

GreenTree Hospitality Group Ltd. Reports Second Quarter of 2024 Financial Results

- Total revenues decreased by 20.5% year over year to RMB 329.7million (US\$45.4 million)^[1].
- Income from operations was RMB84.4 million (US\$11.6 million)^[1] compared to RMB98.6 million for the second quarter of 2023.
- Net income was RMB62.3 million (US\$8.6 million)^[1] compared to RMB101.9 million for the second quarter of 2023.
- Adjusted EBITDA (non-GAAP)^[2] decreased 34.5% year over year to RMB83.1 million (US\$11.4 million)^[1].
- Core net income (non-GAAP)^[3] increased 2.4% year over year to RMB70.2million (US\$9.7 million)^[1]

SHANGHAI, Aug. 15, 2024 /PRNewswire/ -- GreenTree Hospitality Group Ltd. (NYSE: GHG) ("GreenTree", the "Company", "we", "us" and "our"), a leading hospitality and restaurant management group in China, today announced its unaudited financial results for the second quarter of 2024.

[1].The conversion of Renminbi ("RMB") into United States dollars ("US\$") is based on the exchange rate of US\$1.00=RMB 7.2672 on March 31, 2024 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 other general expenses, 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 above mentioned definition.

[3].Core net income is calculated as net income plus share-based compensation, losses from investments in equity securities (net of 25% tax), other expense(net of 25% tax), one-time fees and expense, and other general expenses 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).

Second Quarter of 2024 Operational Highlights

Hotels

- A total of 4,272 hotels with 312,734 hotel rooms were in operation as of June 30, 2024.
- The Company opened 44 hotels and had a pipeline of 1,022 hotels contracted for or under development as of June 30, 2024.
- The average daily room rate was RMB173, a decrease of 4.3% from RMB181 in the second quarter of 2023.
- The occupancy rate was 72.5%, down from 77.8% in the second quarter of 2023.
- Revenue per available room, or RevPAR, was RMB125, a 10.8% year-over-year decrease.

Restaurants

- A total of 183 restaurants were in operation as of June 30, 2024.
- The AC (average check) was RMB53, a 6.0% year-over-year decrease.
- The ADT (average daily tickets) was 90, down from 109 in the second quarter of 2023.
- The ADS (average daily sales per store) was RMB4,737, a decrease of 22.1% from RMB6,082 in the second quarter of 2023.

"In the second quarter, we faced challenges as China's economy continued to recover. We believe both consumers and businesses exercised caution in discretionary spending, which had a negative impact on our overall performance. However, we continued to upgrade a number of hotels in our portfolio in order to better respond to increasing competition. While we believe this will help our performance in the future, second quarter hotel revenues decreased 14.8% year-over-year.

We continued to execute on our strategy to return our restaurant business to profitability by moving away from leased-and-operated restaurants in supermarkets and regional shopping centers towards franchised street stores. As a result, the net income turned positive this quarter after breaking even last quarter compared to losses in both

corresponding quarters a year ago. Our focus is now fully on growing the number of franchised street stores and stores with stable consumer traffic," said Mr. Alex S. Xu, Chairman and Chief Executive Officer of GreenTree.

Second Quarter Of 2024 Financial Results

| | Quarter Ended | | | |
|---------------------------------|--------------------|--------------------|--------------------|--------------------|
| | June 30, 2023 | June 30, 2023 | June 30, 2023 | June 30, 2023 |
| | RMB Hotel | RMB Restaurant | RMB Elimination | RMB Total |
| Revenues | | | | |
| Leased-and-operated revenues | 131,490,687 | 78,963,181 | (565,963) | 209,887,905 |
| Franchised-and-managed revenues | 177,936,543 | 2,201,340 | - | 180,137,883 |
| Wholesales and others | 1,188,730 | 23,775,051 | - | 24,963,781 |
| Total revenues | 310,615,960 | 104,939,572 | (565,963) | 414,989,569 |

| | Quarter Ended | | | | |
|---------------------------------|--------------------|-------------------|--------------------|--------------------|-------------------|
| | June 30, 2024 | June 30, 2024 | June 30, 2024 | June 30, 2024 | June 30, 2024 |
| | RMB Hotel | RMB Restaurant | RMB Elimination | RMB Total | US\$ Total |
| Revenues | | | | | |
| Leased-and-operated revenues | 105,851,820 | 43,306,857 | - | 149,158,677 | 20,524,917 |
| Franchised-and-managed revenues | 157,810,770 | 2,234,412 | - | 160,045,182 | 22,022,950 |
| Wholesales and others | 940,479 | 19,752,299 | (184,981) | 20,507,797 | 2,821,967 |
| Total revenues | 264,603,069 | 65,293,568 | (184,981) | 329,711,656 | 45,369,834 |

| | Six Month Ended | | | |
|---------------------------------|--------------------|--------------------|--------------------|--------------------|
| | June 30, 2023 | June 30, 2023 | June 30, 2023 | June 30, 2023 |
| | RMB Hotel | RMB Restaurant | RMB Elimination | RMB Total |
| Revenues | | | | |
| Leased-and-operated revenues | 213,563,927 | 168,340,074 | (1,125,179) | 380,778,822 |
| Franchised-and-managed revenues | 347,417,000 | 3,165,259 | - | 350,582,259 |
| Wholesales and others | 2,225,579 | 60,623,330 | - | 62,848,909 |
| Total revenues | 563,206,506 | 232,128,663 | (1,125,179) | 794,209,990 |

| | Six Month Ended | | | | |
|---------------------------------|--------------------|--------------------|--------------------|--------------------|-------------------|
| | June 30, 2024 | June 30, 2024 | June 30, 2024 | June 30, 2024 | June 30, 2024 |
| | RMB Hotel | RMB Restaurant | RMB Elimination | RMB Total | US\$ Total |
| Revenues | | | | | |
| Leased-and-operated revenues | 228,393,613 | 89,674,836 | - | 318,068,449 | 43,767,675 |
| Franchised-and-managed revenues | 308,970,282 | 3,769,753 | - | 312,740,035 | 43,034,461 |
| Wholesales and others | 2,085,206 | 49,505,598 | (460,202) | 51,130,602 | 7,035,805 |
| Total revenues | 539,449,101 | 142,950,187 | (460,202) | 681,939,086 | 93,837,941 |

Total revenues were RMB329.7 million (US\$45.4 million)^[1] a 20.5% year-over-year decrease.

Hotel revenues of 2024 were RMB264.6 million (US\$36.4 million)^[1], a 14.8% year-over-year decrease. There were two major reasons: first, a 10.8% year-over-year decrease in Revpar ; second, the closure of 5 L&O hotels in the second quarter due to lease expiration and strategic decisions; and partially setoff by new openings.

Restaurant revenues were of 2024 RMB65.3 million (US\$9.0 million)^[1], a 37.8% year-over-year decrease, mainly due to lower ADS and the decrease in the number of L&O stores due to the closure of unprofitable L&O stores.

Total revenues for the first half of 2024 were RMB681.9 million (US\$93.8 million)^[1], a 14.1% year-over-year decrease.

Total revenues from leased-and-operated, or L&O, hotels and restaurants were RMB149.2 million (US\$20.5 million)^[1], a 28.9% year-over-year decrease.

Total revenues from L&O hotels were RMB105.9 million (US\$14.6 million)^[1], a 19.5% year-over-year decrease. The decrease was primarily attributable to a 7.3% year-over-year decrease in the second quarter RevPAR of L&O hotels, 5 L&O hotels closed and reduction of sublease revenues mainly due to the disposal of a property.

Total revenues from L&O restaurants were RMB43.3 million (US\$6.0 million)^[1], a 45.2% year-over-year decrease, mainly due to the closure of L&O restaurants since the third quarter of 2023 and the year-over-year decrease in ADS.

Total revenues from L&O hotels and restaurants for the first half of 2024 were RMB318.1 million (US\$43.8 million)^[1], a 16.5% year-over-year decrease.

Total revenues from franchised-and-managed, or F&M, hotels and restaurants were RMB160.0 million (US\$22.0 million)^[1], a 11.2% year-over-year decrease.

Total revenues from F&M hotels were RMB157.8 million (US\$21.7 million)^[1], a 11.3% year-over-year decrease, primary due to a 10.9% decrease in F&M hotels' Revpar and remodeling.

Total revenues from F&M restaurants were RMB2.2 million (US\$0.3 million)^[1], a 1.5% year-over-year increase, as we opened more F&M stores.

Total revenues from F&M hotels and restaurants for the first half of 2024 were RMB312.7 million (US\$43.0 million)^[1], a 10.8% year-over-year decrease.

Total revenues from wholesale and others were RMB17.8% year-over-year decrease, mainly due to the decline in the wholesale segment of the restaurant business.

Total revenues from wholesale and others for the first half of 2024 were RMB51.1 million (US\$7.0 million)^[1], a 18.6% year-over-year decrease.

Total operating costs and expenses

| | Quarter Ended | | | |
|-------------------------------------|----------------------|----------------------|----------------------|----------------------|
| | June 30, 2023 | June 30, 2023 | June 30, 2023 | June 30, 2023 |
| | RMB | RMB | RMB | RMB |
| | Hotel | Restaurant | Elimination | Total |
| Operating costs and expenses | | | | |
| Operating costs | 150,127,380 | 95,088,176 | (308,417) | 244,907,139 |
| Selling and marketing expenses | 13,762,606 | 4,446,065 | - | 18,208,671 |
| General and administrative | | | | |

| | | | | |
|---|--------------------|--------------------|------------------|--------------------|
| EXPENSES | | | | |
| Operating expenses | 44,462,478 | 9,645,394 | - | 54,119,733 |
| Other general expenses | 4,309,239 | - | - | 4,309,239 |
| Total operating costs and expenses | 213,335,047 | 114,859,366 | (308,417) | 327,885,996 |

Quarter Ended

| | June 30, 2024 | June 30, 2024 | June 30, 2024 | June 30, 2024 | June 30, 2024 |
|---|--------------------|-------------------|--------------------|--------------------|-------------------|
| | RMB | RMB | RMB | RMB | US\$ |
| Operating costs and expenses | Hotel | Restaurant | Elimination | Total | Total |
| Operating costs | 143,382,640 | 55,127,026 | (184,981) | 198,324,685 | 27,290,385 |
| Selling and marketing expenses | 13,222,891 | 2,636,823 | - | 15,859,714 | 2,182,369 |
| General and administrative expenses | 54,927,567 | 6,606,681 | - | 61,534,248 | 8,467,394 |
| Other operating expenses | 271,943 | (60,032) | - | 211,911 | 29,160 |
| Other general expenses | 5,911,956 | - | - | 5,911,956 | 813,512 |
| Total operating costs and expenses | 217,716,997 | 64,310,498 | (184,981) | 281,842,514 | 38,782,820 |

Six Month Ended

| | June 30, 2023 | June 30, 2023 | June 30, 2023 | June 30, 2023 |
|---|--------------------|--------------------|--------------------|--------------------|
| | RMB | RMB | RMB | RMB |
| Operating costs and expenses | Hotel | Restaurant | Elimination | Total |
| Operating costs | 284,364,378 | 204,308,159 | (610,088) | 488,062,449 |
| Selling and marketing expenses | 24,838,605 | 9,385,645 | - | 34,224,250 |
| General and administrative expenses | 90,535,547 | 21,338,810 | - | 111,874,357 |
| Other operating expenses | 843,564 | 6,990,654 | - | 7,834,218 |
| Other general expenses | 15,973,584 | - | - | 15,973,584 |
| Total operating costs and expenses | 416,555,678 | 242,023,268 | (610,088) | 657,968,858 |

Six Month Ended

| | June 30, 2024 | June 30, 2024 | June 30, 2024 | June 30, 2024 | June 30, 2024 |
|-------------------------------------|---------------|-------------------|--------------------|---------------|---------------|
| | RMB | RMB | RMB | RMB | US\$ |
| Operating costs and expenses | Hotel | Restaurant | Elimination | Total | Total |
| Operating costs | 289,609,282 | 117,276,623 | (440,869) | 406,445,036 | 55,928,698 |
| Selling and marketing expenses | 28,677,514 | 5,591,136 | (19,333) | 34,249,317 | 4,712,863 |
| General and administrative expenses | 93,397,198 | 15,778,679 | - | 109,175,877 | 15,023,101 |
| Other operating expenses | 938,244 | 1,481,949 | - | 2,420,193 | 333,030 |
| Other general | | | | | |

| | | | | | |
|---|--------------------|--------------------|------------------|--------------------|-------------------|
| expenses | 11,756,531 | - | - | 11,756,531 | 1,617,753 |
| Total operating costs and expenses | 424,378,769 | 140,128,387 | (460,202) | 564,046,954 | 77,615,445 |

Operating costs were RMB 198.3 million (US\$27.3 million)^[1], a 19.0% year-over-year decrease.

Operating costs of the hotel business were RMB143.4 million (US\$19.7 million)^[1], a 4.5% year-over-year decrease. The decrease was mainly due to the lower personnel costs, lower hotel related material consumption, and lower utilities given lower occupancy rate and the closure of L&O hotels, offset by increased rental costs and depreciation and amortization due to newly opened L&O hotels since the third quarter of 2023.

Operating costs of the restaurant business were RMB55.1million (US\$7.6 million)^[1], a 42.0% year-over-year decrease, due to closure of L&O stores.

For the first half of 2024, operating costs were RMB406.4 million (US\$55.9 million)^[1], representing a 16.7% decrease.

Selling and marketing expenses were RMB15.9 million (US\$2.2 million)^[1], a 12.9% year-over-year decrease.

Selling and marketing expenses of the hotel business were RMB13.2 million (US\$1.8 million)^[1], a 3.9% year-over-year decrease. The decrease was mainly due to lower advertising expenses.

Selling and marketing expenses of the restaurant business were RMB2.6 million (US\$0.4 million)^[1], a 40.7% year-over-year decrease, mainly attributable to lower sales staff related expenses.

For the first half of 2024, selling and marketing expenses were RMB34.2 million (US\$4.7 million)^[1], a 0.1% increase.

General and administrative, or G&A expenses were RMB61.5 million (US\$8.5 million)^[1], a 13.7% year-over-year increase.

G&A expenses of the hotel business were RMB54.9 million (US\$7.6 million)^[1], a 23.6% year-over-year increase. The increase was mainly due to an increase in bad debt provisions for long-aged account receivables.

G&A expenses of the restaurant business were RMB6.6 million (US\$0.9 million)^[1], a 31.7% year-over-year decrease, mainly due to lower staff related expenses.

General and administrative expenses for the first half of 2024 were RMB109.2 million (US\$15.0 million)^[1], a 2.4% year-over-year decrease.

Other general expenses were RMB5.9 million (US\$0.8 million)^[1], a 37.2% year-over-year increase. These expenses recorded provisions for loan receivables related to franchisee loans. This provision was made in consideration of the potential increase in bad debt rates for franchisees who were already overdue.

Other general expenses for the first half of 2024 were RMB11.8 million (US\$1.6 million)^[1], a 26.4% year-over-year decrease.

Gross profit was RMB131.4 million (US\$18.1 million)^[1], a year-over-year decrease of 22.8%. Gross margin was 39.8%, compared to 41.0% a year ago. The gross profit of the hotel business was RMB121.2 million (US\$16.7 million)^[1], a 24.5% year-over-year decrease. The gross profit of the restaurant business was RMB10.2 million (US\$1.4 million)^[1], a 3.2% year-over-year increase.

Income from operations was RMB84.4 million (US\$11.6 million)^[1], compared to income from operations of RMB98.6 million in the second quarter of 2023, with a margin of 25.6%.

Income from operations of the hotel business was RMB81.6 million (US\$11.2 million)^[1], compared to an income

from operations of RMB108.5 million in the second quarter of 2023, with a margin of 30.8%.

Income from operations of the restaurant business was RMB2.9 million (US\$0.4 million)^[1], compared to income from operations of RMB-9.6 million in the second quarter of 2023, with a margin of 4.4%.

Income from operations for the first half of 2024 was RMB156.7 million (US\$21.6 million)^[1] compared to income from operations of RMB150.9 million in 2023, with a margin of 23.0%.

Net income was RMB62.3million (US\$8.6 million)^[1], compared to a net income of RMB101.9 million in the second quarter of 2023, and net margin was 18.9%.

Net income of the hotel business was RMB63.1 million (US\$8.7 million)^[1], compared to a net income of RMB114.0 million in the second quarter of 2023, and net margin was 23.9%.

Net income of the restaurant business of 2024 was RMB3.7 million (US\$0.5 million)^[1], compared to a net lose of RMB11.9 million in the second quarter of 2023, and net margin was 5.6%.

Net income for the first half of 2024 was RMB 119.6million (US\$16.5million)^[1], compared to a net loss of RMB 134.5 million in 2023, and net margin was 17.5%.

Adjusted EBITDA (non-GAAP)^[2] in the second quarter of 2024 was RMB 83.1 million (US\$11.4 million)^[1], a year-over-year decrease of 34.5%. Adjusted EBITDA margin, defined as adjusted EBITDA (non-GAAP)^[2] as a percentage of total revenues, was 25.2%, compared to 30.6% a year ago.

Adjusted EBITDA (non-GAAP)^[2] for the first half of 2024 was RMB 192.5 million (US\$26.5 million)^[1], a year-over-year decrease of 12.6%.

Core net income (non-GAAP)^[3] in the second quarter of 2024 was RMB 70.2 million (US\$9.7 million)^[1], a year-over-year increase of 2.4%. The core net margin, defined as core net income (non-GAAP)^[3] as a percentage of total revenues, was 21.3%, compared to 16.5% one year ago.

Core net income (non-GAAP)^[3] for the first half of 2024 was RMB 130.9 million (US\$18.0 million)^[1], a year-over-year increase of 10.4%.

Earnings per American Depositary Share, or ADS, (basic and diluted) were RMB0.61 (US\$0.36)^[1], a decrease from RMB1.01 one year ago.

Earnings per American Depositary Share, or ADS, (basic and diluted) for the first half of 2024 were RMB1.19 (US\$0.16)^[1], a decrease from RMB1.37 one year ago.

Core net income per ADS (basic and diluted) (non-GAAP) was RMB0.69 (US\$0.10)^[1], an increase from RMB0.67 a year ago.

Core net income per ADS (basic and diluted) (non-GAAP) was RMB1.29 (US\$0.18)^[1] for the first half of 2024, an increase from RMB1.16 a year ago.

Cash flow Operating cash inflow was RMB69.2 million (US\$9.5 million)^[1] as a result of income from operations. Investing cash inflow for the second quarter of 2024 was RMB157.6 million (US\$21.7 million)^[1], which was primarily attributable to the gain from the disposal of a property and also benefit from repayment of loans from franchisees. Financing cash outflow was RMB1.0 million (US\$0.1 million)^[1], mainly due to the repayment of bank loans.

Cash and cash equivalents, restricted cash, short-term investments, investments in equity securities and time deposits. As of June 30, 2024, the Company had total cash and cash equivalents, restricted cash, short term investments, investments in equity securities and time deposits of RMB1,737.2million (US\$239.0 million)^[1], compared to RMB1,517.3 million as of March 31, 2024. The increase was mainly attributable to continued

operating cash inflow, disposal of property, and repayment of loans from franchisees.

Guidance

Considering our performance during the first half of the year and the impact of closing certain L&O hotels due to lease expirations and strategic decisions, we have revised our revenue guidance for the hotel business. We now anticipate its performance in 2024 to remain flat compared to 2023.

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 or the full year.

Dividend distribution

The board of directors has approved the payment of a cash dividend of US\$0.10 per ordinary share, or US\$0.10 per American Depositary Share ("ADS") payable to holders of the Company's ordinary shares shown on the Company's record at the close of trading on September 30, 2024 (the "Record Date").

Conference Call

GreenTree's management will hold an earnings conference call at 8:00 AM U.S. Eastern Time on August 15, 2024, (8:00 PM Beijing/Hong Kong Time on August 15, 2024).

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 August 22, 2024.

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: | 2914023 |

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 them, are useful financial metrics 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 do 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 terms Adjusted EBITDA and core net income are not defined under U.S. GAAP, and Adjusted EBITDA and core net income are not measures 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 and restaurant management group in China. As of June 30, 2024, GreenTree had a total number of 4,272 hotels and 183 restaurants. In 2023, HOTELS magazine ranked GreenTree 11th among the 225 largest global hotel groups in terms of number of hotels in its annual HOTELS' 225. GreenTree was the fourth largest hospitality company in China in 2023 according to the China Hospitality Association. In 2023, GreenTree completed its acquisition of Da Niang Dumplings and Bellagio, two leading restaurant chain businesses in China.

GreenTree has a broad portfolio of diverse brands spanning from the economy to mid-scale, up-scale and luxury 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 | June 30 | June 30 |
|--|----------------------|----------------------|--------------------|
| | 2,023 | 2,024 | 2,024 |
| | RMB | RMB | US\$ |
| ASSETS | | | |
| Current assets: | | | |
| Cash and cash equivalents | 765,547,547 | 1,374,876,965 | 189,189,367 |
| Restricted cash | 6,576,906 | 7,450,696 | 1,025,250 |
| Short-term investments | 417,711,617 | 33,612 | 4,625 |
| Investments in equity securities | 26,076,169 | 20,161,988 | 2,774,382 |
| Accounts receivable, net of allowance | 123,887,879 | 121,134,755 | 16,668,697 |
| Amounts due from related parties | 19,928,781 | 20,078,953 | 2,762,956 |
| Prepaid rent | - | - | - |
| Inventories | 20,462,490 | 6,309,470 | 868,212 |
| Other current assets | 117,047,122 | 121,704,746 | 16,747,130 |
| Loans receivable, net | 129,521,094 | 96,796,622 | 13,319,658 |
| Deferred tax assets | - | - | - |
| Total current assets | 1,626,759,605 | 1,768,547,807 | 243,360,277 |
| Non-current assets: | | | |
| Amounts due from a related party | 110,000,000 | 110,000,000 | 15,136,504 |
| Restricted cash | 19,476,259 | 19,315,343 | 2,657,880 |
| Long-term time deposits | 63,340,000 | 285,700,000 | 39,313,628 |
| Loans receivable, net | 70,690,305 | 36,685,137 | 5,048,043 |
| Property and equipment, net | 814,949,026 | 669,043,887 | 92,063,503 |
| Intangible assets, net | 117,720,693 | 115,281,993 | 15,863,330 |
| Goodwill | 177,082,468 | 177,082,468 | 24,367,358 |
| Long-term investments | 184,758,800 | 175,521,257 | 24,152,528 |
| Operating lease right-of-use assets | 1,535,330,762 | 1,444,254,641 | 198,736,052 |
| Other assets | 104,725,600 | 103,294,642 | 14,213,815 |
| Deferred tax assets | 241,965,360 | 218,658,563 | 30,088,419 |
| TOTAL ASSETS | 5,066,798,878 | 5,123,385,738 | 705,001,337 |
| LIABILITIES AND EQUITY | | | |
| Current liabilities: | | | |
| Long-term bank loans, current portion | 200,000 | 400,000 | 55,042 |
| Short-term bank loans | 116,800,000 | - | - |
| Accounts payable | 73,126,677 | 53,525,451 | 7,365,347 |
| Advance from customers | 22,393,097 | 21,975,810 | 3,023,972 |
| Amounts due to related parties | 16,310,293 | 14,905,639 | 2,051,084 |
| Salary and welfare payable | 86,332,096 | 84,908,037 | 11,683,735 |
| Deferred rent | - | - | - |
| Deferred revenue | 186,281,838 | 178,834,473 | 24,608,442 |
| Accrued expenses and other current liabilities | 459,832,717 | 466,056,353 | 64,131,488 |

| | | | |
|--|----------------------|----------------------|--------------------|
| Income tax payable | 112,782,712 | 104,521,389 | 14,382,622 |
| Dividends payable | - | - | - |
| Operating lease liabilities, current | 267,536,846 | 263,079,422 | 36,200,933 |
| Deferred tax liabilities | - | - | - |
| Total current liabilities | 1,341,596,276 | 1,188,206,574 | 163,502,665 |
| Long-term bank loans | 56,800,000 | 256,400,000 | 35,281,814 |
| Deferred rent | - | - | - |
| Deferred revenue | 207,905,769 | 183,650,198 | 25,271,108 |
| Other long-term liabilities | 111,711,748 | 111,391,913 | 15,328,037 |
| Operating lease liabilities, non-current | 1,391,909,309 | 1,332,750,964 | 183,392,636 |
| Deferred tax liabilities | 94,716,495 | 85,375,998 | 11,748,128 |
| Unrecognized tax benefits | 382,125,786 | 375,929,696 | 51,729,648 |
| TOTAL LIABILITIES | 3,586,765,383 | 3,533,705,343 | 486,254,036 |
| Shareholders' equity: | | | |
| Class A ordinary shares | 222,587,070 | 222,587,070 | 30,629,000 |
| Class B ordinary shares | 115,534,210 | 115,534,210 | 15,898,036 |
| Paid-in capital | - | - | - |
| Treasury Stock | (36,677,832) | (36,677,832) | (5,047,038) |
| Additional paid-in capital | 1,680,713,349 | 1,680,178,673 | 231,200,280 |
| Retained earnings (Accumulated losses) | (568,339,799) | (447,752,894) | (61,612,849) |
| Accumulated other comprehensive income | 28,401,282 | 20,295,531 | 2,792,758 |
| Total GreenTree Hospitality Group Ltd. shareholders' equity | 1,442,218,280 | 1,554,164,758 | 213,860,187 |
| Non-controlling interests | 37,815,215 | 35,515,637 | 4,887,114 |
| Total shareholders' equity | 1,480,033,495 | 1,589,680,395 | 218,747,301 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 5,066,798,878 | 5,123,385,738 | 705,001,337 |

GreenTree Hospitality Group Ltd.

Unaudited Condensed Consolidated Statements of Comprehensive Income

| | Quarter Ended | | | Six Month Ended | | |
|-------------------------------------|----------------------|----------------------|-----------------------|----------------------|----------------------|-----------------------|
| | June 30, 2023 RMB | June 30, 2024 RMB | June 30, 2024 US\$ | June 30, 2023 RMB | June 30, 2024 RMB | June 30, 2024 US\$ |
| Revenues | | | | | | |
| Leased-and-operated revenues | 209,887,905 | 149,158,677 | 20,524,917 | 380,778,822 | 318,068,449 | 43,767,675 |
| Franchised-and-managed revenues | 180,137,883 | 160,045,182 | 22,022,950 | 350,582,259 | 312,740,035 | 43,034,461 |
| Wholesales and others | 24,963,781 | 20,507,797 | 2,821,967 | 62,848,909 | 51,130,602 | 7,035,805 |
| Total revenues | 414,989,569 | 329,711,656 | 45,369,834 | 794,209,990 | 681,939,086 | 93,837,941 |
| Operating costs and expenses | | | | | | |
| Operating costs | (244,907,139) | (198,324,685) | (27,290,385) | (488,062,449) | (406,445,036) | (55,928,698) |

| | | | | | | |
|--|----------------------|----------------------|---------------------|----------------------|----------------------|---------------------|
| Selling and marketing expenses | (18,208,671) | (15,859,714) | (2,182,369) | (34,224,250) | (34,249,317) | (4,712,863) |
| General and administrative expenses | (54,119,212) | (61,534,248) | (8,467,394) | (111,874,357) | (109,175,877) | (15,023,101) |
| Other operating expenses | (6,341,735) | (211,911) | (29,160) | (7,834,218) | (2,420,193) | (333,030) |
| Other general expenses | (4,309,239) | (5,911,956) | (813,512) | (15,973,584) | (11,756,531) | (1,617,753) |
| Total operating costs and expenses | (327,885,996) | (281,842,514) | (38,782,820) | (657,968,858) | (564,046,954) | (77,615,445) |
| Other operating income | 11,511,398 | 36,542,303 | 5,028,388 | 14,670,917 | 38,768,236 | 5,334,687 |
| Income from operations | 98,614,971 | 84,411,445 | 11,615,402 | 150,912,049 | 156,660,368 | 21,557,183 |
| Interest income and other, net | 9,750,337 | 11,003,960 | 1,514,195 | 17,379,351 | 19,950,499 | 2,745,280 |
| Interest expense | (3,868,469) | (2,629,228) | (361,793) | (9,396,530) | (4,369,057) | (601,203) |
| Gains (losses) from investment in equity securities | (263,836) | (6,172,071) | (849,305) | (4,800,398) | (15,424,655) | (2,122,503) |
| Other income, net | 43,295,830 | 3,556,454 | 489,384 | 41,146,248 | 16,791,024 | 2,310,522 |
| Income before income taxes | 147,528,833 | 90,170,560 | 12,407,883 | 195,240,720 | 173,608,179 | 23,889,279 |
| Income tax expense | (45,241,208) | (26,733,733) | (3,678,684) | (59,950,083) | (53,181,694) | (7,318,045) |
| Income (loss) before share of gains in equity investees | 102,287,625 | 63,436,827 | 8,729,199 | 135,290,637 | 120,426,485 | 16,571,234 |
| Share of loss/(income) in equity investees, net of tax | (341,265) | (1,174,966) | (161,681) | (786,883) | (869,757) | (119,683) |
| Net income(loss) | 101,946,360 | 62,261,861 | 8,567,518 | 134,503,754 | 119,556,728 | 16,451,551 |
| Net loss/(income) attributable to non-controlling interests | 1,308,704 | (571,587) | (78,653) | 5,077,298 | 1,030,179 | 141,757 |
| Net income attributable to ordinary shareholders | 103,255,064 | 61,690,274 | 8,488,865 | 139,581,052 | 120,586,907 | 16,593,308 |
| Net earnings per share | | | | | | |
| Class A ordinary share-basic and diluted | 1.01 | 0.61 | 0.36 | 1.37 | 1.19 | 0.16 |

| | | | | | | |
|--|--------------------|-------------------|------------------|--------------------|--------------------|-------------------|
| Class B ordinary share-basic and diluted | 1.01 | 0.61 | 0.36 | 1.37 | 1.19 | 0.16 |
| Net earnings per ADS | | | | | | |
| Class A ordinary share-basic and diluted | 1.01 | 0.61 | 0.36 | 1.37 | 1.19 | 0.16 |
| Class B ordinary share-basic and diluted | 1.01 | 0.61 | 0.36 | 1.37 | 1.19 | 0.16 |
| Weighted average shares outstanding | | | | | | |
| Class A ordinary share-basic and diluted | 67,416,046 | 66,780,612 | 9,189,318 | 67,416,046 | 66,780,612 | 9,189,318 |
| Class B ordinary share-basic and diluted | 34,762,909 | 34,762,909 | 4,783,535 | 34,762,909 | 34,762,909 | 4,783,535 |
| Other comprehensive income, net of tax | | | | | | |
| Foreign currency translation adjustments | 185,533 | (487,856) | (67,131) | 996,107 | (8,105,751) | (1,115,388) |
| Unrealized gains(loss) on available-for-sale investments, net of tax | | | | | | |
| Comprehensive income, net of tax | 102,131,893 | 61,774,005 | 8,500,387 | 135,499,861 | 111,450,977 | 15,336,163 |
| Comprehensive loss/(income) attributable to non-controlling interests | (4,843,631) | (571,587) | (78,653) | (1,075,037) | 1,030,179 | 141,757 |
| Comprehensive income (loss) attributable to ordinary shareholders | 97,288,262 | 61,202,418 | 8,421,734 | 134,424,824 | 112,481,156 | 15,477,920 |

**GreenTree Hospitality Group Ltd.
Unaudited Hotel Business Results**

| | Quarter Ended | | | Six Month Ended | | |
|-----------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | June 30, 2023 | June 30, 2024 | June 30, 2024 | June 30, 2023 | June 30, 2024 | June 30, 2024 |
| | RMB | RMB | US\$ | RMB | RMB | US\$ |
| Revenues | | | | | | |
| Leased-and- | | | | | | |

| | | | | | | |
|--|----------------------|----------------------|---------------------|----------------------|----------------------|---------------------|
| operated revenues | 131,490,687 | 105,851,820 | 14,565,695 | 213,563,927 | 228,393,613 | 31,428,007 |
| Franchised-and-managed revenues | 177,936,543 | 157,810,770 | 21,715,485 | 347,417,000 | 308,970,282 | 42,515,726 |
| Others | 1,188,730 | 940,479 | 129,414 | 2,225,579 | 2,085,206 | 286,934 |
| Total revenues | 310,615,960 | 264,603,069 | 36,410,594 | 563,206,506 | 539,449,101 | 74,230,667 |
| Operating costs and expenses | | | | | | |
| Hotel operating costs | (150,127,380) | (143,382,640) | (19,730,108) | (284,364,378) | (289,609,282) | (39,851,563) |
| Selling and marketing expenses | (13,762,606) | (13,222,891) | (1,819,530) | (24,838,605) | (28,677,514) | (3,946,157) |
| General and administrative expenses | (44,443,478) | (54,927,567) | (7,558,285) | (90,535,547) | (93,397,198) | (12,851,882) |
| Other operating expenses | (692,344) | (271,943) | (37,421) | (843,564) | (938,244) | (129,107) |
| Other general expenses | (4,309,239) | (5,911,956) | (813,512) | (15,973,584) | (11,756,531) | (1,617,753) |
| Total operating costs and expenses | (213,335,047) | (217,716,997) | (29,958,856) | (416,555,678) | (424,378,769) | (58,396,462) |
| Other operating income | 11,183,689 | 34,667,783 | 4,770,446 | 13,791,785 | 36,850,398 | 5,070,784 |
| Income from operations | 108,464,602 | 81,553,855 | 11,222,184 | 160,442,613 | 151,920,730 | 20,904,989 |
| Interest income and other, net | 9,597,042 | 10,978,362 | 1,510,673 | 17,072,340 | 19,908,718 | 2,739,531 |
| Interest expense | (3,167,262) | (2,628,376) | (361,677) | (7,891,952) | (4,369,058) | (601,202) |
| Gains (losses) from investment in equity securities | (263,836) | (1,474,720) | (202,928) | (4,800,398) | (10,784,976) | (1,484,062) |
| Other income, net | 43,122,904 | 3,404,139 | 468,425 | 40,696,364 | 16,709,039 | 2,299,240 |
| Income before income taxes | 157,753,450 | 91,833,260 | 12,636,677 | 205,518,967 | 173,384,453 | 23,858,496 |
| Income tax expense | (43,365,471) | (27,545,004) | (3,790,319) | (55,731,325) | (52,101,925) | (7,169,463) |
| Income (loss) before share of gains in equity investees | 114,387,979 | 64,288,256 | 8,846,358 | 149,787,642 | 121,282,528 | 16,689,033 |
| Share of loss/(income) in equity investees, net of tax | (341,265) | (1,174,966) | (161,681) | (786,883) | (869,757) | (119,683) |

| | | | | | | |
|-------------------------|--------------------|-------------------|------------------|--------------------|--------------------|-------------------|
| Net income(loss) | 114,046,714 | 63,113,290 | 8,684,677 | 149,000,759 | 120,412,771 | 16,569,350 |
|-------------------------|--------------------|-------------------|------------------|--------------------|--------------------|-------------------|

GreenTree Hospitality Group Ltd.
Unaudited Restaurant Business Results
Quarter Ended

| | Quarter Ended | | | Six Month Ended | | |
|---|----------------------------------|----------------------------------|-----------------------------------|----------------------------------|----------------------------------|-----------------------------------|
| | June 30, 2023 RMB | June 30, 2024 RMB | June 30, 2024 US\$ | June 30, 2023 RMB | June 30, 2024 RMB | June 30, 2024 US\$ |
| Revenues | | | | | | |
| Leased-and-operated revenues | 78,963,181 | 43,306,857 | 5,959,222 | 168,340,074 | 89,674,836 | 12,339,668 |
| Franchised-and-managed revenues | 2,201,340 | 2,234,412 | 307,465 | 3,165,259 | 3,769,753 | 518,735 |
| Wholesales and others | 23,775,051 | 19,752,299 | 2,718,007 | 60,623,330 | 49,505,598 | 6,812,197 |
| Total revenues | 104,939,572 | 65,293,568 | 8,984,694 | 232,128,663 | 142,950,187 | 19,670,600 |
| Operating costs and expenses | | | | | | |
| Restaurant operating costs | (95,088,176) | (55,127,026) | (7,585,731) | (204,308,159) | (117,276,623) | (16,137,800) |
| Selling and marketing expenses | (4,446,065) | (2,636,823) | (362,839) | (9,385,645) | (5,591,136) | (769,366) |
| General and administrative expenses | (9,675,734) | (6,606,681) | (909,110) | (21,338,810) | (15,778,679) | (2,171,218) |
| Other operating expenses | (5,649,391) | 60,032 | 8,261 | (6,990,654) | (1,481,949) | (203,923) |
| Other general expenses | - | - | - | - | - | - |
| Total operating costs and expenses | (114,859,366) | (64,310,498) | (8,849,419) | (242,023,268) | (140,128,387) | (19,282,307) |
| Other operating income | 327,709 | 1,874,520 | 257,943 | 879,132 | 1,917,838 | 263,903 |
| Income from operations | (9,592,085) | 2,857,590 | 393,218 | (9,015,473) | 4,739,638 | 652,196 |
| Interest income and other, net | 153,295 | 25,599 | 3,522 | 307,011 | 41,782 | 5,750 |
| Interest expense | (701,207) | (853) | (117) | (1,504,578) | - | - |
| Gains (losses) from investment in equity securities | - | (57,672) | (7,936) | - | - | - |
| Other income, net | 172,926 | 43,236 | 5,949 | 449,884 | (27,094) | (3,728) |
| Income before income taxes | (9,967,071) | 2,867,900 | 394,636 | (9,763,156) | 4,754,326 | 654,218 |
| Income tax expense | (1,940,124) | 811,271 | 111,635 | (4,347,531) | (1,079,769) | (148,581) |
| Income (loss) | | | | | | |

| | | | | | | |
|--|---------------------|------------------|----------------|---------------------|------------------|----------------|
| before share of gains in equity investees | (11,907,195) | 3,679,171 | 506,271 | (14,110,687) | 3,674,557 | 505,637 |
| Share of loss/(income) in equity investees, net of tax | - | - | - | - | - | - |
| Net income(loss) | (11,907,195) | 3,679,171 | 506,271 | (14,110,687) | 3,674,557 | 505,637 |

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

| | Quarter Ended | | | Six Month Ended | | |
|---|-------------------------|-------------------------|--------------------------|-------------------------|-------------------------|--------------------------|
| | June 30, 2023 RMB | June 30, 2024 RMB | June 30, 2024 US\$ | June 30, 2023 RMB | June 30, 2024 RMB | June 30, 2024 US\$ |
| Operating activities: | | | | | | |
| Net (loss) income | 101,946,360 | 62,261,861 | 8,567,518 | 134,503,754 | 119,556,728 | 16,451,551 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | | | | |
| Depreciation and amortization | 28,982,289 | 29,137,972 | 4,009,518 | 60,319,927 | 60,479,676 | 8,322,280 |
| Impairment of long-lived assets | - | - | - | 2,900,000 | - | - |
| Share of (income) loss in equity method investments | 341,265 | 1,174,966 | 161,681 | 786,883 | 869,757 | 119,683 |
| Noncash lease expense | 70,769,259 | 72,411,404 | 9,964,141 | 134,823,091 | 137,229,448 | 18,883,400 |
| Loss from disposal of a subsidiary | - | (839,682) | (115,544) | 1,223,952 | (839,682) | (115,544) |
| Interest income | (1,267,532) | (5,216,887) | (717,868) | (1,657,910) | (5,216,887) | (717,868) |
| Bad debt expenses | 6,320,196 | 16,294,501 | 2,242,198 | 18,679,474 | 21,768,072 | 2,995,386 |
| (Gains) losses and impairment on equity securities held | 263,836 | 6,172,071 | 849,305 | 4,800,398 | 15,424,655 | 2,122,503 |
| Loss (gains) on disposal of | | | | | | |

| | | | | | | |
|--|--------------------|-------------------|------------------|--------------------|--------------------|-------------------|
| property, plant and equipment | 341,428 | (27,468,283) | (3,779,762) | 227,841 | (25,116,235) | (3,456,109) |
| Foreign exchange (gains) losses | (2,075,742) | (675,522) | (92,955) | (1,088,199) | (8,763,951) | (1,205,960) |
| Share-based compensation | 40,228 | 15,662 | 2,155 | 28,592 | 31,324 | 4,310 |
| Common control acquisition | - | - | - | - | - | - |
| Accounts receivable | 12,166,576 | (9,573,578) | (1,317,368) | 5,115,694 | (7,729,151) | (1,063,567) |
| Inventories | 6,481,086 | 2,827,794 | 389,117 | 7,450,726 | 14,889,563 | 2,048,872 |
| Amounts due from related parties | 2,589,713 | 697,431 | 95,970 | 1,628,528 | 299,828 | 41,258 |
| Other current assets | (27,171,354) | 10,574,968 | 1,455,164 | (34,898,036) | 5,084,951 | 699,713 |
| Other assets | 982,532 | 3,957,871 | 544,621 | 5,946,767 | 1,300,958 | 179,018 |
| Accounts payable | (14,607,485) | (3,702,034) | (509,417) | (9,917,160) | (12,560,243) | (1,728,347) |
| Amounts due to related parties | (47,036) | 471,776 | 64,919 | (1,679,391) | (1,404,655) | (193,287) |
| Salary and welfare payable | 1,978,299 | 2,882,934 | 396,705 | 6,472,864 | (1,424,059) | (195,957) |
| Deferred revenue | (1,377,240) | (24,826,323) | (3,416,216) | (5,859,113) | (31,702,936) | (4,362,469) |
| Advance from customers | (7,260,648) | 3,539,512 | 487,053 | (3,657,822) | (417,287) | (57,421) |
| Accrued expenses and other current liabilities | (8,464,829) | 20,530,026 | 2,825,026 | 67,807,146 | (3,285,616) | (452,116) |
| Income tax payable | 32,970,813 | (16,508,534) | (2,271,650) | 51,282,274 | (8,261,323) | (1,136,796) |
| Unrecognized tax benefits | 16,935,503 | (13,752,067) | (1,892,347) | 31,960,399 | (6,196,090) | (852,610) |
| Operating lease liabilities | (68,614,626) | (67,855,157) | (9,337,180) | (124,678,168) | (109,769,095) | (15,104,730) |
| Other long- term liabilities | (1,510,480) | (7,223,642) | (994,006) | (8,081,365) | (8,319,829) | (1,144,847) |
| Deferred taxes | (3,137,502) | 13,855,962 | 1,906,644 | (31,332,490) | 13,966,300 | 1,921,827 |
| Net cash provided by operating activities | 147,574,909 | 69,165,002 | 9,517,422 | 313,108,656 | 159,894,221 | 22,002,173 |
| Investing activities: | | | | | | |
| Purchases of property, plant and equipment | (37,617,117) | (9,639,401) | (1,326,426) | (71,733,234) | (20,193,926) | (2,778,777) |
| Purchases of | | | | | | |

| | | | | | | |
|--|-------------------|--------------------|-------------------|--------------------|--------------------|-------------------|
| intangible assets | (309,827) | - | - | (352,281) | - | - |
| Proceeds from disposal of property, plant and equipment | 7,723,107 | 138,000,000 | 18,989,432 | 14,696,681 | 139,733,100 | 19,227,914 |
| Payment for acquisition of minority equity | - | (966,000) | (132,926) | - | (966,000) | (132,926) |
| Purchases of short-term investments | (51,370,000) | - | - | (51,370,000) | - | - |
| Proceeds from short-term investments | 42,242,806 | - | - | 133,643,184 | 419,362,037 | 57,706,137 |
| Increase of long-term time deposits | - | (222,230,000) | (30,579,866) | - | (222,230,000) | (30,579,866) |
| Purchases of long-term investments | - | 222,230,000 | 30,579,866 | - | - | - |
| Proceeds from disposal of equity securities | - | - | - | - | - | - |
| Proceeds from disposal of a subsidiary | 18,900,000 | 1,500,000 | 206,407 | 37,800,000 | 1,500,000 | 206,407 |
| Loan to related parties | - | (270,000) | (37,153) | - | (270,000) | (37,153) |
| Repayment from related parties | - | - | - | - | - | - |
| Loan to third parties | 1,000,000 | (1,200,000) | (165,125) | - | (1,200,000) | (165,125) |
| Repayment of loan from third parties | 13,948,758 | 4,223,936 | 581,233 | 14,417,077 | 5,595,889 | 770,020 |
| Loan to franchisees | (2,945,000) | (1,600,000) | (220,167) | (9,974,596) | (1,600,000) | (220,167) |
| Repayment from franchisees | 34,286,988 | 27,516,214 | 3,786,357 | 61,121,572 | 50,977,221 | 7,014,699 |
| Net cash (used in) provided by investing activities | 25,859,715 | 157,564,749 | 21,681,632 | 128,248,403 | 370,708,321 | 51,011,163 |

Financing activities:
Distribution to

| | | | | | | |
|--|----------------------|----------------------|--------------------|----------------------|----------------------|--------------------|
| the shareholders | - | (760,321) | (104,624) | - | (760,321) | (104,624) |
| Repayment of bank loans | 136,600,000 | (200,000) | (27,521) | - | (117,000,000) | (16,099,736) |
| Proceeds from bank loans | (271,400,000) | - | - | (154,400,000) | 200,000,000 | 27,520,916 |
| Capital contribution from non-controlling interest holders | 117,000,000 | - | - | 117,000,000 | - | - |
| Net cash provided by (used in) financing activities | (17,800,000) | (960,321) | (132,145) | (37,400,000) | 82,239,679 | 11,316,556 |
| Effect of exchange rate changes on cash and cash equivalents and restricted cash | 383,577 | (149,700) | (20,600) | 343,051 | (2,799,929) | (385,278) |
| Net (decrease) increase in cash and cash equivalents | 156,018,201 | 225,619,730 | 31,046,309 | 404,300,110 | 610,042,292 | 83,944,614 |
| Cash and cash equivalents at the beginning of the period | 982,911,111 | 1,176,023,274 | 161,826,188 | 734,629,202 | 791,600,712 | 108,927,883 |
| Cash and cash equivalents at the end of the period | 1,138,929,312 | 1,401,643,004 | 192,872,497 | 1,138,929,312 | 1,401,643,004 | 192,872,497 |

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

| | Quarter Ended | | | Six Month Ended | | |
|-------------------|-------------------------|-------------------------|--------------------------|-------------------------|-------------------------|--------------------------|
| | June 30, 2023 RMB | June 30, 2024 RMB | June 30, 2024 US\$ | June 30, 2023 RMB | June 30, 2024 RMB | June 30, 2024 US\$ |
| Net income | 101,946,360 | 62,261,861 | 8,567,518 | 134,503,754 | 119,556,728 | 16,451,551 |

| | | | | | | |
|---|--------------------|-------------------|-------------------|--------------------|--------------------|-------------------|
| Deduct: | | | | | | |
| Other operating income | 11,511,398 | 36,542,303 | 5,028,388 | 14,670,917 | 38,768,236 | 5,334,687 |
| Interest income and other, net | 9,750,337 | 11,003,960 | 1,514,195 | 17,379,351 | 19,950,499 | 2,745,280 |
| Share of gain in equity investees, net of tax | - | - | - | - | - | - |
| Other income, net | 43,295,830 | 3,556,454 | 489,384 | 41,146,248 | 16,791,024 | 2,310,522 |
| Add: | | | | | | |
| Other operating expenses | 6,341,735 | 211,911 | 29,160 | 7,834,218 | 2,420,193 | 333,030 |
| Other general expenses | 4,309,239 | 5,911,956 | 813,512 | 15,973,584 | 11,756,531 | 1,617,753 |
| Income tax expenses (benefits) | 45,241,208 | 26,733,733 | 3,678,684 | 59,950,083 | 53,181,694 | 7,318,045 |
| Share of loss in equity investees, net of tax | 341,265 | 1,174,966 | 161,681 | 786,883 | 869,757 | 119,683 |
| Interest expenses | 3,868,469 | 2,629,228 | 361,793 | 9,396,530 | 4,369,057 | 601,203 |
| Depreciation and amortization | 29,239,835 | 29,137,972 | 4,009,518 | 60,319,927 | 60,479,676 | 8,322,280 |
| Losses from investment in equity securities | 263,836 | 6,172,071 | 849,305 | 4,800,398 | 15,424,655 | 2,122,503 |
| Other expense, net | - | - | - | - | - | - |
| Adjusted EBITDA (Non-GAAP) | 126,994,382 | 83,130,981 | 11,439,204 | 220,368,861 | 192,548,532 | 26,495,559 |

| | Quarter Ended | | | Six Month Ended | | |
|-------------------|----------------------|----------------------|-----------------------|----------------------|----------------------|-----------------------|
| | June 30, 2023 RMB | June 30, 2024 RMB | June 30, 2024 US\$ | June 30, 2023 RMB | June 30, 2024 RMB | June 30, 2024 US\$ |
| Net income | 101,946,360 | 62,261,861 | 8,567,518 | 134,503,754 | 119,556,728 | 16,451,551 |

| | | | | | | |
|---|-------------|-----------|---------|------------|------------|-----------|
| Deduct: | | | | | | |
| Government subsidies (net of 25% tax) | 6,275,245 | 210,000 | 28,897 | 6,671,305 | 469,886 | 64,658 |
| Gains from investment in equity securities (net of 25% tax) | - | - | - | - | - | - |
| Other income (net of 25% tax) | 30,859,686 | 2,667,340 | 367,038 | 30,859,686 | 12,593,268 | 1,732,891 |
| Add: | | | | | | |
| Share-based compensation | 40,228 | 15,662 | 2,155 | 28,592 | 31,324 | 4,310 |
| Losses from investments in equity securities (net of 25% tax) | 197,877 | 4,629,053 | 636,979 | 3,600,299 | 11,568,491 | 1,591,877 |
| Other expense (net of 25% tax) | (1,612,187) | - | - | - | - | - |
| One-time fees and expenses | 813,078 | 239,820 | 33,000 | 1,960,856 | 1,055,008 | 145,174 |

| | | | | | | |
|-----------------------------------|-------------------|-------------------|------------------|--------------------|--------------------|-------------------|
| Other general expenses | 4,309,239 | 5,911,956 | 813,512 | 15,973,584 | 11,756,531 | 1,617,753 |
| Core net income (Non-GAAP) | 68,559,664 | 70,181,012 | 9,657,229 | 118,536,094 | 130,904,928 | 18,013,116 |

Core net income per ADS (Non-GAAP)

| | | | | | | |
|--|------|------|------|------|------|------|
| Class A ordinary share-basic and diluted | 0.67 | 0.69 | 0.10 | 1.16 | 1.29 | 0.18 |
| Class B ordinary share-basic and diluted | 0.67 | 0.69 | 0.10 | 1.16 | 1.29 | 0.18 |

Hotel Operational Data

| | June 30, 2023 | June 30, 2024 |
|---------------------------------------|----------------|----------------|
| Total hotels in operation: | 4,108 | 4,272 |
| Leased and owned hotels | 65 | 62 |
| Franchised hotels | 4,043 | 4,210 |
| Total hotel rooms in operation | 303,387 | 312,734 |
| Leased and owned hotels | 7,137 | 6,937 |
| Franchised hotels | 296,250 | 305,797 |
| Number of cities | 357 | 353 |

| | Quarter Ended | |
|---|---------------|---------|
| | 2023 Q2 | 2024 Q2 |
| Occupancy rate (as a percentage) | | |
| Leased-and-owned hotels | 74.6 % | 70.7 % |
| Franchised hotels | 77.9 % | 72.6 % |
| Blended | 77.8 % | 72.5 % |
| Average daily rate (in RMB) | | |
| Leased-and-owned hotels | 255 | 250 |
| Franchised hotels | 179 | 171 |
| Blended | 181 | 173 |
| RevPAR (in RMB) | | |
| Leased-and-owned hotels | 191 | 177 |
| Franchised hotels | 139 | 124 |
| Blended | 141 | 125 |

| | Number of Hotels in Operation | | Number of Hotel Rooms in Operation | |
|------------------------|-------------------------------|---------------|------------------------------------|----------------|
| | June 30, 2023 | June 30, 2024 | June 30, 2023 | June 30, 2024 |
| Mid-to-up-scale | 438 | 505 | 42,338 | 47,697 |
| GreenTree Eastern | 217 | 227 | 23,205 | 24,493 |
| Deepsleep Hotel | 7 | 7 | 534 | 534 |
| Gem | 54 | 82 | 4,873 | 7,258 |
| Gya | 70 | 75 | 5,904 | 6,238 |
| Vx | 90 | 99 | 7,822 | 8,695 |
| Others | - | 15 | - | 499 |
| Mid-scale | 2,933 | 2,948 | 229,270 | 229,970 |
| GreenTree Inn | 2,259 | 2,315 | 181,015 | 182,957 |
| GT Alliance | 545 | 503 | 39,091 | 37,923 |
| GreenTree Apartment | 21 | 21 | 1,351 | 1,385 |
| Vatica | 108 | 109 | 7,813 | 7,705 |

| | | | | |
|------------------------------|--------------|--------------|----------------|----------------|
| City 118 Selected and others | - | - | - | - |
| Economy hotels | 737 | 819 | 31,779 | 35,067 |
| Shell | 737 | 819 | 31,779 | 35,067 |
| City 118 and others | - | - | - | - |
| Total | 4,108 | 4,272 | 303,387 | 312,734 |

Restaurant Operational Data

| | June 30, 2023 | June 30, 2024 |
|--|---------------|---------------|
| Total restaurants in operation: | 206 | 183 |
| Leased and owned restaurants | 57 | 24 |
| Franchised restaurants | 149 | 159 |
| Number of cities | 66 | 57 |
| Da Niang Dumplings | 170 | 155 |
| Bellagio | 36 | 28 |

| | Quarter Ended | |
|------------------------------|---------------|---------|
| | 2023 Q2 | 2024 Q2 |
| ADT | | |
| Leased-and-owned restaurants | 148 | 165 |
| Franchised restaurants | 88 | 73 |
| Blended | 109 | 90 |
| AC (in RMB) | | |
| Leased-and-owned restaurants | 84 | 105 |
| Franchised restaurants | 41 | 38 |
| Blended | 56 | 53 |
| ADS (in RMB) | | |
| Leased-and-owned restaurants | 12,456 | 17,306 |
| Franchised restaurants | 3,575 | 2,815 |
| Blended | 6,082 | 4,737 |

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