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H World Group Limited

華住集團有限公司

(Formerly known as Huazhu Group Limited)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1179)

**ANNOUNCEMENT OF 2025 SECOND QUARTER
AND INTERIM UNAUDITED FINANCIAL RESULTS
AND DECLARATION OF CASH DIVIDEND
AND OVERSEAS REGULATORY ANNOUNCEMENT**

H World Group Limited (the “**Company**”) hereby announces its unaudited financial results for the three months and the six months ended June 30, 2025. This results announcement is also provided to shareholders of the Company as the Company’s interim report for the six months ended June 30, 2025 under Rule 13.48(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. This announcement is available for viewing on the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk and the Company’s website at <https://ir.hworld.com>.

The Company is also making this announcement pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The Company will file a Form 6-K with the Securities and Exchange Commission of the United States in relation to the following announcement, before the trading hours of the NASDAQ Global Select Market on August 20, 2025 (U.S. Eastern time).

Reference is also made to the announcement dated August 8, 2025 regarding the board resolutions in relation to the proposed declaration and payment of a cash dividend.

The board of directors of the Company (the “**Board**”) is pleased to announce that, the Board has approved the declaration and payment of an ordinary cash dividend (the “**Cash Dividend**”) of US\$0.081 per ordinary share, or US\$0.81 per American Depositary Share (the “**ADS**”) for the first half of 2025 in the aggregate amount of approximately US\$250 million. Holders of the Company’s ordinary shares or ADSs as of the close of business on September 9, 2025 will be entitled to receive the Cash Dividend. Dividends to holders of the Company’s ordinary shares are expected to be distributed on or about September 19, 2025. Citibank, N.A. (“**Citi**”), depositary bank for the Company’s ADS program, expects to pay out dividends to ADS holders on or about September 26, 2025. Dividends to be paid to the Company’s ADS holders through Citi will be subject to the terms of the deposit agreement by and among the Company and Citi, and the holders and beneficial owners of ADSs issued thereunder, including the fees and expenses payable thereunder.

By order of the Board
H World Group Limited
JI Qi
Executive Chairman

Hong Kong, August 20, 2025

As at the date of this announcement, the Board comprises Mr. JI Qi, the Executive Chairman, Ms. ZHENG Jie, the Executive Director and Mr. Justin Martin LEVERENZ, as directors; Mr. John WU Jiong, Mr. HEE Theng Fong, Ms. CAO Lei and Ms. ZHANG Yi (alias Bonnie Yi ZHANG) as independent directors.

H WORLD GROUP LIMITED REPORTS SECOND QUARTER AND INTERIM OF 2025 UNAUDITED FINANCIAL RESULTS

- *A total of 12,137 hotels or 1,184,915 hotel rooms in operation as of June 30, 2025.*
- *Hotel turnover¹ increased 15.0% year-over-year to RMB26.9 billion in the second quarter of 2025. Excluding Steigenberger Hotels GmbH and its subsidiaries (“DH”, or “Legacy-DH”), hotel turnover increased 15.6% year-over-year in the second quarter of 2025. Hotel turnover from the Legacy-DH segment increased 8.9% in the second quarter of 2025.*
- *Revenue increased 4.5% year-over-year to RMB6.4 billion (US\$897 million)² in the second quarter of 2025, near the high end of the revenue guidance previously announced of a 1% to 5% increase compared to the second quarter of 2024. Manachised and franchised revenue increased 22.8% year-over-year to RMB2.9 billion (US\$400 million) in the second quarter of 2025, exceeding the high end of the manachised and franchised revenue guidance previously announced of an 18% to 22% increase compared to the second quarter of 2024. Revenue from the Legacy-Huazhu³ segment in the second quarter of 2025 was RMB5.1 billion, which increased 5.7% year-over-year, above the midpoint of the revenue guidance previously announced of a 3% to 7% increase. Revenue from the Legacy-DH segment in the second quarter of 2025 was RMB1.3 billion, which increased 0.1% year-over-year.*
- *Net income attributable to H World Group Limited was RMB1.5 billion (US\$215 million) in the second quarter of 2025, compared with RMB1.1 billion in the second quarter of 2024 and RMB894 million in the previous quarter.*
- *EBITDA (non-GAAP) in the second quarter of 2025 was RMB2.5 billion (US\$344 million), compared with RMB1.9 billion in the second quarter of 2024 and RMB1.6 billion in the previous quarter.*
- *Adjusted EBITDA (non-GAAP), which excluded share-based compensation (“SBC”) expenses, gain (loss) from fair value changes of equity securities, foreign exchange gain (loss), net, and gain (loss) on disposal of investments from EBITDA (non-GAAP), was RMB2.3 billion (US\$317 million) in the second quarter of 2025, compared with RMB2.0 billion in the second quarter of 2024 and RMB1.5 billion in the previous quarter.*
- *Adjusted EBITDA is our segment measure. Adjusted EBITDA from the Legacy-Huazhu segment was RMB2.1 billion in the second quarter of 2025, compared with RMB1.9 billion in the second quarter of 2024 and RMB1.6 billion in the previous quarter. Adjusted EBITDA from the Legacy-DH segment was RMB180 million in the second quarter of 2025, compared with RMB133 million in the second quarter of 2024 and a loss of RMB77 million in the previous quarter.*
- *For the first half of 2025, the board of directors of the Company (the “Board”) declared a cash dividend in the aggregate amount of approximately US\$250 million, of US\$0.081 per ordinary share, or US\$0.81 per American Depositary Share (“ADS”).*

¹ Hotel turnover refers to total transaction value of room and non-room revenue from H World hotels (i.e., leased and operated, manachised and franchised hotels).

² The conversion of Renminbi (“RMB”) into United States dollars (“US\$”) is based on the exchange rate of US\$1.00=RMB7.1636 on June 30, 2025, as set forth in H.10 statistical release of the U.S. Federal Reserve Board and available at http://www.federalreserve.gov/releases/h10/hist/dat00_ch.htm.

³ Legacy-Huazhu refers to H World Group Limited and its subsidiaries, excluding DH.

- *For the third quarter of 2025, H World expects the Company's revenue growth to be in the range of 2%-6% compared to the third quarter of 2024 or in the range of 4%-8% excluding DH. H World expects the Company's manachised and franchised revenue growth in the third quarter of 2025 to be in the range of 20%-24%, compared to the third quarter of 2024.*

Singapore/Shanghai, China, August 20, 2025 – H World Group Limited (NASDAQ: HTHT and HKEX: 1179) (“**H World**”, the “**Company**”, “**we**” or “**our**”), a key player in the global hotel industry, today announced its unaudited financial results for the second quarter and the first half ended June 30, 2025.

As of June 30, 2025, H World's worldwide hotel network in operation totaled 12,137 hotels and 1,184,915 rooms, including 12,016 hotels from Legacy-Huazhu and 121 hotels from Legacy-DH. During the second quarter of 2025, our Legacy-Huazhu business opened 595 hotels, including 1 leased and owned hotel, and 594 manachised and franchised hotels, and closed a total of 143 hotels, including 6 leased and owned hotels, and 137 manachised and franchised hotels. As of June 30, 2025, H World had a total of 2,947 unopened hotels in our pipeline, including 2,925 hotels from the Legacy-Huazhu business and 22 hotels from the Legacy-DH business.

Legacy-Huazhu – Second Quarter of 2025 Operational Highlights

As of June 30, 2025, Legacy-Huazhu had 12,016 hotels in operation, including 547 leased and owned hotels, and 11,469 manachised and franchised hotels. In addition, as of the same date, Legacy-Huazhu had 1,159,086 hotel rooms in operation, including 80,587 rooms under the lease and ownership model, and 1,078,499 rooms under the manachise and franchise models. Legacy-Huazhu also had 2,925 unopened hotels in its pipeline, including 8 leased and owned hotels, and 2,917 manachised and franchised hotels. The following discusses average daily room rate (“**ADR**”), occupancy rate and revenue per available room (“**RevPAR**”) for Legacy-Huazhu's leased and owned hotels as well as manachised and franchised hotels for the periods indicated.

- The ADR for Legacy-Huazhu was RMB290 in the second quarter of 2025, compared with RMB296 in the second quarter of 2024 and RMB272 in the previous quarter.
- The occupancy rate for all of the Legacy-Huazhu hotels in operation was 81.0% in the second quarter of 2025, compared with 82.6% in the second quarter of 2024 and 76.2% in the previous quarter.
- Blended RevPAR for Legacy-Huazhu was RMB235 in the second quarter of 2025, compared with RMB244 in the second quarter of 2024 and RMB208 in the previous quarter.
- For all of the Legacy-Huazhu hotels which had been in operation for at least 18 months, the same-hotel RevPAR was RMB233 in the second quarter of 2025, representing a 7.9% decrease from RMB253 in the second quarter of 2024, with a 4.6% decrease in same-hotel ADR and a 2.9 percentage-point decrease in same-hotel occupancy rate.

Legacy-DH – Second Quarter of 2025 Operational Highlights

As of June 30, 2025, Legacy-DH had 121 hotels in operation, including 65 leased hotels, and 56 manachised and franchised hotels. In addition, as of the same date, Legacy-DH had 25,829 hotel rooms in operation, including 13,797 rooms under the lease model, and 12,032 rooms under the manachise and franchise models. Legacy-DH also had 22 unopened hotels in the pipeline, including 9 leased hotels and 13 manachised and franchised hotels. The following discusses ADR, occupancy rate and RevPAR for Legacy-DH's leased as well as manachised and franchised hotels (excluding hotels temporarily closed) for the periods indicated.

- The ADR for Legacy-DH was EUR120 in the second quarter of 2025, compared with EUR120 in the second quarter of 2024 and EUR107 in the previous quarter.
- The occupancy rate for all Legacy-DH hotels in operation was 73.9% in the second quarter of 2025, compared with 68.3% in the second quarter of 2024 and 61.1% in the previous quarter.
- Blended RevPAR for Legacy-DH was EUR88 in the second quarter of 2025, compared with EUR82 in the second quarter of 2024 and EUR65 in the previous quarter.

Jin Hui, CEO of H World commented: "Supported by our asset-light strategy, we delivered robust operating profit growth in the second quarter driven by network expansion, despite a modest year-over-year RevPAR decline. On the development front, we opened another 595 hotels in the quarter, well on track of achieving our 2,300 gross opening target for the full year of 2025. We remain cautious on the near-term industry outlook given the macro uncertainties, rising supply, and relatively soft corporate travel demand. Nevertheless, we are positive on the long-term growth for China's travel and hospitality industry. We will continue focusing on building our own core competencies, expanding our high-quality network, upgrading our supply chain, enhancing our brand positioning and 'service excellence', and strengthening our sales capabilities."

"Regarding our business outside China, our Legacy-DH segment achieved an 8.1% year-over-year blended RevPAR increase in the second quarter of 2025, driven primarily by a 5.6 percentage-point increase in occupancy rate. We will continue to enhance our hotel operations, focus on cost reduction and efficiency improvement, and continue developing our asset-light portfolio."

Second Quarter and Interim of 2025 Unaudited Financial Results

| (RMB in millions) | Q2 2024 | Q1 2025 | Q2 2025 | H1 2024 | H1 2025 |
|----------------------------------|---------|---------|---------|---------|---------|
| Revenue: | | | | | |
| Leased and owned hotels | 3,681 | 2,789 | 3,401 | 6,780 | 6,190 |
| Manachised and franchised hotels | 2,334 | 2,499 | 2,865 | 4,397 | 5,364 |
| Others | 133 | 107 | 160 | 249 | 267 |
| Total revenue | 6,148 | 5,395 | 6,426 | 11,426 | 11,821 |

Revenue in the second quarter of 2025 was RMB6.4 billion (US\$897 million), representing a 4.5% year-over-year increase. Revenue from the Legacy-Huazhu segment in the second quarter of 2025 was RMB5.1 billion, representing a 5.7% year-over-year increase. The 5.7% year-over-year increase was mainly driven by continued manachised and franchised hotel network expansion. Revenue from the Legacy-DH segment in the second quarter of 2025 was RMB1.3 billion, which was largely flattish year-over-year.

Revenue in the first half of 2025 was RMB11.8 billion (US\$1.7 billion), representing an increase of 3.5% from the first half of 2024. Revenue from Legacy-Huazhu in the first half of 2025 was RMB9.6 billion, representing a 5.6% year-over-year increase. Revenue from Legacy-DH in the first half of 2025 was RMB2.2 billion, which was a 4.9% year-over-year decrease due to the decrease in the number of leased hotels.

Revenue from leased and owned hotels in the second quarter of 2025 was RMB3.4 billion (US\$475 million), representing a 7.6% year-over-year decrease. Revenue from leased and owned hotels from the Legacy-Huazhu segment in the second quarter of 2025 was RMB2.1 billion, representing an 11.1% year-over-year decrease, as we continue reducing exposure to leased and owned hotels. Revenue from leased and owned hotels from the Legacy-DH segment in the second quarter of 2025 was RMB1.3 billion, representing a 1.2% year-over-year decrease.

In the first half of 2025, revenue from our leased and owned hotels was RMB6.2 billion (US\$864 million), representing an 8.7% year-over-year decline. Revenue from our Legacy-Huazhu's leased and owned hotels in the first half of 2025 was RMB4.0 billion, representing a 10.3% year-over-year decrease. Revenue from our Legacy-DH's leased hotels in the first half of 2025 was RMB2.2 billion, representing a 5.5% year-over-year decrease.

Revenue from manachised and franchised hotels in the second quarter of 2025 was RMB2.8 billion (US\$400 million), representing a 22.8% year-over-year increase and a 14.6% quarter-over-quarter increase. Revenue from our Legacy-Huazhu segment from manachised and franchised hotels in the second quarter of 2025 was RMB2.8 billion, representing a 22.7% year-over-year increase, driven by strong hotel network expansion. Revenue from manachised and franchised hotels from the Legacy-DH segment in the second quarter of 2025 was RMB41 million, representing a 28.1% year-over-year increase.

In the first half of 2025, revenue from manachised and franchised hotels was RMB5.4 billion (US\$749 million), representing a 22.0% year-over-year increase. These hotels accounted for 45.4% of revenue in the first half of 2025, compared to 38.5% of revenue in the first half of 2024. Revenue from our Legacy-Huazhu's manachised and franchised hotels in the first half of 2025 was RMB5.3 billion, representing a 21.9% year-over-year increase. Revenue from our Legacy-DH's manachised and franchised hotels in the first half of 2025 was RMB72 million, representing a 30.9% year-over-year increase.

Other revenue represents revenue generated from businesses other than our hotel operations, which mainly includes revenue from the provision of IT products and services, procurement platform and Huazhu Mall™, and other revenue from the Legacy-DH segment, totaling RMB160 million (US\$22 million) in the second quarter of 2025, compared to RMB133 million in the second quarter of 2024.

In the first half of 2025, other revenue was RMB267 million (US\$37 million), compared to RMB249 million in the first half of 2024.

| (RMB in millions) | Q2 2024 | Q1 2025 | Q2 2025 | H1 2024 | H1 2025 |
|--------------------------------------|---------|---------|---------|---------|---------|
| Operating costs and expenses: | | | | | |
| Hotel operating costs | (3,731) | (3,604) | (3,752) | (7,296) | (7,356) |
| Other operating costs | (6) | (11) | (11) | (15) | (22) |
| Selling and marketing expenses | (317) | (243) | (309) | (577) | (552) |
| General and administrative expenses | (602) | (512) | (660) | (1,111) | (1,172) |
| Pre-opening expenses | (19) | (3) | (12) | (27) | (15) |
| Total operating costs and expenses | (4,675) | (4,373) | (4,744) | (9,026) | (9,117) |

Hotel operating costs in the second quarter of 2025 were RMB3.8 billion (US\$523 million), reflecting a slight 0.6% year-over-year increase. As we continue to pursue an asset-light strategy, our hotel operating costs as a percentage of revenue have decreased by 2.3 percentage points year-over-year.

In the first half of 2025, hotel operating costs were RMB7.4 billion (US\$1.0 billion), which were largely flat compared to RMB7.3 billion in the first half of 2024.

Selling, General and administrative expenses (SG&A) in the second quarter of 2025 were RMB969 million (US\$135 million), reflecting a 5.4% year-over-year increase due mainly to an increase in SBC. SG&A excluding SBC decreased 1.0% year-over-year.

In the first half of 2025, SG&A expenses were RMB1.7 billion (US\$241 million), compared to RMB1.7 billion in the first half of 2024.

Other operating income, net in the second quarter of 2025 was RMB105 million (US\$15 million), compared to RMB99 million in the second quarter of 2024.

Other operating income, net in the first half of 2025 was RMB165 million (US\$23 million), compared to RMB175 million in the first half of 2024.

Income from operations in the second quarter of 2025 was RMB1.8 billion (US\$250 million), reflecting a 13.7% year-over-year increase, and driven by an 11.7% year-over-year increase in Legacy-Huazhu and a 52.7% year-over-year increase in Legacy-DH.

Income from operations in the first half of 2025 was RMB2.9 billion (US\$400 million), compared to income from operations of RMB2.6 billion in the first half of 2024.

Operating margin, defined as income from operations as a percentage of revenue, was 27.8% in the second quarter of 2025, which has improved from 25.6% in the second quarter of 2024. The margin improvement was mainly due to a higher revenue contribution from our managed and franchised business, which was in line with our asset-light expansion strategy.

Operating margin in the first half of 2025 was 24.3%, compared with 22.5% in the first half of 2024.

Income tax expense in the second quarter of 2025 was RMB565 million (US\$79 million), compared to RMB423 million in the second quarter of 2024. The year-over-year increase in income tax expense was due to both rising income and a higher withholding tax related to dividend distributions.

In the first half of 2025, income tax expense was RMB942 million (US\$131 million), compared to RMB702 million in the first half of 2024.

Net income attributable to H World Group Limited in the second quarter of 2025 was RMB1.5 billion (US\$215 million), reflecting a 44.7% year-over-year increase, supported by a 40.9% year-over-year increase in Legacy-Huazhu.

Net income attributable to H World Group Limited in the first half of 2025 was RMB2.4 billion (US\$340 million), compared with RMB1.7 billion in the first half of 2024.

EBITDA (non-GAAP) in the second quarter of 2025 was RMB2.5 billion (US\$344 million), compared with RMB1.9 billion in the second quarter of 2024 and RMB1.6 billion in the previous quarter.

EBITDA (non-GAAP) in the first half of 2025 was RMB4.1 billion (US\$569 million), compared with RMB3.2 billion in the first half of 2024.

Adjusted EBITDA (non-GAAP), which excluded the following from EBITDA (non-GAAP): SBC expenses, gain (loss) from fair value changes of equity securities, foreign exchange gain (loss), net, and gain (loss) on disposal of investments, was RMB2.3 billion (US\$317 million) in the second quarter of 2025, compared with RMB2.0 billion in the second quarter of 2024 and RMB1.5 billion in the previous quarter. Adjusted EBITDA is our segment measure. Adjusted EBITDA from the Legacy-Huazhu segment was RMB2.1 billion in the second quarter of 2025, compared with RMB1.9 billion in the second quarter of 2024 and RMB1.6 billion in the previous quarter. Adjusted EBITDA from the Legacy-DH segment, was RMB180 million in the second quarter of 2025, compared with RMB133 million in the second quarter of 2024 and a loss of RMB77 million in the previous quarter.

Adjusted EBITDA (non-GAAP) in the first half of 2025 was RMB3.8 billion (US\$525 million), compared with RMB3.5 billion in the first half of 2024. Adjusted EBITDA from Legacy-Huazhu was RMB3.7 billion in the first half of 2025, compared with RMB3.4 billion in the first half of 2024. Adjusted EBITDA from Legacy-DH was RMB103 million in the first half of 2025, compared with RMB67 million in the first half of 2024.

Cash flow. Operating cash inflow in the second quarter of 2025 was RMB2.7 billion (US\$371 million). Investing cash inflow in the second quarter of 2025 was RMB239 million (US\$34 million). Financing cash outflow in the second quarter of 2025 was RMB709 million (US\$100 million).

Operating cash inflow in the first half of 2025 was RMB3.2 billion (US\$452 million), compared to RMB3.1 billion in the first half of 2024. Investing cash inflow in the first half of 2025 was RMB996 million (US\$139 million), compared to RMB694 million in the first half of 2024. Financing cash outflow in the first half of 2025 was RMB1.3 billion (US\$187 million), compared to RMB3.4 billion in the first half of 2024.

Cash, cash equivalents and restricted cash. As of June 30, 2025, the Company had a total balance of cash and cash equivalents of RMB10.1 billion (US\$1.4 billion) and restricted cash of RMB370 million (US\$52 million).

Debt financing. As of June 30, 2025, the Company had a total debt and net cash balance of RMB7.4 billion (US\$1.0 billion) and RMB3.1 billion (US\$434 million), respectively.

Cash Dividend

The Board has approved the declaration and payment of an ordinary cash dividend (the “**Cash Dividend**”) for the first half of 2025 in the aggregate amount of approximately US\$250 million, of US\$0.081 per ordinary share, or US\$0.81 per ADS. Holders of the Company’s ordinary shares or ADSs as of the close of business on September 9, 2025 will be entitled to receive the Cash Dividend. Dividends to holders of the Company’s ordinary shares are expected to be distributed on or about September 19, 2025. Citibank, N.A. (“**Citi**”), depositary bank for the Company’s ADS program, expects to pay out dividends to ADS holders on or about September 26, 2025. Dividends to be paid to the Company’s ADS holders through Citi will be subject to the terms of the deposit agreement by and among the Company and Citi, and the holders and beneficial owners of ADSs issued thereunder, including the fees and expenses payable thereunder.

Guidance

For the third quarter of 2025, H World expects the Company’s revenue growth to be in the range of 2%-6% compared to the third quarter of 2024, or in the range of 4%-8% excluding DH. H World expects the Company’s manachised and franchised revenue growth in the third quarter of 2025 to be in the range of 20%-24%, compared to the third quarter of 2024.

The above forecast reflects the Company’s current and preliminary view, which is subject to change.

Conference Call

H World’s management will host a conference call at 8 a.m. (U.S. Eastern time) on Wednesday, August 20, 2025 (or 8 p.m. (Hong Kong time) on Wednesday, August 20, 2025) following the announcement.

To join by phone, all participants must pre-register this conference call using the Participant Registration link of <https://register-conf.media-server.com/register/BI43be1b1c38d54616b79b4ac227dd1612>. Upon registration, each participant will receive details for the conference call, including dial-in numbers, conference call passcode and a unique access PIN.

A live webcast of the call can be accessed at <https://edge.media-server.com/mmc/p/vht2kbe3> or the Company’s website at <https://ir.hworld.com/news-and-events/events-calendar>.

A replay of the conference call will be available for twelve months from the date of the conference at the Company’s website, <https://ir.hworld.com/news-and-events/events-calendar>.

Use of Non-GAAP Financial Measures

To supplement the Company's unaudited consolidated financial results presented in accordance with U.S. Generally-Accepted Accounting Principles ("GAAP"), the Company uses the following non-GAAP measures defined as non-GAAP financial measures by the U.S. Securities and Exchange Commission ("SEC"): adjusted net income (loss) attributable to H World Group Limited excluding share-based compensation expenses, gain (loss) from fair value changes of equity securities, foreign exchange gain (loss), net, and gain (loss) on disposal of investments; adjusted basic and diluted earnings (losses) per share/ADS excluding share-based compensation expenses, gain (loss) from fair value changes of equity securities, foreign exchange gain (loss), net, and gain (loss) on disposal of investments; EBITDA; adjusted EBITDA excluding share-based compensation expenses, gain (loss) from fair value changes of equity securities, foreign exchange gain (loss), net, and gain (loss) on disposal of investments. The presentation of these non-GAAP financial measures is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with U.S. GAAP. For more information on these non-GAAP financial measures, please see the table captioned "Unaudited Reconciliation of GAAP and non-GAAP Results" set forth at the end of this release. The Company believes that these non-GAAP financial measures provide meaningful supplemental information regarding Company performance by excluding share-based compensation expenses, gain (loss) from fair value changes of equity securities, foreign exchange gain (loss), net, and gain (loss) on disposal of investments that may not be indicative of Company operating performance. The Company believes that both management and investors benefit from referring to these non-GAAP financial measures in assessing Company performance and when planning and forecasting future periods. These non-GAAP financial measures also facilitate management's internal comparisons to the Company's historical performance. The Company believes these non-GAAP financial measures are also useful to investors in allowing for greater transparency with respect to supplemental information used regularly by Company management in financial and operational decision-making. A limitation of using non-GAAP financial measures excluding share-based compensation expenses, gain (loss) from fair value changes of equity securities, foreign exchange gain (loss), net, and gain (loss) on disposal of investments is that share-based compensation expenses, gain (loss) from fair value changes of equity securities, foreign exchange gain (loss), net, and gain (loss) on disposal of investments have been and may continue to be significant and recurring in the Company's business. Management compensates for these limitations by providing specific information regarding the GAAP amounts excluded from each non-GAAP measure. The accompanying tables have more details on the reconciliations between GAAP financial measures that are most directly comparable to non-GAAP financial measures.

The Company believes that EBITDA is a useful financial metric to assess the operating and financial performance before the impact of investing and financing transactions and income taxes, given the significant investments that the Company has made in leasehold improvements, depreciation and amortization expense that comprise a significant portion of the Company's cost structure. In addition, the Company believes that EBITDA is widely used by other companies in the lodging industry and may be used by investors as a measure of financial performance. The Company believes that EBITDA information provides investors with a useful tool for comparability between periods because it excludes depreciation and amortization expense attributable to capital expenditures. The Company also uses adjusted EBITDA to assess operating results of its hotels in operation. The Company believes that the exclusion of share-based compensation expenses, gain (loss) from fair value changes of equity securities, foreign exchange gain (loss), net, and gain (loss) on disposal of investments helps facilitate year-over-year comparisons of the results of operations as the share-based compensation expenses, gain (loss) from fair value changes of equity securities, foreign exchange gain (loss), net, and gain (loss) on disposal of investments may not be indicative of Company operating performance.

Therefore, the Company believes adjusted EBITDA more closely reflects the financial performance capability of our hotels. The presentation of EBITDA and adjusted EBITDA should not be construed as an indication that the Company's future results will be unaffected by other charges and gains considered to be outside the ordinary course of business.

The use of EBITDA and adjusted EBITDA has certain limitations. Depreciation and amortization expense for various long-term assets (including land use rights), income tax, interest expense and interest income have been and will be incurred and are not reflected in the presentation of EBITDA. Share-based compensation expenses, gain (loss) from fair value changes of equity securities, foreign exchange gain (loss), net, and gain (loss) on disposal of investments have been and will be incurred and are not reflected in the presentation of adjusted EBITDA. Each of these items should also be considered in the overall evaluation of the results. The Company compensates for these limitations by providing the relevant disclosure of depreciation and amortization, interest income, interest expense, income tax expense, share-based compensation expenses, gain (loss) from fair value changes of equity securities, foreign exchange gain (loss), net, and gain (loss) on disposal of investments all in the reconciliations to the U.S. GAAP financial measures and in the consolidated financial statements, all of which should be considered when evaluating the performance of the Company.

The terms EBITDA and adjusted EBITDA are not defined under U.S. GAAP, and neither EBITDA nor adjusted EBITDA is a measure of net income, operating income, operating performance or liquidity presented in accordance with U.S. GAAP. When assessing the operating and financial performance, investors should not consider these data in isolation or as a substitute for the Company's net income, operating income or any other operating performance measure that is calculated in accordance with U.S. GAAP. In addition, the Company's EBITDA or adjusted EBITDA may not be comparable to EBITDA or adjusted EBITDA or similarly titled measures utilized by other companies since such other companies may not calculate EBITDA or adjusted EBITDA in the same manner as the Company does.

Reconciliations of the Company's non-GAAP financial measures, including EBITDA and adjusted EBITDA, to the consolidated statement of operations information are included at the end of this press release.

About H World Group Limited

Originated in China, H World Group Limited is a key player in the global hotel industry. As of June 30, 2025, H World operated 12,137 hotels with 1,184,915 hotel rooms in operation in 19 countries. H World's brands include HanTing Hotel, Ji Hotel, Orange Hotel, Crystal Orange Hotel, IntercityHotel, Hi Inn, Ni Hao Hotel, Elan Hotel, Zleep Hotels, Starway Hotel, CitiGO, Manxin Hotel, Madison Hotel, MAXX, Blossom House, Joya Hotel, Steigenberger Hotels & Resorts, Jaz in the City, Steigenberger Icon and Song Hotels. In addition, H World also has the rights as master franchisee for Mercure, Ibis and Ibis Styles, and co-development rights for Grand Mercure and Novotel, in the pan-China region.

H World's business includes leased and owned, manachised and franchised models. Under the lease and ownership model, H World directly operates hotels typically located on leased or owned properties. Under the manachise model, H World manages manachised hotels through the on-site hotel managers that H World appoints, and H World collects fees from franchisees. Under the franchise model, H World provides training, reservations and support services to the franchised hotels, and collects fees from franchisees but does not appoint on-site hotel managers. H World applies a consistent standard and platform across all of its hotels. As of June 30, 2025, H World operates 8 percent of its hotel rooms under the lease and ownership model, and 92 percent under the manachise and franchise model.

For more information, please visit H World's website: <https://ir.hwworld.com>.

Safe Harbor Statement Under the U.S. Private Securities Litigation Reform Act of 1995: The information in this release contains forward-looking statements which involve risks and uncertainties. Such factors and risks include our anticipated growth strategies; our future results of operations and financial condition; economic conditions; the regulatory environment; our ability to attract and retain customers and leverage our brands; trends and competition in the lodging industry; the expected growth of demand for lodging; and other factors and risks detailed in our filings with the U.S. Securities and Exchange Commission. Any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements, which may be identified by terminology such as "may," "should," "will," "expect," "plan," "intend," "anticipate," "believe," "estimate," "predict," "potential," "forecast," "project" or "continue," the negative of such terms or other comparable terminology. Readers should not rely on forward-looking statements as predictions of future events or results.

H World undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable law.

– Financial Tables and Operational Data Follow –

H World Group Limited
Unaudited Condensed Consolidated Balance Sheets

| | December 31, 2024 | June 30, 2025 | |
|---|------------------------------|----------------------|-------------------------|
| | <i>RMB</i> | <i>RMB</i> | <i>US\$⁴</i> |
| | <i>(in millions)</i> | | |
| ASSETS | | | |
| Current assets: | | | |
| Cash and cash equivalents | 7,474 | 10,145 | 1,416 |
| Restricted cash | 50 | 370 | 52 |
| Short-term investments | 3,603 | 2,305 | 322 |
| Accounts receivable, net | 817 | 846 | 118 |
| Loan receivables – current, net | 114 | 103 | 14 |
| Amounts due from related parties, current | 297 | 255 | 36 |
| Inventories | 60 | 62 | 9 |
| Other current assets, net | 800 | 1,582 | 220 |
| | <hr/> | <hr/> | <hr/> |
| Total current assets | 13,215 | 15,668 | 2,187 |
| Property and equipment, net | 5,682 | 5,524 | 771 |
| Intangible assets, net | 4,776 | 5,113 | 714 |
| Operating lease right-of-use assets | 24,992 | 25,073 | 3,500 |
| Finance lease right-of-use assets | 2,272 | 2,490 | 348 |
| Land use rights, net | 174 | 171 | 24 |
| Long-term investments | 2,316 | 2,301 | 321 |
| Goodwill | 5,221 | 5,476 | 764 |
| Amounts due from related parties, non-current | 51 | 51 | 7 |
| Loan receivables, net | 190 | 145 | 20 |
| Other assets, net | 668 | 716 | 100 |
| Deferred tax assets | 1,054 | 1,068 | 149 |
| Assets held for sale | 1,941 | 983 | 137 |
| | <hr/> | <hr/> | <hr/> |
| Total assets | <u>62,552</u> | <u>64,779</u> | <u>9,042</u> |

⁴ The conversion of Renminbi (“**RMB**”) into United States dollars (“**US\$**”) is based on the exchange rate of US\$1.00=RMB7.1636 on June 30, 2025, as set forth in H.10 statistical release of the U.S. Federal Reserve Board and available at http://www.federalreserve.gov/releases/h10/hist/dat00_ch.htm.

| | December 31, 2024 | June 30, 2025 | |
|--|----------------------|---------------|-------------------|
| | RMB | RMB | US\$ ⁴ |
| | (in millions) | | |
| LIABILITIES AND EQUITY | | | |
| Current liabilities: | | | |
| Short-term debt | 880 | 6,633 | 926 |
| Accounts payable | 983 | 841 | 117 |
| Amounts due to related parties | 74 | 86 | 12 |
| Salary and welfare payables | 1,201 | 1,002 | 140 |
| Deferred revenue | 1,822 | 1,885 | 263 |
| Operating lease liabilities, current | 3,492 | 3,375 | 471 |
| Finance lease liabilities, current | 50 | 58 | 8 |
| Accrued expenses and other current liabilities | 4,006 | 4,627 | 646 |
| Dividends payable | 0 | 0 | 0 |
| Income tax payable | 813 | 874 | 122 |
| Total current liabilities | 13,321 | 19,381 | 2,705 |
| Long-term debt | 4,546 | 777 | 108 |
| Operating lease liabilities, non-current | 23,634 | 23,775 | 3,319 |
| Finance lease liabilities, non-current | 2,843 | 3,151 | 440 |
| Deferred revenue | 1,351 | 1,485 | 207 |
| Other long-term liabilities | 1,472 | 1,750 | 245 |
| Deferred tax liabilities | 919 | 961 | 134 |
| Retirement benefit obligations | 111 | 122 | 17 |
| Liabilities held for sale | 2,084 | 1,084 | 151 |
| Total liabilities | 50,281 | 52,486 | 7,326 |
| Equity: | | | |
| Ordinary shares | 0 | 0 | 0 |
| Treasury shares | (274) | (630) | (88) |
| Additional paid-in capital | 9,620 | 9,770 | 1,364 |
| Retained earnings | 2,449 | 2,751 | 384 |
| Accumulated other comprehensive income | 382 | 262 | 36 |
| Total H World Group Limited shareholders' equity | 12,177 | 12,153 | 1,696 |
| Noncontrolling interest | 94 | 140 | 20 |
| Total equity | 12,271 | 12,293 | 1,716 |
| Total liabilities and equity | 62,552 | 64,779 | 9,042 |

H World Group Limited
Unaudited Condensed Consolidated Statements of Comprehensive Income

| | Quarter Ended | | | | Six Months Ended | | |
|---|---------------|-----------|---------------|-------|------------------|---------------|---------|
| | June 30, | March 31, | June 30, 2025 | | June 30, | June 30, 2025 | |
| | 2024 | 2025 | | | 2024 | | |
| | RMB | RMB | RMB | US\$ | RMB | RMB | US\$ |
| <i>(in millions, except shares, per share and per ADS data)</i> | | | | | | | |
| Revenue: | | | | | | | |
| Leased and owned hotels | 3,681 | 2,789 | 3,401 | 475 | 6,780 | 6,190 | 864 |
| Manachised and franchised hotels | 2,334 | 2,499 | 2,865 | 400 | 4,397 | 5,364 | 749 |
| Others | 133 | 107 | 160 | 22 | 249 | 267 | 37 |
| Total revenue | 6,148 | 5,395 | 6,426 | 897 | 11,426 | 11,821 | 1,650 |
| Operating costs and expenses: | | | | | | | |
| Hotel operating costs: | | | | | | | |
| Rents | (1,091) | (1,027) | (1,047) | (146) | (2,177) | (2,074) | (290) |
| Utilities | (149) | (177) | (142) | (20) | (341) | (319) | (45) |
| Personnel costs | (1,337) | (1,371) | (1,435) | (200) | (2,562) | (2,806) | (392) |
| Depreciation and amortization | (315) | (301) | (296) | (41) | (634) | (597) | (83) |
| Consumables, food and beverage | (327) | (269) | (301) | (42) | (620) | (570) | (80) |
| Others | (512) | (459) | (531) | (74) | (962) | (990) | (137) |
| Total hotel operating costs | (3,731) | (3,604) | (3,752) | (523) | (7,296) | (7,356) | (1,027) |
| Other operating costs | (6) | (11) | (11) | (2) | (15) | (22) | (3) |
| Selling and marketing expenses | (317) | (243) | (309) | (43) | (577) | (552) | (77) |
| General and administrative expenses | (602) | (512) | (660) | (92) | (1,111) | (1,172) | (164) |
| Pre-opening expenses | (19) | (3) | (12) | (2) | (27) | (15) | (2) |
| Total operating costs and expenses | (4,675) | (4,373) | (4,744) | (662) | (9,026) | (9,117) | (1,273) |
| Other operating income (expense), net | 99 | 60 | 105 | 15 | 175 | 165 | 23 |
| Income (loss) from operations | 1,572 | 1,082 | 1,787 | 250 | 2,575 | 2,869 | 400 |
| Interest income | 56 | 49 | 52 | 7 | 107 | 101 | 14 |
| Interest expense | (84) | (74) | (91) | (13) | (167) | (165) | (23) |
| Other income (expense), net | 24 | 22 | 15 | 2 | 64 | 37 | 5 |
| Gains (losses) from fair value changes of equity securities | (51) | (12) | (1) | (0) | (13) | (13) | (2) |
| Foreign exchange gains (losses) | (24) | 208 | 366 | 51 | (116) | 574 | 80 |
| Income (loss) before income taxes | 1,493 | 1,275 | 2,128 | 297 | 2,450 | 3,403 | 474 |
| Income tax (expense) benefit | (423) | (377) | (565) | (79) | (702) | (942) | (131) |
| Income (Loss) from equity method investments | 12 | 1 | (4) | (1) | 1 | (3) | (0) |

| | Quarter Ended | | | | Six Months Ended | | |
|--|---|-------------------|---------------|---------------|------------------|---------------|---------------|
| | June 30, 2024 | March 31, 2025 | June 30, 2025 | | June 30, 2024 | June 30, 2025 | |
| | <i>RMB</i> | <i>RMB</i> | <i>RMB</i> | <i>US\$</i> | <i>RMB</i> | <i>RMB</i> | <i>US\$</i> |
| | <i>(in millions, except shares, per share and per ADS data)</i> | | | | | | |
| Net income (loss) | 1,082 | 899 | 1,559 | 217 | 1,749 | 2,458 | 343 |
| Net (income) loss attributable to noncontrolling interest | <u>(15)</u> | <u>(5)</u> | <u>(15)</u> | <u>(2)</u> | <u>(23)</u> | <u>(20)</u> | <u>(3)</u> |
| Net income (loss) attributable to H World Group Limited | <u>1,067</u> | <u>894</u> | <u>1,544</u> | <u>215</u> | <u>1,726</u> | <u>2,438</u> | <u>340</u> |
| Gain (loss) arising from defined benefit plan, net of tax | – | – | (0) | (0) | – | (0) | (0) |
| Gains(losses) from fair value changes of debt securities, net of tax | (25) | – | 4 | 1 | (25) | 4 | 1 |
| Foreign currency translation adjustments, net of tax | <u>1</u> | <u>(58)</u> | <u>(66)</u> | <u>(9)</u> | <u>(30)</u> | <u>(124)</u> | <u>(17)</u> |
| Comprehensive income (loss) | 1,058 | 841 | 1,497 | 209 | 1,694 | 2,338 | 327 |
| Comprehensive (income) loss attributable to noncontrolling interest | <u>(15)</u> | <u>(5)</u> | <u>(15)</u> | <u>(2)</u> | <u>(23)</u> | <u>(20)</u> | <u>(3)</u> |
| Comprehensive income (loss) attributable to H World Group Limited | <u>1,043</u> | <u>836</u> | <u>1,482</u> | <u>207</u> | <u>1,671</u> | <u>2,318</u> | <u>324</u> |
| Earnings (Losses) per share: | | | | | | | |
| Basic | 0.34 | 0.29 | 0.50 | 0.07 | 0.55 | 0.79 | 0.11 |
| Diluted | 0.33 | 0.28 | 0.48 | 0.07 | 0.54 | 0.77 | 0.11 |
| Earnings (Losses) per ADS: | | | | | | | |
| Basic | 3.40 | 2.91 | 5.03 | 0.70 | 5.50 | 7.94 | 1.11 |
| Diluted | 3.32 | 2.85 | 4.85 | 0.68 | 5.41 | 7.69 | 1.07 |
| Weighted average number of shares used in computation: | | | | | | | |
| Basic | 3,137,722,145 | 3,066,765,293 | 3,071,789,285 | 3,071,789,285 | 3,138,594,148 | 3,069,285,390 | 3,069,285,390 |
| Diluted | 3,303,934,814 | 3,232,049,635 | 3,241,412,875 | 3,241,412,875 | 3,300,316,153 | 3,238,797,601 | 3,238,797,601 |

H World Group Limited
Unaudited Condensed Consolidated Statements of Cash Flows

| | Quarter Ended | | | | Six Months Ended | | |
|---|----------------------|------------|---------------|-------------|------------------|---------------|-------------|
| | June 30, | March 31, | June 30, 2025 | | June 30, | June 30, 2025 | |
| | 2024 | 2025 | | | 2024 | | |
| | <i>RMB</i> | <i>RMB</i> | <i>RMB</i> | <i>US\$</i> | <i>RMB</i> | <i>RMB</i> | <i>US\$</i> |
| | <i>(in millions)</i> | | | | | | |
| Operating activities: | | | | | | | |
| Net income (loss) | 1,082 | 899 | 1,559 | 217 | 1,749 | 2,458 | 343 |
| Share-based compensation expenses | 112 | 77 | 170 | 24 | 170 | 247 | 34 |
| Depreciation and amortization, and other | 337 | 319 | 317 | 44 | 682 | 636 | 89 |
| Impairment loss | 36 | 5 | 33 | 5 | 36 | 38 | 5 |
| Loss (Income) from equity method investments, net of dividends | 30 | (1) | 58 | 8 | 41 | 57 | 8 |
| Investment (income) loss and foreign exchange (gain) loss | 41 | (228) | (435) | (61) | 70 | (663) | (93) |
| Changes in operating assets and liabilities | 750 | (288) | 924 | 130 | 520 | 636 | 89 |
| Other | (153) | (203) | 33 | 4 | (147) | (170) | (23) |
| Net cash provided by (used in) operating activities | <u>2,235</u> | <u>580</u> | <u>2,659</u> | <u>371</u> | <u>3,121</u> | <u>3,239</u> | <u>452</u> |
| Investing activities: | | | | | | | |
| Capital expenditures | (203) | (240) | (189) | (26) | (484) | (429) | (60) |
| Purchase of investments | (632) | (2,065) | (713) | (100) | (886) | (2,778) | (388) |
| Proceeds from maturity/sale and return of investments | 1,139 | 3,031 | 1,099 | 154 | 1,981 | 4,130 | 576 |
| Loan advances | (12) | (10) | (14) | (2) | (64) | (24) | (3) |
| Loan collections | 53 | 40 | 42 | 6 | 91 | 82 | 12 |
| Other | 1 | 1 | 14 | 2 | 56 | 15 | 2 |
| Net cash provided by (used in) investing activities | <u>346</u> | <u>757</u> | <u>239</u> | <u>34</u> | <u>694</u> | <u>996</u> | <u>139</u> |

| | Quarter Ended | | | | Six Months Ended | | |
|---|---------------|--------------|---------------|---------------|------------------|---------------|--------------|
| | June 30, | March 31, | June 30, 2025 | | June 30, | June 30, 2025 | |
| | 2024 | 2025 | | | 2024 | | |
| | <i>RMB</i> | <i>RMB</i> | <i>RMB</i> | <i>US\$</i> | <i>RMB</i> | <i>RMB</i> | <i>US\$</i> |
| | | | | (in millions) | | | |
| Financing activities: | | | | | | | |
| Payment of share repurchase | (132) | (430) | (13) | (2) | (676) | (443) | (62) |
| Proceeds from debt | 53 | – | 2,195 | 306 | 589 | 2,195 | 306 |
| Repayment of debt | (292) | (166) | (757) | (106) | (429) | (923) | (129) |
| Dividend paid | – | – | (2,136) | (298) | (2,091) | (2,136) | (298) |
| Purchase of prepaid put option | (710) | – | – | – | (710) | – | – |
| Other | (24) | (32) | 2 | 0 | (46) | (30) | (4) |
| Net cash provided by (used in) financing activities | (1,105) | (628) | (709) | (100) | (3,363) | (1,337) | (187) |
| Effect of exchange rate changes on cash, cash equivalents and restricted cash | 10 | 70 | 20 | 4 | (7) | 90 | 14 |
| Net increase (decrease) in cash, cash equivalents and restricted cash | 1,486 | 779 | 2,209 | 309 | 445 | 2,988 | 418 |
| Less: net increase (decrease) in cash and cash equivalents classified within assets held for sale | (15) | (2) | (1) | (0) | (10) | (3) | (0) |
| Cash, cash equivalents and restricted cash at the beginning of the period | 6,664 | 7,524 | 8,305 | 1,159 | 7,710 | 7,524 | 1,050 |
| Cash, cash equivalents and restricted cash at the end of the period | <u>8,165</u> | <u>8,305</u> | <u>10,515</u> | <u>1,468</u> | <u>8,165</u> | <u>10,515</u> | <u>1,468</u> |

H World Group Limited

Unaudited Reconciliation of GAAP and Non-GAAP Results

| | Quarter Ended | | | | Six Months Ended | | |
|---|---------------|---------------|---------------|---------------|------------------|---------------|---------------|
| | June 30, | March 31, | June 30, 2025 | | June 30, | June 30, 2025 | |
| | 2024 | 2025 | | | 2024 | | |
| | RMB | RMB | RMB | US\$ | RMB | RMB | US\$ |
| <i>(in millions, except shares, per share and per ADS data)</i> | | | | | | | |
| Net income (loss) attributable to H World Group Limited (GAAP) | 1,067 | 894 | 1,544 | 215 | 1,726 | 2,438 | 340 |
| Share-based compensation expenses | 112 | 77 | 170 | 24 | 170 | 247 | 34 |
| (Gain) loss from fair value changes of equity securities | 51 | 12 | 1 | 0 | 13 | 13 | 2 |
| Foreign exchange (gain) loss, net | 24 | (208) | (366) | (51) | 116 | (574) | (80) |
| Adjusted net income (loss) attributable to H World Group Limited (non-GAAP) | <u>1,254</u> | <u>775</u> | <u>1,349</u> | <u>188</u> | <u>2,025</u> | <u>2,124</u> | <u>296</u> |
| Adjusted earnings (losses) per share (non-GAAP) | | | | | | | |
| Basic | 0.40 | 0.25 | 0.44 | 0.06 | 0.65 | 0.69 | 0.10 |
| Diluted | 0.39 | 0.25 | 0.42 | 0.06 | 0.63 | 0.67 | 0.09 |
| Adjusted earnings (losses) per ADS (non-GAAP) | | | | | | | |
| Basic | 3.99 | 2.53 | 4.39 | 0.61 | 6.45 | 6.92 | 0.97 |
| Diluted | 3.88 | 2.48 | 4.24 | 0.59 | 6.31 | 6.72 | 0.94 |
| Weighted average number of shares used in computation | | | | | | | |
| Basic | 3,137,722,145 | 3,066,765,293 | 3,071,789,285 | 3,071,789,285 | 3,138,594,148 | 3,069,285,390 | 3,069,285,390 |
| Diluted | 3,303,934,814 | 3,232,049,635 | 3,241,412,875 | 3,241,412,875 | 3,300,316,153 | 3,238,797,601 | 3,238,797,601 |

| | Quarter Ended | | | | Six Months Ended | | |
|--|---------------|--------------|---------------|------------|------------------|---------------|------------|
| | June 30, | March 31, | June 30, 2025 | | June 30, | June 30, 2025 | |
| | 2024 | 2025 | | | 2024 | | |
| | RMB | RMB | RMB | US\$ | RMB | RMB | US\$ |
| <i>(in millions, except per share and per ADS data)</i> | | | | | | | |
| Net income (loss) attributable to | | | | | | | |
| H World Group Limited (GAAP) | 1,067 | 894 | 1,544 | 215 | 1,726 | 2,438 | 340 |
| Interest income | (56) | (49) | (52) | (7) | (107) | (101) | (14) |
| Interest expense | 84 | 74 | 91 | 13 | 167 | 165 | 23 |
| Income tax expense | 423 | 377 | 565 | 79 | 702 | 942 | 131 |
| Depreciation and amortization | 335 | 319 | 317 | 44 | 674 | 636 | 89 |
| EBITDA (non-GAAP) | 1,853 | 1,615 | 2,465 | 344 | 3,162 | 4,080 | 569 |
| Share-based compensation expenses | 112 | 77 | 170 | 24 | 170 | 247 | 34 |
| (Gain) loss from fair value changes of equity securities | 51 | 12 | 1 | 0 | 13 | 13 | 2 |
| Foreign exchange (gain) loss, net | 24 | (208) | (366) | (51) | 116 | (574) | (80) |
| Adjusted EBITDA (non-GAAP) | <u>2,040</u> | <u>1,496</u> | <u>2,270</u> | <u>317</u> | <u>3,461</u> | <u>3,766</u> | <u>525</u> |

H World Group Limited Segment Financial Summary

| | Quarter Ended June 30, 2024 | | | Quarter Ended March 31, 2025 | | | Quarter Ended June 30, 2025 | | |
|-------------------------------|--------------------------------|---------------|-------------|---------------------------------|---------------|-------------|--------------------------------|---------------|-------------|
| | Legacy- Huazhu | Legacy- DH | Elimination | Legacy- Huazhu | Legacy- DH | Elimination | Legacy- Huazhu | Legacy- DH | Elimination |
| | RMB | RMB | RMB | RMB | RMB | RMB | RMB | RMB | RMB |
| | <i>(in millions)</i> | | | <i>(in millions)</i> | | | <i>(in millions)</i> | | |
| Leased and owned hotels | 2,395 | 1,286 | – | 1,913 | 876 | – | 2,130 | 1,271 | – |
| Managed and franchised hotels | 2,305 | 32 | (3) | 2,472 | 31 | (4) | 2,829 | 41 | (5) |
| Others | 130 | 5 | (2) | 96 | 11 | – | 148 | 12 | – |
| Revenue | <u>4,830</u> | <u>1,323</u> | <u>(5)</u> | <u>4,481</u> | <u>918</u> | <u>(4)</u> | <u>5,107</u> | <u>1,324</u> | <u>(5)</u> |
| Depreciation and amortization | 279 | 56 | (0) | 259 | 60 | (0) | 255 | 62 | (0) |
| Adjusted EBITDA | <u>1,907</u> | <u>133</u> | <u>(0)</u> | <u>1,573</u> | <u>(77)</u> | <u>0</u> | <u>2,090</u> | <u>180</u> | <u>0</u> |

From 1Q25, we started to present the segment financial summary before elimination. Accordingly, comparative figures for the prior periods were updated to conform to the current period's presentation.

H World Group Limited Segment Financial Summary

| | Six Months Ended June 30, 2024 | | | Six Months Ended June 30, 2025 | | |
|----------------------------------|-----------------------------------|---------------|-------------|-----------------------------------|---------------|-------------|
| | Legacy- Huazhu | Legacy- DH | Elimination | Legacy- Huazhu | Legacy- DH | Elimination |
| | <i>RMB</i> | <i>RMB</i> | <i>RMB</i> | <i>RMB</i> | <i>RMB</i> | <i>RMB</i> |
| | <i>(in millions)</i> | | | <i>(in millions)</i> | | |
| Leased and owned hotels | 4,507 | 2,273 | – | 4,043 | 2,147 | – |
| Manachised and franchised hotels | 4,347 | 55 | (5) | 5,301 | 72 | (9) |
| Others | 222 | 30 | (3) | 244 | 23 | – |
| Revenue | 9,076 | 2,358 | (8) | 9,588 | 2,242 | (9) |
| Depreciation and amortization | 559 | 115 | (0) | 514 | 122 | – |
| Adjusted EBITDA | 3,394 | 67 | (0) | 3,663 | 103 | 0 |

From 1Q25, we started to present the segment financial summary before elimination. Accordingly, comparative figures for the prior periods were updated to conform to the current period's presentation.

Operating Results: Legacy-Huazhu⁽¹⁾

| | Number of hotels | | | Number of rooms | |
|----------------------------------|-------------------------|--|----------------------------|---------------------------|---------------------------|
| | Opened in Q2 2025 | Closed ⁽²⁾ in Q2 2025 | Net added in Q2 2025 | As of June 30, 2025 | As of June 30, 2025 |
| Leased and owned hotels | 1 | (6) | (5) | 547 | 80,587 |
| Manachised and franchised hotels | 594 | (137) | 457 | 11,469 | 1,078,499 |
| Total | 595 | (143) | 452 | 12,016 | 1,159,086 |

(1) Legacy-Huazhu refers to H World and its subsidiaries, excluding DH.

(2) The reasons for hotel closures mainly included non-compliance with our brand standards, operating losses, and property-related issues. In Q2 2025, we temporarily closed 13 hotels for brand upgrade and business model change purposes.

| | As of June 30, 2025 | |
|---|---------------------|-----------------------------|
| | Number of hotels | Unopened hotels in pipeline |
| Economy hotels | 5,842 | 1,110 |
| Leased and owned hotels | 270 | 2 |
| Manachised and franchised hotels | 5,572 | 1,108 |
| Midscale, upper-midscale hotels and others | 6,174 | 1,815 |
| Leased and owned hotels | 277 | 6 |
| Manachised and franchised hotels | 5,897 | 1,809 |
| Total | 12,016 | 2,925 |

| | For the quarter ended | | | |
|---|-----------------------|----------------|---------------|------------|
| | June 30, 2024 | March 31, 2025 | June 30, 2025 | yoy change |
| Average daily room rate <i>(in RMB)</i> | | | | |
| Leased and owned hotels | 375 | 338 | 365 | -2.7% |
| Manachised and franchised hotels | 288 | 267 | 285 | -1.2% |
| Blended | 296 | 272 | 290 | -1.9% |
| Occupancy rate <i>(as a percentage)</i> | | | | |
| Leased and owned hotels | 85.6% | 79.7% | 83.3% | -2.3 p.p. |
| Manachised and franchised hotels | 82.3% | 75.9% | 80.8% | -1.4 p.p. |
| Blended | 82.6% | 76.2% | 81.0% | -1.6 p.p. |
| RevPAR <i>(in RMB)</i> | | | | |
| Leased and owned hotels | 321 | 269 | 304 | -5.3% |
| Manachised and franchised hotels | 237 | 203 | 230 | -2.9% |
| Blended | 244 | 208 | 235 | -3.8% |

Same-hotel operational data by class

Mature hotels in operation for more than 18 months

| | Number of hotels | | Same-hotel RevPAR | | | Same-hotel ADR | | | Same-hotel Occupancy | | |
|---|------------------------|--------------|---|------------|---------------|---|------------|---------------|---|--------------|-------------------------|
| | As of June 30, 2024 | 2025 | For the quarter ended June 30, 2024 | 2025 | yoy change | For the quarter ended June 30, 2024 | 2025 | yoy change | For the quarter ended June 30, 2024 | 2025 | yoy change (p.p.) |
| Economy hotels | 3,958 | 3,958 | 194 | 178 | -8.2% | 227 | 216 | -4.8% | 85.3% | 82.2% | -3.1 |
| Leased and owned hotels | 258 | 258 | 238 | 215 | -9.8% | 270 | 253 | -6.4% | 88.1% | 84.9% | -3.2 |
| Manachised and franchised hotels | 3,700 | 3,700 | 189 | 174 | -8.0% | 222 | 212 | -4.6% | 85.0% | 82.0% | -3.0 |
| Midscale, upper-midscale hotels and others | 3,832 | 3,832 | 299 | 275 | -7.8% | 359 | 343 | -4.5% | 83.1% | 80.3% | -2.8 |
| Leased and owned hotels | 251 | 251 | 391 | 362 | -7.5% | 460 | 440 | -4.4% | 85.0% | 82.3% | -2.7 |
| Manachised and franchised hotels | 3,581 | 3,581 | 289 | 266 | -7.9% | 348 | 332 | -4.6% | 82.9% | 80.0% | -2.8 |
| Total | 7,790 | 7,790 | 253 | 233 | -7.9% | 300 | 287 | -4.6% | 84.1% | 81.1% | -2.9 |

Operating Results: Legacy-DH⁽³⁾

| | Number of hotels | | | As of June 30, 2025 ⁽⁴⁾ | Number of rooms As of June 30, 2025 | Unopened hotels in pipeline As of June 30, 2025 |
|----------------------------------|-------------------------|-------------------------|----------------------------|--|---|--|
| | Opened in Q2 2025 | Closed in Q2 2025 | Net added in Q2 2025 | | | |
| Leased hotels | 1 | (1) | — | 65 | 13,797 | 9 |
| Manachised and franchised hotels | 1 | (1) | — | 56 | 12,032 | 13 |
| Total | 2 | (2) | — | 121 | 25,829 | 22 |

(3) Legacy-DH refers to DH.

(4) As of June 30, 2025, a total of 3 hotels were temporarily closed due to repair and renovation.

| | For the quarter ended | | | |
|---|-----------------------|-------------------|------------------|------------------|
| | June 30, 2024 | March 31, 2025 | June 30, 2025 | yoy change |
| Average daily room rate (<i>in EUR</i>) | | | | |
| Leased hotels | 124 | 104 | 118 | -5.2% |
| Manachised and franchised hotels | 112 | 110 | 122 | 8.7% |
| Blended | <u>120</u> | <u>107</u> | <u>120</u> | <u>-0.1%</u> |
| Occupancy rate (<i>as a percentage</i>) | | | | |
| Leased hotels | 71.2% | 61.9% | 76.3% | +5.1 p.p. |
| Manachised and franchised hotels | 63.8% | 60.2% | 71.0% | +7.1 p.p. |
| Blended | <u>68.3%</u> | <u>61.1%</u> | <u>73.9%</u> | <u>+5.6 p.p.</u> |
| RevPAR (<i>in EUR</i>) | | | | |
| Leased hotels | 88 | 64 | 90 | 1.5% |
| Manachised and franchised hotels | 72 | 66 | 86 | 20.8% |
| Blended | <u>82</u> | <u>65</u> | <u>88</u> | <u>8.1%</u> |

Hotel Portfolio by Brand

| | As of June 30, 2025 | | |
|---|------------------------|------------------|-----------------------------------|
| | Hotels in operation | Rooms | Unopened hotels in pipeline |
| Economy hotels | 5,847 | 476,378 | 1,118 |
| HanTing Hotel | 4,401 | 378,569 | 728 |
| Ni Hao Hotel | 477 | 36,316 | 114 |
| Hi Inn | 641 | 33,529 | 260 |
| Elan Hotel | 95 | 5,405 | — |
| Ibis Hotel | 228 | 21,727 | 8 |
| Zleep Hotels | 5 | 832 | 8 |
| Midscale hotels | 5,055 | 541,091 | 1,157 |
| JI Hotel | 3,253 | 369,328 | 786 |
| Orange Hotel | 968 | 102,854 | 250 |
| Starway Hotel | 729 | 59,264 | 114 |
| Ibis Styles Hotel | 105 | 9,645 | 7 |
| Upper midscale hotels | 1,050 | 139,243 | 552 |
| Crystal Orange Hotel | 284 | 35,621 | 124 |
| IntercityHotel ⁽⁵⁾ | 119 | 20,128 | 128 |
| CitiGO Hotel | 34 | 5,056 | 3 |
| Manxin Hotel | 184 | 16,932 | 60 |
| Madison Hotel | 170 | 19,872 | 124 |
| Mercure Hotel | 211 | 31,907 | 76 |
| Novotel Hotel | 38 | 8,119 | 29 |
| MAXX ⁽⁶⁾ | 10 | 1,608 | 8 |
| Upscale hotels | 160 | 23,471 | 111 |
| Blossom House | 85 | 4,956 | 94 |
| Joya Hotel | 7 | 1,234 | — |
| Grand Mercure Hotel | 10 | 1,891 | — |
| Steigenberger Hotels & Resorts ⁽⁷⁾ | 55 | 14,803 | 16 |
| Jaz in the City | 3 | 587 | 1 |
| Luxury hotels | 18 | 2,722 | 4 |
| Steigenberger Icon ⁽⁸⁾ | 11 | 2,201 | 2 |
| Song Hotels | 7 | 521 | 2 |
| Others | 7 | 2,010 | 5 |
| Other hotels ⁽⁹⁾ | 7 | 2,010 | 5 |
| Total | 12,137 | 1,184,915 | 2,947 |

(5) As of June 30, 2025, 63 operational hotels and 124 pipeline hotels of IntercityHotel were under Legacy-Huazhu.

(6) As of June 30, 2025, 6 operational hotels and 8 pipeline hotels of MAXX were under Legacy-Huazhu.

(7) As of June 30, 2025, 12 operational hotels and 10 pipeline hotels of Steigenberger Hotels & Resorts were under Legacy-Huazhu.

(8) As of June 30, 2025, 5 operational hotels and 1 pipeline hotels of Steigenberger Icon were under Legacy-Huazhu.

(9) Other hotels include other partner hotels and other hotel brands in Yongle Huazhu Hotel & Resort Group (excluding Steigenberger Hotels & Resorts and Blossom House).

Reconciliation between U.S. GAAP and IFRS Accounting Standards

The Company's consolidated financial statements for its primary listing in the United States are prepared in accordance with the accounting principles generally accepted in the United States of America (the "**U.S. GAAP**"). As a secondary listed issuer of the Hong Kong Stock Exchange, the Company is required to include a reconciliation statement in our annual financial statements starting from the first full financial year commencing on or after January 1, 2022, and in all subsequent financial statements (including interim financial statements).

For our interim reporting with the Hong Kong Stock Exchange for the six month period ended June 30, 2025, we have prepared and included as the Appendix, the reconciliation statement of the condensed consolidated statement of comprehensive income for the six months ended June 30, 2025 and the condensed consolidated balance sheet as at June 30, 2025 of the Company and its subsidiaries (collectively referred to as the "**Group**") between the accounting policies adopted by the Group of the relevant period in accordance with U.S. GAAP and the IFRS Accounting Standards (the "**IFRSs**") issued by the International Accounting Standards Board (together, the "**Reconciliation**").

The Reconciliation has been reviewed by Deloitte Touche Tohmatsu in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" ("**HKSAE 3000 (Revised)**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

APPENDIX

RECONCILIATION BETWEEN U.S. GAAP AND INTERNATIONAL FINANCIAL REPORTING STANDARDS

The condensed consolidated financial statements are prepared in accordance with U.S. GAAP, which differ in certain respects from IFRSs. The effects of material differences between the condensed consolidated financial statements of the Group prepared under U.S. GAAP and IFRSs are as follows:

Reconciliation of consolidated statements of comprehensive income

| | For the six month ended June 30, 2025 | | | | | | | |
|---|--|---|--|----------------------|---|--|--|---------------------------|
| | IFRS adjustments (RMB in millions) | | | | | | | |
| | Amounts as reported under U.S. GAAP | Convertible senior notes (Note i) | Share-based compensation (Note ii) | Leases (Note iii) | Investments in debt and equity securities (Note iv) | Equity method investments (Note vi) | Impairment of long- lived assets (Note vii) | Amounts under IFRSs |
| Revenue | | | | | | | | |
| Others | 267 | — | — | (3) | — | — | — | 264 |
| Total revenue | 11,821 | — | — | (3) | — | — | — | 11,818 |
| Operating costs and expenses | | | | | | | | |
| Hotel operating costs | 7,356 | — | 3 | (394) | — | — | 15 | 6,980 |
| Other operating costs | 22 | — | — | (4) | — | — | — | 18 |
| Selling and marketing expenses | 552 | — | 0 | — | — | — | — | 552 |
| General and administrative expenses | 1,172 | — | 104 | (22) | — | — | — | 1,254 |
| Pre-opening expenses | 15 | — | — | (4) | — | — | — | 11 |
| Total operating costs and expenses | 9,117 | — | 107 | (424) | — | — | 15 | 8,815 |
| Other operating income, net | 165 | — | — | 151 | — | — | — | 316 |
| Income (Loss) from operations | 2,869 | — | (107) | 572 | — | — | (15) | 3,319 |
| Interest expense | 165 | (54) | — | 586 | — | — | — | 697 |
| Gain from fair value changes on investments measured at fair value through profit or loss | — | — | — | — | 6 | — | — | 6 |
| Loss from fair value change of convertible notes | — | (65) | — | — | — | — | — | (65) |
| Foreign exchange gain (loss) | 574 | — | — | 1 | — | — | — | 575 |
| Income (Loss) before income taxes | 3,403 | (11) | (107) | (13) | 6 | — | (15) | 3,263 |
| Income tax expense (benefit) | 942 | — | — | 25 | 1 | — | (1) | 967 |
| Income (Loss) from equity method investments | (3) | — | — | — | 26 | — | — | 23 |
| Net income (loss) | 2,458 | (11) | (107) | (38) | 31 | — | (14) | 2,319 |
| Net income (loss) attributable to H World Group Limited | 2,438 | (11) | (107) | (38) | 31 | — | (14) | 2,299 |
| Other comprehensive income (loss) | | | | | | | | |
| Gains (losses) from fair value changes of debt securities, net of tax | 4 | — | — | — | (4) | — | — | — |
| Foreign currency translation adjustments, net of tax | (124) | 1 | — | (29) | — | — | (171) | (323) |
| Comprehensive income (loss) | 2,338 | (10) | (107) | (67) | 27 | — | (185) | 1,996 |
| Comprehensive income (loss) attributable to H World Group Limited | 2,318 | (10) | (107) | (67) | 27 | — | (185) | 1,976 |

For the six month ended June 30, 2024

| | IFRS adjustments (RMB in millions) | | | | | | | Amounts under IFRSs |
|---|--|---|--|----------------------|---|--|--|---------------------------|
| | Amounts as reported under U.S. GAAP | Convertible senior notes (Note i) | Share-based compensation (Note ii) | Leases (Note iii) | Investments in debt and equity securities (Note iv) | Equity method investments (Note vi) | Impairment of long- lived assets (Note vii) | |
| Revenues | | | | | | | | |
| Others | 249 | – | – | (2) | – | – | – | 247 |
| Total revenues | 11,426 | – | – | (2) | – | – | – | 11,424 |
| Operating costs and expenses | | | | | | | | |
| Hotel operating costs | 7,296 | – | 0 | (485) | – | – | 334 | 7,145 |
| Other operating costs | 15 | – | – | (1) | – | – | – | 14 |
| Selling and marketing expenses | 577 | – | 0 | – | – | – | – | 577 |
| General and administrative expenses | 1,111 | – | 37 | 4 | – | – | – | 1,152 |
| Pre-opening expenses | 27 | – | – | (6) | – | – | – | 21 |
| Total operating costs and expenses | 9,026 | – | 37 | (488) | – | – | 334 | 8,909 |
| Other operating income (loss), net | 175 | – | – | (1) | – | – | 0 | 174 |
| Income (Loss) from operations | 2,575 | – | (37) | 485 | – | – | (334) | 2,689 |
| Interest income | 107 | – | – | 1 | – | – | – | 108 |
| Interest expense | 167 | (58) | – | 673 | – | – | – | 782 |
| Loss from fair value changes on investments measured at fair value through profit or loss | – | – | – | – | (121) | – | – | (121) |
| Loss from fair value change of convertible notes | – | (370) | – | – | – | – | – | (370) |
| Income (Loss) before income taxes | 2,450 | (312) | (37) | (187) | (121) | – | (334) | 1,459 |
| Income tax expense (benefit) | 702 | – | (2) | 48 | (8) | – | (118) | 622 |
| Income from equity method investments | 1 | – | – | – | – | 49 | – | 50 |
| Net income (loss) | 1,749 | (312) | (35) | (235) | (113) | 49 | (216) | 887 |
| Net income (loss) attributable to H World Group Limited | 1,726 | (312) | (35) | (235) | (113) | 49 | (216) | 864 |
| Other comprehensive income (loss) | | | | | | | | |
| (Losses) gains from fair value changes of debt securities | (25) | – | – | – | 25 | – | – | – |
| Foreign currency translation adjustments, net of tax | (30) | – | – | 5 | – | – | 42 | 17 |
| Comprehensive income (loss) | 1,694 | (312) | (35) | (230) | (88) | 49 | (174) | 904 |
| Comprehensive income (loss) attributable to H World Group Limited | 1,671 | (312) | (35) | (230) | (88) | 49 | (174) | 881 |

Reconciliation of consolidated balance sheets

| As of June 30, 2025 | | | | | | | | | |
|---|--|---|--|----------------------|---|---|--|--|---------------------------|
| | Amounts as reported under U.S. GAAP | IFRS adjustments (RMB in millions) | | | | | | | Amounts under IFRSs |
| | | Convertible senior notes (Note i) | Share-based compensation (Note ii) | Leases (Note iii) | Investments in debt and equity securities (Note iv) | Capped call options transaction (Note v) | Equity method investments (Note vi) | Impairment of long- lived assets (Note vii) | |
| Other current assets, net | 1,582 | – | – | 9 | – | – | – | – | 1,591 |
| Total current assets | 15,668 | – | – | 9 | – | – | – | – | 15,677 |
| Property and equipment, net | 5,524 | – | – | (22) | – | – | – | (126) | 5,376 |
| Intangible assets, net | 5,113 | – | – | – | – | – | – | 1 | 5,114 |
| Operating lease right-of-use assets | 25,073 | – | – | (780) | – | – | – | (1,883) | 22,410 |
| Finance lease right-of-use assets | 2,490 | – | – | 361 | – | – | – | (1,019) | 1,832 |
| Long-term investments | 2,301 | – | – | – | 124 | – | – | – | 2,425 |
| Other assets, net | 716 | – | – | 102 | – | – | – | – | 818 |
| Deferred income tax assets | 1,068 | – | – | 437 | – | – | – | 868 | 2,373 |
| Assets held for sale | 983 | – | – | 203 | – | – | – | – | 1,186 |
| Total assets | 64,779 | – | – | 310 | 124 | – | – | (2,159) | 63,054 |
| Short-term debt | 6,633 | 231 | – | – | – | – | – | – | 6,864 |
| Operating lease liabilities, current | 3,375 | – | – | 35 | – | – | – | – | 3,410 |
| Finance lease liabilities, current | 58 | – | – | 8 | – | – | – | – | 66 |
| Accrued expenses and other current liabilities | 4,627 | (18) | – | (2) | – | – | – | – | 4,607 |
| Income tax payable | 874 | – | – | (38) | – | – | – | 16 | 852 |
| Total current liabilities | 19,381 | 213 | – | 3 | – | – | – | 16 | 19,613 |
| Operating lease liabilities, non-current | 23,775 | – | – | 740 | – | – | – | – | 24,515 |
| Finance lease liabilities, non-current | 3,151 | – | – | 67 | – | – | – | – | 3,218 |
| Other long-term liabilities | 1,750 | – | – | 48 | – | – | – | – | 1,798 |
| Deferred income tax liabilities | 961 | – | – | (3) | – | – | – | 2 | 960 |
| Liabilities held for sale | 1,084 | – | – | 188 | – | – | – | – | 1,272 |
| Total liabilities | 52,486 | 213 | – | 1,043 | – | – | – | 18 | 53,760 |
| Additional paid-in capital | 9,770 | – | 612 | – | – | 91 | – | – | 10,473 |
| Retained earnings | 2,751 | (204) | (612) | (701) | 135 | (91) | – | (1,937) | (659) |
| Accumulated other comprehensive income (loss) | 262 | (9) | – | (32) | (11) | – | – | (240) | (30) |
| Total H World Group Limited shareholders' equity | 12,153 | (213) | – | (733) | 124 | – | – | (2,177) | 9,154 |
| Total equity | 12,293 | (213) | – | (733) | 124 | – | – | (2,177) | 9,294 |
| Total liabilities and equity | 64,779 | – | – | 310 | 124 | – | – | (2,159) | 63,054 |

As of December 31, 2024

| | IFRS adjustments (RMB in millions) | | | | | | | | Amounts under IFRSs |
|---|--|---|--|----------------------|---|---|--|--|---------------------------|
| | Amounts as reported under U.S. GAAP | Convertible senior notes (Note i) | Share-based compensation (Note ii) | Leases (Note iii) | Investments in debt and equity securities (Note iv) | Capped call options transaction (Note v) | Equity method investments (Note vi) | Impairment of long- lived assets (Note vii) | |
| Other current assets, net | 800 | - | - | 16 | - | - | - | - | 816 |
| Total current assets | 13,215 | - | - | 16 | - | - | - | - | 13,231 |
| Property and equipment, net | 5,682 | - | - | (21) | - | - | - | (121) | 5,540 |
| Intangible assets, net | 4,776 | - | - | - | - | - | - | (1) | 4,775 |
| Operating lease right-of-use assets | 24,992 | - | - | (873) | - | - | - | (1,753) | 22,366 |
| Finance lease right-of-use assets | 2,272 | - | - | 285 | - | - | - | (911) | 1,646 |
| Long-term investments | 2,316 | - | - | - | 97 | - | - | - | 2,413 |
| Other assets, net | 668 | - | - | 170 | - | - | - | - | 838 |
| Deferred income tax assets | 1,054 | - | - | 557 | - | - | - | 783 | 2,394 |
| Assets held for sale | 1,941 | - | - | 205 | - | - | - | 13 | 2,159 |
| Total assets | 62,552 | - | - | 339 | 97 | - | - | (1,990) | 60,998 |
| Short-term debt | 880 | - | - | - | - | - | - | - | 880 |
| Operating lease liabilities, current | 3,492 | - | - | 391 | - | - | - | - | 3,883 |
| Finance lease liabilities, current | 50 | - | - | 57 | - | - | - | - | 107 |
| Accrued expenses and other current liabilities | 4,006 | (18) | - | (3) | - | - | - | - | 3,985 |
| Total current liabilities | 13,321 | (18) | - | 445 | - | - | - | - | 13,748 |
| Long-term debt | 4,546 | 221 | - | - | - | - | - | - | 4,767 |
| Operating lease liabilities, non-current | 23,634 | - | - | 201 | - | - | - | - | 23,835 |
| Finance lease liabilities, non-current | 2,843 | - | - | (19) | - | - | - | - | 2,824 |
| Other long-term liabilities | 1,472 | - | - | 43 | - | - | - | - | 1,515 |
| Deferred income tax liabilities | 919 | - | - | 52 | - | - | - | 2 | 973 |
| Liabilities held for sale | 2,084 | - | - | 283 | - | - | - | - | 2,367 |
| Total liabilities | 50,281 | 203 | - | 1,005 | - | - | - | 2 | 51,491 |
| Additional paid-in capital | 9,620 | - | 505 | - | - | 91 | - | - | 10,216 |
| Retained earnings | 2,449 | (193) | (505) | (663) | 104 | (91) | - | (1,923) | (822) |
| Accumulated other comprehensive income (loss) | 382 | (10) | - | (3) | (7) | - | - | (69) | 293 |
| Total H World Group Limited shareholders' equity | 12,177 | (203) | - | (666) | 97 | - | - | (1,992) | 9,413 |
| Total equity | 12,271 | (203) | - | (666) | 97 | - | - | (1,992) | 9,507 |
| Total liabilities and equity | 62,552 | - | - | 339 | 97 | - | - | (1,990) | 60,998 |

(i) *Convertible Senior Notes*

Under U.S. GAAP, the Group has presented convertible senior notes as a liability in its entirety.

Issuance costs related to the convertible senior notes were recorded as a direct deduction from the principal amount of the convertible senior notes, and the discount caused by issuance cost is amortized over the period from the date of issuance to the first put date of the convertible senior notes, using the effective interest method.

Under IFRSs, since the convertible senior notes qualified a hybrid contract that contains one or more embedded derivatives, i.e., conversion option and redemption option entitled by the notes' holders, and the conversion feature did not meet fixed-for-fixed criterion. Therefore, these notes were designated by the Company as financial liabilities at fair value through profit or loss such that the convertible senior notes were initially recognized at fair values. Issuance costs related to the convertible senior notes were recognized as expenses initially. Subsequent to initial recognition, the Company considered that the amounts of changes in fair value of the convertible senior notes that were attributed to changes in credit risk of the convertible senior notes recognized in other comprehensive income were insignificant. Therefore, the amounts of changes in fair value of the convertible senior notes were recognized in the profit or loss.

(ii) *Share-based compensation*

Under U.S. GAAP, the Group has elected to recognize compensation expense using the straight-line method for all employee equity awards granted with graded vesting over the requisite service period. Deferred taxes are calculated based on the cumulative share-based compensation expense recognized in the financial statements, and it required all excess tax benefits and tax deficiencies to be recorded in the consolidated statements of comprehensive income in the period in which tax deduction arises.

Under IFRSs, the accelerated method is required to recognize compensation expense for all employee equity awards granted with graded vesting. Deferred tax asset is recorded based on estimate of the future tax deduction in accordance with the stock price at the end of each reporting period. If the estimated future tax deduction exceeds cumulative compensation cost for an individual award, deferred tax based on the excess is credited to shareholders' equity. If the estimated future tax deduction is less than or equal to cumulative compensation cost for an individual award, deferred taxes are recorded in consolidated statements of comprehensive income.

(iii) *Leases*

Lease Amortization

Under U.S. GAAP, when lease payments are based on an index or rate and there is a change to the index or rate, an entity does not remeasure its lease payments and instead recognizes the effect of the change in index or rate in expense. For operating leases, unless the right-of-use asset has been impaired, operating lease expense is recorded in a single financial statement line item on a straight-line basis over the lease term, there is no amount recorded as interest expense, and the "interest" amount is used to accrete the lease liability and to amortize the right-of-use asset.

Under IFRSs, when lease payments are based on an index or rate and there is a change to the index or rate, such change will result in the remeasurement of the lease liability. The right-of-use asset is amortized to amortization expense on a straight-line basis while the interest expense is recorded in connection with the lease liabilities on the basis that the lease liabilities are measured at amortized cost. Amortization and interest expense are required to be presented in separate line items by the lessee.

Besides, the difference between amortization together with interest expense and actual payments would be recognized as deferred tax through book-tax difference.

Sublease Classification

An intermediate lessor in an operating lease continues to amortize the underlying right-of-use asset, and records lease income on a straight-line basis over the lease term. An intermediate lessor in a finance lease derecognizes the leased asset and records a net investment in the lease at lease commencement, in addition to any selling profit or loss. The lessor records lease income on its net investment in lease under the effective interest method.

Under U.S. GAAP, an intermediate lessor classifies a sub-lease as a finance lease or as an operating lease by reference to the underlying asset.

Under IFRSs, sub-lease classification is determined by reference to the right-of-use asset arising from the head lease, which may more frequently result in finance lease classification under IFRSs.

(iv) *Investments in debt and equity securities*

Under U.S. GAAP, the Group has elected to measure the investments in equity securities without readily determinable fair values at cost minus impairment, if any, adjusted up or down for observable price changes (i.e., prices in orderly transactions for the identical or similar investment of the same issuer). Any adjustment to the carrying amount is recorded in profit or loss. For available-for-sale debt securities, the Group recognizes such securities at estimated fair value with unrealized holding gains and losses, net of tax impact, if any in accumulated other comprehensive income, until realized.

Under IFRSs, the financial assets that do not meet the criteria for being measured at amortized cost or fair value through other comprehensive income (“**FVTOCI**”) or designated as FVTOCI are measured at fair value through profit or loss (“**FVTPL**”). These investments were classified as financial assets at FVTPL and measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in the consolidated statements of comprehensive income. Furthermore, deferred tax arising from change in fair value change would be recognized accordingly.

(v) *Capped call options transaction*

Under U.S. GAAP, the capped calls meet the criteria for classification as equity and, as such, are carried at the acquisition cost and recorded as a reduction to additional paid-in-capital within shareholder’s equity. The capped call options transaction will be settled in the Company’s own equity instruments (ADSs). Besides, the transaction will be settled by the exchange of cash, ADSs, or a combination of cash and ADSs, which means unfixed amount of cash or an unfixed number of the Company’s own equity instruments.

Under IFRSs, the capped call options should be classified as financial assets. The capped call options were initially and subsequently measured as financial asset at fair value through profit and loss.

In June 2022, the Company terminated the capped call options transaction.

(vi) *Equity method investments*

Under U.S. GAAP and IFRSs, the investor should adjust the results of its associate or joint venture to align the investee’s accounting policies with its own policies. The reconciliation items mainly arise from different accounting the associate or joint venture applied under each GAAP.

(vii) *Impairment of long-lived assets*

Under U.S. GAAP, two-step approach is used in the measurement and recognition of impairment loss of long-lived assets at the asset group or the individual asset level. During step one recoverability test, the carrying amount is first compared with the undiscounted cash flows, using entity specific assumptions. During step two measurement test, if the carrying amount is higher than the undiscounted cash flows, an impairment loss is measured as the difference between the carrying value and fair value. Reversal of impairment losses is not permitted.

Under IFRSs, only one-step approach is used in impairment testing. The carrying amount is compared with the recoverable amount, which is the higher of fair value less costs of disposal or the asset's value in use based on the net present value of future cash flows. Therefore, the difference in impairment assessment results in difference in impairment loss under IFRSs. In addition, the lease accounting difference leads to difference in right-of-use assets carrying amounts and thus results in difference in the allocation of impairment loss among different type of long-lived assets within the same cash generating unit, which is included in Note (iii) together with all other lease related GAAP differences. Reversal of impairment losses is permitted if and only if there has been a change in the estimates used to determine the asset's recoverable amount, but not in excess of the cumulative impairment loss that has been recognized.