

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Huazhu Group Limited

華住集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1179)

ANNOUNCEMENT ON FORMATION OF SPECIAL COMMITTEE

This announcement is made pursuant to Rules 13.09 and 13.10 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) and the Inside Information Provisions (as defined in the Hong Kong Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of Huazhu Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated September 22, 2020 in relation to the short seller report published by Bonitas Research LLC on September 22, 2020 (the “**Bonitas Report**”) which contains allegations against the Company and the Group. The Company’s board of directors (the “**Board**”) had formed a special committee (the “**Special Committee**”) to conduct an investigation of the allegations raised in the Bonitas Report. While the Company believes the Bonitas Report is without merit and that it contains numerous errors, unsubstantiated statements, and misleading conclusions regarding the Company’s business and operations, the Board decided to form the Special Committee to review the allegations in the Bonitas Report and to conduct any related investigation, in order to provide transparency to shareholders of the Company.

The Special Committee is comprised of three members, including the chairman of the audit committee, the chief financial officer, and the secretary and general counsel of the Company, and is chaired by the chairman of the Company’s audit committee. The Special Committee is authorized to retain outside legal, accounting and other advisors. Cleary Gottlieb Steen & Hamilton LLP has been retained as the Special Committee’s independent outside counsel. The Company will release the results of the internal investigation in due course once it is completed.

Based on guidance from the Hong Kong Stock Exchange for issuers subject to market commentaries or rumours, the Company will also make a preliminary submission to the Hong Kong Stock Exchange identifying several key errors in the Bonitas Report. The Company will also, at the request of the Hong Kong Stock Exchange, publish in due course a clarification announcement describing those errors on the websites of the Hong Kong Stock Exchange and the Company. The Company will then promptly furnish the clarification announcement on Form 6-K with the U.S. Securities and Exchange Commission.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
Huazhu Group Limited
JI Qi
Executive Chairman

Hong Kong, September 25, 2020

As at the date of this announcement, the board of directors of the Company comprises Mr. JI Qi, the Executive Chairman, Ms. ZHANG Min, Mr. Sébastien, Marie, Christophe BAZIN and Mr. ZHANG Shangzhi as directors; Mr. John WU Jiong, Ms. ZHAO Tong Tong, Mr. SHANG Jian, Mr. HEE Theng Fong and Ms. CAO Lei as independent directors; and Mr. Gaurav BHUSHAN as alternate director to Mr. Sébastien, Marie, Christophe BAZIN.