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)

CHANGE IN USE OF PROCEEDS

References are made to the prospectus of Onewo Inc. (the "**Company**", together with its subsidiaries, the "**Group**") dated September 19, 2022 (the "**Prospectus**") and the interim report of the Company for the six months ended June 30, 2024 published on September 11, 2024 ("**2024 Interim Report**"). Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the Prospectus.

STATUS FOR USE OF NET PROCEEDS

The H Shares of the Company were listed on the Main Board of the Stock Exchange on September 29, 2022 by way of the Global Offering. The net proceeds from the Global Offering received by the Company (after the partial exercise of the Over-allotment Option) amounted to approximately RMB5,617.2 million after deducting the commissions and other related expenses payable in connection with the underwriting and exercise of the Over-allotment Option (the "**Net Proceeds**").

As of August 31, 2024, the Company had utilized approximately RMB2,274.3 million of the Net Proceeds, representing approximately 40.5% of the Net Proceeds. The unutilized Net Proceeds amount to approximately RMB3,342.9 million (the "**Unutilized Net Proceeds**"), representing approximately 59.5% of the Net Proceeds. As of the date of this announcement and prior to the proposed change in the use of the Unutilized Net Proceeds as mentioned below in this announcement, the Net Proceeds have been used in a manner consistent with the disclosure in the Prospectus.

The table below sets forth the allocation and status of the utilization of the Net Proceeds as of August 31, 2024:

Items	Net Proceeds *(RMB million)*	Percentage of Net Proceeds	Utilized amount as of August 31, 2024 *(RMB million)*	Unutilized amount as of August 31, 2024 *(RMB million)*
Financing the development of our replicating the success of our "Onewo Town" model to achieve economies of scale	1,966.0	35%	451.9	1,514.0
Use for business expansion initiatives	*1,404.3*	*25%*	*300.5*	*1,103.8*
(i) Use for supporting residential property services projects	842.6	15%	183.0	659.5
(ii) Use for acquisitions of majority interests in residential property service providers	280.9	5%	108.1	172.7
(iii) Use for the establishment of new subsidiaries or equity investment in new joint ventures or associates to expand the project portfolio of urban space integrated service and to develop business activities to enhance the awareness of our *City Up* brand	280.9	5%	9.3	271.6
Facilitating the integration and resource sharing of the managed spaces within Onewo Town	*561.7*	*10%*	*151.4*	*410.3*
Investing in the development of our AIoT and BPaaS solutions	1,404.3	25%	964.7	439.6
Use for technical investment and transformation of infrastructure	*561.7*	*10%*	*275.1*	*286.6*
(i) Use for enhancing our AIoT system integration capabilities through developing and upgrading AIoT platform	280.9	5%	196.3	84.5
(ii) Use for optimizing algorithms	280.9	5%	78.8	202.1
Use for the development of BPaaS solutions	*842.6*	*15%*	*689.6*	*153.0*
(i) Use for enhancing the BPaaS solutions	280.9	5%	127.9	153.0
(ii) Use for developing new service processes	561.7	10%	561.7	–
Incubating the Onewo ecosystem through acquisitions of majority interests in value-added service providers and service providers along the upstream and downstream supply chain of our industry	1,123.5	20%	0.8	1,122.7
Attracting and nurturing talents	561.7	10%	295.1	266.6
For working capital and general corporate purposes	561.7	10%	561.7	–
Total	5,617.2	100%	2,274.3	3,342.9

Note: The above amounts and percentage figures are subject to rounding adjustments. Any discrepancies between totals and sums of the amounts listed above are due to rounding.

Based on the reasons set out in the paragraph headed "Reasons for the Changes in Use of Net Proceeds" below, the board (the "**Board**") of directors (the "**Directors**") of the Company, after careful consideration and detailed evaluation of the Company's operations and strategy, has resolved to change the intended use of the Unutilized Net Proceeds (the "**Changes in Use of Net Proceeds**") as follows:

(i) merging the "use for supporting residential property services projects" and "use for acquisitions of majority interests in residential property service providers" under the above item of "financing the development of our replicating the success of our 'Onewo Town' model to achieve economies of scale" into the use for "replicating the success of our 'Onewo Town' model - for supporting residential property services projects, horizontal acquisitions and other business expansion initiatives";

(ii) reallocating the unutilized portion of the "use for the establishment of new subsidiaries or equity investment in new joint ventures or associates to expand the project portfolio of urban space integrated service and to develop business activities to enhance the awareness of our *City Up* brand" under the above item of "financing the development of our replicating the success of our 'Onewo Town' model to achieve economies of scale" to the "use for deepening the Onewo Town strategy and incubating the Onewo ecosystem through the exploration of property targets with development potentials (including investment in operating assets) by means of fund investment, etc.", and reallocating the unutilized portion of "facilitating the integration and resource sharing of the managed spaces within Onewo Town" to the "use for deepening the Onewo Town strategy and incubating the Onewo ecosystem through the exploration of property targets with development potentials (including investment in operating assets) by means of fund investment, etc."; and

(iii) reallocating the unutilized portion of the above item of "incubating the Onewo ecosystem through acquisitions of majority interests in value-added service providers and service providers along the upstream and downstream supply chain of our industry" to the "use for deepening the Onewo Town strategy and incubating the Onewo ecosystem through the exploration of property targets with development potentials (including investment in operating assets) by means of fund investment, etc.".

Save for the Changes in Use of Net Proceeds as set out above, the allocation and the expected timeline for the utilization of the other Net Proceeds remain unchanged, which will be used in the manner as disclosed in the Prospectus.

Please refer to the table below for details of the Changes in Use of Net Proceeds:

Items	**Proposed allocation of Unutilized Net Proceeds after Changes in Use of Net Proceeds** *(RMB million)*	**Percentage of Unutilized Net Proceeds**	**Expected timetable for the full use of the balance**
Replicating the success of our "Onewo Town" model - for supporting residential property services projects, horizontal acquisitions and other business expansion initiatives	832.2	25%	By the end of 2027

Items	Proposed allocation of Unutilized Net Proceeds after Changes in Use of Net Proceeds *(RMB million)*	Percentage of Unutilized Net Proceeds	Expected timetable for the full use of the balance
Investing in the development of our AIoT and BPaaS solutions	439.6	13%	By the end of 2027
Use for technical investment and transformation of infrastructure	*286.6*	*9%*	*By the end of 2027*
(i) Use for enhancing our AIoT system integration capabilities through developing and upgrading AIoT platform	84.5	3%	By the end of 2027
(ii) Use for optimizing algorithms	202.1	6%	By the end of 2027
Use for the development of BPaaS solutions	*153.0*	*4%*	*By the end of 2027*
(i) Use for enhancing the BPaaS solutions	153.0	4%	By the end of 2027
(ii) Use for developing new service processes	–	–	–
Use for deepening the Onewo Town strategy and incubating the Onewo ecosystem through the exploration of property targets with development potentials (including investment in operating assets) by means of fund investment, etc.	1,804.5	54%	By the end of 2027
Attracting and nurturing talents	266.6	8%	By the end of 2027
For working capital and general corporate purposes	–	–	–
Total	3,342.9	100%	

Note: The above amounts and percentage figures are subject to rounding adjustments. Any discrepancies between totals and sums of the amounts listed above are due to rounding.

REASONS FOR THE CHANGES IN USE OF NET PROCEEDS

Currently, the Company's strategy is focused on the Onewo Town strategy, investing in target areas with the aim to increase the density of Onewo Town. The purpose is to consolidate the foundation of Onewo Town and support the continuous rise of residential gross margins, whether by supporting residential property service projects or acquiring residential property service providers. In addition, enhancing the density of projects in a specific region through acquisitions and implementing intelligent deployment in that region are two sides of the same coin for the transformation of Onewo Town, and there is no priority in the process. Given the above facts, the Board is of the view that the corresponding expenditures for the "use for supporting residential property service projects" and "use for the acquisitions of majority interests in residential property service providers" should be consolidated into "replicating the success of our 'Onewo Town' model - for supporting residential property services projects, horizontal acquisitions and other business expansion initiatives".

Furthermore, in recent years, the Company has actively adjusted its strategies and the proportion of non-core businesses in the main businesses has continued to decline. As "use for the establishment of new subsidiaries or equity investment in new joint ventures or associates to expand the project portfolio of urban space integrated service and to develop business activities to enhance the awareness of our *City Up* brand" is a non-core business of the Company, the Board is of the view that capital investment should be reduced. In addition, with the development of the Onewo Town strategy, the expenditure originally used for "facilitating the integration and resource sharing of the managed spaces within Onewo Town" should be developed for more directions of use based on the assets with development potentials. Relying on the resource synergy of the Onewo Town of the Company, the Company has newly developed a unique business community investment and operation capabilities of the ecological linkage of "Onewo Town + Business Community". Focusing on the Onewo Town strategy, the Company will incubate an ecosystem focusing on investment in operating asset by purchasing operating assets (including but not limited to assets such as parking spaces, business communities, apartments, office buildings etc., which can form the ecological linkage of "Onewo Town + Business Community" in a certain area) in the form of cash or equity, so as to enhance the density of Onewo Town and implement the Onewo Town strategy.

For "incubating the Onewo ecosystem through acquisitions of majority interests in value-added service providers and service providers along the upstream and downstream supply chain of our industry", as of now, the Company has not identified any suitable acquisition target in the market, resulting in a low efficiency of the use of the corresponding proceeds. The Board will reallocate the unutilized portion of the item to the "use for deepening the Onewo Town strategy and incubating the Onewo ecosystem through the exploration of property targets with development potentials (including investment in operating assets) by means of fund investment, etc.", including but not limited to the search for operating assets with positive investment value in areas of strategic significance by way of establishment of funds, acquisition of equity interests, or cash purchases. Taking into account different investment methods, the Company will make flexible investments in the underlying assets with development potentials in the market, and will increase the bid winning rate of high-quality assets by using methods such as the leverage effect of the fund for different targets.

Therefore, taking into account the respective utilization rate of the Net Proceeds and the future development of the Group, the Board is of the view that the Changes in Use of Net Proceeds is aligned with its business strategy and would allow the Company to utilise its financial resources in a more flexible way.

The Board considers that the Changes in Use of Net Proceeds will not have any material adverse impact on the existing business and operations of the Group and is in the best interest of the Company and its Shareholders as a whole. Save as disclosed in this announcement, there are no other changes to the plan for utilizing the Net Proceeds.

The Board will continuously assess the plans for the use of the Unutilized Net Proceeds and may revise or amend such plans where necessary to cope with the changing market conditions in order to strive for a better performance of the Group.

The Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

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

Shenzhen, the PRC, September 30, 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.