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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)

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders

首盛資本集團
Alpha Financial Group

BACKGROUND

Reference is made to the Company's announcement dated November 10, 2023 in relation to, among other things, the entering into of the 2024 Advertising Cooperation Framework Agreement, the 2024 Products and Services Purchasing Framework Agreement and the 2024 Game Cooperation Framework Agreement between Shenzhen iDreamSky and Tencent Computer.

On November 12, 2026, Shenzhen iDreamSky and Tencent Computer agreed to renew the 2024 Framework Agreements by entering into (i) the 2027 Advertising Cooperation Framework Agreement, in relation to, among other things, the cooperation on advertising of products and services of both parties; (ii) the 2027 Products and Services Purchasing Framework Agreement, in relation to, among other things, the provision of comprehensive services and products between the Group and Tencent Group; and (iii) the 2027 Game Cooperation Framework Agreement, in relation to, among other things, the cooperation on games distribution and promotion between the parties.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Tencent holds approximately 11.18% of the total issued Shares (excluding treasury shares) of the Company through its wholly-owned subsidiary Tencent Mobility Limited, and Tencent Computer is a subsidiary of Tencent. Therefore, Tencent Computer is a connected person of the Company, and each of the 2027 Advertising Cooperation Framework Agreement, the 2027 Products and Services Purchasing Framework Agreement and the 2027 Game Cooperation Framework Agreement and the respective transactions contemplated thereunder constitute continuing connected transactions of the Company pursuant to Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) calculated on an annual basis in respect of the proposed annual caps for each of (i) the transactions contemplated under the 2027 Advertising Cooperation Framework Agreement and (ii) the Distribution Transactions contemplated under the 2027 Game Cooperation Framework Agreement exceed 0.1% but is less than 5%, such transactions are therefore subject to reporting, announcement and annual review requirements but are exempt from the requirement of independent shareholders' approval under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) calculated on an annual basis in respect of the proposed annual caps for each of (i) the transactions contemplated under the 2027 Products and Services Purchasing Framework Agreement and (ii) the Promotion Transactions contemplated under the 2027 Game Cooperation Framework Agreement is more than 5%, such transactions are therefore subject to reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

EXTRAORDINARY GENERAL MEETING

An extraordinary general meeting will be convened to consider the resolutions relating to (i) the transactions contemplated under the 2027 Products and Services Purchasing Framework Agreement and the proposed annual caps thereunder and (ii) the Promotion Transactions contemplated under the 2027 Game Cooperation Framework Agreement and the proposed annual caps thereunder.

Given that Tencent has material interests in (i) the 2027 Products and Services Purchasing Framework Agreement and (ii) the 2027 Game Cooperation Framework Agreement, and as at the date of this announcement, Tencent holds 249,141,192 Shares of the Company through its wholly-owned subsidiary, Tencent Mobility Limited, representing approximately 11.18% of the total issued Shares (excluding treasury shares) of the Company, Tencent Mobility Limited, a wholly-owned subsidiary of Tencent, will abstain from voting at the extraordinary general meeting on the resolutions in relation to (i) the transactions contemplated under the 2027 Products and Services Purchasing Framework Agreement and the proposed annual caps thereunder and (ii) the Promotion Transactions contemplated under the 2027 Game Cooperation Framework Agreement and the proposed annual caps thereunder. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save as disclosed above, as at the date of this announcement, there are no Shareholders that were required to abstain from voting on the resolutions in relation to (i) the transactions contemplated under the 2027 Products and Services Purchasing Framework Agreement and the proposed annual caps thereunder and (ii) the Promotion Transactions contemplated under the 2027 Game Cooperation Framework Agreement and the proposed annual caps thereunder at the extraordinary general meeting.

The Independent Board Committee comprising all independent non-executive Directors has been established to advise the independent Shareholders in respect of (i) the transactions contemplated under the 2027 Products and Services Purchasing Framework Agreement and the proposed annual caps thereunder and (ii) the Promotion Transactions contemplated under the 2027 Game Cooperation Framework Agreement and the proposed annual caps thereunder. Alpha Financial Group Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the independent Shareholders in respect of the same matters.

A circular containing, among other things, (i) the transactions contemplated under the 2027 Products and Services Purchasing Framework Agreement and the proposed annual caps thereunder; (ii) the Promotion Transactions contemplated under the 2027 Game Cooperation Framework Agreement and the proposed annual caps thereunder; (iii) the letter from the Independent Board Committee; (iv) the letter from the Independent Financial Adviser; and (v) a notice convening the extraordinary general meeting will be despatched to the Shareholders as and when appropriate. For the purpose of the circular, the Company will need time to make various preparations, which may result in the expected date of dispatch of the circular to the Shareholders falling more than 15 business days after the publication of this announcement.

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

Reference is made to the Company's announcement dated November 10, 2023 in relation to, among other things, the entering into of the 2024 Framework Agreements between Shenzhen iDreamSky and Tencent Computer. As disclosed in the aforesaid announcement, each of the 2024 Framework Agreements shall expire on December 31, 2026.

On November 12, 2026, Shenzhen iDreamSky and Tencent Computer agreed to renew the 2024 Framework Agreements by entering into (i) the 2027 Advertising Cooperation Framework Agreement in relation to, among other things, the cooperation on advertising of products and services of both parties; (ii) the 2027 Products and Services Purchasing Framework Agreement in relation to, among other things, the provision of comprehensive services and products between the Group and Tencent Group; and (iii) the 2027 Game Cooperation Framework Agreement in relation to, among other things, the cooperation on games distribution and promotion between the parties.

1. 2027 Advertising Cooperation Framework Agreement

The principal terms of the 2027 Advertising Cooperation Framework Agreement are set out as follow:

Date : November 12, 2026

Parties : (1) Shenzhen iDreamSky, and

(2) Tencent Computer

Terms : From January 1, 2027 to December 31, 2029

Subject matter : Pursuant to the 2027 Advertising Cooperation Framework Agreement, Shenzhen iDreamSky and Tencent Computer agreed to cooperate on, including but not limited to:

(a) the provision of advertising services by Shenzhen iDreamSky to Tencent Computer and/or its associates, to promote its products or services through platforms operated or engaged by Shenzhen iDreamSky, in return for service fees payable by Tencent Computer to the Group; and

(b) the Group acting as an intermediary to link the user traffic of third parties with the advertising services offered by Tencent Group. The Group will conduct collective negotiation with Tencent Group in respect of the advertising services offered by Tencent Group, in return for service fees payable by the relevant third parties to the Group.

The precise scope of services, service fee calculation, the method of payment and other details of the service arrangement will be agreed between the relevant parties separately.

Fee arrangements : In return for the advertising services provided by the Group, Tencent Group shall pay the Group an advertising service fee using one or more of the following methods, depending on the means of cooperation and the platforms where the advertising services are provided:

(a) Cost-Per-Time: charged based on the length of time of the advertising services;

(b) Cost-Per-Click: charged based on the price per click of online users and the number of clicks;

(c) Cost-Per-Download: charged based on the actual number of downloads of the Company's products or services;

(d) Cost-Per-Activation: charged based on the number of newly activated users;

(e) Cost-Per-Sale: charged based on the revenue generated by users acquired through the other party's platform;

(f) Cost-Per-Mille: charged based on the number of impressions generated by online users (expressed in thousands);

(g) fixed amount of advertising fee; and

(h) other fee arrangements agreed by the parties. The channel expense will be agreed by the parties separately.

Pricing Policy

The advertising service fees will be determined after arm's length negotiation between the parties and with reference to the prevailing market prices published by the parties.

Historical Annual Caps and Historical Amounts

The annual caps under the 2024 Advertising Cooperation Framework Agreement for the three years ending December 31, 2026 are set out as follows:

	For the year ended/ending December 31,		
	2024	**2025**	**2026**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Advertising service fee payable by Tencent Group to the Group	11,470	9,883	8,535

The historical amounts of the advertising service fees paid by Tencent Group to the Group under the 2024 Advertising Cooperation Framework Agreement for the two years ended December 31, 2025 and the nine months ended September 30, 2026 are set out below:

	For the year ended December 31,		**For the nine months ended September 30,**
	2024	**2025**	**2026**
	(RMB'000)	*(RMB'000)*	*(RMB'000)* (Unaudited)
Advertising service fee paid by Tencent Group to the Group	10,317	7,745	5,631

Annual Caps and Basis of Determination

The proposed annual caps for the advertising service fees payable by Tencent Group to the Group under the 2027 Advertising Cooperation Framework Agreement for the three years ending December 31, 2029 are set out below:

	For the year ending December 31,		
	2027	**2028**	**2029**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Advertising service fee payable by Tencent Group to the Group	23,400	24,200	22,100

The above annual caps for the three years ending December 31, 2029 were determined with reference to (i) the historical amounts of advertising service fees paid by Tencent Group to the Group under the 2024 Advertising Cooperation Framework Agreement for the two years ended December 31, 2025 and the nine months ended September 30, 2026; (ii) the daily average online time of the Group's users; (iii) the fact that the Group continues to develop, publish and update high-quality games with a large user base, and continues to obtain external traffic to monetize the Group's advertising services; and (iv) the scale of the Group's operation and the future needs for Tencent Group after arm's length negotiation and discussion between the parties.

Reasons for and Benefits of the 2027 Advertising Cooperation Framework Agreement

The Company believes that the cooperation with Tencent Group pursuant to the 2027 Advertising Cooperation Framework Agreement will enable both parties to fully leverage the competitive edges of each other, and further promote the growth of the Group's advertising service business.

2. 2027 Products and Services Purchasing Framework Agreement

The principal terms of the 2027 Products and Services Purchasing Framework Agreement are set out as follows:

Date : November 12, 2026

Parties : (1) Shenzhen iDreamSky, and

(2) Tencent Computer

Terms : From January 1, 2027 to December 31, 2029

Subject matter : Pursuant to the 2027 Products and Services Purchasing Framework Agreement, Tencent Computer and the Group (or companies designated by the parties) have agreed to provide comprehensive services and products based on specific cooperation projects, including but not limited to the following technical products and services:

(i) Technical products and services provided by Tencent Computer:

- Cloud services, cloud storage and technical support related to cloud services; and
- SMS channel service, CDN network acceleration service and domain name resolution acceleration service.

(ii) Technical products and services provided by the Group:

- AI model invocation services and AI Tokens;
- Cloud servers, storage, network, databases and other cloud services; and
- Technical support, operation and maintenance, and interface integration.

Fee arrangements : The precise scope of products or services, purchase quantities, prices, delivery methods, service standards and other arrangements provided by the Tencent Group or the Group shall be subject to the orders, service orders, supplemental agreements or other written documents separately signed by the parties.

Pricing Policy

The products and services procurement fees payable by the Group to the Tencent Group under the Procurement Transactions will be the official prices published by the Tencent Group at the time of purchase. The discounts (if any) shall be agreed between the parties separately. During the two years ended December 31, 2025 and the nine months ended September 30, 2026, the procurement prices at which the Group purchased products and services from the Tencent Group remained relatively stable. The relevant fee rates are published by the Tencent Group on its website and will be charged by the Tencent Group according to the scope of the products and the specifications of the products and services procured from the Tencent Group. Accordingly, the procurement prices will vary from period to period and depend on the specific requirements of the different games operated during the relevant period. For

example, the procurement prices of cloud server services listed on the Tencent Group's official website will vary based on the following factors: (1) hardware specifications; (2) bandwidth (between 1MB and 200MB); (3) various operating systems; (4) nine purchase periods (between one month and five years, with a fixed discount rate offered for longer periods); and (5) the region of service selected by the Company when purchasing cloud server service packages through the Tencent Group's website. In determining the proposed annual caps for the Procurement Transactions under the 2027 Products and Services Purchasing Framework Agreement, the Company has assumed that the relevant procurement fee rates will remain stable at a rate comparable to that charged during the term of the 2024 Products and Services Purchasing Framework Agreement.

The products and services procurement fees payable by the Tencent Group to the Group under the Supply Transactions are determined after arm's length negotiation with reference to the official list prices published on the official websites of the relevant cloud service providers. In particular, for AI model invocation services and AI Tokens, the Group procures AI Tokens from relevant cloud service providers and determines the unit price for sales to the Tencent Group by using the aforesaid list prices as a benchmark, after making price adjustments based on a comprehensive consideration of factors such as procurement costs, relevant service input, performance risks undertaken. The Group also generates commercial returns that are commensurate with the relevant input and risks by making settlement based on actual usage and through the purchase-to-sale price spread. During the term of the 2027 Products and Services Purchasing Framework Agreement, the parties have the right to adjust the price lists according to the prices published on the official websites of the relevant cloud service providers.

Historical Annual Caps and Historical Amounts

The annual caps under the 2024 Products and Services Purchasing Framework Agreement for the three years ending December 31, 2026 are set out as follow:

	For the year ended/ending December 31,		
	2024	**2025**	**2026**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Products and services procurement fee payable by the Group to the Tencent Group	34,200	42,200	54,200

The historical amounts of the products and services procurement fees paid by the Group to the Tencent Group under the 2024 Products and Services Purchasing

Framework Agreement for the two years ended December 31, 2025 and the nine months ended September 30, 2026 are set out as follow:

	For the year ended December 31,		For the nine months ended September 30,
	2024	**2025**	**2026**
	(RMB'000)	*(RMB'000)*	*(RMB'000)* (Unaudited)
Products and services procurement fee paid by the Group to the Tencent Group	22,833	36,993	27,795

Annual Caps and Basis of Determination

The proposed annual caps for the Procurement Transactions and the Supply Transactions under the 2027 Products and Services Purchasing Framework Agreement for the three years ending December 31, 2029 are set out as follows:

	For the year ending December 31,		
	2027	**2028**	**2029**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Procurement Transactions: procurement fee for products and services payable by the Group to the Tencent Group	38,500	47,500	60,000
Supply Transactions: procurement fee for products and services payable by the Tencent Group to the Group	420,000	420,000	420,000

(a) In determining the above proposed annual caps for the Procurement Transactions, the annual caps were determined based on the historical transaction amounts and with reference to the Group's expected future procurement needs, primarily due to (i) the percentage of fees payable by the Group for products and services of the Tencent Group (including but not limited to cloud services and other related services) will remain at a level similar to that for the two years ended December 31, 2025 and the nine months ended September 30, 2026; (ii) the Company plans to continue to migrate game and user data to Tencent Cloud and store game and user data on the Tencent Group's cloud services; and (iii) the continuous growth of the Group's scale of operation and the estimated growth in future demand for the Tencent Group after arm's length negotiations and discussions, taking into account the Group's plan to procure cloud services from the Tencent Group for five to six new games for the three years ending December 31, 2029.

(b) In determining the above proposed annual caps for the Supply Transactions, the annual caps were determined with reference to the Group's expected future demand for providing AI Token model invocation and other cloud technology services to the Tencent Group. The relevant transaction amounts will depend on the Tencent Group's usage demand for AI Token model invocation and other cloud technology services, token consumption and relevant business development. It is expected that as the Tencent Group's AI-related business and model application scenarios increase, its demand for AI Token model invocation and other cloud technology services will continue to rise. Therefore, the proposed annual caps are determined based on the Group's expected demand for providing AI Token model invocation and other cloud technology services, so as to ensure the stable development of the relevant business.

Reasons for and Benefits of the 2027 Products and Services Purchasing Framework Agreement

Tencent is a leading provider of Internet value added service in the PRC, and offers a wide range of high-quality products and services. The Group has migrated most of its servers and computing infrastructure to Tencent Cloud and the Group became one of the few game publishers in China that have fully integrated cloud technology into game infrastructure. The Directors believe that the procurement of high-quality services and products from Tencent Group, especially technological products and services, will provide the Group with the necessary technologies to further develop its business, and the Company can leverage on the wide spectrum of products and services offered by Tencent Group to reduce unnecessary costs in reconciling and integrating the differences between different systems.

The Group's AI strategy is anchored in its unique player data, gaming scenarios, and IP assets to create long-term growth drivers. The strategy will be advanced along two main tracks, "AI for Game" and "AI in Game", to develop efficiency agents and IP character agents, respectively. Leveraging the cloud service resale qualification, technology middle platform, AI Token supplier channels and procurement coordination resources, the Group, while supporting its own artificial intelligence and related technology businesses, extends part of its relevant capabilities to external customers by providing AI Tokens and other cloud technology services to Tencent Group. This arrangement can enhance the efficiency of the Group's existing resources, expand the Group's AI and cloud technology services business without significantly increasing fixed asset investment, broaden revenue sources and customer base, and generate commercial returns through the purchase-to-sale price spread. At the same time, the Group can thereby enhance its AI-related technology and service capabilities, accumulate industry application experience, establish and deepen business cooperation relationships with Tencent Group, create long-term and stable cooperation opportunities, and strengthen the Group's brand influence and competitiveness in the AI and cloud services market.

3. 2027 Game Cooperation Framework Agreement

The principal terms of the 2027 Game Cooperation Framework Agreement are set out as follows:

Date: November 12, 2026

Parties: (1) Shenzhen iDreamSky, and

(2) Tencent Computer

Term: From January 1, 2027 to December 31, 2029

Subject matter: Pursuant to the 2027 Game Cooperation Framework Agreement, the Group and Tencent Group agreed to:

(i) license games of the Group to be published and operated on the platforms of Tencent Group; and

(ii) license games of Tencent Group to be published and operated on the platforms of the Group.

The precise manner and scope of the relevant co-operation, the subject matters concerned, the commission rate, the applicable payment channels and other details of the arrangements shall be agreed between the relevant parties separately.

Fee arrangements: Based on the specific content of the projects and manners of co-operation, the relevant revenue sharing shall be calculated on any of the following basis:

- fixed amount of payment;
- revenue/profit sharing between the parties;
- prepaid revenue sharing between the parties; and/or
- product bonus.

Pricing Policy

Relevant fees under the 2027 Game Cooperation Framework Agreement shall be determined after arm's length negotiation between the parties with reference to the prevailing market price and consideration of various commercial factors, such as the nature, popularity, quality and commercial potential of the relevant games. In determining the fees, the Company will, to the extent that is commercially practicable, seek cooperation with at least two other Independent Third Parties at its best efforts and compare the commercial terms offered by such Independent Third Parties with those offered by Tencent Group. Specifically, the manager of relevant game development department of the Company and the business manager in-charge of the project will obtain quotations from at least two Independent Third Parties, submit a report summarizing the relevant key terms of cooperation to the director of the game development department of the Company for review, and submit the same to the Company's operation management team (including the Company's chief executive officer, chief technology officer, chief financial officer, chief human resources officer and directors of various game studios) for approval. If, for commercial reasons such as the characteristics of the game industry, differences in the game genres in which different third-party companies specialize, and differences in the customer bases corresponding to different game genres, the Company is unable to obtain quotations from two or more other Independent Third Parties, the Company will compare the commercial terms offered by Tencent Group with those offered by at least one Independent Third Party, with reference to the commercial terms and cooperation models of similar businesses of other companies in the industry, and demonstrate from multiple perspectives (including but not limited to successful cases of past operation of games of the same genre, the unique technologies required in the operation of games of different genres, game revenue sharing models and revenue sharing ratios, etc.) whether choosing to cooperate with Tencent Group is the optimal option.

Historical Annual Caps and Historical Amounts

The annual caps for the promotion transactions and distribution transactions under the 2024 Game Cooperation Framework Agreement for the three years ending December 31, 2026 are set out as follows:

		For the year ended/ending December 31,		
		2024	**2025**	**2026**
		(RMB'000)	*(RMB'000)*	*(RMB'000)*
(a)	Promotion transactions[(1)]: distribution fees and licensing fees payable by the Group to Tencent Group	61,800	65,760	70,512
(b)	Distribution transactions[(2)]: licensing fees payable by Tencent Group to the Group in the form of revenue sharing	303,400	354,900	298,400

Note:

(1) refers to the Group engaging Tencent Group to distribute the Group's games, or Tencent Group licenses its games to the Group for operation. Among these, (i) where the Group engages Tencent Group to distribute the Group's games, Tencent Group distributes the Group's games as game co-operation channels, and the Group recognizes the game revenue paid by users through such co-operation channels as total revenue and, after deducting certain costs and expenses (including channel bad debts, payment cancellations, refunds, etc.) from such revenue, pays distribution fees to Tencent Group at a specified percentage ranging from 30% to 60% of the total revenue of the relevant games; and (ii) where Tencent Group licenses its games to the Group for operation, the Group is responsible for the operation of such games, including determining payment channels, providing customer services, service specifications and pricing, etc. The Group recognizes the total game revenue paid by users as revenue and, after deducting certain costs and expenses (including channel fees, bad debts, etc.) from such revenue, pays licensing fees to Tencent Group at a specified percentage ranging from 20% to 40% of the total revenue of the relevant games.

(2) refers to the Group's games being exclusively licensed to Tencent Group for operation in specific areas. Tencent Group is responsible for the operation of such games, which includes determining payment channels, providing customer services, service specifications and pricing, etc. The Group is responsible for the development of the content of such games, version updates and iteration and daily technical maintenance, etc. After deducting certain costs and expenses (including channel fees, bad debts, etc.), Tencent Group pays licensing fees to the Group based on (i) a fixed amount (following industry practice and based on the developer's research and development costs, with the specific amount to be determined through negotiation between the parties on a case-by-case basis) and/or (ii) a specified percentage, which accounts for approximately 3% to 40% of the total revenue of the relevant games.

The historical transaction amounts of the promotion transactions and distribution transactions for the two years ended December 31, 2025 and the nine months ended September 30, 2026 are set out as follows:

		For the year ended December 31,		For the nine months ended September 30,
		2024	**2025**	**2026**
		(RMB'000)	*(RMB'000)*	*(RMB'000)* (Unaudited)
(a)	Promotion Transactions: distribution fees and licensing fees payable by the Group to Tencent Group	17,553	10,919	40,517
(b)	Distribution Transactions: licensing fees payable by Tencent Group to the Group in the form of revenue sharing	73,515	152,002	2,331

Annual Caps and Basis of Determination

The proposed annual caps for the Promotion Transactions and Distribution Transactions under the 2027 Game Cooperation Framework Agreement for the three years ending December 31, 2029 are set out as follows:

		For the year ending December 31,		
		2027	**2028**	**2029**
		(RMB'000)	*(RMB'000)*	*(RMB'000)*
(a)	Promotion Transactions: distribution fees and licensing fees payable by the Group to Tencent Group	155,510	179,410	181,500
(b)	Distribution Transactions: licensing fees payable by Tencent Group to the Group in the form of revenue sharing	23,063	23,940	24,940

With reference to the historical amounts between the Group and Tencent Group, the proposed annual caps were determined based on the future business growth of the Group and after arm's length negotiation with Tencent Group. In particular:

(a) In determining the above proposed annual caps for the Promotion Transactions, the annual caps have been determined by the Directors based on the historical distribution fees and licensing fees paid by the Group to Tencent Group for the two years ended December 31, 2025 and the nine months ended September 30, 2026. The growth rate is determined by the Company based on the assumed growth of the Company's business, the operating capacity of the Group and the estimated revenue that may be generated from the games with reference to the historical transaction amounts during the term of the 2024 Game Cooperation Framework Agreement.

(b) In determining the above proposed annual caps for the Distribution Transactions, the Directors have considered the number and scale of the games owned by the Group, the games to be licensed by the Group to Tencent Group and the expected revenue to be generated.

In determining the proposed annual caps, the Company has also referred to factors such as the monthly turnovers and lifecycles of comparable games in the industry which are similar to the Company's games, as well as the costs and expenses to be incurred and charged by Tencent Group (such as platform fees and commissions from payment channels).

Reasons for and Benefits of the 2027 Game Cooperation Framework Agreement

Tencent Group owns a large number of well-received game products and game platforms, and the Group has been dedicated to the production and operation of popular games. It is expected that Tencent Group and the Group could leverage on each other's competitive advantages of their respective products and platforms and their game development capabilities to improve the popularity of the games owned by both parties and increase the number of platform users.

INTERNAL CONTROL MEASURES

To ensure that the terms under relevant framework agreements for the continuing connected transactions are fair and reasonable, and no less favourable to the Group than terms available to or from Independent Third Parties, and that the connected transactions are carried out on normal commercial terms, the Group has adopted the following internal control procedures:

(a) to ensure that the fees payable by the Group to Tencent Group and receivable by the Group from Tencent Group are fair and reasonable and on normal commercial terms, the Company will, to the extent that is commercially practicable, seek cooperation with at least two other Independent Third Parties at its best efforts, and compare the commercial terms offered by such Independent Third Parties with those offered by Tencent Group. When it is unable to obtain at least two other Independent Third Parties due to commercial reasons, the Company will compare the commercial terms offered by Tencent Group with the terms offered by at least one Independent Third Party, and demonstrate from multiple perspectives whether choosing to cooperate with Tencent Group is the optimal option;

(b) the Board and the various internal departments of the Company (including finance, legal and compliance departments, business operation and internal audit departments) will be jointly responsible for evaluating the terms under relevant framework agreements for the continuing connected transactions, in particular, the fairness and reasonableness of the pricing policy and the proposed annual caps under each transaction;

(c) all members of the Group shall report to, and the finance department of the Company shall closely monitor, the actual transaction amounts relating to its continuing connected transactions on a monthly basis. If the actual transaction amounts reach 85% of the proposed annual caps for the relevant continuing connected transactions at any time, the matter shall promptly be escalated to the chief financial officer, who will seek the advice from the audit committee of the Company and the Board for appropriate measures, including but not limited to revising the relevant proposed annual caps in accordance with the requirements of the Listing Rules, if necessary. The Company considers that the abovementioned 85% cap is a reasonable and effective threshold, given that it will provide the Company with plenty of time to take appropriate measures immediately before the actual transaction amounts exceed the proposed annual caps, such as reducing and/or controlling the transaction amounts and/or revising the proposed annual caps in accordance with the Listing Rules.

In respect of the Promotion Transactions under the 2027 Game Cooperation Framework Agreement, the finance department of the Company will, in accordance with the Company's financial control system, track and record the distribution fees and licensing fees payable by the Group to Tencent Group on a regular basis, and will prepare a monthly report to check the relevant transaction amounts and payment channels. The finance department will, as soon as practicable after the end of each month, reconcile and confirm the relevant monthly transaction amounts with Tencent Group against the amounts recorded in Tencent Group's system. The historical deviations in the transaction amounts recorded in the systems of the Group and Tencent Group have generally been small, ranging from approximately 5% to 10%. In the future, based on the audit records of the finance department on the financial control system of the Company, if it becomes aware that the amount of distribution fees and licensing fees payable by the Group to Tencent Group under the 2027 Game Cooperation Framework Agreement is reasonably expected to reach 85% of the corresponding proposed annual caps, it will immediately take the above measures. In addition to checking and reporting, the finance department will also pay attention to any early signs of actual transaction amounts exceeding the proposed annual caps, such as analysing on a monthly basis the trend of the expected transaction amounts to be generated from the Promotion Transactions;

In respect of the Procurement Transactions and the Supply Transactions under the 2027 Products and Services Purchasing Framework Agreement, the finance department of the Company will, in accordance with the Company's financial control system, track and record the respective transaction amounts of the Procurement Transactions and Supply Transactions on a regular basis, and will prepare a monthly report to check the relevant transaction amounts and payment channels. The finance department will, as soon as practicable after the end of each month, reconcile and confirm the relevant monthly transaction amounts with Tencent Group against the amounts recorded in Tencent Group's system. In respect of the historical procurement transactions, the historical deviations in the transaction amounts recorded in the systems of the Group and Tencent Group have generally been small, ranging from approximately 5% to 10%. In the future, based on the audit records of the finance department on the financial control system of the Company, if it becomes aware that the amount of Procurement Transactions payable by the Group to Tencent Group or the amount of Supply Transactions payable by Tencent Group to the Group under the 2027 Products and Services Purchasing Framework Agreement is reasonably expected to reach 85% of the corresponding proposed annual caps, it will immediately take the above measures. In addition to checking and reporting, the finance department will also pay attention to any early signs of actual transaction amounts exceeding the corresponding proposed annual caps, such as separately analysing on a monthly basis the trend of the expected transaction amounts to be generated from the Procurement Transactions and Supply Transactions;

(d) prior to renewing the existing business and/or entering into a new form of business with any connected person, the relevant business operation department shall first report to the finance, legal and compliance departments, and the senior management shall assess whether the scope of the existing continuing connected transactions and the relevant proposed annual caps should be amended and/or whether a new framework agreement should be entered into for such new transactions;

(e) the Company will arrange regular training for its employees, including the business operation, finance, legal and compliance departments, to strengthen their familiarity with the Listing Rules and enhance their awareness of the compliance with the relevant internal control procedures relating to the continuing connected transactions of the Group;

(f) the Company's internal audit team will monitor the effectiveness and adequacy of the internal control measures, and will make recommendations and report to the audit committee of the Company on a regular basis; and

(g) the independent non-executive Directors and the auditors of the Company will conduct an annual review of, and provide annual confirmation on, the continuing connected transactions under such framework agreements in accordance with the Listing Rules to ensure that the transactions are conducted on normal commercial terms and in accordance with the pricing policy.

The Board is of the view that the above internal control measures will provide comprehensive oversight of the Company's continuing connected transactions and close monitoring of the proposed annual caps, and will enhance the awareness and accountability of internal departments in complying with the relevant rules relating to the Company's continuing connected transactions. The Board considers that the above internal control measures are sufficient and effective.

OPINION FROM THE BOARD

The Directors (including the independent non-executive Directors) are of the view that the terms of each of (i) the 2027 Advertising Cooperation Framework Agreement, (ii) the 2027 Products and Services Purchasing Framework Agreement and (iii) the 2027 Game Cooperation Framework Agreement were determined after arm's length negotiation, and that the transactions contemplated thereunder (including the proposed annual caps for the three years ending December 31, 2029) are conducted in the ordinary and usual course of business of the Company, on normal commercial terms, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Mr. Yang Ming, a non-executive Director, is currently an employee of Tencent and has accordingly abstained from voting on the relevant Board resolutions approving each of (i) the 2027 Advertising Cooperation Framework Agreement, (ii) the 2027 Products and Services Purchasing Framework Agreement and (iii) the 2027 Game Cooperation Framework Agreement and the respective transactions contemplated thereunder. Save as disclosed above, none of the other Directors is required to abstain from voting due to having a material interest in each of (i) the 2027 Advertising Cooperation Framework Agreement, (ii) the 2027 Products and Services Purchasing Framework Agreement and (iii) the 2027 Game Cooperation Framework Agreement and the respective transactions contemplated thereunder.

INFORMATION ON THE PARTIES

The Group is a gaming company equipped with globally integrated R&D and operation capabilities, focusing on the long-term operation of quality games and the development of self-developed IP. We have been actively exploring new forms of integrating artificial intelligence into games and are committed to bringing happiness to users through technology and creativity. Shenzhen iDreamSky is the Company's PRC consolidated affiliated entity and is principally engaged in the R&D, distribution and operation of games through mobile applications and websites.

Tencent is a company incorporated in the Cayman Islands with limited liability,whose shares are listed on the Stock Exchange (stock code: 00700 (HKD Counter) and 80700 (RMB Counter)). The Tencent group is principally engaged in the provision of communication, social, digital content, games, marketing services, fintech and business services primarily in the PRC.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Tencent holds approximately 11.18% of the total issued Shares (excluding treasury shares) of the Company through its wholly-owned subsidiary Tencent Mobility Limited, and Tencent Computer is a subsidiary of Tencent. Therefore, Tencent Computer is a connected person of the Company, and each of the 2027 Advertising Cooperation Framework Agreement, the 2027 Products and Services Purchasing Framework Agreement and the 2027 Game Cooperation Framework Agreement and the respective transactions contemplated thereunder constitute continuing connected transactions of the Company pursuant to Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) calculated on an annual basis in respect of the proposed annual caps for each of (i) the transactions contemplated under the 2027 Advertising Cooperation Framework Agreement and (ii) the Distribution Transactions contemplated under the 2027 Game Cooperation Framework Agreement exceed 0.1% but is less than 5%, such transactions are therefore subject to reporting, announcement and annual review requirements but are exempt from the requirement of independent shareholders' approval under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) calculated on an annual basis in respect of the proposed annual caps for each of (i) the transactions contemplated under the 2027 Products and Services Purchasing Framework Agreement and (ii) the Promotion Transactions contemplated under the 2027 Game Cooperation Framework Agreement is more than 5%, such transactions are therefore subject to reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

EXTRAORDINARY GENERAL MEETING

An extraordinary general meeting will be convened to consider the resolutions relating to (i) the transactions contemplated under the 2027 Products and Services Purchasing Framework Agreement and the proposed annual caps thereunder and (ii) the Promotion Transactions contemplated under the 2027 Game Cooperation Framework Agreement and the proposed annual caps thereunder.

Given that Tencent has material interests in (i) the 2027 Products and Services Purchasing Framework Agreement and (ii) the 2027 Game Cooperation Framework Agreement, and as at the date of this announcement, Tencent holds 249,141,192 Shares of the Company through its wholly-owned subsidiary, Tencent Mobility Limited, representing approximately 11.18% of the total issued Shares (excluding treasury shares) of the Company, Tencent Mobility Limited, a wholly-owned subsidiary of Tencent, will abstain from voting at the extraordinary general meeting on the resolutions in relation to (i) the transactions contemplated under the 2027 Products and Services Purchasing Framework Agreement and the proposed annual caps thereunder and (ii) the Promotion Transactions contemplated under the 2027 Game Cooperation Framework Agreement and the proposed annual caps thereunder. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save as disclosed above, as at the date of this announcement, there are no Shareholders that were required to abstain from voting on the resolutions in relation to (i) the transactions contemplated under the 2027 Products and Services Purchasing Framework Agreement and the proposed annual caps thereunder and (ii) the Promotion Transactions contemplated under the 2027 Game Cooperation Framework Agreement and the proposed annual caps thereunder at the extraordinary general meeting.

The Independent Board Committee comprising all independent non-executive Directors has been established to advise the independent Shareholders in respect of (i) the transactions contemplated under the 2027 Products and Services Purchasing Framework Agreement and the proposed annual caps thereunder and (ii) the Promotion Transactions contemplated under the 2027 Game Cooperation Framework Agreement and the proposed annual caps thereunder. Alpha Financial Group Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the independent Shareholders in respect of the same matters.

A circular containing, among other things, (i) the transactions contemplated under the 2027 Products and Services Purchasing Framework Agreement and the proposed annual caps thereunder; (ii) the Promotion Transactions contemplated under the 2027 Game Cooperation Framework Agreement and the proposed annual caps thereunder; (iii) the letter from the Independent Board Committee; (iv) the letter from the Independent Financial Adviser; and (v) a notice convening the extraordinary general meeting will be despatched to the Shareholders as and when appropriate. For the purpose of the circular, the Company will need time to make various preparations, which may result in the expected date of dispatch of the circular to the Shareholders falling more than 15 business days after the publication of this announcement.

DEFINITIONS

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

"2024 Advertising Cooperation Framework Agreement"	the advertising cooperation framework agreement dated November 10, 2023 entered into between Shenzhen iDreamSky and Tencent Computer
"2024 Framework Agreements"	the 2024 Advertising Cooperation Framework Agreement, the 2024 Products and Services Purchasing Framework Agreement and the 2024 Game Cooperation Framework Agreement
"2024 Game Cooperation Framework Agreement"	the game cooperation framework agreement dated November 10, 2023 entered into between Shenzhen iDreamSky and Tencent Computer
"2024 Products and Services Purchasing Framework Agreement"	the products and services purchasing framework agreement dated November 10, 2023 entered into between Shenzhen iDreamSky and Tencent Computer

"2027 Advertising Cooperation Framework Agreement"	the advertising cooperation framework agreement dated November 12, 2026 entered into between Shenzhen iDreamSky and Tencent Computer
"2027 Game Cooperation Framework Agreement"	the game cooperation framework agreement dated November 12, 2026 entered into between Shenzhen iDreamSky and Tencent Computer
"2027 Products and Services Purchasing Framework Agreement"	the products and services purchasing framework agreement dated November 12, 2026 entered into between Shenzhen iDreamSky and Tencent Computer
"associates"	has the same meaning ascribed thereto under the Listing Rules
"Board"	the board of Directors of the Company
"China" or "PRC"	the People's Republic of China, for the purpose of this announcement only, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
"Company" or "we"	iDreamSky Technology Holdings Limited (创梦天地科技控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1119)
"connected person(s)"	has the same meaning ascribed thereto under the Listing Rules
"connected transaction(s)"	has the same meaning ascribed thereto under the Listing Rules
"Director(s)"	the director(s) of the Company
"Distribution Transaction(s)"	transactions conducted relating to licensing fees payable by Tencent Group to the Group in the form of revenue sharing or otherwise under the 2027 Game Cooperation Framework Agreement
"Group"	the Company, its subsidiaries and its PRC consolidated affiliated entities from time to time
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China

"Independent Board Committee"	an independent committee of the Board comprising all independent non-executive Directors, namely, Ms. Yu Bin, Mr. Li Xintian, Mr. Zhang Weining and Mr. Mao Rui, to advise the independent Shareholders on (i) the transactions contemplated under the 2027 Products and Services Purchasing Framework Agreement and the proposed annual caps thereunder; and (ii) the Promotion Transactions contemplated under the 2027 Game Cooperation Framework Agreement and the proposed annual caps thereunder
"Independent Financial Adviser" or "Alpha Financial Group Limited"	Alpha Financial Group Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the Independent Financial Adviser to advise the Independent Board Committee and the independent Shareholders in respect of (i) the transactions contemplated under the 2027 Products and Services Purchasing Framework Agreement and the proposed annual caps thereunder and (ii) the Promotion Transactions contemplated under the 2027 Game Cooperation Framework Agreement and the proposed annual caps thereunder
"Independent Third Party(ies)"	an individual or a company which, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, is not a connected person of the Company
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time)
"Procurement Transaction(s)"	transactions conducted relating to the provision of technical products and services by Tencent Group to the Group under the 2027 Products and Services Purchasing Framework Agreement
"Promotion Transaction(s)"	the transactions conducted relating to the distribution fees and licensing fees payable by the Group to Tencent Group under the 2027 Game Cooperation Framework Agreement
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

"Share(s)"	ordinary share(s) with a nominal value of US$0.0001 each in the share capital of the Company, or if there has been a capitalization issue, sub-division, reduction, consolidation, reclassification or reconstruction of the share capital of the Company, the share(s) of such nominal value as shall arise from any such capitalization issue, sub-division, reduction, consolidation, reclassification or reconstruction that form part of the ordinary equity share capital of the Company
"Shareholder(s)"	holder(s) of Share(s) of the Company
"Shenzhen iDreamSky"	Shenzhen iDreamSky Technology Co., Ltd. (深圳市创梦天地科技有限公司), a company established in the PRC on February 14, 2011 and a subsidiary of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the same meaning ascribed thereto under the Listing Rules
"substantial shareholder(s)"	has the same meaning ascribed thereto under the Listing Rules
"Supply Transaction(s)"	transactions conducted relating to the provision of technical products and services by the Group to Tencent Group under the 2027 Products and Services Purchasing Framework Agreement
"Tencent"	Tencent Holdings Limited, one of the Company's substantial shareholders, is a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Stock Exchange (stock code: 00700 (HKD Counter) and 80700 (RMB Counter))
"Tencent Computer"	Shenzhen Tencent Computer Systems Company Limited (深圳市騰訊計算機系統有限公司), a company established in the PRC on November 11, 1998 and a subsidiary of Tencent
"Tencent Group"	Tencent and its subsidiaries from time to time

"US$"	U.S. dollars, the legal currency of the United States of America
"%"	per cent

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

Shenzhen, the PRC, November 12, 2026

As at the date of this announcement, the Board comprises Mr. Chen Xiangyu, the 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.