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**Flowing Cloud Technology Ltd**

**飛天雲動科技有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 6610)**

**VOLUNTARY ANNOUNCEMENT  
ESTABLISHMENT OF AN INDUSTRIAL FUND  
AND ENTERING INTO  
THE PARTNERSHIP AGREEMENT**

This announcement is made by Flowing Cloud Technology Ltd (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to keep the shareholders of the Company (the “**Shareholders**”) and potential investors informed on the latest plan of the Group.

Beijing Flowing Cloud Technology Co., Ltd.\* (北京飛天雲動科技有限公司) (“**Beijing Flowing Cloud**”), a wholly-owned subsidiary of the Company, intends to enter into a partnership agreement with NEEO FUND Venture Capital (Beijing) Co., Ltd.\* (泥藕創業投資(北京)有限公司) (“**NEEO FUND**”), Hainan Lingshui Industrial Development Equity Investment Fund Partnership (Limited Partnership)\* (海南陵水產業發展股權投資基金合夥企業(有限合夥)) (“**Hainan Lingshui Equity Investment**”) and Beijing Quanshi World Online Network Information Co., Ltd. (北京全時天地在線網絡信息股份有限公司) (“**TD Online**”) to jointly invest in and establish Lingshui Smart Navigation Investment Partnership (Limited Partnership)\* (陵水智選領航投資合夥企業(有限合夥)) (“**Partnership**” or “**Smart Navigation Fund**”). Pursuant to the partnership agreement, the total contribution of the Partnership amounts to RMB101,000,000, among which Beijing Flowing Cloud agrees to invest RMB10,000,000 as a limited partner.

The Smart Navigation Fund is a venture capital fund jointly-established by the Lingshui Master Fund and relevant private partners pursuant to the Administrative Measure for the High Quality Development Fund of Lingshui Li Autonomous County\* (《陵水黎族自治縣高質量發展基金管理辦法》). The Smart Navigation Fund will mainly focus on enterprises in early stages, and invest in innovative technology companies in Metaverse, overseas expansion, artificial intelligence (AI), big data and other digital economy fields.

## **PARTIES TO THE PARTNERSHIP AGREEMENT**

**General partner:** NEEO FUND will act as the general partner and executive partner of the Partnership and will be responsible for the management, control, decision-making and operation of the Partnership.

NEEO FUND has long been focused on next-generation information technology innovations based on AI and spatial computing (including Metaverse). It invested in many notable projects in the fields of spatial computing, spatial twin, spatial perception, spatial update, spatial mapping and spatial interaction and jointly explored the closed-loop Metaverse business model driven by multiple terminals with entrepreneurial enterprises, striving to implement spatial computing of Metaverse to empower applications in various scenarios. The cases invested by NEEO FUND's team members include SuperMap Software, Soulgate, Daspatial, ARknovv, Dycharts, Huoyoo, etc.

**Limited partner:** Hainan Lingshui Equity Investment, TD Online and Beijing Flowing Cloud will act as limited partners and invest in the Partnership.

Hainan Lingshui Equity Investment was established in September 2023 with a registered capital of RMB1 billion. It is owned as to 99.95% by Lingshui Li Autonomous County Development Group Holdings Limited\* (陵水黎族自治縣發展控股集團有限公司) and 0.05% by Central Investment. Co., Ltd\* (信創投資管理有限公司).

TD Online was established in 2005 and was listed on the Shenzhen Stock Exchange (stock code: 002995.SZ) in August 2020. Since its establishment, TD Online has focused on providing comprehensive internet marketing services and enterprise SaaS marketing services to corporate customers and has served over 170,000 corporate customers. On top of consolidating its existing business and keeping up with changes in the industry, TD Online adopts “content+technology” as the core of its operating strategy and began building its virtual and digital business since 2021. Its three product lines of service, platform and AI business have taken shape, providing customers with AI digital human, AI assistant, digital content, digital scenario, XR streaming and digital asset production and publishing services, in order to continuously empower enterprises in the era of digital economy.

To the best of the knowledge, information and belief of the directors of the Company (the “**Directors**”), having made all reasonable enquiries, NEEO FUND, Hainan Lingshui Equity Investment and TD Online are each a third party independent of, and not connected with, the Company and its connected person.

## CONTRIBUTION TO THE PARTNERSHIP

The total contribution of the Partnership amounts to RMB101,000,000. Committed capital contributions of the parties are as follows:

	<b>Committed capital contribution</b> <i>(RMB'0000)</i>
NEEO FUND	100
Hainan Lingshui Equity Investment	8,000
TD Online	1,000
Beijing Flowing Cloud	1,000
<b>Total</b>	<b>10,100</b>

## REASONS FOR AND BENEFITS OF THE PARTNERSHIP AGREEMENT

The board (the “**Board**”) of Directors is of the view that the investment in the Partnership and the entering of the partnership agreement will provide capital supports and create synergies for the Group to fulfill its existing strategic goals of continuously building Metaverse ecosystem, exploring next-generation cutting-edge AI technology, overseas expansion and creating new productivity featuring digital content. Therefore, the Board believes that the transactions contemplated under the partnership agreement will enhance the overall competitive edge of the Company.

The Directors (including the independent non-executive Directors) consider that the terms of the partnership agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable, and in the best interests of the Company and the Shareholders as a whole.

Shareholders and potential investors should give due consideration to various factors when assessing the value of the Company’s shares. Shareholders and potential investors should therefore exercise caution when dealing in the shares.

By order of the Board  
**Flowing Cloud Technology Ltd**  
**Wang Lei**  
*Chairman*

Hong Kong, July 15, 2024

*As at the date of this announcement, the Board comprises Mr. Wang Lei, Mr. Li Yanhao, Ms. Xu Bing and Mr. Li Yao as executive Directors and Mr. Jiang Yi, Mr. Tan Deqing and Ms. Wang Beili as independent non-executive Directors.*

\* *For identification purpose only*