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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)

**SUPPLEMENTAL ANNOUNCEMENT
IN RELATION TO THE DISCLOSEABLE TRANSACTION
REGARDING THE DEEMED DISPOSAL OF
EQUITY INTERESTS IN A SUBSIDIARY**

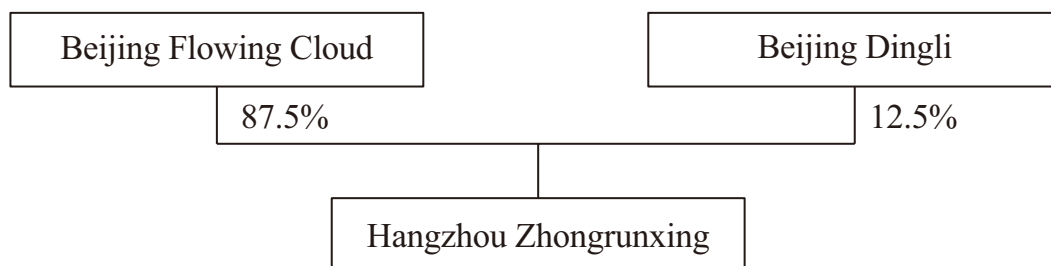
Reference is made to the announcement (the “**Announcement**”) issued by Flowing Cloud Technology Ltd. (the “**Company**”) on 26 May 2026 in relation to the deemed disposal of an equity interest in Hangzhou Zhongrunxing Information Technology Co. Ltd.* (杭州中潤星數字科技有限公司), an indirect non-wholly owned subsidiary of the Company. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The Company would like to provide the following additional information regarding the Subscription.

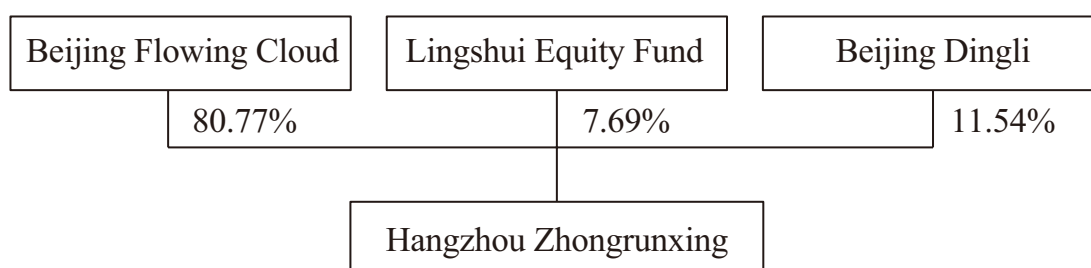
SHAREHOLDING STRUCTURE OF HANGZHOU ZHONGRUNXING

The changes of shareholding structure from before and after each of the Previous Subscription and the Subscription are as follows:

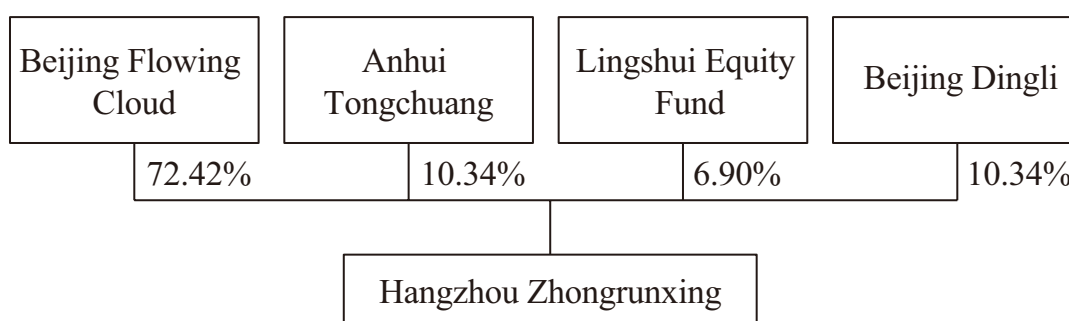
a) The shareholding structure of Hangzhou Zhongrunxing before completion of both the Previous Subscription and the Subscription



b) The shareholding structure of Hangzhou Zhongrunxing after completion of the Previous Subscription but before completion of the Subscription



c) The shareholding structure of Hangzhou Zhongrunxing after completion of both the Previous Subscription and the Subscription



Accordingly, upon completion of both the Previous Subscription and the Subscription, Beijing Flow Cloud's equity interest in Hangzhou Zhongrunxing will decrease from 87.5% to 72.42%, Hangzhou Zhongrunxing's status as a non-wholly owned subsidiary of the Company remains unchanged and its financial results would be consolidated into the Company's consolidated financial statements.

Lingshui Equity Fund and Anhui Tongchuang will be recognised as non-controlling interests in Hangzhou Zhongrunxing in the consolidated financial statements and will share in Hangzhou Zhongrunxing's profit or loss on an annual basis; the Company will apply the applicable accounting requirements for measurement, presentation, and disclosure of non-controlling interests.

To the best of the Directors' knowledge, information, and belief, and after having made all reasonable inquiries, Lingshui Equity Fund is held as follows: (a) 79.21% by 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)), which is ultimately beneficially owned by the Finance Bureau of Lingshui Li Autonomous County* (陵水黎族自治縣財政局), a governmental department of the PRC; (b) 9.90% by Beijing Quanshi Tiandi Online Network Information Co., Ltd.* (北京全時天地在線網絡信息股份有限公司); (c) 9.90% by Beijing Flowing Cloud (an indirect wholly owned subsidiary of the Company); and (d) the remaining 0.99% by Ni'ou Venture Capital (Beijing) Co., Ltd.* (泥藕創業投資(北京)有限公司).

After making the enquiries noted above, the Directors are not aware of any relationship or connection between these ultimate beneficial owners and the Company, any of its connected persons or their respective associates.

Furthermore, after having considered that the ultimate beneficial owners of Lingshui Equity Fund and Anhui Tongchuang are Independent Third Parties, the Board is of the view that neither the Previous Subscription nor the Subscription gives rise to any implications under Chapter 14A of the Listing Rules.

CHRONOLOGY OF ACQUISITION OF THE ENTIRE EQUITY INTEREST IN BEIJING ZHONGRUNXING BY HANGZHOU ZHONGRUNXING

The sequence of events and the status in relation to Hangzhou Zhongrunxing's acquisition of the entire equity interest in Beijing Zhongrunxing are as follows:

- i) Ophyer Technology is a company established under the laws of the PRC with limited liability. It has entered into contractual agreements with Beijing Flowing Cloud to ensure that the Group operates in accordance with the relevant laws and regulations in the PRC. Ophyer Technology originally held a 100% equity interest in Beijing Zhongrunxing;
- ii) on 14 May 2025, Lingshui Equity Fund subscribed to equity in Beijing Zhongrunxing pursuant to an investment agreement, reducing Ophyer Technology's equity interest to 92.31% (with Lingshui Equity Fund holding 7.69%);
- iii) on 31 October 2025, Lingshui Equity Fund and Beijing Zhongrunxing entered into a share repurchase agreement under which Beijing Zhongrunxing agreed to repurchase all equity held by Lingshui Equity Fund and to cancel the repurchased shares by way of capital reduction; this repurchase and cancellation process has not yet been completed but is anticipated to be finalised on or before July 2026;
- iv) separately, as part of an internal restructuring, Ophyer Technology and Hangzhou Zhongrunxing entered into a share transfer agreement on 10 December 2025, under which Ophyer Technology transferred its entire interest (before completion of the outstanding share repurchase and cancellation) in Beijing Zhongrunxing to Hangzhou Zhongrunxing; that transfer has been completed. Accordingly, as of the date of this reply, Beijing Zhongrunxing is owned 92.31% by Hangzhou Zhongrunxing and 7.69% by Lingshui Equity Fund; and
- v) upon completion of the outstanding share repurchase and cancellation, Beijing Zhongrunxing will be wholly owned by Hangzhou Zhongrunxing.

Contractual Arrangements

As disclosed in the Company's annual report for the year ended 31 December 2025, Beijing Flowing Cloud entered into contractual arrangements with Ophyer Technology and its registered shareholders on 16 December 2021. Those arrangements enable Beijing Flowing Cloud to obtain the economic benefits generated by Ophyer Technology and its subsidiaries (the "**Consolidated Affiliated Entities**") through service and consulting fee arrangements; accordingly, the Consolidated Affiliated Entities covered by those agreements form part of the Contractual Arrangements.

As of the date of this announcement, Hangzhou Zhongrunxing is an indirect non-wholly owned subsidiary of the Company and is not included within the Consolidated Affiliated Entities and therefore does not form part of the Contractual Arrangements.

Beijing Zhongrunxing was formerly a Consolidated Affiliated Entity of Ophyer Technology and one of the operating companies under the Contractual Arrangements. Beijing Zhongrunxing is primarily engaged in a comprehensive live-streaming and virtual content business. Its services comprise (i) entertainment live streaming; (ii) virtual live streaming; (iii) broadcast control tools; and (iv) the development and commercialization of virtual intellectual property (IP).

Below is the unaudited consolidated financial performance of Beijing Zhongrunxing for the 11 months ended 30 November 2025, as extracted from its unaudited consolidated financial statements for the same period.

For
11 months ended
30 November 2025
RMB'000
(unaudited)

Revenue	3,032
Loss before taxation	8,078
Loss after taxation	8,078

As of 30 November 2025, the unaudited consolidated total assets and net liabilities of Beijing Zhongrunxing were approximately RMB15,837,000 and RMB875,000, respectively.

Following the completion of the share transfer of Beijing Zhongrunxing from Ophyer Technology to Hangzhou Zhongrunxing on 16 December 2025, Beijing Zhongrunxing ceased to be a Consolidated Affiliated Entity and has become an indirect non-wholly owned subsidiary of the Company; accordingly, Beijing Zhongrunxing no longer forms part of the Contractual Arrangements.

As all the applicable percentage ratios in respect of share transfer of Beijing Zhongrunxing from Ophyer Technology to Hangzhou Zhongrunxing, on a standalone basis, are less than 5%. Accordingly, this share transfer does not constitute a notifiable transaction for the Company, and was exempt from the reporting and announcement requirements under Chapter 14 of the Listing Rules.

In addition to the above, the Company would like to clarify that it has obtained confirmation from PRC legal counsel that Beijing Zhongrunxing's business activities are not subject to PRC statutory restrictions or prohibitions on foreign ownership. On this basis, the Board has concluded that there are no material legal implications arising from the exclusion of Beijing Zhongrunxing from the Contractual Arrangements.

ADDITIONAL INFORMATION ON THE INTERNAL CONTROL MEASURES IMPLEMENTED BY THE COMPANY

The Group has established the following internal control measures to ensure the accuracy of size test calculations (both standalone and aggregated) for potential notifiable transactions and to ensure compliance with Chapter 14 of the Listing Rules, together with a clear review and approval process:

- i) the originating business department shall perform factual and commercial due diligence on the counterparty and transaction terms, ensuring completeness and accuracy of key commercial elements, including quantity, price, scope, payment terms, and other material provisions;
- ii) the managers of each of the business, finance, and legal departments of the Company will collaboratively conduct a formal assessment of the transaction. The managers of each of the business, finance, and legal departments of the Company will collaboratively conduct an assessment of the transaction. This assessment will include (i) the business department will evaluate the terms and conditions associated with the transaction(s); (ii) the manager of the finance department will (a) calculate the size tests on a standalone basis, and (b) determine whether aggregation is required based on the factors under Rule 14.23 of the Listing Rules; and (iii) the manager of the legal department will review all calculations of the size tests and all inputs and supporting documentation, on both standalone and aggregate basis, to determine whether the transaction constitutes a notifiable transaction under Chapter 14 of the Listing Rules and to ensure compliance with the relevant requirements of Chapter 14 of the Listing Rules. In cases where interpretations of the Listing Rules or complex legal or financial issues arise, external advice will be sought from professional parties such as legal adviser and/or qualified financial adviser;

- iii) following the formal assessments above, the manager of the internal control department of the Company will ensure that prior approval for transactions complies with all process requirements;
- iv) a comprehensive review of the compiled analyses, size test results, and departmental comments will then be conducted by the Company's chief executive officer to ensure accuracy and robust commercial rationale prior to execution;
- v) should a transaction be identified as, or potentially become, a notifiable transaction under Chapter 14, it will be escalated to the Board, or a designated Board committee, for final review and formal approval. The Company will prepare and publish any necessary announcements and/or circulars in compliance with the Listing Rules; and
- vi) the manager of the internal control department will authorize the application of the company chop only after confirming that all required internal procedures and approvals have been duly completed. All determinations, calculations, correspondence, and legal and financial advice will be meticulously documented and retained for audit and regulatory review. Furthermore, post-transaction monitoring will be implemented to identify any subsequent aggregation with related transactions.

Status and expected timing of implementation of the remedial actions by the Company

As disclosed in the Announcement, the Company has implemented remedial measures to prevent recurrence of the matters set out therein. Except for the internal training program intended to reinforce knowledge of the Listing Rules requirements in Chapters 13, 14, and 14A, the remedial actions described in the Announcement have been implemented.

As of the date of this announcement, the Company is engaging a qualified external professional to deliver the internal training. The training will be targeted at the Company's directors and senior management across departments and is expected to include executive and non-executive directors, the chief executive officer, the company secretary, heads of finance, legal, operations, and business units, and other senior officers responsible for regulatory compliance and disclosure. The Company anticipates to finalise appointing such external professional by July 2026, with the training sessions to be held in August 2026.

Saved as disclosed above, all other information as set out in the Announcement remains unchanged and shall continue to be valid for all purposes. This announcement is supplemental to and should be read in conjunction with the Announcement.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 15 July 2026

* *For identification purposes only*

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. Li Yue and Mr. Li Shaojie as independent non-executive Directors.