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 December 30, 2024, Vanke Industrial Development (as the Vendor) and Shenzhen Vanke Service (as 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 75% of the equity interest in Fuke Industrial which is free from all encumbrances. Upon the completion of the Equity Transfer, Fuke Industrial will become a subsidiary of the Company, and its financial results will be consolidated into the financial statements of the Group; Wanhe Tiannuo, in which Fuke Industrial holds 40% of its equity interest, will not become a subsidiary of the Company, and Wanhe Tiannuo's financial results will not be consolidated into the financial statements of the Group.

LISTING RULES IMPLICATIONS

As of the date of this announcement, China Vanke is entitled to control the voting rights of 660,602,000 Shares, representing approximately 56.89% of the total issued share capital of the Company (excluding 6,810,200 Shares held by the Company as treasury shares and 3,512,200 Shares repurchased but not yet cancelled), and thus China Vanke is the Controlling Shareholder of the Company. Vanke Industrial Development is a wholly-owned subsidiary of China Vanke. Therefore, China Vanke and Vanke Industrial Development are connected persons 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.

Pursuant to Rules 14A.81 and 14A.82 of the Listing Rules, as the transactions contemplated under the Equity Transfer Agreement and the Previous Transactions were entered into or completed with parties who are connected within a 12-month period, the transactions contemplated under the Equity Transfer Agreement and the Previous Transactions are required to be aggregated for the calculation of the relevant percentage ratios to determine the classification of the transactions contemplated under the Equity Transfer Agreement.

As one or more of the applicable percentage ratios in respect of the transaction contemplated under the Equity Transfer Agreement, after aggregating with the Previous Transactions, 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.

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1. THE EQUITY TRANSFER AGREEMENT

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

Date	:	December 30, 2024
Parties	:	(1) Vanke Industrial Development, as the Vendor (2) Shenzhen Vanke Service, as the Purchaser
The subject matter	:	the Vendor agreed to sell to the Purchaser, and the Purchaser agreed to purchase from the Vendor 75% of the equity interest in Fuke Industrial which is free from all encumbrances. Based on the Equity Transfer, the Purchaser will indirectly acquire 75% of the following interests through its 75% equity interest in Fuke Industrial: 40% of the land use rights of the Target Project by proportion and property ownership within the area of land, 40% of the equity interest in Wanhe Tiannuo held by Fuke Industrial, and the operation, income and other rights in respect of such assets and related agreement arrangements.

Consideration

Pursuant to the Equity Transfer Agreement, the initial consideration shall be RMB142,074,225 (the "**Initial Consideration**"), representing the value of 75% of the equity interest in Fuke Industrial.

The Initial Consideration was determined after arm's length negotiation between the parties and based on the appraised value of the net assets of approximately RMB189,432,300 (the "**Appraised Value of Net Assets**") of Fuke Industrial as of the Valuation Benchmark Date as set out in the valuation report issued by an independent third party valuer, and multiplied by 75% of the equity ratio involved in this Equity Transfer.

The final purchase price of the Equity Transfer (the "**Final Purchase Price of the Equity**") will be determined in accordance with the PRC Accounting Standards for Business Enterprises and its net assets as set out in the audited balance sheet (the "**Final Post-closing Statement**") prepared for Fuke Industrial as of the date when the industrial and commercial change registration in respect of the Equity Transfer (including the equity and personnel changes) is completed and the business license is obtained (the "**Closing Date**"). The calculation formula of the Final Purchase Price of the Equity is as follows: Initial Consideration + adjustment amount; the adjustment amount is: (net assets of Fuke Industrial set out in the Final Post-closing Statement – net assets of Fuke Industrial on the Valuation Benchmark Date) x proportion of the Equity Transfer (i.e. 75%) (the "**Adjustment Amount**").

The relevant consideration for the Equity Transfer shall be paid by the Purchaser to the Vendor in RMB in the following manners:

(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 satisfied, the Purchaser shall pay to the Vendor an amount equivalent to 70% of the Initial Consideration (i.e. RMB99,451,957.5);

(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, the Purchaser shall pay to the Vendor an amount equivalent to 20% of the Initial Consideration (i.e. RMB28,414,845);

(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, the Purchaser shall pay to the Vendor an amount equivalent to 10% of the Initial Consideration (i.e. RMB14,207,422.5), plus the Adjustment Amount under the Equity Transfer Agreement and less the final installment (i.e. RMB300,000) (the "**Estimated Amount**"). If the Adjustment Amount is negative and the estimated amount is insufficient to cover the Adjustment Amount, the Purchaser is not required to pay the third installment and has the right to deduct the corresponding amount from the final installment. If the final installment is insufficient for the deduction, the Purchaser has the right to require the Vendor to refund it within a specified period, and the amount to be refunded shall be: the absolute value of the Adjustment Amount - RMB142,074,225 ×10% - the final installment; and

(4) Final installment: pursuant to the Equity Transfer Agreement, the final installment reserved by both parties shall be RMB300,000. The final installment is estimated and determined based on the amount of tax paid by the Fuke Industrial for three years, and is set aside as a special reserve for operations. If, after deducting the amount by which the Adjustment Amount actually exceeds the third installment (if applicable) and deducting other deductions or compensations borne by the Vendor in accordance with the proportion of equity held in Fuke Industrial under the Equity Transfer Agreement, the final installment is still outstanding, the Purchaser shall pay the final installment to the Vendor within five business days after three years from the Closing Date are expired and the conditions precedent for the final installment have been continuously satisfied.

In respect of the purchase price under the Equity Transfer Agreement, the Purchaser has the right to choose to make payment in multiple installments within the agreed payment term.

The consideration will be funded by Shenzhen Vanke Service 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 and it has taken effect; (2) the Vendor has obtained relevant documents and completed relevant procedures in accordance with the terms of the Equity Transfer Agreement; and (3) there has been no material adverse change in Fuke Industrial, Wanhe Tiannuo and Target Project solely caused by the Vendor or the foregoing material adverse changes have been resolved.

Conditions precedent for the second installment	Including: (1) the conditions precedent for the initial installment have been continuously satisfied, except for those fully or partially waived by the Purchaser in writing; (2) within fifteen business days after the first installment is paid, the Purchaser has become a shareholder of Fuke Industrial holding 75% equity interest, Fuke Industrial has obtained the new business license issued by the relevant Market Supervision Administration, and the legal representative, directors and senior management of Fuke Industrial have been changed registered from the representatives appointed by the Vendor to the representatives appointed by the Purchaser; (3) the Vendor cooperated with the Purchaser to convene the shareholders' meeting of Wanhe Tiannuo to vote on the change of registered legal representative, directors, supervisors and senior management of Wanhe Tiannuo from the representatives appointed by the Vendor through Fuke Industrial to the representatives appointed by the Purchaser through Fuke Industrial, and the matter on handing over the official seal and certificates and licenses of Wanhe Tiannuo to the Purchaser; (4) the Vendor has provided relevant documents or completed relevant procedures in accordance with the terms of the Equity Transfer Agreement; and (5) there has been no material adverse change in Fuke Industrial, Wanhe Tiannuo and Target Project solely caused by the Vendor or the foregoing material adverse changes have been resolved before the Closing Date.
Conditions precedent for the third installment	Including: (1) the conditions precedent for the initial and second installments have been continuously satisfied, except for those fully or partially waived by the Purchaser in writing; (2) Fuke Industrial and Wanhe Tiannuo have completed the change procedures for all bank reserved seals reserved by the Vendor, and the signatories of all bank accounts of Fuke Industrial reserved by the Vendor have been changed to the signatories designated by the Purchaser; (3) the post-closing audit has been completed and the Final Post-closing Statement has been issued; (4) the Vendor has provided relevant documents or completed relevant procedures in accordance with the terms of the Equity Transfer Agreement; and (5) there has been no material adverse change in Fuke Industrial, Wanhe Tiannuo and Target Project caused by the Vendor or the foregoing material adverse changes have been resolved before the Closing Date.

Closing

The closing will take place on the date when Fuke Industrial has completed the change of industrial and commercial registration related to the Equity Transfer.

Upon the completion of the closing, the Company will hold 75% of the equity interest in Fuke Industrial through Shenzhen Vanke Service, a wholly-owned subsidiary of the Company. Fuke Industrial will become a subsidiary of the Company, and its financial results will be consolidated into the financial statements of the Group; Wanhe Tiannuo, in which Fuke Industrial holds a 40% shareholding, will not become a subsidiary of the Company, and Wanhe Tiannuo's financial results will not be consolidated into the financial statements of the Group.

2. VALUATION

The independent third party valuer has evaluated the market value of the entire shareholders' equity in Fuke Industrial as of the Valuation Benchmark Date.

Selection of valuation method

The independent third party valuer has adopted the asset-based method to evaluate the value of the entire shareholders' equity in Fuke Industrial as of the Valuation Benchmark Date. The asset-based method refers to a valuation method for reasonable 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 of the Valuation Benchmark Date to determine the value of the appraised object. According to the valuation report issued by an independent third party valuer, financial data of Fuke Industrial has been reviewed and the assets and liabilities are true and reliable. Fuke Industrial can provide, and the independent third party valuer can also collect externally, information that meets the requirements of the asset-based method, so that it can carry out a comprehensive check and assessment of Fuke Industrial's assets and liabilities. Taking into account the purpose of the assessment, the asset-based method is applicable for assessment.

Main assumptions

The main assumptions adopted in the valuation of Fuke Industrial are as follows:

Basic assumptions

1. Open market assumption. It is assumed that with respect to the assets traded or to be traded in the market, the transaction parties are in equal status and have opportunities and time to access sufficient market information so as to make a rational judgment on the function, purpose and transaction price of the assets;

2. Transaction assumption. It is assumed that all assets subject to valuation have been in the process of trading, and the valuer makes a valuation according to the trading conditions of the assets subject to valuation in a simulated market. The transaction assumption is one of the most basic premise assumptions for asset valuation;

3. Going-concern assumption. It is assumed that Fuke Industrial, based on its existing assets and resource conditions, will not cease operations for various reasons in the foreseeable future, but will continue to operate legally. Wanhe Tiannuo, a company invested by Fuke Industrial, will continue to operate in accordance with its business objectives within the operating period agreed in the agreement and under the current external environment, and its corporate operators are responsible and able to assume responsibility.

General assumptions

1. It is assumed that there will be no major changes in the relevant national laws and regulations currently followed by the company and the national macroeconomic situation, and there will be no unforeseen major changes in the external economic environment such as interest rates, exchange rates, tax basis and tax rates, and policy levies;

2. It is assumed that there are no major changes in the political, economic, business and social environment in the region where the parties to this transaction are located;

3. It is assumed that there will be no force majeure and unforeseen factors that will have a significant adverse impact on Fuke Industrial's operations after the Valuation Benchmark Date;

4. It is assumed that the enterprise will continue to operate within the operating period agreed in the agreement, based on the actual status of the assets on the Valuation Benchmark Date;

5. It is assumed that the company's operators are responsible and stable, fully comply with all relevant laws and regulations, and the company's management is capable of fulfilling their duties;

6. As of the valuation report date, the investment real estate assets of Wanhe Tiannuo have been completed with acceptance, and no final settlement has been made. The valuation assumes that the final settlement scale of the company's assets is basically the same as the pre-transferred asset scale, with no significant difference;

7. It is assumed that the investment real estate of Wanhe Tiannuo will be returned to the government free of charge upon expiry of the operating period pursuant to the agreement;

8. It is assumed that within the forecast period, the real estate rental market in Shenzhen will be stable and there will be no major adjustments;

9. It is assumed that the values of various parameters calculated in the assessment are determined based on the current price system, and the impact of inflation factors after the Valuation Benchmark Date is not considered.

Special assumptions

1. It is assumed that the accounting policies adopted by Fuke Industrial after the Valuation Benchmark Date are consistent in material aspects with the accounting policies adopted when preparing this asset valuation report;

2. It is assumed that based on the existing management methods and management levels, Fuke Industrial's business scope and methods after the Valuation Benchmark Date will remain consistent with the current ones;

3. It is assumed that cash inflows and outflows of Fuke Industrial after the Valuation Benchmark Date are generated in an even manner;

4. It is assumed that there will be no material changes in the business scope and methods of Fuke Industrial and Wanhe Tiannuo in the future operating period, and no major changes in their main business structure, income and cost composition, sales strategy and cost control of future business according to the management's estimates.

Valuation results

Fuke Industrial

The valuer has adopted the asset-based approach for the valuation. Based on the valuation report issued by the independent third party valuer, as of the Valuation Benchmark Date, the carrying amount of total assets of Fuke Industrial was RMB244,978,000, with an appraised value of RMB282,008,600, representing an appreciation amount of RMB37,030,600 and an appreciation rate of 15.12%. The carrying amount of total liabilities was RMB92,576,300, with an appraised value of RMB92,576,300, representing no appreciation or depreciation. The carrying amount of net assets was RMB152,401,700, with an appraised value of net assets of RMB189,432,300, representing an appreciation amount of RMB37,030,600 and an appreciation rate of 24.30%.

With respect to the composition of the above assets, the carrying amount and appraised value of current assets were both RMB154,781,700, representing no appreciation or depreciation. The carrying amount of non-current assets was RMB90,196,300, with an appraised value of RMB127,226,900, representing an appreciation amount of RMB37,030,600 and an appreciation rate of 41.06%, of which (i) the carrying amount of long-term equity investment was RMB5,407,000, with an appraised value of RMB40,264,300, representing an appreciation amount of RMB34,857,300 and an appreciation rate of 644.67%; (ii) the carrying amount of intangible assets was RMB84,786,700, with an appraised value of RMB86,960,000, representing an appreciation amount of RMB2,173,300 and an appreciation rate of 2.56%; (iii) the carrying amount and appraised value of deferred tax assets were both RMB2,600, representing no appreciation or depreciation.

Long-term equity investment entity－Wanhe Tiannuo

For the valuation of the long-term equity investment entity of Fuke Industrial, being Wanhe Tiannuo in which it holds 40% of the equity interest, the independent third party valuer adopted the asset-based approach and income approach to conducting the valuation, and used the results of the income approach as the valuation result. The income approach refers to the valuation approach to determine the value of the valuation target by capitalizing or discounting its anticipated income. Wanhe Tiannuo has independent profitability. Based on the historical operating data, expected planning and other information obtained by the independent third party valuer, the independent third party valuer believes that the future profitability of Wanhe Tiannuo can be reasonably predicted, and the risk of future income can be reasonably quantified, so it has satisfied the conditions to adopt the income approach for valuation. The income approach considers the future profitability of an enterprise and reflects the comprehensive profitability of each asset of the enterprise. Considering the industry where Wanhe Tiannuo operates and its operating characteristics, the appraised value under the income approach can reflect the current value of the entire shareholders' equity of the enterprise in a more objective and comprehensive manner.

As of the Valuation Benchmark Date, the valuation results of Wanhe Tiannuo using the asset-based approach are as follows:

The carrying amount of total assets was RMB1,014,803,200, with an appraised value of RMB1,014,233,500, representing an impairment amount of RMB569,700 and an impairment rate of 0.06%. The carrying amount of total liabilities was RMB1,001,278,600, with an appraised value of RMB1,001,278,400, representing an impairment amount of RMB200 and an impairment rate of approximately 0.00%. The carrying amount of net assets was RMB13,524,600, with an appraised value of net assets of RMB12,955,100, representing an impairment amount of RMB569,500 and an impairment rate of 4.21%.

As of the Valuation Benchmark Date, the valuation results of Wanhe Tiannuo using the income approach are as follows:

For the valuation result of the entire shareholders' equity value of Wanhe Tiannuo, the discounted cash flow approach under the income approach is adopted to assess the overall enterprise value to indirectly obtain the entire shareholders' equity value. The calculation model is as follows:

Entire shareholders' equity value = Overall enterprise value – Value of interest-bearing debts

Overall enterprise value = Value of operating assets + Value of surplus assets + Value of non-operating assets – Value of non-operating liabilities

According to the principle of consistent basis for the income amount and the discount rate, the basis to determine the income amount for this valuation is the corporate free cash flows and the weighted average cost of capital (WACC) is chosen as the discount rate. The WACC model can be calculated with the following mathematical formula:

$$WACC = K_e \times \frac{E}{E+D} + K_d \times (1-t) \times \frac{D}{E+D}$$

Wherein: k_e: Cost of equity capital;

E: Market value of equity capital;

D: Market value of interest-bearing debt capital;

K_d: Cost of debt capital;

t: Income tax rate.

1. Cost of equity capital

The Capital Asset Pricing Model (CAPM) is used to calculate the cost of equity capital. The CAPM model is a commonly used method for estimating investor returns and the cost of equity capital. The CAPM model can be calculated with the following mathematical formula:

$K_e = R_f + ERP \times \beta + \Delta$

Wherein: R_f: Risk-free rate of return;

β: System risk coefficient of equity;

ERP: Market risk premium;

Δ: Enterprise-specific risk adjustment coefficient.

(1) Risk-free rate of return (R_f)

The yield of a national bond is generally considered to be risk-free, because the risk of holding the debt that cannot be cashed at maturity is very small and can be ignored. The yield to maturity of national bonds with a maturity of more than 10 years as of the Valuation Benchmark Date that is traded around the Valuation Benchmark Date with reference to iFinD information, the average value is taken as the risk-free rate of return, and the calculated R_f is 2.39%.

(2) Market risk premium (ERP)

Market risk premium refers to the expected excess return required by investors for equity investments with the same average risk as the overall market, that is, the risk compensation that exceeds the risk-free interest rate. Stock market risk yield is the portion expected by investors to invest in the stock market in excess of risk-free yield, and it can be considered a typical example of market risk. The following approaches are used to measure the investment yield of the PRC stock market (R_m) and market risk premium ERP (R_m-R_f).

The CSI 300 Index is an index covering both the Shanghai and Shenzhen stock markets, reflecting the comprehensive changes in the stock prices of representative stocks with strong liquidity and large scale. The constituent stocks of the index can more truly reflect the returns of mainstream investment in the market. Therefore, we selected the CSI 300 Index to estimate the investment yield of the PRC stock market. In this evaluation, the 10-year period is selected as the time span for the calculation of investment yield. For each constituent stock of CSI 300, the investment yield for the past ten years is calculated to minimize the impact of non-systematic stock volatility. The term used to calculate the investment yield for 2024 is from 2014 to 2023, and the investment yield for subsequent years is calculated similarly.

Meanwhile, as the geometric mean can better reflect the growth of the yield rate, the geometric mean is used as the calculation result of final annual investment yield (R_m).

The yield to maturity of treasury bonds with a remaining maturity of more than 10 years at the end of each year was selected as the risk-free interest rate (R_f). After the above steps, the ERP for 2024 was estimated to be 6.40%.

(3) Systematic risk coefficient β

① Comparable companies

The selecting criteria of comparable companies are that: (i) the industry of comparable companies engages, or its major business, is real estate; (ii) comparable companies achieved profits in recent years; (iii) comparable companies must be listed for at least two years; and (iv) comparable companies only issues A shares. According to the above four principles, 4 domestic listed companies are selected as comparable companies.

② β coefficient without financial leverage

In this valuation, the β calculator published by iFinD was selected to calculate the β values of the comparable companies. After screening, 4 listed companies which are similar to Wanhe Tiannuo in terms of business content and asset-liability ratio were selected as comparable companies. The risk coefficient β relative to the Shanghai and Shenzhen stock markets (using the CSI 300 Index) of each comparable company (with at least two years of listing history) calculated by using common yield rate within 48 months from the Valuation Benchmark Date was searched and obtained and the β coefficient without financial leverage of each comparable company was excluded, and their average value as the β coefficient of Wanhe Tiannuo without financial leverage was adopted. The β coefficient without financial leverage is 0.3784.

③ The capital structure ratio

When determining the capital structure of Wanhe Tiannuo, reference was made to the average value of the capital structure of the comparable companies and the capital structure calculated by Wanhe Tiannuo's own book value, and finally the capital structure of the comparable companies was adopted to determine that the capital structure of Wanhe Tiannuo is 104.50%.

④ Estimation of the β coefficient of Wanhe Tiannuo under the above determined capital structure ratio

The β coefficient with financial leverage of Wanhe Tiannuo was calculated by adding the determined capital structure ratio of Wanhe Tiannuo to the following formula:

β with financial leverage = β without financial leverage×[1+D/E×(1-T)]=0.6750

The coefficient β of a comparable listed company, which was estimated by adopting historical data, represents its history. The discount rate is used to discount the expected income in the future, and the discount rate required estimation shall also be the expected discount rate in the future, thus the estimation of expected coefficient β in the future is needed. The Blume Adjustment is adopted in the valuation to adjust the coefficient β estimated by adopting historical data: $\beta_a=0.35+0.65\beta_L$, among which, β_a is the β upon adjustment, and β_L is the historical β calculated.

The adjusted risk coefficient β of Wanhe Tiannuo is 0.7888.

(4) Enterprise-specific risk adjustment coefficient Δ

Δ is the enterprise-specific risk adjustment coefficient, and the risk premium of the following factors have been considered:

The specific risk return rate mainly refers to the risk premium or discount incurred by certain non-systemic specific factors of an enterprise. Analysis was conducted based on factors such as an enterprise's stage of operation, business model, enterprise size, historical operating conditions, financial risks, management personnel's competence, internal management and control mechanisms, core competitiveness, product types, dependence on major customers and suppliers, and dependence on key suppliers. Professional judgment was made based on the past practice experience of the evaluators, and determine the specific risk return rate at 3.70% after comprehensive analysis.

Based on the above analysis, the enterprise-specific risk premium is determined to be 3.70%.

(5) Cost of equity capital

Based on the above analysis and calculation, the expected return on equity (i.e. cost of equity capital) for the valuation is determined to be 11.14%.

2. Cost of debt capital

According to the historical financing and borrowing cost levels of an enterprise and its peers, combined with the new financing and borrowing after the benchmark date, the cost of debt capital is calculated at a five-year LPR interest rate of 3.85%.

3. Weighted cost of capital

Using the WACC model to calculate the weighted average cost of capital and substituting the above parameters into the WACC model, the weighted average cost of capital is 6.92% when a 25% income tax rate is applied. The discount rate is 6.92%.

The main parameters of the income forecast are as follows:

(1) Forecast of operating income

The income of main operations is mainly rental income, property management income, parking fees and venue leasing income. The income amount for this valuation is based on the free cash flow of the enterprise, and the corresponding discount rate is determined by the weighted average cost of capital (WACC). The growth in income slows down annually from 2024 and will enter a stable phase by 2031, with no increase or decrease in income.

(2) Forecast of operating costs

The costs of main operations are mainly the amortization of investment real estate, amortization of long-term deferred expenses, public area costs, outsourced labor, cleaning expenses, equipment maintenance fees, sporadic engineering expenses, tools and materials expenses, IT information expenses, property insurance premiums, entrusted management fees, other business expenses, etc. The growth in operating costs is expected to slow down each year from 2025 to 2030, while gross margin is expected to increase annually as business costs grow slower than revenue growth.

(3) Forecast of taxes and surcharges

Business tax expenses include urban construction tax, education surcharge, etc. The VAT rates in respect of rental services and property services applied in the forecast are 9% and 6% respectively. The urban maintenance and construction tax, education surcharge and local education surcharge shall be paid at 7%, 3% and 2% of the turnover tax, the property tax shall be paid at 1.2% on an ad valorem basis, and the land use tax shall be paid at a rate of RMB6 per square meter. It is expected that the applicable tax rate for each year during the forecast period will remain unchanged.

The enterprise income tax is estimated at the tax rate of 25% that applied to Wanhe Tiannuo in accordance with the requirements of the Enterprise Income Tax Law of the PRC and its implementation regulations.

(4) Forecast of the selling expenses and administrative expenses

The selling expenses mainly refer to sales agency commissions and promotion expenses, the administrative expenses mainly refer to administrative office expenses.

In view of the above, the calculation parameters of the Wanhe Tiannuo are as follows:

(1) Operating assets value: the appraised value of the operating assets of Wanhe Tiannuo was RMB954,186,700 based on the forecasted net cash flow and discount rate;

(2) Non-operating assets, non-operating liabilities and surplus funds: as of the Valuation Benchmark Date, the value of the certain assets (liabilities) on the books of Wanhe Tiannuo was not taken into account in the appraised net cash flow, and shall be other non-operating or surplus assets not included in the appraised cash flow in this appraisal, the value of which shall be appraised separately when estimating the enterprise value, the carrying amount of those non-operating assets was RMB81,864,800, the carrying amount of non-operating liabilities was RMB425,288,300, the surplus funds were RMB39,897,500;

(3) Overall enterprise value: the overall enterprise value was RMB650,660,700 based on the above calculation;

(4) Interest-bearing debts: as of the Valuation Benchmark Date, the book interest-bearing debts of Wanhe Tiannuo were RMB550,000,000, the appraised value was RMB550,000,000;

(5) Through the income approach evaluation, the valuation result of the entire shareholders' equity value of Wanhe Tiannuo was RMB100,660,700, with an appreciation amount of RMB87,136,100 and appreciation rate of 644.28%.

The carrying amount of net assets of Wanhe Tiannuo is calculated based on total assets minus total liabilities. The income approach focuses on the future earnings of the enterprise as a whole and is made on the basis of certain valuation assumptions. This approach takes into account the business development, profitability and other potential value factors of Wanhe Tiannuo since the investment, thus resulting in an appraised value higher than the carrying amount, which led to the appreciation in valuation.

The valuation conclusions are as follows:

Based on the valuation report issued by the independent third party valuer, the entire shareholders' equity value of Wanhe Tiannuo after the asset-based approach evaluation was RMB12,955,100, and the entire shareholders' equity value after the income approach evaluation was RMB100,660,700, with a difference of RMB87,705,600 and the rate of difference of 677%. The income approach focuses on the future earnings of the enterprise, which is based on the premise of the valuation assumptions, whereas the asset-based approach focuses on the history and reality of the enterprise. The difference in the nature of the focus of approaches resulted in a difference in the valuation conclusions.

The asset-based approach is based on the reacquisition of assets and reflects the replacement value of existing assets of the enterprise. The income approach is based on the future profitability of the enterprise and reflects the comprehensive profitability of various assets of the enterprise. Considering the industry where Wanhe Tiannuo operates and its operating characteristics, the appraisal value of the income approach can objectively and comprehensively reflect the current entire shareholders' equity value of the enterprise.

Based on the above analysis, the independent third party valuer adopted the valuation result of income approach as the appraised value of the equity interests in Wanhe Tiannuo held by Fuke Industrial, i.e., the valuation result of the entire shareholders' equity value of Wanhe Tiannuo was RMB100,660,700, and the appraised value of Fuke Industrial's long-term equity investment was RMB40,264,300 based on its 40% shareholding ratio.

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

Given that the Company and China Vanke had trade receivables and other balances with related parties as of the date of this announcement, and after arm's length negotiation between the parties, the parties agreed to offset the due and receivable amount from the balance of the aforesaid related parties of RMB142,074,225 with the assets of the Target Project at the amount of RMB142,074,225. The transaction would be effected by the purchase of 75% equity interest in Fuke Industrial held by Shenzhen Vanke Industrial by Shenzhen Vanke Service, a wholly-owned subsidiary of the Company, thereby achieving the result that the Company indirectly holds 30% interest in the Target Project.

The 30% interest in the Target Project of the Equity Transfer is equivalent to the proportion of the scale of the headquarters building leased by the Group to the Target Project. Upon the completion of the Equity Transfer, the Group will use the above-mentioned corresponding assets for its own use, which will reduce the payment of the corresponding lease costs, and also reduce the balance of the Company's accounts receivable. The Equity Transfer is in line with the Company's development strategy and has a positive contribution to the Company's interests.

Vanke Industrial Development confirms that upon receipt of each transfer consideration received for the sale of 75% equity interest in Fuke Industrial under the Equity Transfer Agreement, the full amount of the funds shall be used exclusively to make payments to the Company and its designated entities for the repayment of the existing debts of China Vanke and its direct or indirect shareholding entities or related parties to the Company. The Company will take relevant measures to ensure the safety of the funds for the relevant transfer consideration.

Based on the foregoing, the Directors (including the independent non-executive Directors) are of the view that the acquisition of 75% equity interests in Fuke Industrial will not have any material and adverse impact on the cash flow and liquidity of the Group. While the Equity Transfer Agreement is not entered into in the ordinary and usual course of business of the Group, the Equity Transfer Agreement is on normal commercial terms and fair and reasonable, and in the interests of the Company and the shareholders as a whole.

4. LISTING RULES IMPLICATIONS

As of the date of this announcement, China Vanke is entitled to control the voting rights of 660,602,000 Shares, representing approximately 56.89% of the total issued share capital of the Company (excluding 6,810,200 Shares held by the Company as treasury shares and 3,512,200 Shares repurchased but not yet cancelled), and thus China Vanke is the Controlling Shareholder of the Company. Vanke Industrial Development is a wholly-owned subsidiary of China Vanke. Therefore, China Vanke and Vanke Industrial Development are connected persons 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.

Pursuant to Rules 14A.81 and 14A.82 of the Listing Rules, as the transactions contemplated under the Equity Transfer Agreement and the Previous Transactions were entered into or completed with parties who are connected within a 12-month period, the transactions contemplated under the Equity Transfer Agreement and the Previous Transactions are required to be aggregated for the calculation of the relevant percentage ratios to determine the classification of the transactions contemplated under the Equity Transfer Agreement.

As one or more of the applicable percentage ratios in respect of the transaction contemplated under the Equity Transfer Agreement, after aggregating with the Previous Transactions, 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.

5. INFORMATION OF THE PARTIES

Information on Vanke Industrial Development

Vanke Industrial Development is a limited liability company incorporated under the laws of the PRC and a wholly-owned subsidiary of China Vanke, whose principal business is real estate development and operation.

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 businesses of China Vanke are real estate development, property services, rental housing, commercial development and operation, and logistics and warehousing business. As of 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 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 comprehensive 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 Fuke Industrial

Fuke Industrial is a limited liability company incorporated under the laws of the PRC, which is principally engaged in the park operation and management and property lease, and is currently held as to 75% and 25% by Shenzhen Vanke Industrial Development Co., Ltd. and Shenzhen Futian Investment Holdings Co., Ltd., respectively. Shenzhen Futian Investment Holdings Co., Ltd. is a limited liability company incorporated under the laws of the PRC, which is principally engaged in equity investment, operation and management, operation and management of industrial parks and state-owned operating properties within the district, etc., and is wholly-owned by the Shenzhen Futian District State-owned Assets Supervision and Administration Bureau. Upon the completion of the Equity Transfer, Fuke Industrial will be held as to 75% by the Company through Shenzhen Vanke Service, a wholly-owned subsidiary of the Company, and 25% by Shenzhen Futian Investment Holdings Co., Ltd.

According to the consolidated audited financial statements for the year ended December 31, 2023 of Fuke Industrial, its net profit before taxation for the year ended December 31, 2023 was RMB1,460,522.62 and the net profit after taxation was RMB1,427,391.40. Its net profit before taxation and net profit after taxation for the year ended December 31, 2022 amounted to RMB285,433.37 and RMB215,715.66, respectively.

Information on Wanhe Tiannuo

Wanhe Tiannuo is a limited liability company incorporated under the laws of the PRC, which is principally engaged in business services, and is held as to 40%, 20%, 20% and 20% by Fuke Industrial, Shenzhen Tianyuan Dic Information Technology Co., Ltd. ("**Tianyuan Dic**"), Shenzhen Hopewind Electric Corporation Limited ("**Hopewind Electric**") and NUODE New Materials Co., Ltd. ("**NUODE New Materials**"), respectively. Wanhe Tiannuo was jointly established by the aforementioned four shareholders, and the main purpose is to be responsible for the development, construction, and operation of the land of the Target Project.

Tianyuan Dic is a joint stock limited company incorporated in the PRC, with its shares listing on the ChiNext of Shenzhen Stock Exchange (stock code: 300047), and a domestic industrial Internet and big data integrated solution provider, developing advanced technologies such as cloud computing, big data, artificial intelligence and Internet of Things.

Hopewind Electric is a joint stock limited company incorporated in the PRC, with its shares listing on the Shanghai Stock Exchange (stock code: 603063), and a high-tech enterprise focusing on the research and development, manufacturing, sales and service of new energy electronic control systems.

NUODE New Materials is a joint stock limited company incorporated in the PRC, with its shares listing on the Shanghai Stock Exchange (stock code: 600110), and the first new materials high-tech enterprise in the PRC that independently developed and manufactures electrolytic copper foil.

6. DEFINITIONS

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

"Board" or "Board of Directors"	the board of directors of our Company
"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
"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)
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of our Company
"Equity Transfer"	the transfer of 75% equity interest in Fuke Industrial which is free from any encumbrances by the Vendor to the Purchaser pursuant to the terms of the Equity Transfer Agreement
"Equity Transfer Agreement"	the equity transfer agreement dated December 30, 2024 entered into between Vanke Industrial Development (as the Vendor) and Shenzhen Vanke Service (as the Purchaser), pursuant to which, the Vendor agreed to sell to the Purchaser and the Purchaser agreed to purchase from the Vendor 75% equity interest in Fuke Industrial which is free from any encumbrances
"Fuke Industrial"	Shenzhen Fuke Industrial Operation Management Co., Ltd. (深圳市福科產業運營管理有限公司), a limited liability company incorporated in the PRC
"Group"	the Company and its subsidiaries
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited

"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
"PRC"	the People's Republic of China, for the purposes of this announcement and for geographical reference only
"Previous Transactions"	the transaction of the transfer of 50% equity interest in Wuhan Xintang Gongxiang Business Management Co., Ltd. (武漢新唐共祥商業管理有限公司) between Zhuhai Maode Chengtou Commercial Development Co., Ltd. (珠海市懋德誠投商業發展有限公司) and Shenzhen Onewo Business Enterprise Space Technology Co., Ltd. (深圳市萬物商企空間科技有限公司) pursuant to the equity transfer agreement entered into by both parties on November 1, 2024, the transaction of the transfer of 45% equity interest in Shanghai Xiangda Real Estate Development Co., Ltd (上海祥大房地產發展有限公司) between Shanghai Vanke Investment Company Limited (上海萬科投資管理有限公司) and Shenzhen Onewo Business Enterprise Space Technology Co., Ltd. pursuant to the equity transfer agreement entered into by both parties on November 29, 2024, and the transaction of the transfer of 100% equity interest in Beijing Wanyi Commercial Management Co., Ltd. (北京萬驛商業管理有限公司) between Beijing Vanke Service Co., Ltd. (北京萬科物業服務有限公司) and Beijing Lianwanxiang Construction Technology Co., Ltd. (北京聯萬享建築科技有限公司) pursuant to the equity transfer agreement entered into by both parties on December 26, 2024. For details, please refer to the announcements dated November 1, 2024, November 29, 2024 and December 26, 2024 issued by the Company, respectively
"Purchaser" or "Shenzhen Vanke Service"	Shenzhen Vanke Property Service Co., Ltd. (深圳市萬科物業服務有限公司), a limited liability company incorporated in the PRC, and a wholly-owned subsidiary of the Company
"related party(ies)"	in respect of a particular entity, any entity that controls, is controlled by, or is under common control with the particular entity. For the purposes of this definition, the term "control" as used in this context means holding more than 50% of the equity interest in the entity, directly or indirectly, whether through equity interest, agreement or otherwise, or having the power to appoint a majority of the members to the board of directors, management committee or other major decision-making body of the entity
"RMB"	Renminbi, the lawful currency of the PRC

"Share(s)"	share(s) in the share capital of our Company, with a nominal value of RMB1.00 each, comprising the H Shares only
"shareholder(s)"	holder(s) of our share(s) of our Company
"Target Project"	Ownership right of 01 (S01, Y03), Smart I&T Building, No. 1, Guangxia Road, Meiting Community, Meilin Street, Futian District, the PRC, and its corresponding state-owned construction land use rights jointly held by Fuke Industrial, Shenzhen Tianyuan Dic Information Technology Co., Ltd., NUODE New Materials Co., Ltd. and Shenzhen Hopewind Electric Corporation Limited in accordance with the proportions of 40%, 20%, 20%, and 20%
"Valuation Benchmark Date"	August 31, 2024
"Vendor" or "Vanke Industrial Development"	Shenzhen Vanke Industrial Development Co., Ltd. (深圳市萬科產業發展有限公司), a limited liability company established in the PRC
"Wanhe Tiannuo"	Shenzhen Wanhe Tiannuo Industrial Operation and Management Co., Ltd. (深圳市萬禾天諾產業運營管理有限公司), a limited liability company established in the PRC, and a joint venture company jointly established by Fuke Industrial, Shenzhen Tianyuan Dic Information Technology Co., Ltd., NUODE New Materials Co., Ltd. and Shenzhen Hopewind Electric Corporation Limited
"%"	per cent

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

Shenzhen, the PRC, December 30, 2024

As of 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.