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Onewo Inc.

萬物雲空間科技服務股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2602)

CONNECTED TRANSACTION THE EQUITY TRANSFER AGREEMENT

The Board announces that, on November 1, 2024, the Vendor and the Purchaser entered into the Equity Transfer Agreement. Pursuant to the Equity Transfer Agreement, the Vendor agreed to sell to the Purchaser, and the Purchaser agreed to purchase from the Vendor the 50% equity interest in Wuhan Xintang which is free from all encumbrances.

In addition, Zhuhai Maode Chengtou confirmed that, upon receipt of each equity transfer consideration for the disposal of 50% equity interest in Wuhan Xintang under the Equity Transfer Agreement (the “**Wuhan Xintang Equity Transfer Payment**”), the full amount of the funds would be used exclusively for the purpose of paying off the existing debts to the Company and its designated entities due from China Vanke and its direct and indirect shareholding entities or related parties to the Company. The Company will take relevant measures to ensure the safety of the transfer consideration funds.

REASONS FOR AND BENEFITS OF ENTERING INTO THE EQUITY TRANSFER AGREEMENT

Based on the balances with related parties such as trade receivables between the Company and China Vanke as at August 31, 2024 and after arm's length negotiation between the parties, the parties agreed to use the assets of the Target Project of RMB150,000,000 to offset the due and receivable amount of RMB150,000,000 in respect of the aforesaid balances with related parties. The transaction would be effected by the purchase of 50% equity interest in Wuhan Xintang held by Zhuhai Maode Chengtou by Onewo Business Enterprise Space Technology, a wholly-owned subsidiary of the Company, thereby realising that the Company indirectly holds 50% interest in all the assets (including the Target Project) under the name of Wuhan Xintang. The Target Project is located within the “Tangjiadun Street” of Onewo Town. It is expected to retain a relative possibility of asset appreciation in the future by virtue of the relative advantage of the high density of Onewo Town.

The Directors are of the view that the acquisition of 50% equity interest in Wuhan Xintang will not have any material adverse impact on the cash flow and liquidity of the Group.

LISTING RULES IMPLICATIONS

As at the date of this announcement, China Vanke is entitled to control the voting rights of 660,602,000 Shares, representing approximately 56.54% of the total issued share capital of the Company (excluding 3,101,700 H Shares held by the Company as treasury shares), and thus China Vanke is the Controlling Shareholder of the Company. Zhuhai Maode Chengtou is a holding subsidiary of China Vanke. Therefore, China Vanke and Zhuhai Maode Chengtou are each a connected person of the Company under Chapter 14A of the Listing Rules. The transaction contemplated under the Equity Transfer Agreement constitutes a connected transaction of the Company.

As one or more of the applicable percentage ratios in respect of the transaction contemplated under the Equity Transfer Agreement exceed 0.1% but all are less than 5%, the transaction contemplated under the Equity Transfer Agreement is therefore subject to the reporting and announcement requirements, but is exempted from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. Wang Wenjin, a non-executive Director, Mr. Zhang Xu, a non-executive Director, and Mr. Sun Jia, a non-executive Director of the Company, are serving in China Vanke or its subsidiaries. Therefore, they have abstained from voting in respect of the relevant board resolution. Save as aforesaid, none of the other Directors has any material interest in the transaction contemplated under the Equity Transfer Agreement and is required to abstain from voting on the relevant board resolution.

I. THE EQUITY TRANSFER AGREEMENT

A summary of the principal terms of the Equity Transfer Agreement is set out below:

Date

November 1, 2024

Parties

- (1) Zhuhai Maode Chengtou, as the Vendor; and
- (2) Onewo Business Enterprise Space Technology, as the Purchaser.

The subject matter

Pursuant to the Equity Transfer Agreement, the Vendor has agreed to sell to the Purchaser and the Purchaser has agreed to purchase from the Vendor the 50% equity interest in Wuhan Xintang which is free from all encumbrances.

Consideration and payment terms

Pursuant to the Equity Transfer Agreement, the consideration was RMB150,000,000 representing the sum of the value of 50% of the equity interest of Wuhan Xintang and the value of the principal and interest of the Vendor's existing shareholder loan claims in Wuhan Xintang inherited by the Purchaser.

Based on the simulated Estimated Completion Accounts (the "**Estimated Completion Accounts**") prepared by Wuhan Xintang in accordance with the PRC Accounting Standards for Business Enterprises and its consolidated unaudited balance sheet as at August 31, 2024, the principal and interest of the Vendor's existing shareholder loan claims in Wuhan Xintang was RMB124,876,585.05 (the "**Proposed Inherited Claims Amount**"). Excluding the Proposed Inherited Claims Amount, the remaining portion of the consideration was the transaction consideration for the transfer of 50% equity interest in Wuhan Xintang, i.e. RMB25,123,414.95. The transaction consideration for the 50% equity interest in Wuhan Xintang was determined after arm's length negotiation between the parties and with reference to the net assets of Wuhan Xintang after distribution of profits as at August 31, 2024 (the "**Valuation Benchmark Date**") as set out in the valuation report issued by an independent third party valuer. Prior to the equity transfer pursuant to the Equity Transfer Agreement, Wuhan Xintang would allocate part of the undistributed profits to its original shareholders in advance. As at the Valuation Benchmark Date, the total undistributed profits amounted to RMB45,077,500, and the proposed distribution amount would be RMB41,000,000. Based on the valuation report issued by an independent third party valuer, Wuhan Xintang has net assets of RMB24,077,500 after declaring the distribution of aforesaid RMB41,000,000 of the profit proposed to be distributed but not yet distributed, and the corresponding value of total shareholders' equity of Wuhan Xintang would be RMB52,945,700.

The consideration shall be paid by the Purchaser to the Vendor in RMB in the following manner:

1. Initial installment: Within five business days after the conditions precedent for the payment of the initial installment under the Equity Transfer Agreement have been fulfilled and verified by the Purchaser, the Purchaser shall pay to the Vendor an amount of fifty percent of the consideration, i.e. RMB75,000,000;
2. Second installment: Within five business days after the conditions precedent for the payment of the second installment under the Equity Transfer Agreement have been satisfied and verified by the Purchaser, the Purchaser shall pay to the Vendor an amount equivalent to forty percent of the consideration, i.e. RMB60,000,000;
3. Third installment: Within five business days after the conditions precedent for the payment of the third installment under the Equity Transfer Agreement have been satisfied and verified by the Purchaser, the Purchaser shall pay RMB13,500,000 to the Vendor;
4. Final installment: The final installment shall be the aggregate of the consideration less the initial, second and third installments, being RMB1,500,000. Within five business days after the conditions precedent for the payment of the final installment under the Equity Transfer Agreement have been continuously satisfied and verified by the Purchaser, the final installment shall be paid by the Purchaser to the Vendor over a period of three years in the amount of (1) RMB500,000 upon expiry on December 31, 2025; (2) RMB500,000 upon expiry on December 31, 2026; and (3) RMB500,000 upon expiry on December 31, 2027, respectively. In the event that any of the circumstances stipulated in the Equity Transfer Agreement for compensation by the Vendor (including actual losses and liabilities to the Purchaser caused by the Vendor's breach of the Equity Transfer Agreement, and contingent liabilities arising from events in Wuhan Xintang prior to the completion) occurs before December 31, 2027, the Purchaser shall have the right to elect to deduct from the outstanding final installment at the time the corresponding portion of the Vendor's compensation amount as agreed by both parties, with the maximum amount that can be deducted being the amount of the final installment.

In respect of each purchase price under the Equity Transfer Agreement, the Purchaser has the right to elect to make payment in multiple installments within the agreed payment term. In the event that the conditions for payment of the aforesaid installments are not fully satisfied, the Purchaser shall have the right to extend the payment period accordingly until such conditions are fully satisfied.

The consideration will be funded by Onewo Business Enterprise Space Technology from its internal financial resources and paid in cash.

Conditions Precedent

Conditions precedent for the initial installment

Including: (1) the Vendor and the Purchaser have duly entered into the Equity Transfer Agreement; (2) the Vendor has provided the relevant documents to the Purchaser in accordance with the terms of the Equity Transfer Agreement; and (3) there has been no material adverse change in Wuhan Xintang and Target Project.

Conditions precedent for the second installment

Including: (1) the conditions precedent for the initial installment continued to be fulfilled (save for full or partial waiver granted by the Purchaser in writing); (2) the Purchaser, the Vendor and Wuhan Xintang have provided relevant documents or completed relevant processes in accordance with the terms of the Equity Transfer Agreement; and (3) there has been no material adverse change in Wuhan Xintang and Target Project.

Conditions precedent for the third installment

Including: (1) the conditions precedent for the initial installment and the second installment continued to be fulfilled (save for the full or partial waiver granted by the Purchaser in writing); (2) Wuhan Xintang obtained the business license (which should show that the Purchaser is a shareholder of Wuhan Xintang) issued by the relevant local branch of State Administration for Market Regulation and completed relevant procedures; (3) The Purchaser and the Vendor have provided the relevant documents or completed the relevant processes in accordance with the terms of the Equity Transfer Agreement; and (4) there has been no material adverse change due to the events before the Closing Date (as defined below) in Wuhan Xintang and Target Project.

Conditions precedent for the final installment

Including: (1) the conditions precedent for the initial installment, the second installment and the third installment continued to be fulfilled (save for full or partial waiver granted by the Purchaser in writing); (2) there is no breach, non-compliance or non-performance of the relevant covenants under the Equity Transfer Agreement by the Vendor; (3) the Vendor has provided relevant documents to the Purchaser in accordance with the terms of the Equity Transfer Agreement; and (4) there has been no material adverse change due to the events before the Closing Date (as defined below) in Wuhan Xintang and Target Project.

Selection of valuation method

The independent third party valuer used the asset-based method to evaluate the value of the entire shareholders' equity of Wuhan Xintang as at the Valuation Benchmark Date.

The asset-based method refers to a method for appraisal of the value of on-balance sheet and identifiable off-balance sheet assets and liabilities based on the balance sheet of the appraised entity as at the Valuation Benchmark Date to determine the value of the appraised object. Based on the premise of the going concern of Wuhan Xintang, given that the various on-balance-sheet and off-balance-sheet assets and liabilities of the appraised entity can be identified as at the Valuation Benchmark Date, the valuation of identifiable assets and liabilities can be individually appraised by appropriate valuation approaches. As Wuhan Xintang does not have assets and liabilities which are unidentifiable and may have material impact to the valuation conclusion, it is appropriate to adopt the asset-based approach.

Main assumptions adopted in valuation

The main assumptions adopted in the valuation of Wuhan Xintang are as follows:

1. Open market assumption. Assets may be traded freely in a highly competitive market and the price of which is determined based on the judgment of both independent trading parties over the value of assets under certain market supply and demand conditions;
2. Enterprise going concern assumption. It is assumed that the operating activities of an operating entity will continue and will not be suspended or terminated in the foreseeable future;
3. Transaction assumption. It is assumed that all subjects to be appraised are in the simulated process of transaction;
4. There will be no significant changes in the macro-political, economic and social environment where the target company is located;
5. There will be no significant changes in exchange rate, interest rate, tax, inflation, population and industrial policies;
6. There are no significant changes in the existing laws, administrative regulations, policies and socio-economic environment complied with by the enterprise;
7. The information provided by the principal and relevant parties is true, legal and complete;
8. There is no significant impact on the operation of the enterprise caused by force majeure.

Valuation results

This appraisal adopted the asset-based approach to conduct appraisal and calculations. As of the Valuation Benchmark Date, the carrying amount of total assets of Wuhan Xintang was RMB302,889,600, with appraised value as RMB331,757,800, appreciation value as RMB28,868,200, appreciation rate as 9.53%. The carrying amount of total liabilities was RMB237,812,100, with appraised value as RMB237,812,100. The carrying amount of net assets was RMB65,077,500, with appraised value as RMB93,945,700, appreciation value as RMB28,868,200, appreciation rate as 44.36%. The increase in the carrying amount of net assets was mainly due to the fact that the discounted value of operating income from Wuhan Xintang's investment properties exceeded its construction cost incurred during construction, resulting in the appreciation of appraised value of such investment properties.

Given the above facts, as of the Valuation Benchmark Date, the entire shareholders' equity value of Wuhan Xintang was RMB93,945,700. Prior to the equity transfer pursuant to the Equity Transfer Agreement, Wuhan Xintang would allocate part of the undistributed profits to its original shareholders in advance. The total undistributed profits on the Valuation Benchmark Date were RMB45,077,500, and the proposed distribution amount would be RMB41,000,000. The net assets of Wuhan Xintang after the announcement of distribution would be RMB24,077,500, and the corresponding value of total shareholders' equity of Wuhan Xintang would be RMB52,945,700.

Closing

Unless otherwise agreed in writing by the Purchaser, the closing will take place on the date when the Purchaser has paid the second installment and Wuhan Xintang has obtained the business license (which should show that the Purchaser is a shareholder of Wuhan Xintang) issued by the Administration for Market Regulation (the "**Closing Date**"). Upon closing, the Company will hold 50% equity interest in Wuhan Xintang through Onewo Business Enterprise Space Technology, a wholly-owned subsidiary of the Company, and the financial results of Wuhan Xintang will not be consolidated into the financial statements of the Group.

II. REASONS FOR AND BENEFITS OF ENTERING INTO THE EQUITY TRANSFER AGREEMENT

Based on the balances with related parties such as trade receivables between the Company and China Vanke as at August 31, 2024 and after arm's length negotiation between the parties, the parties agreed to use the assets of the Target Project of RMB150,000,000 to offset the due and receivable amount of RMB150,000,000 in respect of the aforesaid balances with related parties. The transaction would be effected by the purchase of 50% equity interest in Wuhan Xintang held by Zhuhai Maode Chengtou by Onewo Business Enterprise Space Technology, a wholly-owned subsidiary of the Company, thereby realising that the Company indirectly holds 50% interest in all the assets (including the Target Project) under the name of Wuhan Xintang. The Target Project is located within the "Tangjiadun Street" of Onewo Town. It is expected to retain a relative possibility of asset appreciation in the future by virtue of the relative advantage of the high density of Onewo Town.

Zhuhai Maode Chengtou confirmed that, upon receipt of each equity transfer consideration for the disposal of 50% equity interest in Wuhan Xintang under the Equity Transfer Agreement (the "**Wuhan Xintang Equity Transfer Payment**"), the full amount of the funds would be used exclusively for the purpose of paying off the existing debts to the Company and its designated entities due from China Vanke and its direct and indirect shareholding entities or related parties to the Company. The Company will take relevant measures to ensure the safety of the transfer consideration funds.

The Directors are of the view that the acquisition of 50% equity interest in Wuhan Xintang will not have any material adverse impact on the cash flow and liquidity of the Group.

Based on the foregoing, the Directors (including the independent non-executive Directors) are of the view that, while the Equity Transfer Agreement is not entered into in the ordinary and usual course of business of the Group, the terms of the Equity Transfer Agreement are on normal commercial terms and fair and reasonable and in the interests of the Company and the Shareholders as a whole.

III. LISTING RULES IMPLICATIONS

As at the date of this announcement, China Vanke is entitled to control the voting rights of 660,602,000 Shares, representing approximately 56.54% of the total issued share capital of the Company (excluding 3,101,700 H Shares held by the Company as treasury shares), and thus China Vanke is the Controlling Shareholder of the Company. Zhuhai Maode Chengtong is a holding subsidiary of China Vanke. Therefore, China Vanke and Zhuhai Maode Chengtong are each a connected person of the Company under Chapter 14A of the Listing Rules. The transaction contemplated under the Equity Transfer Agreement constitutes a connected transaction of the Company.

As one or more of the applicable percentage ratios in respect of the transaction contemplated under the Equity Transfer Agreement exceed 0.1% but all are less than 5%, the transaction contemplated under the Equity Transfer Agreement is therefore subject to the reporting and announcement requirements, but is exempted from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. Wang Wenjin, a non-executive Director, Mr. Zhang Xu, a non-executive Director, and Mr. Sun Jia, a non-executive Director of the Company, are serving in China Vanke or its subsidiaries. Therefore, they have abstained from voting in respect of the relevant board resolution. Save as aforesaid, none of the other Directors has any material interest in the transaction contemplated under the Equity Transfer Agreement and is required to abstain from voting on the relevant board resolution.

IV. INFORMATION OF THE PARTIES

Information on Zhuhai Maode Chengtou

Zhuhai Maode Chengtou is a company incorporated under the laws of the PRC with limited liability and is a holding subsidiary of China Vanke, whose principal business is real estate development.

Information on China Vanke

China Vanke is a joint stock limited company incorporated in the PRC, the H shares and A shares of which are listed on the Hong Kong Stock Exchange (stock code: 2202) and Shenzhen Stock Exchange (stock code: 000002), respectively, and is the Controlling Shareholder of the Company. The principal activities of China Vanke are property development, property services, rental housing, commercial development and operation, and logistics and warehousing business. As at the date of this announcement, China Vanke is held as to 27.18% by Shenzhen Metro Group Co., Ltd., which is wholly owned by the Shenzhen Municipal People's Government State-owned Assets Supervision and Administration Commission.

Information on Onewo Business Enterprise Space Technology

Onewo Business Enterprise Space Technology is a company incorporated under the laws of the PRC with limited liability and is wholly-owned by the Company through Shenzhen Onewo Growth Consulting Service Co, Ltd.* (深圳市萬物成長諮詢服務有限公司), whose principal business are property management and leasing.

Information on the Company

The Company, a joint stock company incorporated under the laws of the PRC with limited liability and the H shares of which are listed on the Main Board of the Hong Kong Stock Exchange, is a leading omni-space service provider in the PRC, with a well-established business system across community, commercial and urban spaces. It provides space technology services for a diverse array of properties such as residential communities, workspaces and public premises, and a broad customer base covering property owners, corporate and other institutional clients.

Information on Wuhan Xintang

Wuhan Xintang is a limited liability company established under the laws of the PRC in September 2017, which is principally engaged in commercial investment, property management and parking lot management, and is currently held as to 50% by Zhuhai Maode Chengtou and 50% by Wuhan Liantou.

According to the consolidated audited financial statements for the year ended December 31, 2023 of Wuhan Xintang, its net profit before taxation and net profit after taxation for the year ended December 31, 2023 amounted to RMB5,955,107.95 and RMB4,624,513.43 respectively, and its net profit before taxation and net profit after taxation for the year ended December 31, 2022 amounted to RMB9,158,397.24 and RMB6,955,685.45 respectively.

V. DEFINITIONS

Unless the context otherwise requires, capitalised terms used in this announcement shall have the following meanings:

“Company”, “our Company” or “the Company”	Onewo Inc.(萬物雲空間科技服務股份有限公司), a limited liability company incorporated in the PRC on February 20, 2001 and converted into a joint stock limited company on March 20, 2018, the H Shares of which are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 2602)
“Group”, “our Group” or “the Group”	our Company and its subsidiaries
“Director(s)”	the director(s) of our Company
“Board” or “Board of Directors”	the board of directors of our Company
“shareholder(s)”	holder(s) of our share(s) of our Company
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Vendor” or “Zhuhai Maode Chengtou”	Zhuhai Maode Chengtou Commercial Development Co., Ltd. (珠海市懋德誠投商業發展有限公司), a limited liability company incorporated in the PRC
“Wuhan Xintang”	Wuhan Xintang Gongxiang Business Management Co., Ltd. (武漢新唐共祥商業管理有限公司), a limited liability company incorporated in the PRC
“Wuhan Liantou”	Wuhan Liantou Real Estate Co., Ltd. (武漢聯投地產有限公司), a limited liability company incorporated in the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“RMB”	Renminbi, the lawful currency of the PRC

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended and supplemented from time to time
“China Vanke”	China Vanke Co., Ltd. (萬科企業股份有限公司), a joint stock limited company incorporated in the PRC, the H shares and A shares of which are listed on the Hong Kong Stock Exchange (stock code: 2202) and Shenzhen Stock Exchange (stock code: 000002), respectively, and a Controlling Shareholder of our Company
“PRC”	the People’s Republic of China, for the purposes of this announcement and for geographical reference only
“Onewo Business Enterprise Space Technology” or “Purchaser”	Shenzhen Onewo Business Enterprise Space Technology Co., Ltd. (深圳市萬物商企空間科技有限公司), a limited liability company incorporated in the PRC, and a wholly-owned subsidiary of the Company
“Target Project”	Wuhan Xintang holds the state-owned construction land use right of the Wuhan Xintang Plaza Property (武漢新唐廣場物業) located at the duplex shops on levels 1-5(1) of commercial building/unit and the supermarket on basement level 1 of lot k3 of Wuhan Tangjiadun Urban Village Comprehensive Transformation Project (武漢唐家墩城中村綜合改造項目), No. 218, Changqing First Road, Jiangnan District, the PRC and the land corresponding thereto, as well as the right of use of all the ancillary underground parking spaces
“%”	per cent.

By order of the Board
Onewo Inc.
Zhu Baoquan
Chairman, executive Director and general manager

Shenzhen, the PRC, November 1, 2024

As at the date of this announcement, the board of directors of the Company comprises Mr. Zhu Baoquan as Chairman and executive Director; Mr. He Shuhua as executive Director; Mr. Wang Wenjin, Mr. Zhang Xu, Mr. Sun Jia, Mr. Zhou Qi and Mr. Yao Jinbo as non-executive Directors; Ms. Law Elizabeth, Mr. Chen Yuyu, Mr. Shen Haipeng and Mr. Song Yunfeng as independent non-executive Directors.