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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)

**SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO CONNECTED
TRANSACTION
THE EQUITY TRANSFER AGREEMENT**

Reference is made to the announcement (the “**Announcement**”) of Onewo Inc. (the “**Company**”) dated November 29, 2024 in relation to the connected transaction relating to the Equity Transfer Agreement. Unless the context otherwise requires, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

The Board wishes to provide the Shareholders and potential investors of the Company with additional information in relation to the acquisition of 45% equity interest in Shanghai Xiangda by Onewo Business Enterprise Space Technology pursuant to the Equity Transfer Agreement.

Consideration and Valuation Results

As disclosed in the Announcement and as set out in the valuation report issued by the independent third party valuer (the “**Valuation Report**”), the independent third-party valuer adopted the summation method under the cost approach to evaluate the value of shareholders’ equity in Shanghai Xiangda as of the Valuation Benchmark Date.

With reference to the International Valuation Standards, there are three cost approach methods: (i) replacement cost method; (ii) reproduction cost method; and (iii) summation method. The summation method is suitable for a valuation subject when its value is primarily a factor of the values of the valuation subject’s holding assets and liabilities. Shanghai Xiangda is a limited liability company principally engaged in real estate development and operation, as well as property management business. Its principal holding asset is Shanghai Binjiang Vanke Center (上海濱江萬科中心), being the Target Project, which is a commercial complex and constitutes as the primary component for the shareholder’s equity value of Shanghai Xiangda. Therefore, the summation method under the cost approach was adopted in the valuation of Shanghai Xiangda’s shareholders’ equity value by adding component assets and deducting component liabilities.

Details of the valuation approach adopted for individual assets and liabilities of Shanghai Xiangda are as follows:

- (i) The investment property, namely the Target Project (including fixed assets (i.e. electronic equipment and vehicles), construction in progress (mainly operating costs such as repairment and renovation costs) and long-term prepaid expenses (mainly projects required for property maintenance or upgrades)) was valued by using the income approach. The income approach is a method of discounting the expected objective net income in future periods to their present value by valuating the expected future income of the appraised assets and applying an appropriate discount rate.
- (ii) The value of other assets and liabilities was valued based on the book value in the financial statement of Shanghai Xiangda as at the Valuation Benchmark Date provided by the management of Shanghai Xiangda.

As at the Valuation Benchmark Date, the book value of 100% equity interest in Shanghai Xiangda was RMB625,356,583 and the appraised value was RMB1,582,361,724 with an appreciation rate of approximately 153%, which is primarily contributed by appreciation in the value of total assets of Shanghai Xiangda. As set out in the Valuation Report, the book value of total assets amounted to RMB1,644.6386 million, with an appraised value of RMB2,601.6438 million, which is primarily contributed by the investment properties held by Shanghai Xiangda, being the Target Project. Fixed assets, construction in progress and long-term prepaid expenses were assessed with the value of investment properties on a consolidated basis. The book value of the investment properties, fixed assets, construction in progress and long-term prepaid expenses was RMB379.9949 million and the appraised value was RMB1,337 million with an appreciation rate of approximately 252%. As disclosed in the Announcement, the appreciation of appraised value has taken into account factors such as the long history of Shanghai Xiangda since its establishment in 1996 and the continuous increase in the value of land and assets over the years. Save as disclosed above, there were no material differences between the carrying amount and appraised value of Target Project for the purpose of determining its shareholders' equity value as set out in the Valuation Report.

The appraised value of the Target Project is a comprehensive valuation of the value of the premises and land. Income approach was adopted by the independent third party valuer to assess value of the Target Project, which reflects the discounted value of the Target Project's future operating income. As the expected discounted value of future operating income from the Target Project exceeded the relevant construction cost incurred, there was an appreciation of appraised value of the Target Project as compared to its carrying amount. The following formula was adopted in assessing the value of the Target Project:

$$V=A/y[1-1/(1+y)^n]$$

Where, V: yield price; A: annual net revenue; y: rate of return; and n: years of future revenue. The annual net revenue was determined with reference to the actual rental income level of Shanghai Xiangda during the relevant rental period and the market rental income level as at the Valuation Benchmark Date. The rate of return was 4.5% and 4% for commercial property and office premises, respectively. The rate of return was determined by the sum of the risk-free return rate and the market risk premium, where the risk-free return rate was determined based on the benchmark one-year deposit rates of RMB and the market risk premium was determined with reference to factors including the operation model of similar properties located in similar cities and management risks of such properties. The year of future revenue was determined by the remaining duration of the land use term of the Target Project as at the Valuation Benchmark Date, being approximately 12.88 years and 22.88 years for commercial property and office premises, respectively.

General

All other information as set out in the Announcement remain unchanged and shall continue to be valid for all purposes, while this announcement is supplemental to and should be read in conjunction with the Announcement.

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

Shenzhen, the PRC, January 6, 2025

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.