
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Cloud Music Inc., you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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(incorporated in the Cayman Islands with limited liability)
(Stock Code: 9899)

**PROPOSED RE-ELECTION OF DIRECTORS,
PROPOSED GRANTING OF GENERAL MANDATES TO
REPURCHASE SHARES AND TO ISSUE SHARES,
PROPOSED AMENDMENTS TO THE MEMORANDUM
AND ARTICLES OF ASSOCIATION
AND
NOTICE OF ANNUAL GENERAL MEETING**

The notice convening the Annual General Meeting of Cloud Music Inc. to be held at the Company's office located at No. 399 Wangshang Road, Binjiang District, Hangzhou, Zhejiang Province, People's Republic of China 310052 on Wednesday, 26 June 2024 at 2:00 p.m. is set out in this circular.

Whether or not you are able to attend the Annual General Meeting, please complete and sign the enclosed form of proxy for use at the Annual General Meeting in accordance with the instructions printed thereon and return it to the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the Annual General Meeting (i.e. not later than 2:00 p.m. on Monday, 24 June 2024) or the adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the Annual General Meeting if they so wish.

This circular together with the form of proxy are also published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://ir.music.163.com>).

References to time and dates in this circular are to Hong Kong time and dates.

25 April 2024

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“Annual General Meeting”	the annual general meeting of the Company to be held at the Company’s office located at No. 399 Wangshang Road, Binjiang District, Hangzhou, Zhejiang Province, People’s Republic of China 310052 on Wednesday, 26 June 2024 at 2:00 p.m. to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 14 to 19 of this circular, or any adjournment thereof
“Articles of Association”	the memorandum and articles of association of the Company currently in force, titled the Tenth Amended and Restated Memorandum and Articles of Association
“Board”	the board of Directors
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited
“Company”	Cloud Music Inc. (雲音樂股份有限公司), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company, its subsidiaries and consolidated affiliated entities
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issuance Mandate”	a general mandate proposed to be granted to the Directors to allot, issue or deal with additional Shares (including any sale or transfer of Shares out of treasury that are held as treasury Shares) of not exceeding 20% of the total number of issued Shares (excluding any treasury Shares) as at the date of passing of the proposed ordinary resolution contained in item 5 of the notice of the Annual General Meeting

DEFINITIONS

“Latest Practicable Date”	17 April 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time
“NetEase”	NetEase, Inc., an exempted company incorporated in the Cayman Islands with limited liability on 6 July 1999 (Nasdaq: NTES; SEHK: 9999) and a controlling shareholder (as defined in the Listing Rules) of the Company
“New Articles of Association”	the proposed amended and restated memorandum and articles of association of the Company, titled the Eleventh Amended and Restated Memorandum and Articles of Association
“Nomination Committee”	the nomination committee of the Board
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of USD0.0001 each in the issued capital of the Company or if there has been a subsequent subdivision, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company
“Share Repurchase Mandate”	a general mandate proposed to be granted to the Directors to repurchase Shares on the Stock Exchange of not exceeding 10% of the total number of issued Shares (excluding any treasury Shares) as at the date of passing of the proposed ordinary resolution contained in item 4 of the notice of the Annual General Meeting
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers approved by the Securities and Futures Commission as amended from time to time
“treasury Shares”	has the meaning ascribed to it under the Listing Rules which will come into effect on 11 June 2024

LETTER FROM THE BOARD



CLOUD MUSIC INC.
雲音樂股份有限公司

(incorporated in the Cayman Islands with limited liability)
(Stock Code: 9899)

Executive Directors:

Mr. William Lei Ding (*Chairman and
Chief Executive Officer*)
Mr. Yong Li
Ms. Yanfeng Wang

Non-executive Directors:

Mr. Yat Keung Li
Mr. Ran Wang

Independent Non-executive Directors:

Mr. Ying Kit Caleb Lo
Mr. Xianfeng Gu
Mr. Zhong Xu

Registered Office:

P.O. Box 309, Ugland House
Grand Cayman KY1-1104
Cayman Islands

*Principal Place of Business
in Hong Kong:*

5/F, Manulife Place
348 Kwun Tong Road, Kowloon
Hong Kong

25 April 2024

To the Shareholders

Dear Sir/Madam,

**PROPOSED RE-ELECTION OF DIRECTORS,
PROPOSED GRANTING OF GENERAL MANDATES TO
REPURCHASE SHARES AND TO ISSUE SHARES,
PROPOSED AMENDMENTS TO THE MEMORANDUM
AND ARTICLES OF ASSOCIATION
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information in respect of certain resolutions to be proposed at the Annual General Meeting to be held on 26 June 2024.

2. PROPOSED RE-ELECTION OF DIRECTORS

In accordance with Article 16.20 of the Articles of Association, Mr. William Lei Ding, Mr. Yong Li and Mr. Ying Kit Caleb Lo shall retire at the Annual General Meeting. All of the above Directors, being eligible, will offer themselves for re-election at the Annual General Meeting.

LETTER FROM THE BOARD

In accordance with the Company's director nomination policy, the Nomination Committee shall identify, consider and recommend to the Board appropriate candidates to serve as Directors and to make recommendations to our Shareholders. The ultimate responsibility for selection and appointment of Directors rests with our entire Board. The director nomination policy sets out the non-exhaustive factors for assessing the suitability and the potential contribution to the Board of a proposed candidate, including but not limited to (i) reputation for integrity, (ii) professional qualifications and skills, (iii) accomplishment and experience in the industry of the Company, (iv) commitment in respect of available time and relevant interest, (v) independence of proposed independent non-executive Directors, and (vi) diversity of the Board in all aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

The Nomination Committee has reviewed the structure and composition of the Board, the confirmations and disclosures given by the Directors, the qualifications, skills and experience, time commitment and contribution of the retiring Directors with reference to the nomination principles and criteria set out in the Company's board diversity policy and director nomination policy and the Company's corporate strategy. The Nomination Committee has recommended to the Board on re-election of all the retiring Directors who are due to retire at the Annual General Meeting. The Company considers that the retiring Directors will continue to bring valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning and diversity. The Company considers that the retiring independent non-executive Director, namely Mr. Ying Kit Caleb Lo, is independent in accordance with the independence guidelines set out in the Listing Rules and will continue to bring valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning and diversity. In addition, Mr. Ying Kit Caleb Lo has made an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. During his tenure, he has demonstrated his ability to provide an independent view on the Company's matters. Accordingly, the Board considers him to be independent.

Details of the Directors proposed for re-election at the Annual General Meeting are set out in Appendix I to this circular.

3. PROPOSED GRANTING OF GENERAL MANDATE TO REPURCHASE SHARES

In order to give the Company the flexibility to repurchase Shares if and when appropriate, an ordinary resolution will be proposed at the Annual General Meeting to approve the granting of the Share Repurchase Mandate to the Directors to repurchase Shares on the Stock Exchange of not exceeding 10% of the total number of issued Shares (excluding any treasury Shares) as at the date of passing of the proposed ordinary resolution contained in item 4 of the notice of the Annual General Meeting (i.e. a total of 21,492,357 Shares on the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting).

An explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the granting of the Share Repurchase Mandate is set out in Appendix II to this circular.

LETTER FROM THE BOARD

4. PROPOSED GRANTING OF GENERAL MANDATE TO ISSUE SHARES

In order to give the Company the flexibility to issue Shares (including any sale or transfer of treasury Shares) if and when appropriate, an ordinary resolution will be proposed at the Annual General Meeting to approve the granting of the Issuance Mandate to the Directors to allot, issue or deal with additional Shares (including any sale or transfer of treasury Shares) of not exceeding 20% of the total number of issued Shares (excluding any treasury Shares) as at the date of passing of the proposed ordinary resolution contained in item 5 of the notice of the Annual General Meeting (i.e. a total of 42,984,715 Shares on the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting). An ordinary resolution to extend the Issuance Mandate by adding the number of Shares repurchased by the Company pursuant to the Share Repurchase Mandate will also be proposed at the Annual General Meeting.

5. PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION

The Board proposes to amend certain provisions of the Articles of Association to bring the Articles of Association in line with the latest regulatory requirements in relation to the expanded paperless listing regime and the electronic dissemination of corporate communications by listed issuers and the related amendments to the Listing Rules which took effect from 31 December 2023, by way of adoption of the New Articles of Association in substitution for, and to the exclusion of, the Articles of Association.

The proposed amendments to the Articles of Association and adoption of the New Articles of Association are subject to approval by the Shareholders by special resolution, which will be put forth to Shareholders at the Annual General Meeting.

The proposed amendments to the Articles of Association are set out in the proposed special resolution contained in item 7 of the notice of the Annual General Meeting. The Chinese translation of the New Articles of Association is for reference only. In case of discrepancy between the English and Chinese versions of the New Articles of Association, the English version shall prevail. Prior to the passing of the special resolution at the Annual General Meeting for the adoption of the New Articles of Association, the Articles of Association shall remain valid.

6. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting is set out on pages 14 to 19 of this circular.

For determining the entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Friday, 21 June 2024 to Wednesday, 26 June 2024, both dates inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 20 June 2024.

LETTER FROM THE BOARD

Pursuant to the Listing Rules and the Articles of Association, any vote of Shareholders at a general meeting must be taken by poll except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands. For the avoidance of doubt and for the purpose of the Listing Rules, holders of treasury Shares (if any) shall abstain from voting on matters that require shareholders' approval at the Company's general meetings. An announcement on the poll results will be published by the Company after the Annual General Meeting in the manner prescribed under the Listing Rules.

A form of proxy for use at the Annual General Meeting is enclosed with this circular and such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://ir.music.163.com>). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority at the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the Annual General Meeting (i.e. not later than 2:00 p.m. on Monday, 24 June 2024) or the adjourned meeting (as the case may be). Completion and delivery of the form of proxy will not preclude you from attending and voting at the Annual General Meeting if you so wish.

7. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

8. RECOMMENDATION

The Directors consider that the proposed re-election of retiring Directors, granting of the Share Repurchase Mandate and the Issuance Mandate and the adoption of the New Articles of Association are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

Yours faithfully,
For and on behalf of the Board
Cloud Music Inc.
Mr. William Lei Ding
Chairman of the Board

The following are details of the Directors who will retire and being eligible, offer themselves for re-election at the Annual General Meeting.

(1) Mr. William Lei Ding

Position and Experience

Mr. Lei Ding, also known as William Lei Ding, aged 52, is an executive Director and the chief executive officer of the Company and chairperson of the Board. Mr. Ding is the founder of NetEase, and has served as a director since its inception in July 1999 and as its chief executive officer since November 2005. Between 1999 to 2005, Mr. Ding served a number of roles within NetEase, including the chief architect, the acting chief executive officer, acting chief operating officer, and co-chief technology officer of NetEase. Mr. Ding currently serves on the board of directors of Youdao, Inc. (NYSE: DAO) since January 2015. Mr. Ding received a Bachelor of Science degree in Communication Technology from the University of Electronic Science and Technology of China.

Length of service

Mr. Ding was appointed as a Director on 2 February 2016 and re-designated as an executive Director on 5 August 2021. Mr. Ding is subject to retirement by rotation and re-election at annual general meetings of the Company pursuant to the Articles of Association.

Relationships

Mr. Ding is a shareholder, a director and the chief executive officer of NetEase (controlling shareholder (as defined in the Listing Rules)). Save as disclosed, Mr. Ding does not have any relationship with any Directors, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Company.

Interests in Shares

As at the Latest Practicable Date, Mr. Ding was interested in 129,034,168 shares of the Company and 1,450,300,000 shares of NetEase (controlling shareholder (as defined in the Listing Rules)) pursuant to Part XV of the SFO.

Director's emoluments

Mr. Ding is not entitled to receive any annual Director's fee from the Company.

Information that needs to be disclosed and matters that need to be brought to the attention of the Shareholders

There is no information which is discloseable nor is/was Mr. Ding involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to (v) of the Listing Rules and there are no other matters concerning Mr. Ding that need to be brought to the attention of the Shareholders.

(2) Mr. Yong Li**Position and Experience**

Mr. Yong Li, aged 46, is an executive Director and the vice president of business intelligence of the Company. Mr. Li joined NetEase in April 2019 and served as a vice president of Kaola. Prior to joining the Company, Mr. Li was a senior technical expert in Tencent Holdings Limited from July 2010 to April 2015. He then served as vice president at Vipshop Holdings Ltd. from April 2015 to June 2018. Mr. Li served as a general manager of operations at Hillhouse Capital in 2018. Mr. Li received a bachelor's degree in information management in July 1999 and a master's degree in statistics in January 2002 from Anhui University of Finance and Economics. He also received his doctoral degree in informatics from Nanjing University in September 2004. Mr. Li served as a post-doctoral researcher in computer science at Tsinghua University from September 2004 to September 2006.

Length of service

Mr. Li was appointed as a Director on 25 May 2021 and re-designated as an executive Director on 5 August 2021. Mr. Li is subject to retirement by rotation and re-election at annual general meetings of the Company pursuant to the Articles of Association.

Relationships

Mr. Li does not hold any other positions in the Company or its subsidiaries, nor does he have any relationships with any other Directors, senior management, substantial shareholders (as defined in the Listing Rules) or controlling shareholders (as defined in the Listing Rules) of the Company.

Interests in Shares

As at the Latest Practicable Date, Mr. Li was interested in 331,322 shares of the Company and 15,850 shares of NetEase (controlling shareholder (as defined in the Listing Rules)) pursuant to Part XV of the SFO.

Director's emoluments

Mr. Li is not entitled to receive any annual Director's fee from the Company.

Information that needs to be disclosed and matters that need to be brought to the attention of the Shareholders

There is no information which is discloseable nor is/was Mr. Li involved in any of the matters required to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters concerning Mr. Li that need to be brought to the attention of the Shareholders.

(3) Mr. Ying Kit Caleb Lo**Position and Experience**

Mr. Ying Kit Caleb Lo, aged 62, is an independent non-executive Director, and the chairperson of the audit committee and a member of the remuneration committee and nomination committee. Mr. Lo served at Motorola for more than 10 years since 1992 in China and Singapore and held several positions of finance management including the finance controller. Mr. Lo then joined Hangzhou H3C Technologies Co., Ltd. and has served as a vice president and the chief financial officer, during which he concurrently served as a vice president and the chief financial officer of the China region of HP Inc. (NYSE: HPQ) from May 2014 to August 2015. Mr. Lo then served as CFO and Co-President of New H3C Group prior to joining JiHu Information Technology (Hubei) Co., Ltd as CFO in September 2021, a JV of GitLab Inc. Mr. Lo has the appropriate professional accounting or related financial management experience for the purpose of Rule 3.10(2) of the Listing Rules. Mr. Lo received his CPA certificate from University of Illinois in February 1995 and he was admitted as a CPA in Hong Kong in October 1995. He is also a member of the American Institute of Certified Public Accountants, and a fellow member of the Hong Kong Institute of Certified Public Accountants. Mr. Lo received his diploma in Business Administration from Hong Kong Shue Yan College in July 1986. He received his Master of Business Administration from Oklahoma City University in May 1991.

Length of service

Mr. Lo was appointed as an independent non-executive Director on 2 December 2021. Mr. Lo is subject to retirement by rotation and re-election at annual general meetings of the Company pursuant to the Articles of Association.

Relationships

Mr. Lo does not hold any other positions in the Company or its subsidiaries, nor does he have any relationships with any other Directors, senior management, substantial shareholders (as defined in the Listing Rules) or controlling shareholders (as defined in the Listing Rules) of the Company.

Interests in Shares

As at the Latest Practicable Date, Mr. Lo did not have, and was not deemed to have any interests in the Shares, underlying Shares or debentures of the Company within the meaning of Part XV of the SFO.

Director's emoluments

Mr. Lo is entitled to an annual Director's fee of RMB500,000, which is determined by the Board with reference to salaries paid by comparable companies, time commitment and responsibilities of the Directors and performance of the Company and subject to review from time to time.

Information that needs to be disclosed and matters that need to be brought to the attention of the Shareholders

There is no information which is discloseable nor is/was Mr. Lo involved in any of the matters required to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters concerning Mr. Lo that need to be brought to the attention of the Shareholders.

The following is an explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the Annual General Meeting in relation to the granting of the Share Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 214,923,576 Shares (with no treasury Shares).

Subject to the passing of the ordinary resolution set out in item 4 of the notice of the Annual General Meeting in respect of the granting of the Share Repurchase Mandate and on the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting, i.e. being 214,923,576 Shares, the Directors would be authorised under the Share Repurchase Mandate to repurchase, during the period in which the Share Repurchase Mandate remains in force, a total of 21,492,357 Shares, representing 10% of the total number of Shares in issue as at the date of the Annual General Meeting.

2. REASONS FOR SHARE REPURCHASE

The Directors believe that the granting of the Share Repurchase Mandate is in the best interests of the Company and the Shareholders.

Shares repurchase may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

3. FUNDING OF SHARE REPURCHASE

The Company may only apply funds legally available for share repurchase in accordance with its Articles of Association, the laws of the Cayman Islands and/or any other applicable laws, as the case may be.

4. IMPACT OF SHARE REPURCHASE

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 December 2023) in the event that the Share Repurchase Mandate was to be carried out in full at any time during the proposed repurchases period. However, the Directors do not intend to exercise the Share Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

5. MARKET PRICES OF SHARES

The highest and lowest prices per Share at which Shares have traded on the Stock Exchange during each of the previous 12 months were as follows:

Month	Highest (HK\$)	Lowest (HK\$)
April, 2023	76.30	63.40
May, 2023	94.05	70.90
June, 2023	88.50	76.90
July, 2023	83.85	69.35
August, 2023	82.95	66.10
September, 2023	85.50	72.80
October, 2023	91.95	82.00
November, 2023	106.00	78.50
December, 2023	94.95	83.00
January, 2024	94.65	82.90
February, 2024	92.95	81.50
March, 2024	95.10	82.65
April, 2024 (<i>up to the Latest Practicable Date</i>)	100.10	91.70

6. GENERAL

To the best of their knowledge and having made all reasonable enquiries, none of the Directors nor any of their respective close associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company in the event that the granting of the Share Repurchase Mandate is approved by the Shareholders.

The Company has not been notified by any core connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the granting of the Share Repurchase Mandate is approved by the Shareholders.

The Directors will exercise the power of the Company to repurchase Shares pursuant to the Share Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

In the event the Company conducts a repurchase of Shares, the Company may cancel such repurchased Shares or hold them as treasury Shares, subject to market conditions and the Group's capital management needs at the relevant time of the repurchases.

For any treasury Shares deposited with CCASS pending resale on the Stock Exchange, the Company shall (i) procure its broker not to give any instructions to Hong Kong Securities Clearing Company Limited to vote at general meetings of the Company for the treasury Shares

deposited with CCASS; and (ii) in the case of dividends or distributions, withdraw the treasury Shares from CCASS, and either re-register them in its own name as treasury Shares or cancel them, in each case before the record date for the dividends or distributions, or take any other measures to ensure that it will not exercise any shareholders' rights or receive any entitlements which would otherwise be suspended under the applicable laws if those Shares were registered in its own name as treasury Shares.

The Company has confirmed that neither the explanatory statement nor the proposed share repurchase has any unusual features.

7. TAKEOVERS CODE

If as a result of a repurchase of Shares pursuant to the Share Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholder's interest, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

To the best knowledge of the Company, as at the Latest Practicable Date, Mr. William Lei Ding, an executive Director and controlling shareholder (as defined in the Listing Rules), was interested in 129,034,168 Shares representing approximately 60.04% of the total issued share capital of the Company through his controlled corporations. In the event that the Directors exercise the proposed Share Repurchase Mandate in full, the shareholding of Mr. William Lei Ding would be increased to approximately 66.71% of the issued share capital of the Company. The Directors are not aware of any consequences which may give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

The Directors do not propose to exercise the Share Repurchase Mandate to such an extent as would, in the circumstances, give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code and/or result in the aggregate number of Shares held by the public shareholders falling below the prescribed minimum percentage required by the Stock Exchange.

8. SHARE REPURCHASE MADE BY THE COMPANY

During the 6 months prior to the Latest Practicable Date, the Company had not repurchased any of the Shares (whether on the Stock Exchange or otherwise).

NOTICE OF ANNUAL GENERAL MEETING



CLOUD MUSIC INC. 雲音樂股份有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 9899)

Notice is hereby given that the Annual General Meeting of Cloud Music Inc. (the “**Company**”) will be held at the Company’s office located at No. 399 Wangshang Road, Binjiang District, Hangzhou, Zhejiang Province, People’s Republic of China 310052 on Wednesday, 26 June 2024 at 2:00 p.m. for the following purposes:

1. To receive the audited consolidated financial statements of the Company and the reports of the directors and auditors for the year ended 31 December 2023.
2. (a) To re-elect Mr. William Lei Ding as an executive director of the Company (the “**Director(s)**”).

(b) To re-elect Mr. Yong Li as an executive Director.

(c) To re-elect Mr. Ying Kit Caleb Lo as an independent non-executive Director.

(d) To authorise the board of Directors (the “**Board**”) to fix the respective Directors’ remuneration.
3. To re-appoint PricewaterhouseCoopers as auditor of the Company and to authorise the Board to fix its remuneration.
4. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT:**

- (a) subject to compliance with the prevailing requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and paragraph (b) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company to exercise during the Relevant Period (as defined below) all the powers of the Company to repurchase its shares in accordance with all applicable laws, rules and regulations;
- (b) the total number of shares of the Company to be repurchased pursuant to the mandate in paragraph (a) above shall not exceed 10% of the total number of issued shares of the Company (excluding any shares that are held as treasury

NOTICE OF ANNUAL GENERAL MEETING

shares) as at the date of passing of this resolution (subject to adjustment in the case of any consolidation or subdivision of shares of the Company after the date of passing of this resolution); and

(c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.”

5. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to compliance with the prevailing requirements of the Listing Rules and paragraph (b) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company to allot, issue and deal with additional shares (including any sale or transfer of shares out of treasury that are held as treasury shares (which shall have the meaning ascribed to it under the Listing Rules coming into effect on 11 June 2024)) in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers during or after the end of the Relevant Period (as defined below) in accordance with all applicable laws, rules and regulations;
- (b) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted by the directors pursuant to the mandate in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as defined below);
 - (ii) the exercise of options under a share option scheme of the Company; and

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- (iii) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company,

shall not exceed 20% of the total number of issued shares of the Company (excluding any shares that are held as treasury shares) as at the date of passing of this resolution (subject to adjustment in the case of any consolidation or subdivision of shares of the Company after the date of passing of this resolution); and

- (c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognized regulatory body or any stock exchange).”

- 6. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** conditional upon the passing of the resolutions set out in items 4 and 5 of the notice convening this meeting (the “**Notice**”), the general mandate referred to in the resolution set out in item 5 of the Notice be and is hereby extended by the addition to the aggregate number of shares which may be allotted and issued (including any sale or transfer of shares out of treasury that are held as treasury shares) or agreed conditionally or unconditionally to be allotted and issued (including any sale or transfer of shares out of treasury that are held as treasury shares) by the directors pursuant to such general mandate of the number of shares

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repurchased by the Company pursuant to the mandate referred to in resolution set out in item 4 of the Notice, provided that such number of shares shall not exceed 10% of the total number of issued shares of the Company (excluding any shares that are held as treasury shares) as at the date of passing of this resolution (subject to adjustment in the case of any consolidation or subdivision of shares of the Company after the date of passing of this resolution).”

7. To consider and, if thought fit, pass the following resolution as a special resolution:

“**THAT** the proposed amendments (the “**Proposed Amendments**”) to the current Tenth Amended and Restated Memorandum and Articles of Association of the Company (the “**Memorandum and Articles of Association**”) set out as follows be and are hereby approved:

- (A) By the deletion of Article 30.1 in its entirety, and the substitution in its place of the following:

“30.1 Except as otherwise provided in these Articles, any notice or document may be served by the Company on any member in any of the following manner:

- (a) personally by leaving it at the registered address of such member as appearing in the register;
- (b) by sending it through the post in a prepaid letter addressed to such member at their registered address as appearing in the register (which shall be sent by airmail where the notice or document is posted from one country to another);
- (c) by electronic means by transmitting it to any electronic number or address or website supplied by the member to the Company;
- (d) by placing it on the Company’s Website or the Exchange’s website;
or
- (e) (in the case of notice) by advertisement published in the manner prescribed in the Listing Rules or as permitted by an applicable regulator (including the Exchange).

In the case of joint holders of a share, all notices shall be given to that holder for the time being whose name stands first in the register and notice so given shall be sufficient notice to all the joint holders.”

- (B) By the deletion of Article 30.4 in its entirety.

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(C) By the deletion of Article 30.8 in its entirety, and the substitution in its place of the following:

“30.8 Any notice or document given by electronic means shall be deemed to have been served and delivered on the day following that on which it is successfully transmitted or at such later time as may be prescribed by the Listing Rules or any applicable laws or regulations, and it shall not be necessary for the receipt of the electronic transmission to be acknowledged by the recipient.”

(D) By the insertion of a new Article 30.8A, immediately following Article 30.8, as follows:

“30.8A Any notice or document served by being placed on the Company’s Website or the Exchange’s website shall be deemed to be served at such time as it is published on the relevant website (and if published on multiple websites, the earlier publication time) or such other time as may be prescribed by the Listing Rules.”

and that the Eleventh Amended and Restated Memorandum and Articles of Association (the “**New Memorandum and Articles of Association**”) with all of the Proposed Amendments incorporated therein, a copy of which is tabled at this meeting and marked “A” and initialled by the chairman of this meeting for the purposes of identification, be and are hereby adopted as the new memorandum and articles of association of the Company in substitution for and to the exclusion of the Memorandum and Articles of Association with immediate effect after the close of this meeting and that any director of the Company be and is hereby authorised to do all things necessary to implement the adoption and registration of the New Memorandum and Articles of Association.”

Yours faithfully,
For and on behalf of the Board
Cloud Music Inc.
Mr. William Lei Ding
Chairman of the Board

Hong Kong, 25 April 2024

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Notes:

1. All resolutions at the annual general meeting will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Listing Rules. The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
2. Any shareholder of the Company entitled to attend and vote at the annual general meeting is entitled to appoint more than one proxy to attend and vote instead of him. A proxy need not be a shareholder of the Company. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy. Every shareholder present in person or by proxy shall be entitled to one vote for each share held by him. For the avoidance of doubt and for the purpose of the Listing Rules, holders of treasury shares of the Company (if any) are not entitled to vote at the annual general meeting.
3. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited at the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 48 hours before the time appointed for the annual general meeting (i.e. not later than 2:00 p.m. on Monday, 24 June 2024) or the adjourned meeting (as the case may be). Completion and return of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. For determining the entitlement to attend and vote at the annual general meeting, the register of members of the Company will be closed from Friday, 21 June 2024 to Wednesday, 26 June 2024, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the annual general meeting, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 20 June 2024.
5. References to time and dates in this notice are to Hong Kong time and dates.