second Amended and Restated Exclusive Share Purchase Right Agreement, the Suzhou Chengyi Second Amended and Restated Powers of Attorney and the Suzhou Chengyi Supplemental Loan Agreement.

Upon the knowledge, or discovery of the occurrence of any circumstances or event that may lead to an event of default (as defined in the Suzhou Chengyi Second Amended and Restated Share Pledge Agreement), the Suzhou Chengyi Registered Holders shall immediately notify Longyue Tiancheng WFOE in writing. Longyue Tiancheng WFOE shall be entitled to immediately exercise the pledge and may exercise any remedy measure under applicable PRC laws and the Contractual Arrangement of Suzhou Chengyi, including but not limited to being paid in priority with the monetary valuation that the Suzhou Chengyi Registered Holders' equity interest is converted into or from the proceeds from auction or sale of the Suzhou Chengyi Registered Holders' equity interest. Longyue Tiancheng WFOE is not liable for any loss incurred by its due exercise of such rights and powers.

Save for the terms below, the terms of the Suzhou Chengyi Second Amended and Restated Share Pledge Agreement are the same as those under the Suzhou Chengyi Amended and Restated Share Pledge Agreement in relation to Suzhou Chengyi.

- the pledged assets and maximum amount of guarantee for the performance of contractual obligations under the Contractual Arrangements in relation to Suzhou Chengyi is updated to RMB900,000,000;
- the respective registered capital held by Mr. Wu and Mr. Ma in Suzhou Chengyi is updated to RMB459,000,000 and RMB441,000,000, respectively;
- the maximum amount of guarantee of Mr. Wu and Mr. Ma is updated to RMB459,000,000 and RMB441,000,000, respectively; and
- reference to the Contractual Agreements in relation to Suzhou Chengyi shall include Suzhou Chengyi Supplemental Loan Agreement.

Please also refer to pages 178 and 179 of the Prospectus for details of the Share Pledge Agreement and the 2019 Announcement for details of the Suzhou Chengyi Amended and Restated Share Pledge Agreement.

**Term:**

The pledge under the Suzhou Chengyi Second Amended and Restated Share Pledge Agreement takes effect upon the completion of registration with the competent SAMR and shall remain valid until the occurrence of the following events, whichever is earlier:

- all outstanding contractual obligations under the Suzhou Chengyi Second Supplemental Arrangements have been fully performed, all outstanding debts under the Suzhou Chengyi Second Supplemental Arrangements have been fully paid, or achieved through other applicable means;
- Longyue Tiancheng WFOE exercises in full the equity pledge under the Suzhou Chengyi Second Amended and Restated Share Pledge Agreement in accordance with the terms and conditions therein to exercise its entitled rights under the Suzhou Chengyi Second Supplemental Arrangements; or
- Longyue Tiancheng WFOE releases the pledge under the Suzhou Chengyi Second Amended and Restated Share Pledge Agreement.

**(3) Suzhou Chengyi Second Amended and Restated Powers of Attorney**

**Date:** July 13, 2023

**Parties:** (a) Longyue Tiancheng WFOE  
(b) each of the Suzhou Chengyi Registered Holders

**Subject:** Upon the entering into of each of the Suzhou Chengyi Second Amended and Restated Powers of Attorney, the Suzhou Chengyi Amended and Restated Powers of Attorney shall be null and void.

Under the Suzhou Chengyi Second Amended and Restated Powers of Attorney, each of the Suzhou Chengyi Registered Holders irrevocably appointed Longyue Tiancheng WFOE (as well as the successors, including a liquidator, if any, replacing Longyue Tiancheng WFOE) or its designee(s) (including its directors) as his sole exclusive agent to exercise on his behalf, certain powers, including without limitation: (i) exercise all shareholder's rights and shareholder's voting rights in accordance with law and the constitutional documents of Suzhou Chengyi, including but not limited to the appointment, election or removal of directors, supervisors and senior management, the sale or transfer of any or all of the shares in Suzhou Chengyi and the winding up of Suzhou Chengyi, (ii) to call shareholders' meetings of Suzhou Chengyi, to accept any notice on shareholders' meetings, and to execute any and all written resolutions and meeting minutes in the name and on behalf of such shareholder, and (iii) to file documents with the relevant companies registry.

Further, pursuant to the Suzhou Chengyi Second Amended and Restated Powers of Attorney and to ensure the Suzhou Chengyi Second Amended and Restated Powers of Attorney do not give rise to a conflict of interest, each of the Suzhou Chengyi Registered Holders irrevocably undertakes that, where such Suzhou Chengyi Registered Holder is also serving as a Director or senior management of the Company, such Suzhou Chengyi Registered Holder shall assign his interest under the Suzhou Chengyi Second Amended and Restated Powers of Attorney to other Directors or senior management of the Company who do not have any conflict of interests.

Each of the Suzhou Chengyi Registered Holders irrevocably undertakes and acknowledges that in the event of his bankruptcy, divorce or any other circumstances resulting in a change in the ownership of the equity interest in Suzhou Chengyi, (i) the Suzhou Chengyi Second Supplemental Arrangements shall be equally binding on his successor, and (ii) his will, divorce agreement, debt arrangements or any other legal documents and/or restructuring agreements shall, in respect of any disposal concerning Suzhou Chengyi and its respective subsidiaries, unless otherwise agreed by Longyue Tiancheng WFOE in written form, be subject to the terms of the Suzhou Chengyi Second Supplemental Arrangements.

Save for the terms below, all other terms of the Suzhou Chengyi Second Amended and Restated Powers of Attorney are the same as those under the Suzhou Chengyi Amended and Restated Powers of Attorney in relation to Suzhou Chengyi.

- the respective registered capital held by Mr. Wu and Mr. Ma in Suzhou Chengyi is updated to RMB459,000,000 and RMB441,000,000, respectively; and
- the reference to the Contractual Agreements in relation to Suzhou Chengyi shall include Suzhou Chengyi Supplemental Loan Agreement.

Please also refer to pages 179 and 180 of the Prospectus for details of the Powers of Attorney and the 2019 Announcement for details of the Suzhou Chengyi Amended and Restated Power of Attorney.

**Term:**

The Suzhou Chengyi Second Amended and Restated Powers of Attorney shall remain effective from the date of registration of the capital increase of Suzhou Chengyi with competent SAMR for the period that the relevant Suzhou Chengyi Registered Holders is a shareholder of Suzhou Chengyi, unless Longyue Tiancheng WFOE has given written instructions to the contrary.

#### (4) Suzhou Chengyi Supplemental Loan Agreement

**Date:** July 13, 2023

**Parties:** (a) Longyue Tiancheng WFOE  
(b) the Suzhou Chengyi Registered Holders

**Subject:** Longyue Tiancheng WFOE agreed to lend a total of RMB900 million to the Suzhou Chengyi Registered Holders, to be used to make capital contribution to Suzhou Chengyi, of which a loan of RMB459,000,000 will be lent to Mr. Wu and a loan of RMB441,000,000 will be lent to Mr. Ma (individually and collectively, the “**Loan(s)**”). Such Loans must not be used for any other purposes without the lender’s prior written consent. Each Loan will become due and payable upon Longyue Tiancheng WFOE’s demand under any of the following circumstances: (i) Mr. Wu or Mr. Ma is being removed from the various positions held by them with Longyue Tiancheng WFOE, the related party of Longyue Tiancheng WFOE or Suzhou Chengyi or ceases to be a shareholder of Suzhou Chengyi or the related party of Suzhou Chengyi, (ii) the death or incapacity of Mr. Wu or Mr. Ma, (iii) Mr. Wu or Mr. Ma being engaged or involved in criminal activities, (iv) any third party making a claim against Mr. Wu or Mr. Ma exceeding RMB100,000, or (v) Longyue Tiancheng WFOE exercising its option to purchase all or part of the equity interests in Suzhou Chengyi held by Mr. Wu or Mr. Ma, to the extent permitted by PRC laws and regulations that the PRC foreign ownership restrictions applicable to Suzhou Chengyi and its subsidiaries’ service have been lifted, or (vi) Mr. Wu’s or Mr. Ma’s breach of the representations, warranties, covenants or obligations under the Suzhou Chengyi Second Amended and Restated Exclusive Share Purchase Right Agreement.

Upon the Longyue Tiancheng WFOE exercising its exclusive call option, it will require the Suzhou Chengyi Registered Holders to repay the Loans by transferring all or part of their equity interest in Suzhou Chengyi to the Longyue Tiancheng WFOE or any of their designated person and use the proceeds of such transfer as repayment of the loans. If the proceeds of such transfer is equal to or less than the principal of the Loans under the Suzhou Chengyi Supplemental Loan Agreement, the Loans are considered interest-free. If the proceeds of such transfer is higher than the principal of the Loans under the Suzhou Chengyi Supplemental Loan Agreement, any surplus is considered interest for the Loans under the Suzhou Chengyi Supplemental Loan Agreement.

The Suzhou Chengyi Supplemental Loan Agreement is structured in substantially the same terms as the existing Suzhou Chengyi Loan Agreement as detailed in the section headed “*Suzhou Chengyi Supplemental Arrangements – (1) Suzhou Chengyi Loan Agreement*” of the 2019 Announcement.

**Term:** The Loans shall remain effective for a period of 20 years from the date of registration of the capital increase of Suzhou Chengyi with competent SAMR, and be automatically renewed indefinitely upon expiration of each 20-year period unless the Loans are terminated by Longyue Tiancheng WFOE by written notice. The term of the Suzhou Chengyi Supplemental Loan agreement is the same as the term of the Loan.

**(5) Suzhou Chengyi Second Amended and Restated Irrevocable Undertakings**

**Date:** July 13, 2023

**Subject:** Upon the entering into of each of the Suzhou Chengyi Second Amended and Restated Irrevocable Undertakings, the Suzhou Chengyi Amended and Restated Irrevocable Undertakings shall be null and void.

The spouse of each of Mr. Wu and Mr. Ma expressly and irrevocably acknowledged and has undertaken that (i) any equity interests held by such Suzhou Chengyi Registered Holder in Suzhou Chengyi do not fall within the scope of their communal properties; and (ii) each of them will not have any claim on the interests of Suzhou Chengyi obtained through the Suzhou Chengyi Second Supplemental Arrangements.

Save for the terms below, the terms of the Suzhou Chengyi Second Amended and Restated Irrevocable Undertakings are the same as those under the Suzhou Chengyi Amended and Restated Irrevocable Undertakings.

- the respective registered capital held by Mr. Wu and Mr. Ma in Suzhou Chengyi is updated to RMB459,000,000 and RMB441,000,000, respectively, and
- the reference to the Contractual Agreements in relation to Suzhou Chengyi shall include Suzhou Chengyi Supplemental Loan Agreement.

Please also refer to page 181 of the Prospectus for details of the Spouse Undertakings and the 2019 Announcement for details of the Suzhou Chengyi Amended and Restated Irrevocable Undertakings.

**Term:** The Suzhou Chengyi Second Amended and Restated Irrevocable Undertakings shall remain effective from date of registration of the capital increase of Suzhou Chengyi with competent SAMR.

## **(6) Dispute Resolution**

Under the dispute resolution provisions of the agreements under the Suzhou Chengyi Second Supplemental Arrangements, in the event of any dispute relating to the Suzhou Chengyi Second Supplemental Arrangements, any party may submit the relevant dispute to CIETAC for arbitration, in accordance with the then effective arbitration rules and procedures. The arbitration shall be conducted in Beijing. The arbitration ruling shall be final and binding on all parties. The dispute resolution provisions also provide that the arbitral tribunal may award remedies over the shares or assets of Suzhou Chengyi and/or its subsidiaries or injunctive relief (e.g. for the conduct of business or to compel the transfer of assets) or order the winding up of Suzhou Chengyi and/or its subsidiaries, and the courts of Hong Kong, the Cayman Islands (being the place of incorporation of the Company), PRC and the places where the principal assets of Suzhou Chengyi and/or its subsidiaries are located also have jurisdiction for the grant and/or enforcement of the arbitral award and the interim remedies against the shares held by the Suzhou Chengyi Registered Holders in Suzhou Chengyi or properties thereof.

To the extent permitted by PRC laws and where appropriate, the arbitration tribunal may grant any remedies in accordance the relevant agreement and applicable PRC laws, including preliminary and permanent injunctive relief (such as injunction against carrying out business activities, or mandating the transfer of assets), specific performance of contractual obligations, remedies concerning the equity interest or assets of Suzhou Chengyi and/or its subsidiaries and awards directing to Suzhou Chengyi and/or its subsidiaries to conduct liquidation.

However, the PRC Legal Advisor has advised that (i) an arbitration tribunal would not be able to grant such kind of injunctive relief or winding up order of Suzhou Chengyi and/or its subsidiaries under PRC laws; (ii) interim remedies or enforcement order granted by overseas courts such as Hong Kong and the Cayman Islands may not be recognizable or enforceable in the PRC; and (iii) even if the abovementioned provisions may not be enforceable under PRC laws, the remaining provisions of the dispute resolution clauses are legal, valid and binding on the parties to the Suzhou Chengyi Second Supplemental Arrangements.

Since PRC arbitration tribunal cannot award legal remedies such as injunctive relief or winding up orders, Longyue Tiancheng WFOE can only seek similar but not identical remedies from CIETAC under PRC law, such as cessation of infringements or return of property. Alternatively, Longyue Tiancheng WFOE may seek remedies from a PRC court in accordance with PRC law, including interim injunctive relief over the assets or shares of Suzhou Chengyi and a winding up order against Suzhou Chengyi.

As a result of the above, in the event that Suzhou Chengyi or the Suzhou Chengyi Registered Holders breach any of the Suzhou Chengyi Second Supplemental Arrangements, the Company may not be able to obtain sufficient remedies in a timely manner, and the Company's ability to exert effective control over Suzhou Chengyi and conduct the Company's business could be materially and adversely affected.

**(7) Succession**

Pursuant to the Suzhou Chengyi Second Supplemental Arrangements, the provisions set out in the Suzhou Chengyi Second Supplemental Arrangements are also binding on any successors of the Suzhou Chengyi Registered Holders. Although the Suzhou Chengyi Second Supplemental Arrangements do not specify the identity of successors to the Suzhou Chengyi Registered Holders under the succession law of the PRC, statutory successors may include the spouse, children, parents, brothers, sisters, paternal grandparents and the maternal grandparents, and as such any breach by the successors would be deemed to be a breach of the Suzhou Chengyi Second Supplemental Arrangements. In case of a breach, Longyue Tiancheng WFOE can enforce their rights against the successors. Pursuant to the Suzhou Chengyi Second Supplemental Arrangements, any successor of the Suzhou Chengyi Registered Holders shall assume any and all rights and obligations of the Suzhou Chengyi Registered Holders under the Suzhou Chengyi Second Supplemental Arrangements as if the successor was a signing party to such Suzhou Chengyi Second Supplemental Arrangements.

**(8) Conflicts of Interests**

Each of the Suzhou Chengyi Registered Holders has given their irrevocable undertakings in the Suzhou Chengyi Second Amended and Restated Powers of Attorney which address potential conflicts of interests that may arise in connection with the Suzhou Chengyi Second Supplemental Arrangements. For further details, see paragraph headed “*5. Principal Terms of the Suzhou Chengyi Second Supplemental Arrangements and the New VIE Agreements of Beijing E-Dragon – (A) Suzhou Chengyi Second Supplemental Arrangements – (3) Suzhou Chengyi Second Amended and Restated Powers of Attorney.*”

**(9) Loss Sharing**

Under the relevant PRC laws and regulations, none of our Company or Longyue Tiancheng WFOE is legally required to share the losses of, or provide financial support to, the Suzhou Chengyi. Further, Suzhou Chengyi is a limited liability company and shall be solely liable for its own debts and losses with assets and properties owned by it. In addition, given that our Group conducts a substantial portion of its business operations in the PRC through Suzhou Chengyi, which holds the requisite PRC operational licenses and approvals, and that its financial position and results of operations are consolidated into our Group’s financial statements under the applicable accounting principles, our Company’s business, financial position and results of operations would be adversely affected if Suzhou Chengyi suffers losses.

However, as provided in the Suzhou Chengyi Second Amended and Restated Exclusive Share Purchase Right Agreement, without the prior consent of Longyue Tiancheng WFOE, Suzhou Chengyi shall not, among others, (i) sell, transfer, pledge or dispose of in any manner any of its assets, businesses or revenue worth more than RMB500,000, or allow any security interest to be created thereon; (ii) execute any material contract with a value above RMB500,000, except those entered into in the ordinary course of business; (iii) incur, inherit, guarantee or allow any debt with a value above RMB500,000, unless if it is incurred in the ordinary course of business other than through loans, or is disclosed to and consented by Longyue Tiancheng WFOE; (iv) enter into any consolidation or merger with any third party, or acquire or invest in any third party; and (v) increase or reduce its registered capital, or alter the structure of the registered capital in any other way. Therefore, due to the relevant restrictive provisions in the agreements, the potential adverse effect on Longyue Tiancheng WFOE and our Company in the event of any loss suffered from Suzhou Chengyi can be limited to a certain extent.

## **(10) Liquidation**

Pursuant to the Suzhou Chengyi Second Amended and Restated Share Pledge Agreement, in the event of a mandatory liquidation required by the PRC laws, the Suzhou Chengyi Registered Holders shall, upon the request of Longyue Tiancheng WFOE (i) deposit the proceeds into an account designated and supervised by Longyue Tiancheng WFOE and used to secure Suzhou Chengyi's and the Suzhou Chengyi Registered Holders' obligations under the Suzhou Chengyi Second Supplemental Arrangements in priority to any other payment, or (ii) give the proceeds they received from liquidation as a gift to Longyue Tiancheng WFOE, or its designee(s) to the extent permitted by the PRC laws.

Accordingly, in a winding up of Suzhou Chengyi, Longyue Tiancheng WFOE is entitled to liquidation proceeds of Suzhou Chengyi based on Suzhou Chengyi Second Supplemental Arrangements for the benefit of the Company's creditors/Shareholders.

## **(11) Insurance**

Our Company does not maintain an insurance policy to cover the risks relating to the Suzhou Chengyi Second Supplemental Arrangements.

## **(12) Confirmation from the Suzhou Chengyi Registered Holders**

Each of the Suzhou Chengyi Registered Holders irrevocably undertakes and acknowledges that in the event of his death, bankruptcy, divorce or any other circumstances resulting in a change in the ownership of the equity interest in Suzhou Chengyi, (i) the Suzhou Chengyi Second Supplemental Arrangements shall be equally binding on his successor, and (ii) his will, divorce agreement, debt arrangements or any other legal documents and/or restructuring agreements shall, in respect of any disposal concerning Suzhou Chengyi and its respective subsidiaries, unless otherwise agreed by Longyue Tiancheng WFOE in written form, be subject to the terms of the Suzhou Chengyi Second Supplemental Arrangements.

In addition, the Suzhou Chengyi Registered Holders confirmed that, in order to avoid any practical difficulties in enforcing the Suzhou Chengyi Second Supplemental Arrangements, subject to requirement by Longyue Tiancheng WFOE, they will unwind the Suzhou Chengyi Second Supplemental Arrangements and transfer all of the shares of Suzhou Chengyi held by them to Longyue Tiancheng WFOE or its designee as soon as the applicable laws of the PRC allow Longyue Tiancheng WFOE to operate the business operated by Suzhou Chengyi and its subsidiaries without the Suzhou Chengyi Second Supplemental Arrangements.

## **(B) New VIE Agreements of Beijing E-dragon**

The contractual arrangements under the New VIE Structure of Beijing E-dragon will be on substantially the same terms as those currently in place under the Existing VIE Structure of Beijing E-dragon, save as to the identity of the Registered Shareholder of Beijing E-dragon. Hence, the New VIE Agreements of Beijing E-dragon constitute a reproduction of the existing contractual arrangements of Beijing E-dragon. The Beijing E-dragon Exclusive Technology Consulting and Services Agreement will not be amended and restated.

In relation to the contractual arrangements under the New VIE Structure of Beijing E-dragon, the Company will fulfill and comply with the same conditions as those imposed on the contractual arrangements under the Existing VIE Structure of Beijing E-dragon as disclosed on pages 226 to 227 of the Prospectus, *mutatis mutandis*.

The summary of the principal terms of the New VIE Agreements of Beijing E-dragon is set forth below:

### **(1) Beijing E-dragon Exclusive Share Purchase Right Agreement**

**Date:** July 13, 2023

**Parties:**

- (a) Mr. Ma
- (b) Beijing E-dragon
- (c) E-dragon Beijing WFOE

**Subject:** Mr. Ma granted E-dragon Beijing WFOE an irrevocable and exclusive right to purchase, or designate one or more persons (each, a “**designee**”) to purchase, the equity interests then held by Mr. Ma in, and/or the assets of the Beijing E-dragon (the “**Optioned Interest**”) once or at multiple times at any time in part or in whole at the sole and absolute discretion of E-dragon Beijing WFOE to the extent permitted under the applicable laws of China. Where E-dragon Beijing WFOE chooses to purchase the Optioned Interest, Mr. Ma shall cause Beijing E-dragon to promptly convene a shareholders’ meeting, at which a resolution shall be adopted approving Beijing E-dragon’s transfer of the Optioned Interests to E-dragon Beijing WFOE and/or its designees.

The purchase price for the purchase by E-dragon Beijing WFOE of any Optioned Interests held by Mr. Ma in Beijing E-dragon upon exercise of the option by E-dragon Beijing WFOE is RMB8,000,000 or any other amount as separately agreed between E-dragon Beijing WFOE and Mr. Ma. The purchase price received by Mr. Ma shall be used to offset his loan due to E-dragon Beijing WFOE under the Beijing E-dragon Loan Agreement (as defined below), in which case such loan shall be deemed as the pre-paid purchase price. For details of the Beijing E-dragon Loan Agreement, see paragraph headed “– (4) *Beijing E-dragon Loan Agreement*” below.

Each of Beijing E-dragon and Mr. Ma, among other things, has covenanted that:

- (a) without the prior written consent of E-dragon Beijing WFOE, it/he shall not in any manner supplement, change or amend the articles of association of Beijing E-dragon, increase or decrease its registered capital or number of shares, or change the structure of its registered capital in other manner;
- (b) maintain Beijing E-dragon's operation as a going concern, obtain all government permits and licenses necessary for their business, and prudently and effectively operate their business in accordance with sound financial and business practices;
- (c) without the prior consent of E-dragon Beijing WFOE, it/he shall not sell, transfer, mortgage or dispose of in any manner any assets of more than RMB500,000 of Beijing E-dragon, business, operation rights, legitimate interest in their income, or permit the creation of any secured interests thereon;
- (d) without the prior consent of E-dragon Beijing WFOE, it shall not change or remove any of Beijing E-dragon's directors or senior management personnel;
- (e) without the prior consent of E-dragon Beijing WFOE, Beijing E-dragon shall not incur, inherit, guarantee or assume any debt of more than RMB500,000, except for (i) debts incurred in the ordinary course of business other than through loans and (ii) debts disclosed to E-dragon Beijing WFOE and the incurrence, inheritance, guarantee or assumption of which was consented to by E-dragon Beijing WFOE;
- (f) always operate all businesses during the ordinary course of business to maintain Beijing E-dragon's asset value and refrain from any action/omission that may adversely affect their operating status and asset value; and
- (g) without the prior consent of E-dragon Beijing WFOE, Beijing E-dragon shall not execute any major contract with a value above RMB500,000, except for contracts executed in the ordinary course of business.

Further, Mr. Ma, among other things, has also covenanted that:

- (a) without the prior written consent of E-dragon Beijing WFOE, he shall not sell, transfer, mortgage or dispose of in any other manner any legal or beneficial interest in the equity interests in Beijing E-dragon held by him, or allow the encumbrance thereon, except for the interest pledged in accordance with the New VIE Agreements of Beijing E-dragon;
- (b) without the prior written consent of E-dragon Beijing WFOE, he shall not, on any shareholders' meeting of Beijing E-dragon, vote in favor of, support or sign any shareholders' resolutions approving (i) the amendment of the articles of association or increase/decrease of registered share capital or number of shares, or in any manner change the share capital of Beijing E-dragon; or (ii) the sale, transfer, mortgage or disposal of any legal or beneficial interest in Beijing E-dragon, or the encumbrance thereon, except in favor of E-dragon Beijing WFOE or its designees, as the case may be;
- (c) without the prior written consent of E-dragon Beijing WFOE, he shall not, on any shareholders' meeting of Beijing E-dragon, vote in favor of, support or sign any shareholders' resolutions approving the merger or integration of Beijing E-dragon, or the acquisition of or investment in any parties;
- (d) he shall immediately notify E-dragon Beijing WFOE upon the actual or potential occurrence of litigation, arbitration or administrative action in respect of the equity interest held by him;
- (e) upon the exercise by E-dragon Beijing WFOE (or its designees) of the irrevocable and exclusive right to purchase the equity interests then held by him in, and/or the assets of Beijing E-dragon, he shall consent to such transfer or purchase of the equity interests and/or assets;
- (f) he shall sign all necessary and applicable documents and take all necessary and applicable action to commence action or claim or defend any action or claim as is necessary or appropriate to safeguard the ownership rights in Beijing E-dragon; and
- (g) he shall appoint any designee of E-dragon Beijing WFOE as the director of Beijing E-dragon, at the request of E-dragon Beijing WFOE.

**Term:** The Beijing E-dragon Exclusive Share Purchase Right Agreement shall remain effective for a period of 20 years from the date of execution, and automatically renewed upon expiration of the preceding 20 year-period unless the Beijing E-dragon Exclusive Share Purchase Right Agreements are terminated by E-dragon Beijing WFOE by written notice.

**(2) Beijing E-dragon Share Pledge Agreement**

**Date:** July 13, 2023

**Parties:**

- (a) Mr. Ma
- (b) Beijing E-dragon
- (c) E-dragon Beijing WFOE

**Subject:** Under the Beijing E-dragon Share Pledge Agreement, Mr. Ma agreed to pledge all his equity interests in Beijing E-dragon that he owns, including any interest or dividend paid for the shares, to E-dragon Beijing WFOE as a security interest to guarantee the performance of contractual obligations and the payment of outstanding debts of Beijing E-dragon and Mr. Ma under the Beijing E-dragon Exclusive Technology Consulting and Services Agreement, the Beijing E-dragon Exclusive Share Purchase Right Agreement, the Beijing E-dragon Powers of Attorney and the Beijing E-dragon Loan Agreement.

Upon the knowledge, or discovery of the occurrence of any circumstances or event that may lead to an event of default (as defined in the Beijing E-dragon Share Pledge Agreement), Mr. Ma shall immediately notify E-dragon Beijing WFOE in writing. E-dragon Beijing WFOE shall be entitled to immediately exercise the pledge and may exercise any remedy measure under applicable PRC laws and the New VIE Agreements of Beijing E-dragon, including but not limited to being paid in priority with the monetary valuation that Mr. Ma's equity interest is converted into or from the proceeds from auction or sale of Mr. Ma's equity interest. E-dragon Beijing WFOE is not liable for any loss incurred by its due exercise of such rights and powers.

**Term:** The pledge in respect of Mr. Ma takes effect upon the completion of registration with the competent SAMR and shall remain valid until the occurrence of the following events, whichever is earlier:

- (a) all outstanding contractual obligations of Mr. Ma have been fully performed, all outstanding debts under the New VIE Agreements of Beijing E-dragon have been fully paid, or achieved through other applicable means;

- (b) E-dragon Beijing WFOE exercises in full the equity pledge under the Beijing E-dragon Share Pledge Agreement in accordance with the terms and conditions therein to exercise its entitled rights under the New VIE Agreements of Beijing E-dragon; or
- (c) E-dragon Beijing WFOE terminates the Beijing E-dragon Share Pledge Agreement.

**(3) Beijing E-dragon Powers of Attorney**

**Date:** July 13, 2023

**Parties:** (a) Mr. Ma  
(b) E-dragon Beijing WFOE

**Subject:** Under the Beijing E-dragon Powers of Attorney, Mr. Ma irrevocably appointed E-dragon Beijing WFOE (as well as the successors, including a liquidator, if any, replacing E-dragon Beijing WFOE or its designee(s) (including its directors) as his/its sole exclusive agent to exercise on his/its behalf, certain powers, including without limitation: (i) exercise all shareholder's rights and shareholder's voting rights in accordance with law and the constitutional documents of Beijing E-dragon, including but not limited to the appointment, election or removal of directors, supervisors and senior management, the sale or transfer of any or all of the shares in Beijing E-dragon and the winding up of Beijing E-dragon (ii) to call shareholders' meetings of Beijing E-dragon, to accept any notice on shareholders' meetings, and to execute any and all written resolutions and meeting minutes in the name and on behalf of such shareholder, and (iii) to file documents with the relevant companies registry.

Further, pursuant to the Beijing E-dragon Powers of Attorney and to ensure the Beijing E-dragon Powers of Attorney do not give rise to a conflict of interest, Mr. Ma irrevocably undertakes that, where Mr. Ma is also serving as a Director or senior management of our Company, Mr. Ma shall assign his interest under the Beijing E-dragon Powers of Attorney to other Directors or senior management of our Company who do not have any conflict of interests.

Mr. Ma irrevocably undertakes and acknowledges that in the event of his death, bankruptcy, divorce or any other circumstances resulting in a change in the ownership of the equity interest in Beijing E-dragon, (i) the New VIE Agreements of Beijing E-dragon shall be equally binding on his successor, and (ii) his will, divorce agreement, debt arrangements or any other legal documents and/or restructuring agreements shall, in respect of any disposal concerning Beijing E-dragon and its subsidiaries, unless otherwise agreed by E-dragon Beijing WFOE in written form, be subject to the terms of the New VIE Agreements of Beijing E-dragon.

**Term:** The Beijing E-dragon Powers of Attorney shall remain effective from the date of the signing of the Beijing E-dragon Powers of Attorney during the period that Mr. Ma is a shareholder of Beijing E-dragon, unless E-dragon Beijing WFOE has given written instructions to the contrary.

**(4) Beijing E-dragon Loan Agreement**

**Date:** July 13, 2023

**Parties:** (a) Mr. Ma  
(b) E-dragon Beijing WFOE

**Subject:** E-dragon Beijing WFOE agreed to lend Mr. Ma RMB8,000,000 (the “**Beijing E-dragon Loan**”) for purposes of the capital contribution to Beijing E-dragon. Such Beijing E-dragon Loan will become due and payable upon E-dragon Beijing WFOE’s demand under any of the following circumstances: (i) Mr. Ma resigns or is being removed from the various positions held by him with E-dragon Beijing WFOE or Beijing E-dragon or ceases to be a shareholder of Beijing E-dragon, (ii) the death or incapacity of Mr. Ma, (iii) Mr. Ma being engaged or involved in criminal activities, (iv) any third party making a claim against Mr. Ma exceeding RMB100,000, or (v) E-dragon Beijing WFOE exercising its option to purchase all or part of the equity interests in Beijing E-dragon held by Mr. Ma, to the extent permitted by PRC laws and regulations that the PRC foreign ownership restrictions applicable to Beijing E-dragon’s Internet information service have been lifted, or (vi) Mr. Ma’s breach of the representation, warranties, covenants or obligations under the Beijing E-dragon Exclusive Share Purchase Right Agreement in relation to Beijing E-dragon.

Upon the E-dragon Beijing WFOE exercising its exclusive call option, it will require Mr. Ma to repay the Beijing E-dragon Loan by transferring all or part of his equity interest in Beijing E-dragon to the E-dragon Beijing WFOE or any of his designated person and use the proceeds of such transfer as repayment of the Beijing E-dragon Loan. If the proceeds of such transfer is equal to or less than the principal of the Beijing E-dragon Loan under the Beijing E-dragon Loan Agreement, the Beijing E-dragon Loan is considered interest-free. If the proceeds of such transfer is higher than the principal of the Beijing E-dragon Loan under the Beijing E-dragon Loan Agreement, any surplus is considered interest for the Beijing E-dragon Loan under the Beijing E-dragon Loan Agreement.

**Term:** The Beijing E-dragon Loan shall remain effective for a period of 20 years upon the date of execution of the Beijing E-dragon Loan Agreement, and be automatically renewed upon expiration of the preceding 20 year-period unless the Beijing E-dragon Loan is terminated by E-dragon Beijing WFOE by written notice. The term of the Beijing E-dragon Loan Agreement is the same as the term of the Beijing E-dragon Loan.

**(5) Beijing E-dragon Spouse Undertaking**

**Date:** July 13, 2023

**Subject:** Mr. Ma and the spouse of Mr. Ma have signed the Beijing E-dragon Spouse Undertaking, whereby they have expressly and irrevocably acknowledged and have undertaken that (i) the equity interests held by Mr. Ma in Beijing E-dragon do not fall within the scope of communal properties; and (ii) each of them will not have any claim on the interests of Beijing E-dragon obtained through the New VIE Agreements of Beijing E-dragon.

**Term:** The Beijing E-dragon Spouse Undertaking shall remain effective upon the date of execution.

**(6) Dispute Resolution**

Under the dispute resolution provisions of the agreements under the New VIE Agreements of Beijing E-dragon, in the event of any dispute relating to the New VIE Agreements of Beijing E-dragon, any party may submit the relevant dispute to CIETAC for arbitration in accordance with the then effective arbitration rules and procedures. The arbitration shall be conducted in Beijing. The arbitration ruling shall be final and binding on all parties. The dispute resolution provisions also provides that the arbitral tribunal may award remedies over the shares or assets of Beijing E-dragon or injunctive relief (e.g. for the conduct of business or to compel the transfer of assets) or order the winding up of Beijing E-dragon, and the courts of Hong Kong, the Cayman Islands (being the place of incorporation of our Company), PRC and the places where the principal assets of Beijing E-dragon are located also have jurisdiction for the grant and/or enforcement of the arbitral award and the interim remedies against the shares held by Mr. Ma in Beijing E-dragon or properties thereof.

To the extent permitted by PRC laws and where appropriate, the arbitration tribunal may grant any remedies in accordance the relevant agreement and applicable PRC laws, including preliminary and permanent injunctive relief (such as injunction against carrying out business activities, or mandating the transfer of assets), specific performance of contractual obligations, remedies concerning the equity interest or assets of Beijing E-dragon and awards directing Beijing E-dragon to conduct liquidation.

However, our PRC Legal Advisor has advised that (i) an arbitration tribunal would not be able to grant such kind of injunctive relief or winding up order of Beijing E-dragon under PRC laws; (ii) interim remedies or enforcement order granted by overseas courts such as Hong Kong and the Cayman Islands may not be recognizable or enforceable in the PRC; and (iii) even if the abovementioned provisions may not be enforceable under PRC laws, the remaining provisions of the dispute resolution clauses are legal, valid and binding on the parties to the agreements under the New VIE Agreements of Beijing E-dragon.

Since PRC arbitration tribunal cannot award legal remedies such as injunctive relief or winding up orders, E-dragon Beijing WFOE can only seek similar but not identical remedies from CIETAC under PRC law, such as cessation of infringements or return of property. Alternatively, E-dragon Beijing WFOE may seek remedies from a PRC court in accordance with PRC law, including interim injunctive relief over the assets or shares of Beijing E-dragon and a winding up order against Beijing E-dragon.

As a result of the above, in the event that Beijing E-dragon or Mr. Ma breach any of the New VIE Agreements of Beijing E-dragon, the Company may not be able to obtain sufficient remedies in a timely manner, and the Company's ability to exert effective control over Beijing E-dragon and conduct the Company's business could be materially and adversely affected.

**(7) Succession**

Pursuant to the New VIE Agreements of Beijing E-dragon, the provisions set out in the New VIE Agreements of Beijing E-dragon are also binding on any successors of Mr. Ma. Although the New VIE Agreements of Beijing E-dragon do not specify the identity of successors to Mr. Ma under the succession law of the PRC, statutory successors may include the spouse, children, parents, brothers, sisters, paternal grandparents and the maternal grandparents, and as such any breach by the successors would be deemed to be a breach of the New VIE Agreements of Beijing E-dragon. In case of a breach, E-dragon Beijing WFOE can enforce its rights against the successors. Pursuant to the New VIE Agreements of Beijing E-dragon, any successor of Mr. Ma shall assume any and all rights and obligations of Mr. Ma under the New VIE Agreements of Beijing E-dragon as if the successor was a signing party to such New VIE Agreements of Beijing E-dragon.

**(8) Conflicts of Interests**

Mr. Ma has given his irrevocable undertakings in the Beijing E-dragon Powers of Attorney which address potential conflicts of interests that may arise in connection with the New VIE Agreements of Beijing E-dragon. For further details, see paragraph headed “– (3) *Beijing E-dragon Powers of Attorney*” above.

**(9) Loss Sharing**

Under the relevant PRC laws and regulations, none of our Company or E-dragon Beijing WFOE is legally required to share the losses of, or provide financial support to, the Beijing E-dragon. Further, Beijing E-dragon is a limited liability company and shall be solely liable for its own debts and losses with assets and properties owned by it. In addition, given that our Group conducts a substantial portion of its business operations in the PRC through Beijing E-dragon, which holds the requisite PRC operational licenses and approvals, and that its financial position and results of operations are consolidated into our Group's financial statements under the applicable accounting principles, our Company's business, financial position and results of operations would be adversely affected if Beijing E-dragon suffers losses.

However, as provided in the Beijing E-dragon Exclusive Share Purchase Right Agreement, without the prior consent of E-dragon Beijing WFOE, Beijing E-dragon shall not, among others, (i) sell, transfer, pledge or dispose of in any manner any of its assets, businesses or revenue worth more than RMB500,000, or allow any security interest to be created thereon; (ii) execute any material contract with a value above RMB500,000, except those entered

into in the ordinary course of business; (iii) incur, inherit, guarantee or allow any debt with a value above RMB500,000, unless if it is incurred in the ordinary course of business other than through loans, or is disclosed to and consented by E-dragon Beijing WFOE; (iv) enter into any consolidation or merger with any third party, or acquire or invest in any third party; and (v) increase or reduce its registered capital, or alter the structure of the registered capital in any other way. Therefore, due to the relevant restrictive provisions in the agreements, the potential adverse effect on E-dragon Beijing WFOE and our Company in the event of any loss suffered from Beijing E-dragon can be limited to a certain extent.

#### **(10) Liquidation**

Pursuant to the Beijing E-dragon Share Pledge Agreement, in the event of a mandatory liquidation required by the PRC laws, Mr. Ma shall, upon the request of E-dragon Beijing WFOE (i) deposit the proceeds into an account designated and supervised by E-dragon Beijing WFOE and used to secure the obligations of Beijing E-dragon and Mr. Ma under the New VIE Agreements of Beijing E-dragon in priority to any other payment, or (ii) give the proceeds Mr. Ma received from liquidation as a gift to E-dragon Beijing WFOE, or its designee(s) to the extent permitted by the PRC laws.

Accordingly, in a winding up of Beijing E-dragon, E-dragon Beijing WFOE is entitled to liquidation proceeds of Beijing E-dragon based on the New VIE Agreements of Beijing E-dragon for the benefit of our Company's creditors/shareholders.

#### **(11) Insurance**

Our Company does not maintain an insurance policy to cover the risks relating to the New VIE Agreements of Beijing E-dragon.

#### **(12) Confirmation from Mr. Ma**

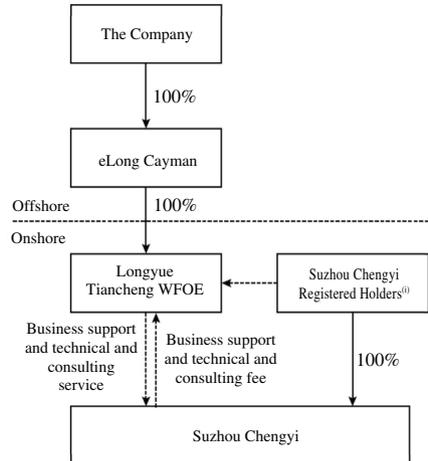
Mr. Ma irrevocably undertakes and acknowledges that in the event of his death, bankruptcy, divorce or any other circumstances resulting in a change in the ownership of the equity interest in Beijing E-dragon, (i) the New VIE Agreements of Beijing E-dragon shall be equally binding on his successor, and (ii) his will, divorce agreement, debt arrangements or any other legal documents and/or restructuring agreements shall, in respect of any disposal concerning Beijing E-dragon and its respective subsidiaries, unless otherwise agreed by E-dragon Beijing WFOE in written form, be subject to the terms of the New VIE Agreements of Beijing E-dragon.

In addition, Mr. Ma confirmed that, in order to avoid any practical difficulties in enforcing the New VIE Agreements of Beijing E-dragon, subject to requirement by E-dragon Beijing WFOE, they will unwind the New VIE Agreements of Beijing E-dragon and transfer all of the shares of Beijing E-dragon held by him to E-dragon Beijing WFOE or its designee as soon as the applicable laws of the PRC allow E-dragon Beijing WFOE to operate the business operated by Beijing E-dragon and its subsidiaries without the New VIE Agreements of Beijing E-dragon.

## 6. DIAGRAMS OF THE VIE STRUCTURES

### (A) Suzhou Chengyi

The following diagram illustrates the Existing VIE Structure of Suzhou Chengyi and the New VIE Structure of Suzhou Chengyi.

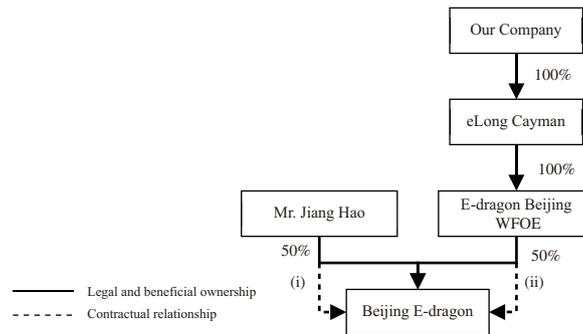


*Notes:*

- (i) Suzhou Chengyi Registered Holders refer to Mr. Wu and Mr. Ma, the executive Directors of the Company, who hold 51% and 49% of the equity interests of Suzhou Chengyi, respectively.
- (ii) “—>” denotes direct legal and beneficial ownership in the equity interest.
- (iii) “-->” denotes contractual relationship.
- (iv) “----” denotes the control by Longyue Tiancheng WFOE over the Suzhou Chengyi Registered Holders and Suzhou Chengyi through (1) powers of attorney to exercise all shareholders’ rights in Suzhou Chengyi, (2) exclusive options to acquire all or part of the first priority equity interests in Suzhou Chengyi and (3) equity pledges over the equity interest in Suzhou Chengyi.

## (B) Beijing E-dragon

The following simplified diagram illustrates the Existing VIE Structure of Beijing E-dragon prior to the entering of the New VIE Agreements of Beijing E-dragon:



### Notes:

- (i) Mr. Jiang Hao executed powers of attorney in favor of E-dragon Beijing WFOE, to exercise all his shareholders' rights in Beijing E-dragon. Please see *“Contractual Arrangements – Summary of the material terms of the Contractual Arrangements – Powers of Attorney”* in the Prospectus for further details.

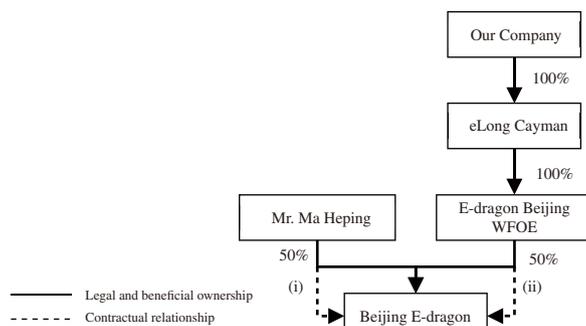
Mr. Jiang Hao executed exclusive options agreement in favor of E-dragon Beijing WFOE, to acquire all or part of his equity interest in and/or assets of Beijing E-dragon. Please see *“Contractual Arrangements – Summary of the material terms of the Contractual Arrangements – Exclusive Share Purchase Right Agreements”* in the Prospectus for further details.

Mr. Jiang Hao granted equity pledge in favor of E-dragon Beijing WFOE, over the 50% equity interest in Beijing E-dragon held by him. Please see *“Contractual Arrangements – Summary of the material terms of the Contractual Arrangements – Share Pledge Agreements”* in the Prospectus for further details.

Mr. Jiang Hao and E-dragon Beijing WFOE have entered into a loan agreement in relation to Beijing E-dragon. Please see *“Contractual Arrangements – Summary of the material terms of the Contractual Arrangements – Loan Agreement”* in the Prospectus for details.

- (ii) Beijing E-dragon will pay services fees to E-dragon Beijing WFOE in exchange for business support and technical and consulting services. Please see *“Contractual Arrangements – Summary of the material terms of the Contractual Arrangements – Exclusive Technology Consulting and Services Agreements”* in the Prospectus for further details.

The following simplified diagram illustrates the New VIE Structure of Beijing E-dragon after entering into the New VIE Agreements of Beijing E-dragon:



Notes:

- (i) Mr. Ma executed powers of attorney in favor of E-dragon Beijing WFOE, to exercise all his shareholders' rights in Beijing E-dragon. Please see "5. Principal Terms of the Suzhou Chengyi Second Supplemental Arrangements and the New VIE Agreements of Beijing E-Dragon – (B) New VIE Agreements of Beijing E-dragon – (3) Beijing E-dragon Powers of Attorney" in this announcement for further details.

Mr. Ma executed exclusive options agreement in favor of E-dragon Beijing WFOE, to acquire all or part of his equity interest in and/or assets of Beijing E-dragon. Please see "5. Principal Terms of the Suzhou Chengyi Second Supplemental Arrangements and the New VIE Agreements of Beijing E-Dragon – (B) New VIE Agreements of Beijing E-dragon – (1) Beijing E-dragon Exclusive Share Purchase Right Agreement" in this announcement for further details.

Mr. Ma granted equity pledge in favor of E-dragon Beijing WFOE, over the 50% equity interest in Beijing E-dragon held by him. Please see "5. Principal Terms of the Suzhou Chengyi Second Supplemental Arrangements and the New VIE Agreements of Beijing E-Dragon – (B) New VIE Agreements of Beijing E-dragon – (2) Beijing E-dragon Share Pledge Agreement" in this announcement for further details.

Mr. Ma and E-dragon Beijing WFOE have entered into a loan agreement in relation to Beijing E-dragon. Please see "5. Principal Terms of the Suzhou Chengyi Second Supplemental Arrangements and the New VIE Agreements of Beijing E-Dragon – (B) New VIE Agreements of Beijing E-dragon – (4) Beijing E-dragon Loan Agreement" in this announcement for details.

- (ii) Beijing E-dragon will pay services fees to E-dragon Beijing WFOE in exchange for business support and technical and consulting services. Please see "Contractual Arrangements – Summary of the material terms of the Contractual Arrangements – Exclusive Technology Consulting and Services Agreements" in the Prospectus for further details.

## 7. RISKS RELATING TO THE CONTRACTUAL ARRANGEMENTS

***We conduct the Relevant Businesses in the PRC through Suzhou Chengyi and Beijing E-dragon by way of the Contractual Arrangements, and if the PRC government finds that these Contractual Arrangements do not comply with applicable PRC laws and regulations, or if these regulations or their interpretations change in the future, we could be subject to penalties or be forced to relinquish our interests in those operations.***

Current PRC laws and regulations impose certain restrictions and prohibitions on foreign ownership of companies that engage in the Internet related businesses, such as the provision of Internet information. For example, PRC law currently limits foreign ownership of companies that provide value-added telecommunications services (other than operating E-commerce, domestic multi-party communication, e-storage and forwarding and call center businesses) in the PRC up to 50%. Moreover, for a foreign investor to hold any equity interest in a value-added telecommunications services in China must obtain approval from the Ministry of Industry and Information Technology, which retain considerable discretion in granting approvals.

We are a company incorporated under the laws of the Cayman Islands, and Longyue Tiancheng WFOE, E-dragon Beijing WFOE and our PRC subsidiaries are therefore considered foreign-invested enterprises. To comply with PRC laws and regulations, we conduct a portion of our business in the PRC through Suzhou Chengyi and Beijing E-dragon, as well as its respective subsidiary(ies), through the Contractual Arrangements. The Contractual Arrangements enable the Company to (i) have the power to direct the activities that most significantly affect the economic performance of Suzhou Chengyi and Beijing E-dragon; (ii) receive substantially all of the economic benefits from Suzhou Chengyi and Beijing E-dragon in consideration for the services provided by Longyue Tiancheng WFOE and E-dragon Beijing WFOE (whichever applicable); and (iii) have an exclusive option to purchase all or part of the equity interests in Suzhou Chengyi and Beijing E-dragon when and to the extent permitted by PRC law or request any existing shareholder(s) of Suzhou Chengyi and Beijing E-dragon to transfer any or part of the equity interest in Suzhou Chengyi and Beijing E-dragon to another PRC person or entity designated by us at any time at our discretion. Because of the Contractual Arrangements, the Company is the primary beneficiary of Suzhou Chengyi, Beijing E-dragon and its subsidiaries and consolidate the results of operations of Suzhou Chengyi and Beijing E-dragon into ours. Suzhou Chengyi and Beijing E-dragon hold the licenses, approvals and key assets that are essential for our business operations.

If the PRC government finds that the Contractual Arrangements do not comply with its restrictions on foreign investment, or if the PRC government otherwise finds that we, Suzhou Chengyi, Beijing E-dragon or any of its subsidiaries are in violation of PRC laws or regulations or lack the necessary permits or licenses to operate our business, the relevant PRC regulatory authorities, including but not limited to MOFCOM, MIIT, and CBIRC, would have broad discretion in dealing with such violations or failures.

Any of these actions could cause significant disruption to our business operations, and may materially and adversely affect our business, financial condition and results of operations. In addition, it is unclear what impact the PRC government actions would have on us and on our ability to consolidate the financial results of Suzhou Chengyi and Beijing E-dragon in our consolidated financial statements, if the PRC governmental authorities find our legal structure and the Contractual Arrangements to be in violation of PRC laws, rules and regulations. If any of these penalties results in our inability to direct the activities of Suzhou Chengyi and Beijing E-dragon that most significantly impact their economic performance and/or our failure to receive the economic benefits from Suzhou Chengyi and Beijing E-dragon, we may not be able to consolidate Suzhou Chengyi and Beijing E-dragon into our consolidated financial statements in accordance with the IFRS.

***Certain provisions in the Contractual Arrangements through which we conduct our business operations in the PRC may not be enforceable under PRC laws.***

All the agreements under the Contractual Arrangements are governed by the PRC laws, and uncertainties in the PRC legal system could limit our ability to enforce the Contractual Arrangements. In the event that we are unable to enforce the Contractual Arrangements, or if we suffer significant time delays or other obstacles in the process of enforcing them, it would be very difficult to exert effective control over Suzhou Chengyi and Beijing E-dragon, and our ability to conduct our business and our financial condition and results of operations may be materially and adversely affected.

Under the dispute resolution provisions of the agreements under the Contractual Arrangements, in the event of any dispute relating thereto, any party may submit the relevant dispute to the CIETAC for arbitration, in accordance with the then effective arbitration rules and procedures. The Contractual Arrangements also contain provisions to the effect that the arbitration tribunal may grant any remedies in accordance with the relevant agreement and applicable PRC laws, including preliminary and permanent injunctive relief (such as injunctions against carrying out business activities, or mandating the transfer of assets), specific performance of contractual obligations, remedies concerning the equity interest or assets of Suzhou Chengyi and Beijing E-dragon and awards directing them to conduct liquidation. However, under PRC laws, an arbitral body does not have the power to grant injunctive relief or to directly issue liquidation orders. Interim remedies or enforcement orders granted by overseas courts such as the courts of Hong Kong and the Cayman Islands also may not be enforceable under PRC laws. Therefore, in the event that Suzhou Chengyi and/or Beijing E-dragon or their shareholders breach any of the Contractual Arrangements, we may not be able to obtain sufficient remedies in a timely manner, and our ability to exert effective control over Suzhou Chengyi and/or Beijing E-dragon and conduct our business could be materially and adversely affected.

***Substantial uncertainties exist with respect to the interpretation and implementation of the Foreign Investment Law and how it may impact the viability of our current corporate structure, corporate governance and business operations.***

On March 15, 2019, the National People’s Congress promulgated the Foreign Investment Law (外商投資法) (the “FIL”), which took effect on January 1, 2020. The FIL replaces the laws regulating foreign investment in PRC, namely, the Sino-foreign Equity Joint Venture Enterprise Law, the Sino-foreign Cooperative Joint Venture Enterprise Law and the Wholly Foreign-invested Enterprise Law. The FIL embodies an expected regulatory trend in PRC to rationalize its foreign investment regulatory regime in line with prevailing international practice and the legislative efforts to unify the corporate legal requirements for both foreign and domestic investments.

The FIL does not explicitly stipulate the contractual arrangements as a form of foreign investment. The FIL does not mention concepts including “de facto control” and “controlling through contractual arrangements” nor does it specify the regulation on controlling through contractual arrangements. Notwithstanding the above, the FIL stipulates that “foreign investors invest in PRC through any other methods under laws, administrative regulations, or provisions prescribed by the State Council”.

Nevertheless, there are possibilities that future laws, administrative regulations or provisions of the State Council may stipulate contractual arrangements as a way of foreign investment, and then whether the Contractual Arrangements will be recognized as foreign investment, whether the Contractual Arrangements will be deemed to be in violation of the foreign investment access requirements and how the Contractual Arrangements will be handled are uncertain. The relevant government authorities have broad discretion in interpreting the law, and there is substantial uncertainty regarding the interpretation and the implementation of the Foreign Investment Law. Therefore, there is no guarantee that our Contractual Arrangements, the business of the Suzhou Chengyi and Beijing E-dragon and our financial conditions and result of operations will not be materially and adversely affected.

***The Contractual Arrangements may not be as effective in providing operational control as direct ownership, and Suzhou Chengyi and Beijing E-dragon or their respective shareholders may fail to perform their obligations under the Contractual Arrangements.***

These Contractual Arrangements may not be as effective in providing control over Suzhou Chengyi and Beijing E-dragon as direct ownership. If Suzhou Chengyi or Beijing E-dragon or their respective shareholders fail to perform their respective obligations under the Contractual Arrangements, we may incur substantial costs and expend substantial resources to enforce our rights. All of these Contractual Arrangements are governed by and interpreted in accordance with PRC laws, and disputes arising from these Contractual Arrangements will be resolved through arbitration or litigation in China. There are very few precedents and little official guidance as to how the Contractual Arrangements in the context of a variable interest entity should be interpreted or enforced under PRC law. There remain significant uncertainties regarding the outcome of arbitration or litigation. These uncertainties could limit our ability to enforce these Contractual Arrangements. In the event we are unable to enforce these Contractual Arrangements, or we experience significant delays or other obstacles in the process of enforcing these Contractual Arrangements, we may not be able to exert effective control over Suzhou Chengyi and/or Beijing E-dragon and may lose control over the assets owned by Suzhou Chengyi and/or Beijing E-dragon. As a result, we may be unable to consolidate Suzhou Chengyi and/or Beijing E-dragon in our consolidated financial statements and our ability to conduct our business may be negatively affected.

***We may lose the ability to use and enjoy assets held by Suzhou Chengyi and/or Beijing E-dragon that are material to our business operations if Suzhou Chengyi and/or Beijing E-dragon declares bankruptcy or becomes subject to a dissolution or liquidation proceeding.***

We do not have priority pledges and liens against the assets of Suzhou Chengyi and/or Beijing E-dragon. If Suzhou Chengyi and/or Beijing E-dragon undergoes an involuntary liquidation proceeding, third-party creditors may claim rights to some or all of its assets and we may not have priority over such third-party creditors on the assets of Suzhou Chengyi and/or Beijing E-dragon. If Suzhou Chengyi and/or Beijing E-dragon liquidate, we may take part in the liquidation procedures as a general creditor under the PRC Enterprise Bankruptcy Law and claim any outstanding liabilities owed by Suzhou Chengyi and/or Beijing E-dragon to Longyue Tiancheng WFOE and/or E-dragon Beijing WFOE (whichever applicable) under the applicable service agreement, along with other general creditors.

If the shareholders of Suzhou Chengyi and/or Beijing E-dragon were to attempt to voluntarily liquidate it without obtaining our prior consent, we could effectively prevent such unauthorized voluntary liquidation by exercising our right to request the shareholders of Suzhou Chengyi and/or Beijing E-dragon to transfer all of their respective equity ownership interests to a PRC entity or individual designated by us in accordance with the option agreement with the shareholders of Suzhou Chengyi and/or Beijing E-dragon. In addition, under the Contractual Arrangements signed by, among others, Longyue Tiancheng WFOE, Suzhou Chengyi, E-dragon Beijing WFOE, Beijing E-dragon, and the Registered Shareholders, the Registered Shareholders do not have the right to receive dividends or retained earnings or other distributors from Suzhou Chengyi and/or Beijing E-dragon without our consent. In the event that the New Registered Shareholder initiate a voluntary liquidation proceeding without our authorization or attempts to distribute the retained earnings or assets of Suzhou Chengyi and/or Beijing E-dragon without our prior consent, we may need to resort to legal proceedings to enforce the terms of the Contractual Arrangements. Any such legal proceeding may be costly and may divert our management's time and attention away from the operation of our business, and the outcome of such legal proceeding will be uncertain.

***The Registered Shareholders may potentially have a conflict of interest with us, and he may breach his contractual arrangements with us or cause such arrangements to be amended in a manner contrary to our interests.***

We conduct a significant portion of our operations, and generate a significant portion of our revenue, through Suzhou Chengyi and Beijing E-dragon. Our control over Suzhou Chengyi and Beijing E-dragon is based upon the Contractual Arrangements with Longyue Tiancheng WFOE, E-dragon Beijing WFOE and the Registered Shareholders that allow us to control Suzhou Chengyi and Beijing E-dragon. The Registered Shareholders may potentially have a conflict of interest with us, and he may breach his Contractual Arrangements with us, if he believe it would further his own interest or if he otherwise acts in bad faith. We cannot ensure that when conflicts of interest arise between the Company and Suzhou Chengyi and/or Beijing E-dragon, the Registered Shareholders will act in our interests or that the conflicts of interest will be resolved in our favor.

In addition, the Registered Shareholders may breach or cause Suzhou Chengyi and/or Beijing E-dragon to breach the Contractual Arrangements. If Suzhou Chengyi or Beijing E-dragon or the Registered Shareholders breach the Contractual Arrangements with us or otherwise have disputes with us, we may have to initiate legal proceedings, which involve significant uncertainty. Such disputes and proceedings may significantly disrupt our business operations, adversely affect our ability to control Suzhou Chengyi and/or Beijing E-dragon and otherwise result in negative publicity. We cannot assure you that the outcome of any such dispute or proceeding will be in our favor.

***Our Contractual Arrangements may be subject to scrutiny by the PRC tax authorities, and a finding that we owe additional taxes could substantially reduce our consolidated net income and the value of your investment.***

Under PRC laws and regulations, arrangements and transactions among related parties may be subject to audit or challenge by the PRC tax authorities. We could face material adverse tax consequences if the PRC tax authorities determine that the Contractual Arrangements signed by, among others, Longyue Tiancheng WFOE and/or E-dragon Beijing WFOE and the respective Registered Shareholders are not at arm's-length and adjust the income of Suzhou Chengyi and/or Beijing E-dragon in the form of a transfer pricing adjustment. A transfer pricing adjustment could, among other things, result in a reduction, for PRC tax purposes, of expense deductions recorded by Suzhou Chengyi and Beijing E-dragon, which could in turn increase its tax liabilities without reducing our tax liabilities. In addition, the PRC tax authorities may impose late payment fees and other penalties to Suzhou Chengyi and/or Beijing E-dragon for under-paid taxes. Our consolidated net loss may be increased if our tax liabilities increase or if we are found to be subject to late payment fees or other penalties.

#### ***Other risk relating to the Contractual Arrangements***

Please refer to the section headed “*Risk Factors – Risks Relating to Our Contractual Arrangements*” in the Prospectus for the details of other risk factors.

## **8. INFORMATION OF 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.

## **9. INFORMATION OF THE COUNTERPARTIES**

### **(A) The Suzhou Chengyi Second Supplemental Arrangements**

#### **(i) The Suzhou Chengyi Registered Holders**

The Suzhou Chengyi Registered Holders are Mr. Wu and Mr. Ma. Mr. Wu is an executive Director and the Co-Chairman of the Board. Mr. Ma is an executive Director and the Chief Executive Officer of the Company.

#### **(ii) Suzhou Chengyi**

Suzhou Chengyi is a limited liability company established in the PRC and a consolidated affiliated entity of the Company. Suzhou Chengyi is principally engaged in the travel related services.

#### **(iii) Longyue Tiancheng WFOE**

Longyue Tiancheng WFOE is a limited liability company established in the PRC and a wholly-owned subsidiary of the Company. The Longyue Tiancheng WFOE is principally engaged in the services of providing technical support, consultation and other services in the PRC.

### **(B) The New VIE Agreements of Beijing E-dragon, The Termination Agreement and Beijing E-dragon Equity Transfer Agreement**

#### **(i) Mr. Ma**

Mr. Ma is an executive Director and chief executive officer of the Company.

#### **(ii) E-dragon Beijing WFOE**

E-dragon Beijing WFOE is a wholly foreign-owned enterprise established under the laws of the PRC on August 17, 1999 and a wholly-owned subsidiary of our Company. Its principal business is provision of platform service of hotel business.

#### **(iii) Beijing E-dragon**

Beijing E-dragon is a limited liability company established under the laws of the PRC on November 28, 2000, which upon the completion of the Beijing E-dragon Equity Transfer Agreement, shall be held by Mr. Ma and E-dragon Beijing WFOE as to 50% and 50% respectively. Its principal business is provision of information technology outsourcing/advertising service.

**(iv) Mr. Jiang Hao**

Mr. Jiang Hao is a non-executive Director.

**10. IMPLICATIONS UNDER THE LISTING RULES**

**(A) Suzhou Chengyi Second Supplemental Arrangements**

Upon the Suzhou Chengyi Second Supplemental Arrangements taking effect, the financial results of Suzhou Chengyi will continue to be accounted for and consolidated in the accounts of the Group as if it is a wholly-owned subsidiary of the Company. Mr. Wu, being the executive Director of the Company and the Co-Chairman of the Board, and Mr. Ma, being the executive Director and the Chief Executive Officer of the Company, are Connected Persons. Accordingly, the transactions contemplated under the Suzhou Chengyi Second Supplemental Arrangements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Since the Suzhou Chengyi Second Supplemental Arrangements are reproduced from the Existing VIE Structure of Suzhou Chengyi as provided under one of the conditions of the IPO Waiver, the Suzhou Chengyi Second Supplemental Arrangements are on substantially the same terms as those currently in place under the Existing VIE Structure of Suzhou Chengyi and the Suzhou Chengyi Supplemental Loan Agreement is structured in substantially the same terms as the Suzhou Chengyi Loan Agreement, the Stock Exchange has confirmed that the transactions contemplated under the Suzhou Chengyi Second Supplemental Arrangements are exempt from strict compliance with (i) the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules and (ii) the requirement of setting an annual cap for the transactions under the Suzhou Chengyi Second Supplemental Arrangements.

**(B) New VIE Agreements of Beijing E-dragon**

Upon the New VIE Agreements of Beijing E-dragon taking effect, the financial results of Beijing E-dragon will continue to be accounted for and consolidated in the accounts of the Group as if it is a wholly-owned subsidiary of the Company. Mr. Ma, being the executive Director and the Chief Executive Officer of the Company, is a Connected Person. Accordingly, the transactions contemplated under the New VIE Agreements of Beijing E-dragon constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Since the New VIE Structure of Beijing E-dragon is reproduced from the Existing VIE Structure of Beijing E-dragon as provided under one of the conditions of the IPO Waiver, the New VIE Agreements of Beijing E-dragon are on substantially the same terms as those currently in place under the Existing VIE Structure of Beijing E-dragon, the transactions contemplated under the New VIE Structure of Beijing E-dragon are exempt from strict compliance with (i) the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules, and (ii) the requirement of setting an annual cap for the transactions under the transactions under the New VIE Structure of Beijing E-dragon.

## 11. DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meanings ascribed to them below:

“2019 Announcement”	the announcement of the Company dated March 20, 2019 in relation to the continuing connected transactions constituted by the Suzhou Chengyi Supplemental Arrangements
“Beijing E-dragon”	Beijing eLong Information Technology Co., Ltd. (北京藝龍信息技術有限公司), a limited liability company established under the laws of the PRC on November 28, 2000, which is one of the Contractual Arrangement Entities
“Beijing E-dragon Equity Transfer Agreement”	the equity transfer agreement dated July 13, 2023 between Mr. Jiang Hao and Mr. Ma, pursuant to which Mr. Jiang Hao agreed to transfer 50% of the equity interests in Beijing E-dragon to Mr. Ma at nil consideration
“Beijing E-dragon Exclusive Share Purchase Right Agreement”	the exclusive share purchase right agreement, dated July 13, 2023 and entered into among Mr. Ma, E-dragon Beijing WFOE and Beijing E-dragon, as further detailed in the paragraph headed “5. <i>Principal Terms of the Suzhou Chengyi Second Supplemental Arrangements and the New VIE Agreements of Beijing E-Dragon – (B) New VIE Agreements of Beijing E-Dragon – (1) – Beijing E-dragon Exclusive Share Purchase Right Agreement</i> ” in this announcement
“Beijing E-dragon Exclusive Technology Consulting and Services Agreement”	the Exclusive Technology Consulting and Services Agreement dated April 2, 2018 between Beijing E-dragon and E-dragon Beijing WFOE, pursuant to which Beijing E-dragon agreed to engage E-dragon Beijing WFOE as its exclusive provider of technical support, consulting services and other services in exchange for a fee, the details of which are disclosed on pages 175 and 176 of the Prospectus
“Beijing E-dragon Loan Agreement”	the loan agreement dated July 13, 2023 and entered into between Mr. Ma and E-dragon Beijing WFOE, as further detailed in the paragraph headed “5. <i>Principal Terms of the Suzhou Chengyi Second Supplemental Arrangements and the New VIE Agreements of Beijing E-Dragon – (B) New VIE Agreements of Beijing E-Dragon – (4) Beijing E-dragon Loan Agreement</i> ” in this announcement

“Beijing E-dragon Powers of Attorney”	the powers of attorney, each dated July 13, 2023 and entered into between Mr. Ma and E-dragon Beijing WFOE, as further detailed in the paragraph headed “5. <i>Principal Terms of the Suzhou Chengyi Second Supplemental Arrangements and the New VIE Agreements of Beijing E-Dragon – (B) New VIE Agreements of Beijing E-Dragon – (3) Powers of Attorney</i> ” in this announcement
“Beijing E-dragon Share Pledge Agreement”	the share pledge agreement dated July 13, 2023 and entered into among Mr. Ma, E-dragon Beijing WFOE and Beijing E-dragon, as further detailed in the paragraph headed “5. <i>Principal Terms of the Suzhou Chengyi Second Supplemental Arrangements and the New VIE Agreements of Beijing E-Dragon – (B) New VIE Agreements of Beijing E-Dragon – (2) Beijing E-dragon Share Pledge Agreement</i> ” in this announcement
“Beijing E-dragon Spouse Undertaking”	the signed undertaking dated July 13, 2023 provided by Mr. Ma and the spouse of Mr. Ma as further detailed in the section headed “5. <i>Principal Terms of the Suzhou Chengyi Second Supplemental Arrangements and the New VIE Agreements of Beijing E-Dragon – (B) New VIE Agreements of Beijing E-Dragon – (5) Beijing E-dragon Spouse Undertaking</i> ” in this announcement
“Board”	the board of directors of the Company
“CBIRC”	China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會)
“CIETAC”	China International Economic and Trade Arbitration Commission (中國國際經濟貿易仲裁委員會)
“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 with limited liability incorporated under the laws of the Cayman Islands on January 14, 2016
“Connected Person(s)”	has the meaning in rules 14A.07 to 14A.11 the Listing Rules
“Contractual Arrangement(s)”	the series of contractual arrangements entered into by, among others, E-dragon Beijing WFOE, Longyue Tiancheng WFOE and the Contractual Arrangement Entities
“Contractual Arrangement Entity(ies)”	Beijing E-dragon and Suzhou Chengyi

“Director(s)”	the director(s) of the Company
“E-dragon Beijing WFOE”	eLong Net Information Technology (Beijing) Co., Ltd. (藝龍網信息技術(北京)有限公司), a wholly foreign-owned enterprise established under the laws of the PRC on August 17, 1999 and a wholly-owned subsidiary of our Company
“eLong Cayman”	eLong Inc., a corporation incorporated under the laws of the Cayman Islands on May 19, 2004 and a direct wholly-owned subsidiary of our Company
“Exclusive Share Purchase Right Agreement(s)”	collectively and individually, Suzhou Chengyi Second Amended and Restated Exclusive Share Purchase Right Agreement and Beijing E-dragon Exclusive Share Purchase Right Agreement
“Exclusive Technology Consulting and Services Agreement(s)”	collectively and individually, Suzhou Chengyi Exclusive Technology Consulting and Services Agreement and Beijing E-dragon Exclusive Technology Consulting and Services Agreement
“Existing VIE Structure of Beijing E-dragon”	a series of contractual arrangements between Beijing E-dragon, Mr. Jiang Hao and E-dragon Beijing WFOE that are designed to allow the Company to exercise control over the operations of Beijing E-dragon and enjoy the economic benefits generated by Beijing E-dragon, as disclosed in the Prospectus
“Existing VIE Structure of Suzhou Chengyi”	a series of contractual arrangements among Suzhou Chengyi, Longyue Tiancheng WFOE, and the Suzhou Chengyi Registered Holders that are designed to allow the Company to exercise control over the operations of Suzhou Chengyi and enjoy the economic benefits generated by Suzhou Chengyi, as disclosed in the Prospectus and the 2019 Announcement
“Group”	the Company, its subsidiaries and its consolidated affiliated entities from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“IFRS”	International Financial Reporting Standards, amendments, and interpretations, as issued from time to time by the International Accounting Standards Board
“IPO Waiver”	in respect of the Contractual Arrangements, the waiver granted by the Stock Exchange to the Company from strict compliance with the announcement, circular and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules, as further detailed on pages 225 to 227 of the Prospectus

“Listing”	the listing of the Shares on the Main Board of the Stock Exchange, which occurred on November 26, 2018
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented, or otherwise modified from time to time
“Longyue Tiancheng WFOE”	Suzhou Longyue Tiancheng Venture Capital Group Co., Ltd (蘇州龍悅天程創業投資集團有限公司), formerly known as Suzhou Longyue Tiancheng Information Technology Co., Ltd. (蘇州龍越天程信息科技有限公司), a limited liability company incorporated in the PRC, a wholly foreign owned enterprise and a wholly-owned subsidiary of the Company
“MIIT”	Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部)
“MOFCOM”	the Ministry of Commerce of the PRC (中華人民共和國商務部)
“Mr. Ma”	Mr. Ma Heping (馬和平), the executive Director, the chief executive officer of the Company, one of the Suzhou Chengyi Registered Holders and the New Registered Shareholder of Beijing E-dragon
“Mr. Wu”	Mr. Wu Zhixiang (吳志祥), the executive Director, the Co-Chairman of the Board and one of the Suzhou Chengyi Registered Holders
“New Registered Shareholder”	Mr. Ma Heping, who will hold 50% of the equity interest in Beijing E-dragon upon the completion of the Beijing E-dragon Equity Transfer Agreement
“New VIE Agreements of Beijing E-dragon”	collectively, the Beijing E-dragon Exclusive Share Purchase Right Agreement, the Beijing E-dragon Share Pledge Agreement, the Beijing E-dragon Loan Agreement, and the Beijing E-dragon Powers of Attorney and the Beijing E-dragon Spouse Undertaking
“New VIE Structure of Beijing E-dragon”	the structure established through the entering into of the Exclusive Technology Consulting and Services Agreement and the New VIE Agreements of Beijing E-dragon
“PRC Legal Advisor”	Zhong Lun Law Firm, the legal advisor to the Company as to the PRC laws
“PRC” or “China”	the People’s Republic of China, except where the context requires otherwise and only for the purposes of this announcement, excluding Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan

“Prospectus”	the prospectus dated November 14, 2018 issued by the Company
“Registered Shareholder(s)”	Mr. Ma as a registered shareholder of Beijing E-dragon, and Mr. Wu and Mr. Ma as registered shareholders of Suzhou Chengyi, each a “ <b>Registered Shareholder</b> ”
“Relevant Businesses”	collectively, the provision of online information services, online data and transaction services, air ticketing services, insurance agency services and/or call center services which are subject to foreign investment restrictions under PRC law
“SAMR”	State Administration for Market Regulation of the PRC (中國國家市場監督管理總局)
“Share(s)”	ordinary shares in the share capital of the Company, currently of nominal value of US\$0.0005 each
“Shareholder(s)”	holder(s) of the Share(s)
“Share Pledge Agreement(s)”	collectively and individually, Suzhou Chengyi Second Amended and Restated Share Pledge Agreement and Beijing E-dragon Share Pledge Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Suzhou Chengyi”	Suzhou Chengyi Internet Technology Co., Ltd. (蘇州程藝網絡科技有限公司), a limited liability company established in the PRC, the financial results of which have been consolidated and accounted for as a consolidated affiliated entity of the Group by virtue of the Existing VIE Structure of Suzhou Chengyi
“Suzhou Chengyi Amended and Restated Exclusive Share Purchase Right Agreement”	the Exclusive Share Purchase Right Agreement dated March 19, 2019 between Suzhou Chengyi, Longyue Tiancheng WFOE, and the Suzhou Chengyi Registered Holders
“Suzhou Chengyi Amended and Restated Irrevocable Undertakings”	the signed undertakings dated March 19, 2019 provided by each of the Suzhou Chengyi Registered Holders and the spouse of each of them
“Suzhou Chengyi Amended and Restated Powers of Attorney”	the Powers of Attorney dated March 19, 2019 between Longyue Tiancheng WFOE and each of the Suzhou Chengyi Registered Holders
“Suzhou Chengyi Amended and Restated Share Pledge Agreement”	the Share Pledge Agreement dated March 19, 2019 between Suzhou Chengyi, Longyue Tiancheng WFOE, and the Suzhou Chengyi Registered Holders

“Suzhou Chengyi Exclusive Technology Consulting and Services Agreement”	the Exclusive Technology Consulting and Services Agreement dated April 2, 2018 between Suzhou Chengyi and Longyue Tiancheng WFOE, pursuant to which Suzhou Chengyi agreed to engage Longyue Tiancheng WFOE as its exclusive provider of technical support, consulting services and other services in exchange for a fee, the details of which are disclosed on pages 175 and 176 of the Prospectus
“Suzhou Chengyi Loan Agreement”	the Suzhou Chengyi Loan Agreement dated March 19, 2019 between Longyue Tiancheng WFOE and the Suzhou Chengyi Registered Holders
“Suzhou Chengyi Registered Holders”	Mr. Wu and Mr. Ma, who hold 51% and 49% of the equity interest in Suzhou Chengyi respectively
“Suzhou Chengyi Second Amended and Restated Exclusive Share Purchase Right Agreement”	the Exclusive Share Purchase Right Agreement dated July 13, 2023 between Suzhou Chengyi, Longyue Tiancheng WFOE, and the Suzhou Chengyi Registered Holders, as further detailed in the section headed “ <i>5. Principal Terms of the Suzhou Chengyi Second Supplemental Arrangements and the New VIE Agreements of Beijing E-Dragon – (A) Suzhou Chengyi Second Supplemental Arrangements</i> ” of this announcement
“Suzhou Chengyi Second Amended and Restated Irrevocable Undertakings”	the signed undertakings dated July 13, 2023 provided by each of the Suzhou Chengyi Registered Holders and the spouse of each of them as further detailed in the section headed “ <i>5. Principal Terms of the Suzhou Chengyi Second Supplemental Arrangements and the New VIE Agreements of Beijing E-Dragon – (A) Suzhou Chengyi Second Supplemental Arrangements</i> ” of this announcement
“Suzhou Chengyi Second Amended and Restated Powers of Attorney”	the Powers of Attorney dated July 13, 2023 between Longyue Tiancheng WFOE and each of the Suzhou Chengyi Registered Holders, as further detailed in the section headed “ <i>5. Principal Terms of the Suzhou Chengyi Second Supplemental Arrangements and the New VIE Agreements of Beijing E-Dragon – (A) Suzhou Chengyi Second Supplemental Arrangements</i> ” of this announcement
“Suzhou Chengyi Second Amended and Restated Share Pledge Agreement”	the Share Pledge Agreement dated July 13, 2023 between Suzhou Chengyi, Longyue Tiancheng WFOE, and the Suzhou Chengyi Registered Holders, as further detailed in the section headed “ <i>5. Principal Terms of the Suzhou Chengyi Second Supplemental Arrangements and the New VIE Agreements of Beijing E-Dragon – (A) Suzhou Chengyi Second Supplemental Arrangements</i> ” of this announcement

“Suzhou Chengyi Second Supplemental Arrangements”	collectively, Suzhou Chengyi Supplemental Loan Agreement, Suzhou Chengyi Second Amended and Restated Exclusive Share Purchase Right Agreement, Suzhou Chengyi Second Amended and Restated Share Pledge Agreement, Suzhou Chengyi Second Amended and Restated Powers of Attorney and Suzhou Chengyi Second Amended and Restated Irrevocable Undertakings
“Suzhou Chengyi Supplemental Arrangements”	collectively, Suzhou Chengyi Loan Agreement, Suzhou Chengyi Amended and Restated Exclusive Share Purchase Right Agreement, Suzhou Chengyi Amended and Restated Share Pledge Agreement, Suzhou Chengyi Amended and Restated Powers of Attorney and Suzhou Chengyi Amended and Restated Irrevocable Undertakings
“Suzhou Chengyi Supplemental Loan Agreement”	the Loan Agreement dated July 13, 2023 between Longyue Tiancheng WFOE and the Suzhou Chengyi Registered Holders, as further detailed in the section headed “5. <i>Principal Terms of the Suzhou Chengyi Second Supplemental Arrangements and the New VIE Agreements of Beijing E-Dragon – (A) Suzhou Chengyi Second Supplemental Arrangements</i> ” of this announcement
“Termination Agreement”	the termination agreement dated July 13, 2023 among Mr. Jiang Hao, E-dragon Beijing WFOE and Beijing E-dragon, pursuant to which Mr. Jiang Hao, E-dragon Beijing WFOE and Beijing E-dragon agreed that the Existing VIE Structure of Beijing E-dragon in relation to Beijing E-dragon shall be terminated
“Transactions”	collectively, Increase of Registered Capital of Suzhou Chengyi, and Establishment of New VIE Structure of Beijing E-dragon
“Increase of Registered Capital of Suzhou Chengyi”	the transactions in relation to the increase of registered capital of Suzhou Chengyi contemplated under the Suzhou Chengyi Second Supplemental Arrangements
“Establishment of New VIE Structure of Beijing E-dragon”	the transactions in relation to change of registered shareholder of Beijing E-dragon contemplated under the Termination Agreement, Beijing E-dragon Equity Transfer Agreement and New VIE Agreements of Beijing E-dragon
“Tongcheng Insurance”	Tongcheng Insurance Agency Company Limited (同程保險代理有限公司), formerly known as Tianyuan Difang (Beijing) Insurance Agency Company Limited (天圓地方(北京)保險代理有限公司), a limited liability company established under the laws of the PRC on May 28, 2010

“Tongcheng Network”	Tongcheng Network Technology Limited (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
“VIE”	variable interest entity(ies)
“%”	per cent

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

Hong Kong, July 13, 2023

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  
Xie Qing Hua  
Brent Richard Irvin