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**Tongcheng Travel Holdings Limited**

**Dividend Policy**

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## **1. Purpose**

The policy sets out the guidelines for the board of directors (the “Board”) of Tongcheng Travel Holdings Limited (the “Company”) in determining whether to declare and distribute dividends , and the level of dividends to be paid to the shareholders of the Company.

## **2. General**

The Company’s dividend policy is designed to enable shareholders to share in the Company’s profits while ensuring sufficient reserves are retained for future growth. The Board typically reviews and considers the declaration of interim and final dividends on annual basis. It may declare special dividends at its discretion if deemed appropriate. Dividend payment plans will be determined by the Board after prudent consideration of various factors and within the scope of authorization granted by shareholders at the general meeting. The Company makes no guarantee regarding the payment of any specific amount of dividends during any given period.

## **3. Factors for Consideration**

Prior to recommending/ declaring the distribution of dividends, the Board shall consider the following factors:

- (i) the actual and projected financial performance of the Company and its subsidiaries (the “Group”);
- (ii) the liquidity position of the Group;
- (iii) the debt-to-equity ratio, return on equity, and other relevant financial metrics of the Group;
- (iv) retained earnings and distributable reserves of the Group;
- (v) the Group’s anticipated working capital requirements, and investment needs for future growth;
- (vi) the overall economic conditions, the Group’s business cycle, and any internal or external factors that may have an impact on the Group’s operations, financial performance or strategic positioning;

- (vii) macroeconomic conditions, changes in national economic policies, industry development trends, and other external factors that may impact the Group's business or financial performance ;  
and
- (viii) any other factors that the Board deems relevant.

#### **4. Laws and Regulations**

The Company is a holding entity incorporated under the laws of the Cayman Islands, with the majority of its business conducted through its subsidiaries. The declaration and payment of dividends by the Company are subject to compliance with the Companies Act of the Cayman Islands, the Company's Articles of Association, and any other applicable laws and regulations governing its subsidiaries. The Board shall periodically review the Dividend Policy to ensure its validity. This Policy shall come into effect upon the consideration and approval by the Board.