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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**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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**CLOUD MUSIC INC.**  
**雲音樂股份有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 9899)**

**PROPOSED RE-ELECTION OF DIRECTORS  
PROPOSED APPOINTMENT OF DIRECTOR  
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**

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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 Thursday, 15 June 2023 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 Tuesday, 13 June 2023) 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.

24 May 2023

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## DEFINITIONS

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*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 Thursday, 15 June 2023 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 21 to 24 of this circular, or any adjournment thereof
“Articles of Association”	the memorandum and articles of association of the Company currently in force, titled the Ninth Amended and Restated Memorandum and Articles of Association
“Board”	the board of Directors
“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 of not exceeding 20% of the total number of issued Shares as at the date of passing of the proposed ordinary resolution contained in item 5 of the notice of the Annual General Meeting
“Latest Practicable Date”	17 May 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular

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## DEFINITIONS

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“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“New Articles of Association”	the proposed amended memorandum and articles of association of the Company, titled the Tenth Amended and Restated Memorandum and Articles of Association
“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) of US\$0.0001 each in the issued capital of the Company or if there has been a subsequent sub-division, 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 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

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LETTER FROM THE BOARD

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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)**

*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. Dewei Zheng

Mr. Feng Yu

*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

24 May 2023

*To the Shareholders*

Dear Sir/Madam,

**PROPOSED RE-ELECTION OF DIRECTORS  
PROPOSED APPOINTMENT OF DIRECTOR  
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 15 June 2023.

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## LETTER FROM THE BOARD

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### 2. PROPOSED RE-ELECTION OF DIRECTORS

In accordance with Article 16.20 of the Articles of Association, Mr. Yat Keung Li, Mr. Xianfeng Gu and Mr. Zhong Xu 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.

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 and recommended to the Board the 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. In addition, each of Mr. Xianfeng Gu and Mr. Zhong Xu has made an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. During their tenure, they have demonstrated their ability to provide an independent view on the Company's matters. Accordingly, the Board considers them 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 APPOINTMENT OF DIRECTOR

Reference is made to the announcement dated 23 May 2023 (the "**Announcement**"). As stated in the Announcement, pursuant to Article 16.4 of the Articles of Association, the Company may by ordinary resolution elect any person to be a Director either to fill a casual vacancy or as an additional Director. Subject to the approval by the Shareholders at the Annual General Meeting, the Board proposed to appoint Mr. Ran Wang as the non-executive Director with effect from the conclusion of the Annual General Meeting.

Details of the proposed appointment of Director at the Annual General Meeting are set out in Appendix IV to this circular.

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## **LETTER FROM THE BOARD**

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### **4. PROPOSED GRANTING OF GENERAL MANDATE TO REPURCHASE SHARES**

In order to give the Company the flexibility to buy back 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 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 21,339,117 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.

### **5. PROPOSED GRANTING OF GENERAL MANDATE TO ISSUE SHARES**

In order to give the Company the flexibility to issue 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 of not exceeding 20% of the total number of issued 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 42,678,235 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.

### **6. PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION**

The Board proposes to amend certain provisions of the Articles of Association to, among other things, bring the Articles of Association in line with the amendments made to Appendix 3 to the Listing Rules that took effect on 1 January 2022 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 are set out in Appendix III to this circular, showing the changes (in underlined) against the Articles of Association. 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.

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## LETTER FROM THE BOARD

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### 7. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting is set out on pages 21 to 24 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 Monday, 12 June 2023 to Thursday, 15 June 2023, 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 Friday, 9 June 2023.

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. 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 Tuesday, 13 June 2023) 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.

### 8. 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.



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## LETTER FROM THE BOARD

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### 9. RECOMMENDATION

The Directors consider that the proposed re-election of retiring Directors, proposed appointment of Director, 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. YAT KEUNG LI**

**Position and experience**

Mr. Yat Keung Li, aged 50, is a non-executive Director. Mr. Li currently serves as the Vice president of NetEase. Mr. Li first joined NetEase in 2003 and took several senior roles in marketing, business partnership and corporate development within the group. Prior to NetEase, Mr. Li successively served as an account manager and associate account director at DDB Group Hong Kong from August 1999 to October 2003, and as a brand executive at Leo Burnett Hong Kong from January 1998 to July 1999. Mr. Li received his Bachelor of Science in Physics from the University of Hong Kong in November 1996.

**Length of service**

Mr. Li was appointed as non-executive Director on 25 May 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 is a shareholder of NetEase, Inc. (controlling shareholder (as defined in the Listing Rules)). Save as disclosed, Mr. Li 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. Li was interested in 4,000 shares of the Company and 32,465 shares of NetEase, Inc. (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 Rules 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.

**(2) MR. XIANFENG GU****Position and experience**

Mr. Xianfeng Gu, aged 52, is an independent non-executive Director, the chairperson of the nomination committee and a member of the audit committee and remuneration committee. Mr. Gu has worked at Stony Brook University since June 2004 and has served as a tenured professor since September 2009, and an Empire Innovation Professor since January 2021. He was previously an assistant professor at University of Florida from August 2003 to May 2004. Mr. Gu received a bachelor's degree in Computer Science from Tsinghua University in July 1994. He also received his Ph.D. degree in Computer Science from Harvard University in March 2003.

**Length of service**

Mr. Gu was appointed as independent non-executive Director on 25 May 2021. Mr. Gu is subject to retirement by rotation and re-election at annual general meetings of the Company pursuant to the Articles of Association.

**Relationships**

Mr. Gu 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. Gu 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. Gu is entitled to an annual Director's fee of RMB\$500,000, 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. Gu 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. Gu that need to be brought to the attention of the Shareholders.

**(3) MR. ZHONG XU****Position and experience**

Mr. Zhong Xu, aged 54, is an independent non-executive Director, and the chairman of the remuneration committee and a member of the audit committee and nomination committee. Mr. Xu has won various international competitions as a pianist, including the First Prize at the Maria Canals International Piano Competition in 1988, the Third Prize at the Hamamatsu International Piano Competition in 1991, the Santander Prize of Honour at the Santander Paloma O'Shea International Piano Competition in 1992, the First Prize and three other awards at the Tokyo International Piano Competition in 1992 and the Fourth Prize at the Tchaikovsky International Piano Competition in Moscow in 1994. He was awarded the "Chevalier de L'Ordre des Arts et des Lettres" in 2010, and the "Officier de L'Ordre des Arts et des Lettres" in 2018 by the Ministry of Culture and Communication of France. Mr. Xu has served as the Principal Director of Fondazione Arena di Verona, the General Director of Shanghai Opera House, the Chief Conductor of Suzhou Symphony Orchestra, the dean of the School of Music at Soochow University and one of the International Chairs at Royal Welsh College of Music and Drama. He previously served as the Artistic Director of Teatro Massimo Bellini and the Music Director of Israel Haifa Symphony Orchestra. Mr. Xu started his study in Piano in November 1986 at Le Conservatoire national superieur de musique et de danse de Paris. He is also recognised as a level 1 conductor by the Assessment Committee of the Qualification for Senior Professional and Technical Occupations in the Art Categories under the Shanghai Municipal Human Resources and Social Security Bureau.

**Length of service**

Mr. Xu was appointed as non-executive Director on 25 May 2021. Mr. Xu is subject to retirement by rotation and re-election at annual general meetings of the Company pursuant to the Articles of Association.

**Relationships**

Mr. Xu does not hold any other positions in the Company or its subsidiaries, nor does she 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. Xu 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. Xu is entitled to an annual Director's fee of RMB\$500,000, 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. Xu 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. Xu 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 213,391,176 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 213,391,176 Shares, the Directors would be authorized under the Share Repurchase Mandate to repurchase, during the period in which the Share Repurchase Mandate remains in force, a total of 21,339,117 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 buy-back 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 buy-back 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 2022) 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, cause 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 the Shares have traded on the Stock Exchange during each of the previous 12 months were as follows:

<b>Month</b>	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
May, 2022	92.55	54.10
June, 2022	92.00	69.50
July, 2022	91.50	66.50
August, 2022	73.80	60.35
September, 2022	92.75	64.05
October, 2022	69.55	50.65
November, 2022	84.80	52.15
December, 2022	80.00	70.65
January, 2023	115.20	72.55
February, 2023	105.00	77.00
March, 2023	94.95	58.45
April, 2023	76.30	63.40
May, 2023 ( <i>up to the Latest Practicable Date</i> )	94.05	70.90

**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 have undertaken to the Stock Exchange to 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.

**7. TAKEOVERS CODE**

If as a result of a buy-back 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 Ding Lei, the executive Director and controlling shareholder (as defined in the Listing Rules), was interested in 129,034,168 Shares representing approximately 60.47% 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 Ding Lei would be increased to approximately 67.19% 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 BUY-BACK 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).



The Company proposes to amend the Articles of Association, details of which are set out as follows<sup>1</sup>:

Article No.	Article provisions before amendment	Article No.	Article provisions after amendment
3.4	If at any time the share capital of the Company is divided into different classes of shares, all or any of the rights attached to any class of shares for the time being issued (unless otherwise provided for in the terms of issue of the shares of that class) may, subject to the provisions of the Companies Act, be varied or abrogated with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of shares of that class. To every such separate meeting all the provisions of these Articles relating to general meetings shall mutatis mutandis apply, but so that the quorum for the purposes of any such separate meeting and of any adjournment thereof shall be a person or persons together holding (or representing by proxy or duly authorised representative) at the date of the relevant meeting not less than one-third in nominal value of the issued shares of that class.	3.4	If at any time the share capital of the Company is divided into different classes of shares, all or any of the rights attached to any class of shares for the time being issued (unless otherwise provided for in the terms of issue of the shares of that class) may, subject to the provisions of the Companies Act, be varied or abrogated with the consent in writing of the holders of not less than three-fourths <del>in nominal value of the</del> <u>voting rights</u> of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of shares of that class. To every such separate meeting all the provisions of these Articles relating to general meetings shall mutatis mutandis apply, but so that the quorum for the purposes of any such separate meeting and of any adjournment thereof shall be a person or persons together holding (or representing by proxy or duly authorised representative) at the date of the relevant meeting not less than one-third <del>in nominal value of the voting</del> <u>rights</u> of the issued shares of that class.
12.1	The Company shall hold a general meeting as its annual general meeting in each year other than the year of the Company's adoption of these Articles, within a period of not more than 15 months after the holding of the last preceding annual general meeting or not more than 18 months after the date of adoption of these Articles (or such longer period as the Exchange may authorise). The annual general meeting shall be specified as such in the notices calling it and shall be held at such time and place as the Board shall appoint.	12.1	The Company shall hold a general meeting as its annual general meeting in each <u>financial</u> year, <u>to be held within six months (or such other period as may be permitted by the Listing Rules or the Exchange) after the end of such financial year</u> <del>other than the year of the Company's adoption of these Articles, within a period of not more than 15 months after the holding of the last preceding annual general meeting or not more than 18 months after the date of adoption of these Articles (or such longer period as the Exchange may authorise).</del> The annual general meeting shall be specified as such in the notices calling it and shall be held at such time and place as the Board shall appoint.

<sup>1</sup> The change of serial numbers caused by introducing new articles will not be described separately in the table.

Article No.	Article provisions before amendment	Article No.	Article provisions after amendment
12.3	<p>The Board may, whenever it thinks fit, convene an extraordinary general meeting. General meetings shall also be convened on the written requisition of any one or more members holding together, as at the date of deposit of the requisition, shares representing not less than one-tenth of the paid up capital of the Company which carry the right of voting at general meetings of the Company. The written requisition shall be deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office of the Company, specifying the objects of the meeting and the resolutions to be added to the meeting agenda, and signed by the requisitionist(s). If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.</p>	12.3	<p>The Board may, whenever it thinks fit, convene an extraordinary general meeting. General meetings shall also be convened on the written requisition of any one or more members holding together, as at the date of deposit of the requisition, shares representing not less than one-tenth of the <del>paid up capital of the Company which carry the right of voting at general meetings of the Company</del> <u>voting rights, on a one vote per share basis, in the share capital of the Company</u>. The written requisition shall be deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office of the Company, specifying the objects of the meeting and the resolutions to be added to the meeting agenda, and signed by the requisitionist(s). If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.</p>

Article No.	Article provisions before amendment	Article No.	Article provisions after amendment
14.1	Subject to any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of shares, at any general meeting where a show of hands is allowed, every member Present at the general meeting shall have one vote, and on a poll every member Present at the general meeting shall have one vote for each share registered in his/her name in the register. On a poll a member entitled to more than one vote is under no obligation to cast all his/her votes in the same way. For the avoidance of doubt, where more than one proxy is appointed by a recognised clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands and is under no obligation to cast all his/her votes in the same way on a poll.	14.1	Subject to any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of shares, at any general meeting, <b><u>(a) every member Present shall have the right to speak, (b) on where-</u></b> a show of hands <del>is allowed</del> , every member Present <del>at the general meeting</del> shall have one vote, and <b><u>(c)</u></b> on a poll every member Present <del>at the general meeting</del> shall have one vote for each share registered in his/her name in the register. On a poll a member entitled to more than one vote is under no obligation to cast all his/her votes in the same way. For the avoidance of doubt, where more than one proxy is appointed by a recognised clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands and is under no obligation to cast all his/her votes in the same way on a poll.
16.3	The Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election at that meeting.	16.3	The Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the <del>next following first annual</del> general meeting of the Company <b><u>after his/her appointment</u></b> and shall then be eligible for re-election at that meeting.

Article No.	Article provisions before amendment	Article No.	Article provisions after amendment
29.2	<p>The Company shall at every annual general meeting appoint an auditor or auditors of the Company who shall hold office until the next annual general meeting. The removal of an Auditor before the expiration of his/her period of office shall require the approval of an ordinary resolution of the members in general meeting. The remuneration of the Auditors shall be fixed by the Company at the annual general meeting at which they are appointed provided that in respect of any particular year the Company in general meeting may delegate the fixing of such remuneration to the Board. No person may be appointed as the, or an Auditor, unless he/she is independent of the Company. The Board may before the first annual general meeting appoint an auditor or auditors of the Company who shall hold office until the first annual general meeting unless previously removed by an ordinary resolution of the members in general meeting in which case the members at that meeting may appoint Auditors. The Board may fill any casual vacancy in the office of Auditor but while any such vacancy continues the surviving or continuing Auditor or Auditors, if any, may act. The remuneration of any Auditor appointed by the Board under this Article may be fixed by the Board.</p>	29.2	<p>The Company shall at every annual general meeting <b><u>by ordinary resolution</u></b> appoint an auditor or auditors of the Company who shall hold office until the next annual general meeting. The removal of an Auditor before the expiration of his/her/<b><u>its</u></b> period of office shall require the approval of an ordinary resolution of the members in general meeting. The remuneration of the Auditors shall be fixed by the Company <b><u>by ordinary resolution at</u></b> the annual general meeting at which they are appointed, provided that in respect of any particular year the Company in general meeting may delegate the fixing of such remuneration to the Board. No person may be appointed as the, or an Auditor, unless he/she/<b><u>it</u></b> is independent of the Company. The Board may before the first annual general meeting appoint an auditor or auditors of the Company who shall hold office until the first annual general meeting unless previously removed by an ordinary resolution of the members in general meeting in which case the members at that meeting may appoint Auditors. The Board may fill any casual vacancy in the office of Auditor but while any such vacancy continues the surviving or continuing Auditor or Auditors, if any, may act. The remuneration of any Auditor appointed by the Board under this Article may be fixed by the Board.</p>
-		32.1	<p><b><u>Subject to the Companies Act, the Company may by special resolution resolve that the Company be wound up voluntarily.</u></b></p>

*The following are the details of Mr. Ran Wang who is proposed to be appointed as non-executive Director at the Annual General Meeting.*

**POSITION AND EXPERIENCE**

Mr. Ran Wang (“**Mr. Wang**”), aged 36, has been a non-executive director of Huitongda Network Co., Ltd. (匯通達網絡股份有限公司), a company listed on the Stock Exchange (stock code: 9878) since November 2022, and has been an executive director of the strategic investment department of Alibaba Group Holding Limited, a company listed on the Stock Exchange (stock code: 9988) and the New York Stock Exchange (stock code: BABA) since July 2018; since October 2021, he has been a director of Shanghai Baison Co., Ltd. (上海百勝軟件股份有限公司), a company listed on the National Equities Exchange and Quotations (stock code: 832722). From May 2013 to July 2018, Mr. Wang served as the investment manager of Private Equity Asia Department of Morgan Stanley (China) Private Equity Investment Management Co., Ltd. (摩根士丹利(中國)股權投資管理有限公司); from February 2012 to 2013, he served as an analyst of the Bank of China Group Investment Limited. Mr. Wang graduated from the University of Oxford with a master’s degree in financial economics.

Save as disclosed, Mr. Wang did not hold any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years or any other positions in any group companies of the Company.

**LENGTH OF SERVICE**

Subject to the approval by the Shareholders at the Annual General Meeting, Mr. Wang will enter into an appointment letter with the Company for an initial term of three years from the date of his appointment. The appointment letter can be terminated by either party upon giving to the other party prior written notice. Mr. Wang is subject to retirement by rotation and re-election at annual general meetings of the Company pursuant to the Articles of Association.

**RELATIONSHIPS**

Save as disclosed, Mr. Wang 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. Wang 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. Wang 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. Wang 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. Wang that need to be brought to the attention of the Shareholders.

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## NOTICE OF ANNUAL GENERAL MEETING

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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)**

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 Thursday, 15 June 2023 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 2022.
2. (a) To re-elect Mr. Yat Keung Li as a non-executive director of the Company (the “**Director**”).  
  
(b) To re-elect Mr. Xianfeng Gu as an independent non-executive Director.  
  
(c) To re-elect Mr. Zhong Xu as an independent non-executive Director.  
  
(d) To authorize the board of directors to fix the respective directors’ remuneration.
3. To re-appoint PricewaterhouseCoopers as auditor of the Company and to authorise the board of Directors (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 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;

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## NOTICE OF ANNUAL GENERAL MEETING

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(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 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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited 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 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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## NOTICE OF ANNUAL GENERAL MEETING

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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 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 or agreed conditionally or unconditionally to be allotted and issued by the directors pursuant to such general mandate of the number of shares 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 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).”

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## NOTICE OF ANNUAL GENERAL MEETING

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7. To appoint Mr. Ran Wang as a non-executive Director.
8. To consider and, if thought fit, pass with or without modification, the following resolution as a special resolution:

“**THAT** the proposed amendments to the current Ninth Amended and Restated Memorandum and Articles of Association of the Company (the “**Articles of Association**”) as set out in Appendix III to the circular of the Company dated 24 May 2023 of which this Notice forms part be and are hereby approved and the Tenth Amended and Restated Memorandum and Articles of Association (the “**New Articles of Association**”) be and is hereby adopted as the new memorandum and articles of association of the Company in substitution for and to the exclusion of the Articles of Association with immediate effect after the close of this meeting and that any Director be and is hereby authorised to do all things necessary to implement the adoption of the New 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, 24 May 2023

*Notes:*

1. All resolutions at the 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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (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 meeting is entitled to appoint more than one proxy to attend and vote instead of that shareholder. 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 that shareholder.
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 meeting (i.e., not later than 2:00 p.m. on Tuesday, 13 June 2023) 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 meeting, the register of members of the Company will be closed from Monday, 12 June 2023 to Thursday, 15 June 2023, 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 Friday, 9 June 2023.
5. References to time and dates in this notice are to Hong Kong time and dates.