

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

**Part I Reporting Issuer**

<b>1</b> Issuer's name		<b>2</b> Issuer's employer identification number (EIN)	
<b>3</b> Name of contact for additional information	<b>4</b> Telephone No. of contact	<b>5</b> Email address of contact	
<b>6</b> Number and street (or P.O. box if mail is not delivered to street address) of contact		<b>7</b> City, town, or post office, state, and ZIP code of contact	
<b>8</b> Date of action		<b>9</b> Classification and description	
<b>10</b> CUSIP number	<b>11</b> Serial number(s)	<b>12</b> Ticker symbol	<b>13</b> Account number(s)

**Part II Organizational Action** Attach additional statements if needed. See back of form for additional questions.

**14** Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ \_\_\_\_\_  
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**15** Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ \_\_\_\_\_  
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**16** Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ \_\_\_\_\_  
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**Part II** Organizational Action *(continued)*

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ \_\_\_\_\_  
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18 Can any resulting loss be recognized? ▶ \_\_\_\_\_  
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19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ \_\_\_\_\_  
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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 ▶ September 11, 2024

Print your name ▶ \_\_\_\_\_ Title ▶ \_\_\_\_\_

<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.

## Appendix A

At the close of business on August 14, 2024 (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 the amount of \$0.63 per ADS. Citibank, N.A., the depositary bank for the Company’s ADS program, expects to pay out such cash dividends to ADS holders on or around September 3, 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”), which is treated as 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 on IRS 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 sending the statement to each holder of the 2026 Due Convertible Notes, the Company may post the information return on 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 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 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.

The Company’s 2023 Form 20-F stated that the Company did not anticipate becoming a passive foreign investment company for U.S. federal income tax purposes (“PFIC”) for its 2024 taxable year. 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 maintains the belief that it is not anticipated to become a PFIC. However, the Company will not complete its PFIC classification analysis until after the end of 2024 when the audited financial statements for the entire 2024 year become available. The final PFIC classification analysis may not confirm the Company’s belief. Therefore, there is no assurance that the Company will not be classified as a PFIC in 2024. If the Company is classified as a PFIC for 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 PFIC status, see “Item 10. Additional Information—E. Taxation—U.S. Federal Income Tax Considerations—Passive Foreign Investment Company Rules” in the Company’s 2023 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 the amount of \$0.63 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. This 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 the 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 and 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. The 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 \$15.96 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 same amount.</p>
<p>Line 16 — Calculation of the Change in Basis</p>	<p>Sample Calculation: A holder of a 2026 Due Convertible Note had a \$1,000 basis in a \$1,000 face amount 2026 Due Convertible Note before the basis adjustment for dividends paid in September 2024. The holder will increase its basis in the 2026 Due Convertible Note by \$15.96 (so the basis as of the Record Date is \$1,015.96) as a result of the inclusion of the dividend in gross income for U.S. federal income tax purposes.</p>
<p>Line 17 — Code Sections Upon Which</p>	<p>Sections 301, 305(b)(2), 305(c) and 316 of the Code.</p>

Tax Treatment Applies	
Line 18 — Recognition of any Resulting Loss	This is not a loss transaction.
Line 19 — Reportable Tax Year	2024 for taxpayers reporting taxable income on a calendar year basis.