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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)

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 (the “**Board**”) of directors (the “**Director(s)**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on a preliminary assessment of the unaudited consolidated management accounts of the Group for the six months ended June 30, 2025 (the “**2025 Interim Period**”) and other information currently available to the Board, the Group is expected to record a loss for the period attributable to equity owners of the Company ranging from approximately RMB100 million to RMB130 million for the 2025 Interim Period, representing a significant decline where compared to the profit of approximately RMB63.5 million recorded for the same period in 2024 (the “**2024 Interim Period**”).

The increase in the loss attributable to equity owners of the Company can be primarily attributable to (i) a reduction in gross profit, primarily due to a decline in revenue from the Group’s augmented reality and virtual reality (AR/VR) marketing services business, which is expected to be approximately RMB108.2 million lower compared to the 2024 Interim Period; (ii) an increase in impairment losses for trade receivables of not more than approximately RMB90.0 million when compared to the 2024 Interim Period, following an internal evaluation of the recoverability of those receivables; and (iii) an increase in selling and distribution expenses of approximately RMB59.2 million, mainly driven by heightened marketing expenditures paid to third-party service providers, reflecting increased efforts to launch and promote the Group’s services and platform during the 2025 Interim Period.

The Company has yet to finalise the unaudited consolidated financial statements of the Group for the 2025 Interim Period. The information contained in this announcement is only based on a preliminary assessment made by the Board on the information currently available as of the date of this announcement, which have not been audited nor reviewed by the Company's auditors or the audit committee of the Board. The actual interim results of the Group for 2025 Interim Period may be different from the information 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 2025.

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 11, 2025

As of the date of this announcement, the Board comprises Mr. Wang Lei, Ms. Xu Bing and Mr. Li Yao as executive Directors and Mr. Jiang Yi, Ms. Chen Yuelin and Mr. Li Shaojie as independent non-executive Directors.