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iDreamSky Technology Holdings Limited

创梦天地科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1119)

ISSUE OF NEW SHARES UNDER GENERAL MANDATE

The Board announces that on 28 July 2025 (after trading hours), the Company and Shenzhen iDreamSky entered into the Capitalization Agreement with the Subscriber, pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 38,085,937 Subscription Shares to the Subscriber at the Issue Price of HKD1.024 per Subscription Share, in order to set off, on a pro-rata basis, the royalty fees payable by Shenzhen iDreamSky to the Subscriber.

Assuming that there is no other changes in the issued share capital of the Company from the date of this announcement to the completion date of the Capitalization save for the Capitalization, the Subscription Shares represent: (1) approximately 2.16% of the existing issued share capital of the Company (excluding treasury shares) as at the date of this announcement; and (2) approximately 2.11% of the issued share capital of the Company (excluding treasury shares) as enlarged by the Capitalization.

The Subscription Shares will be issued pursuant to the General Mandate as approved at the 2024 AGM; therefore, no further Shareholders' approval is required. Application will be made to the Listing Committee of the HKEX for the granting of the approval for the listing of, and permission to deal in, the Subscription Shares.

The Capitalization Agreement and the transactions contemplated thereunder are subject to the satisfaction of the conditions precedent contained therein before completion. Please refer to the paragraph headed "Capitalization Agreement" below for further information. As the Capitalization may or may not proceed to completion, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

ISSUE OF NEW SHARES UNDER GENERAL MANDATE

The Board announces that on 28 July 2025 (after trading hours), the Company and Shenzhen iDreamSky entered into the Capitalization Agreement with the Subscriber, pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 38,085,937 Subscription Shares to the Subscriber at the Issue Price of HKD1.024 per Subscription Share, in order to set off, on a pro-rata basis, the royalty fees payable by Shenzhen iDreamSky to the Subscriber.

Capitalization Agreement

The principal terms of the Capitalization Agreement are summarized as follows:

Date 28 July 2025

Parties (i) The Company;
(ii) Shenzhen iDreamSky; and
(iii) The Subscriber.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Subscriber and its ultimate beneficial owner are Independent Third Parties of the Company and its connected persons.

Number of Subscription Shares 38,085,937 new Share(s), representing (i) approximately 2.16% of the existing issued share capital of the Company (excluding treasury shares) as at the date of this announcement; and (ii) approximately 2.11% of the issued share capital of the Company (excluding treasury shares) as enlarged by the Capitalization (assuming that there is no other changes in the issued share capital of the Company from the date of this announcement to the completion date of the Capitalization save for the Capitalization).

The aggregate nominal value of the Subscription Shares to be issued under the Capitalization is USD3,808.5937.

Subscription Price

The Subscription Price is HKD1.024 per Subscription Share, which represents:

- (1) a discount of approximately 3.40% to the Closing Price of HKD1.06 per Share as quoted on the HKEX on the date of the Capitalization Agreement;
- (2) a discount of approximately 0.19% to the average Closing Price of approximately HKD1.026 per Share as quoted on the HKEX for the last five (5) consecutive Trading Days immediately prior to the date of the Capitalization Agreement; and
- (3) a premium of approximately 7.56% to the average Closing Price of approximately HKD0.952 per Share as quoted on the HKEX for the last ten (10) consecutive Trading Days immediately prior to the date of the Capitalization Agreement.

The Subscription Price is exclusive of transaction levies and trading fees. The net Subscription Price (after deducting the costs and expenses of the Capitalization) is approximately HKD1.011 per Subscription Share.

The Subscription Price was determined with reference to the prevailing market price of the Shares and was negotiated on an arm's length basis between the Company and the Subscriber. The Directors (including the independent non-executive Directors) consider that the Subscription Price, and the terms and conditions of the Capitalization Agreement, are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole.

**Rights of the
Subscription Shares**

Subscription Shares, upon allotment and issuance, shall be free from any lien, charge or encumbrance but shall carry all rights attaching thereto as of the date of completion of the Capitalization, including the right to receive all dividends or other distributions declared, made or paid on or after the completion date of the Capitalization. Subscription Shares shall rank pari passu in all respects with the issued Shares as at the date of completion of the Capitalization.

General Mandate to the Issue of Subscription Shares

The Subscription Shares will be issued pursuant to the General Mandate as approved at the 2024 AGM; therefore, no further Shareholders' approval is required. Under the General Mandate as approved at the 2024 AGM, the Company is authorized to issue up to 353,342,629 Shares, representing 20% of the issued share capital of the Company (excluding treasury shares) as at the date of the 2024 AGM. As at the date of this announcement, such General Mandate remains unutilized. Upon completion of the Capitalization, 315,256,692 Shares of the General Mandate will remain unutilized.

Application will be made to the Listing Committee of the HKEX for the granting of the approval for the listing of, and permission to deal in, the Subscription Shares.

Conditions of the Capitalization

Completion of the Capitalization shall be conditional upon satisfaction of the following conditions:

- (i) the Listing Committee of the HKEX having granted listing of and permission to deal in, the Subscription Shares (and it has not been revoked prior to completion of the Capitalization); and
- (ii) The Company and the Subscriber have no material breach immediately prior to completion of any of their warranties which are given on the date of the Capitalization Agreement and immediately prior to and upon completion of the Capitalization, and the Company has no material breach of any of the undertakings given by the Company.

The condition set out in item (i) above shall not be waived by either party.

Completion of the Capitalization

The Capitalization will be completed within three Trading Days following the date on which the last in time of the above-mentioned conditions shall have been satisfied (but in any event no later than 8 August 2025), or such other date as the parties may agree in writing.

No proceeds will be generated from the Capitalization, as all proceeds from the Capitalization will be offset, on a pro-rata basis, against the royalty fees payable by Shenzhen iDreamSky to the Subscriber.

EFFECT ON THE SHARE CAPITAL OF THE COMPANY AS A RESULT OF THE CAPITALIZATION

The shareholding structure of the Company before and after completion of the Capitalization will be as follows. The table below assumes that there is no other changes in the issued share capital of the Company from the date of this announcement to the completion of the Capitalization save for the Capitalization.

| Shareholders | Immediately before the completion of the Capitalization | | Immediately after the completion of the Capitalization | |
|---------------------------------------|--|-----------------------------------|---|-----------------------------------|
| | <i>Number of Shares⁽¹⁾</i> | <i>Approximate Percentage</i> | <i>Number of Shares</i> | <i>Approximate Percentage</i> |
| Non-public Shareholders | | | | |
| Mr. Chen Xiangyu ⁽²⁾ | 27,947,600 | 1.58% | 27,947,600 | 1.55% |
| Brilliant Seed Limited ⁽²⁾ | 239,154,722 | 13.54% | 239,154,722 | 13.25% |
| Tencent Mobility Limited | 249,141,192 | 14.10% | 249,141,192 | 13.80% |
| Mr. Guan Song ⁽³⁾ | 14,978,000 | 0.85% | 14,978,000 | 0.83% |
| Bubble Sky Limited ⁽³⁾ | 19,016,020 | 1.08% | 19,016,020 | 1.05% |
| Mr. Yang Jialiang ⁽⁴⁾ | 420,000 | 0.02% | 420,000 | 0.02% |
| Subtotal | 550,657,534 | 31.17% | 550,657,534 | 30.51% |
| Public Shareholders | | | | |
| Subscribers | — | — | 38,085,937 | 2.11% |
| Other Public Shareholders | 1,216,055,611 | 68.83% | 1,216,055,611 | 67.38% |
| Subtotal | 1,216,055,611 | 68.83% | 1,254,141,548 | 69.49% |
| Total | 1,766,713,145 | 100% | 1,804,799,082 | 100% |

- (1) The total shares exclude the treasury shares the Company holds. As of the date of this announcement, the total number of issued shares of the Company is 1,790,103,145, which includes 23,390,000 shares held as treasury shares by the Company.
- (2) Mr. Chen Xiangyu, an executive Director, directly holds 27,947,600 Shares and indirectly holds 239,154,722 Shares through Brilliant Seed Limited, which is wholly owned by Mr. Chen Xiangyu, as at the date of this announcement.
- (3) Mr. Guan Song, an executive Director, directly holds 14,978,000 Shares and indirectly holds 19,016,020 Shares through Bubble Sky Limited, which is wholly owned by Mr. Guan Song, as at the date of this announcement.

- (4) Mr. Yang Jialiang, an executive Director, directly holds 420,000 Shares, as at the date of this announcement.
- (5) Certain figures and percentage figures included in the above table have been subject to rounding adjustments.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

2024 Placing

On 23 July 2024, the Company entered into the placing agreement with Valuable Capital Limited, SPDB International Capital Limited and Guotai Junan Securities (Hong Kong) Limited, pursuant to which the Company has agreed to appoint Valuable Capital Limited, SPDB International Capital Limited and Guotai Junan Securities (Hong Kong) Limited, and they have agreed to act as agents for the Company, to procure, on a best effort basis, placees to subscribe for the placing shares at the placing price of HKD2.15 for each placing share (the “**2024 Placing**”).

The 2024 Placing was completed on 31 July 2024 in accordance with the terms and conditions of the placing agreement, where an aggregate of 119,850,400 Shares was offered and sold to not less than six independent placees. To the best of the Directors’ knowledge, information and belief, each of the placees (and their respective ultimate beneficial owners) is an Independent Third Party of the Company. None of the placees has become a substantial Shareholder of the Company immediately following the completion of the 2024 Placing.

The 2024 Placing was issued under the General Mandate as approved at the 2023 AGM. For further details of the 2024 Placing, please refer to the Company’s announcements dated 23 July 2024 and 31 July 2024.

The total proceeds from the 2024 Placing are approximately HKD257.68 million, of which the net proceeds (after deduction of commissions and other estimated expenses payable) are approximately HKD254.13 million. The net proceeds from the 2024 Placing are used for the research and development of key products and overseas distribution, as well as for general working capital.

The following table sets out the planned and actual use of the net proceeds from the 2024 Placing:

| | Planned allocation of net proceeds from the 2024 Placing (HKD million) | Net proceeds from the 2024 Placing (Approximate percentage) | Utilized Amount (HKD million) |
|---|---|--|--|
| Use of net proceeds <i>(Note)</i> | | | |
| Research and development of key products and overseas distribution | 177.89 | 70.0% | 177.89 |
| General working capital | 76.24 | 30.0% | 76.24 |
| Total | 254.13 | 100% | 254.13 |

Note: As of the date of this announcement, the proceeds from the 2024 Placing have been fully utilized. Among others, HKD177.89 million was used for the research and development of key products and overseas distribution, and HKD76.24 million was used for general working capital.

2025 Placing

On 15 May 2025, the Company entered into the placing agreement with SPDB International Capital Limited, pursuant to which the Company has agreed to appoint SPDB International Capital Limited, and it has agreed to act as an agent for the Company, to procure, on a best effort basis, placees to subscribe for the placing shares at the placing price of HKD0.72 for each placing share (the “**2025 Placing**”).

The 2025 Placing was completed on 23 May 2025 in accordance with the terms and conditions of the placing agreement, where an aggregate of 100,252,800 Shares was offered and sold to not less than six independent placees. To the best of the Directors’ knowledge, information and belief, each of the placees (and their respective ultimate beneficial owners) is an Independent Third Party of the Company. None of the placees has become a substantial Shareholder of the Company immediately following the completion of the 2025 Placing.

The 2025 Placing was issued under the general mandate as approved at the annual general meeting of the Company held on 28 June 2024. For further details of the 2025 Placing, please refer to the Company’s announcements dated 15 May 2025 and 23 May 2025.

The total proceeds from the 2025 Placing are approximately HKD72.18 million, of which the net proceeds (after deduction of commissions and other estimated expenses payable) are approximately HKD70.19 million. The net proceeds from the 2025 Placing are intended to be fully used for the development expenditure in global multi-platform version of our self-developed anime competitive shooter game “Strinova” and the promotion expenditure for global offering of “Strinova”, with the objective of accelerating the worldwide launch of “Strinova” across multiple platforms and creating new revenue and profit growth drivers for the Company.

The following table sets out the planned and actual use of the net proceeds from the 2025 Placing:

| | Planned Allocation of net proceeds from the 2025 Placing <i>(HKD million)</i> | Net proceeds from the 2025 Placing <i>(Approximate Percentage)</i> | Utilized Amount <i>(HKD million)</i> |
|---|---|--|--|
| Development Expenditure in Global | | | |
| Multi-Platform Version of “Strinova” | 35.095 | 50% | 19.510 |
| — R&D Personnel Salaries | 28.076 | 40% | 16.000 |
| — Technical Services | 7.019 | 10% | 3.510 |
| Marketing Expenditure for Global | | | |
| Release of “Strinova” | 35.095 | 50% | 3.510 |
| Total | 70.190 | 100% | 23.020 |

Save as disclosed above, the Company has not carried out any other equity fund raising activities during the past 12 months immediately preceding the date of this announcement.

REASONS FOR AND BENEFITS OF THE CAPITALIZATION

The Directors are of the view that the Capitalization will (i) introduce upstream developers with long-term cooperation as strategic shareholders; (ii) preserve the Group’s cash flows to support its future business development; and (iii) strengthen the Group’s financial position.

The Directors (including the independent non-executive Directors) consider that the terms of the Capitalization Agreement and the terms and conditions of the Capitalization are made on normal commercial terms and are fair and reasonable as far as the Shareholders are concerned, and the Capitalization is in the interests of the Company and the Shareholders as a whole.

GENERAL MANDATE

By resolutions of the Shareholders passed at the 2024 AGM, the Company granted the General Mandate to the Directors to allot and issue up to 20% of the issued ordinary share capital (excluding treasury shares) of the Company outstanding as at 11 June 2025, namely 353,342,629 shares.

As at the date of this announcement, such General Mandate remains unutilized. Upon completion of the Capitalization, there will remain 315,256,692 Shares unutilized under the General Mandate. The Subscription Shares to be issued will be allotted and issued pursuant to the General Mandate. The Capitalization is not subject to the approval of the Shareholders.

INFORMATION ON THE SUBSCRIBER AND THE GROUP

The Subscriber

PLR Worldwide Sales Limited is a limited liability company incorporated in the Republic of Ireland, whose principal business operations include the development, multi-platform marketing, distribution and operation of mobile games, and whose main products include “Gardenscapes” and “Homescapes”, etc. PLR Worldwide Sales Limited is wholly-owned by Playrix Holdings Limited, and Mr. Dmitrii Bukhman and Mr. Igor Bukhman hold 48.8% and 48.8% equity interests in Playrix Holdings Limited, respectively. To the best of the Directors’ knowledge, information, and belief, after making all reasonable enquiries, PLR Worldwide Sales Limited and its ultimate beneficial owner(s) are Independent Third Parties of the Company and its connected persons.

The Group

As a leading digital entertainment platform in China, the Group is principally engaged in self-developed and operating boutique games, as well as Fanbook, a user community management platform self-developed by the Company, and has always been committed to bringing joy to users through technology and creativity. Shenzhen iDreamSky is a PRC Consolidated Affiliated Entity controlled by the Company through contractual arrangements.

The Capitalization Agreement and the transactions contemplated thereunder are subject to the satisfaction of the conditions precedent contained therein. Please refer to the paragraph headed “Capitalization Agreement” above for further information. As the Capitalization may or may not proceed to completion, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

| | |
|----------------------------|---|
| “2024 AGM” | the annual general meeting of the Company held on 11 June 2025 at which, among other things, a resolution for the grant of the General Mandate to the Directors was duly passed by the Shareholders |
| “Board” | the board of Directors of the Company |
| “Capitalization” | the Company shall allot and issue Subscription Shares to the Subscriber pursuant to the Capitalization Agreement, which converts the royalty fees payable by Shenzhen iDreamSky to the Subscriber into the share capital of the Company |
| “Capitalization Agreement” | the Capitalization agreement entered into by the Company and Shenzhen iDreamSky with the Subscriber dated 28 July 2025 in respect of the Capitalization |
| “Closing Price” | in respect of a Share for any Trading Day, it shall be the price published in the daily quotation sheet published by the HKEX |
| “Company” | iDreamSky Technology Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the HKEX under stock code 1119 |
| “connected person(s)” | has the meaning ascribed thereto under the Listing Rules |
| “Director(s)” | the director(s) of the Company |

| | |
|--------------------------------|--|
| “General Mandate” | the general mandate granted pursuant to a resolution of the Shareholders passed at the 2024 AGM authorizing the Directors to allot and issue up to 20% of Shares (excluding treasury shares) of the Company outstanding as at the date of passing the resolution |
| “Group” | the Company together with its subsidiaries |
| “HKD” | Hong Kong dollars, the legal currency of Hong Kong |
| “HKEX” | The Stock Exchange of Hong Kong Limited |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Independent Third Party(ies)” | any entity(ies) or individual(s) who is (are) not a connected person(s) of the Company within the meaning ascribed thereto under the Listing Rules |
| “Listing Rules” | The Rules Governing the Listing of Securities on the HKEX |
| “PRC” or “China” | the People’s Republic of China, excluding, for the purposes of this announcement only, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan |
| “royalty fees” | USD5,000,000 (approximately equivalent to HKD39,000,000 at an exchange rate of HKD7.80 to USD1.00), is the royalty fees payable by Shenzhen iDreamSky to the Subscriber |
| “Share(s)” | ordinary share(s) of the Company with a nominal value of USD0.0001 each in the share capital of the Company |
| “Shareholder(s)” | the holder(s) of the Shares |
| “Shenzhen iDereamSky” | Shenzhen iDreamSky Technology Co., Ltd. (深圳市創夢天地科技有限公司), a company established in the PRC and a PRC consolidated affiliated entity of the Company |
| “Subscriber(s)” | PLR Worldwide Sales Limited, a limited liability company incorporated in the Republic of Ireland |
| “Subscription Price” | HKD1.024 per Subscription Share |

| | |
|-------------------------|--|
| “Subscription Share(s)” | 38,085,937 new Shares to be allotted and issued by the Company to the Subscriber pursuant to the Capitalization Agreement |
| “Trading Day(s)” | a day when the HKEX is open for dealing business, provided that for the purposes of any calculation where a Closing Price is required, if no Closing Price is reported for one or more consecutive trading days, such day or days will be disregarded in any relevant calculation and shall be deemed not to have been trading days when ascertaining any period of trading days |
| “treasury share(s)” | has the meaning ascribed thereto under the Listing Rules |
| “US” or “United States” | the United States of America |
| “USD” | U.S. dollars, the legal currency of the United States of America |
| “%” | percent |

By Order of the Board
iDreamSky Technology Holdings Limited
Chen Xiangyu
Chairman

Shenzhen, the PRC, 28 July 2025

As at the date of this announcement, the Board comprises Mr. Chen Xiangyu as chairman and executive Director, Mr. Guan Song and Mr. Yang Jialiang as executive Directors, Mr. Zhang Han and Mr. Yang Ming as non-executive Directors, and Ms. Yu Bin, Mr. Li Xintian, Mr. Zhang Weining and Mr. Mao Rui as independent non-executive Directors.