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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)

DISCLOSEABLE TRANSACTION
DISPOSAL OF LISTED SECURITIES

THE DISPOSAL

The Board wishes to announce that, on 5 February 2026, the Company disposed on the open market a total of 22,995,000 Hebei Yichen Shares, representing approximately 10.24% of the total issued H shares of Hebei Yichen as of the date of this announcement, at an aggregate consideration of approximately HK\$13.97 million (exclusive of transaction costs).

Upon Completion, the Company's ownership of Hebei Yichen Shares will decrease to 2,600,000.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Disposal exceeds 5% but all applicable ratios are less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The Directors would like to inform the Shareholders that prior to the Disposal, the Company completed a transaction involving the disposal of 5,506,000 Hebei Yichen Shares on 22 July 2025. Since one or more of the applicable ratios (as defined under Rule 14.07 of the Listing Rules) regarding the Disposal and such Previous Disposal (which were conducted by the Company within 12 months of the Disposal) on an aggregate basis, exceeds 5% but all applicable ratios are less than 25%, the Aggregate Disposals constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. As a result, there will be no changes to the disclosure requirements under Chapter 14 of the Listing Rules.

THE DISPOSAL

On 5 February 2026, the Company disposed on the open market a total of 22,995,000 Hebei Yichen Shares, representing approximately 10.24% of the total issued H shares of Hebei Yichen as of the date of this announcement, at an aggregate consideration of approximately HK\$13.97 million (exclusive of transaction costs). The average selling price (excluding transaction costs) for the Disposal is approximately HK\$0.6077 per Hebei Yichen Share.

Upon Completion, the Company's ownership of Hebei Yichen Shares will decrease to 2,600,000, representing approximately 1.16% of the total issued H shares of Hebei Yichen as of the date of this announcement.

As the Disposal was made on the open market, the identities of the purchasers thereof cannot be ascertained. To the best of the knowledge, information, and belief of the Directors, having made all reasonable enquiries, the purchasers of the Disposal and their respective ultimate beneficial owner(s) are the Independent Third Parties.

INFORMATION ON THE COMPANY AND THE GROUP

The Company is an investment holding company, with the Group primarily focused on delivering marketing services related to augmented reality (AR) and virtual reality (VR), with offerings include AR and VR content creation, integrated marketing solutions, and associated services.

INFORMATION ON HEBEI YICHEN

According to publicly available information, Hebei Yichen is a company incorporated in the PRC, and its issued H shares are listed on the Main Board of the Stock Exchange (stock code: 1596).

Hebei Yichen operates in the manufacturing sector, with a primary focus on research and development and the production and sales of specialized products, including rail fastening systems, welding materials, and railway sleepers.

Below is a summary of certain audited consolidated financial information of Hebei Yichen for the two financial years ended 31 March 2024 and 31 March 2025, and the six months ended 30 September 2025, as extracted from the annual report and interim report of Hebei Yichen dated 29 April 2025 and 25 September 2025, respectively:

	For the six months ended 30 June 2025	For the years ended 31 December	
	2025	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(unaudited)</i>	<i>(audited)</i>	<i>(audited)</i>
Revenue	477,143	1,090,750	1,196,146
(Loss)/profit before tax	53,605	(57,724)	50,131
(Loss)/profit after tax	48,671	(50,828)	49,445

Based on the interim report of Hebei Yichen for the six months ended 30 September 2025, the unaudited net asset value of Hebei Yichen as at 30 September 2025 is approximately RMB2,425,382,000.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Disposal offers the Company a valuable opportunity to realise its investment in Hebei Yichen. The Group believes that the Disposal will enhance the Company's liquidity. It is the intention of the Group to allocate the proceeds from the Disposal towards general working capital purposes. As the Disposal was executed at prevailing market prices and through the open market of the Stock Exchange, the Directors considered that the terms of the Disposal are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECT OF THE DISPOSAL

The Group is expected to receive proceeds from the Disposal of approximately HK\$13.97 million (exclusive of transaction costs) and recognised an unaudited loss of approximately HK\$89.04 million. Such loss is calculated based on the difference between the consideration received from the Disposal and the aggregate cost of the relevant Hebei Yichen Shares involved in the Disposal (i.e., approximately HK\$103.01 million).

The abovementioned financial effects are shown for illustrative purposes only, and the actual loss to be recognised in the consolidated financial statements of the Company depends on, among other things, the review by the auditor of the Company, upon finalisation of the consolidated financial statements of the Group.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Disposal exceeds 5% but all applicable ratios are less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The Directors would like to inform the Shareholders that prior to the Disposal, the Company completed a transaction involving the disposal of 5,506,000 Hebei Yichen Shares on 22 July 2025. Since one or more of the applicable ratios (as defined under Rule 14.07 of the Listing Rules) regarding the Disposal and such Previous Disposal (which were conducted by the Company within 12 months of the Disposal) on an aggregate basis, exceeds 5% but all applicable ratios are less than 25%, the Aggregate Disposals constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. As a result, there will be no changes to the disclosure requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, capitalized terms used shall have the following meanings:

“Aggregate Disposals”	Collectively the Disposal and the Previous Disposal
“Board”	the board of Directors
“Company”	Flowing Cloud Technology Ltd, a company incorporated in the Cayman Islands with limited liability, and the ordinary shares of which are listed on the Main Board of the Stock Exchange (stock code: 6610)
“Director(s)”	the director(s) of the Company
“Disposal”	The disposal of a total of 22,995,000 Hebei Yichen Shares by the Company on the open market on 5 February 2026
“Group”	the Company and its subsidiaries
“Hebei Yichen”	a company incorporated in the PRC and listed on the main board of the Stock Exchange of Hong Kong Limited (stock code: 1596)
“Hebei Yichen Shares”	H Shares of Hebei Yichen

“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, are independent of and not acting in concert or connected with the Company and any of its connected persons or any of their respective associates
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Previous Disposal”	the disposal of a total of 5,506,000 Hebei Yichen Shares, representing approximately 2.45% of the total issued H shares of Hebei Yichen as at the date of this announcement by way of a series of on-market transactions on 22 July 2025
“RMB”	Renminbi, the lawful currency of PRC
“Shareholder(s)”	the holder(s) of the issued share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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

Hong Kong, 6 February 2026

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.