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)

PROFIT WARNING

This announcement is made by Flowing Cloud Technology Ltd (the "**Company**", together with its subsidiaries and consolidated affiliated entities, the "**Group**") pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the "**Board**") of the Company wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that, based on a preliminary assessment of the information currently available to the Board, for the period ended June 30, 2024, the Group is expected to record (i) a decrease in revenue by approximately 25% as compared with that for the period ended June 30, 2023; and (ii) a decrease in net profit by approximately 45% as compared with that for the period ended June 30, 2023.

The decrease in revenue and net profit for the period is mainly attributable to the following factors: (i) impacted by the macro economy, internet advertisement customers generally devote less budget, leading to a decrease in revenue from augmented reality and virtual reality ("**AR/VR**") marketing services business of the Company, while the increment in traffic costs also contributed to the decrease in profit margin of such business; (ii) in terms of AR/VR content business, although the number of projects increased, the market has become more competitive, leading to a decrease in both project unit price and profit margin; and (iii) a decrease in both the number of subscription for AR/VR software as a service (SaaS) business and customized project.

The Company has yet to finalize the unaudited interim results of the Group for the period ended June 30, 2024. The information contained in this announcement is only based on a preliminary assessment of the information currently available to the Board as at the date of this announcement, which have not been audited nor reviewed by the Company's auditors or reviewed by the audit committee of the Board. The actual interim results of the Group for the period ended June 30, 2024 may be different from what is disclosed in this announcement. Shareholders and potential investors are advised to refer to the details in the interim results announcement of the Group, which is expected to be published by the end of August 2024.

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

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

Hong Kong, August 23, 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.