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XD Inc.

心动有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2400)

ANNOUNCEMENT

COMPLETION OF PLACING OF NEW SHARES UNDER GENERAL MANDATE

Joint Bookrunners, Joint Managers and Placing Agents



Reference is made to the announcement (the “**Announcement**”) of XD Inc. (the “**Company**”) dated March 31, 2021 in relation to, amongst others, placing of new shares under general mandate. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

COMPLETION OF THE PLACING

The Board is pleased to announce that all the conditions of the Placing as set out in the Placing Agreement have been satisfied and the completion of the Placing took place on April 13, 2021. An aggregate of 26,318,000 Placing Shares have been placed to the Placees at the Placing Price of HK\$42.38 per Share pursuant to the terms and conditions of the Placing Agreement.

Set out below are the details of the Placees:

- (i) Bilibili Inc. is a company controlled through weighted voting rights and incorporated in the Cayman Islands with limited liability, and its American Depositary Shares (each representing one Class Z ordinary share), are listed on Nasdaq (stock symbol: BILI), and its Class Z ordinary shares are listed on the Main Board of the Stock Exchange (stock code: 9626). Bilibili Inc. is an iconic brand and a leading video community with a mission to enrich the everyday life of the young generations in China.
- (ii) Taobao China Holding Limited is a company incorporated in Hong Kong with limited liability, and is an indirect wholly-owned subsidiary of Alibaba Group Holding Limited. It is the direct holding company of certain PRC subsidiaries relating to Taobao Marketplace and Tmall. Alibaba Group Holding Limited, a company incorporated in the Cayman Islands, with its American depositary shares, each representing eight ordinary shares, listed on the New York Stock Exchange (stock symbol: BABA), and its ordinary shares listed on the Main Board of the Stock Exchange (stock code: 9988). As at the date of this announcement, the substantial shareholder (as defined in the Takeovers Code) of Alibaba Group Holding Limited is SoftBank Group Corp., a company listed on the Tokyo Stock Exchange (holding approximately 24.8% of the issued shares of Alibaba Group Holding Limited).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Placees and its ultimate beneficial owners are independent of, and not connected with, the Company and its connected persons or any of its respective associates, and none of the Placees has become a substantial shareholder (as defined under the Listing Rules) immediately upon the completion of the Placing.

The net proceeds arising from the Placing are approximately HK\$1,113.0 million and will be used for (i) further enhancing the Company's R&D capability and game portfolios; (ii) marketing and promoting games and TapTap; (iii) potential acquisitions and strategic investments and (iv) general corporate purposes.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY AS A RESULT OF (I) THE PLACING AND (II) THE CONVERSION

The shareholding structure of the Company (i) immediately prior to the completion of the Placing; (ii) as at the date of this announcement; and (iii) assuming the Bonds are fully converted into the Conversion Shares at the initial Conversion Price of HK\$63.45 as set out in the Announcement, on the assumptions that (a) there will be no other change to the share capital of the Company from the date of this announcement until the conversion of the Bonds in full, save for the issue of the Conversion Shares as a result of the conversion of the Bonds in full; and (b) the Bondholders do not and will not hold any Shares other than the Conversion Shares as a result of the conversion of the Bonds in full are set out below:

Shareholders	(i) Immediately prior to the completion of the Placing		(ii) As at the date of this announcement		(iii) Immediately after the full conversion of the Bonds into the Conversion Shares	
	Approximate % of total issued Shares ^(Note 1)		Approximate % of total issued Shares ^(Note 1)		Approximate % of total issued Shares ^(Note 1)	
	No. of Shares	Shares ^(Note 1)	No. of Shares	Shares ^(Note 1)	No. of Shares	Shares ^(Note 1)
Mr. Huang Yimeng ^(Note 2)	161,805,000	35.63	161,805,000	33.68	161,805,000	31.43
Mr. Dai Yunjie ^(Note 2)	67,545,000	14.87	67,545,000	14.06	67,545,000	13.12
Mr. Shen Sheng ^(Note 2)	11,674,271	2.57	11,674,271	2.43	11,674,271	2.27
Bilibili Inc.	0	0	22,660,000	4.72	22,660,000	4.40
Taobao China Holding Limited	0	0	3,658,000	0.76	3,658,000	0.71
Other Shareholders	213,088,429	46.92	213,088,429	44.35	213,088,429	41.40
Bondholders	0	0	0	0	34,308,715	6.67
Total	<u>454,112,700</u>	<u>100</u>	<u>480,430,700</u>	<u>100</u>	<u>514,739,415</u>	<u>100</u>

Notes:

- Percentages presented may not add up precisely to the total percentages shown due to rounding.
- Each a Director.

By order of the Board
XD Inc.
HUANG Yimeng
Chairman and Chief Executive Officer

BHong Kong, April 13, 2021

As at the date of this announcement, the Board comprises Mr. HUANG Yimeng, Mr. DAI Yunjie, Mr. SHEN Sheng and Mr. FAN Shuyang as executive Directors, Mr. TONG Weiliang and Mr. LIU Wei as non-executive Directors and Mr. PEI Dapeng, Mr. XIN Quandong and Ms. LIU Qianli as independent non-executive Directors.