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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)

PROPOSED ISSUE OF US\$30,000,000 CONVERTIBLE BONDS DUE 2022 UNDER GENERAL MANDATE

The Board is pleased to announce that on November 26, 2019 (after trading hours), the Company and the Investor entered into the Subscription Agreement, pursuant to which the Company has conditionally agreed to issue to the Investor, and the Investor has conditionally agreed to subscribe for, the Convertible Bonds in the principal amount of US\$30,000,000.

Assuming full conversion of the Convertible Bonds at the initial Conversion Price calculated based on an exchange rate of US\$1=HK\$7.83, the Convertible Bonds will be convertible into 50,085,287 Conversion Shares, representing approximately 3.94% of the issued share capital of the Company as at the date of this announcement and approximately 3.79% of the issued share capital of the Company as enlarged by the issue of 50,085,287 Conversion Shares.

The initial Conversion Price of HK\$4.69 represents (a) a premium of approximately 2.40% to the closing price of HK\$4.58 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement; and (b) a premium of approximately 5.16% to the average closing price of approximately HK\$4.46 per Share as quoted on the Stock Exchange for the five trading days immediately prior to the date of the Subscription Agreement.

The Conversion Shares will be allotted and issued pursuant to the General Mandate. Application will be made by the Company to the Stock Exchange for the grant of the listing of, and permission to deal in, the Conversion Shares.

The estimated net proceeds from the issue of the Convertible Bonds, after deduction of expenses payable in connection with the issue of the Convertible Bonds and calculated at an exchange rate of US\$1=HK\$7.83, will be approximately HK\$229.26 million. The Company intends to use the net proceeds from the issue of the Convertible Bonds to further expand its game portfolio and enrich its contents offerings, conduct strategic acquisition and supplement its working capital.

Completion of the Subscription Agreement is subject to the satisfaction and/or waiver of the conditions precedent contained in the Subscription Agreement. Accordingly, the issue of the Convertible Bonds may or may not proceed. Shareholders and investors are advised to exercise caution when dealing in the securities of the Company.

ISSUE OF CONVERTIBLE BONDS

The Board is pleased to announce that November 26, 2019 (after trading hours), the Company and the Investor entered into the Subscription Agreement, pursuant to which the Company has conditionally agreed to issue to the Investor, and the Investor has conditionally agreed to subscribe for, the Convertible Bonds in the principal amount of US\$30,000,000.

THE SUBSCRIPTION AGREEMENT

Date

November 26, 2019 (after trading hours)

Parties

- (a) the Company as issuer; and
- (b) the Investor as subscriber.

Issue price

100% of the principal amount of the Convertible Bonds, being US\$30,000,000. The issue price for the Convertible Bonds, after deducting a handling fee of 2.2% of the aggregate principal amount of the Convertible Bonds, will be paid by the Investor or such persons designated by the Investor to the Company in United States dollars on the Closing Date in same day settlement funds to such United States dollar account designated by the Company no later than five days prior to the Closing Date.

Conditions precedent

The obligation of the Investor to subscribe and pay for, and the obligation of the Company to issue, the Convertible Bonds are subject to the fulfilment, prior to or simultaneously at Closing of the following conditions to the satisfaction of the Investor:

- (a) *Due Diligence:* the Investor having been satisfied with the results of its commercial, financial and legal due diligence and all necessary know-your-client checks on the Company and any member of the Group in its sole discretion;
- (b) *Compliance:* at the Closing Date:
 - (i) the representations and warranties of the Company in the Subscription Agreement being true, accurate and correct at, and as if made on, the Closing Date;
 - (ii) the Company having performed all of its obligations under the Subscription Agreement to be performed on or before the Closing Date; and
 - (iii) there having been delivered to the Investor a closing certificate in the prescribed form as set out in the Subscription Agreement, dated the Closing Date, of a duly authorized officer of the Company to such effect;
- (c) *Other consents:* on or prior to the Closing Date there shall have been delivered to the Investor copies of all consents and approvals required in relation to the proposed issue of the Convertible Bonds and the performance of the Company's obligations under the Convertible Bonds:
 - (i) a certified true copy of the resolutions of the Board approving and authorising, among other things (A) the execution and delivery of and performance of the Company's obligations under the Subscription Agreement; (B) the allotment and issue of the Convertible Bonds (and the Conversion Shares issuable pursuant to the conversion thereof) to the Investor and cause the entry of the Investor's name into the register of Bondholders; and (C) any necessary action to be undertaken by the Board for the purpose of giving effect to the foregoing resolutions;

- (ii) a certified true copy of the resolutions of the Shareholders approving the General Mandate;
 - (iii) a certified true copy of the listing approval by the Stock Exchange in respect of the Convertible Bonds; and
 - (iv) where applicable, all powers of attorney or other authorities under which any document in connection with the proposed issue of the Convertible Bonds is executed and proof of the authority of any person signing on behalf of the Company;
- (d) *General Mandate*: the Company having obtained the General Mandate;
- (e) *Listing*: the listing of and permission to deal in the Conversion Shares (or any part thereof) having been granted by the Listing Committee of the Stock Exchange, and such approval not having been subsequently revoked or withdrawn prior to the Closing Date; and
- (f) *NDRC Pre-Issuance Registration Certificate*: the Investor having received a certified true copy of the pre-issuance registration certificate for the issue of the Convertible Bonds, issued by the NDRC, evidencing the registration of the issue of the Convertible Bonds on or prior to the Closing Date.

The Investor may, at its sole discretion and upon such terms as it thinks fit, waive compliance with the whole or any part of the above conditions. If the above conditions are not satisfied or waived on or prior to the Closing Date, the Subscription Agreement shall terminate and be of no further effect and no party shall be under any liability to any other in respect of the Subscription Agreement, save for any breach of the Subscription Agreement or liability accrued prior to such termination.

Closing

Closing shall take place at 5:00 p.m. (Hong Kong time) (or such other time as may be agreed by the Company and the Investor) on the Closing Date, subject to the fulfilment (or waiver, where applicable) of the conditions above.

THE CONVERTIBLE BONDS

Set out below is a summary of the principal terms of the Convertible Bonds:

- Issuer** : The Company
- Principal amount** : US\$30,000,000
- Maturity Date** : The date falling three years from the Issue Date, which may, if agreed by the Issuer and the Bondholders, be extended to the date falling five years from the Issue Date. The Company will comply with the relevant requirements of the Listing Rules in the event the Maturity Date is extended.
- Status** : The Convertible Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Company and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Company under the Convertible Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law, at all times rank at least equally with all of the Company's other present and future unsecured and unsubordinated obligations.
- Interest** : The Convertible Bonds shall bear interest on their outstanding principal amount from and including the Issue Date up to and including the Maturity Date at the rate of 2.50% per annum, payable semi-annually in arrears.
- Conversion Period** : Any time on or after the Issue Date up to the close of business (at the place where the bond certificate evidencing such Convertible Bonds are deposited for conversion) on the date falling ten days prior to the Maturity Date (both days inclusive) or, if such Convertible Bonds shall have been called for redemption by the Company before the Maturity Date, then up to the close of business (at the place aforesaid) on a date no later than the date fixed for redemption thereof.
- Conversion** : Subject to the Terms and Conditions, each Convertible Bond shall entitle the Bondholder to convert such Convertible Bond into Conversion Shares credited as fully paid at any time during the Conversion Period.

Conversion Shares : The number of Shares to be issued upon conversion of the Convertible Bonds shall be determined by dividing the principal amount of the Convertible Bonds to be converted (translated into Hong Kong dollars at the prescribed rate in the Terms and Conditions) by the Conversion Price in effect on the relevant Conversion Date.

Conversion Price : Initially HK\$4.69 per Conversion Share, which was determined after arm's length negotiations between the Company and the Investor with reference to the prevailing market price of the Shares on the Stock Exchange.

The initial Conversion Price of HK\$4.69 represents:

- (a) a premium of approximately 2.40% to the closing price of HK\$4.58 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement; and
- (b) a premium of approximately 5.16% to the average closing price of approximately HK\$4.46 per Share as quoted on the Stock Exchange for the five trading days immediately prior to the date of the Subscription Agreement.

Assuming the conversion of the Convertible Bonds into the Conversion Shares in full at the initial Conversion Price calculated based on an exchange rate of US\$1 = HK\$7.83 and after deducting the costs and expenses incurred in connection with the issue of the Convertible Bonds, it is estimated that the net proceeds from the issue of the Convertible Bonds is approximately HK\$229.26 million, representing a net issue price of approximately HK\$4.58 per Conversion Share.

Adjustment of the Conversion Price : The Conversion Price is subject to adjustment in accordance with the Terms and Conditions when any of the following events occurs:

- (a) consolidation, subdivision or re-classification of the Shares;
- (b) issue of Shares credited as fully paid to the Shareholders by way of capitalization of profits or reserves (except any scrip dividend), which would not have constituted a distribution;

- (c) issue of Shares by way of a scrip dividend, which would not have constituted a distribution;
- (d) payment or making of any capital distribution to the Shareholders;
- (e) issue of Shares to all or substantially all Shareholders as a class by way of rights, or issue or grant to all or substantially all Shareholders as a class by way of rights, options, warrants or other rights to subscribe for, purchase or otherwise acquire any Shares, at less than 95% of the current market price calculated in accordance with the Terms and Conditions;
- (f) issue of any securities (other than Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares) to all or substantially all Shareholders as a class by way of rights, or issue or grant to all or substantially all Shareholders as a class by way of rights, options, warrants or other rights to subscribe for, purchase or otherwise acquire any securities (other than Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares);
- (g) other than those mentioned in (e) above, issue of any Shares (other than the Conversion Shares) or issue or grant of any option, warrants or other rights to subscribe for, purchase or otherwise acquire Shares, at less than 95% of the current market price calculated in accordance with the Terms and Conditions;
- (h) the Company or any of its subsidiaries, or (at the direction or request of or pursuant to any arrangements with the Company or any of its subsidiaries) any other company, person or entity issues, any securities (other than the Convertible Bonds) which by their terms of issue carry rights of conversion into, or exchange or subscription for, Shares to be issued by the Company upon conversion, exchange or subscription at a consideration per Share which is less than 95% of the current market price calculated in accordance with the Terms and Conditions;

- (i) any modification of the rights of conversion, exchange or subscription attaching to any such securities (other than the Convertible Bonds and other than in accordance with the terms of such securities as mentioned in (h) above) so that the consideration per Share (for the number of Shares available on conversion, exchange or subscription following the modification) is reduced and is less than 95% of the current market price calculated in accordance with the Terms and Conditions; and
- (j) the Company or any of its subsidiaries or (at the direction or request of or pursuant to any arrangements with the Company or any of its subsidiaries) any other company, person or entity issues, sells or distributes any securities in connection with an offer pursuant to which the Shareholders generally are entitled to participate in arrangements whereby such securities may be acquired by them.

Redemption

- : (a) *Redemption at maturity*

The Company shall redeem all the outstanding principal amount of the Convertible Bonds held by a Bondholder on the Maturity Date, without the need for the relevant Bondholder to serve any notice, at their principal amount as at such date together with (i) accrued but unpaid interest to such date; (ii) any costs and expenses incurred by the relevant Bondholder in relation to such redemption; and (iii) an agreed internal investment return of 8% per annum (taking into account all the interest and default interest (if any) paid to, and received by, the relevant Bondholder, but excluding the initial handling fee of 2.2% of the aggregate principal amount of the Convertible Bonds deducted from the issue price upon Closing) on the principal amount of such portion of the Convertible Bonds to be redeemed calculated from the Issue Date to the Maturity Date.

(b) *Early redemption at the option of the Company*

At any time after 18 months from the Issue Date, provided that no event of default has occurred as at such time, the Company may redeem up to 50% of the outstanding principal amount of the Convertible Bonds held by a Bondholder at the principal amount of the Convertible Bonds held by the relevant Bondholder that is subject to such redemption (which shall not be more than 50% of the outstanding principal amount of the Convertible Bonds then held by the relevant Bondholder as at the date of the Company's early redemption notice), together with (i) accrued but unpaid interest to such date; (ii) any costs and expenses incurred by the relevant Bondholder in relation to such redemption; and (iii) an amount that would give the relevant Bondholder an agreed internal investment return of 12% per annum (taking into account all the interest and default interest (if any) paid to, and received by, the relevant Bondholder, but excluding the initial handling fee of 2.2% of the aggregate principal amount of the Convertible Bonds deducted from the issue price upon Closing) on the principal amount of such portion of the Convertible Bonds to be redeemed calculated from the Issue Date to the relevant redemption date.

(c) *Redemption for taxation reasons*

The Company may redeem all and not some only of the Convertible Bonds, at its option, at any time, on giving not less than 30 nor more than 60 days' notice to the Bondholders at their principal amount as at such date together with (i) accrued but unpaid interest to such date; (ii) any costs and expenses incurred by the Bondholders in relation to such redemption; and (iii) an amount that would give the relevant Bondholder an agreed internal investment return of 8% per annum (taking into account all the interest and default interest (if any) paid to, and received by, the relevant Bondholder, but excluding the initial handling fee of 2.2% of the aggregate principal amount of the Convertible Bonds deducted from the issue price upon Closing) on the principal amount of such portion of the Convertible Bonds to be redeemed calculated from the Issue Date to the relevant redemption date, if the Company satisfies the relevant Bondholder immediately prior to the giving of such notice that (a) it has or will become obliged to pay additional tax amounts as a result of any change in, or amendment to, the laws or regulations of the Cayman Islands or the PRC or any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after November 26, 2019, and (b) such obligation cannot be avoided by the Company taking reasonable measures available to it.

If the Company exercises its tax redemption right, each Bondholder shall have the right to elect that his Convertible Bond(s) shall not be redeemed. Upon a Bondholder electing not to have his Convertible Bond(s) redeemed in such circumstances, any payments due after the relevant date shall be made subject to any deduction or withholding of any tax required to be deducted or withheld.

(d) *Redemption upon event of default*

If any event of default specified under the Terms and Conditions occurs and a written notice is served by a Bondholder to the Company specifying the event of default, the relevant Bondholder shall have the right (but not the obligation) to demand the Company to, and the Company shall, redeem all or part of the relevant Convertible Bonds, at their principal amount as at such date together with (i) accrued but unpaid interest to such date (including default interest accrued thereon); (ii) any costs and expenses incurred by the relevant Bondholder in relation to such redemption; and (iii) an amount that would give the relevant Bondholder an agreed internal investment return of 15% per annum (taking into account all the interest and default interest (if any) paid to, and received by, the relevant Bondholder, but excluding the initial handling fee of 2.2% of the aggregate principal amount of the Convertible Bonds deducted from the issue price upon Closing) on the principal amount of such portion of the Convertible Bonds to be redeemed calculated from the Issue Date to the relevant redemption date.

Events of default

- : If an event of default (as specified in the Terms and Conditions) has occurred, each Bondholder shall have the right to either:
- (a) require the Company to redeem all or a portion of its Convertible Bonds. Please refer to the paragraph headed “Redemption — (d) Redemption upon event of default” above; or
 - (b) require the Company to, in addition to and without prejudice to any of its other payment obligations under the Terms and Conditions, pay an additional default interest at a single rate of 15% per annum to such Bondholder, calculated in accordance with the Terms and Conditions.

Cancellation

- : All Convertible Bonds which are redeemed or converted will be cancelled, and such Convertible Bonds shall not be reissued or resold.

NDRC covenant : The Company undertakes to file or cause to be filed with the NDRC, the requisite information and documents within the prescribed timeframe after the Issue Date in accordance with the Notice on Promoting the Reform of the Filing and Registration System for Issuance of Foreign Debt by Corporates (國家發展改革委關於推進企業發行外債備案登記制管理改革的通知) promulgated by the NDRC on September 14, 2015 which came into effect immediately (the “**NDRC Post-Issuance Filing**”).

The Company shall submit the NDRC Post-Issuance Filing and comply with all applicable PRC laws and regulations in relation to the issue of the Convertible Bonds.

The Company shall, within ten working days in the PRC after submission of such NDRC Post-Issuance Filing, give notice to the Bondholders confirming the completion of the NDRC Post-Issuance Filing and provide the Bondholders with copies of the relevant document(s) evidencing due submission to or filing with the NDRC as reasonably required by the Bondholders.

Transferability : The Convertible Bonds are freely transferable in whole or in part by delivery of the bond certificate issued in respect of such Convertible Bonds, with the form of transfer on the back duly completed and signed by the relevant Bondholder or his attorney duly authorized in writing to a designated office of the Company.

GENERAL MANDATE

At the AGM, the General Mandate was granted to the Directors, pursuant to which the Directors are authorized to allot and issue such Shares of not exceeding 20% of the aggregate number of issued Shares as at the date of the AGM, being a maximum of 253,943,798 Shares. As at the date of this announcement, the General Mandate has not been utilized.

Assuming there is no further issue or repurchase of the Shares and there is no adjustment to the initial Conversion Price, upon the conversion of the Convertible Bonds, a total of approximately 50,085,287 Conversion Shares will be issued, which represent approximately 3.94% of the issued share capital of the Company as at the date of the AGM.

Accordingly, the issue of the Convertible Bonds and the Conversion Shares (upon conversion of the Convertible Bonds) is not subject to the Shareholders' approval.

REASONS FOR ISSUING THE CONVERTIBLE BONDS

The Investor's interest in making an investment into the Group reflects its confidence in the Group's business and growth potential. The Directors (including the independent non-executive Directors) are of the view that the raising of funds by the issue of the Convertible Bonds will enhance the Group's capital structure and liquidity and to finance the Group's future development and expansion.

The Directors (including the independent non-executive Directors) consider that the terms, including the Conversion Price, of the Subscription Agreement and the transactions contemplated thereunder, which were arrived at after arm's length negotiations between the Company and the Investor, are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

USE OF PROCEEDS

The estimated net proceeds from the issue of the Convertible Bonds, after deduction of expenses payable in connection with the issue of the Convertible Bonds and calculated at an exchange rate US\$1=HK\$7.83, will be approximately HK\$229.26 million. The Company intends to use the net proceeds from the issue of the Convertible Bonds to further expand its game portfolio and enrich its contents offerings, conduct strategic acquisition and supplement its working capital.

INFORMATION ON THE PARTIES

The Group is a digital entertainment platform with a leading position in game publishing market in the PRC, and adopts a free-to-play model for all of its games and has also expanded service offerings to other digital entertainment areas, such as e-sports, comics and video.

The Investor is a British Virgin Islands business company with limited liability which is principally engaged in the business of investments. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Investor and its ultimate beneficial owners are third parties independent of and not connected with the Company and its core connected persons (as defined under the Listing Rules).

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS PERIOD

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

Relevant Date	Fund raising activity	Net proceeds raised	Proposed use of proceeds	Actual use of proceeds as at the date of this announcement
December 6, 2018	Global offering of 126,972,000 new Shares at the subscription price of HK\$6.60 per Share on December 6, 2018	approximately HK\$776.4 million	(i) approximately HK\$295.0 million for expansion of the Group's game portfolio and enrich the Group's contents offerings;	(i) approximately HK\$238.8 million for expansion of the Group's game portfolio and enrich the Group's contents offerings;
			(ii) approximately HK\$186.3 million for strategic acquisition;	(ii) approximately HK\$54.7 million for strategic acquisition;
			(iii) approximately HK\$178.6 million for strength the Company's in-house development and research capabilities;	(iii) approximately HK\$117.2 million for strength the Company's in-house development and research capabilities;
			(iv) approximately HK\$69.9 million for working capital and other general corporate purposes; and	(iv) approximately HK\$69.9 million for working capital and other general corporate purposes; and
			(v) approximately HK\$46.6 million for expansion of the Company's offline entertainment services	(v) yet to be utilized

Notes:

- (1) Unutilized amount for proposed plan (i) will be used by the Company in accordance with the expected timeline as disclosed in its prospectus dated November 26, 2018.
- (2) The completion time of using the relevant unutilized amounts for the proposed plans set out in (ii) to (v) above will be determined based on the future business development of the Company.

CHANGE IN SHAREHOLDING STRUCTURE

Assuming there is no further issue or repurchase of the Shares, based on the initial Conversion Price and assuming full conversion of the Convertible Bonds at the initial Conversion Price at an exchange rate of US\$1 = HK\$7.83, the Convertible Bonds will be convertible into 50,085,287 Shares, representing approximately 3.94% of the issued share capital of the Company as at the date of this announcement and approximately 3.79% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares.

The following table sets out, for illustrative purpose only, (i) the existing shareholding structure of the Company; and (ii) the shareholding structure immediately after the issue of the Convertible Bonds and assuming full conversion of the Convertible Bonds into Conversion Shares at the initial Conversion Price calculated based on an exchange rate of US\$1 = HK\$7.83:

Shareholders	As at the date of this announcement		Immediately after the allotment and issue of the Conversion Shares upon full conversion of the Convertible Bonds	
	No. of Shares	Approximate %	No. of Shares	Approximate %
Non-public Shareholders				
Brilliant Seed Limited ⁽¹⁾	242,870,430	19.13	242,870,430	18.40
Tencent Mobility Limited	235,999,300	18.59	235,999,300	17.88
iDreamSky Technology Limited	209,795,866	16.52	209,795,866	15.90
Bubble Sky Limited ⁽²⁾	47,078,020	3.71	47,078,020	3.57
Shipshape Holdings Limited ⁽³⁾	13,979,400	1.10	13,979,400	1.06
Instant Sparkle Limited ⁽⁴⁾	27,423,760	2.16	27,423,760	2.08
Mr. Lei Junwen ⁽⁴⁾	198,000	0.02	198,000	0.02
Public Shareholders				
the Investor	0	0	50,085,287	3.79
Other public Shareholders	492,374,214	38.78	492,374,214	37.31
Total⁽⁵⁾	1,269,718,990	100	1,319,804,277	100

Notes:

- (1) Brilliant Seed Limited is wholly owned by Mr. Chen Xiangyu, Chairman and executive Director of the Company.
- (2) Bubble Sky Limited is wholly owned by Mr. Guan Song, an executive Director.
- (3) Shipshape Holdings Limited is wholly owned by Mr. Jeffrey Lyndon Ko, an executive Director.
- (4) Instant Sparkle Limited is wholly owned by Mr. Lei Junwen, an executive Director.
- (5) The shareholding percentage may not add up to 100% due to rounding.

APPLICATION FOR LISTING

No listing of the Convertible Bonds will be sought in any jurisdiction. An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

GENERAL

Completion of the Subscription Agreement is subject to the satisfaction and/or waiver of the conditions precedent contained in the Subscription Agreement. Accordingly, the issue of the Convertible Bonds may or may not proceed. Shareholders and investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“AGM”	the annual general meeting of the Company held on May 31, 2019;
“Board”	the board of Directors;
“Bondholder”	the person in whose name a Convertible Bond is registered;
“Closing”	the completion of the subscription of the Convertible Bonds in accordance with the Subscription Agreement;

“Closing Date”	a date on or before December 20, 2019 following the satisfaction (or waiver, where applicable) of all of the conditions precedent to the Closing, or such other date, not being later than December 31, 2019, as the Company and the Investor may agree;
“Company”	iDreamSky Technology Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange under stock code 01119;
“Conversion Date”	means, in relation to the Convertible Bonds, the date with effect from which the Convertible Bonds are converted into the Shares in accordance with the Terms and Conditions;
“Conversion Period”	any time on or after the Issue Date up to the close of business (at the place where the bond certificate evidencing such Convertible Bonds are deposited for conversion) on the date falling ten days prior to the Maturity Date (both days inclusive) or, if such Convertible Bonds shall have been called for redemption by the Company before the Maturity Date, then up to the close of business (at the place aforesaid) on a date no later than the date fixed for redemption thereof;
“Conversion Price”	an initial conversion price of HK\$4.69 per Conversion Share, subject to adjustments set out in the Terms and Conditions;
“Conversion Shares”	the Shares to be issued by the Company upon conversion of each Convertible Bond;
“Convertible Bonds”	the convertible bonds in the principal amount of US\$30,000,000 to be issued by the Company and to be subscribed by the Investor at Closing;
“Director(s)”	the directors of the Company;
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the AGM to allot and issue and deal with up to 253,943,798 Shares, representing 20% of the then issued share capital of the Company as at the date of the AGM;

“Group”	the Company, its subsidiaries and its PRC consolidated affiliated entities from time to time;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Investor”	Poly Platinum Enterprises Limited, a British Virgin Islands business company incorporated with limited liability;
“Issue Date”	the date of issue of the Convertible Bonds;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Maturity Date”	the date falling three years from the Issue Date, which may, if agreed by the Issuer and the Bondholders, be extended to the date falling five years from the Issue Date;
“NDRC”	National Development and Reform Commission of the PRC or its local counterparts;
“PRC”	the People’s Republic of China, but for the purposes of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“Share(s)”	the ordinary share(s) of a par value of US\$0.0001 each in the share capital of the Company;
“Shareholder(s)”	the shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Agreement”	the subscription agreement dated November 26, 2019 entered into between the Company and the Investor in respect of the subscription and the issue of the Convertible Bonds;

“Terms and Conditions”	the terms and conditions of the Convertible Bonds;
“US\$”	United States dollars, the lawful currency of the United States; and
“%”	per cent.

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

Shenzhen, the PRC, November 26, 2019

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Chen Xiangyu as Chairman and Executive Director; Mr. Guan Song, Mr. Jeffrey Lyndon Ko and Mr. Lei Junwen as Executive Directors, Mr. Ma Xiaoyi and Mr. Du Feng as Non-executive Directors, and Ms. Yu Bin, Mr. Li Xintian and Mr. Zhang Weining as Independent Non-executive Directors.