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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)

COMPLETION OF SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE

Reference is made to the announcement dated November 28, 2021, the circular dated January 20, 2022 (the “**Circular**”) and the EGM poll results announcements dated February 16, 2022 of iDreamSky Technology Holdings Limited (the “**Company**”) in relation to, among other things, the subscription of new shares of the Company under specific mandate. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Circular.

COMPLETION OF SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE

The Board is pleased to announce that completion of the Subscription took place on February 28, 2022. An aggregate of 32,854,730 Subscription Shares have been allotted and issued to Brilliant Seed, Tencent Mobility and Instant Sparkle at the Subscription Price of HKD5.92 per Subscription Share pursuant to the terms and conditions of the Subscription Agreement dated November 28, 2021.

EFFECT ON SHAREHOLDING STRUCTURE

The 32,854,730 Subscription Shares represent (i) approximately 2.37% of the existing issued share capital of the Company immediately before completion of the Subscription; and (ii) approximately 2.31% of the issued share capital of the Company as enlarged by the Subscription.

Name of Shareholders	Immediately before the completion of the Subscription		Immediately after the completion of the Subscription	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Non-public Shareholders				
Mr. Chen Xiangyu ⁽¹⁾	4,852,400	0.35%	4,852,400	0.34%
Brilliant Seed ⁽¹⁾	243,560,830	17.55%	256,702,722	18.07%
Tencent Mobility	235,999,300	17.01%	249,141,192	17.54%
Mr. Lei Junwen ⁽²⁾	1,151,200	0.08%	1,151,200	0.08%
Instant Sparkle ⁽²⁾	30,454,160	2.19%	37,025,106	2.61%
Bubble Sky Limited ⁽³⁾	47,337,220	3.41%	47,337,220	3.33%
Shipshape Holdings Limited ⁽⁴⁾	13,965,000	1.01%	13,965,000	0.98%
Public Shareholders	<u>810,155,505</u>	<u>58.39%</u>	<u>810,155,505</u>	<u>57.04%</u>
Total	<u>1,387,475,615</u>	<u>100.00%</u>	<u>1,420,330,345</u>	<u>100.00%</u>

Notes:

1. Mr. Chen Xiangyu directly holds 4,852,400 Shares and indirectly holds 256,702,722 Shares through Brilliant Seed as at the date of this announcement.
2. Mr. Lei Junwen directly holds 1,151,200 Shares and indirectly holds 37,025,106 Shares through Instant Sparkle as at the date of this announcement.
3. Bubble Sky Limited is wholly owned by Mr. Guan Song, an executive Director, as at the date of this announcement.
4. Shipshape Holdings Limited is wholly owned by Mr. Jeffrey Lyndon Ko, an executive Director, 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 THE SUBSCRIPTION

The Company received net proceeds from the Subscription (the “**Subscription Proceeds**”) of approximately HK\$194.50 million, being the equivalent of approximately RMB159.06 million based on a conversion rate of RMB0.8178 to HKD1.00. The Company intends to use the Subscription Proceeds for the following purpose detailed below:

Purpose	Relevant Amount in the Subscription Proceeds <i>RMB million</i>	Approximate % of the Subscription Proceeds
General working capital	18.00	11.3%
Research and development to further expand the Company’s portfolio of self-developed games ⁽¹⁾	93.00	58.5%
Expansion of the Group’s offline stores ⁽²⁾	36.20	22.8%
Other possible investment in the future ⁽³⁾	11.86	7.5%
Total	<u>159.06</u>	<u>100%</u>

Notes:

- (1) At this stage, the Company’s self-developed games under R&D include match-three puzzle games, shooting competitive games and role-playing games, which are expected to be launched in 2022 and/or 2023, subject to the specific R&D progress.
- (2) The Company proposes to use such amount in establishment and launch of QQfamily offline stores in popular commercial districts of the first and second-tier cities across the mainland China as previously disclosed in the Company’s annual report for financial year ended December 31, 2020.
- (3) The Company intends to electively pursue other possible investment opportunities in the future, including but not limited to form strategic corporation relationships and partnerships and pursue investments and acquisitions in businesses that are synergistic and complementary to the Group’s ecosystem, including those businesses or assets that can enhance the Company’s game research and development capabilities and offline entertainment business. As of the date of this announcement, the Company has not identified any specific target of potential merger or acquisition.
- (4) Certain figures and percentage figures included in the above table have been subject to rounding adjustments.

The Company will provide further updates on the use of the Subscription Proceeds in its future annual and interim reports in accordance with the requirements of the Listing Rules.

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

Shenzhen, the PRC, February 28, 2022

As at the date of this announcement, the Board of the Company comprises Mr. Chen Xiangyu as Chairman and executive Director, Mr. Guan Song and Mr. Jeffrey Lyndon Ko as executive Directors, Mr. Ma Xiaoyi, Mr. Zhang Han, Mr. Yao Xiaoguang and Mr. Chen Yu as non-executive Directors, and Ms. Yu Bin, Mr. Li Xintian, Mr. Zhang Weining and Mr. Mao Rui as independent non-executive Directors.