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CLOUD MUSIC INC.

雲音樂股份有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 9899)

GRANT OF AWARDS UNDER THE 2016 PLAN

Reference is made to the 2016 Plan of the Company. The Board hereby announces that on 2 March 2023, the Company granted Awards to certain eligible participants, being the Grantees. Details of the grant are as follows:

Date of grant: 2 March 2023

Market price of each Share: The closing price per Share on the date of grant was HK\$85.80.

Grantees: A summary of the Grantees and their grants are set out below:

	Grantees	Number of Awards granted
Employee Participants	8 individuals	241,179

Vesting: Purchase price

The purchase price per Award Share upon the vesting is nil.

Vesting period and schedule

Each grant has a total vesting period of three years from the date of grant, and shall vest equally over the three years.

Other key restrictions: Performance targets

With respect to each Grantee, upon each vesting date, the portion of the Awards that vests shall depend on the Grantee meeting a specified threshold in their performance evaluations during the one-year period prior to the vesting date.

Clawback mechanism

With respect to each Award granted, upon the occurrence of any misconduct or breach by the Grantee, or in other circumstances determined appropriate by the plan administrator, (i) unvested or outstanding Awards held by that Grantee will automatically lapse; (ii) any Award Share reserved for or held for the benefit of, but not yet transferred to, that Grantee shall be forfeited and no longer be entitled to by the Grantee; and (iii) for Award Shares already transferred to the Grantee, the Company may require the Grantee to transfer back the equivalent number or value of the Award Shares through Shares, cash or a combination thereof.

Shareholder rights

None of the Grantees are entitled to any Shareholder rights (including dividend and voting rights) until and to the extent that their Awards have vested and settled.

Other information:

Following this grant, an aggregate of 315,068 Shares remain available for future grants under the 2016 Plan (assuming that no granted awards have lapsed or been cancelled or are settled in a manner other than the Company issuing new Shares).

To the Company's best knowledge, none of the Grantees (a) is a director, chief executive, substantial shareholder (as defined in the Listing Rules) of the Company, or an Associate; (b) is a related entity participant or service provider (as defined in the New Chapter 17); or (c) has been granted Awards that exceed the individual limit of 1% as set out in the New Chapter 17.

The Company does not have any arrangement to provide financial assistance to the Grantees to facilitate the purchase of Award Shares.

The 2016 Plan does not constitute a share scheme pursuant to the New Chapter 17. The Company will comply with the New Chapter 17 in accordance with the transitional arrangements for existing share schemes.

“2016 Plan”	the pre-IPO share incentive plan adopted by the Company in 2016, the terms of which are set out in Appendix IV to the Company's prospectus dated 23 November 2021, and which is not a share scheme governed by the New Chapter 17
“Associate”	associates (as defined in the Listing Rules) of a Director, chief executive or substantial shareholder of the Company
“Award”	an award of restricted share units under the 2016 Plan, which entitles the holder to one Award Share in accordance with the terms of the grant
“Award Shares”	Shares underlying Awards, which may be delivered upon vesting to the Grantee as new Shares, existing Shares, cash equivalent or a combination thereof

“Board”	the board of Directors
“Company”	Cloud Music Inc. (雲音樂股份有限公司)
“Director”	a director of the Company
“Employee Participant”	an eligible participant under the 2016 Plan who is a director, officer or employee of the Group on the date of grant
“Grantee”	an eligible participant of the 2016 Share Incentive Plan, who has been granted an Award under the 2016 Plan as part of this grant
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“New Chapter 17”	revised Chapter 17 of the Listing Rules, which took effect on 1 January 2023
“Share”	a share in the Company with a nominal value of US\$0.0001 each
“Shareholders”	the shareholders of the Company

By Order of the Board
Cloud Music Inc.
Mr. William Lei Ding
Chairman of the Board

Hong Kong, 2 March 2023

As at the date of this announcement, the Board comprises Mr. William Lei Ding, Mr. Yong Li and Ms. Yanfeng Wang as executive Directors, Mr. Yat Keung Li, Mr. Dewei Zheng and Mr. Feng Yu as non-executive Directors, and Mr. Ying Kit Caleb Lo, Mr. Xianfeng Gu and Mr. Zhong Xu as independent non-executive Directors.