

GreenTree Hospitality Group Ltd. Reports Second Half and Fiscal Year 2022

Financial Results

- Total revenues decreased by 21.1% year over year to RMB487.8 million (US\$70.7 million)^[1] for the second half 2022.
Organic revenues, excluding revenues of Argyle and Urban, decreased by 15.8% year over year to RMB466.0 million (US\$67.6 million) for the second half 2022.
- Income from operations increased by 516.4% year over year to RMB20.0 million (US\$2.9 million)^[1] for the second half 2022.
- Adjusted EBITDA (non-GAAP)^[2] decreased by 21.2% year over year to RMB118.3 million (US\$17.2 million) for the second half 2022.

SHANGHAI, April 6, 2023 /PRNewswire/ -- GreenTree Hospitality Group Ltd. (NYSE: GHG) ("GreenTree", the "Company", "we", "us" and "our"), a leading hospitality management group in China, today announced its unaudited financial results for the second half and fiscal year of 2022.

Second Half 2022 Operational Highlights

- As previously disclosed, the Company has been in a dispute with Mr. Kevin Zhang, the founder, and the minority shareholder of Argyle, as to performance of relevant transaction documents and/or compliance with local laws and regulations by Mr. Zhang. As a result, since June 2022, GreenTree has not been able to maintain effective control over Argyle which therefore has been deconsolidated from GreenTree. The total number of hotels as of December 31, 2022 and GreenTree's balance sheet do not include Argyle related data. Argyle owned and operated 51 hotels as of December 31, 2021 and contributed 2.4% of GreenTree's total revenue in 2021.
- GreenTree and Urban's minority shareholder entered into definite agreements on November 23, 2022 for the minority shareholder and its designated person to repurchase all of the equity interest in Urban held by GreenTree as of November 25, 2022. As a result, the total number of hotels as of December 31, 2022 and GreenTree's balance sheet do not include Urban related data. Urban owned and operated 749 hotels as of December 31, 2021 and contributed 8.8% of GreenTree's total revenue in 2021.
- A total of 4,059 hotels with 302,497 hotel rooms were in operation as of December 31, 2022, compared to 4,659 hotels and 337,153 hotel rooms as of December 31, 2021.

Excluding Argyle and Urban hotels, the total of 4,059 organic hotels increased by 5.2%, compared to 3,859 organic hotels and 292,219 organic hotel rooms as of December 31, 2021.

- As of December 31, 2022, the Company had 61 leased-and-operated ("L&O") hotels and 3,998 franchised-and-managed ("F&M") hotels in operation in 355 cities across China, compared to 66 L&O hotels and 4,593 F&M hotels in operation in 367 cities as of December 31, 2021. Excluding Argyle and Urban hotels, the Company had 55 L&O hotels and 3,804 F&M hotels in operation as of December 31, 2021.
- During the second half of 2022, the Company opened 161 hotels, a decrease of 159 compared to 320 hotels opened in the second half of 2021. Of the hotels opened in the second half of 2022, 24 were in the mid-to-up-scale segment, 93 in the mid-scale segment, and 44 in the economy segment. Geographically, 10 hotels were in Tier 1 cities^[3], 31 in Tier 2 cities and the remaining 120 in Tier 3 and lower cities in China as of December 31, 2022.

Excluding Argyle and Urban hotels, the Company opened 136 organic hotels, compared to 265 organic hotels opened in the second half of 2021.

- As of December 31, 2022, the Company had a pipeline of 916 hotels contracted for or under development with 235 in the mid-to-up-scale segment, 486 in the mid-scale segment, and 195 in the economy segment.
- The average daily room rate, or ADR, for all hotels in operation was RMB 168 in the third quarter of 2022, an increase of 3.4% from RMB163 in the third quarter of 2021. Such ADR was RMB165 in the fourth quarter of 2022, a 2.9% year-over-year decrease.
- The occupancy rate, or OCC, for all hotels in operation was 71.1% in the third quarter of 2022, down from 72.4% in the third quarter of 2021. Such OCC was 63.0% in the fourth quarter of 2022, compared with 69.2% in the fourth quarter of 2021.
- The revenue per available room, or RevPAR, which is calculated by multiplying our hotels' ADR by its occupancy rate, was RMB120 in the third quarter of 2022, a 1.5% year-over-year increase. RevPAR was RMB104 in the fourth quarter of 2022, a 11.6% year-over-year decrease.
- As of December 31, 2022 the Company's loyalty program had over 78 million individual members and approximately 1,935,000 corporate members, compared to over 74 million individual members and approximately 1,905,000 corporate members, respectively, as of June 30, 2022.

Fiscal Year 2022 Operational Highlights

- For the full year 2022, the Company opened 362 hotels, a decrease of 49.9% comparing to 722 newly-opened hotels in the full year 2021. Of the hotels opened in 2022, 67 were in the mid-to-up-scale segment, 201 were in the mid-scale segment, and 94 were in the economy segment. Geographically speaking, 23 hotels were in Tier 1 cities, 83 were in Tier 2 cities and the remaining 256 were in Tier 3 and other cities in China as of December 31, 2022. During 2022, the Company closed 155 hotels, and added a net of 207 hotels to its portfolio.

Excluding Argyle and Urban hotels, the Company opened 295 hotels, a decrease of 52.3% comparing to 618 newly-opened organic hotels in the full year of 2021.

- The average daily room rate, or ADR, for all hotels in operation, was RMB159 in the full year 2022, a 3.1% year-over-year decrease.
- The occupancy rate, or OCC for all hotels in operation was 63.7% in the full year 2022, compared with 71.1% in the full year 2021.
- The revenue per available room, or RevPAR, which is calculated by multiplying our hotels' ADR by its occupancy rate, was RMB101 in the full year 2022, a 13.2% year-over-year decrease.

"2022 was a year full of changes and challenges. During the first half, COVID-19 outbreaks in many parts of the country resulted in lockdowns in many cities, especially in Shanghai. As we entered the third quarter, transportation restrictions were relaxed and Revpar recovered. However, October and November brought a fresh wave of outbreaks, slowing down our recovery once again. Thanks to the introduction of flexible anti-pandemic measures by the government early December, Revpar recovered in the second half of the month to more than 95% of its pre-pandemic levels. Throughout all these challenges, we continued to execute our long-term strategic growth plan that strives to assist franchisees in maintaining quality operations, extend our hotel network, deliver stable operating profitability, and maintain healthy cash flow," said Mr. Alex Xu, Chairman and Chief Executive Officer of GreenTree.

As we entered 2023, recovery was uneven. During the first half of January, recovery slowed again due to the rapid evolvement of pandemic after the pandemic control measures were lifted in China. Outperforming our expectations, Repvar during the Spring Festival recovered to more than 90% of its pre-pandemic levels. Such a recovery accelerated in February, resulting in more than a 5% increase compared to 2019. However, recovery slowed again in March due to outbreaks of influenza A in certain cities.

This March we entered the restaurant business to complement our hotel business and create a new stream of growth as we completed the acquisition of Da Niang Dumplings and Bellagio, two leading restaurant chain businesses in China from our controlling shareholder. We are eager to integrate Da Niang Dumplings and Bellagio into GreenTree, leveraging upon synergies between our respective teams within our Company's unique ecosystem. We are confident in our ability to harness consumer demand for quality food services and build upon the broad appeal of these beloved restaurant brands in China's rapidly-growing food service industry. We are confident that this acquisition will create value and deliver growth for our shareholders.

After another difficult year, life is gradually returning to normal, no matter how many twists and turns we may experience. At the beginning of a new year full of hope, I want to give special thanks to our team, franchisees, and partners for supporting each other through very challenging times and continually contributing to our jointly-developed business.

Second Half 2022 Financial Results

| Six months Ended | | |
|-------------------|-------------------|-------------------|
| December 31, 2021 | December 31, 2022 | December 31, 2022 |
| RMB | RMB | US\$ |

| | | | |
|-------------------------------|--------------------|--------------------|-------------------|
| Revenues | | | |
| Leased-and-operated hotels | 218,964,549 | 167,247,701 | 24,248,637 |
| Franchised-and-managed hotels | 378,752,785 | 315,230,064 | 45,704,063 |
| others | 20,159,286 | 5,289,198 | 766,862 |
| Total revenues | 617,876,620 | 487,766,963 | 70,719,562 |

Total revenues for the second half of 2022 were RMB487.8 million (US\$70.7 million)^[1], a 21.1% year-over-year decrease. The decrease was primarily due to the deconsolidation of Argyle and the disposal of our interest in Urban, and the impact of COVID-19, which resulted in lower RevPAR at L&O hotels and F&M hotels. Excluding the impact of Argyle and Urban, compared with the second half of 2021, total revenues for the second half of 2022 decreased by 15.8%. Total revenues for the full year 2022 were RMB945.1 million (US\$137.0 million), a 21.6% year-over-year decrease.

Total revenues from leased-and-operated hotels for the second half of 2022 were RMB 167.2 million (US\$24.2 million)^[1], a 23.6% year-over-year decrease. The decrease was primarily due to 3 reasons: first, the deconsolidation of Argyle and the disposal of our interest in Urban; second, the disposal of 6 hotels in operation since the fourth quarter and was partially offset by an increase of 8 newly opened L&O hotels; and third, a 4.6% year-over-year decrease in L&O hotels' fourth quarter RevPAR and was partially offset by a 2.7% year-over-year increase in L&O hotels' third quarter RevPAR. Excluding the impact of Argyle and Urban, total revenues from L&O hotels for the second half of 2022 decreased by 16.3%. Total revenues from L&O hotels for the full year 2022 were RMB338.5 million (US\$49.1 million), a 13.6% year-over-year decrease.

Total revenues from franchised-and-managed hotels for the second half of 2022 were RMB315.2 million (US\$45.7 million)^[1], a 16.8% year-over-year decrease. Initial franchise fees for the second half of 2022 decreased 54.8 % year-over-year, mainly because of the decrease in the gross opening number and closing number of F&M hotels. Recurring franchisee management fees and others for the second half of 2022 decreased by 12.4% year-over-year, primarily due to 3 reasons: first, a 12.0% decrease in F&M hotels' RevPAR for 2022Q4 and offset by a 1.5% increase in F&M hotels' RevPAR for 2022Q3; second, the fee waivers to franchisees of quarantined hotels; and third, the deconsolidation of Argyle and the disposal of our interest in Urban. Excluding the impact of Argyle and Urban, total revenues from F&M hotels for the second half of 2022 decreased by 15.2% year over year. Total revenues from F&M hotels for the full year 2022 were RMB590.8 million (US\$85.7 million), a 23.7% year-over-year decrease.

| | Six Months Ended | | |
|--|--------------------------|--------------------------|--------------------------|
| | December 31, 2021 | December 31, 2022 | December 31, 2022 |
| | RMB | RMB | US\$ |
| Initial franchise fee | 38,670,967 | 17,468,243 | 2,532,657 |
| Recurring franchise management fee and others | 340,081,818 | 297,761,821 | 43,171,406 |
| Revenues from franchised-and-managed hotels | 378,752,785 | 315,230,064 | 45,704,063 |

Total operating costs and expenses

| | Six Months Ended | | |
|---|--------------------------|--------------------------|--------------------------|
| | December 31, 2021 | December 31, 2022 | December 31, 2022 |
| | RMB | RMB | US\$ |
| Operating costs and expenses | | | |
| Hotel operating costs | 364,709,605 | 286,269,294 | 41,505,145 |
| Selling and marketing expenses | 27,100,297 | 19,681,821 | 2,853,596 |
| General and administrative expenses | 129,158,435 | 111,154,498 | 16,115,887 |
| Other operating expenses | 791,335 | 1,196,121 | 173,421 |
| Other general expenses | 99,886,003 | 65,041,046 | 9,430,066 |
| Total operating costs and expenses | 621,645,675 | 483,342,780 | 70,078,116 |

Hotel operating costs for the second half of 2022 were RMB286.3 million (US\$41.5 million)^[1], a 21.5% year-over-year decrease. The decrease was mainly due to the deconsolidation of Argyle and the disposal of our interest in Urban, and disposal of L&O hotels. Hotel operating costs for the full year 2022 were RMB594.0 million (US\$86.1 million), a 8.8% year-over-year decrease.

| | Six Months Ended | | |
|--|--------------------------|--------------------------|--------------------------|
| | December 31, 2021 | December 31, 2022 | December 31, 2022 |
| | RMB | RMB | US\$ |
| Rental | 131,774,031 | 117,457,325 | 17,029,711 |
| Utilities | 13,579,378 | 14,217,567 | 2,061,353 |
| Personnel cost | 51,043,295 | 32,577,487 | 4,723,292 |
| Depreciation and amortization | 46,892,180 | 40,797,121 | 5,915,027 |
| Consumable, food and beverage | 37,769,428 | 17,015,291 | 2,466,985 |
| Costs of general managers of franchised-and-managed hotels | 59,383,344 | 51,557,365 | 7,475,115 |
| Other costs of franchised-and-managed hotels | 13,674,629 | 7,176,865 | 1,040,548 |
| Others | 10,593,320 | 5,470,273 | 793,115 |
| Hotel Operating Costs | 364,709,605 | 286,269,294 | 41,505,145 |

Selling and marketing expenses for the second half of 2022 were RMB 19.7 million (US\$ 2.9 million)^[1], a 27.4% year-over-year decrease. The decrease was primarily due to lower staff related expenses and advertising expenses, due to less employee business travels during the pandemic, and the deconsolidation of Argyle and the disposal of our interest in Urban. Selling and marketing expenses for the full year 2022 were RMB38.5 million (US\$5.6 million), a 42.4% year-over-year decrease.

General and administrative expenses for the second half of 2022 were RMB111.2 million (US\$ 16.1 million)^[1], a 13.9 % year-over-year decrease. The decrease was mainly attributable to the reduction in consulting fees, and the deconsolidation of Argyle and the disposal of our interest in Urban. General and administrative expenses for the full year 2022 were RMB210.9 million (US\$30.6 million), a 17.7% year-over-year decrease.

Other general expenses were RMB 65.0 million (US\$9.4 million)^[1] in the second half of 2022, which included the provisions for loan receivables related to franchisee loans, and impairments of certain fixed assets.

Gross profit for the second half of 2022 was RMB 201.5 million (US\$ 29.2 million)^[1], a year-over-year decrease of 20.4%. Gross margin for the second half of 2022 was 41.3%, compared to 41.0% a year ago. Gross profit for the full year 2022 was RMB351.1 million (US\$50.9 million), a 36.7% year-over-year decrease.

Income from operations for the second half of 2022 was RMB20.0 million (US\$ 2.9 million)^[1], a year-over-year increase of 516.4%, with a margin of 4.1%. Excluding other general expenses, income from operation from purely operating activities was RMB 85.0 million, with a margin of 17.4%. Income from operations for the full year 2022 was RMB-437.7 million (US\$-63.5million), a year-over-year decrease of 384.4%.

Net income for the second half of 2022 was RMB-48.3 million (US\$-7.0 million)^[1], compared to RMB61.5 million in the second half of 2021 and net margin was -9.9 %. The year-over-year decrease was mainly attributable to the losses from investment in equity securities, which included market-to-market value change of stocks the Company and write down of long-term equity investment in Argyle, and other general expenses. Excluding other general expenses, net income was -23.9 million RMB, with a margin of -2.5%. Net income for the full year 2022 was RMB-409.2 million (US\$-59.3 million), a year-over-year decrease of 296.9%.

Adjusted EBITDA (non-GAAP)^[2] for the second half of 2022 was RMB 118.3 million (US\$ 17.2 million)^[1], a year-over-year decrease of 21.2 %. Adjusted EBITDA margin, defined as adjusted EBITDA (non-GAAP) as a percentage of total revenues, for the second half of 2022 was 24.3 %, compared to 24.3 % a year ago. The decrease was mainly attributable to the increased number of LO hotels—both newly opened and in the pipeline. Excluding the impact of newly-opened and pipeline hotels, adjusted EBITDA (non-GAAP) for the second half of 2022 was RMB 146.0 million, with a margin of 34.6%. Adjusted EBITDA (non-GAAP) for the full year 2022 was RMB211.6 million (US\$30.7 million), a year-over-year decrease

of 35.0%.

Core net income (non-GAAP) for the second half of 2022 was RMB 67.7 million (US\$ 9.8 million)^[1]. The core net margin, defined as core net income (non-GAAP) as a percentage of total revenues, for the second half of 2022 was 13.9%, compared to -1.7 % one year ago. Excluding the impact of newly opened hotels, core net income (Non-GAAP) was RMB422.0 million, with a margin of 30.0%. Core net income (non-GAAP) for the full year 2022 was RMB173.6 million (US\$25.2 million), a year-over-year increase of 54.7%.

Earnings per ADS (basic and diluted) for the second half of 2022 were RMB-0.48 (US\$-0.07)^[1], down from RMB0.59 one year ago. Core net income per ADS (basic and diluted) (non-GAAP) for the second half of 2022 was RMB0.66 (US\$0.10)^[1] Earnings per ADS (basic and diluted) for the full year 2022 was RMB-3.68 (US\$-0.53) down from RMB2.05 one year ago. Core net income per ADS (basic and diluted) (non-GAAP) was RMB1.70 (US\$0.25) for the full year 2022, a increase from RMB1.09 a year ago.

Cash flow Operating cash inflow for the second half of 2022 was RMB151.0 million (US\$21.9 million)^[1] as a result of income from operations. Investing cash inflow for the second half of 2022 was RMB116.4 million (US\$16.9 million)^[1], which was primarily attributable to proceeds from short-term investments, and proceeds from the disposal of our interest in Urban. Financing cash outflow for the second half of 2022 was RMB160.3 million (US\$ 23.2 million), mainly attributable to the repayment of bank loans by the end of December 31, 2022. Operating cash inflow for the full year 2022 was RMB281.7 million (US\$40.8 million). Investing cash outflow for the full year 2022 was RMB439.0 million (US\$63.6 million). Financing cash inflow for the full year 2022 was RMB341.9 million (US\$49.6 million).

Cash and cash equivalents, restricted cash, short-term investments, investments in equity securities and time deposit. As of December 31, 2022, the Company had total cash and cash equivalents, restricted cash, short term investments, investments in equity securities and time deposits of RMB1,055.5 million (US\$153.0 million)^[1], compared to RMB1,079.5 million (US\$156.5 million) as of June 30, 2022. The decrease from the second half 2022 was primarily attributable to the repayment of bank loans, offset by cash from operating activities,

Guidance

Taking into account the recovery in long-term trends and short-term industry fluctuations, we expect total revenues of the hotel business for the full year of 2023 to grow 30%~35% over the 2022 levels. Furthermore, considering the merger of the restaurant business into the group and the revenue contribution from restaurant business, we expect total revenues of the whole company for the full year of 2023 to grow 90%~95% over the company's 2022 levels.

The guidance set forth above reflects the Company's current and preliminary views based on its recovery and may not be indicative of the final financial results for any future periods and the full year.

Conference Call

GreenTree's management will hold an earnings conference call at 9:00 PM U.S. Eastern Time on April 6, 2023 (9:00 AM Beijing/Hong Kong Time on April 7, 2023).

Dial-in numbers for the live conference call are as follows:

| | |
|----------------|------------------------------|
| International | 1-412-902-4272 |
| Mainland China | 4001-201-203 |
| US | 1-888-346-8982 |
| Hong Kong | 800-905-945 or 852-3018-4992 |
| Singapore | 800-120-6157 |

Participants should ask to join the GreenTree call, please dial in approximately 10 minutes before the scheduled time of the call.

A telephone replay of the conference call will be available after the conclusion of the live conference call until April 13, 2023.

Dial-in numbers for the replay are as follows:

| | |
|-----------------------|----------------|
| International Dial-in | 1-412-317-0088 |
| U.S. Toll Free | 1-877-344-7529 |
| Canada Toll Free | 855-669-9658 |
| Passcode: | 8283615 |

Additionally, a live and archived webcast of this conference call will be available at <http://ir.998.com>.

Use of Non-GAAP Financial Measures

We believe that Adjusted EBITDA and core net income, as we present it, is a useful financial metric to assess our operating and financial performance before the impact of investing and financing transactions, income taxes and certain non-core and non-recurring items in our financial statements.

The presentation of Adjusted EBITDA and core net income should not be construed as an indication that our future results will be unaffected by other charges and gains we consider to be outside the ordinary course of our business.

The use of Adjusted EBITDA and core net income has certain limitations because it does not reflect all items of income and expenses that affect our operations. Items excluded from Adjusted EBITDA and core net income are significant components in understanding and assessing our operating and financial performance. Depreciation and amortization expense for various long-term assets, income tax and share-based compensation 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 our results. Additionally, Adjusted EBITDA and core net income does not consider capital expenditures and other investing activities and should not be considered as a measure of our liquidity. We compensate for these limitations by providing the relevant disclosure of our depreciation and amortization, interest expense/income, gains/losses from investments in equity securities, income tax expenses, share-based compensation, share of loss in equity investees, government subsidies and other relevant items both in our reconciliations to the corresponding U.S. GAAP financial measures and in our consolidated financial statements, all of which should be considered when evaluating our performance.

The term Adjusted EBITDA and core net income is not defined under U.S. GAAP, and Adjusted EBITDA and core net income is not a measure of net income, operating income, operating performance or liquidity presented in accordance with U.S. GAAP. When assessing our operating and financial performance, you should not consider this data in isolation or as a substitute for our net income, operating income or any other operating performance measure that is calculated in accordance with U.S. GAAP. In addition, our Adjusted EBITDA and core net income may not be comparable to Adjusted EBITDA and core net income or similarly titled measures utilized by other companies since such other companies may not calculate Adjusted EBITDA and core net income in the same manner as we do.

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

About GreenTree Hospitality Group Ltd.

GreenTree Hospitality Group Ltd. ("GreenTree" or the "Company") (NYSE: GHG) is a leading hospitality management group in China. As of December 31, 2022, GreenTree had a total number of 4,059 hotels. In 2021, HOTELS magazine ranked GreenTree Top 11 Ranking among 225 largest global hotel groups in terms of number of hotels in its annual HOTELS' 225. GreenTree was also the fourth largest hospitality company in China in 2021 based on the statistics issued by the China Hospitality Association.

GreenTree has a broad portfolio of diverse brands spanning from the economy to mid-scale, and up-scale segments of the hospitality industry mainly in China. Through its strong membership base, expansive booking network, superior system management with moderate charges, and fully supported by its operating departments including Decoration, Engineering, Purchasing, Operation, IT and Finance, GreenTree aims to keep closer relationships with all of its clients and partners by providing a diverse brand portfolio that

features comfort, style and value.

For more information on GreenTree, please visit <http://ir.998.com>

Safe Harbor Statements

This press release contains forward-looking statements made under the "safe harbor" provisions of Section 21E of the Securities Exchange Act of 1934, as amended, and the U.S. Private Securities Litigation Reform Act of 1995. In some cases, these forward-looking statements can be identified by words or phrases such as "may," "will," "expect," "anticipate," "aim," "estimate," "intend," "plan," "believe," "potential," "continue," "is/are likely to," "confident," "future," "or other similar expressions. GreenTree may also make written or oral forward-looking statements in its reports filed with or furnished to the U.S. Securities and Exchange Commission, in its annual report to shareholders, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Any statements that are not historical facts, including statements about or based on GreenTree's current beliefs, expectations, assumptions, estimates and projections about us and our industry, are forward-looking statements that involve known and unknown factors, risks and uncertainties that may cause our actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements. Such factors and risks include, but not limited to the following: GreenTree's goals and growth strategies; its future business development, financial condition and results of operations; trends in the hospitality industry in China and globally; competition in our industry; fluctuations in general economic and business conditions in China and other regions where we operate; the regulatory environment in which we and our franchisees operate; and assumptions underlying or related to any of the foregoing. You should not place undue reliance on these forward-looking statements. Further information regarding these and other risks, uncertainties or factors is included in the Company's filings with the U.S. Securities and Exchange Commission. All information provided, including the forward-looking statements made, in this press release are current as of the date of the press release. Except as required by law, GreenTree undertakes no obligation to update any such information or forward-looking statements to reflect events or circumstances after the date on which the information is provided or statements are made, or to reflect the occurrence of unanticipated events.

Financial Tables and Operational Data Follow

| GreenTree Hospitality Group Ltd. | | | |
|--|------------------------------|------------------------------|------------------------------|
| Unaudited Condensed Consolidated Balance Sheets | | | |
| | December 31, 2021 | December 31, 2022 | December 31, 2022 |
| | RMB | RMB | US\$ |
| ASSETS | | | |
| Current assets: | | | |
| Cash and cash equivalents | 298,428,709 | 676,100,435 | 98,025,349 |
| Restricted cash | 3,300,000 | - | - |
| Short-term investments | 557,458,675 | 156,031,572 | 22,622,451 |
| Investments in equity securities | 157,988,851 | 41,361,346 | 5,996,831 |
| Accounts receivable, net of allowance | 95,589,936 | 118,186,912 | 17,135,492 |
| Amounts due from related parties | 310,419,860 | 437,165,271 | 63,383,006 |
| Prepaid rent | 15,454,967 | - | - |
| Inventories | 2,297,584 | 2,236,082 | 324,201 |
| Other current assets | 142,737,163 | 107,213,779 | 15,544,537 |
| Loans receivable, net | 247,530,580 | 170,019,414 | 24,650,498 |
| Total current assets | 1,831,206,325 | 1,708,314,811 | 247,682,365 |
| Non-current assets: | | | |
| Amounts due from a related party | - | 112,360,000 | 16,290,669 |
| Restricted cash | 18,869,900 | 24,346,773 | 3,529,950 |
| Long-term time deposits | 160,000,000 | 130,000,000 | 18,848,228 |
| Loans receivable, net | 290,967,680 | 177,172,509 | 25,687,599 |
| Property and equipment, net | 1,045,356,265 | 834,771,681 | 121,030,517 |
| Intangible assets, net | 520,117,479 | 38,111,936 | 5,525,711 |
| Goodwill | 120,819,948 | 29,583,468 | 4,289,200 |
| Long-term investments | 188,790,785 | 175,554,460 | 25,453,004 |
| Operating lease right-of-use assets | - | 1,544,739,494 | 223,966,174 |
| Other assets | 329,366,340 | 94,606,582 | 13,716,666 |
| Deferred tax assets | 161,565,839 | 232,861,870 | 33,761,798 |
| TOTAL ASSETS | 4,667,060,561 | 5,102,423,584 | 739,781,880 |
| LIABILITIES AND EQUITY | | | |
| Current liabilities: | | | |
| Short-term bank loans | 356,000,000 | 99,800,000 | 14,469,640 |
| Long-term bank loans, current portion | 50,200,000 | 141,800,000 | 20,559,067 |
| Accounts payable | 24,036,544 | 20,745,204 | 3,007,772 |
| Advance from customers | 39,773,738 | 18,681,010 | 2,708,492 |
| Amounts due to related parties | 9,530,627 | 13,812,954 | 2,002,690 |
| Salary and welfare payable | 60,154,565 | 68,684,825 | 9,958,364 |
| Deferred rent | 1,926,957 | - | - |
| Deferred revenue | 215,147,975 | 189,105,747 | 27,417,756 |
| Accrued expenses and other current liabilities | 381,282,062 | 400,054,308 | 58,002,422 |
| Income tax payable | 70,897,366 | 75,199,441 | 10,902,894 |
| Dividends payable | 40,999,458 | - | - |
| Operating lease liabilities, current | - | 210,388,801 | 30,503,509 |
| Total current liabilities | 1,249,949,292 | 1,238,272,290 | 179,532,606 |
| Long-term bank loans | 301,800,000 | 160,000,000 | 23,197,819 |
| Deferred rent | 68,842,692 | - | - |
| Deferred revenue | 314,472,488 | 232,695,351 | 33,737,655 |
| Other long-term liabilities | 132,046,925 | 120,196,036 | 17,426,787 |
| Operating lease liabilities, non-current | - | 1,449,422,906 | 210,146,568 |
| Deferred tax liabilities | 228,201,745 | 60,456,710 | 8,765,399 |
| Unrecognized tax benefits | 328,820,281 | 346,662,050 | 50,261,273 |
| TOTAL LIABILITIES | 2,624,133,423 | 3,607,705,343 | 523,068,106 |
| Shareholders' equity: | | | |
| Class A ordinary shares | 222,587,070 | 222,587,070 | 32,272,092 |
| Class B ordinary shares | 115,534,210 | 115,534,210 | 16,750,886 |
| Treasury Stock | - | (16,971,057) | (2,460,572) |
| Additional paid-in capital | 1,151,384,306 | 1,151,321,950 | 166,925,992 |
| Retained earnings (Accumulated losses) | 326,298,618 | (50,088,070) | (7,262,088) |
| Accumulated other comprehensive income | 41,880,907 | 27,732,104 | 4,020,777 |
| Total GreenTree Hospitality Group Ltd. shareholders' equity | 1,857,685,111 | 1,450,116,207 | 210,247,087 |

| | | | |
|-----------------------------------|----------------------|----------------------|--------------------|
| Non-controlling interests | 185,242,027 | 44,602,033 | 6,466,687 |
| Total shareholders' equity | 2,042,927,138 | 1,494,718,240 | 216,713,774 |

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY **4,667,060,561** **5,102,423,583** **739,781,880**

GreenTree Hospitality Group Ltd.
Unaudited Condensed Consolidated Statements of Comprehensive Income
Six Months Ended

| | December 31, 2021 RMB | December 31, 2022 RMB | December 31, 2022 US\$ | December 31, 2021 RMB | Dec RMB |
|--|--------------------------|--------------------------|---------------------------|--------------------------|------------|
| Revenues | | | | | |
| Leased-and-operated hotels | 218,964,549 | 167,247,701 | 24,248,637 | 391,960,031 | |
| Franchised-and-managed hotels | 378,752,785 | 315,230,064 | 45,704,063 | 774,359,348 | |
| Others | 20,159,286 | 5,289,198 | 766,862 | 39,826,579 | |
| Total revenues | 617,876,620 | 487,766,963 | 70,719,562 | 1,206,145,958 | |
| Operating costs and expenses | | | | | |
| Hotel operating costs | (364,709,605) | (286,269,294) | (41,505,146) | (651,376,905) | |
| Selling and marketing expenses | (27,100,297) | (19,681,821) | (2,853,596) | (66,921,718) | |
| General and administrative expenses | (129,158,435) | (111,154,498) | (16,115,887) | (256,160,262) | |
| Other operating expenses | (791,335) | (1,196,121) | (173,421) | (4,937,625) | |
| Other general expenses | (99,886,003) | (65,041,046) | (9,430,066) | (99,886,003) | |
| Total operating costs and expenses | (621,645,675) | (483,342,780) | (70,078,116) | (1,079,282,513) | |
| Other operating income | 7,006,346 | 15,531,491 | 2,251,855 | 27,059,935 | |
| Income from operations | 3,237,291 | 19,955,674 | 2,893,301 | 153,923,380 | |
| Interest income and other, net | 30,691,771 | 23,653,803 | 3,429,479 | 59,974,418 | |
| Interest expense | (5,193,460) | (10,197,236) | (1,478,460) | (12,671,385) | |
| Gains (loss) from investment in equity securities | (34,735,461) | (83,843,819) | (12,156,211) | 9,137,875 | |
| Other income (expense), net | 11,818,559 | 9,564,918 | 1,386,782 | 11,818,559 | |
| Income before income taxes | 5,818,700 | (40,866,660) | (5,925,109) | 222,182,847 | |
| Income tax expense | (38,349,089) | (5,774,279) | (837,191) | (108,888,883) | |
| Income (loss) before share of gains in equity investees | (32,530,389) | (46,640,939) | (6,762,300) | 113,293,964 | |
| Share of losses (gains) in equity investees, net of tax | (81,023) | (1,673,426) | (242,624) | 382,874 | |
| Net income (loss) | (32,611,412) | (48,314,365) | (7,004,924) | 113,676,838 | |
| Net loss attributable to non-controlling interests | (1,178,321) | (440,831) | (63,915) | 3,761,411 | |
| Net income (loss) attributable to ordinary shareholders | (33,789,733) | (48,755,196) | (7,068,839) | 117,438,249 | |
| Net earnings (losses) per share | | | | | |
| Class A ordinary share-basic and diluted | (0.33) | (0.48) | (0.07) | 1.14 | |
| Class B ordinary share-basic and diluted | (0.33) | (0.48) | (0.07) | 1.14 | |
| Net earnings (losses) per ADS | | | | | |
| Class A ordinary share-basic and diluted | (0.33) | (0.48) | (0.07) | 1.14 | |
| Class B ordinary share-basic and diluted | (0.33) | (0.48) | (0.07) | 1.14 | |
| Weighted average shares outstanding | | | | | |
| Class A ordinary share-basic and diluted | 68,286,954 | 67,416,046 | 67,416,046 | 68,286,954 | |
| Class B ordinary share-basic and diluted | 34,762,909 | 34,762,909 | 34,762,909 | 34,762,909 | |
| Other comprehensive income, net of tax | | | | | |
| Foreign currency translation adjustments | (5,123,691) | (4,418,802) | (640,666) | (6,497,403) | |
| Unrecognized gain on an available-for-sale | 2,791,663 | | | 2,791,663 | |
| Comprehensive income, net of tax | (34,943,440) | (52,733,167) | (7,645,590) | 109,971,098 | |
| Comprehensive loss/(income) attributable to non-controlling interests | (1,178,321) | (440,831) | (63,915) | 3,761,411 | |
| Comprehensive income (loss) attributable to ordinary shareholders | (36,121,761) | (53,173,998) | (7,709,505) | 113,732,509 | |

GreenTree Hospitality Group Ltd.
Unaudited Condensed Consolidated Statements of Cash Flows
Six Months Ended

| | December 31, 2021 RMB | December 31, 2022 RMB | December 31, 2022 US\$ | December 31 RMB |
|--|--------------------------|--------------------------|---------------------------|--------------------|
| Operating activities: | | | | |
| Net (loss) income | (32,611,412) | (48,314,364) | (7,004,924) | 113,676,838 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | | |
| Depreciation and amortization | 57,672,812 | 47,626,699 | 6,905,222 | 98,111,111 |
| Share of losses (gains) in equity method investments | 81,023 | 1,673,426 | 242,624 | (38,111,111) |
| Fair value change in returnable consideration and contingent consideration, net | 502,712 | - | - | - |
| Impairment of long lived assets | - | 4,093,856 | 593,553 | - |
| Impairment of goodwill | - | - | - | - |
| Lease expense to reduce operating lease right-of-use assets | - | 117,457,324 | 17,029,711 | - |
| Losses from disposal of a subsidiary | 118,443 | 2,172,131 | 314,929 | 1,111,111 |
| Interest expense (income) | 185,387 | (581,841) | (84,359) | (3,611,111) |
| Bad debt expense | 112,130,582 | 90,761,221 | 13,159,140 | 132,511,111 |

| | | | | |
|---|----------------------|----------------------|---------------------|----------------------|
| Losses (gains) on equity securities held | 34,735,461 | 83,843,819 | 12,156,211 | (9,156,604) |
| Losses (gains) on disposal of property and equipment | 604,017 | (1,262,840) | (183,095) | 1,361,852 |
| Foreign exchange (gains) losses | (3,817,988) | (8,738,690) | (1,266,991) | (1,311,852) |
| Share-based compensation | 1,156,897 | (333,495) | (48,352) | 2,496,644 |
| Changes in operating assets and liabilities: | | | | |
| Accounts receivable | 10,517,268 | (30,040,311) | (4,355,436) | (22,327,479) |
| Prepaid rent | 12,339,868 | - | - | (1,851,852) |
| Inventories | (184,470) | (717,583) | (104,040) | 1,411,852 |
| Amounts due from related parties | (90,009) | (288,549) | (41,836) | (3,961,852) |
| Other current assets | 63,374,516 | 21,755,522 | 3,154,254 | (60,341,852) |
| Other assets | (41,429,370) | (9,218,002) | (1,336,485) | (49,211,852) |
| Accounts payable | 6,034,473 | 119,116 | 17,270 | 4,511,852 |
| Amounts due to related parties | 4,174,716 | 3,357,608 | 486,807 | 6,311,852 |
| Salary and welfare payable | 3,317,608 | 5,512,596 | 799,251 | 8,511,852 |
| Deferred revenue | (29,392,677) | (28,933,976) | (4,195,032) | (53,521,852) |
| Advance from customers | 11,912,861 | (5,188,318) | (752,235) | 5,472,308 |
| Accrued expenses and other current liabilities | 19,157,025 | 32,079,022 | 4,651,023 | 71,511,852 |
| Income tax payable | 19,455,752 | 54,801,507 | 7,945,472 | (16,581,852) |
| Unrecognized tax benefits | 16,740,521 | (19,550,080) | (2,834,495) | 38,111,852 |
| Operating lease liabilities-current | - | (94,414,058) | (13,688,752) | - |
| Deferred rent | 25,367,526 | - | (2,079,175) | 40,711,852 |
| Other long-term liabilities | 415,356 | 30,462 | 4,417 | 14,611,852 |
| Deferred taxes | 25,603,045 | (66,708,805) | (9,671,868) | 44,211,852 |
| Net cash provided by operating activities | 318,071,943 | 150,993,397 | 21,891,984 | 360,971,852 |
| Investing activities: | | | | |
| Purchases of property and equipment | (183,826,691) | (40,177,940) | (5,825,254) | (341,711,852) |
| Purchases of intangible assets | (201,746) | (47,813) | (6,932) | (209,491,852) |
| Proceeds from disposal of property and equipment | - | 2,388,399 | 346,285 | - |
| Payment for acquisition of minority equity | (149,999) | - | - | (1,011,852) |
| Acquisitions, net of cash received | 25,520,300 | - | - | (147,601,852) |
| Advances for acquisitions | (39,483,494) | - | - | (39,483,494) |
| Collection of acquisition advances | 2,006,500 | - | - | 12,111,852 |
| Advances for purchases of property and equipment | (14,456,878) | - | - | (219,341,852) |
| Repayment from advances for purchases of property and equipment | 22,400,000 | 3,247,390 | 470,827 | 22,411,852 |
| Purchases of short-term investments | (239,902,771) | (82,900,000) | (12,019,370) | (378,111,852) |
| Proceeds from short-term investments | 179,648,202 | 127,788,611 | 18,527,607 | 536,311,852 |
| Proceeds from sales of long-term time deposits | - | - | - | 50,011,852 |
| Increase of long-term time deposits | - | - | - | (130,011,852) |
| Purchases of investments in equity securities | (8,940,000) | - | - | (8,940,000) |
| Proceeds from disposal of subsidiaries | 1,693,391 | 79,666,587 | 11,550,569 | 1,693,391 |
| Proceeds from disposal of equity securities | 72,697,479 | - | - | 284,011,852 |
| Proceeds from disposal of equity method investments | - | - | - | 1,693,391 |
| Loan to related parties | (372,873,382) | (5,735,802) | (831,613) | (604,611,852) |
| Repayment from related parties | 159,268,000 | 1,991,517 | 288,743 | 307,911,852 |
| Loan to third parties | (26,444,271) | - | - | (36,941,852) |
| Repayment from third parties | 8,627,367 | - | - | 55,111,852 |
| Loan to franchisees | 37,036,266 | (12,478,780) | (1,809,253) | (423,391,852) |
| Repayment from franchisees | (50,293,914) | 42,622,068 | 6,179,619 | 133,311,852 |
| Net cash (used in) provided by investing activities | (427,675,642) | 116,364,237 | 16,871,228 | (928,381,852) |
| Financing activities: | | | | |
| Distribution to the shareholders | (320,253,160) | - | - | (320,253,160) |
| Loan from non-controlling interest | 6,897,050 | 4,803,299 | 696,413 | 9,611,852 |
| Repayment of bank loans | (250,000,000) | (250,100,000) | (36,261,091) | (250,000,000) |
| Proceeds from bank loans | 668,000,000 | 85,000,000 | 12,323,842 | 808,011,852 |
| Capital contribution from non-controlling interest holders | 1,160,000 | - | - | 8,111,852 |
| Net cash generated from (used in) financing activities | 105,803,890 | (160,296,701) | (23,240,836) | 255,621,852 |
| Effect of exchange rate changes on cash and cash equivalents and restricted cash | 50,892 | 510,712 | 74,046 | (1,341,852) |
| Net increase(decrease) increase in cash and cash equivalents and restricted cash | (3,748,917) | 107,571,645 | 15,596,422 | (313,121,852) |
| Cash and cash equivalents and restricted cash at the beginning of the period | 324,347,526 | 592,875,563 | 85,958,876 | 633,711,852 |
| Cash and cash equivalents and restricted cash at the end of the period | 320,598,609 | 700,447,208 | 101,555,298 | 320,598,609 |

GreenTree Hospitality Group Ltd.
Unaudited Reconciliation of GAAP and Non-GAAP Results

| | Six Months Ended | | | Year Ended | | |
|---|---------------------|---------------------|----------------------|---------------------|----------------------|----------------------|
| | Dec 31, 2021 RMB | Dec 31, 2022 RMB | Dec 31, 2022 US\$ | Dec 31, 2021 RMB | Dec 31, 2022 RMB | Dec 31, 2022 US\$ |
| Net income | (32,611,412) | (48,314,365) | (7,004,924) | 113,676,838 | (409,236,201) | (59,333,672) |
| Deduct: | | | | | | |
| Other operating income | 7,006,346 | 15,531,491 | 2,251,855 | 27,059,935 | 19,448,889 | 2,819,824 |
| Interest income and other, net | 30,691,771 | 23,653,803 | 3,429,479 | 59,974,418 | 47,383,941 | 6,870,026 |
| Gains from investment in equity securities | (34,735,461) | - | - | 9,137,875 | - | - |
| Share of gain in equity investees, net of tax | (81,023) | - | - | 382,874 | - | - |
| Other income, net | 11,818,559 | 9,564,918 | 1,386,783 | 11,818,559 | 24,229,535 | 3,512,952 |
| Add: | | | | | | |
| Other operating expenses | 791,335 | 1,196,121 | 173,421 | 4,937,625 | 3,244,855 | 470,460 |
| Other general expenses | 95,362,000 | 65,041,046 | 9,430,065 | 95,362,000 | 555,660,756 | 80,563,237 |
| Income tax expense | 38,349,089 | 5,774,279 | 837,192 | 108,888,883 | (46,026,416) | (6,673,203) |
| Interest expense | 5,193,460 | 10,197,236 | 1,478,460 | 12,671,385 | 25,375,848 | 3,679,152 |
| Depreciation and amortization | 57,672,811 | 47,626,699 | 6,905,222 | 98,110,656 | 109,873,526 | 15,930,164 |

| | 83,843,819 | 12,156,211 | 62,158,235 | 9,031,897 | | |
|---|---------------------|---------------------|--------------------|--------------------|----------------------|---------------------|
| Losses from investment in equity securities | 1,873,426 | 242,624 | 1,598,307 | 231,732 | | |
| Share of loss in equity investees, net of tax | | | | | | |
| Adjusted EBITDA(Non-GAAP) | 150,057,091 | 118,288,048 | 17,150,155 | 325,273,726 | 211,584,538 | 30,676,874 |
| | Six Months Ended | | | Year Ended | | |
| | Dec 31, 2021 | Dec 31, 2022 | Dec 31, 2022 | Dec 31, 2021 | Dec 31, 2022 | Dec 31, 2022 |
| | RMB | RMB | US\$ | RMB | RMB | US\$ |
| Net income | (32,611,412) | (48,314,365) | (7,004,924) | 113,676,838 | (409,236,201) | (59,333,672) |
| Deduct: | | | | | | |
| Government subsidies (net of 25% tax) | 1,610,283 | 7,348,561 | 1,065,441 | 12,745,155 | 8,599,626 | 1,246,829 |
| Gains from investment in equity securities (net of 25% tax) | | | | 6,853,406 | | |
| Other income (net of 25% tax) | 8,863,919 | 7,173,688 | 1,040,087 | 8,863,919 | 18,172,151 | 2,634,714 |
| Add: | | | | | | |
| Share-based compensation | 1,156,897 | (333,495) | (48,352) | 2,464,762 | (62,356) | (9,041) |
| Losses from investments in equity securities (net of 25% tax) | 26,051,596 | 62,882,864 | 9,117,158 | - | 46,617,176 | 6,758,855 |
| One-time fees and expense | 9,861,631 | 2,919,456 | 423,281 | 24,568,935 | 7,387,383 | 1,071,070 |
| Asset impairment/Accrued bad debts | (4,523,574) | 65,041,046 | 9,430,065 | - | 555,660,756 | 80,563,237 |
| Core net income(Non-GAAP) | (10,539,064) | 67,673,256 | 9,811,700 | 112,248,055 | 173,594,980 | 25,168,906 |
| Core net income per ADS (Non-GAAP) | | | | | | |
| Class A ordinary share-basic and diluted | (0.10) | 0.66 | 0.10 | 1.09 | 1.70 | 0.25 |
| Class B ordinary share-basic and diluted | (0.10) | 0.66 | 0.10 | 1.09 | 1.70 | 0.25 |

Operational Data

| | Decemebr 31, 2021 | December 31, 2022 |
|---------------------------------------|-------------------|-------------------|
| Total hotels in operation: | 4,659 | 4,059 |
| Leased and owned hotels | 66 | 61 |
| Franchised hotels | 4,593 | 3,998 |
| Total hotel rooms in operation | 337,153 | 302,497 |
| Leased and owned hotels | 7,064 | 6,565 |
| Franchised hotels | 330,089 | 295,932 |
| Number of cities | 367 | 355 |

| | Quarter Ended | |
|---|---------------|--------|
| | 2021 Q3 | 2022Q3 |
| Occupancy rate (as a percentage) | | |
| Leased-and-owned hotels | 65.2 % | 63.0 % |
| Franchised hotels | 72.6 % | 71.3 % |
| Blended | 72.4 % | 71.1 % |
| Average daily rate (in RMB) | | |
| Leased-and-owned hotels | 223 | 237 |
| Franchised hotels | 161 | 167 |
| Blended | 163 | 168 |
| RevPAR (in RMB) | | |
| Leased-and-owned hotels | 146 | 149 |
| Franchised hotels | 117 | 119 |
| Blended | 118 | 120 |

| | Quarter Ended | |
|---|---------------|--------|
| | 2021 Q4 | 2022Q4 |
| Occupancy rate (as a percentage) | | |
| Leased-and-owned hotels | 60.9 % | 62.4 % |
| Franchised hotels | 69.5 % | 63.0 % |
| Blended | 69.2 % | 63.0 % |
| Average daily rate (in RMB) | | |
| Leased-and-owned hotels | 224 | 208 |
| Franchised hotels | 168 | 163 |
| Blended | 170 | 165 |
| RevPAR (in RMB) | | |
| Leased-and-owned hotels | 136 | 130 |
| Franchised hotels | 117 | 103 |
| Blended | 117 | 104 |

| | Number of Hotels in Operation | | Number of Hotel Rooms in Operation | |
|------------------------|-------------------------------|-------------------|------------------------------------|-------------------|
| | December 31, 2021 | December 31, 2022 | December 31, 2021 | December 31, 2022 |
| Luxury | 33 | - | 6,265 | - |
| Argyle | 33 | - | 6,265 | - |
| Mid-to-up-scale | 519 | 426 | 47,666 | 41,255 |
| GreenTree Eastern | 204 | 205 | 22,246 | 22,492 |
| Deepsleep Hotel | 6 | 7 | 417 | 534 |
| Gem | 46 | 53 | 4,173 | 4,753 |
| Gya | 62 | 68 | 5,302 | 5,811 |
| Vx | 79 | 85 | 7,021 | 7,403 |

| | | | | |
|------------------------------|--------------|--------------|----------------|----------------|
| Ausotel | 18 | - | 2,237 | - |
| Urban Garden and others | 104 | 8 | 6,270 | 262 |
| Mid-scale | 2,932 | 2,953 | 230,750 | 231,835 |
| GreenTree Inn | 2,169 | 2,226 | 178,849 | 183,116 |
| GT Alliance | 515 | 538 | 36,802 | 38,031 |
| GreenTree Apartment | 16 | 19 | 1,098 | 1,262 |
| Vatica | 112 | 111 | 8,115 | 8,009 |
| City 118 Selected and others | 120 | 59 | 5,886 | 1,417 |
| Economy hotels | 1,175 | 680 | 52,472 | 29,407 |
| Shell | 650 | 680 | 28,196 | 29,407 |
| City 118 and others | 525 | - | 24,276 | - |
| Total | 4,659 | 4,059 | 337,153 | 302,497 |

For more information, please contact:

GreenTree

Ms. Selina Yang
Phone: +86-158-2166-6251
E-mail: ir@998.com

Mr. Allen Wang
Phone: +86-181-0184-0639
E-mail: ir@998.com

Christensen

In Shanghai
Mr. Jerry Xu
Phone: +86-138-1680-0706
E-mail: jxu@christensenir.com

In Hong Kong
Ms. Karen Hui
Phone: +852-9266-4140
E-mail: khui@christensenIR.com

In US
Ms. Linda Bergkamp
Phone: +1-480-614-3004
Email: lbergkamp@ChristensenIR.com

1 The conversion of Renminbi ("RMB") into United States dollars ("US\$") is based on the exchange rate of US\$1.00=RMB 6.8972 on December 31, 2022 as set forth in H.10 statistical release of the U.S. Federal Reserve Board and available at <https://www.federalreserve.gov/releases/h10/20220103/>

2 Adjusted EBITDA (non-GAAP) is calculated as net income plus other operating expenses, income tax expense, share of loss in equity investees, net of tax, interest expense, depreciation and amortization, losses from investment in equity securities and the provision for bad debts, but excludes other operating income, interest income and other, net, gains from investment in equity securities, share of gains in equity investees (net of tax), and other income, net. The calculation of Adjusted EBITDA (non-GAAP) included in this report has been aligned according to the abovementioned definition.

3 Core net income is calculated as net income plus share-based compensation, losses from investments in equity securities (net of 25% tax), one-time fees and expense and asset impairment/accrued bad debts, and income tax expenses related to withholding tax, but excludes government subsidies (net of 25% tax), gains from investment in equity securities (net of 25% tax), and other income (net of 25% tax).

4 Tier 1 Cities refers to Beijing, Shanghai, Shenzhen and Guangzhou; Tier 2 Cities refers to the 32 major cities, other than Tier 1 Cities, including provincial capitals, administrative capitals of autonomous regions, direct-controlled municipalities and other major cities designated as municipalities with independent planning by the State Council.

SOURCE GreenTree Hospitality Group Ltd.

<https://ir.998.com/2023-04-06-GreenTree-Hospitality-Group-Ltd-Reports-Second-Half-and-Fiscal-Year-2022>