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2024 to decrease approximately 8% compared to 2023. This is based on our operating performance so far this year, in particular lower than expected travel in the third quarter, and the strategic review of our LO hotels segment that led to the net closure of 9 hotels by the end of the third quarter and contributed nearly half of the decline. A Conference Call A GreenTree's management will hold an earnings conference call at 8:00 AM U.S. Eastern Time on November 21, 2024, (9:00 PM Beijing/Hong Kong Time on November 21, 2024). A Dial-in numbers for the live conference call are as follows: A International 1-412-902-4272 A A Mainland China 4001-201-203A A USA 1-888-346-8982A A Hong Kong 800-905-945 or 852-3018-4992A A Singapore 800-120-6157A A Participants should ask to join the GreenTree call, please dial in approximately 10 minutes before the scheduled time of the call. A A telephone replay of the conference call will be available after the conclusion of the live conference call until November 28, 2024. A Dial-in numbers for the replay are as follows: A International Dial-in 1-412-317-0088 A A U.S. Toll Free 1-877-344-7529 A A Canada Toll Free 855-669-9658 A A Passcode: 5184244 A Additionally, a live and archived webcast of this conference call will be available at <http://ir.998.com>. A Use of Non-GAAP Financial Measures A 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. A 10 / 23 A A 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. A 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. A 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. A 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. A About GreenTree Hospitality Group Ltd. A GreenTree Hospitality Group Ltd. ("GreenTree" or the "Company") (NYSE: GHG) is a leading hospitality and restaurant management group in China. As of September 30, 2024, GreenTree had a total number of 4,336 hotels and 182 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. A 11 / 23 A A 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. A For more information on GreenTree, please visit <http://ir.998.com> A Safe Harbor Statements A 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. A 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. A Financial Tables and Operational Data Follow A 12 / 23 A A GreenTree Hospitality Group Ltd. Unaudited Condensed Consolidated Balance Sheets A A December 31A A September 30A A September 30A A 2023A A 2024A A 2024A A A RMBA A RMBA A US\$A ASSETS A A A A A A A A A A Current assets: A A A A A A A A A A Cash and cash equivalentsA 765,547,547A A 1,513,020,988A A A 215,603,766A Restricted cashA 6,576,906A A 7,240,598A A 1,031,777A Short-term investmentsA 417,711,617A A 64,034A A 9,125A Investments in equity securitiesA 26,076,169A A 22,798,811A A 3,248,805A Accounts receivable, net of allowanceA 123,887,879A A 112,807,834A A 16,074,988A Amounts due from related partiesA 19,928,781A A 17,890,534A A 2,549,381A InventoriesA 20,462,490A A 6,423,582A A 915,353A Other current assetsA 117,047,122A A 125,926,677A A 17,944,408A Loans receivable, netA 129,521,094A A 79,569,204A A 11,338,521A Total current assetsA 1,626,759,605A A 1,885,742,262A A 268,716,124A A A A A A A A A Non-current assets: A A A A A A A A A A Amounts due from a related partyA 110,000,000A A 110,000,000A A 15,674,875A Restricted cashA 19,476,259A A 19,397,031A A 2,764,055A Long-term time depositsA 63,340,000A A 285,570,000A A 40,693,399A Loans receivable, netA 70,690,305A A 43,154,241A A 6,149,430A Property and equipment, netA 814,949,026A A 634,881,632A A 90,469,909A Intangible assets, netA 117,720,693A A 114,380,472A A 16,299,087A GoodwillA 177,082,468A A 177,082,468A A 25,234,050A Long-term investmentsA 184,758,800A A 188,946,438A A 26,924,652A Operating lease right-of-use assetsA 1,535,330,762A A 1,353,807,671A A 192,916,050A Other assetsA 104,725,600A A 106,200,135A A 15,133,398A Deferred tax assetsA 241,965,360A A 180,650,424A A 25,742,479A TOTAL ASSETS A 5,066,798,878A A 5,099,812,774A A 726,717,508A A A A A A A A A LIABILITIES AND EQUITY A A A A A A A A A A Current liabilities: A A A A A A A A A A Long-term bank loans, current portionA 200,000A A 17,500A A 17,500A Short-term bank loansA 116,800,000A A 400,000A A 57,000A Accounts payableA 73,126,677A A 45,619,837A A 6,500,775A Advance from customersA 22,393,097A A 21,258,689A A 3,029,339A Amounts due to related partiesA 16,310,293A A 15,694,608A A 2,236,464A Salary and welfare payableA 86,332,096A A 74,484,735A A 10,613,990A Deferred revenueA 186,281,838A A 197,495,166A A 28,142,836A Accrued expenses and other current liabilitiesA 459,832,717A A 493,142,341A A 70,272,221A Income tax payableA 112,782,712A A 124,691,079A A 17,768,337A Dividends payableA 174,807,000A A 10,000,000A Operating lease liabilities, currentA 267,536,846A A 183,764,847A A 26,186,281A Total current liabilitiesA 1,341,596,276A A 1,226,727,302A A 174,807,243A A A A A A A A A Long-term bank loansA 56,800,000A A 256,400,000A A 36,536,708A Deferred revenueA 207,905,769A A 182,882,796A A 26,060,590A Other long-term liabilitiesA 117,711,748A A 117,713,049A A 16,773,975A Operating lease liabilities, non-currentA 1,391,909,309A A 1,300,009,022A A 185,249,804A Deferred tax liabilitiesA 94,716,495A A 54,099,834A A 7,709,165A Unrecognized tax benefitsA 382,125,786A A 371,085,335A A 52,879,237A TOTAL LIABILITIES A 3,586,765,383A A 3,508,917,338A A 500,016,722A A A A A A A A A Shareholders' equity: A A A A A A A A A A Class A ordinary sharesA 222,587,070A A 222,587,070A A 31,718,404A Class B ordinary sharesA 115,534,210A A 115,534,210A A 16,463,493A Treasury StockA (36,677,832)A A (36,977,954)A A (5,269,316) Additional paid-in capitalA 1,680,713,349A A 1,680,194,335A A 239,425,777A Retained earnings (Accumulated losses)A (568,339,799)A A (452,428,018)A A (64,470,477) Accumulated other comprehensive incomeA 28,401,282A A 26,759,125A A 3,813,145A Total GreenTree Hospitality Group Ltd. shareholders' equityA 1,442,218,280A A 1,555,668,768A A 221,681,026A A A A A A A A A

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