

Ucommune to Acquire 60% Equity Stake in Beijing Kuanneng to Expand into Consumer Services Industry

BEIJING, Sept. 27, 2021 /[PRNewswire](#)/ -- Ucommune International Ltd. (NASDAQ: UK) ("Ucommune" or the "Company"), a leading agile office space manager and provider in China, today announced that its wholly owned subsidiary, Beijing Zerone Management & Consulting Company Ltd., an office space management services provider in China, entered into an agreement to acquire a 60% equity interest in Beijing Kuanneng Technology Co., Ltd. ("Beijing Kuanneng") on September 1, 2021. Ucommune started to consolidate the financial statements of Beijing Kuanneng into its financial statements on the same day.

Beijing Kuanneng owns and operates the Japanese culinary restaurant brand "Xiao Sushi," with a primary geographic concentration in the Beijing area. The "Xiao Sushi" brand has achieved substantial success since it was launched in 2014. With exquisite storefronts, fresh ingredients, and affordable pricing, "Xiao Sushi" has earned an excellent reputation as well as hundreds and thousands of loyal customers. Moreover, owing to its widespread popularity, "Xiao Sushi" has successfully expanded to establish 32 stores across China. "Xiao Sushi" generated revenues of approximately RMB22.1 million in 2020 and has already generated revenues of approximately RMB22.0 million in the first half of 2021.

"Xiao Sushi" plans to further enhance its operations by executing on several different fronts going forward. First, to improve its supply chain operations for products with short-term shelf lives, it will build and implement a scenario-based marketing model. Second, to reduce its management and production costs, it will integrate more digital and automated food-making processes across its operations. Third, to accelerate its ROI and generate a more stable and long-term business model, it will integrate more non-intrusive mechanisms to stimulate consumer repurchases and generate steady cash flows. The Company will also help "Xiao Sushi" to enhance its management capabilities, grow its brand influence, accelerate its national expansion, and optimize its new catering models.

Dr. Daqing Mao, Founder of Ucommune, commented, "By acquiring a large stake in Beijing Kuanneng, we will officially enter the consumer services sector and gain access to a prominent Japanese cuisine restaurant brand in China. As part of the agreement, we will integrate the 300,000 self-owned platform members of 'Xiao Sushi' into our operations comprised of nearly 300 chain office spaces and 1.16 million offline members. We plan to combine both parties' resources to form a closed-loop ecosystem for a variety of new products, including working meals, conference event meals, afternoon tea sets, and affordably-priced beverages, as well as for a wide range of sales scenarios, including those for office buildings, office parks, and commercial buildings. Beijing Kuanneng will also benefit from our professional management capabilities and experiences accumulated through maintaining operations in more than 80 cities across China."

About Ucommune International Ltd.

Ucommune is China's leading agile office space manager and provider. Founded in 2015, Ucommune has created a large-scale intelligent agile office ecosystem covering economically vibrant regions throughout China to empower its members with flexible and cost-efficient office space solutions. Ucommune's various offline agile office space services include self-operated models, such as U Space, U Studio, and U Design, as well as asset-light models, such as U Brand and U Partner. By utilizing its expertise in the real estate and retail industries, Ucommune operates its agile office spaces with high efficiency and engages in the urban transformation of older and under-utilized buildings to redefine commercial real estate in China.

Safe Harbor Statements

This announcement contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements are made under the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. These statements can be identified by terminology such as "will," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates," "potential," "continue," "ongoing," "targets," "guidance" and similar statements. The Company may also make written or oral forward-looking statements in its periodic reports to the U.S. Securities and Exchange Commission (the "SEC"), 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 the Company's beliefs and expectations, are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties. A number of factors could cause actual results to differ materially from those contained in any forward-looking statement, including but not limited to the following: the Company's growth strategies; its future business development, results of operations and financial condition; its ability to understand members' needs and provide products and services to attract and retain members; its ability to maintain and enhance the recognition and reputation of its brand; its ability to maintain and improve quality control policies and measures; its ability to establish and maintain relationships with members and business partners; trends and competition in China's agile office space market; changes in its revenues and certain cost or expense items; the expected growth of China's agile office space market; PRC governmental policies and regulations relating to the Company's business and industry, and general economic and business conditions in China and globally and assumptions underlying or related to any of the foregoing. Further information regarding these and other risks, uncertainties or factors is included in the Company's filings with the SEC. All information provided in this press release and in the attachments is as of the date of this press release, and the Company undertakes no obligation to update any forward-looking statement, except as required under applicable law.

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