

Quhuo Expands Homestay Vertical to Rural Village on Top of Urban Offerings as Part of Company's Development Strategy

BEIJING, April 17, 2023 /PRNewswire/ -- [Quhuo Limited](#) (NASDAQ: [QH](#)) ("Quhuo" or the "Company"), a leading gig economy platform focusing on local life services in China, has announced plans to further develop its businesses across various industries, including the homestay sector. The Company aims to expand its homestay business to rural areas, which comes in line with Quhuo's long-term strategy and the country's national development direction.

As part of its expansion plan, Quhuo has sealed a deal through its affiliated entity, Chengtu Home ("Chengtu"), a bed and breakfast ("B&B") brand in the country, to invest approximately RMB10 million (US\$1.45 million) in a vacation resort project in Haidong village, a rural village in Harbin city of Heilongjiang Province. The investment reflects Quhuo's overall strategy to integrate capability and resources from all its business lines as well as from its strategic partners to further develop the Company's business offerings in key verticals.

With the investment, Chengtu plans to renovate over 40 houses at Haidong and commence the construction of the resort in April 2023. According to the business plan, all the refurbished houses at the resort site will be up for sale, and buyers will have the options to live in the properties by themselves, rent the houses out, or commission Chengtu to make them guesthouses and generate higher value-added returns.

Quhuo's move to revamp the village comes in line with the Company's vision to help revive local economies, especially in rural areas across the country, diversifying its home rental offerings on top of listings in urban cities. Chengtu has received wide praise for its management of B&B properties.

In a bid to kickstart the project, Quhuo has launched a marketing campaign, and many potential clients have shown interest in viewing the properties when they are ready.

With the goal of building a relaxing and entertaining resort, the Chengtu team went through a diligent process to choose their location. Haidong village, to the southeast of the urban center of Harbin, was eventually chosen by the team. Located near Hongxing Reservoir, the village is a perfect spot for camping and setting up grills for barbecuing. In addition to constructing the resort site, Chengtu will contribute to multiple projects to improve the infrastructure of the village.

By shaping Haidong village into a vacation resort, Quhuo also aims to lure more Haidong-native talent to return home to join the team in developing the properties. The Company's latest investment project in Haidong underscores its strategy to revive local economies by boosting local tourism in addition to its efforts in operating guesthouses in urban areas.

"We're pleased to welcome Chengtu to help boost our local tourism, which will likely bring in business opportunities and ramp up economic activities," Lu Qiang, Head of Hongxing Town, said. "Through Chengtu's investment, we hope to make Haidong village a unique holiday destination, which can offer more job opportunities for local residents."

Ji Tong, the General Manager of Chengtu, said that the Haidong project hopes to contribute to the country's national policies that aim to improve rural livelihoods in villages by revamping local tourism. "We're pouring efforts into building a resort in Haidong, which may lure talent to come back to the village to work with us."

Developing such rural resort projects has become a mature business line for Chengtu. In addition to directly forming strategic partnerships with the villages, Chengtu works with professional agencies to operate guesthouses or B&Bs in rural areas. To date, Chengtu has developed over 30 rural house listings in villages across multiple provinces, including Hubei, Anhui and Hebei, through various partnerships.

About Quhuo Limited

Quhuo Limited (NASDAQ: [QH](#)) ("Quhuo" or the "Company") is a leading gig economy platform focusing on local life services in China. Leveraging Quhuo+, its proprietary technology infrastructure, Quhuo is dedicated to empowering and linking workers and local life service providers and providing end-to-end operation solutions for the life service market. The Company currently provides multiple industry-tailored operational solutions, primarily including on-demand delivery solutions, mobility service solutions, housekeeping and accommodation solutions, and other services, meeting the living needs of hundreds of millions of families in the communities.

With the vision of promoting employment, stabilizing income and empowering entrepreneurship, Quhuo explores multiple scenarios to promote employment of workers, provides, among others, safety and security and vocational training to protect workers, and helps workers plan their career development paths to realize their self-worth.

Safe Harbor Statements

This press release contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as

amended and Section 21E of the Securities Exchange Act of 1934, as amended and the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical or current fact included in this press release are forward-looking statements, including but not limited to statements regarding Quhuo's business development, financial outlook, beliefs and expectations. Forward-looking statements include statements containing words such as "expect," "anticipate," "believe," "project," "will" and similar expressions intended to identify forward-looking statements. These forward-looking statements are based on Quhuo's current expectations and involve risks and uncertainties. Quhuo's actual results and the timing of events could differ materially from those anticipated in such forward-looking statements as a result of these risks and uncertainties, which include, without limitation, risks and uncertainties related to Quhuo's abilities to (1) manage its growth and expand its operations, (2) address any or all of the risks and challenges in the future in light of its limited operating history and evolving business portfolios, (3) remain in its competitive position in the on-demand food delivery market or further diversify its solution offerings and customer portfolio, (4) maintain relationships with major customers and to find replacement customers on commercially desirable terms or in a timely manner or at all, (5) maintain relationships with existing industry customers or attract new customers, (6) attract, retain and manage workers on its platform, and (7) maintain its market shares in relation to competitors in existing markets and its success in expansion into new markets, as well as the length and severity of the recent COVID-19 outbreak and its impact on Quhuo's business and industry. Other risks and uncertainties are included under the caption "Risk Factors" and elsewhere in the Company's filings with the Securities and Exchange Commission, including, without limitation, the final prospectus related to the IPO filed with the SEC on July 10, 2020 and the Company's latest annual report on Form 20-F. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. All forward-looking statements are qualified in their entirety by this cautionary statement, and Quhuo undertakes no obligation to revise or update any forward-looking statements to reflect events or circumstances after the date hereof.

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