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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)**

## **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

**Placing Agent**



**CNI Securities Group Limited**

### **THE PLACING**

The Board announces that after trading hours on September 9, 2025, the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company agreed to place through the Placing Agent up to a maximum of 433,429,200 Placing Shares to not less than six Placees at the Placing Price of HK\$0.174 per Placing Share on a best effort basis.

The Placing Shares will be allotted and issued by the Company to the Placee(s) under the General Mandate.

As of the date of this announcement, the Company has 2,167,146,000 Shares in issue (excluding treasury Shares). Assuming that there will be no other change in the total issued share capital of the Company between the date of this announcement and the Completion Date and all the 433,429,200 Placing Shares are successfully placed, the Placing Shares represent (i) 20% of the total issued share capital of the Company (excluding treasury Shares) as of the date of this announcement; and (ii) approximately 16.67% of the total issued share capital of the Company (excluding treasury Shares) as enlarged by the allotment and issue of the Placing Shares immediately after the Completion.

Assuming all the 433,429,200 Placing Shares are successfully placed, the gross proceeds from the Placing will amount to approximately HK\$75.42 million. After deducting estimated expenses, the net proceeds from the Placing are estimated to be approximately HK\$74.53 million after deducting the estimated expenses for the Placing. The Company plans to allocate the net proceeds as to: (i) approximately HK\$44.72 million to acquire advertising traffic from media platforms or their authorised agents; (ii) approximately HK\$22.36 million to enhance research and development capabilities and to improve services and products; and (iii) approximately HK\$7.45 million for general working capital purposes.

## **GENERAL**

An application will be made by the Company to the Stock Exchange for the grant of listing of, and permission to deal in, the Placing Shares.

**As Completion is conditional upon fulfilment of the Conditions Precedent as set out in the paragraphs headed “Conditions Precedent” in this announcement, the Placing may or may not proceed. The Shareholders and potential investors should exercise caution when dealing in the Shares.**

## **THE PLACING**

The Board announces that, on September 9, 2025, the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company agreed to place through the Placing Agent up to a maximum of 433,429,200 Placing Shares to not less than six Placees at the Placing Price of HK\$0.174 per Placing Share on a best effort basis.

### **The Placing Agreement**

The principal terms and conditions of the Placing Agreement are summarized as follows:

**Date:** September 9, 2025

**Parties:** (i) the Company; and

(ii) the Placing Agent.

To the best of the knowledge, information, and belief of the Directors, having made all reasonable enquiries, the Placing Agent and its respective ultimate beneficial owner(s) are Independent Third Parties.

## **The Placing Agent**

The Company appoints the Placing Agent, upon and subject to the terms and conditions of the Placing Agreement, as its placing agent, to procure not less than six Placee(s) at the Placing Price (together with brokerage (if any), such transaction levy as may be payable by the Placee(s) to the SFC and the Accounting and Financial Reporting Council for the Placing Shares and such trading fee as may be payable by the Placee(s) to the Stock Exchange for the Placing Shares) for the Placing Shares on a best endeavour basis.

According to the Placing Agreement, and with acknowledgments signed by each of the Placees, the Placing Agent must ensure that the Placee (and any of their nominees or beneficial owners) is independent of and not connected with the Company, any promoter(s), director(s), supervisor(s), chief executive(s), substantial shareholder(s) (as defined in the Listing Rules) of the Company or any of its subsidiaries or their respective associates (as defined in the Listing Rules).

## **Number of the Placing Shares**

Assuming that there will be no other change in the total issued share capital of the Company between the date of this announcement and the Completion Date and all the 433,429,200 Placing Shares are successfully placed, the Placing Shares represent (i) 20% of the total issued share capital of the Company (excluding treasury Shares) as of the date of this announcement; and (ii) approximately 16.67% of the total issued share capital of the Company (excluding treasury Shares) as enlarged by the allotment and issue of the Placing Shares immediately after the Completion.

The aggregate nominal value of all the Placing Shares will be US\$4,334.

## **General Mandate to issue the Placing Shares**

The Placing Shares will be allotted and issued by the Company to the Placee(s) under the General Mandate, pursuant to which the Directors are authorized to allot, issue and otherwise deal with up to 433,429,200 Shares, representing 20% of the total number of issued Shares (excluding treasury Shares) as at the annual general meeting of the Company held on 28 May 2025 approving, among other matters, the granting of the General Mandate.

As of the date of this announcement, the Company has not utilized any part of the General Mandate. Therefore, the Placing does not require any Shareholders' approval.

## **Ranking of the Placing Shares**

The Placing Shares, when issued, will be fully paid up and will rank *pari passu* in all respects with the other Shares in issue at the date of allotment and issue of the Placing Shares and the Placing Shares, when issued, will be free from all liens, charges, encumbrances, claims, options or other third party rights together with all rights attaching thereto as of the date of allotment and issue of the Placing Shares on the terms and subject to the constitutional documents of the Company and the conditions set out in the Placing Agreement.

## **Placing Price**

The Placing Price of HK\$0.174 per Placing Share represents:

- (a) a discount of approximately 19.82% to the closing price of HK\$0.2170 per Share quoted on the Stock Exchange on the date of the Placing Agreement; and
- (b) a discount of approximately 17.46% to the average closing price of HK\$0.2108 per Share as quoted on the Stock Exchange for the five trading days immediately preceding the date of the Placing Agreement.

The Placing Price was determined after arm's length negotiations between the Company and the Placing Agent with reference to, among other things, the prevailing market price and the recent trading volume of the Shares.

Taking into account the estimated expenses for the Placing of approximately HK\$880,000, comprising fees, costs, charges, and expenses of the Placing and assuming that all the 433,429,200 Placing Shares could be placed successfully, the net price of each Placing Share amounts to approximately HK\$0.172 per Placing Share.

## **Placing fee**

In consideration of the services of the Placing Agent in relation to the Placing and provided that the Completion occurs in accordance with the Placing Agreement, the Company shall pay to the Placing Agent a commission of one per cent (1.0%) of the aggregate Placing Price of the Placing Shares successfully placed by the Placing Agent on behalf of the Company in pursuance of its obligations therein which the Placing Agent is thereby authorized to deduct from the payment to be made by it to the Company at Completion.

Assuming all the 433,429,200 Placing Shares have been placed, the maximum commission payable by the Company to the Placing Agent shall be HK\$754,167.

The placing commission under the Placing Agreement was determined after arm's length negotiations between the Company and the Placing Agent with reference to the prevailing market conditions.

### **Conditions Precedent**

The Completion is conditional upon the granting by the Listing Committee of the Stock Exchange or the Listing Division of the Stock Exchange listing of, and permission to deal in, all of the Placing Shares being obtained on or before September 30, 2025 or such later date as the parties hereto may agree in writing.

Each of the Company and the Placing Agent shall use their respective best endeavours to procure the satisfaction of the Conditions Precedent by the time stated above or such later date as the parties hereto may agree in writing, but if the condition shall not be so satisfied, all obligations of the Placing Agent and of the Company hereunder shall cease and determine and none of the parties hereto shall have any claim against the other in relation thereto.

### **Completion**

Subject to the fulfilment of all the Conditions Precedent, Completion shall take place on the fourth Business Day after the fulfilment of all the Conditions Precedent or such other date as the Company and the Placing Agent may agree in writing.

### **Termination**

The Placing Agent may, in its reasonable opinion, after consultation with the Company, terminate the Placing Agreement by notice in writing to the Company on the Completion Date if:

- (1) there is any material adverse change in national, international, financial, exchange control, political, or economic conditions in Hong Kong which, in the reasonable opinion of the Placing Agent, would be materially adverse in the consummation of the Placing; or
- (2) there is any breach of the warranties, representations, and undertakings given by the Company in the Placing Agreement and such breach is considered by the Placing Agent on reasonable grounds to be materially detrimental in the context of the Placing; or
- (3) there is any material adverse change (whether or not forming part of a series of changes) in market conditions which, in the reasonable opinion of the Placing Agent, would materially and prejudicially affect the Placing or make it inadvisable or inexpedient for the Placing to proceed; or

- (4) any statement contained in the Previous Announcements has become or been discovered to be untrue, incorrect, or misleading in any material respect, which, in the opinion of the Placing Agent, would be materially adverse in the consummation of the Placing.

The Company may, in its reasonable opinion, after consultation with the Placing Agent, terminate the Placing Agreement by notice in writing to the Placing Agent on the Completion Date if there is a breach of the warranties, representations, and undertakings given by the Placing Agent in the Placing Agreement and such breach is considered by the Company on reasonable grounds to be material.

Upon termination of the Placing Agreement, all liabilities of the parties thereto thereunder shall cease and determine, and no party thereto shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Placing Agreement, save in respect of any antecedent breach of any obligation under the Placing Agreement.

## **APPLICATION FOR LISTING**

An application will be made by the Company to the Stock Exchange for the grant of listing of, and permission to deal in, the Placing Shares.

## **FILING WITH REGULATORY AUTHORITIES IN THE PRC**

After the Placing Shares are issued and listed on the Stock Exchange, the Company will file the required documentation with the relevant regulatory authorities in the PRC. This process will be conducted in accordance with applicable laws and regulations, including the guidelines established by the CSRC Filing Rules.

## **INFORMATION ON THE COMPANY AND THE GROUP**

The Company is a company incorporated in the Cayman Islands with limited liability, and the issued Shares of which are listed on the main board of the Stock Exchange. Through its subsidiaries, the Group primarily provides the following services: (i) augmented reality (AR) and virtual reality (VR) marketing services; (ii) sales of AR and VR content; (iii) integrated marketing services; and (iv) AR and VR software-as-a-service (SaaS) platform solutions.

## **INFORMATION ON THE PLACING AGENT**

The Placing Agent is duly incorporated in Hong Kong and is a licensed corporation (CE No.: ATM582) to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), and Type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

## REASONS FOR THE PLACING AND USE OF PROCEEDS

Assuming all the 433,429,200 Placing Shares are successfully placed, the gross proceeds from the Placing amount to HK\$75.42 million, while the net proceeds from the Placing are estimated to be approximately HK\$74.53 million after deducting the estimated expenses for the Placing (the “**Net Proceeds**”).

The Company plans to use the Net Proceeds in a way that aligns with its strategic objectives, as outlined below:

- (i) approximately 60% of the Net Proceeds amounting to approximately HK\$44.72 million will be allocated to acquiring advertising traffic from media platforms or their authorised agents, aimed at enhancing the Group’s AR/VR marketing services in domestic and overseas markets;
- (ii) approximately 30% of the Net Proceeds, amounting to approximately HK\$22.36 million, will be directed towards enhancing the Group’s research and development (R&D) capabilities and improving its service and product offerings. This allocation will support the following initiatives:
  - (a) development and optimization of the Group’s algorithms and data analysis capabilities;
  - (b) upgrades and iterations of the digital human platform, metaspaces platform, and VR engine;
  - (c) enhancements to operational capabilities;
  - (d) development of artificial intelligence (AI), motion capture technology, location-based VR, extended reality (XR), and other related content; and
  - (e) outsourced R&D expenses;
- (iii) the remaining 10% of the Net Proceeds, amounting to approximately HK\$7.45 million, will be allocated for general working capital purposes, which includes but is not limited to payment of staff cost, rent, legal and professional fees, and other administrative expenses.



## EFFECTS OF THE SHAREHOLDING STRUCTURE OF THE COMPANY

As of the date of this announcement, the Company has 2,167,146,000 Shares in issue (excluding treasury Shares). The table below sets out, for illustration only, the shareholding structure of the Company (i) as of the date of this announcement; (ii) immediately after Completion (assuming that there will be no other change to the total issued share capital of the Company between the date of this announcement and the Completion Date):

	As of the date of this announcement		Immediately after Completion	
	<i>Number of Shares</i>	<i>Approximately Shareholding percentage</i>	<i>Number of Shares</i>	<i>Approximately Shareholding percentage</i>
Mr. Wang Lei (“ <b>Mr. Wang</b> ”) ( <i>Note 1</i> )	669,821,900	30.91%	669,821,900	25.75%
The Placees	—	—	433,429,200	16.67%
Public Shareholders	1,497,324,100	69.09%	1,497,324,100	57.58%
<b>Total</b>	<b><u>2,167,146,000</u></b>	<b><u>100.00%</u></b>	<b><u>2,600,575,200</u></b>	<b><u>100.00%</u></b>

*Note:*

- Mr. Wang serves as the executive Director, chairman of the Board, and the chief executive officer of the Company. As of the date of this announcement, Mr. Wang holds an interest in 669,821,900 Shares through Brainstorming Cafe Limited (“**Brainstorming Cafe**”). Brainstorming Cafe is approximately 30% owned by Wanglei Co., Ltd. (“**Wang BVI**”) and approximately 70% owned by Cyber Warrior Holdings Limited (“**Cyber Warrior**”). Wang BVI is wholly owned by Mr. Wang, while Cyber Warrior is entirely owned by Vistra Trust (Singapore) Pte. Limited, which functions as the trustee of a discretionary trust established by Mr. Wang for estate planning purposes, in which Mr. Wang acts as the settlor and protector, and Wang BVI is named as the beneficiary.



## **EQUITY FUND-RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS**

The Company has conducted the following equity fundraising activities in the past twelve months immediately before the date of this announcement:

<b>Date of relevant announcements</b>	<b>Events</b>	<b>Net proceeds</b>	<b>Intended use of Proceeds</b>	<b>Actual use of proceeds as of the date of this announcement</b>
30 April 2025 and 19 May 2025	Placing of new shares under the general mandate	HK\$71.62 million	(i) approximately HK\$42.97 million for enhancing the R&D capabilities and improving services and products;  (ii) approximately HK\$21.49 million for enhancing sales and marketing function; and  (iii) approximately HK\$7.16 million for general working capital purposes.	Fully utilized as intended.

Save as disclosed above, the Company has not conducted any fundraising activities in the past twelve months immediately before the date of this announcement.

## **GENERAL**

**As Completion is conditional upon fulfilment of the Conditions Precedent as set out in the paragraphs headed “Conditions Precedent” in this announcement, the Placing may or may not proceed. The Shareholders and potential investors should exercise caution when dealing in the Shares.**

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and phrases shall have the following meanings:

“acting in concert”	has the meaning ascribed to it under the Takeovers Codes
“Beijing Flowing Cloud”	Beijing Flowing Cloud Technology Co., Ltd.* (北京飛天雲動科技有限公司), a limited company established in the PRC on November 17, 2021 and an indirect wholly owned subsidiary of the Company
“Board”	the board of Director(s)
“Business Day(s)”	any day (not being a Saturday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Company”	Flowing Cloud Technology Ltd, an exempted company incorporated in the Cayman Islands with limited liability on June 24, 2021, whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 6610)
“Completion”	completion of the Placing in accordance with the Placing Agreement
“Completion Date”	the fourth Business Day after the date on which the condition precedent under the Placing Agreement is satisfied or such other date as the Company and the Placing Agent may agree in writing
“Conditions Precedent”	condition(s) precedent to Completion as set out in the Placing Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consolidated Affiliated Entities”	the entities the Group controls through the Contractual Arrangements

“Contractual Arrangements”	the series of contractual arrangements entered into by, among others, Beijing Flowing Cloud, the Consolidated Affiliated Entities and the Registered Shareholders (as defined in the Prospectus), the details of which are set out in the section headed “Contractual Arrangements” in the Prospectus
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“CSRC Filing Rules”	the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) and supporting guidelines issued by China Securities Regulatory Commission (中國證券監督管理委員會) effective from March 31, 2023, as amended, supplemented or otherwise modified from time to time
“Director(s)”	director(s) of the Company
“General Mandate”	the general mandate granted to the Directors pursuant to a resolution passed by the Shareholders at the annual general meeting of the Company convened and held on May 28, 2025 to allot and issue up to 433,429,200 new Shares
“Group”	the Company, its subsidiaries and the Consolidated Affiliated Entities at the relevant time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third parties who are independent of, and not connected with, the Company and its connected persons
“Listing Committee”	has the meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Placee(s)”	any individual(s), corporations(s) and/or institutional or other professional investor(s) to be procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement

“Placing”	the placing, on a best effort basis, of up to 433,429,200 Placing Shares by the Placing Agent pursuant to the terms and conditions set out in the Placing Agreement
“Placing Agent”	CNI Securities Group Limited, a licensed corporation (CE No.: ATM582) to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), and Type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the conditional placing agreement dated September 9, 2025 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.174 per Placing Share (exclusive of any brokerage (if any), such transaction levy as may be payable by the Placee(s) to the SFC and the Accounting and Financial Reporting Council for the Placing Shares and such trading fee as may be payable by the Placee(s) to the Stock Exchange for the Placing Shares)
“Placing Share(s)”	a maximum of 433,429,200 Shares to be issued and allotted to the Placees by the Company through the Placing
“PRC”	the People’s Republic of China
“Previous Announcements”	all announcements, circulars, and annual report issued by the Company to the Stock Exchange and/or the shareholders of the Company since the publication of the announcement of the Company relating to the annual results of the Company for the year ended 31 December 2024
“Prospectus”	the prospectus issued by the Company dated September 29, 2022
“SFC”	the Securities and Futures Commission of Hong Kong
“Share(s)”	ordinary share(s) with nominal value of US\$0.00001 each in the share capital of the Company

“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed to it in the Listing Rules
“treasury Shares”	has the meaning ascribed to it under the Listing Rules
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

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

Hong Kong, September 9, 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.*