网易云音乐

NETEASE CLOUD MUSIC INC.
網易雲音樂股份有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 9899)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

Our Board is pleased to announce the unaudited consolidated results of our Company and its subsidiaries (collectively referred to as the "**Group**") for the Reporting Period, being the six months ended 30 June 2026. These interim results have been reviewed by our auditor, PricewaterhouseCoopers, in accordance with the International Standard on Review Engagement 2410 "Review of interim financial information performed by the independent auditor of the entity" issued by the International Auditing and Assurance Standards Board, and by our Board's audit committee.

	Six months ended 30 June		
	2026	2025	**Change (%)**
	(Unaudited)	(Unaudited)	
	(RMB in thousands, except percentages)		
Revenue	**3,958,706**	3,827,117	+3.4%
Gross profit	**1,474,409**	1,392,485	+5.9%
Operating profit	**746,232**	844,506	-11.6%
Profit before income tax	**930,894**	1,068,060	-12.8%
Profit for the period	**809,236**	1,882,142(1)	-57.0%
Non-IFRS Measure(2):			
Adjusted operating profit	**796,652**	905,360	-12.0%
Adjusted net profit	**859,656**	1,946,353(1)	-55.8%

Note:

(1) During the period ended 30 June 2025, the Group recognised a deferred income tax credit of RMB849.4 million which primarily arose from the recognition of deferred tax assets in respect of cumulative tax losses incurred by a wholly-owned subsidiary. These tax losses are available to be carried forward against future taxable income. Deferred tax assets relating to tax losses and temporary differences are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised.

(2) Adjusted operating profit and adjusted net profit are defined as operating profit and profit for the period attributable to the equity holders of the Company adjusted by adding back equity-settled share-based payments as appropriate. For details of the reconciliation of the operating profit and the profit for the period attributable to the equity holders of the Company to the adjusted operating profit and the adjusted net profit of our Group, see the section headed "Financial Review" below.

Non-IFRS measure

To supplement our consolidated results, which are prepared and presented in accordance with IFRS, our Company uses adjusted operating profit and adjusted net profit as additional financial measures, which are not required by, or presented in accordance with IFRS. We believe that these measures facilitate comparisons of operating performance from period to period and company to company by eliminating the potential impact of items that our management does not consider to be indicative of our Group's operating performance, such as certain non-cash items. The use of these non-IFRS measures has limitations as an analytical tool, and shareholders and potential investors of our Company should not consider them in isolation from, as a substitute for, as an analysis of, or superior to, our Group's results of operations or financial condition as reported under IFRS. In addition, these non-IFRS financial measures may be defined differently from similar terms used by other companies, and may not be comparable to other similarly titled measures used by other companies. Our presentation of these non-IFRS measures should not be construed as an implication that our future results will be unaffected by unusual or non-recurring items.

General notes

In this announcement: (i) "we", "us", and "our" refer to our Company and where the context otherwise requires, our Group; (ii) numbers may be subject to rounding and approximations to one or two decimal places; and (iii) unless otherwise stated, the exchange rates used are RMB1 to HK$1.1513 and US$0.1468.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Overview

We began 2026 by further strengthening our core online music business, prioritising exceptional user experiences, distinctive content and our vibrant music community to support healthy, steady growth. We continued to diversify our content offerings, improve personalised recommendations and innovate product features, enhance the platform's aesthetic and emotional appeal and boost community engagement, while enriching our membership benefits. Our platform continues to be widely recognized by music enthusiasts, demonstrating steady improvement in user engagement and loyalty. These enhancements reinforce NetEase Cloud Music's distinctive community ecosystem and brand perception, underscoring the platform's inherent value and long-term sustainable growth potential.

We continued to **strengthen our music-centric community ecosystem,** with enhancements to the user experience and strong brand perception driving higher user engagement and thus a larger daily active user base in the first half of 2026. Our DAU/MAU ratio remained above 30%, increasing both year-over-year and sequentially. The average daily mobile music listening time rose steadily, and community content consumption and interaction penetration rates also increased notably. In particular, we improved retention and renewal rates across our expanded membership base both year-over-year and sequentially, reflecting stronger user loyalty and connection to the platform. We remain dedicated to engaging young music lovers. Our distinctive music content and experiences, trendsetting aesthetics, and unique emotional appeal continue to drive positive word-of-mouth. We expanded our presence across devices and scenarios, including collaboration with NetEase Games, broadening with more channels to reach and engage young audiences.

We have **built a diverse and distinctive content library** by expanding copyrighted music and promoting original music. Earlier this year, we renewed partnerships with major labels such as Universal Music Group. We added content from Korean and Chinese labels, as well as OSTs and variety show music, and enhanced our signature genres. Notably, original artist Gareth.T's new song "Glass" (《玻璃》) achieved industry-leading streaming performance on our platform, highlighting strong user affinity for our core genres. We also deepened our collaboration with labels to optimise content distribution and co-create value. In parallel, we remained committed to promoting original Chinese music, with recent in-house releases such as "12.31" earning widespread acclaim. Our unique ecosystem of independent artists continues to grow, offering expanded avenues for music creation and promotion.

In terms of products, we remained focused on user needs, **advancing innovation across music discovery and consumption experiences while revitalizing community engagement.** In the first half of 2026, we further refined our new product framework, making music exploration more intuitive and engaging. We further upgraded our self-developed AI generative recommendation model, Climber, and launched innovative functions, such as "AI-inspired Playlist" (AI靈感歌單), to address users' diverse music discovery preferences. We also innovated features such as several new player interfaces and the MV playback entrance on the vinyl player page, enriching users' audio-visual music journey. Meanwhile, we further boosted community interaction by upgrading the "Listen Together" (一起聽) feature, launching voice comments and enhancing our image- and text-based community ecosystem.

In the first half of 2026, our **subscription-based membership revenue sustained steady growth**, driven by an expanded subscriber base, though partially offset by monthly ARPPU (average revenue per paying user) dilution due to changes in the subscriber mix. We further refined our membership benefits built around content, features, dress-up privileges, as well as artist-related offerings. In addition to premium content, we offer more distinctive emotional experiences and innovative ways for users to interact. These enhancements supported both users' willingness to pay for premium experiences and membership retention.

Looking ahead, we will remain committed to enhancing the music experience and deepening user engagement across our platform by expanding high-quality content offerings, advancing product and feature innovation, and further strengthening our community. Our strategic priorities include the following initiatives:

- Further diversifying and enhancing our differentiated content offerings, with greater efficiency. We plan to deepen collaborations with copyright holders and strengthen our independent artist incubation and in-house music production capabilities, focusing on our signature music genres;

- Optimising music listening experiences and recommendation features to meet users' needs and deliver ultimate music experience;

- Nurturing our music-oriented community ecosystem and exploring innovative inter-person interaction via enhancements to our comprehensive product offerings, including broadening communicative scenarios and ecology;

- Cultivating our users' willingness to pay and subscribe to premium offerings by improving user experience, deepening user engagement, enhancing membership privileges and broadening consumption scenarios; and

- Improving profitability through continued cost optimisation, operating efficiency enhancement and disciplined cost control.

Diverse and differentiated content ecosystem

We are committed to expanding our distinctive content library by further diversifying our content mix across both licensed tracks and original music. We actively promote original Chinese music by supporting independent artists and developing in-house music. At the same time, we continue to advance music genres that resonate strongly with our users, including hip-hop and Western music.

Enhancing partnerships with copyright holders

Throughout the Reporting Period, we further strengthened our copyrighted content ecosystem, maintaining a disciplined and collaborative approach to renew major labels, expand offerings particularly in signature genres and deepen collaborations with artists.

- ***Expansive catalogue of music labels.*** In the first half of 2026, we continued to enrich our copyrighted music catalogue by renewing strategic partnerships with major record labels such as Universal Music Group, Warner Music and CJ Entertainment, and added extensive Chinese content from partners such as Forward Music (豐華唱片), as well as K-Pop titles from labels including DSP Media. As a result, our library now features a wider selection of hit tracks from artists including Faye Wong (王菲), YOUNG POSSE, Lee Hyori and LNGSHOT. We also expanded our OST offerings by incorporating TVB drama soundtracks and music from several popular variety shows.

- ***Amplifying offerings in signature music genres.*** We further enriched our music library with high-quality selections across our signature genres such as hip-hop and Western music. These included the latest releases from hip-hop artists such as BENZO (李大奔), Melo, Boss Shady (謝帝), and emerging artists including Echo, Chun (春), and BroFA. We also expanded audience engagement across these genres through targeted artist initiatives, including offline events for BENZO's (李大奔's) new album "MODEL" and artist IP-themed virtual outfits. Furthermore, we advanced our copyright collaborations with popular Western artists such as Madilyn Bailey, DEMXNTIA, and Emma Stevens.

- ***In-depth collaborations with copyright partners.*** We deepened our cooperation with music labels and fostered mutual value creation through tailored campaigns designed to expand the reach and engagement of new releases. Gareth.T's new song "Glass" (《玻璃》) surpassed 100 million cumulative plays on NetEase Cloud Music, demonstrating strong user affinity for our signature genres such as R&B. For Western artists, we collaborated with Bruno Mars on an exclusive badge campaign tied to album listening, complemented by offline events, generating over 15 million streams. Also, our comprehensive campaign supporting Kanye West's album launch generated nearly 20 million total streams.

- ***Online and offline artist-centric activities.*** We worked closely with labels and artists to deliver artist-centric campaigns both online and offline, engaging younger audiences. During the period, we launched a series of integrated online and offline events centered around the Mayday anniversary, Hua Chenyu's (華晨宇's) birthday, Chris Lee's (李宇春's) concert tour, BENZO's (李大奔's) new album release, among others. We also promoted ticketing collaborations for MAMAMOO's 12th-anniversary tour, providing fans with a premium ticketing experience while supporting SVIP membership conversions. Additionally, we rolled out the innovative "Lyric Stamp" (歌詞郵票) feature, introducing 16 themed sets tailored to different contexts and scenarios, and upgraded our "Listen Together" (一起聽) function with artist participation.

Strengthening our leading independent artists' ecosystem

Beyond licensed content, we continued to strengthen our independent artist ecosystem, supported by initiatives covering creation, distribution and commercial opportunities. By the end of June 2026, more than 1.25 million registered independent artists had contributed over 7.3 million tracks to our platform.

- ***Supporting musicians in content creation.*** Through collaborations with original musicians and deeper integration with NetEase Games IPs, we connect original music creation with the gaming ecosystem. These efforts have produced several hit tracks, including "For the Next Goal" (《為下一球》), a World Cup-themed song by rapper Wang Yitai (王以太) for *eFootball*.

- ***Enhancing musician visibility and commercial opportunities.*** We advanced the NetEase Cloud Music Original Campus Tour, launching in April at Nanjing Agricultural University and hosting a graduation event in June at Guizhou Normal University, connecting artists directly with student audiences. We expanded commercial exposure for independent artists through collaboration with brands and IPs. Through partnership with the "HOPICO Music Awards," we created more opportunities for our independent musicians to perform at popular music festivals. Via the special collaboration series with JD, we co-created three concerts across different cities and musical genres, featuring artists including Jude Chiu (裘德), Vanessa Jin (金玟岐) and Orange Ocean (橘子海樂隊).

Developing and promoting differentiated in-house music

Our in-house studios focus on producing distinctive, high-quality original music content to enrich our content matrix. In the first half of 2026, they successfully produced and popularised multiple hit songs that gained traction both across our community and on external platforms, such as "12.31".

Diversified audio-based content offerings

In addition to music, we expanded our audio offerings to cater to users' diverse interests. In the first half of 2026, our growing audio content library drove increased user consumption, with average listening time per user continuing to rise steadily.

- ***PGC – audiobooks & radio dramas.*** We continued to expand our audiobook offerings by adding top-tier IP titles such as《斗羅大陸》and《元始法則》, alongside bestsellers like Mo Yan's (莫言's) new novel "People!!《人吶》," and the children's story "《貓平安逆襲傳奇》." Our in-house audiobooks like《靈境行者》have also become new hits on our platform. In terms of content cooperation, we have established stable partnerships with leading domestic copyright organizations – including Tomato Novel, and COL Group – consistently advancing our audiobook business toward higher quality and excellence.

- ***PUGC/UGC – podcast.*** Our podcast offerings focused on music-themed audio content and cultural podcast IPs, introducing over ten new podcast programs in the first half of 2026. We have partnered with Shan Jixiang (單霽翔) for his debut personal podcast "100 Events in the Century of the Palace Museum" (《故宮博物院百年百事》). We have also collaborated with musicians Li Runqi (李潤祺) and Si Nan (司南), as well as the well-known Japanese artist KOKIA, to produce music-themed podcasts. Additionally, we've welcomed hosts Chen Xiaonan (陳曉楠) and Li Sisi (李思思), author Liu Tong (劉同), and philosophy professor Chen Guo (陳果) to lead various podcast series. Furthermore, we launched a dedicated video podcast segment titled "Live Dialogues" (對話現場), featuring 13 high-quality video programs from labels such as "Midnightalks" (大內密談) and Story FM.

Product innovation and community ecosystem

In the first half of 2026, we advanced personalised music discovery and listening experiences, introduced new AI-powered capabilities and expanded opportunities for users to interact around music, keeping our community vibrant. These enhancements improved user engagement, increased in-app music listening time, and drove greater user participation in community content, further deepening engagement across our platform.

Optimising users' music discovery and consumption experience

We continued to advance personalised recommendations and innovative features to make music discovery and listening more intuitive, personalised and engaging. In the first half of 2026, we introduced new features that give users more choices and better control over how they find, experience and interact with music.

- ***Music content discovery and distribution.*** We are dedicated to providing users with a precise and personalised music journey. During the Reporting Period, we further refined the new framework within the NetEase Cloud Music App and expanded our AI-powered recommendation capabilities. The updated "Heartbeat Mode" (心動模式) page now displays the rationale behind song recommendations, providing users with greater context around personalised suggestions. We also upgraded Climber, our self-developed AI generative recommendation model, and introduced new, AI-powered music discovery features. For example, the AI-inspired playlist feature enables users to quickly generate custom algorithmic playlists, catering to diverse user needs.

- ***Enhancing the music consumption experience.*** We continued to broaden the ways users can personalise and experience music through new innovative audio-visual features. We launched several new player interfaces to drive consumption including the customisable "Diamond Player style" (鑽石播放器樣式), which features extensive DIY customisation options and has gained broad user adoption. We also promoted the "Full-Screen Cover" (全屏封面) player on the Heartbeat page and added direct access to music videos on the Vinyl Player page, offering a more immersive audio-visual experience. In addition, we introduced a series of AI-powered functions designed to create more personalised and emotionally engaging experiences, including the "AI Mood Tuner" (AI 情緒調音師) & "Mood Player" (情緒播放器), "AI Pet Player" (AI 寵物播放器), and "AIGC Personal Profile Backgrounds" (AIGC 個人主頁背景).

Enhancing distinctive and evolving community

We further strengthened our distinctive and evolving music-oriented community by creating more ways for users to connect and interact around music. In the first half of 2026, we expanded and enhanced interactive scenarios across the platform, increasing the proportion of users consuming and interacting with community content. We upgraded the "Listen Together" (一起聽) feature, further strengthening the shared listening experience and sense of companionship for users, and introduced voice comments to enable richer interaction within comment sections. We also continued refining our music-inspired image- and text-based community ecosystem, which encouraged deeper community participation and engagement.

Expanding music consumption scenarios

We are committed to building a music consumption ecosystem across a broad range of scenarios, integrating music into everyday life, and making our music experience more accessible for younger audiences.

- ***IoT layouts.*** In the first half of 2026, we continued to expand and refine a unified IoT multi-device experience, enhancing user reach and engagement. For in-vehicle use, we expanded our coverage to, among others, Chery, XPeng Robotaxi, and FAW Jiefang. For TVs, we introduced the "Spring Festival Lucky Journey" immersive experience and optimised the homepage layout and remote-control interface. For smartwatches, we added new player designs and watch faces. For PCs, we improved the desktop recommendation experience, added features like "AI Audio Master" (AI 調音大師) and enhanced compatibility for desktop use.

- ***Game collaborations.*** We continued to integrate NetEase Cloud Music into core gaming scenarios in NetEase Games' ecosystem, enriching in-game content experiences while conveying NetEase Cloud Music's brand essence, building cross-scenario user engagement and brand affinity. We expanded music features across diverse gameplay scenarios, providing users with multiple ways to access our music player within various game titles, including scenarios in *Identity V*, *Where Winds Meet*, *Minecraft* and *Sky*. Through these tailored collaborations, NetEase Cloud Music continues to strengthen its connections with younger users and enhance brand perception with this demographic.

FINANCIAL REVIEW

Overview

Over the Reporting Period, we recorded a revenue of RMB3,958.7 million and a gross profit of RMB1,474.4 million. Our gross profit slightly increased by RMB81.9 million, while gross margin expanded from 36.4% to 37.2%. This was primarily due to increased revenue from our online music services. Our operating profit stood at RMB746.2 million for the six months ended 30 June 2026, compared with RMB844.5 million for the six months ended 30 June 2025, which was primarily due to the increase in promotion and advertising expenses to enhance brand awareness and user acquisition.

We recorded a net profit of RMB809.2 million for the six months ended 30 June 2026, compared with a net profit of RMB1,882.1 million for the six months ended 30 June 2025. Excluding the impact of equity-settled share-based payments, our adjusted net profit reached RMB859.7 million for the six months ended 30 June 2026, compared with an adjusted net profit of RMB1,946.4 million for the six months ended 30 June 2025. The decrease was primarily due to the deferred tax credit of RMB849.4 million for the six months ended 30 June 2025 arising from the initial recognition of deferred tax assets in respect of cumulative tax losses, as these losses were utilised against taxable profits in the current period.

Revenue

Our revenue increased by 3.4% from RMB3,827.1 million for the six months ended 30 June 2025 to RMB3,958.7 million for the six months ended 30 June 2026.

Revenue from our online music services increased by 3.4% from RMB2,967.3 million for the six months ended 30 June 2025 to RMB3,067.4 million for the six months ended 30 June 2026. The increase was primarily attributable to growth in revenue from sales of membership subscriptions from RMB2,469.8 million to RMB2,600.9 million over the same periods. We continued to focus on our core music business through enriched content offerings, enhanced product features and improved personalisation.

In addition, revenue from our social entertainment services and others increased by 3.7% from RMB859.8 million for the six months ended 30 June 2025 to RMB891.3 million for the six months ended 30 June 2026.

Cost of Revenue

Our cost of revenue increased by 2.0% from RMB2,434.6 million for the six months ended 30 June 2025 to RMB2,484.3 million for the six months ended 30 June 2026. In line with revenue growth, content service costs increased from RMB1,803.2 million for the six months ended 30 June 2025 to RMB1,903.5 million for the same period of 2026.

Gross Profit and Gross Margin

As a result of the above, our gross profit slightly increased by 5.9% from RMB1,392.5 million for the six months ended 30 June 2025 to RMB1,474.4 million for the six months ended 30 June 2026, and our gross margin increased from 36.4% for the six months ended 30 June 2025 to 37.2% for the six months ended 30 June 2026.

Selling and Marketing Expenses

For the six months ended 30 June 2026 and 2025, our selling and marketing expenses increased from RMB163.4 million to RMB295.2 million, primarily due to an increase in promotion and advertising expenses to enhance brand awareness and user acquisition.

General and Administrative Expenses

Our general and administrative expenses decreased by 10.3% from RMB93.0 million for the six months ended 30 June 2025 to RMB83.4 million for the same period of 2026, primarily due to a decrease in legal and professional fees.

Research and Development Expenses

Our research and development expenses increased by 3.2% from RMB378.9 million for the six months ended 30 June 2025 to RMB391.0 million for the same period of 2026, principally driven by AI-related investments during the period.

Other Income

Our other income decreased from RMB84.7 million for the six months ended 30 June 2025 to RMB10.6 million for the same period of 2026, primarily due to a decrease in government grants.

Other Gains, Net

We recorded other gains, net of RMB30.8 million for the six months ended 30 June 2026, compared with other gains, net of RMB2.6 million for the six months ended 30 June 2025. The increase arose from the gains on fair value changes of financial assets at fair value through profit or loss.

Finance Income, Net

Our finance income, net decreased from RMB223.1 million for the six months ended 30 June 2025 to RMB190.1 million for the same period of 2026, primarily due to a decrease in interest rates on deposits.

Taxation

We recorded income tax expense of RMB121.7 million for the six months ended 30 June 2026 as compared to an income tax credit of RMB814.1 million for the same period of 2025. The change was primarily due to the recognition of deferred tax assets in 2025 in respect of a wholly-owned subsidiary's cumulative tax losses, and the utilisation of those losses during the Reporting Period.

Profit for the Period

As a result of the above, we generated a net profit amounting to RMB809.2 million for the six months ended 30 June 2026, compared with a net profit of RMB1,882.1 million for the six months ended 30 June 2025.

Non-IFRS measure

To supplement our consolidated results, which are prepared and presented in accordance with IFRS, our Company uses adjusted operating profit and adjusted net profit as additional financial measures, which are not required by, or presented in accordance with IFRS. We believe that these measures facilitate comparisons of operating performance from period to period and company to company by eliminating the potential impact of items that our management does not consider to be indicative of our Group's operating performance, such as certain non-cash items. The use of these non-IFRS measures has limitations as an analytical tool, and shareholders and potential investors of our Company should not consider them in isolation from, as a substitute for, as an analysis of, or superior to, our Group's results of operations or financial condition as reported under IFRS. In addition, these non-IFRS financial measures may be defined differently from similar terms used by other companies, and may not be comparable to other similarly titled measures used by other companies. Our presentation of these non-IFRS measures should not be construed as an implication that our future results will be unaffected by unusual or non-recurring items.

Our adjusted operating profit stood at RMB796.7 million for the six months ended 30 June 2026, compared with adjusted operating profit of RMB905.4 million for the six months ended 30 June 2025. Our adjusted net profit reached RMB859.7 million for the six months ended 30 June 2026, compared with adjusted net profit of RMB1,946.4 million for the six months ended 30 June 2025. Adjusted operating profit and adjusted net profit are non-IFRS measures and are defined as operating profit and profit for the period attributable to the equity holders of the Company adjusted by adding back equity-settled share-based payments as appropriate. The following table reconciles the operating profit to adjusted operating profit and the profit for the period to adjusted net profit for both periods:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	(in RMB thousands)	
Operating profit	**746,232**	844,506
Add:		
Equity-settled share-based payments Note (1)	**50,420**	60,854
Adjusted operating profit	**796,652**	905,360
Profit for the period attributable to the equity holders of the Company	**809,236**	1,885,499
Add:		
Equity-settled share-based payments Note (1)	**50,420**	60,854
Adjusted net profit	**859,656**	1,946,353

Note:

(1) Equity-settled share-based payments mainly represent share-based compensation expenses incurred in connection with our share incentive plan adopted by the Company. Share-based compensation expenses are not expected to result in future cash payments and are not indicative of our core operating results. The reconciling item is non-cash and does not result in cash outflow.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	Six months ended 30 June **2026** *RMB'000* **(Unaudited)**	2025 *RMB'000* (Unaudited)
Revenue	*2*	**3,958,706**	3,827,117
Cost of revenue	*3*	**(2,484,297)**	(2,434,632)
Gross profit		**1,474,409**	1,392,485
Selling and marketing expenses	*3*	**(295,209)**	(163,379)
General and administrative expenses	*3*	**(83,403)**	(92,968)
Research and development expenses	*3*	**(390,967)**	(378,878)
Other income		**10,591**	84,689
Other gains, net		**30,811**	2,557
Operating profit		**746,232**	844,506
Share of results of investments accounted for using equity method		**(5,458)**	450
Finance income		**190,148**	223,200
Finance cost		**(28)**	(96)
Profit before income tax		**930,894**	1,068,060
Income tax (expense)/credit	*4*	**(121,658)**	814,082
Profit for the period		**809,236**	1,882,142
Profit/(loss) for the period attributable to:			
Equity holders of the Company		**809,236**	1,885,499
Non-controlling interest		**–**	(3,357)
		809,236	1,882,142
Earnings per share attributable to equity holders of the Company (expressed in RMB per share)			
Basic earnings per share	*5*	**3.87**	8.96
Diluted earnings per share	*5*	**3.85**	8.85

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	**Six months ended 30 June** **2026** ***RMB'000*** **(Unaudited)**	2025 *RMB'000* (Unaudited)
Profit for the period		**809,236**	1,882,142
Other comprehensive loss:			
Items that will not be reclassified to profit or loss			
Currency translation differences		**(265,429)**	(82,453)
Items that will be reclassified to profit or loss			
Currency translation differences		**(24,288)**	(1,950)
Total comprehensive income for the period		**519,519**	1,797,739
Total comprehensive income/(loss) for the period attributable to:			
Equity holders of the Company		**519,519**	1,801,096
Non-controlling interest		**–**	(3,357)
		519,519	1,797,739

CONDENSED CONSOLIDATED BALANCE SHEET

	Note	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Assets			
Non-current assets			
Property, plant and equipment		**15,154**	19,660
Right-of-use assets		**950**	5,939
Investments accounted for using equity method		**46,118**	51,576
Deferred income tax assets		**691,188**	746,701
Prepaid contents royalties		**100,307**	102,792
Prepayments, deposits and other receivables		**9,176**	60,497
Bank deposits		**–**	1,400,000
		862,893	2,387,165
Current assets			
Accounts and bills receivable	*7*	**1,439,610**	1,068,190
Prepaid contents royalties		**572,125**	531,956
Prepayments, deposits and other receivables		**328,145**	270,251
Amounts due from group companies		**29,655**	28,444
Financial assets at fair value through profit or loss		**1,278,874**	–
Bank deposits		**9,444,452**	9,057,452
Restricted cash		**–**	407
Cash and cash equivalents		**2,407,271**	3,117,624
		15,500,132	14,074,324
Total assets		**16,363,025**	16,461,489

	Note	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Equity			
Equity attributable to equity holders of the Company			
Share capital		**134**	139
Other reserves		**17,618,982**	18,653,014
Accumulated losses		**(4,974,908)**	(5,783,719)
Total equity		**12,644,208**	12,869,434
Liabilities			
Non-current liabilities			
Contract liabilities		**111,043**	101,657
Lease liabilities		**399**	4,229
		111,442	105,886
Current liabilities			
Accounts payable	*8*	**29,334**	56,074
Accruals and other payables		**2,014,352**	1,920,671
Contract liabilities		**1,407,420**	1,406,207
Amounts due to group companies		**69,124**	38,464
Income tax payable		**86,711**	62,786
Lease liabilities		**434**	1,967
		3,607,375	3,486,169
Total liabilities		**3,718,817**	3,592,055
Total equity and liabilities		**16,363,025**	16,461,489

NOTES

1 BASIS OF PREPARATION

This condensed consolidated interim financial information of the Group for the six months ended 30 June 2026 (the "Interim Financial Information") has been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting" issued by the International Accounting Standards Board.

The Interim Financial Information does not include all the notes of the type normally included in annual financial statements. Accordingly, this Interim Financial Information should be read in conjunction with the annual consolidated financial statements of the Group for the year ended 31 December 2025, which have been prepared in accordance with IFRS Accounting Standards.

1.1 Change in accounting policy and disclosures

The accounting policies used in the preparation of this financial information are consistent with those as described in the annual consolidated financial statements of the Group for the year ended 31 December 2025 except as set out below.

(a) Amended standards adopted by the Group

Below amended standard became applicable for the current reporting period:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature – Dependent Electricity
Volume 11	Annual Improvement to IFRS Accounting Standards
Amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37	Disclosures about Uncertainties in the Financial Statements

The amended standard listed above did not have any impact on the amounts recognised in prior period and are not expected to significantly affect the current or future period.

(b) New standard and amendments to standard that have been issued but are not yet effective

Below new and amended standards have been issued but are not yet effective for the year beginning on 1 January 2026 and have not been early adopted by the Group during the six months ended 30 June 2026:

		Effective for accounting periods beginning on or after
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency	1 January 2027
IFRS 19	Disclosures for Subsidiaries without Public Accountability	1 January 2027
Amendment to IFRS S2	Climate-related disclosures	1 January 2027
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The directors have performed an assessment on the new standards, and amendments, and have concluded on a preliminary basis that these new standards and amendments would not have a significant impact on the Group's consolidated financial statements when they become effective, except for IFRS 18 which will impact the presentation of profit and loss.

1.1 Change in accounting policy and disclosures (continued)

(b) New standard and amendments to standard that have been issued but are not yet effective (continued)

IFRS 18 will replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

Although the adoption of IFRS 18 will have no impact on the Group's net profit, the Group expects that grouping items of income and expenses in the statement of profit or loss into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the Group has performed, foreign exchange differences currently aggregated in the line item 'other income and other gains/(losses) – net' in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit.

The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation.

The Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:

- management-defined performance measures;
- a break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss – this break-down is only required for certain nature expenses; and
- for the first annual period of application of IFRS 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying IFRS 18 and the amounts previously presented applying IAS 1.

The Group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with IFRS 18.

2 REVENUE AND SEGMENT INFORMATION

(a) Disaggregation of revenue from contracts with customers

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Type of goods or services:		
Online music services	**3,067,428**	2,967,269
Social entertainment services and others	**891,278**	859,848
	3,958,706	3,827,117
Timing of revenue recognition:		
At a point in time	**1,132,166**	967,637
Over time	**2,826,540**	2,859,480
Total	**3,958,706**	3,827,117

(b) Segment information

The chief operating decision maker (the "CODM") has been identified as the Board, who reviews the consolidated results of operations when making decisions about allocating resources and assessing performance of the Group as a whole. For the purpose of internal reporting and management's operation review, the CODM considered that the Group's businesses are operated and managed as one single segment and no separate segment information was presented for the six months ended 30 June 2026 and 2025.

Since the Group domiciles and operates in the PRC, substantially all revenue and non-current assets of the Group were generated and were located in the PRC during the six months ended 30 June 2026 and 2025.

(c) Information about major customers

Revenue from an external customer contributed over 10% to the total revenue of the Group for the six months ended 30 June 2026 is as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Customer A	**597,607**	500,977

3 EXPENSES BY NATURE

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Content service costs (Note)	**1,903,486**	1,803,154
Technology costs	**171,191**	151,774
Employee benefit expenses	**603,476**	648,118
Promotion and advertising expenses	**239,707**	108,292
Payment channel fees	**226,794**	248,775
Net (reversal)/provision of impairment loss on financial assets	**(258)**	3,998
Depreciation of property, plant and equipment	**4,963**	5,648
Auditor's remuneration		
– Audit services related to the Group	**2,650**	2,650
– Other audit related services and non-audit services	**680**	680
Legal and professional fees	**8,288**	13,101
Others	**92,899**	83,667
Total cost of revenue, selling and marketing expenses, general and administrative expenses and research and development expenses	**3,253,876**	3,069,857

Note: Content service costs mainly comprise of content licensing fees and revenue sharing fees.

4 TAXATION

The income tax (expense)/credit of the Group is analysed as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current income tax		
– Corporate income tax	**(1,161)**	(4,602)
– Top-up tax under Pillar Two Rules	**(22,940)**	(30,700)
Deferred income tax	**(97,557)**	849,384
Income tax (expense)/credit	**(121,658)**	814,082

(a) Cayman Islands

Under the current laws of the Cayman Islands, the Company is not currently subject to tax on income or capital gains.

(b) Hong Kong

Subsidiaries incorporated in Hong Kong are subject to Hong Kong profits tax at a rate of 16.5%. Except for the Top-up tax under Pillar Two Rules, no provision for Hong Kong profits tax has been made as the Group has no estimated assessable profit in Hong Kong.

(c) PRC

Under the Enterprise Income Tax ("EIT") Law, foreign invested enterprises and domestic enterprises are subject to a unified EIT rate of 25%, except for a subsidiary of the Group in the PRC that was approved as High and New Technology Enterprise ("HNTE") which enjoys a preferential tax rate of 15% from 2025 onwards and subject to re-approval by the related authorities in every three years.

Under the EIT Law, finance income from financial institutions located in mainland China earned by foreign investors is subject to withholding tax of 10%.

Pillar Two Model Rules

NetEase, Inc., the ultimate holding company of the Group, and its subsidiaries are subject to the Pillar Two Model Rules established by the Organisation for Economic Co-operation and Development. The Group applies the IAS12 exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

According to these rules, in jurisdictions with an effective income tax rate below 15%, NetEase, Inc. and its subsidiaries may be subject to a top-up tax liability, calculated based on the shortfall between its effective tax rate in each jurisdiction and the 15% minimum rate. Consequently, certain subsidiaries of the Group, that are indirectly owned by NetEase, Inc., may also be subject to this top-up tax liability under the Pillar Two regulations.

The respective Pillar Two legislation was enacted in Hong Kong and became effective on 1 January 2025. In light of Hong Kong's Pillar Two legislation requirements, the Group has recognised a current tax expense of RMB22,940,000 and RMB30,700,000, reflecting the current estimate of the top-up tax exposure borne by the Group for the six months ended 30 June 2026 and 2025 respectively. This expense is included in the income tax expense of the consolidated statement of profit or loss of the Group.

5 EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share ("EPS") is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of shares outstanding during the period.

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Profit for the period attributable to equity holders of the Company (in RMB'000)	**809,236**	1,885,499
Weighted average number of shares outstanding	**208,961,138**	210,424,603
Basic earnings per share (in RMB)	**3.87**	8.96

(b) Diluted earnings per share

The share options and awarded shares granted by the Company have potential dilutive effect on the EPS. Diluted EPS is calculated by adjusting the weighted average number of ordinary shares outstanding by the assumption of the conversion of all potential dilutive ordinary shares arising from share options and shares awards granted by the Company (collectively forming the denominator for computing the diluted EPS).

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Profit attributable to equity holders of the Company for the calculation of diluted EPS (in RMB'000)	**809,236**	1,885,499
Weighted average number of ordinary shares in issue	**208,961,138**	210,424,603
Adjustments for share options and share awards	**1,408,759**	2,638,880
Weighted average number of ordinary shares for the calculation of diluted EPS	**210,369,897**	213,063,483
Diluted earnings per share (in RMB)	**3.85**	8.85

6 DIVIDENDS

No dividends have been paid or declared by the Company during the six months ended 30 June 2026 and 2025.

7 ACCOUNTS AND BILLS RECEIVABLE

	As at 30 June 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Accounts receivable	**1,448,339**	1,077,496
Less: loss allowance	**(9,048)**	(9,306)
Accounts receivable, net	**1,439,291**	1,068,190
Bills receivable	**319**	–
	1,439,610	1,068,190

The Group generally allows a credit period of 0 to 180 days to its customers depending on different revenue streams. Aging analysis of accounts receivable based on invoice date is as follows:

	As at 30 June 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Up to 3 months	**1,442,346**	1,070,204
3 to 6 months	**693**	1,228
Over 6 months	**5,300**	6,064
	1,448,339	1,077,496

The loss allowances for accounts and bills receivable as at 30 June 2026 and 2025 reconcile to the opening loss allowances is as follows:

	Six months ended 30 June	
	2026 *RMB'000* **(Unaudited)**	2025 *RMB'000* (Unaudited)
At 1 January	**9,306**	7,274
Net (reversal)/provision of impairment loss during the period	**(258)**	3,998
At 30 June	**9,048**	11,272

8 ACCOUNTS PAYABLE

	As at 30 June 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Accounts payable	**29,334**	56,074

Accounts payable are unsecured and are usually paid within 30 to 45 days of recognition and denominated in RMB.

As at 30 June 2026 and 31 December 2025, the aging of accounts payable are all between 0-90 days based on invoice date.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this announcement, there were no significant events that might affect our Group since the end of the Reporting Period.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Our Board is committed to achieving high standards of corporate governance that it believes are crucial to our Group's development and safeguard the interests of our shareholders.

Compliance with the Corporate Governance Code

During the Reporting Period, our Company has adopted and complied with all applicable code provisions set out in the Corporate Governance Code except for the deviation as set out below.

Pursuant to code provision C.2.1 of the Corporate Governance Code, the roles of chairperson and chief executive should be separate and should not be performed by the same person. Our Company deviates from this provision as Mr. William Lei Ding performs both the roles of chairman of our Board and the chief executive officer of our Company. Mr. Ding is the founder of NetEase, our parent company and controlling shareholder, and has extensive experience in the business operations and management of our Group. Our Board believes that vesting the roles of both chairman and chief executive officer to Mr. Ding has the benefit of ensuring consistent leadership within our Group and enables more effective and efficient overall strategic planning. This structure will enable our Company to make and implement decisions promptly and effectively. Our Board considers that the balance of power and authority will not be impaired due to this arrangement. In addition, all major decisions are made in consultation with members of our Board, including the relevant Board committees, and our three independent non-executive Directors. Our Board will reassess the division of the roles of chairman and the chief executive officer from time-to-time, and may recommend dividing the two roles between different people in the future, taking into account the circumstances of our Group as a whole.

Our Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the Corporate Governance Code, and maintain a high standard of corporate governance practices of our Company.

Review of Interim Results

Our audit committee comprises three independent non-executive Directors. Our audit committee has reviewed with management the accounting principles and practices adopted by our Group and discussed internal control and financial reporting matters including the review of the unaudited interim financial information. There is no disagreement between our Board and our audit committee regarding the accounting treatment adopted by our Company.

The interim results for the six months ended 30 June 2026 have not been audited but have been reviewed by PricewaterhouseCoopers, the auditor of our Company, in accordance with International Standard on Review Engagement 2410 "Review of interim financial information performed by the independent auditor of the entity" issued by the International Auditing and Assurance Standards Board.

Purchase, Sale or Redemption of our Company's Listed Securities

During the Reporting Period, the Company repurchased a total of 7,299,800 shares on the Stock Exchange at an aggregate consideration of approximately HK$967,035,899.59 (the "**Shares Repurchased**"). Particulars of the Shares Repurchased are as follows:

Month of repurchase	No. of shares repurchased	Price paid per share Highest (HK$)	Price paid per share Lowest (HK$)	Aggregate consideration (approximately) (HK$)
2026				
February	848,300	167.20	150.20	134,932,441.82
March	2,375,600	154.90	125.10	329,921,278.67
April	2,299,650	137.00	114.70	284,943,794.32
May	1,776,250	131.80	113.70	217,238,384.78
Total	7,299,800			967,035,899.59

The Shares Repurchased were held as treasury shares upon repurchase but cancelled on 12 June 2026. Save as disclosed above, during the Reporting Period, neither our Company nor any of our subsidiaries had purchased, sold or redeemed any of our Company's securities (including sale of treasury shares) listed on the Stock Exchange.

Use of Proceeds from the Global Offering

Our Company completed a global offering on 2 December 2021. The net proceeds from this global offering amounted to approximately HK$3,160 million (equivalent to approximately RMB2,584 million), which will be used in the manner set out in our Prospectus. As at 30 June 2026, we had not utilised any net proceeds, which are held as short-term bank deposits. Our Company expects to utilise the remaining net proceeds in the next 6 months.

INTERIM DIVIDEND

Our Board has resolved not to declare an interim dividend for the Reporting Period.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the website of the Stock Exchange at **www.hkexnews.hk** and the website of our Company at **http://ir.music.163.com**. Our interim report for the Reporting Period will be published on the aforesaid websites of the Stock Exchange and our Company and will be despatched to our shareholders (if requested) in due course.

DEFINITIONS

"Board"	the board of directors of our Company
"China" or the "PRC"	the People's Republic of China
"Company"	NetEase Cloud Music Inc., the shares of which are listed on the Main Board of the Stock Exchange under the stock code "9899"
"Corporate Governance Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
"Director(s)"	director(s) of our Company
"Group"	our Company and its subsidiaries, including consolidated affiliated entities, the financials of which are consolidated into our Company's accounts
"IFRS"	IFRS Accounting Standards, as issued from time to time by the International Accounting Standards Board
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Monthly paying users of online music services"	the average of the number of users whose membership subscription packages remain active as of the last day of each month in a given period. Monthly paying users of online music services for any given period excludes the number of users who only purchase digital music singles and albums during such period because these users' purchasing patterns tend to reflect specific hit releases, which fluctuate from period to period
"NetEase"	NetEase, Inc., an exempted company incorporated in the Cayman Islands with limited liability on 6 July 1999 (Nasdaq: NTES; SEHK: 9999) and considered our controlling shareholder under the Listing Rules
"Prospectus"	our Company's prospectus dated 23 November 2021, a copy of which is available on the website of the Stock Exchange at **www.hkexnews.hk** and the website of our Company at **http://ir.music.163.com**
"Reporting Period"	six months ended 30 June 2026
"share(s)"	share(s) of our Company
"shareholder(s)"	holder(s) of the share(s)

"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary" or "subsidiaries"	has the meaning ascribed to it in section 15 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), and includes our consolidated affiliated entities and any other entity the financials of which are consolidated into the accounts of the Company
"treasury shares"	has the meaning ascribed to it under the Listing Rules

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

Hong Kong, 20 August 2026

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