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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 your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in iDreamSky Technology Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or to the transferee or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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iDreamSky Technology Holdings Limited

创梦天地科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1119)

**PROPOSALS FOR RE-ELECTION OF DIRECTORS,
RE-APPOINTMENT OF AUDITOR,
GRANT OF GENERAL MANDATES TO ISSUE AND
REPURCHASE SHARES,
PROPOSED AMENDMENTS TO THE MEMORANDUM AND
ARTICLES OF ASSOCIATION,
ADOPTION OF THE NEW SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting (the “AGM”) of iDreamSky Technology Holdings Limited (the “Company”) to be held at Earth Room, 16/F, Unit 3, Block A, Kexing Science Park, Nanshan District, Shenzhen, China on Friday, 30 June 2023 at 10:30 a.m. is set out on pages 47 to 53 of this circular. A form of proxy for use at the AGM is also enclosed. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk and the website of the Company at www.idreamsky.com.

If you do not intend or are unable to attend the AGM and wish to appoint a proxy/proxies to attend and vote on your behalf, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the AGM (i.e. before 10:30 a.m. on Wednesday, 28 June 2023) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM or any adjourned meeting should you so wish.

8 June 2023

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DEFINITIONS

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

“Adoption Date”	the day when the New Share Option Scheme is adopted by the Shareholders
“Administrative Committee”	the committee comprising of any two executive Directors from time to time, or any person(s) designated by the Board to exercise its power and authority under the Scheme from time to time
“AGM” or “Annual General Meeting”	the annual general meeting of the Company to be held at Earth Room, 16/F, Unit 3, Block A, Kexing Science Park, Nanshan District, Shenzhen, China on Friday, 30 June 2023 at 10:00 a.m., or any adjournment thereof, and the notice of which is set out on pages 47 to 53 of this circular
“Board”	the board of directors of the Company from time to time or a duly authorized committee thereof
“Business Day”	any day (excluding Saturday and Sunday) on which banks in Hong Kong are generally open for business and the Stock Exchange is open for business of dealing securities
“Chairman”	chairman of the Board
“Companies Act”	the Companies Act (As Revised) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time
“Company”	iDreamSky Technology Holdings Limited (创梦天地科技控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange under stock code 1119
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company

DEFINITIONS

“Excluded Person”	(i) at the time of the proposed grant of an Option, any connected person of the Company other than any directors or substantial shareholders of the Company or any subsidiary of the Group; or (ii) any Participant who is resident in a place where the grant of the Options and/or the vesting and transfer of the Shares underlying the vested Options pursuant to the terms of the Scheme is not permitted under the laws and regulations of such place such that in the view of the Board, compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such Participant
“Exercise Price”	the price per Share at which a Grantee may subscribe for the Shares on the exercise of an Option
“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the AGM to extend the Issue Mandate by an amount representing the aggregate amount of Shares repurchased under the Repurchase Mandate
“Grant Date”	the date of the Grant Letter
“Grant Letter”	the document in writing for each grant of Options to an eligible Participant in such form as the Board may from time to time determine
“Grantee”	any eligible Participant who accepts a Grant in accordance with the terms of the Scheme, or (where the context so permits) any person who is entitled to any Option in consequence of the death of the original Grantee
“Group”	the Company, its subsidiaries and its PRC consolidated affiliated entities from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

DEFINITIONS

“independent third party(ies)”	any entity or person who is not a connected person of the Company within the meaning ascribed thereto under the Listing Rules
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the AGM to exercise the power of the Company to allot, issue and/or deal with Shares of not exceeding 20% of the aggregate number of issued Shares as at the date of passing of the relevant resolution granting the Issue Mandate
“Latest Practicable Date”	2 June 2023, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Memorandum and Articles of Association”	the amended and restated memorandum of association and articles of association of the Company adopted on 20 November 2018 and effective on 6 December 2018
“New Share Option Scheme” or “Scheme”	the new share option scheme for eligible Participants which was resolved to be adopted by the Board and proposed to be adopted at the AGM of the Company
“Notice of AGM”	the notice convening the AGM as set out on pages 47 to 53 of this circular
“Option(s)”	the right to subscribe for a specified number of Shares in issue at the Exercise Price
“Participant(s)”	any employee (whether full time or part time), executive or officer and director of any subsidiary of the Group (excluding independent non-executive Directors)
“PRC” or “China”	the People’s Republic of China, and for the purpose of this circular only, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

DEFINITIONS

“Remuneration Committee”	the remuneration and appraisal committee of the Company
“Repurchase Mandate”	a general and unconditional mandate to be granted to the Director at the AGM to exercise the powers of the Company to repurchase Shares of not exceeding 10% of the aggregate number of the issued Shares as at the date of passing of the relevant resolution granting the Repurchase Mandate
“Revised Memorandum and Articles of Association”	the second amended and restated memorandum of association and articles of association of the Company incorporating and consolidating all the proposed amendments to be considered and approved for adoption by way of special resolution at the AGM
“RMB”	the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended from time to time
“Share(s)”	ordinary share(s) of with nominal value of US\$0.0001 each in the share capital of the Company, or if there has been a capitalization issue, sub-division, reduction, consolidation, reclassification or reconstruction of the share capital of the Company, the shares forming part of the ordinary equity share capital of the Company of such nominal amount as shall result from any such capitalization issue, sub-division, reduction, consolidation, reclassification or reconstruction
“Shareholder(s)”	holder(s) of the Share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	the Code on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission in Hong Kong

DEFINITIONS

“US\$” U.S. dollars, the legal currency of the United States of America

“%” per cent

The English names of the PRC nationals, enterprises and entities are translation and/or transliterations of their Chinese names and are included for identification purposes only. In the event of inconsistency between the Chinese names and translations and/or transliterations, the Chinese names shall prevail.



iDreamSky Technology Holdings Limited

创梦天地科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1119)

Executive Directors:

Mr. Chen Xiangyu (*Chairman*)
Mr. Guan Song
Mr. Jeffrey Lyndon Ko

Non-executive Directors:

Mr. Ma Xiaoyi
Mr. Zhang Han
Mr. Yao Xiaoguang
Mr. Chen Yu

Independent Non-executive Directors:

Ms. Yu Bin
Mr. Li Xintian
Mr. Zhang Weining
Mr. Mao Rui

Registered Office:

The offices of Maples Corporate
Services Limited
P.O. Box 309, Umland House
Grand Cayman, KY1-1104
Cayman Islands

Head office in the PRC:

16/F, Unit 3, Block A
Kexing Science Park
No. 15 Ke Yuan Road
Nanshan District
Shenzhen
Guangdong Province
PRC

8 June 2023

To the Shareholders

Dear Sirs

**PROPOSALS FOR RE-ELECTION OF DIRECTORS,
RE-APPOINTMENT OF AUDITOR,
GRANT OF GENERAL MANDATES TO ISSUE AND
REPURCHASE SHARES,
PROPOSED AMENDMENTS TO THE MEMORANDUM AND
ARTICLES OF ASSOCIATION,
ADOPTION OF THE NEW SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to give you Notice of AGM and the information relating to the proposals for (i) the re-election of Directors; (ii) the re-appointment of the auditor of the Company; (iii) the grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate; (iv) the amendments to the Memorandum and Articles of Association and adoption of the Revised Memorandum and Articles of Association; and (v) the adoption of the New Share Option Scheme.

LETTER FROM THE BOARD

2. PROPOSED RE-ELECTION OF DIRECTORS

Pursuant to the Article 16.19 of the Memorandum and Articles of Association, Mr. Chen Xiangyu, Mr. Zhang Han, Mr. Li Xintian and Mr. Mao Rui shall retire by rotation at the AGM and they being eligible, offer themselves for re-election at the AGM.

Mr. Li Xintian and Mr. Mao Rui, the retiring independent non-executive Directors, have confirmed their independence with reference to the factors set out in Rule 3.13 of the Listing Rules. The Board has confirmed, they do not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company, and do not hold any interests of the Company in any form. The nomination committee of the Company and the Board thus considered that Mr. Li Xintian and Mr. Mao Rui both are independent in accordance with the independence guidelines set out in the Listing Rules.

Mr. Li Xintian and Mr. Mao Rui have demonstrated their ability to provide an independent, balanced and objective view to the Company's matters. In addition, both possess rich experience in their field. Mr. Li Xintian has extensive professional experience in PRC law and Mr. Mao Rui has an excellent technical background in computing and big data. Thus, their massive experience and professional advice can help the Company to continuously improve its corporate governance level.

Mr. Li Xintian and Mr. Mao Rui do not act as directors of seven or more listed companies. The Board believes that they can commit sufficient time to assume their director's duties.

The Company has adopted, and has complied with, a nomination policy for directorship. The Board has considered the qualifications, skills, knowledge, ability and experience of the Directors subject to the re-election at the AGM, and their time commitment and attention to perform their Directors' duties, as well as the current structure and composition of the Board. The Board is of the view that these Directors have different cultural, educational and professional background and have abundant experiences in their respective areas of expertise. The Board also believes that these Directors have brought, and will continue to bring, their respective skills, experiences and perspectives to the Board with a view of contributing to the diversity of the Board.

Brief biographical details of the Directors proposed to be re-elected at the AGM are set out in Appendix I to this circular.

LETTER FROM THE BOARD

3. PROPOSED RE-APPOINTMENT OF AUDITOR

The Board proposes to re-appoint PricewaterhouseCoopers as the auditor of the Company for the year ending 31 December 2023 and hold the office until the conclusion of the next annual general meeting of the Company. A resolution will also be proposed to authorize the Board to fix the auditor's remuneration for the ensuing year. PricewaterhouseCoopers have indicated their willingness to be re-appointed as auditor of the Company for the said period.

4. PROPOSED GRANT OF THE ISSUE MANDATE, REPURCHASE MANDATE AND EXTENSION MANDATE

To ensure flexibility and give discretion to the Directors in the event that it becomes desirable for the Company to issue any new Shares, approval is to be sought from the Shareholders, pursuant to the Listing Rules, for the Issue Mandate to issue Shares. At the Annual General Meeting, an ordinary resolution will be proposed to give the Directors the Issue Mandate to exercise the power of the Company to allot, issue and/or deal with Shares of not exceeding 20% of the aggregate number of issued Shares as at the date of passing of the relevant resolution granting the Issue Mandate.

As at the Latest Practicable Date, a total of 1,410,398,345 Shares were in issue. Subject to the passing of the proposed resolution granting the Issue Mandate to the Directors and on the basis that no Shares will be issued or repurchased by the Company after the Latest Practicable Date and prior to the Annual General Meeting, the Company will be allowed under the Issue Mandate to issue a maximum of 282,079,669 Shares.

At the Annual General Meeting, an ordinary resolution will also be proposed to give the Directors the Repurchase Mandate to exercise the powers of the Company to repurchase in the open market Shares of not exceeding 10% of the aggregate number of the issued Shares as at the date of passing of the relevant resolution granting the Repurchase Mandate. As at the Latest Practicable Date, the Directors have no present intention to repurchase any Shares in the open market (i.e. on the Stock Exchange or another stock exchange recognised for this purpose by the Stock Exchange) and would only exercise the power to repurchase in circumstances where they consider that the repurchase would be in the best interests of the Company. Pursuant to the Listing Rules, the Company is required to give the Shareholders all information which is reasonably necessary to enable the Shareholders to make an informed decision as to whether to vote in favour of or against the resolution in respect of the proposed Repurchase Mandate at the Annual General Meeting. An explanatory statement for such purpose is set out in Appendix II to this circular.

LETTER FROM THE BOARD

In addition, an ordinary resolution regarding the Extension Mandate will be proposed at the Annual General Meeting providing that any Shares repurchased under the Repurchase Mandate (up to a maximum of 10% of the issued Shares as at the date of the grant of the Repurchase Mandate) will be added to the total number of Shares which may be allotted and issued under the Issue Mandate.

The Issue Mandate and the Repurchase Mandate would expire on the earlier of: (a) the conclusion of the next annual general meeting of the Company; or (b) the expiration of the period within which the next annual general meeting of Company is required by the Companies Act or any applicable laws or the Memorandum and Articles of Association to be held; or (c) the revocation or variation by ordinary resolution(s) by the Shareholders in a general meeting prior to the next annual general meeting of the Company.

5. PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION AND TO ADOPT THE REVISED MEMORANDUM AND ARTICLES OF ASSOCIATION

The Board proposes (i) to amend the existing Memorandum and Articles of Association to reflect the core shareholder protection standards as set out in Appendix 3 to the amended Listing Rules which became effective on 1 January 2022; and (ii) to adopt the Revised Memorandum and Articles of Association.

Details of the proposed amendments are set out in Appendix III to this circular.

The Company's legal advisers have confirmed, in relation to the relevant Hong Kong laws and Cayman Islands laws respectively, that the proposed amendments comply with the applicable requirements of the Listing Rules and are not inconsistent with the laws of the Cayman Islands. The Company also confirms that there is nothing unusual about the proposed amendments for a Cayman Islands company listed on the Stock Exchange.

The proposed amendments and the adoption of the Revised Memorandum and Articles of Association are subject to the approval of the Shareholders by way of a special resolution at the AGM.

6. ADOPTION OF THE NEW SHARE OPTION SCHEME

Reference is made to the announcement of the Company dated 18 May 2023. The Board has resolved to propose the adoption of the New Share Option Scheme in compliance with Chapter 17 of the Listing Rules for the approval by the Shareholders. The purposes of the New Share Option Scheme are to (i) recognize the contributions by the Participants with an opportunity to acquire a

LETTER FROM THE BOARD

proprietary interest in the Company; (ii) encourage and retain such individuals for the continual operation and development of the Group; (iii) provide additional incentives for them to achieve performance goals; (iv) attract suitable personnel for further development of the Group; and (v) motivate the Participants to maximize the value of the Group for the benefits of both the Participants and the Group, with a view to achieving the objectives of increasing the value of the Group and aligning the interests of the Participants directly to the Shareholders through ownership of Shares.

As of the Latest Practicable Date, no proposed Grantees had been identified by the Company, and thus no Options had been granted or agreed or intended to be granted under the New Share Option Scheme. No Options shall be granted to the independent non-executive Directors or any of their respective associates.

As at the Latest Practicable Date, the Company has the tentative intention to grant no more than 21,155,975 underlying Shares of the Options, representing 1.5% of the issued share capital of the Company as of the Adoption Date, assuming there is no change in the number of issued Shares during the period from the Latest Practicable Date to the Adoption Date, to no more than 100 Grantees, all being the independent third party of the Group, in the next 12-month period after obtaining the Shareholders' approval for the adoption of the New Share Option Scheme. The Company has not confirmed the concrete plan in relation to the terms of such grants and will make further announcement in this regard in accordance with the Listing Rules as and when appropriate.

As at the Latest Practicable Date, there were 1,410,398,345 Shares in issue. Assuming there is no change in the number of issued Shares during the period from the Latest Practicable to the Adoption Date, the maximum number of Shares issuable pursuant to the New Share Option Scheme in aggregate shall not exceed 56,415,933, representing 4% of the issued share capital of the Company as of the Adoption Date, to eligible Participants. The basis for determining the scheme limit of the New Share Option Scheme includes (i) the potential dilution effect arising from grants to the eligible Participants; (ii) the importance of striking a balance between achieving the purpose of the New Share Option Scheme and protecting the Shareholders from the dilution effect from granting a substantial amount of Options to the eligible Participants; and (iii) the expected contribution to the development and growth of the Company attributable to the eligible Participants. Taking into account the above, the Board considers that the scheme limit of the New Share Option Scheme would not lead to an excessive dilution of shareholding of the existing Shareholders and is appropriate and reasonable. None of the Directors is a trustee of the New Share Option Scheme or has any direct or indirect interest in the trustees of the New Share Option Scheme, if any.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the Company has not identified any proposed Grantees for the coming 12 months including those who may require the approval by the Shareholders in the AGM pursuant to Rule 17.04 of the Listing Rules.

Save for the pre-IPO restricted share unit plan (the “**Pre-IPO RSU Plan**”) adopted by the Company on 10 May 2018 and the 2023 share incentive scheme (the “**2023 Share Incentive Scheme**”) adopted by the Company on 18 May 2023, both of which are funded solely by existing Shares and shall be subject to applicable requirements under Rule 17.12 of the Listing Rules, the Company had no other subsisting share schemes as at the Latest Practicable Date. Pursuant to all the share schemes of the Company (including Pre-IPO RSU Plan, the 2023 Share Incentive Scheme and the New Share Option Scheme), the total number of Shares issued and to be issued in respect of all Options, options over new Shares and awards over new Shares already granted or to be granted will not exceed 10% of the Shares in issue as at the Adoption Date, assuming there is no change in the number of issued Shares during the period from the Latest Practicable Date to the Adoption Date.

Conditions for the New Share Option Scheme

The New Share Option Scheme shall take effect subject to the following conditions:

- (a) the passing of ordinary resolution to approve the adoption of the New Share Option Scheme by the Shareholders in general meeting; and
- (b) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, any Shares to be issued and allotted pursuant to the exercise of Options granted under the New Share Option Scheme.

As at the Latest Practicable Date, the New Share Option Scheme has been approved by the Board. Application will be made to Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the new Shares to be issued and allotted pursuant to New Share Option Scheme.

In relation to the conditions set out above, the adoption of the New Share Option Scheme will be tabled at the AGM for Shareholders’ approval. No Shareholder is required to abstain from voting on the relevant resolution to approve the proposed adoption of the New Share Option Scheme at the AGM.

The Directors believe that the provisions as well as such other terms as may be determined by the Board, will serve to protect the value of the Company as well as to achieve the purpose of the New Share Option Scheme.

LETTER FROM THE BOARD

Eligible participants and eligibility

The rules of the New Share Option Scheme enable the Company to grant Option(s) to eligible Participants. The Directors are of the view that the adoption of the New Share Option Scheme aligns with the market practice of providing incentives to employee participants to work towards enhancing the enterprise value and achieving the long-term objectives for the benefit of the Group as a whole. The Board may determine the Participants' eligibility by taking into account, without limitations, the employee grade, years of service, overall performance, values and importance of the position of such eligible Participant, and/or such factors as the Board may at its discretion consider appropriate, for the purpose of management.

Notwithstanding the terms and conditions of the New Share Option Scheme, each grant of Options to a Director, chief executive or substantial Shareholder of the Company or any of their respective associates must be approved by the independent non-executive Directors. Where any grant of Options to a substantial Shareholder, or any of its associates, would result in the Shares issued and to be issued in respect of all Options, and other options and awards granted (excluding any Options lapsed in accordance with the terms of the New Share Option Scheme) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue, such further grant of Options must be approved by Shareholders in general meeting (with such Participant, his/her associates and all core connected persons of the Company abstaining from voting in favour at such general meeting). In such event, the Company shall comply with the requirements under Rules 13.40, 13.41 and 13.42 of the Listing Rules.

Vesting period and Exercise price

The Directors are of the view that the vesting period and the Exercise Price are appropriate given that they are in line with the requirements of the Listing Rules while providing the Company with sufficient flexibility to determine the exercise price of Options that can provide sufficient incentive to the selected participants to achieve the purpose of the New Share Option Scheme.

The vesting period shall be determined by the Board or the Chairman (as the case may be) and in no case the vesting period of shall be less than twelve months or such period as the Listing Rules may prescribe or permit.

Performance targets

Proposed performance targets include financials (e.g. revenue and operating profits), business (non-financial) (e.g. the number of registered customers and daily active users), operations and creation of capital value for the Group's business segments (e.g. increase in revenue and net profit) as well as that for the Participants based on individual performance indicators (e.g. the

LETTER FROM THE BOARD

achievement of their roles and responsibilities as well as their adherence to corporate culture). A description of the relevant performance targets (if any) will be included in the announcement of the grant of Options in accordance with the Listing Rules. The Board (or, as the case may be, the Administrative Committee as authorized by the Board) will conduct assessment at the end of a performance period by comparing the performance of the business segments and the individual performance of the Participants with the pre-agreed targets on a case-by-case basis to determine whether the targets and the extents to which have been met. The assessment will be based on the individual's overall performance, performance of the team or department that the Grantee belongs to and the performance of the Group as a whole. Specific weightings will be given to the various factors identified above, with reference to the position and role of the Grantee in the Group, in order to provide a fair and objective appraisal.

Malus and clawback

Without prejudice to the terms of the New Share Option Scheme, in the case that a Participant commits a misconduct or is involved in a material misstatement in the Company's financial statements, all Options of such Participant shall automatically lapse. Any Share covered by an Option which is lapsed (whether voluntarily or involuntarily) in accordance with the terms of the Scheme shall be deemed not to have been issued and shall not be counted for purposes of calculating the scheme limit of the Scheme. The Directors (and the Remuneration Committee in respect of grants of Options to the Directors) are of the view that the clawback mechanism in the New Share Option Scheme provides a choice for the Company to clawback the equity incentives granted to selected Participants culpable of misconduct and is in line with the purpose of the New Share Option Scheme and the interests of Shareholders.

Key terms of the New Share Option Scheme

A summary of the key terms of the New Share Option Scheme to be approved at the AGM is set out in Appendix IV to this circular.

7. ANNUAL GENERAL MEETING

A notice convening the AGM is set out on pages 47 to 53 of this circular to consider the resolutions relating to, inter alia, the proposed re-election of Directors, the proposed re-appointment of the auditor, the proposed grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate, the proposed amendments to the Memorandum and Articles of Association and the adoption of the New Share Option Scheme.

LETTER FROM THE BOARD

8. ACTIONS TO BE TAKEN

A form of proxy for use at the AGM is enclosed with this circular and such form of proxy is also published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.idreamsky.com. If you do not intend or are unable to attend the AGM and wish to appoint a proxy/proxies to attend and vote on your behalf, you are requested to complete the form of proxy and return it to the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time fixed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM or any adjourned meeting if you so wish, and in such event the form of proxy shall be deemed to be revoked.

9. CLOSURE OF THE REGISTER OF MEMBERS

To ascertain the Shareholders' entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 27 June 2023 to Friday, 30 June 2023, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the AGM, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 26 June 2023.

10. VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all votes at the AGM will be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

There is no Shareholder who has any material interest in the proposed resolutions regarding the proposed re-election of Directors, the proposed re-appointment of the auditor of the Company, the proposed grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate, the proposed amendments to the Memorandum and Articles of Association, and the adoption of the New Share Option Scheme and therefore, none of the Shareholders is required to abstain from voting on such resolutions.

LETTER FROM THE BOARD

11. 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.

12. RECOMMENDATION

The Directors (including the independent non-executive Directors) believe that the proposed re-election of Directors, the proposed re-appointment of the auditor of the Company, and the proposed grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate, the proposed amendments to the Memorandum and Articles of Association and adoption of the Revised Memorandum and Articles of Association, and the adoption of the New Share Option Scheme are in the interests of the Company and the Shareholders. Accordingly, the Board (including the independent non-executive Directors) recommends you to vote in favour of the relevant ordinary and special resolutions to be proposed at the AGM.

13. DOCUMENT ON DISPLAY

A copy of the New Share Option Scheme will be published on the websites of the Stock Exchange and the Company for display for a period of not less than 14 days before the date of the AGM and the New Share Option Scheme will be made available for inspection at the AGM.

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

The biographical details of the Directors proposed to be re-elected at the AGM are set out as follows:

Mr. Chen Xiangyu (陳湘宇先生), aged 40, is an executive Director, Chairman of the Board and Chief Executive Officer of our Company. Mr. Chen has more than fifteen years of experience in mobile games, telecommunication, technology and management and is fully responsible for overseeing the Company's strategy, business and management. Mr. Chen is a co-founder and also serves as the chief executive officer and a director of Shenzhen iDreamSky, a director of Shenzhen Mengyu and a director of Chuangyi Shikong. Mr. Chen has received numerous awards and recognitions for his entrepreneurship and industry expertise, including being listed as one of the "40 Elite Individuals in Business Under the age of 40 in the PRC" (中國40位40歲以下的商界精英) in years 2014 and 2016 by Fortune Magazine (Chinese edition), being listed as one of the "Top 10 PRC Entrepreneurs Born in 1980s" (中國十大八零後創業家) by the Hurun Report (胡潤百富) in 2016, being listed as one of the "100 Most Innovative Individuals in PRC Business of 2016" (2016中國商業最具創意人物100) by the Fast Company Magazine, being awarded the Young Individual in Technology Award (青年科技獎) by the Shenzhen Science and Technology Association (深圳市科學技術協會) in 2017 and being selected as "Remarkable Young Entrepreneur of the Year in Shenzhen" (深圳青年創業年度風雲人物). In 2016, Mr. Chen was appointed as "Ambassador of Innovative Entrepreneurship of Nanshan District" (南山區創新創業形象大使) by the government of Nanshan District, Shenzhen, the PRC. In July 2017, he was nominated to the position of committee member of the Youth Association of Shenzhen (深圳市青年聯合會委員). Prior to joining our Group, Mr. Chen has held various positions in the telecommunications and technology industries, including serving as project manager at the overseas projects division of Achievo Information Technology (Shenzhen) Co., Ltd. (深圳市大展信息科技有限公司) from October 2008 to November 2009. Mr. Chen received his bachelor's degree in computer science and technology from the Central South University in the PRC in July 2000.

Save as disclosed above, Mr. Chen has not held directorship in other listed companies in the past three years or any other positions with the Company and other members of the Group.

As at the Latest Practicable Date, Mr. Chen is interested in approximately 18.39% of the total issued Shares capital of the Company, comprising: (i) 232,643,922 Shares, representing approximately 16.49% of the total Share capital of the Company through Brilliant Seed Limited; and (ii) a direct interest in 26,720,800 Shares as a beneficial owner, representing approximately 1.89% of the total Share capital of the Company. In addition, Mr. Chen has a direct interest in 500,000 shares of Shenzhen Mengyu Technology Co., Ltd. (深圳市夢域科技有限公司), an associated corporation of the Company, representing 5.00% of the issued shares of that company.

Save as disclosed above, Mr. Chen does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders.

Mr. Chen entered into a service contract with the Company for a term of three years. Either party has the right to give not less than three months' prior written notice to terminate the contract. He is subject to retirement by rotation and re-election at the annual general meeting of the Company and vacation of office in accordance with the Memorandum and Articles of Association. Mr. Chen is entitled to receive director's fee, basic salary, discretionary bonuses or other benefits based on his performances and duties, profitability of the Group and the prevailing market condition. For the year ended 31 December 2022, Mr. Chen received RMB1,071,786 as salaries.

Save as disclosed above, Mr. Chen is not aware of any other matters that need to be brought to the attention of the Shareholders in relation to his re-election as a Director and any other information in relation to Mr. Chen required to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules.

Mr. Zhang Han (張涵), aged 42, was appointed as a non-executive Director in April 2020. Mr. Zhang is currently a partner of Sequoia Capital China. Prior to that, Mr. Zhang served as a partner of Redpoint China Ventures (紅點中國創業投資基金) from 2017 to 2021, Mr. Zhang served as a partner of Redpoint Ventures (紅點創業投資基金) from 2010 to 2016 and a market engineer at Infineon Technologies (China) Co., Ltd. (英飛凌科技(中國)有限公司), a global leading semiconductor company, from 2006 to 2009. Mr. Zhang was selected as one of the top 40U40 investors in CY Zone in 2018. He was also selected as one of the top 50 China Mid-Generation Investors in 36Kr, one of the F40 China Young Investors in Investment World and one of the 70 Youth Leader GP30 of the generation born in the 70s in FOF Weekly in 2019. Mr. Zhang obtained his bachelor's degree in automation and master's degree in vehicle engineering in Tsinghua University in 2002 and 2005, respectively.

Save as disclosed above, Mr. Zhang has not held directorship in other listed companies in the past three years or any other positions with the Company and other members of the Group.

As at the Latest Practicable Date, Mr. Zhang does not have any interests in the Share within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Zhang does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders.

Mr. Zhang entered into a service contract with the Company for a term of three years. Either party has the right to give not less than three months' prior written notice to terminate the contract. He is subject to retirement by rotation and re-election at the AGM of the Company and vacation of office in accordance with the Memorandum and Articles of Association. Mr. Zhang is not entitled to any director's fees, and he is not expected to receive any remuneration for holding his office as a Director.

Save as disclosed above, Mr. Zhang is not aware of any other matters that need to be brought to the attention of the Shareholders in relation to his re-election as a Director and any other information in relation to Mr. Zhang required to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules.

Mr. Li Xintian (李新天), aged 58, was appointed as independent non-executive Director in May 2018. In addition to his position in our Group, Mr. Li has been serving as a professor in the Wuhan University since November 2005. Prior to that, Mr. Li has been teaching in the Office of Teaching and Research of Civil Commercial Law of the Department of Law of the Wuhan University (武漢大學法學院民商法教研室) since September 1992, where he has held the position of lecturer and became an associate professor on June 2000. In addition, Mr. Li has held independent directorships in a number of listed companies: Mr. Li has been an independent director of Huachangda Intelligent Equipment Group Co., Ltd. (華昌達智能裝備集團股份有限公司) from November 2013 to February 2015, an independent director of Hubei Century Network Technology Co., Ltd. (湖北盛天網絡技術股份有限公司) from May 2012 to November 2015 and an independent director of Guangdong Hec Technology Holding Co., Ltd. (廣東東陽光科技控股股份有限公司) from May 2008 to May 2014. He was admitted by the Ministry of Justice of Hubei (湖北省司法廳) as a lawyer in July 1993. Mr. Li obtained his bachelor's degree in law in July 1989 from the Wuhan University in the PRC and his doctorate degree in law from the Wuhan University in the PRC in June 2002.

Save as disclosed above, Mr. Li has not held directorship in other listed companies in the past three years or any other positions with the Company and other members of the Group.

As at the Latest Practicable Date, Mr. Li does not have any interests in the Share within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Li does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders.

Mr. Li entered into an appointment letter with the Company for a term of three years. Either party has the right to give not less than three months' prior written notice to terminate the appointment letter. He is subject to retirement by rotation and re-election at the annual general meeting of the Company and vacation of office in accordance with the Memorandum and Articles of Association. Mr. Li is entitled to receive director's fee based on his performances and duties. His director's fee for acting as an independent non-executive Director will be RMB200,000 per year.

Save as disclosed above, Mr. Li is not aware of any other matters that need to be brought to the attention of the Shareholders in relation to his re-election as a Director and any other information in relation to Mr. Li required to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules.

Mr. Mao Rui (毛睿), aged 48, was appointed as independent non-executive Director in August 2020. In addition to his position in our Group, Mr. Mao has joined Shenzhen University as an associate professor of College of Computer Science and Software Engineering in 2010, and currently serves as a Changjiang Scholars Special Position professor and associate dean of College of Computer Science and Software Engineering, primarily responsible for research and foreign affairs. His research primarily focuses on big data management and high-performance computing. Mr. Mao also serves as an executive director of Shenzhen Institute of Computing Sciences, associate director of National Engineering Laboratory for Big Data System Computing Technology, director of Guangdong Provincial Key Laboratory of Popular High-Performance Computing, director of Guangdong Provincial Engineering Technology Research Center of Domestic High-Performance Data Computing System, and director of Shenzhen Key Laboratory of Service Computing and Application. He is also a distinguished member of China Computer Federation (CCF), and is on expert panel of Big Data, Database and Theoretical Computer Science. Mr. Mao obtained a bachelor's degree and a master's degree in Computer Science from University of Science and Technology of China in 1997 and 2000, respectively. He further obtained a master's degree in Statistics and a Ph.D. in Computer Science from the University of Texas at Austin in the United States in 2006 and 2007, respectively.

Save as disclosed above, Mr. Mao has not held directorship in other listed companies in the past three years or any other positions with the Company and other members of the Group.

As at the Latest Practicable Date, Mr. Mao does not have any interests in the Share within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Mao does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders.

Mr. Mao entered into an appointment letter with the Company for a term of three years. Either party has the right to give not less than three months' prior written notice to terminate the appointment letter. He is subject to retirement by rotation and re-election at the annual general meeting of the Company and vacation of office in accordance with the Memorandum and Articles of Association. Mr. Mao is entitled to receive director's fee based on his performances and duties. His director's fee for acting as an independent non-executive Director will be RMB200,000 per year.

APPENDIX I DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

Save as disclosed above, Mr. Mao is not aware of any other matters that need to be brought to the attention of the Shareholders in relation to his re-election as a Director and any other information in relation to Mr. Mao required to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules.

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide the requisite information to enable you to make an informed decision whether to vote in favour of or against the resolution to approve the grant of the Repurchase Mandate to the Directors.

LISTING RULES RELATING TO THE REPURCHASE OF SECURITIES

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their securities on the Stock Exchange subject to certain restrictions, the most important of which is summarised below.

- (a) The Shares proposed to be purchased by the company are fully paid-up;
- (b) The company has previously sent to its shareholders an explanatory statement complying with the provisions of Rule 10.06(1)(b) of the Listing Rules; and
- (c) The shareholders of the company have given a specific approval or a general mandate to the Directors to make the purchase(s), by way of an ordinary resolution which complies with the provisions of Rule 10.06(1)(c) of the Listing Rules and which has been passed at a general meeting of the company duly convened and held.

SHARE CAPITAL

As at the Latest Practicable Date, the number of issued Shares of the Company was 1,410,398,345 Shares of nominal value of US\$0.0001 each which have been fully paid. Subject to the passing of the resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the Annual General Meeting, the Company will be allowed to repurchase in the open market a maximum of 141,039,834 Shares which represent 10% of the issued Shares of the Company during the period ending on the earlier of (a) the conclusion of the next annual general meeting of the Company; or (b) the expiration of the period within which the next annual general meeting of the Company is required by the Companies Act or any applicable laws or the Memorandum and Articles of Association to be held; or (c) the revocation or variation by ordinary resolution(s) by the Shareholders in the next general meeting of the Company.

REASONS FOR AND FUNDING OF REPURCHASES

The Directors believe that it is in the best interests of the Company and its Shareholders as a whole to seek a general mandate from the Shareholders to enable the Company to repurchase its Shares on the Stock Exchange. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or its earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders as a whole.

Repurchases of Shares will be financed out of funds legally available for the purpose and in accordance with the Memorandum and Articles of Association, the Listing Rules and the applicable laws and regulations of the Cayman Islands. The Company may not repurchase the Shares on the Stock Exchange for a consideration other than cash or for settlement otherwise in accordance with the trading rules of the Stock Exchange. Subject to the foregoing, the Company may make repurchases with profits of the Company or out of a new issuance of Shares made for the purpose of the repurchase or, if authorized by the Memorandum and Articles of Association and subject to the Companies Act, out of capital and, in the case of any premium payable on the repurchase, out of profits of the Company or from sums standing to the credit of the share premium account of the Company or, if authorized by the Memorandum and Articles of Association and subject to the Companies Act, out of capital.

The Company have no present intention to repurchase any Shares in the open market (i.e. on the Stock Exchange or another stock exchange recognised for this purpose by the Stock Exchange) and would only exercise the power to repurchase in circumstances where they consider that the repurchase would be in the best interests of the Company. The Directors consider that if the Repurchase Mandate was to be exercised in full, it may not have a material adverse impact on the working capital or on the gearing position of the Company, as compared with the positions disclosed in the audited consolidated financial statements of the Company as at 31 December 2022, being the date to which the latest published audited consolidated financial statements of the Company were made up. The Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or on the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

GENERAL

As at the Latest Practicable Date and to the best of their knowledge having made all reasonable enquiries, none of the Directors or any of their respective close associates (as defined in the Listing Rules) has a present intention to sell any of the Shares to the Company or its subsidiaries, if the Repurchase Mandate is approved at the AGM and exercised.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules, the Memorandum and Articles of Association and the applicable laws of the Cayman Islands.

As at the Latest Practicable Date, no core connected person (as defined in the Listing Rules) of the Company has notified the Company that he/she/it had a present intention to sell any Shares to the Company, or has undertaken not to do so, if the Repurchase Mandate is approved by the Shareholders.

TAKEOVERS CODE

If as a result of a repurchase of Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert (within the meaning of the Takeovers Code), depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as aforesaid, the Directors are not aware of any consequences which would arise under the Takeovers Code as a result of any repurchase of Shares pursuant to the Repurchase Mandate.

The Directors are not aware of any consequences which would give rise to an obligation for it to make a mandatory offer under Rule 26 of the Takeovers Code. As at the Latest Practicable Date, none of the Shareholders or a group of Shareholders acting in concert could obtain or consolidate control of the Company and become(s) obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code. The Directors do not propose to exercise the 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 under the Listing Rules.

SHARE REPURCHASE MADE BY THE COMPANY

The Company had not repurchased any Shares (whether on the Stock Exchange or otherwise) during the six months prior to the Latest Practicable Date.

SHARE PRICES

The highest and lowest prices per Share at which the Shares have traded on the Stock Exchange during each of the twelve calendar months immediately precedent the Latest Practicable Date were as follows:

Month	Highest prices per Share HK\$	Lowest prices per Share HK\$
2022		
June	5.850	4.700
July	5.800	4.330
August	5.490	4.310
September	5.450	3.500
October	3.860	2.800
November	4.550	2.860
December	4.180	3.350
2023		
January	4.590	3.690
February	4.650	3.500
March	4.420	3.500
April	4.440	3.440
May	3.680	2.800
June (up to the Latest Practicable Date)	3.200	2.970

**APPENDIX III PROPOSED AMENDMENTS TO THE MEMORANDUM
AND ARTICLES OF ASSOCIATION**

DESCRIPTION OF THE PROPOSED AMENDMENTS

1. To rename the Memorandum and Articles of Association as “Second Amended and Restated Memorandum and Articles of Association”.
2. To revise the name in the Chinese version of current Memorandum and Articles of Association of the Company from “创梦天地科技控股有限公司” to “iDreamSky Technology Holdings Limited 创梦天地科技控股有限公司” which was adopted on 10 May 2018.
3. To replace the words “Companies Law” wherever they may appear with the words “Companies Act”.
4. Unless otherwise specified, paragraphs and article numbers referred to herein are paragraphs and article numbers of the Second Amended and Restated Memorandum and Articles respectively. If the serial numbering of the Second Amended and Restated Memorandum and Articles is changed due to the addition, deletion or re-arrangement of certain paragraphs and articles made in these amendments, the serial numbering as so amended shall be changed accordingly, including cross-references. Details of the Proposed Amendments are as follows (deletions are shown by way of strikethrough and additions are shown by way of underline).

**APPENDIX III PROPOSED AMENDMENTS TO THE MEMORANDUM
AND ARTICLES OF ASSOCIATION**

DETAILS OF THE PROPOSED AMENDMENTS

2 Interpretation

Article before amendment	Article after amendment
<p>2.2 In these Articles, unless there be something in the subject or context inconsistent therewith:</p> <p>“Companies Law” shall mean the Companies Law (2018 Revision), Cap. 22 of the Cayman Islands and any amendments thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor.</p> <p>...</p> <p>“Electronic Transactions Law” shall mean the Electronic Transactions Law (2003 Revision) of the Cayman Islands and any amendment thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor.</p> <p>...</p> <p>“recognised clearing house” shall have the meaning ascribed thereto in Part I of Schedule 1 of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and any amendments thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor.</p>	<p>2.2 In these Articles, unless there be something in the subject or context inconsistent therewith:</p> <p>“Companies Law-Act” shall mean the Companies Law (2018 Revision)-Act <u>(As Revised)</u> of the Cayman Islands and any amendments thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor.</p> <p>...</p> <p>“Electronic Transactions Law-Act” shall mean the Electronic Transactions Law (2003 Revision)-Act <u>(As Revised)</u> of the Cayman Islands and any amendment thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor.</p> <p>...</p> <p><u>“HKSCC” shall have the meaning as defined in the Listing Rules.</u></p> <p>...</p> <p>“recognised clearing house” shall <u>mean the HKSCC and</u> have the meaning ascribed thereto in Part I of Schedule 1 of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and any amendments thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor.</p>

**APPENDIX III PROPOSED AMENDMENTS TO THE MEMORANDUM
AND ARTICLES OF ASSOCIATION**

3 Share Capital and Modification of Rights

Article before amendment	Article after amendment
<p>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 Law, 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.</p>	<p>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 Law Act, be varied or abrogated with the consent in writing of the holders of the holders of not less than three-fourths in nominal value of the issued shares voting rights of the holders 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.</p>

12 General Meetings

Article before amendment	Article after amendment
<p>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.</p>	<p>12.1 The Company shall in each financial year hold a general meeting within six months after the end of its financial year as its annual general meeting in addition to any other meeting in that year. 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.</p>

**APPENDIX III PROPOSED AMENDMENTS TO THE MEMORANDUM
AND ARTICLES OF ASSOCIATION**

Article before amendment	Article after amendment
<p>12.3 The Board may, whenever it thinks fit, convene an extraordinary general meeting. General meetings shall also be convened on the written requisition of any two or more members 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 specifying the objects of the meeting and signed by the requisitionists, provided that such requisitionists held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company. General meetings may also be convened on the written requisition of any one member which is a recognised clearing house (or its nominee(s)) 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 specifying the objects of the meeting and signed by the requisitionist, provided that such requisitionist held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company. 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>	<p>12.3 The Board may, whenever it thinks fit, convene an extraordinary general meeting. General meetings shall also be convened on the written requisition of any two or more members 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 specifying the objects of the meeting and signed by the requisitionists <u>and the foregoing members shall be able to add resolutions to the meeting agenda,</u> provided that such requisitionists held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company, <u>on a one vote per share basis in the share capital of the Company.</u> General meetings may also be convened on the written requisition of any one member which is a recognised clearing house (or its nominee(s)) 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 specifying the objects of the meeting and signed by the requisitionist <u>and the foregoing members shall be able to add resolutions to the meeting agenda,</u> provided that such requisitionist held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company, <u>on a one vote per share basis in the share capital of the Company.</u> If the Board does not within <u>21</u> twenty-one days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further <u>21</u> twenty-one 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>

**APPENDIX III PROPOSED AMENDMENTS TO THE MEMORANDUM
AND ARTICLES OF ASSOCIATION**

13 Proceedings at General Meetings

Article before amendment	Article after amendment
<p>13.10 A resolution in writing (in one or more counterparts), including a special resolution, signed by all members for the time being entitled to receive notice of and to attend and vote at general meetings (or being corporations by their duly appointed representatives) shall be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held. Any such resolution shall be deemed to have been passed at a meeting held on the date on which it was signed by the last member to sign.</p>	<p>13.10 A resolution in writing (in one or more counterparts), including a special resolution, signed by all members for the time being entitled to receive notice of and to attend and vote at general meetings (or being corporations by their duly appointed representatives) shall be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held. Any such resolution shall be deemed to have been passed at a meeting held on the date on which it was signed by the last member to sign. <u>A special resolution shall be effective for any purpose for which an ordinary resolution is expressed to be required under any provision of these Articles.</u></p>

14 Votes of Members

Article before amendment	Article after amendment
<p><i>(Not applicable. The provision on the right column is newly added.)</i></p>	<p><u>14.3 Members of the Company must have right to: (a) speak at general meeting of the Company; and (b) vote at a general meeting except as otherwise where a member is required, by the Listing Rules, to abstain from voting to approve the matter under consideration.</u></p>

Article before amendment	Article after amendment
<p>14.8 Any member entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (who must be an individual) as his proxy to attend and vote instead of him and a proxy so appointed shall have the same right as the member to speak at the meeting. Votes may be given either personally or by proxy. A proxy need not be a member. A member may appoint any number of proxies to attend in his stead at any one general meeting (or at any one class meeting).</p>	<p>14.8 Any member entitled to attend and vote at a <u>14.9</u> meeting of the Company shall be entitled to appoint another person (who must be an individual) as his proxy to attend and vote instead of him and a proxy so appointed shall have the same right as the member to speak at the meeting. Votes may be given either personally or by proxy. A proxy need not be a member, <u>and that every member of the Company being a corporation shall be entitled to appoint a representative to attend and vote at any general meeting of the Company and, where a corporation is so represented, it shall be treated as being present at any meeting in person. A corporation may execute a form of proxy by its duly authorised officer.</u> A member may appoint any number of proxies to attend in his stead at any one general meeting (or at any one class meeting).</p>
<p>14.13 A vote given in accordance with the terms of an instrument of proxy or resolution of a member shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or power of attorney or other authority under which the proxy or resolution of a member was executed or revocation of the relevant resolution or the transfer of the share in respect of which the proxy was given, provided that no intimation in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Company at its registered office, or at such other place as is referred to in Article 14.10, at least two hours before the commencement of the meeting or adjourned meeting at which the proxy is used.</p>	<p>14.13 A vote given in accordance with the terms of an <u>14.14</u> instrument of proxy or resolution of a member shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or power of attorney or other authority under which the proxy or resolution of a member was executed or revocation of the relevant resolution or the transfer of the share in respect of which the proxy was given, provided that no intimation in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Company at its registered office, or at such other place as is referred to in Article 14.10-11, at least two hours before the commencement of the meeting or adjourned meeting at which the proxy is used.</p>

Article before amendment	Article after amendment
<p>14.15 If a recognised clearing house (or its nominee(s)) is a member it may authorise such person or persons as it thinks fit to act as its representative(s) at any general meeting of the Company or at any general meeting of any class of members provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. The person so authorised will be deemed to have been duly authorised without the need of producing any documents of title, notarised authorisation and/ or further evidence to substantiate that it is so authorised. A person so authorised pursuant to this provision shall be entitled to exercise the same rights and powers on behalf of the recognised clearing house (or its nominee(s)) which he represents as that recognised clearing house (or its nominee(s)) could exercise as if such person were an individual member holding the number and class of shares specified in such authorisation, including, where a show of hands is allowed, the right to vote individually on a show of hands, notwithstanding any contrary provision contained in these Articles.</p>	<p>14.15 If a recognised clearing house (or its nominee(s)) is <u>14.16</u> a member it may authorise such person or persons as it thinks fit to act as its representative(s) at any general meeting of the Company or at any general meeting of any class of members <u>of the Company or at any meeting of the creditors of the Company</u> provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. The person so authorised will be deemed to have been duly authorised without the need of producing any documents of title, notarised authorisation and/or further evidence to substantiate that it is so authorised. A person so authorised pursuant to this provision shall be entitled to exercise the same rights and powers on behalf of the recognised clearing house (or its nominee(s)) which he represents as that recognised clearing house (or its nominee(s)) could exercise as if such person were an individual member holding the number and class of shares specified in such authorisation, including <u>the right to speak and vote, and</u> where a show of hands is allowed, the right to vote individually on a show of hands, notwithstanding any contrary provision contained in these Articles.</p>

16 Board of Directors

Article before amendment	Article after amendment
<p>16.2 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. Any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election at that meeting.</p>	<p>16.2 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 <u>but so that the number of Directors so appointed shall not exceed the maximum number determined from time to time by the members in a general meeting of the Company.</u> Any Director so appointed shall hold office only until the next following <u>first annual</u> general meeting of the Company <u>after his appointment</u> and shall then be eligible for re-election at that meeting. Any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following first annual general meeting of the Company after his appointment and shall then be eligible for re-election at that meeting.</p>
<p>16.6 The Company may by ordinary resolution at any time remove any Director (including a Managing Director or other executive Director) before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director and may by ordinary resolution elect another person in his stead. Any such change shall be subject to the PRC Nationals requirement under Article 16.1. Any person so elected shall hold office during such time only as the Director in whose place he is elected would have held the same if he had not been removed. Nothing in this Article should be taken as depriving a Director removed under any provision of this Article of compensation or damages payable to him in respect of the termination of his appointment as Director or of any other appointment or office as a result of the termination of his appointment as Director or as derogatory from any power to remove a Director which may exist apart from the provision of this Article.</p>	<p>16.6 The <u>members of the</u> Company may by ordinary resolution at any time remove any Director (including a Managing Director or other executive Director, <u>but without prejudice to any claim for damages under any contract</u>) before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director and may by ordinary resolution elect another person in his stead. Any such change shall be subject to the PRC Nationals requirement under Article 16.1. Any person so elected shall hold office during such time only as the Director in whose place he is elected would have held the same if he had not been removed. Nothing in this Article should be taken as depriving a Director removed under any provision of this Article of compensation or damages payable to him in respect of the termination of his appointment as Director or of any other appointment or office as a result of the termination of his appointment as Director or as derogatory from any power to remove a Director which may exist apart from the provision of this Article.</p>

**APPENDIX III PROPOSED AMENDMENTS TO THE MEMORANDUM
AND ARTICLES OF ASSOCIATION**

Article before amendment	Article after amendment
<p>16.11 In addition to the provisions of Articles 16.7 to 16.10, a Director may be represented at any meeting of the Board (or of any committee of the Board) by a proxy appointed by him, in which event the presence or vote of the proxy shall for all purposes be deemed to be that of the Director. A proxy need not himself be a Director and the provisions of Articles 14.8 to 14.13 shall apply mutatis mutandis to the appointment of proxies by Directors save that an instrument appointing a proxy shall not become invalid after the expiration of twelve months from its date of execution but shall remain valid for such period as the instrument shall provide or, if no such provision is made in the instrument, until revoked in writing and save also that a Director may appoint any number of proxies although only one such proxy may attend in his stead at meetings of the Board (or of any committee of the Board).</p>	<p>16.11 In addition to the provisions of Articles 16.7 to 16.10, a Director may be represented at any meeting of the Board (or of any committee of the Board) by a proxy appointed by him, in which event the presence or vote of the proxy shall for all purposes be deemed to be that of the Director. A proxy need not himself be a Director and the provisions of Articles 14.8-9 to 14.13-14 shall apply mutatis mutandis to the appointment of proxies by Directors save that an instrument appointing a proxy shall not become invalid after the expiration of twelve months from its date of execution but shall remain valid for such period as the instrument shall provide or, if no such provision is made in the instrument, until revoked in writing and save also that a Director may appoint any number of proxies although only one such proxy may attend in his stead at meetings of the Board (or of any committee of the Board).</p>

29 Audit

Article before amendment	Article after amendment
<p>29.2 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 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 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>	<p>29.2 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 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 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. At the annual general meeting in each year, the Shareholders shall by ordinary resolution appoint an Auditor to audit the accounts of the Company and such Auditor shall hold office until the next annual general meeting. Such Auditor may be a Shareholder but no director, officer or employee of the Company shall, during his continuance in office, be eligible to act as an Auditor. 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.—The appointment, removal and remuneration of the Auditor must be approved by a majority of the members of the Company in a general meeting or by other body that is independent of the Board except that in any particular year the Company in general meeting (or such body independent of the Board as aforementioned) may delegate the fixing of such remuneration of the Auditor or any Auditors appointed to fill any casual vacancy to the Board.</p>

**APPENDIX III PROPOSED AMENDMENTS TO THE MEMORANDUM
AND ARTICLES OF ASSOCIATION**

Article before amendment	Article after amendment
<i>(Not applicable. The provision on the right column is newly added.)</i>	<u>29.3</u> <u>The members of the Company may, at any general meeting convened and held in accordance with these Articles, by ordinary resolution remove the Auditor at any time before the expiration of his term of office and shall by ordinary resolution at that meeting appoint another Auditor in his stead for the remainder of his term.</u>

32 Winding Up

Article before amendment	Article after amendment
<i>(Not applicable. The provision on the right column is newly added.)</i>	<u>32.1</u> <u>The Board shall have the power in the name and on behalf of the Company to present a petition to the court for the Company to be wound up.</u>
<i>(Not applicable. The provision on the right column is newly added.)</i>	<u>32.2</u> <u>A resolution that the Company be wound up by the court or be wound up voluntarily shall be a special resolution.</u>

APPENDIX III PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION

Article before amendment	Article after amendment
<i>(Not applicable. The provision on the right column is newly added.)</i>	32.3 <u>Subject to any special rights, privileges or restrictions as to the distribution of available surplus assets on liquidation for the time being attached to any class or classes of shares (i) (if the Company shall be wound up and the assets available for distribution amongst the members of the Company shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed pari passu amongst such members in proportion to the amount paid up on the shares held by them respectively and (ii) if the Company shall be wound up and the assets available for distribution amongst the members as such shall be insufficient to repay the whole of the paid-up capital such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively.</u>

34 Financial Year

Article before amendment	Article after amendment
The financial year of the Company shall be prescribed by the Board and may, from time to time, be changed by it.	The financial year of the Company shall be prescribed by the Board and may, from time to time, be changed by it. <u>Unless otherwise determined by the Board, the financial year of the Company shall begin on 1 January and end on 31 December each year.</u>

SUMMARY OF KEY TERMS OF THE NEW SHARE OPTION SCHEME**Purpose**

The purposes of the New Share Option Scheme are to (i) recognize the contributions by the Participants with an opportunity to acquire a proprietary interest in the Company; (ii) encourage and retain such individuals for the continual operation and development of the Group; (iii) provide additional incentives for them to achieve performance goals; (iv) attract suitable personnel for further development of the Group; and (v) motivate the Participants to maximize the value of the Group for the benefits of both the Participants and the Group, with a view to achieving the objectives of increasing the value of the Group and aligning the interests of the Participants directly to the Shareholders through ownership of Shares. The Board plans to propose the adoption of the New Share Option Scheme to grant Options that in aggregate shall not exceed 56,415,933, representing four (4)% of the issued share capital of the Company as of the Adoption Date, to eligible Participants, assuming there is no change in the number of issued Shares during the period from the Latest Practicable Date to the Adoption Date. The Grantee may subscribe for Shares on the exercise of Options at the Exercise Price under the New Share Option Scheme.

Conditions And Duration

The New Share Option Scheme shall take effect on the date of the passing of the resolution to adopt the New Share Option Scheme by the Board and the Shareholders.

Subject to any early termination as may be determined by the Board pursuant to the New Share Option Scheme, the New Share Option Scheme shall be valid and effective for a period of ten (10) years commencing on the Adoption Date, after which period no further Options will be granted under the New Share Option Scheme, but the provisions of the New Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any Options granted prior thereto or otherwise as may be required in accordance with the provisions of the New Share Option Scheme.

Administration

The New Share Option Scheme shall be subject to the administration of the Board in accordance with the terms and conditions of the New Share Option Scheme. The Board shall have the sole and absolute right to (i) interpret and construe the provisions of the New Share Option Scheme; (ii) determine the Grantees who will be offered Options under the New Share Option Scheme, the Exercise Price in relation to such Options in accordance with the provisions of the New Share Option Scheme, and when the Options granted to Grantees pursuant to the New Share

Option Scheme may vest; and (iii) make such other decisions or determinations as it shall deem appropriate or desirable in respect of the foregoing (i), and (ii). All the above decisions, determinations and interpretations shall be made by a simple majority of the votes of members of the Board with each member having one vote. All the decisions, determinations and interpretations made by the Board in accordance with the New Share Option Scheme shall be final, conclusive and binding on all parties.

The Administrative Committee shall be responsible for: (i) applying to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, any Shares to be issued pursuant to the exercise of Options under the New Share Option Scheme on the Stock Exchange; (ii) approving the draft announcement to be published by the Company in connection with the grant of Options; and (iii) other work of the New Share Option Scheme as delegated by the Board and the Chairman from time to time.

Eligibility And Grant Of Options

(A) Eligibility and making and acceptance of an offer

The eligible Participants include any employee (whether full time or part time), executive or officer and director of any subsidiary of the Group (excluding the independent non-executive Directors) subject to the terms of the New Share Option Scheme.

On and subject to the Listing Rules and the terms of the New Share Option Scheme, the Board shall be entitled at any time during the operation of the New Share Option Scheme, at its sole and absolute discretion, to make an offer of Options to an eligible Participant by letter in such form as the Board may from time to time determine. In determining the basis of offering Options to an eligible Participant, the Board shall take into account, without limitations, the employee grade, years of service, overall performance, values and importance of the position of such eligible Participant, and/or such factors as the Board may at its discretion consider appropriate, for the purpose of management.

An offer of Options shall be open for acceptance in writing given by either prepaid post, facsimile transmission, personal delivery or by electronic communication received by the Board, or any person designated by the Board, for such period as the Board may determine and notify to the Grantee concerned, provided that no such offer shall be open for acceptance after the expiry of the duration of the New Share Option Scheme or after the New Share Option Scheme has been terminated in accordance with the provisions hereof. An amount of RMB1.00 is payable by the Grantee to the Company upon acceptance of the offer of Options, and such remittance shall not be refundable and shall not be deemed to be a part payment of the Exercise Price.

(B) Restrictions On The Time Of Grant Of Options

For as long as the Shares are listed on the Stock Exchange, an Option must not be granted after Inside Information has come to the knowledge of the Company until (and including) the trading day after such inside information has been announced in accordance with the requirements of the Listing Rules. In particular, an Option must not be granted during the period commencing one month immediately preceding the earlier of:

- (i) the date of the meeting of the Board (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
- (ii) the deadline for the Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement,

In the event that the Company publishes any results announcement subsequent to the deadline for such results announcement under the Listing Rules (where applicable), such period shall end on the delayed publication date of the results announcement.

For as long as the Shares are listed on the Stock Exchange, where any Option is proposed to be granted to a Director, it shall not be granted on any day on which the financial results of the Company are published and during the period of:

- (i) sixty (60) days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
- (ii) thirty (30) days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

Maximum Number Of Shares Available For Subscription**(A) *Scheme Limit***

The total number of Shares which may be issued upon exercise of all Options that may be granted under the New Share Option Scheme shall not in aggregate exceed 56,415,933, representing four (4)% of the issued share capital of the Company as of the Adoption Date, assuming there is no change in the number of issued Shares during the period from the Latest Practicable Date to the Adoption Date.

Notwithstanding other terms and conditions in the Scheme, each grant of Options to a Director, chief executive or substantial Shareholder of the Company or any of their respective associates must be approved by the independent non-executive Directors. Where any grant of Options to a substantial Shareholder, or any of its associates, would result in the Shares issued and to be issued in respect of all Options, and other options and awards granted (excluding any Options lapsed in accordance with the terms of the Scheme) to such person in the twelve (12)-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue, such further grant of Options must be approved by Shareholders in general meeting (with such Participant, his/her associates and all core connected persons of the Company abstaining from voting in favour at such general meeting). In such event, the Company shall comply with the requirements under Rules 13.40, 13.41 and 13.42 of the Listing Rules.

(B) *Refreshment of Scheme Limit*

The Company may seek approval of its Shareholders at general meeting to refresh the scheme limit of the New Share Option Scheme after three years from the date of Shareholders' approval for the last refreshment (or the Adoption Date).

Any refreshment within any three-year period under the New Share Option Scheme must be approved by Shareholders subject to the following provisions:

- (i) any controlling Shareholders and their associates (or if there is no controlling Shareholder, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting; and
- (ii) the Company must comply with the requirements under Rules 13.39(6) and (7), 13.40, 13.41 and 13.42 of the Listing Rules (the "**Requirements**").

The Requirements do not apply if the refreshment is made immediately after an issue of Shares by the Company to its shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the scheme limit of the New Share Option Scheme (as a percentage of the relevant class of Shares in issue) upon refreshment is the same as the unused part of the scheme limit of the New Share Option Scheme immediately before the issue of Shares, rounded to the nearest whole Share.

(C) Maximum number of Shares issued pursuant to Options

The total number of Shares which may be issued in respect of all Options to be granted under the New Share Option Scheme, and all options and awards to be granted under any other schemes of the Group as refreshed must not exceed ten (10)% of the total issued Shares as at the Adoption Date.

(D) Maximum entitlement of each eligible Participant

No Option may be granted to any eligible Participant which, if exercised in full, would result in the total number of Shares issued and to be issued in respect of all Options, options over new Shares and awards over new Shares already granted or to be granted to such eligible Participant under the New Share Option Scheme (including exercised, cancelled and outstanding Options) in the twelve (12)-month period up to and including the Grant Date of such new grant representing in aggregate over one (1)% of the issued share capital of the Company in issue.

Option Terms And Exercise Of Options

(A) Exercise Price

The Exercise Price shall be a price determined by the Board and notified to any Grantee (subject to any adjustments made under the New Share Option Scheme), and shall be at least the higher of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Grant Date, which must be a Business Day; (ii) an amount equivalent to the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five (5) trading days immediately preceding the Grant Date; and (iii) the nominal value per Share on Grant Date, provided that in the event of fractional prices, the Exercise Price per Share shall be rounded upwards to the nearest whole cent.

(B) Vesting Schedule and Exercise Period

The vesting period shall be determined by the Board or the Chairman (as the case may be) and in no case the vesting period shall be less than twelve (12) months or such period as the Listing Rules may prescribe or permit.

The Board may specify the exercise period of the Options in the Grant Letter, and in all circumstances all Options shall automatically lapse and expire not later than the last day of the 10-year period after the Grant Date. Unless the Options have been withdrawn and cancelled or been forfeited in whole or in part, and subject to the terms of the New Share Option Scheme, the Grantee may exercise his/her rights under the New Share Option Scheme according to the vesting schedule set out in the relevant Grant Letter.

(C) Performance Target

Proposed performance targets include financials (e.g. revenue and operating profits), business (non-financial) (e.g. the number of registered customers and daily active users), operations and creation of capital value for the Group's business segments (e.g. increase in revenue and net profit) as well as that for the Participants based on individual performance indicators (e.g. the achievement of their roles and responsibilities as well as their adherence to corporate culture). The Board (or, as the case may be, the Administrative Committee as authorized by the Board) will conduct assessment at the end of a performance period by comparing the performance of the business segments and the individual performance of the Participants with the pre-agreed targets on a case-by-case basis to determine whether the targets and the extents to which have been met. The assessment will be based on the individual's overall performance, performance of the team or department that the Grantee belongs to and the performance of the Group as a whole. Specific weightings will be given to the various factors identified above, with reference to the position and role of the Grantee in the Group, in order to provide a fair and objective appraisal.

Transferability

Any Option shall be personal to the Grantee and shall not be assignable or transferable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest whether legal or beneficial in favour of any third party over or in relation to any Options.

Lapse

Any Option shall automatically lapse forthwith and not exercisable (to the extent not already exercised), with immediate effect or after such period the Board may determine, the earliest of:

- (a) the expiry of the exercise period;
- (b) the expiry of any of the exercise periods under the New Share Option Scheme;
- (c) subject to the compromise or arrangement (for the purpose of or in connection with reconstruction or amalgamation) becoming effective, the expiry of the period under the New Share Option Scheme;
- (d) the date on which the Grantee ceases to be an eligible Participant under the New Share Option Scheme;
- (e) the date when an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company; or
- (f) the date on which the Participants are found to be an Excluded Person.

Ranking Of The Shares

No dividends (including distributions made upon the liquidation of the Company) will be payable and no voting rights will be exercisable in relation to any Options that have not been exercised. Shares allotted and issued on the exercise of any Options will be subject to all provisions of the articles of association of the Company and will rank equally in all respects with the Shares in issue on the date of allotment and issuance. They will not rank for any rights attaching to Shares by reference to a record date preceding the date of allotment and issuance.

Adjustment

Subject to the terms and conditions in the New Share Option Scheme, in the event of a capitalisation issue, rights issue, sub-division or consolidation of Shares or reduction of the share capital of the Company (other than an issue of Shares as consideration in respect of a transaction to which the Company is a party), such corresponding alterations (if any) shall be made to:

- (a) the number of Shares (without fractional entitlements) subject to the Options so far as unexercised; and/or

- (b) the Exercise Price; and/or
- (c) the maximum number of Shares for which further Options may be granted under the New Share Option Scheme.

Except alterations made on a capitalisation issue, any alteration to the number of Shares which is the subject of the Options and/or the Exercise Price shall be conditional on the auditors or the independent financial adviser appointed by the Company confirming by the issue of certificate to the Board that the alteration is in their opinion fair and reasonable, is made on the basis that the proportion of the issued share capital of the Company to which a Grantee is entitled after such alteration shall remain the same as that to which he was entitled before such alteration. No such alteration shall be made to the effect which would be to enable any Share to be issued at less than its nominal value (where applicable) or which would result in the aggregate amount payable on the exercise of any Options in full being increased. The capacity of the auditors or an independent financial adviser appointed by the Company under the New Share Option Scheme is that of experts and not of arbitrators and their certification shall be final and binding on the Company and the Grantees in the absence of manifest error. The costs of the auditors or an independent financial adviser appointed by the Company in so certifying shall be borne by the Company.

Alteration

The terms of the New Share Option Scheme may be altered, amended or waived in any respect by the Board provided that any alterations to the terms and conditions of the New Share Option Scheme which are of a material nature or any alterations to the provisions of the New Share Option Scheme relating to the matters set out in Rule 17.03 of the Listing Rules to the advantage of the eligible Participants must be approved by Shareholders in general meeting.

Any change to the terms of Options granted to a Participant must be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the shareholders of the Company (as the case may be) if the initial grant of the Options was approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the shareholders of the Company (as the case may be). This requirement does not apply where the alterations take effect automatically under the existing terms of the New Share Option Scheme.

The amended terms of the New Share Option Scheme or the Options shall comply with the relevant requirements of the Listing Rules (including, without limitation, Chapter 17 of the Listing Rules).

Notwithstanding the foregoing, the New Share Option Scheme may be amended or altered in any aspect by resolution of the Board without the approval of the Shareholders or the Grantees to the extent such amendment or alteration is required by the Listing Rules and/or any applicable legal or regulatory requirements from time to time.

The Company must provide to all eligible Participants details relating to amendments in the terms of the New Share Option Scheme during the life of the New Share Option Scheme immediately upon such amendments taking effect.

Termination

The New Share Option Scheme may be terminated at any time prior to the expiry of its term by the Board provided that such termination shall not affect any subsisting rights of any Grantee hereunder. For the avoidance of doubt, no further Options shall be granted after the New Share Option Scheme is terminated but the provisions of the New Share Option Scheme shall remain in all other respects in full force and effect in respect of Options granted prior thereto but not yet exercised at the time of termination, which shall continue to be exercisable in accordance with their terms of grant. Details of the Options granted, including Options exercised or outstanding, under the New Share Option Scheme, and (if applicable) Options that become void or non-exercisable as a result of termination must be disclosed in the circular to the Shareholders seeking approval for the first new scheme to be established after such termination.

Cancellation

The Board shall have the right to cancel the Options if the Grantee commits a breach of the terms of the New Share Option Scheme in relation to transferability and confidentiality. Unless otherwise provided for in the New Share Option Scheme, any cancellation of Options granted in accordance with the New Share Option Scheme but not exercised must be approved by the Grantee concerned in writing. In the event that the Board elects to cancel any Options and issue new ones to the same Grantee, the issue of such new Options may only be made with the available unissued Options (excluding the cancelled Options) within the scheme limit under the New Share Option Scheme. The Options cancelled will be regarded as utilized for the purpose of calculating the limits under the New Share Option Scheme.

Malus And Clawback

Without prejudice to the forgoing terms of the New Share Option Scheme, in the case that a Participant commits a misconduct or is involved in a material misstatement in the Company's financial statements, all Options of such Participant shall automatically lapse. The Board may, at

its absolute discretion, determine whether a Participant commits a misconduct or is involved in a material misstatement in the Company's financial statements. If the Board exercises its discretion under this provision, it will give the relevant Grantee written notice of such determination and the Board's interpretation of and determination pursuant to this provision shall be final, conclusive and binding.

Any Share covered by an Option which is lapsed (whether voluntarily or involuntarily) in accordance with the terms of the Scheme shall be deemed not to have been issued and shall not be counted for purposes of calculating the scheme limit of the Scheme.

NOTICE OF ANNUAL GENERAL MEETING



iDreamSky Technology Holdings Limited

创梦天地科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1119)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the “**AGM**”) of iDreamSky Technology Holdings Limited (the “**Company**”) will be held at Earth Room, 16/F, Unit 3, Block A, Kexing Science Park, Nanshan District, Shenzhen, China on Friday, 30 June 2023 at 10:30 a.m. for the following purposes.

ORDINARY RESOLUTIONS

1. To receive and consider the audited financial statements, the report of the board of directors of the Company (the “**Directors**”) and the independent auditor’s report of the Company for the year ended 31 December 2022.
2. (a) To consider and approve, each as a separate resolution, the following resolutions in relation to the re-election of the Directors:
 - (1) to re-elect Mr. Chen Xiangyu as an executive Director;
 - (2) to re-elect Mr. Zhang Han as a non-executive Director;
 - (3) to re-elect Mr. Li Xintian as an independent non-executive Director; and
 - (4) to re-elect Mr. Mao Rui as an independent non-executive Director.
- (b) To authorize the board of directors of the Company (the “**Board**”) to fix the Directors’ remuneration.
3. To re-appoint PricewaterhouseCoopers as the auditor of the Company and to authorize the Board to fix their remuneration.

NOTICE OF ANNUAL GENERAL MEETING

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

(A) “**THAT:**

- (i) subject to paragraph (iii) below, pursuant to the Rules Governing the Listing of the Securities of the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue or otherwise deal with additional Shares in the capital of the Company and to make or grant offers, agreements and options, including warrants to subscribe for Shares in the Company, which might require the exercise of such powers be and the same as hereby generally and unconditionally approved;
- (ii) the approval in paragraph (i) above shall authorise the Directors during the Relevant Period 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;
- (iii) the aggregate number of Shares allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (i) above, otherwise than pursuant to:
 - (1) a Rights Issue (as defined below); or
 - (2) the exercise of any options granted under any share option scheme of the Company adopted from time to time in accordance with the Listing Rules; or
 - (3) any scrip dividend or similar arrangement providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares of the Company in accordance with the memorandum and articles of association of the Company in force from time to time; or
 - (4) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any existing convertible notes issued by the Company or any existing securities of the Company which carry rights to subscribe for or are convertible into Shares, shall not exceed the aggregate of:
 - (a) 20% of the number of issued Shares of the Company as at the date of passing this resolution; and

NOTICE OF ANNUAL GENERAL MEETING

(b) (if the Board is so authorised by resolution numbered 4(C)) the aggregate number of Shares of the Company repurchased by the Company subsequent to the passing of resolution numbered 4(B) (up to a maximum equivalent to 10% of the number of issued Shares of the Company as at the date of passing resolution numbered 4(B)),

and the approval shall be limited accordingly; and

(iv) for the purposes of this resolution:

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

- (1) the conclusion of the next annual general meeting of the Company;
- (2) the expiration of the period within which the next annual general meeting of the Company is required by the memorandum and articles of association of the Company, the Companies Law or any other applicable law of the Cayman Islands to be held; and
- (3) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution;

“Rights Issue” means an offer of Shares of the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares in the Company open for a period fixed by the Directors to holders of Shares in the Company on the Company’s register of members on a fixed record date in proportion to their then holdings of Shares in the Company (subject to such exclusion 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, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

NOTICE OF ANNUAL GENERAL MEETING

(B) “**THAT:**

- (i) subject to paragraph (ii) below, the exercise by the Directors during the Relevant Period (as defined below) of all powers of the Company to repurchase Shares of the Company on the Stock Exchange or any other stock exchange on which Shares in the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission of Hong Kong, the Listing Rules, the Companies Act and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (ii) the aggregate number of Shares which may be repurchased or agreed to be repurchased by the Company pursuant to the approval in paragraph (i) shall not exceed 10% of the aggregate number of issued Shares of the Company as at the date of the passing of this resolution (subject to adjustment in the case of subdivision or consolidation of Shares), and the authority pursuant to paragraph (i) of this resolution shall be limited accordingly; and
- (iii) subject to the passing of each of the paragraphs (i) and (ii) of this resolution, any prior approvals of the kind referred to in paragraphs (i) and (ii) of this resolution which had been granted to the Directors and which are still in effect be and are hereby revoked; and
- (iv) for the purposes of this resolution, “Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:
 - (1) the conclusion of the next annual general meeting of the Company;
 - (2) the expiration of the period within which the next annual general meeting of the Company is required by the memorandum and articles of association of the Company, the Companies Law or any other applicable law of the Cayman Islands to be held; and

NOTICE OF ANNUAL GENERAL MEETING

- (3) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.”
- (C) “**THAT** conditional on the passing of resolutions numbered 4(A) and 4(B) set out in the notice convening this meeting, the general mandate granted to the Directors pursuant to resolution numbered 4(A) set out in the notice convening this meeting be and it is hereby extended by the addition to the aggregate number of Shares which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to or in accordance with such general mandate of an amount representing the aggregate number of Shares repurchased by the Company pursuant to or in accordance with the authority granted under resolution numbered 4(B) set out in the notice convening this meeting, provided that such extended number shall not exceed 10% of the aggregate number of Shares of the Company in issue at the date of the passing of this resolution (such aggregate number to be subject to adjustment in the case of any conversion of all or any of the Shares in the Company into larger or smaller number of Shares after the passing of this resolution).”
5. To consider and, if thought fit, pass, with or without amendments, the following resolution as ordinary resolution:
- “**THAT**, the summary of the new share option scheme (the “**New Share Option Scheme**”) (a copy of which has been produced to this meeting and marked “A” and initialled by the chairman of this meeting for identification purpose) of the Company as set out in Appendix IV to the circular of the Company dated 8 June 2023 be and is hereby approved and adopted, and the Directors be and are hereby authorised to do all things necessary to implement the New Share Option Scheme.”

SPECIAL RESOLUTION

6. “**THAT**:
- (a) the amendments to the memorandum and articles of association of the Company (the “**Proposed Amendments**”) , details of which are set out in Appendix III to the circular of the Company dated 8 June 2023, be and are hereby approved;
- (b) the second amended and restated memorandum and articles of association of the Company (the “**Second Amended Memorandum and Articles of Association**”) (a copy of which having been produced to the meeting marked “B” and initialled by the chairman of this meeting for the purpose of identification), which contains all the

NOTICE OF ANNUAL GENERAL MEETING

Proposed Amendments, be and is hereby approved and adopted in substitution for, and to the exclusion of, the existing memorandum and articles of association of the Company with immediate effect; and

- (c) any Director or company secretary of the Company be and is hereby authorised to do all actions, acts and things and execute all such documents and make all such arrangements that he/she shall, in his/her absolute discretion, deem necessary or expedient to give effect to the Proposed Amendments and the adoption of the Second Amended Memorandum and Articles of Association, including but not limited to, attending to the necessary filings with the Registrar of Companies in Hong Kong and the Cayman Islands.”

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

Shenzhen, the PRC, 8 June 2023

Notes:

1. Any member entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend, speak and vote instead of him. A proxy need not be a member of the Company.
2. In order to be valid, the form of proxy together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority, must be deposited at the office of the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof.
3. To ascertain the shareholders’ entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 27 June 2023 to Friday, 30 June 2023, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the AGM, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712–16, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 26 June 2023.
4. Pursuant to Rule 13.39(4) of the Listing Rules, all votes at the meeting will be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.
5. With regard to item 2 set out in this notice, the biographical details of the Directors who are proposed to be re-elected at AGM are set out in Appendix I to the circular of the Company dated 8 June 2023 (the “**Circular**”).

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6. In respect of the resolution numbered 4(A) above, the Directors wish to state that they have no immediate plans to issue any new Shares referred therein. Approval is being sought from the shareholders of the Company as a general mandate for the purposes of the Listing Rules.
7. In respect of resolution numbered 4(B) above, the Directors wish to state that they will exercise the powers conferred by the Repurchase Mandate in circumstances which they deem appropriate and for the benefits of Shareholders. The explanatory statement containing the information necessary to enable Shareholders to make an informed decision on whether to vote for or against the resolution to approve the repurchase by the Company of its own Shares, as required by the Listing Rules, is set out in Appendix II to the Circular.
8. As at the date of this notice, the Board comprises Mr. Chen Xiangyu as Chairman and executive Director, Mr. Guan Song and Mr. Jeffrey Lyndon Ko as executive Directors, Mr. Ma Xiaoyi, Mr. Zhang Han, Mr. Yao Xiaoguang and Mr. Chen Yu as non-executive Directors, and Ms. Yu Bin, Mr. Li Xintian, Mr. Zhang Weining and Mr. Mao Rui as independent non-executive Directors.