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Q4 2021 Trip.com Group Ltd Earnings Call

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## CORPORATE PARTICIPANTS

**Jianzhang Liang** *Trip.com Group Limited - Co-Founder & Executive Chairman*

**Jie Sun** *Trip.com Group Limited - CEO & Director*

**Michelle Qi** *Trip.com Group Limited - Senior IR Director*

**Xiaofan Wang** *Trip.com Group Limited - CFO & Executive VP*

## CONFERENCE CALL PARTICIPANTS

**Alex C. Yao** *JPMorgan Chase & Co, Research Division - Head of Asia Internet and New Media Research*

**Brian Gong** *Citigroup Inc., Research Division - Assistant VP & Equity Research Analyst*

**Chun Man Poon** *Morgan Stanley, Research Division - Equity Analyst*

**James Lee** *Mizuho Securities USA LLC, Research Division - MD of Americas Research & Senior Internet Sector Analyst*

**Ronald Keung** *Goldman Sachs Group, Inc., Research Division - Executive Director*

**Thomas Chong** *Jefferies LLC, Research Division - Equity Analyst*

**Tianxiao Hou** *TH Data Capital - Founder, CEO & Senior Analyst*

## PRESENTATION

### Operator

Thank you all for standing by, and welcome to the Trip.com Group 2021 Q4 Earnings Conference Call. (Operator Instructions) I would now like to hand the conference over to Ms. Michelle Qi, IR Director. Please go ahead.

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### Michelle Qi *Trip.com Group Limited - Senior IR Director*

Thank you. Good morning, and welcome to Trip.com Group's Fourth Quarter and Full Year of 2021 Earnings Conference Call. Joining me today on the call are Mr. James Liang, Executive Chairman of the Board; Ms. Jane Sun, Chief Executive Officer; and Ms. Cindy Wang, Chief Financial Officer.

During this call, we will discuss our future outlook and performance, which are forward-looking statements made under the safe harbor provision of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements involve inherent risks and uncertainties. As such, our results may be materially different from the views expressed today. A number of potential risks and uncertainties are outlined in Trip.com Group's public filings with the Securities and Exchange Commission. Trip.com Group does not undertake any obligation to update any forward-looking statement, except as required under applicable laws.

James, Jane and Cindy will share now our strategy and business updates, operating highlights and the financial performance for the fourth quarter of 2021 as well as outlook for the first quarter of 2022. After the prepared remarks, we will have a Q&A session.

With that, I will turn the call over to James. James, please?

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### Jianzhang Liang *Trip.com Group Limited - Co-Founder & Executive Chairman*

Thank you, Michelle. Thank you, everyone, for joining us on the call today. Looking back, 2021 was a year full of change, challenges and opportunities. The resurgence of cases, emergence of new virus variants and the intermittent lockdowns set a bumpy path for the global travel industry's recovery and also paved the way for its sustainable development.

Despite twists and turns of the pandemic, we have taken the opportunity to further diversify our products, enhance our service quality and upgrade our technology.

In the China domestic market, we continue to maintain our competitive edge in the long-distance travel market, while also building new strengths in short-haul travel. Our strong performance reflected how much that our core competencies have been further bolstered and that was we are able to unleash new growth potential as long-haul travel recovers.

Meanwhile, we are encouraged to see that both user stickiness and user engagement on our content channel further improved. In Q4, the number of daily interactive users of the content channel has more than doubled year-over-year. Increased user interactions and insights sparked the flywheel effect, which will continue to drive up our content conversion rate.

In February, the conversion rate has doubled when compared to the same period in 2021. With our quality user base and extensive marketing resources, the content platform will provide long-lasting value to our business partners.

While Omicron development remains uncertain, many countries already started to roll back travel restrictions. Our overseas brands continue to make progress on the path to recovery and have seen further improvements in recent months. In the first 2 months of 2022, air reservations in our overseas brands increased by over 200% year-over-year, and the bookings in Europe have achieved faster growth.

In Asian markets, we are encouraged to see many countries announce plans to relax travel policies. To exploit such opportunities, we will further enhance our product competitiveness, especially for staycation and weekend tours.

Through effective localized campaigns that have kept our brand top of the mind, we continue to take shares in Asian markets.

Finally, I would like to share our progress in ESG development. First, we may sustained efforts to promote rural revitalization initiatives with 8 Trip.com Group country retreats already opened by the end of 2021. Second, we strive to build an inclusive workplace. The group has launched a hybrid working model, starting in March, giving qualified employees an option to work remotely on certain days in the week.

We believe the promotion of hybrid working is a multi-win for the company, employees and society. It helps improve employee satisfaction without compromising efficiency. It also helps the environmental protection, contributes to families, supports female career development and creates a positive impact on society and the economy.

Third, we also newly established our ESG Committee to oversee and integrate sustainability practices into our daily business operations.

The road to recovery will not always be easy, yet we are prepared to embrace another challenging and exciting year. Over the past 2 years, although the world have taken some detours on its path to recovery, the ups and downs eventually led us to building stronger resilience. Guided by our "locally focused global vision" strategy, we look forward to helping people from every corner of the world to take on their perfect trips very soon.

With that, I will turn the call over to Jane for operational highlights.

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**Jie Sun *Trip.com Group Limited - CEO & Director***

Thank you, James. Good morning, everyone. Let me start with an overview of the performance. I would like to start with a quick overview of Q4 and the full year of 2021. Though the industry experienced the COVID resurgence and a weaker seasonality in Q4, Trip.com Group delivered a solid performance.

In the fourth quarter, our total net revenue remained largely stable year-over-year. The China domestic market was still under a lot of pressure due to new waves of infections and the rapid development of Omicron cases. Nevertheless, we're able to maintain our competitive edge by outpacing the industry performance across business lines.

In Q4, domestic hotel bookings on the Ctrip platform was higher than the pre-COVID 2019 level, exceeding the industry growth by 20% to 25%. Our domestic air bookings also recovered much faster than the market performance.

For the full year of 2021, our total net revenue increased by 9% year-over-year mainly driven by the recovery of our domestic business. Our core OTA brands achieved a GMV of over RMB 500 billion or USD 78 billion, up close to 30% year-over-year. Thanks to our effective cost control and efficiency improvements, we achieved a positive adjusted EBITDA margin of 6% for the full year of 2021.

2021 was an accelerating year for us. In the domestic market, we developed a new strength in short-haul travel and speeded up the construction of content platforms. Putting customers at the center of our business, we also upgraded our loyalty program with expanded reward offerings and to benefit more loyal customers. Meanwhile, our international brands continued to gain market share in the

overseas market with higher efficiency.

Here, I would like to highlight our achievements in 4 areas.

First, short-haul travel. 2 years into the pandemic, short-haul travel remains popular and continue to be a key contributor to our domestic recovery during the past year. In Q4, our interprovincial hotel bookings grew over 30% compared to the pre-COVID 2019 level, with local hotel bookings increased by over 50%. Such strong performance for short-haul travel extended into the early Chinese New Year holiday, with local hotel reservations increasing by more than 20% year-over-year.

We have further augmented our product offerings to include boutique accommodation, glamping, hiking and other high-quality and innovative travel experiences to meet customers' evolving needs. Meanwhile, we are also joined by more business partners to provide value-added services. Our hotel packages now cover more than 7,000 high-end hotels and is contributing over 40% of reservation to these participating partners.

The shortened travel radius gives rise to the demand for more staycations and weekend tours. Making more short-distance travels and taking regular and consistent weekend getaways have become travelers' new habits. Even when long-haul travel sees strong comeback in months when travel curbs were more relaxed, demand for short travel remained high. We expect to see higher recovery potential in both long-haul and short-haul travels in the effective pandemic control.

Trip.com Group has been well prepared and is well positioned to capture this opportunity to fuel further growth.

Second, content platform. During the past few quarters, we have been accelerating our efforts to construct the content platform by following our 3-step strategy. First, we further enriched the amount of the content contributed by both professional creators and users. The number of KOLs increased by over 25% sequentially in the fourth quarter. Regular users were also encouraged to start sharing content on our platform. Daily average user-generated content from these new creators grew by over 80% sequentially.

Second, we are delighted to see higher user engagement, with the number of average daily interactive users on our content channels more than doubled year-over-year in the fourth quarter. Average viewing duration has also been significantly increased.

Third, our content platform is highly synergistic with our core business, supported by our strong supply chain. We were pleased to see the content conversion rate has improved steadily and has doubled its previous year level in February. The content platform also serves as a one-stop marketing hub, where business partners can showcase their products and engage with users through direct interactions.

So far, more than 3,000 partners have hosted over 10,000 live streams on the Ctrip platform. All these efforts and achievements made us a very effective and therefore attractive marketing hub for advertising partners. In Q4, our domestic advertising revenue increased over 20% compared to the pre-COVID 2019 level.

Third, user benefits. In addition to product innovation and content development, we are also dedicated to strengthening our value proposition to users, especially to our global loyal customers. We upgraded our Ctrip loyalty program last year, aiming to enrich benefit offerings and expand our users' coverage.

Users are able to redeem their membership points for not only travel-related products, but also rewards across a variety of options. Meanwhile, we also deepened our partnership with business partners, including hotels, airlines, airports, through a connected membership program, which allows members to enjoy privileges from both sides.

We are glad to see the number of total Ctrip loyalty members increase by over 20% year-over-year in 2021, with high-level members growing at double digits. Moreover, Ctrip members can also enjoy additional benefit from accommodation reservation under our TripPLUS program, in which about 230,000 hotels have signed up to offer extra discounts and value-added services.

Fourth, international business. Over the previous quarters, our international brands have been accelerating the integration of technology

and supply chain. Stronger synergy allows us to further improve brand awareness in the overseas market.

In Europe markets, air ticket bookings have enjoyed sequential improvements in the fourth quarter despite the impacts from Omicron development. The recovery has further speeded up after many European countries decided to relax travel restrictions.

Air ticket bookings on our overseas brands increased over 200% year-over-year in the first 2 months of 2022 and grew faster in the European markets. In Asian markets, we are working closely with local suppliers to address the increasing customer need for staycations. In 2021, domestic hotel bookings in the overseas market grew over 30% compared to the pre-COVID 2019 level and achieved around 3-digit growth in Hong Kong, Singapore and the Korean markets.

Meanwhile, our activity offerings in the overseas markets are seeing continuous improvement in 2021, with total amounts increased by 3x year-over-year and covering about 2,000 destinations.

The extensive product offerings inspire more travelers to explore unique local experiences. In 2021, resolutions for global in-destination activities on our platform grew by 30% when compared to the pre-COVID 2019 level.

We have also been continuously upgrading our back-end systems and technology capabilities to drive up efficiency across business lines in international markets and to overcome the challenges for the surging customer requests due to the pandemic.

Using our upgraded system, the AI chatbot in our overseas call centers can now handle nearly 80% of our total requests. Providing reliable and efficient customer service has always been our mission and the driving force behind our business. In 2021, Trip.com's customer satisfactory rate was 90%.

Next, I would like to talk about corporate responsibility. Tourism is among the industries hit the hardest by the COVID-19 crisis. 2 years since the onset of the pandemic, the travel industry performance is yet to recover to pre-pandemic levels. However, over the past 3 years, Trip.com Group has proactively stood out and made significant efforts to support the travel ecosystem, to weather the crisis and prepare for the restoration of global travel. We facilitated guaranteed cancellations and covered the losses for our customers and offered financial assistance as well as operational and marketing support to our travel industry partners.

As James mentioned, we have achieved several milestones on the way to pursue industry-leading ESG practices in 2021. In March, we launched our 5-year rural revitalization plan, with the target to build 10 countryside retreats for the industry benchmark and to empower 100 more by 2025. These countryside retreats will help boost the local economy by attracting tourists to these areas and creating job opportunities.

In June, Trip.com Group joined the UN Global Compact, representing our commitment to create a more sustainable future for the travel industry and society. In October, we were glad to receive a year-end award for gender-inclusive workplace as a recognition of our continued efforts in improving gender equality and inclusion.

Recently, we rolled out a hybrid work model, provided by successful experiments, with the hope to improve employee satisfaction and work efficiency. More importantly, we newly established our ESG Committee, aiming to incorporate sustainability practices, including our future strategic-making processes.

As we discussed, every cloud has a silver lining. While uncertainty around the pandemic development remains, the normalization of global travel is right on track. Led by our strategy of "local focus and global vision", our business in the domestic China market is steadily climbing up. On the international front, we will take the lead to prepare for the global travel reopening.

With that, I will now turn the call over to Cindy.

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**Xiaofan Wang Trip.com Group Limited - CFO & Executive VP**

Thanks, Jane. Good morning, everyone. For the fourth quarter of 2021, Trip.com Group reported net revenue of RMB 4.7 billion, representing a 6% decrease year-over-year, primarily due to new waves of the pandemic outbreak in certain regions of China. For the full year of 2021, net revenue was RMB 20 billion, representing a 9% increase from 2020, mainly driven by our business recovery in the China domestic market.

Accommodation reservation revenue for the fourth quarter of 2021 was RMB 1.9 billion, representing a 14% decrease year-over-year, recovering to 65% of the 2019 level. For the full year of 2021, accommodation reservation revenue was RMB 8.1 billion, representing a 14% increase from 2020. Domestic hotel bookings have nearly fully recovered to 2019 levels for the fourth quarter mainly driven by the growth of short-haul travel.

In the fourth quarter, hotel bookings for the intra-provincial stays increased by over 30% compared to the same period in 2019, with local hotel bookings growing by over 50%.

Transportation ticketing revenue for the fourth quarter of 2021 was RMB 1.5 billion, representing an 11% decrease year-over-year, recovering to 44% of the 2019 level. For the full year of 2021, transportation ticketing revenue was RMB 6.9 billion, representing a 3% decrease from 2020. Domestic transportation recovery momentum was disrupted by a resurgence of COVID cases for the fourth quarter, while international air business saw sequential improvement compared to the previous quarter, mainly contributed by the recovery in Europe.

Packaged-tour revenue for the fourth quarter of 2021 was RMB 177 million, representing a 32% decrease year-over-year, recovering to 22% of the 2019 level. For the full year of 2021, the packaged-tour business was RMB 1.1 billion, representing an 11% decrease from 2020.

Corporate travel revenue for the fourth quarter of 2021 was RMB 367 million, representing a 20% increase year-over-year, recovering to 98% of the 2019 level. For the full year of 2021, corporate travel revenue was RMB 1.3 billion, representing a 54% increase from 2020. This segment continued to gain momentum, benefited by the expansion of client pool and increase of cross-selling to accommodation products.

Compared to the same period in 2019, accommodation bookings on Ctrip corporate travel maintained about triple-digit growth for both Q4 and full year of 2021. Excluding share-based compensation charges, our total adjusted operating expenses was flattish compared to the previous quarter and decreased by 33% compared to the same period in 2019. This reflects our effective cost control and efficient operating management across business lines.

Adjusted product development expenses for the fourth quarter decreased by 5% from the previous quarter. It achieved a saving of 19% when compared to the same period in 2019 as we continue to run lean and maintain a stable headcount in the team. Adjusted sales and marketing expenses for the fourth quarter maintained stable from the previous quarter and decreased by 49% compared with the same period in 2019. The saving comes from our prudent spending protocol in response to the uncertainty brought about by the pandemic. Adjusted G&A expenses for the fourth quarter maintained stable from the previous quarter. It has a saving of 22% when compared to the same period in 2019.

Adjusted EBITDA was RMB 54 million for the fourth quarter and RMB 1.3 billion for the full year of 2021. Adjusted EBITDA margin was 1% for the fourth quarter and 6% in 2021.

Diluted loss per ordinary share and per ADS were RMB 1.29 or USD 0.20 for the fourth quarter. Excluding share-based compensation charges and fair value changes of equity security investments and exchangeable senior notes, non-GAAP diluted earnings per ordinary share and per ADS were RMB 0.48 or USD 0.08 for the fourth quarter.

As of December 31, 2021, the balance of cash and cash equivalents, restricted cash, short-term investment, held-to-maturity time

deposits and financial products was RMB 63.9 billion or USD 10 billion.

Now turning to the first quarter of 2022. We would like to share some color of our business. Entering into 2022, we are delighted to see that our domestic business sustained better than industry performance in the first 2 months. Domestic hotel bookings increased by over 20% year-over-year and was close to full recovery compared to 2019. Domestic air reservations also grew at high single digits year-over-year. However, another round of COVID outbreaks in March slowed down the recovery pace of domestic travel industry, especially in top-tier cities.

Outbound travel remains rather muted under current conditions.

Outside of China, the recovery momentum in Europe and the U.S. remained robust. Our international brands showed further improvement during the first 2 months, benefiting from the relaxation of travel restrictions and vaccine rollouts.

The path to recovery is bright but never straight. Under the fast-changing market conditions, we have adopted strict cost control to drive up operational efficiency across brands over the past 2 years. All these efforts allow us to quickly accommodate industry changes and put us in a favorable position to grow faster after COVID. Going forward, we will remain highly adaptive to identify emerging market trends and to seize growth opportunities.

With that, operator, please open the line for questions.

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## QUESTIONS AND ANSWERS

### Operator

(Operator Instructions) Your first question comes from Alex Yao from JPMorgan.

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### Alex C. Yao *JPMorgan Chase & Co, Research Division - Head of Asia Internet and New Media Research*

How does the current pandemic situation in China change your expectation on China's border reopening and outbound travel recovery?

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### Jianzhang Liang *Trip.com Group Limited - Co-Founder & Executive Chairman*

Although we are optimistic about pent-up demand for international travel, we do not expect change in international travel policy in near term as we are still seeing waves of COVID outbreaks in multiple regions in the country, which continues to put travel industry under pressure. On the other side, by now, close to 90% of the China's total population are fully vaccinated with 2 shots. Over 45% of the total population has received the booster shot. With the current health care measures and, importantly, lower mortality rate, we are finally seeing the coronavirus becoming a, hopefully, more manageable threat.

According to Mr. Zeng Guang, former Chief Epidemiologist at the China CDC, there will be a road map for Chinese-style living with COVID in the near future at appropriate time. Potential measures may include travel bubbles and experimental opening measures in selected cities as early as summer. Foreign Minister Wang Yi also mentioned during 2 sessions about plan to launch the electronic international travel health certificates to facilitate cross-border travel that is safe, healthy and convenient.

Hong Kong is currently going through the Omicron outbreak. It is estimated that it may take 2 to 3 months to bring the situation under control. Meanwhile, we are still optimistic about the Hong Kong-Mainland border reopening, and I think it has the potential to do so in the second half of 2022. Although we are optimistic about pent-up demand for international travels, we do not expect changes in the international travel

(technical difficulty)

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### Michelle Qi *Trip.com Group Limited - Senior IR Director*

[We can] move on to the next question.

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**Operator**

Your next question comes from Alex Poon from Morgan Stanley.

**Chun Man Poon *Morgan Stanley, Research Division - Equity Analyst***

My question is a follow-up on the border policy. With that in mind, how should we think about the revenue recovery in 2022 and 2023 compared to 2019?

**Jie Sun *Trip.com Group Limited - CEO & Director***

For the domestic China market, as we shared in the prepared remarks, we are more cautious about near-term travel momentum. Meanwhile, we have recently seen the authority making efforts to reduce potential disruption from Omicron cases such as relaxing unnecessary quarantine and lockdown measures and approving the use of Pfizer's COVID pill.

On the global front, with more countries deciding to remove restrictions and live with COVID, the global travel market has set foot on its way to recover. While we could not rule out the possibility that there will be other virus variants or spikes in cases followed by revival of lockdowns, we believe temporary headwinds will not affect the overall recovery trajectory, especially in the long run.

So we think pretty much the current situation is in line with our previous expectation that the world should be more normalized in, for example, 2023 or 2024. In the meantime, we will make efforts to improve our competitiveness, especially in the short-haul business, and customize the travel for the China domestic market. And we'll continue to increase our advertising revenues.

And for the international business, we will do ourselves to catch up the pent-up demand for the international business. We believe these will be the main drivers for our sustainable growth beyond COVID.

**Operator**

Your next question comes from Ronald Keung from Goldman Sachs.

**Ronald Keung *Goldman Sachs Group, Inc., Research Division - Executive Director***

I want to ask about the domestic competitive landscape that I think we have been focusing on regional travel, nearby travel and penetrate into lower-tier cities. So how is the recent development? And could you also share your performance in high-star hotels versus low-end, low-star hotels?

**Jie Sun *Trip.com Group Limited - CEO & Director***

Sure. Thanks to the regulatory environment, we are -- benefited from a healthy -- more healthy and rational competition within the domestic market. Everyone is focusing on its strength. So we look at the high-end hotel. We have been helping our partners try to upsell products that is helpful in this very challenging environment.

For example, while the hotel is being sold, we also help our partners to sell restaurants and also spa product, et cetera. So while our guests are staying with the high-end hotel, they have a good experience, not only enjoy the rooms but also our total package. And based on our visibility, the hotels that participate in this kind of packages sales have been benefited from these promotions. And to an extent we can, we help them to alleviate the challenge by upselling these products for them.

In corporate travel, again, the environment is challenging, but yet our growth is very sizable. So we are also helping our business partners to get the business travelers to an extent there is still solid demand in the environment that permits.

And in the lower-tier cities, our penetration is [excessive]. We have seen intra-province and the local hotel growth to be significant, as we stated in the previous remarks. The intra-province and local hotel growth represents about 30% and 50% year-over-year growth, respectively. So we will continue on with our efforts in penetrating into our domestic market while preparing for the outbound travel, for its recovery when time is ready.



**Operator**

Your next question comes from Thomas Chong from Jefferies.

**Thomas Chong Jefferies LLC, Research Division - Equity Analyst**

Given the uncertainties in the macro environment, how should we think about the cost trend in 2022?

**Jie Sun Trip.com Group Limited - CEO & Director**

Thank you, Thomas. Thanks to our largely flexible cost and expense structure as well as the efficient operating management, during the past few quarters of the pandemic, we have streamlined our operations across business lines in addition to certain adjustments related to COVID. In addition, our improvement on content, cross-selling and technology have further lifted our overall marketing efficiencies.

Going forward, we continue to expect to have a very disciplined and flexible cost structure for the year 2022, especially for the -- our mature -- comparatively more mature domestic market. We will continue strengthening our cost control and expect to see no increase or even decrease in the total headcount to serve the domestic market. In the overseas market, we may slightly increase our total investment to capture the pent-up demand depending on the growth momentum and business recoveries in that market.

For the sales and marketing expenses, which are largely discretionary, and it will be adjusted in accordance to the business recoveries. For example, currently, based on the current situation for the domestic market, we almost minimized our total spending on the sales and marketing for the domestic market. But same compared with the headcount, we may slightly increase our investment to capture the pent-up demand for the overseas total -- for the overseas international market. But overall, especially for 2022, you will expect a very disciplined total cost for our operations.

**Operator**

Your next question comes from James Lee from Mizuho.

**James Lee Mizuho Securities USA LLC, Research Division - MD of Americas Research & Senior Internet Sector Analyst**

Great. If I can squeeze in 2 here quickly. On your hybrid work plan, can we get a sense of how much of your employee base has this option? Any implication to your cost structure here? And secondly, anything you learned from the recent 2 session in National Congress a few weeks ago that could provide a positive lift to travel industry long term in terms of government investing in technology for tourism or any potential physical support for the hospitality industry?

**Jie Sun Trip.com Group Limited - CEO & Director**

Sure. Thanks, James. James will answer the first question, and I will take the second one.

**Jianzhang Liang Trip.com Group Limited - Co-Founder & Executive Chairman**

Yes. We are glad to be the first Internet company in Mainland China to adopt such a comprehensive hybrid working model. We believe hybrid work model will profoundly impact the future work-life balance with huge potential and advantages. Hybrid work has already been rolled out in our China office earlier this month. Business line managers will decide how to pick up hybrid work model that will benefit their operation the most. Employees will then have the option to apply for working with only 1 to 2 days a week. Salary calculation and performance evaluation methodology will remain unchanged.

The new work model will also be implemented in our global offices. The new policy is a result of a series of experiments that we have conducted over the years. We are glad to see job satisfaction and happiness increased without compromising work efficiency. It also helps to lower labor turnover by 30% to 50%.

Promoting hybrid working is not only a win-win for the companies and employees. It also has the potential to reduce traffic congestion, alleviate high housing prices, and it contributes to female career development and families. With such positive and far-reaching impact on society and economy, we truly hope hybrid work can be adopted by more Chinese companies in the future.

**Jie Sun Trip.com Group Limited - CEO & Director**

Thank you, James. As we said, Trip.com takes tremendous social responsibility. While we are facing a lot of challenges during this special time, we have established many policies that is very friendly and supportive for our small- and medium-sized partners. For example, we established a RMB 1 billion partnership fund during the very difficult time to help our partners with their cash flow. We also established a RMB 10 billion loan with the support from the major banks, partners in support of small- and medium-sized partners.

And thirdly, we also try to build a countryside result and helping our area, in the remote area, by bringing affluent customers from the area that have economic development to the area that is less developed so that we can create job opportunities in this remote area and helping the local workers with their salary, with the support for their families. So continuously, we will try to build an ecosystem not only by giving the donation and money into the ecosystem but also create jobs which is sustainable to help this area with their sustainability and for the common prosperity. And our efforts will be enhanced throughout the year.

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**Operator**

Your next question comes from Brian Gong from Citi.

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**Brian Gong Citigroup Inc., Research Division - Assistant VP & Equity Research Analyst**

So my question is we have made quite decent progress on our content platform. Can you give some more updates on our content strategy? What is our monetization plan over short term and long term?

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**Jie Sun Trip.com Group Limited - CEO & Director**

Sure. The content strategy is very important for us, and we have seen very positive progress in this area. First of all, our KOLs have increased by 25% sequentially in Q4. Secondly, the UGC by the new creators also increased by more than 80% compared to Q3. And thirdly, almost 30% of our app unique visitors tried to view our content channel. And fourthly, our daily interactions by our users doubled year-over-year. And lastly, we have seen that the conversion rate from our content to transaction is extremely high, which is the highest in the industry.

So content strategy works very well. And we try to provide one-stop shopping platform not only on the fulfillment on the transaction but also from the get-go while our customers are researching, trying to decide where to go, they can come to our site directly and find their inspiration. So we will continuously invest in our content strategy.

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**Operator**

Your next question comes from Tian Hou from TH Capital.

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**Tianxiao Hou TH Data Capital - Founder, CEO & Senior Analyst**

Just one question. As global markets reopen, so what will be Ctrip's or Trip.com's competitive advantage to gain more market share in overseas markets, not this year but in the next several years?

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**Jie Sun Trip.com Group Limited - CEO & Director**

Sure. If you look at our portfolio, we have 4 parts. The first one is Chinese people travel within China, which we discussed already. The second one is Chinese people travel abroad, which we believe Trip.com is in a very good position when the border opens. The third one is to attract customers around the world into China, which is to develop the inbound business. We are very glad that our nation have adopted the 14th 5-year plan and put the -- attracting the inbound customer as one of the key strategy going forward. And we will support our government in preparation to attract more customers abroad into China.

And the last one is foreign to foreign, which is to support our customers from one country to another. And if we look at our global operation, the travel in the area that is already opened up, the growth is very strong. We have seen 3 digits growth in Europe, in many other countries. So we're very much -- we'll work very hard with our local partners to make sure our service, our technology and also our product will be ready to address the increased demand in the global places.

**Operator**

That does conclude our question-and-answer session. At this time, I'll now hand back to Michelle Qi for closing remarks.

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**Michelle Qi *Trip.com Group Limited - Senior IR Director***

Thank you. Thank you, everyone, for joining us today. You can find the transcript and the webcast of today's call on [investors.trip.com](https://investors.trip.com). We look forward to speaking with you on our first quarter of 2022 earnings call. Thank you, and have a good day.

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**Jie Sun *Trip.com Group Limited - CEO & Director***

Thank you very much.

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**Operator**

That does conclude our conference for today. Thank you so much for participating. You may now disconnect.

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