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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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



The Board announces that on 15 October 2026 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Company has agreed to appoint the Placing Agent, and the Placing Agent has agreed to act as the agent for the Company, to procure, on a best effort basis, Placees to subscribe for up to 187,856,000 Placing Shares at the Placing Price of HKD0.31 for each Share.

Assuming that there is no change in the issued share capital of the Company from the date of this announcement to the completion date of the Placing save for the issue of the Placing Shares, the Placing Shares represent:

- (1) approximately 9.20% of the existing issued share capital of the Company (excluding treasury shares) as at the date of this announcement; and
- (2) approximately 8.43% of the issued share capital of the Company (excluding treasury shares) as enlarged by the allotment and issue of the Placing Shares under the Placing.

The Placing Shares will be placed by the Placing Agent to certain independent professional, institutional and other investors, who, together with their respective ultimate beneficial owners, to the best of the knowledge, information and belief of the Directors, are Independent Third Parties and are not Connected Persons of the Company. It is expected, as at the date of this announcement, that the number of Placees will be no less than six.

The Placing Shares will be issued under the General Mandate as approved at the 2025 AGM; therefore, no further shareholder approval is required. Application will be made to the Listing Committee of the Hong Kong Stock Exchange for the granting of the approval for the listing of, and permission to deal in, the Placing Shares.

The gross proceeds from the Placing will be approximately HKD58.24 million, of which the estimated net proceeds, after deduction of commission and other estimated expenses payable, amount to approximately HKD56.63 million. The Company intends to fully use the net proceeds from the Placing to fund the research and development of AI agent-related technologies, the operation and promotion of the game products, and game research and development.

Completion of the Placing Agreement and the transactions contemplated thereunder is subject to the fulfillment of the conditions precedent set out therein. Please refer to the paragraph headed “The Placing Agreement” below for further information. As the Placing may or may not proceed to completion, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

PLACING OF NEW SHARES UNDER GENERAL MANDATE

The Placing Agreement

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

Date	15 October 2026
Parties	(i) The Company; and (ii) The Placing Agent.

The Placing Agent has conditionally agreed to place up to 187,856,000 Placing Shares in total on a best effort basis. Accordingly, the Placing Agent will receive a placing commission of 0.2% on the gross proceeds of the Placing upon completion of the Placing. The placing commission was determined after arm's length negotiation between the Company and the Placing Agent. The Directors are of the view that the placing commission is on normal commercial terms and is fair and reasonable as far as the Shareholders are concerned.

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

Placee(s)	The Placing Agent will act as the agent of the Company to procure certain Placees to subscribe for the Placing Shares on a best effort basis. The Placee(s) shall be any of professional, institutional or other investors selected and/or procured by the Placing Agent under the Placing Agreement and is (i) independent of the Company (and the Group), its Connected Persons and their respective associates, and (ii) independent of and not parties acting in concert with any persons, other Placee(s) or Shareholders with the effect that any Placing to such investor(s) shall not trigger any mandatory offer obligation under Rule 26.1 of the Codes on Takeovers and Mergers and Share Buy-backs. No Placee shall become a substantial Shareholder (as defined in the Listing Rules) of the Company immediately upon completion of the Placing. It is expected, as at the date of this announcement, that the number of Placees will be not less than six.
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Number of Placing Shares

Up to 187,856,000 new Shares, representing (i) approximately 9.20% of the existing issued share capital of the Company (excluding treasury shares) as at the date of this announcement; and (ii) approximately 8.43% of the issued share capital of the Company (excluding treasury shares) as enlarged by the Placing (assuming that there is no change in the issued share capital of the Company from the date of this announcement to the completion date of the Placing save for the issue of the Placing Shares).

The aggregate nominal value of the maximum number of Shares placed under the Placing is USD18,785.60.

Placing Price

The Placing Price is HKD0.31 per Share, which represents:

- (1) a discount of approximately 10.14% to the Closing Price of HKD0.345 per Share as quoted on the Hong Kong Stock Exchange on the date of the Placing Agreement;
- (2) a discount of approximately 10.92% to the average Closing Price of approximately HKD0.348 per Share as quoted on the Hong Kong Stock Exchange for the last five (5) consecutive Trading Days immediately prior to the date of the Placing Agreement; and
- (3) a discount of approximately 12.55% to the average Closing Price of approximately HKD0.355 per Share as quoted on the Hong Kong Stock Exchange for the last ten (10) consecutive Trading Days immediately prior to the date of the Placing Agreement.

The Placing Price is exclusive of transaction levies and trading fees. The net Placing Price (after deducting the costs and expenses of the Placing) is approximately HKD0.301 per Placing Share.

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

Rights of the Placing Shares

The Placing Shares will, on allotment and issue, be free of all liens, charges and encumbrances, and will carry all rights attaching thereto as at the completion date of the Placing, including the right to receive all dividends or other distributions declared, made or paid on or after the completion date of the Placing. The Placing Shares will rank pari passu in all respects with the Shares in issue on the completion date of the Placing.

General Mandate to issue the Placing Shares

The Placing Shares will be issued under the General Mandate as approved at the 2025 AGM; therefore, no further shareholder approval is required. Under the General Mandate as approved at the 2025 AGM, the Company is authorized to issue up to 408,203,133 Shares, representing 20% of the issued share capital of the Company (excluding treasury shares) as at the date of the 2025 AGM.

As at the date of this announcement, no Shares have been issued under the General Mandate. Upon completion of the Placing, 220,347,133 Shares of the General Mandate will remain unutilised by the Company.

Application will be made to the Listing Committee of the Hong Kong Stock Exchange for the granting of the approval for the listing of, and permission to deal in, the Placing Shares.

Conditions of the Placing

Completion of the Placing shall be conditional upon the satisfaction or fulfilment of such conditions as set out hereunder:

- (i) the Board having approved the Placing and the transactions contemplated under the Placing Agreement;
- (ii) the Placing Agent having successfully procured Placees to be ready, willing and able to subscribe for, and to accept the allotment of, the Placing Shares or any combination thereof during the Placing period;
- (iii) the Placing Agent having compiled and delivered to the Hong Kong Stock Exchange a comprehensive list of the Placees and the number of Placing Shares to be subscribed by each Placee;

- (iv) the Listing Committee of the Hong Kong Stock Exchange having granted approval for the listing of, and permission to deal in, the Placing Shares, and such approval not having been revoked, suspended, withdrawn or cancelled, or threatened with any revocation, suspension, withdrawal or cancellation;
- (v) the Shares remaining listed on the Main Board of the Hong Kong Stock Exchange, and the listing status of the Shares not being subject to or threatened with any revocation, suspension, withdrawal or cancellation; and
- (vi) (if required) the Company having obtained the necessary consent, approval, authorisation, permission, or confirmation from any third party with which the Company has entered into any agreement or arrangement.

The conditions above cannot be waived. After the execution of the Placing Agreement, the Company shall use its best endeavours to procure the satisfaction of such conditions as set out in (i) and (iv) to (vi) above as soon as possible while the Placing Agent shall use its best endeavours to procure the satisfaction of such conditions as set out in (ii) and (iii) above as soon as possible.

If any one or more of the conditions has not been satisfied or fulfilled or any of the force majeure events set out below occurs, subject to the terms in relation to failure to complete or lapse or termination of the Placing as set out in the Placing Agreement, all obligations and responsibilities of the Placing Agent and the Company under the Placing Agreement shall cease and determine forthwith and no party under the Placing Agreement shall have any claim whatsoever against the other party in relation thereto save for claims arising from any antecedent breach of the Placing Agreement and without prejudice to the accrued rights and liabilities of each party under the Placing Agreement.

Completion of the Placing

Completion of the Placing will take place on a Trading Day falling within ten (10) Trading Days after the date upon which the conditions have been satisfied, or as soon as practicable thereafter, or at such other time and/or on such other date as may be agreed between the Company and the Placing Agent in writing.

Termination

The Placing Agent may terminate the Placing Agreement without liability to the Company by giving notice in writing to the Company at any time prior to or at 5:00 p.m. (Hong Kong time) on the Trading Day immediately prior to the completion date of the Placing in accordance with the terms of the Placing Agreement upon the occurrence of the following events:

- (i) the introduction of any new law or regulation or any change in existing laws or regulations (or the judicial interpretation thereof) or the occurrence of any other event of any nature whatsoever which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Company;
- (ii) the occurrence of any local, national or international event or change after the date of the Placing Agreement of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Company or prejudice the success of the Placing (such success being the completion of the Placing of the Placing Shares to potential investor(s)) or otherwise make it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing;

- (iii) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities) occurs after the date of the Placing Agreement which materially and adversely affects the success of the Placing (being the completion of the Placing to potential investor(s)) or otherwise, in the reasonable opinion of the Placing Agent, makes it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing;
- (iv) any material breach of or omission or failure to observe any of its obligations or undertakings under the Placing Agreement by the Company comes to the knowledge of the Placing Agent, which in the reasonable opinion of the Placing Agent would or would likely have a material adverse effect or would or would likely be materially adverse to the success of the Placing, or makes or is likely to make it impracticable, inadvisable or inexpedient to proceed therewith; or
- (v) any of the representations or warranties contained in the Placing Agreement were, when given or deemed to be repeated under the Placing Agreement, untrue or inaccurate in any material respect or would in any material respect be untrue or inaccurate, or, if repeated, the Placing Agent shall determine in its reasonable opinion that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or prospects of the Company or will otherwise likely have a material prejudicial effect on the Placing.

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

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

Shareholders	Immediately before the completion of the Placing		Immediately after the completion of the Placing	
	<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⁾	28,847,600	1.41%	28,847,600	1.29%
Brilliant Seed Limited ⁽²⁾	239,154,722	11.72%	239,154,722	10.73%
Tencent Mobility Limited	249,141,192	12.21%	249,141,192	11.18%
Mr. Guan Song ⁽³⁾	14,978,000	0.73%	14,978,000	0.67%
Bubble Sky Limited ⁽³⁾	19,016,020	0.93%	19,016,020	0.85%
Mr. Yang Jialiang ⁽⁴⁾	700,000	0.03%	700,000	0.03%
Subtotal	551,837,534	27.04%	551,837,534	24.76%
Public Shareholders				
Placees	—	—	187,856,000	8.43%
Other Public Shareholders	1,489,178,131	72.96%	1,489,178,131	66.81%
Subtotal	1,489,178,131	72.96%	1,677,034,131	75.24%
Total	2,041,015,665	100%	2,228,871,665	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 2,064,405,665, which includes 23,390,000 Shares held as treasury shares by the Company.
- (2) Mr. Chen Xiangyu, an executive Director, directly holds 28,847,600 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 700,000 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.

USE OF PROCEEDS FROM FUNDRAISING

The gross proceeds from the Placing will be approximately HKD58.24 million, of which the estimated net proceeds, net of commission and other estimated expenses payable, amount to approximately HKD56.63 million. The Company intends to fully use the net proceeds from the Placing to fund the research and development of AI agent-related technologies, the operation and promotion of the game products, and game research and development, which are detailed as follows:

I. Research and Development of AI Character Agent-Related Technologies

At present, the Company's monthly token consumption has exceeded 500 billion. AI has been fully embedded across core workflows including game R&D, content creation, customer service, marketing operations and internal collaboration, delivering consistent cost reduction and efficiency gains. In the AI domain, the Company's philosophy is to build differentiated core competitiveness by deeply integrating cutting-edge large model technologies with its unique gaming scenarios and vast accumulated user behavior data. This is pursued through two key directions: first, AI For Game, which focuses on improving efficiency across the entire value chain of R&D, publishing, and operations; and second, AI in Game, which explores the deep integration of AI into gameplay experiences, character interactions, and AI agents.

The Company intends to use this portion of the proceeds from the fundraising for the sustained implementation of its overall AI strategy, validate the industrial application of multiple AI agent technologies in game business scenarios, and prioritize its investment in three key directions: the Camena content productivity AI agent platform, the Super Player · AI Companion (超級玩家•AI夥伴) desktop resident companionship product, and the character AI agent project.

1. *Camena Content Productivity AI Agent Platform*

Camena figures prominently in the Group’s AI For Game strategic deployment and is one of the areas the Company plans to invest in and deepen its commitment to. Camena is a content AI agent platform built for the gaming industry, dedicated to integrating creative planning, asset management, creative task breakdown, image generation, video generation and result archiving into a reusable and iterable intelligent production workflow. The project will start from a visual creative workspace and progressively build a content AI agent capable of understanding game projects, organizing creative tasks, invoking professional tools and accumulating experience. The platform’s long-term value lies in connecting game teams’ project knowledge, creative resources and production methods, so that every content production effort forms a foundation for subsequent tasks.

With the proceeds from this fundraising, the Company will, focusing on Camena to advance its content AI agent strategy, remain committed to shaping product capabilities across five dimensions — “project understanding, intelligent execution, human-AI collaboration, asset accumulation and ecosystem expansion” — and make ongoing investments in the R&D and iteration of the visual workspace, Agent-based intelligent creation mode, project knowledge base, asset and result management, skill system and MCP plugin ecosystem. It will expand its team of composite talent equipped with both AI algorithm expertise and gaming business acumen, prioritize pilot implementation and verification in high-frequency business scenarios such as version promotional materials, character assets and operational short videos, and extend the platform’s capabilities to core business segments step by step, including game R&D, publishing and marketing, and content operations. Leveraging real production tasks to refine the product, it will accumulate reusable project assets and workflows, while exploring commercialization paths suited to gaming industry clients, laying a solid foundation for the implementation of the Group’s AI For Game business and its long-term future development.

Expected operational milestones/deliverables: Complete the rollout of the Camena content AI agent workspace.

2. *Super Player · AI Companion Desktop Resident Companionship Product*

To further deepen the Group’s business deployment in the AI character agent sector, the Company is advancing the Super Player · AI Companion project. Super Player · AI Companion is a desktop resident AI companionship product that runs in the form of an independent floating window. Powered by a Live2D rendering engine and large language models, and integrating multiple technologies such as speech recognition, speech synthesis and game process detection, it leverages flexible interaction modes and comprehensive back-end AI capabilities to offer players daily virtual character companionship and character development experiences. Through ongoing human-AI interaction, players can accumulate character intimacy and exclusive interaction memories. “Michelle (米雪兒)”, the product’s debut character, made its first appearance at an offline player event during the summer. The product is currently in the feature development stage, and future R&D will focus on iterating and expanding derivative content such as character appearances and voice content. As an important link connecting players and IPs, the AI Companion offers outstanding long-term business value: for one thing, it can extend the life cycle of leading game IPs; for another thing, this lightweight desktop product format can break through the boundaries of game clients and access a broader mass consumer audience in non-gaming scenarios, helping the Company stand a differentiated competitive moat in the AI + IP integration track.

Expected operational milestones/deliverables: Complete version iteration of the Super Player · AI Companion product.

3. *Character AI Agent*

Leveraging the Company’s quality IP portfolio, and given the potential to develop more of its proprietary IP characters into AI agents, the Company will continue to advance the R&D and iteration of character AI agents. At the current stage, “Shan-Shan (閃閃)” has been selected as the first character for the Company’s AI agent initiative.

The Shan-Shan AI Agent is an important product innovation of the Company under its “AI + Game” strategy, aimed at driving the evolution of classic game IPs toward intelligence, companionship and long-term live operation. Drawing on the mature global IP assets of Subway Surfers (《地鐵跑酷》) and combining Unity real-time rendering with AI large model interaction capabilities, the project creates the virtual character “Shan-Shan” to broaden the interactive connection between the game and players. Different from traditional NPCs with preset dialogue and fixed processes, the Shan-Shan AI Agent can engage in real-time personalized interaction with players within the established worldview and character setting. Players can get to know the character through the main storyline and also accumulate exclusive interaction memories during free interaction, transforming the character into a digital partner that can accompany players and respond to their needs. The product links modules including storyline, dialogue, affinity, actions, outfits and gallery to build an iterable and expandable character content system. Backed by AI to enhance character interaction density and personalized expression, it also supports version iterations, holiday events, themed outfits and community operations, empowering the long-term operation of a mature IP. Technologically, the Shan-Shan AI Agent connects AI large models with character models, storyline nodes, actions, voice and in-game events, integrating intelligent interaction into the game’s native experience. As capabilities such as voice, long-term memory and personalized generation continue to iterate, the Shan-Shan AI Agent is expected to be an important vehicle connecting players, virtual characters, the community and game content.

Expected operational milestones/deliverables: Complete the in-game implementation of the Shan-Shan AI Agent in Subway Surfers and explore game livestreaming.

II. Operation and Promotion of Game Products

1. *Gardenscapes (《夢幻花園》) Mini Program*

The upcoming Mini Program edition of Gardenscapes is a brand-new platform version independently developed, localized, and self-published by the Company for the Chinese mainland market, drawing on years of operational experience. The product retains its globally pioneering classic gameplay featuring match-3 and building, while introducing innovative upgrades tailored to domestic player preferences, including new and diverse gameplay such as themed story adventures and pet development as an ongoing effort to enrich game content and keep each cycle fresh. To cater to the emotional demand of its core female user base for warm, healing, and adorable content, the project has constantly rolled out high-quality IP collaborations, having partnered with well-known IPs such as the Palace Museum (故宮), Empresses in the Palace (《甄嬛傳》), and Strange Tales of Tang Dynasty (《唐朝詭事錄》), closely aligning with domestic users' aesthetics and emotional needs. Empowered by nine years of local roots and long-term live operations, the product has welcomed user feedback to continually iterate localized content for its sustained and strong vitality.

Development of the Mini Program edition officially commenced in May 2026, with testing launched at the end of August 2026. The first test delivered outstanding data performance and positive market feedback. The Company will continue to step up investment with the proceeds from the fundraising, further expanding the testing scope and operational scale of the WeChat Mini Program, and plans to successively launch on leading Mini Program platforms such as Douyin and Alipay in the first half of 2027 for full multi-channel rollout.

Moving forward, the Group will use the Gardenscapes Mini Program as its core benchmark to build a replicable and implementable R&D and operation system for high-quality games, along with a methodology for localized operations. Furthermore, it will continue to introduce world-class high-quality game IPs and localize and adapt such IPs to the ecosystem for a diversified, high-quality game product matrix. This will create a new growth engine for the Company's performance to further cement and enhance the Group's core competitiveness and industry position in the domestic high-quality game segment.

Expected operational milestones/deliverables: Complete the launch of the Gardenscapes Mini Program.

2. *Hustle Castle* (《喧鬧的城堡》)

Hustle Castle is a medieval-themed strategy RPG mobile game developed by My.Games, a leading European game developer. Since its global launch, it has quickly become a hit among players worldwide, thanks to its hand-drawn fantasy cartoon art style, whimsical and humorous storyline, and deep strategic gameplay. Cumulative global players have exceeded 100 million, with more than 2.2 million five-star reviews.

In the game, players take on the role of a castle lord and start from a ruined stone tower to build a prosperous castle kingdom. The core gameplay in the early stage revolves around various functional buildings, requiring players to allocate resources wisely and leverage the unique traits of each building to drive their own development. Beyond that, players can recruit and train brave followers, lead their teams to conquer monsters, and engage in player-versus-player battles. Followers are divided into three classes — warriors, mages and archers — each offering hundreds of growth paths and thousands of equipment combinations, encouraging players to devise their own builds, avoiding gameplay homogeneity and fully unleashing creative freedom.

The proceeds from this fundraising will be primarily earmarked for the localization and adaptation, advertising placement, marketing and promotion of the domestic version of *Hustle Castle*, as well as long-term live operations after its launch, fully tapping into the product's already proven overseas value. The title is expected to officially launch in the second half of 2026. It is expected to bring additional business growth to the Group, made possible by its highly distinctive art style, relatively friendly accessibility, solid player social system and in-depth strategic gameplay, combined with the user reputation built up overseas in the earlier stage.

Expected operational milestones/deliverables: Complete the official domestic launch of *Hustle Castle* in the second half of 2026 and the subsequent implementation of long-term live operations.

III. Research and Development Investment of Game Products

The self-developed business serves as a critical driver for the Company's upgrade from high-quality game publishing to R&D + operation integrated capabilities, as well as a pivotal carrier for building long-term product competitiveness, IP operation capabilities and global operational strengths. The self-developed business has now entered its value realization phase. Part of the proceeds from this fundraising will be invested in the content iteration and gameplay upgrade of *Strinova* (《卡拉彼丘》), the Group's flagship self-developed game, to enable the product to sustain its presence in the anime-style shooter genre, solidify its long-term operational capabilities, broaden its user base and extend its product life cycle.

As the Group's core high-quality anime-style shooter product, Strinova has built a solid user base and a mature combat system through its polished anime art style, distinctive stringification combat system and mainstream battle modes such as classic explosion and payload. It has a solid foundation for constant content iteration and gameplay innovation. To further cater to users' diverse gameplay needs, the Company plans to launch "Stringtrace Front (弦溯戰線)" mode as a new gameplay addition to Strinova. This mode retains Strinova's anime art style, character system and stringification combat features, and adopts an extraction shooter gameplay featuring large map exploration, resource collection, environmental challenges, player confrontation and extraction, offering players a game experience distinct from the existing competitive gameplay.

The Company plans to use part of the fundraising proceeds to refine and optimize this major new gameplay module, complete its content, fine-tune the experience, and support its launch operations and promotion, with a focus on advancing new mode scenario development, BOSS mechanism iteration, long-term character development system improvement, user interaction experience upgrades and monetization content optimization. This will continuously enrich the product's content ecosystem and effectively enhance user activity, retention and long-term spending potential. The planned "Stringtrace Front" version update addresses the product's content gap in traditional pure competitive battles by adding exploration, team collaboration and long-term character development gameplay. It can both enrich the gameplay content for existing core users, improving user retention and activity, and cover more user groups with differentiated preferences, expanding the user base. On top of that, the new content and development system built by the new mode reserves ample room for the product's long-term version iteration and content updates, sustaining the refined long-term live operations, further consolidating Strinova's core competitiveness and market moat in the domestic anime-style shooter genre, and continuously contributing stable user growth and revenue growth to the Group's core game business while unlocking the core value of its self-developed business.

Expected operational milestones/deliverables: Complete the R&D, optimization and version launch of Strinova's major new "Stringtrace Front" extraction shooter gameplay module.

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

Planned use of net proceeds		Approximate percentage of net proceeds	Planned allocation of net proceeds (HKD million)	Expected operational milestones/ Deliverables	Expected timeline for full utilisation ⁽¹⁾
Research and development of AI agent-related technologies	Camena Content Productivity AI Agent Platform	15%	8.49	Complete the rollout of the Camena content AI agent workspace	31 December 2026
	Super Player · AI Companion Desktop Resident Companionship Product	15%	8.49	Complete version iteration of the Super Player · AI Companion product	31 December 2026
	Character AI Agent	20%	11.33	Complete the in-game implementation of the Shan-Shan AI Agent in Subway Surfers and explore game livestreaming	31 December 2026
Operation and promotion of game products	Gardenscapes Mini Program	20%	11.33	Complete the launch of the Gardenscapes Mini Program	31 December 2026
	Hustle Castle	20%	11.33	Complete the official domestic launch of Hustle Castle and the subsequent implementation of long-term live operations	31 December 2026

Planned use of net proceeds		Approximate percentage of net proceeds	Planned allocation of net proceeds (HKD million)	Expected operational milestones/ Deliverables	Expected timeline for full utilisation ⁽¹⁾
Research and development of game products	Strinova “Stringtrace Front” major extraction gameplay module	10%	5.66	Complete the R&D, optimization and version launch of Strinova’s major new “Stringtrace Front” extraction gameplay module	31 December 2026
Total		100%	56.63		

- (1) The expected timetable for the full utilisation of the net proceeds is prepared based on the best estimates of the Company and may be subject to change depending on current and future developments in market conditions.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company and Shenzhen iDreamSky entered into a capitalization agreement (the “**Capitalization Agreement**”) with PLR Worldwide Sales Limited on 29 September 2025, pursuant to which, PLR Worldwide Sales Limited has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue 166,440,983 Subscription Shares to PLR Worldwide Sales Limited at an issue price of HKD1.098 per Subscription Share to set off the royalty fees payable by Shenzhen iDreamSky to PLR Worldwide Sales Limited (the “**Capitalization**”). On the same day, the Company entered into a subscription agreement (the “**Subscription Agreement**”) with six subscribers of the Subscription Agreement, pursuant to which, each of the subscribers under the Subscription Agreement has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue a total of 69,775,600 Subscription Shares to the subscribers under the Subscription Agreement at the issue price of HKD1.098 per Subscription Share (the “**Subscription**”). The strategic Shareholders and management of the Company also participated in the Subscription. Each of the subscribers under the Subscription Agreement is an independent professional, institutional and other investor.

On 24 October 2025, the Capitalization and the Subscription were completed, and an aggregate of 166,440,983 Shares under the Capitalization Agreement and 69,775,600 Shares under the Subscription Agreement were successfully issued pursuant to the terms and conditions of the Capitalization Agreement and the Subscription Agreement, respectively. The issue price of the Subscription Shares under the Capitalization Agreement and the Subscription Shares under the Subscription Agreement is HKD1.098 per Subscription Share.

The Capitalization and the Subscription were made under the General Mandate approved at the annual general meeting of the Company held on 11 June 2025. For details, please refer to the announcements of the Company dated 29 September 2025, 30 September 2025 and 24 October 2025 (the “**Relevant Announcements**”).

The gross proceeds from the Capitalization amounted to HKD182,752,199.334, which did not give rise to any cash proceeds as all the proceeds from the Capitalization have been used to set off the royalty fees payable by Shenzhen iDreamSky to PLR Worldwide Sales Limited in an aggregate amount of USD23,490,000 (approximately equivalent to HKD182,752,200 at the exchange rate of HKD7.78 to USD1.00). The gross proceeds from the Subscription amounted to approximately HKD76.61 million, of which the estimated net proceeds (net of commissions and other estimated expenses payable) amounted to approximately HKD76.33 million. The net proceeds from the Subscription have been used by the Company for the operation and promotion expenses of the game products and general working capital. The proceeds from the Subscription have been used in accordance with the plans as set out in the Relevant Announcements and have been fully exhausted.

The table below sets out the intended and actual use of the net proceeds from the Subscription:

	Planned allocation of net proceeds from the Subscription <i>(HKD million)</i>	Percentage of net proceeds <i>(Approximate percentage)</i>	Utilised amount <i>(HKD million)</i>
Operation and promotion expenses of game products	45.798	60 %	45.798
— Promotion expenses of game products	30.532	40%	30.532
— Operation expenses of game products	15.266	20%	15.266
General working capital	30.532	40 %	30.532
Total	76.330	100 %	76.330

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

REASONS FOR AND BENEFITS OF THE PLACING

As a game company listed on the Hong Kong Stock Exchange, the Company believes that sufficient and flexibly deployable capital reserves serve as an important operational foundation for advancing its high-quality game R&D and operations, making possible its AI + Game innovation strategy and capturing industry development opportunities. The Directors are of the view that the Placing is an appropriate financing channel for the Group to secure funds for business development, as it can not only supplement the Group's working capital, but also help broaden the Company's Shareholder and capital base and improve the liquidity of the Shares.

The gaming industry is currently at a stage where AI technologies and game businesses are accelerating their integration. High-quality game publishing and the R&D of game AI agents both require sustained resource investment. Additionally, capital expenditure in the gaming business is event-driven and concentrated in phases, with new title launches, major version iterations and AI technology breakthroughs all subject to tight time windows, requiring sufficient and flexibly deployable financial resources to seize industry opportunities.

Taking into account the specific uses of the proceeds raised from the Placing, the Company's existing business presence and its long-term strategic planning, the Placing can precisely align with the Company's three core needs: AI agent technology R&D, game product promotion and self-developed game iteration. It will support the implementation of Camena, the AI desktop pet assistant and multiple AI character agent projects, and advance the launch of the Gardenscapes Mini Program and the iteration and upgrade of Strinova's new gameplay module. Through this fundraising, the Group will be able to continue to expand its product pipeline, implement its "AI + Game" business strategy, consolidate its competitive advantages in the casual games and AI gaming tracks, and capture the industry growth dividends brought by the high-quality game market and AI-empowered gaming industry, sustaining the Group's medium-to long-term business development. The uses of the proceeds are clear and the deliverables are well defined, which can strengthen the core business, improve the product matrix and build technological barriers, enabling the Company's sound operations and long-term value enhancement.

The Directors (including the independent non-executive Directors) consider that the terms of the Placing Agreement and the terms and conditions of the Placing are reached on normal commercial terms after arm's length negotiations between the parties, and are fair and reasonable as far as the Shareholders are concerned, and the Placing is in the interests of the Company and the Shareholders as a whole.

GENERAL MANDATE

In accordance with the resolutions of the Shareholders passed at the 2025 AGM, the Company granted the General Mandate to the Directors to allot and issue up to 20% of the issued and outstanding ordinary shares of the Company (excluding treasury shares) as at 30 June 2026, namely 408,203,133 shares.

As at the date of this announcement, no Shares have been issued or agreed to be issued under the General Mandate. The Placing Shares to be issued will be allotted and issued pursuant to the General Mandate, and the Placing is not subject to Shareholders' approval.

INFORMATION REGARDING THE GROUP

The Group is a gaming company with integrated global research and development and operations capabilities, focusing on the long-term operation of high-quality games and the development of self-developed IPs. We have been actively exploring new forms of AI-gaming integration, aiming to bring joy to users through technology and creativity. Shenzhen iDreamSky, a PRC consolidated affiliated entity of the Company, is primarily engaged in the research and development, publishing and operation of games through mobile applications and websites.

Completion of the Placing Agreement and the transactions contemplated thereunder is subject to the fulfillment of the conditions precedent set out therein. For further information, please refer to the paragraph headed "The Placing Agreement" above. As the Placing 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:

"2025 AGM"	the annual general meeting of the Company held on 30 June 2026 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

“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 Hong Kong Stock Exchange
“Company”	iDreamSky Technology Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Hong Kong Stock Exchange 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 2025 AGM authorizing the Directors to allot and issue up to 20% of Shares (excluding treasury shares (if any)) of the Company outstanding as at the date of passing the resolution
“Group”	the Company, its subsidiaries and its PRC consolidated affiliated entities from time to time
“HKD”	the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Independent Third Party(ies)”	any entity or individual who is not a Connected Person of the Company within the meaning ascribed thereto under the Listing Rules
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Placee(s)”	any professional, institutional or other investor(s) selected and/or procured by the Placing Agent according to the Placing Agreement

“Placing”	the placing of up to 187,856,000 Placing Shares by the Placing Agent to investors at the Placing Price
“Placing Agent”	Riche Bright Securities Limited
“Placing Agreement”	the placing agreement entered into between the Company and the Placing Agent dated 15 October 2026 in respect of the Placing
“Placing Price”	HKD0.31 per Placing Share
“Placing Shares”	up to 187,856,000 new Shares to be placed under the Placing
“PRC”	the People’s Republic of China (for the purpose of this announcement excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)
“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 iDreamSky”	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 our Company
“Trading Day(s)”	a day when the Hong Kong Stock Exchange 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 be a trading day or trading days when ascertaining any period of trading days

“treasury share(s)”	has the meaning ascribed thereto under the Listing Rules
“USD”	the lawful currency of the United States
“US” or “United States”	the United States of America
“%”	percent

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

Shenzhen, the PRC, 15 October 2026

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.