



**Part II Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ [See attached Form 8937 Appendix A](#)

Blank lined area for listing applicable Internal Revenue Code sections and subsections.

18 Can any resulting loss be recognized? ▶ [See attached Form 8937 Appendix A](#)


Blank lined area for indicating if any resulting loss can be recognized.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ [See attached Form 8937 Appendix A](#)

Blank lined area for providing other information necessary to implement the adjustment.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Sign Here**

Signature ▶  Date ▶ January 11, 2024

Print your name ▶ Jun Zou Title ▶ CFO

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054

## Appendix A

At the close of business on December 21, 2023 (the “Record Date”), each recorded holder of ordinary shares and/or American Depositary Shares (“ADSs”) of H World Group Limited (formerly known as Huazhu Group Limited, the “Company”) became entitled to a cash dividend in amount of \$0.93 per ADS. Citibank, N.A., the depository bank for the Company’s ADS program, expects to pay out such cash dividends to ADS holders on or around January 17, 2024. The cash dividend resulted in an increase in the conversion rate of the 3% Convertible Senior Notes due 2026 issued by the Company (the “2026 Due Convertible Notes”) and a deemed distribution under Section 301 of the Internal Revenue Code of 1986, as amended (the “Code”) by reason of Sections 305(b)(2) and (c) of the Code. Section 6045B of the Code and the underlying Treasury Regulations (the “Regulations”) require the Company to file an information return (above, Form 8937) describing, among other things, the action and the action’s quantitative effect with the Internal Revenue Service (the “IRS”) and to send a statement that includes the necessary information to each holder of the 2026 Due Convertible Notes. As an alternative to filing this information return with the IRS and the statement to each holder of the 2026 Due Convertible Notes, the Company may post the information return to its public website. The filing requirements apply to the Company if certain holders of the 2026 Due Convertible Notes are United States persons.

The information contained in the attached Form 8937 and this Appendix A thereto is intended to satisfy the requirements of public reporting under Section 6045B of the Code and Sections 1.6045B-1(a)(3) and (b)(4) of the Regulations by the Company. The information contained in the Form 8937 and this Appendix A is intended to provide only a general summary of certain U.S. federal income tax consequences of the conversion rate adjustment and is not intended to be a complete analysis or description of all potential U.S. federal income tax consequences of the conversion rate adjustment. You should consult your own tax advisor to determine the particular U.S. federal, state, local or non-U.S. income, reporting or other tax consequences of the conversion rate adjustment to you.

Based on the Company’s latest unaudited financial statements and current expectations regarding the value and nature of the Company’s assets, the sources and nature of the Company’s income, and relevant market and shareholder data, the Company does not believe that it is likely to be classified as a passive foreign investment company for U.S. federal income tax purposes (“PFIC”) for its 2023 taxable year and does not anticipate becoming a PFIC for its 2024 taxable year. The Company has not completed its PFIC classification analysis due to unavailability of its audited financial statements for 2023. The final PFIC classification analysis may not confirm the Company’s belief. Therefore, there is no assurance that the Company was not a PFIC in 2023 or will not become a PFIC in 2024. If the Company was classified as a PFIC

in 2023 and/or becomes a PFIC in 2024, the U.S. federal income tax consequences of the conversion rate adjustment could be materially different from what is described below. For a more detailed discussion of U.S. federal income tax consequences associated with the PFIC status, see “Item 10. Additional Information—E. Taxation—U.S. Federal Income Tax Considerations—Passive Foreign Investment Company Rules” in the Company’s 2022 Form 20-F.

<p>Line 14 — Description of Organizational Action</p>	<p>On the Record Date, each recorded holder of the Company’s ADSs became entitled to a cash dividend in amount of \$0.93 per ADS. Pursuant to Section 14.04(d) of the Indenture, the conversion rate on the 2026 Due Convertible Notes was increased on the Record Date to take into account such cash dividend. Such adjustment to the conversion rate on the Record Date is treated as a deemed distribution of property to the holders of the 2026 Due Convertible Notes to which Section 301 of the Code applies by reason of Sections 305(b)(2) and (c) of the Code.</p>
<p>Line 15 — Quantitative Effect of Organizational Action</p>	<p>Because there was a cash dividend declared and expected to be paid with respect to the Company’s ADSs, a corresponding increase in the conversion rate of the 2026 Due Convertible Notes constitutes a deemed distribution of ADSs to the holders of the 2026 Due Convertible Notes to which Section 301 of the Code applies. Subject to PFIC rules, the distributions paid on ADSs, other than certain pro rata distributions of equity interest in the Company, will be treated as dividends to the extent paid out of the Company’s current or accumulated earnings and profits (as determined under U.S. federal income tax principles). Because the Company does not maintain calculations of its earnings or profits under U.S. federal income tax principles, it is expected that distributions generally will be reported to holders of the 2026 Due Convertible Notes as dividends. Such holders are required to include the dividends in their gross income for U.S. federal income tax purposes and increase the basis of the 2026 Due Convertible Notes by the fair market value of the deemed distribution. Accordingly, as a result of the increase in the conversion rate of the 2026 Due Convertible Notes, each holder of a 2026 Due Convertible Note is required to include \$23.05 in its gross income as a dividend per \$1,000 face amount of 2026 Due Convertible Notes and increase the basis in such 2026 Due Convertible Notes by the</p>

	same amount.
Line 16 — Calculation of the Change in Basis	Sample Calculation: A holder of a 2026 Due Convertible Note had \$1,000 basis in a \$1,000 face amount 2026 Due Convertible Note before the basis adjustment for dividends paid in January 2024. The holder will increase its basis in the 2026 Due Convertible Note by \$23.05 (so the basis as of the Record Date is \$1,023.05) as a result of the inclusion of the dividend in gross income for U.S. federal income tax purposes.
Line 17 — Code Sections Upon Which Tax Treatment Applies	Sections 301, 305(b)(2), 305(c) and 316 of the Code.
Line 18 — Recognition of any Resulting Loss	This is not a loss transaction.
Line 19 — Reportable Tax Year	2024 for taxpayer reporting taxable income on a calendar year basis.