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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in XD Inc., you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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XD Inc.

心动有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2400)

**PROPOSALS FOR GENERAL MANDATES TO ISSUE SHARES
AND TO BUY BACK SHARES,
RE-ELECTION OF DIRECTORS,
ADOPTION OF THE SHARE OPTION PLAN
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the AGM of XD Inc. to be held at Unit A1, No. 700 Wanrong Road, Shanghai, China on Friday, June 25, 2021 at 11:00 a.m., at which, among other things, the above proposals will be considered, is set out on pages 28 to 32 of this circular.

Whether or not you intend to attend the annual general meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, 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 less than 48 hours before the time of the meeting (i.e. not later than 11:00 a.m. on Wednesday, June 23, 2021) or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

May 21, 2021

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RESPONSIBILITY STATEMENT

This circular, for which the Directors (as defined herein) of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules (as defined herein) for the purpose of giving information with regard to the Company. The Directors (as defined herein), 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.

DEFINITIONS

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

“Administrative Committee”	the committee established for the purpose of the Share Option Plan, comprising of one executive Director and/or any senior officer of the human resources department of the Company from time to time
“Adoption Date”	the day when the Share Option Plan is approved and adopted by the Shareholders
“AGM”	the annual general meeting of the Company to be convened and held at Unit A1, No. 700 Wanrong Road, Shanghai, China on Friday, June 25, 2021 at 11:00 a.m. or any adjournment thereof
“Articles”	the articles of association of the Company
“Associates”	has the meaning as defined under the Listing Rules
“Board”	the board of Directors
“Board Diversity Policy”	the board diversity policy of the Company, a summary of which is set out on page 26 of the Company’s 2020 annual report
“Buy-back Mandate”	a general unconditional mandate proposed to be granted to the Directors at the AGM to buy back such number of issued and fully paid Shares of up to 10% of the total number of Shares in issue as at the date of passing of the relevant resolution granting such mandate
“Company”	XD Inc., a company incorporated in the Cayman Islands with limited liability on January 25, 2019
“Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time

DEFINITIONS

“Director(s)”	the director(s) of the Company
“Eligible Participant(s)”	individual(s) who may be eligible to participate in the Share Option Plan
“Grant Date”	the date of the grant letter in writing for each grant of Options to an Eligible Participant
“Grantee”	the Eligible Participant who accepts or is deemed to have accepted the offer of any Options in accordance with the terms of the Share Option Plan or (where the context so permits) a person entitled to any such Options in consequence of the death or loss of capacity of the original Grantee
“Group”	the Company and its subsidiaries and consolidated affiliated entities
“Happy Today Trust”	a trust established by Mr. Huang as the settlor
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	a general unconditional mandate proposed to be granted to the Directors at the AGM to allot, issue and deal with Shares or securities convertible into Shares of up to 20% of the total number of Shares in issue as at the date of passing of the relevant resolution granting such mandate
“Latest Practicable Date”	May 13, 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
“Nomination Policy”	the nomination policy of the Company, a summary of which is set out on pages 31 to 32 of the Company’s 2020 annual report

DEFINITIONS

“PRC Consolidated Affiliated Entities”	the entities we control through the Contractual Arrangements, namely X.D. Network and its respective subsidiaries. For further details of these entities, see “History, Reorganization and Corporate Structure” and “Contractual Arrangements”
“Relevant Entities”	investment in certain entities in the PRC directly or indirectly held by X.D. Network
“Remuneration and Appraisal Committee”	the remuneration and appraisal committee of the Company
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
“Share(s)”	ordinary shares of US\$0.0001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Share Option(s)” or “Option(s)”	the right to subscribe for a specified number of Shares in issue at the Subscription Price
“Share Option Plan”	the share option plan for Eligible Participants proposed to be conditionally adopted at the AGM, a summary of the key terms of which is set out in the Appendix III to this circular
“Subscription Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of Options calculated in accordance with the Share Option Plan
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers, as amended or supplemented from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

DEFINITIONS

“US\$”	United States dollars, the lawful currency of the United States
“X.D. Network”	X.D. Network Inc. (心動網絡股份有限公司), a company established in the PRC on July 29, 2011 and our PRC Consolidated Affiliated Entity
“%”	per cent.

LETTER FROM THE BOARD



XD Inc.

心动有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2400)

Executive Directors:

Mr. Huang Yimeng (*Chairman and*

Chief Executive Officer)

Mr. Dai Yunjie

Mr. Shen Sheng

Mr. Fan Shuyang

Non-executive Directors:

Mr. Tong Weiliang

Mr. Liu Wei

Independent Non-executive Directors:

Mr. Pei Dapeng

Mr. Xin Quandong

Ms. Liu Qianli

Registered Office:

Floor 4, Willow House, Cricket Square

Grand Cayman KY1-9010

Cayman Islands

Principal place of business in Hong Kong:

40th Floor, Dah Sing Financial Centre

No. 248 Queen's Road East

Wanchai

Hong Kong

May 21, 2021

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR GENERAL MANDATES TO ISSUE SHARES
AND TO BUY BACK SHARES,
RE-ELECTION OF DIRECTORS
AND
ADOPTION OF THE SHARE OPTION PLAN**

INTRODUCTION

The purpose of this circular is to provide you with information in respect of the resolutions to be proposed to seek approval of the Shareholders in respect of, among other matters, (i) the granting to the Directors the Issue Mandate and the Buy-back Mandate and (ii) the re-election of Directors.

LETTER FROM THE BOARD

GENERAL MANDATES

At the annual general meeting of the Company held on June 24, 2020, ordinary resolutions were passed to grant to the Directors (i) a general unconditional mandate to allot, issue and deal in Shares or securities convertible into Shares not exceeding 20% of the aggregate number of Shares of the Company in issue at the date of passing of the relevant resolutions; (ii) a general unconditional mandate to buy back Shares up to 10% of the aggregate number of Shares of the Company in issue at the date of passing of the relevant resolutions; and (iii) to extend the general mandate mentioned in (i) above by the addition of an amount representing the aggregate number of Shares of the Company purchased by the Company pursuant to the mandate to buy back Shares referred to (ii) above. The above general mandates will continue in force until (i) the conclusion of the AGM; or (ii) the date by which the AGM is required by the Articles or any applicable law(s); or (iii) the revocation or variation by ordinary resolution of the Shareholders in general meeting, whichever occurs first.

1. General Mandate to Issue Shares

At the AGM, an ordinary resolution will be proposed to the Shareholders to grant to the Directors a general mandate to allot and issue new Shares or securities convertible into Shares not exceeding 20% of the number of the issued Shares as at the date of passing of the resolution in relation thereto. The Issue Mandate will end on the earlier of (a) conclusion of the next annual general meeting of the Company; (b) expiration of the period within which the next annual general meeting of the Company is required to be held by law or the Articles; and (c) the date upon which such authority is revoked or varied by an ordinary resolution by the Shareholders in a general meeting.

Subject to the passing of the ordinary resolution granting the Issue Mandate and on the basis of 480,430,700 Shares in issue as at the Latest Practicable Date and assuming no further Shares are issued or bought back prior to the AGM, the Company would be allowed under the Issue Mandate to issue 96,086,140 Shares, being 20% of the number of the issued Shares as at the date of passing of the resolution to approve the Issue Mandate.

In addition, subject to a separate approval of the ordinary resolution numbered 6, the number of Shares purchased by the Company under ordinary resolution numbered 5 will also be added to extend the Issue Mandate as mentioned in ordinary resolution numbered 4 provided that such additional number of Shares shall represent up to 10% of the number of issued Shares as at the date of passing the Shareholders' resolutions in relation to the Issue Mandate and Buy-back Mandate. The Directors wish to state that they have no immediate plan to issue any Shares or buy back any Shares pursuant thereto.

LETTER FROM THE BOARD

Please refer to resolutions numbered 4 to 6 set out in the notice of AGM on pages 28 to 32 of this circular for details of the proposed Issue Mandate and Buy-back Mandate.

2. General mandates to buy back shares

At the AGM, an ordinary resolution will be proposed to the Shareholders to grant to the Directors a general mandate to exercise all powers of the Company to buy back issued Shares not exceeding 10% of the number of the issued Shares as at the date of passing of the resolution subject to the Listing Rules, representing a total of 48,043,070 Shares. The Buy-back Mandate will end on the earlier of (a) conclusion of the next annual general meeting of the Company; (b) expiration of the period within which the next annual general meeting of the Company is required to be held by law or the Articles; and (c) the date upon which such authority is revoked or varied by an ordinary resolution by the Shareholders in a general meeting.

An explanatory statement containing all relevant information relating to the proposed Buy-Back Mandate is set out in Appendix I to this circular. The explanatory statement is to provide you with information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolution to grant to the Directors the Buy-Back Mandate at the AGM.

RE-ELECTION OF DIRECTORS

In accordance with Article 16.2 of the Articles, 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. Accordingly, Mr. Liu Wei and Ms. Liu Qianli shall retire from office and, being eligible, offer themselves for re-election at the AGM.

In accordance with Article 16.18 of the Articles, at each annual general meeting one third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. Accordingly, Mr. Shen Sheng, Mr. Fan Shuyang and Mr. Tong Weiliang shall retire from office at the AGM. Due to personal work arrangement, both Mr. Shen Sheng and Mr. Tong Weiliang will not offer themselves for re-election and have confirmed that they have no disagreement with the Board, nor was there any matter relating to their respective retirement that needs to be brought to the attention of the Shareholders. Mr. Fan Shuyang, being eligible, will offer himself for re-election at the AGM.

LETTER FROM THE BOARD

Details of the above-mentioned Directors proposed to be re-elected at the AGM are set out in Appendix II to this circular.

PROCEDURE AND PROCESS FOR NOMINATION OF DIRECTORS

Mr. Fan Shuyang and Mr. Liu Wei, being the Executive Director and Non-executive Director, possess deep understanding of the businesses of the Group and a broad range of commercial experience. Ms. Liu Qianli, being an Independent Non-executive Director, possesses vast experience in global business management, and diverse experience and expertise through their involvement across businesses in different sectors, such as E-commerce, network technology, accounting, and investment.

Ms. Liu Qianli had confirmed her independence pursuant to Rule 3.13 of the Listing Rules. During her tenure as Independent Non-executive Director, she has not been involved in the daily management of the Company nor in any relationship or circumstances which would materially interfere with her exercise of independent judgement. The nomination was made in accordance with the Nomination Policy and took into account the Board's composition as well as the various diversity aspects as set out in the Board Diversity Policy.

The Nomination Committee of the Company have assessed the candidates or incumbents on criteria such as integrity, experience, skills and ability to commit time and efforts to carry out duties and responsibilities. The recommendations were submitted to the Board for decision.

The Board, having considered the recommendation, is of the view that each of Mr. Liu Wei, Ms. Liu Qianli and Mr. Fan Shuyang will continue to contribute to the Board with his/her deep understanding of the businesses of the Group, diversity of skills set and perspectives as well as devotion to the Board. The Board also believes that the valuable knowledge and experience of these retiring Directors in the businesses of the Group and their general business acumen continue to generate significant contribution to the Company and the Shareholders as a whole.

ADOPTION OF THE SHARE OPTION PLAN

Reference is made to the announcement of the Company dated April 30, 2021. The Board has resolved to propose the adoption of the Share Option Plan for the approval by the Shareholders. The purpose of the Share Option Plan is to provide incentives and rewards to the directors and employees of the Group for their contributions to, and continuing efforts to promote the interest of, the Company. The Share Option Plan will become effective after all the conditions of the Share Option Plan have been fulfilled and shall be valid and effective for a period of ten years commencing on the Adoption Date.

LETTER FROM THE BOARD

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 Share Option Plan.

As at the Latest Practicable Date, there were in issue an aggregate of 480,430,700 Shares. Assuming no further Shares are issued and/or bought back prior to the date of adoption of the Share Option Plan, options to subscribe for a total of 48,043,070 Shares may be granted under the Share Option Plan, representing 10 per cent. of the issued share capital as at the Adoption Date. The Company may seek approval by its Shareholders to renew the 10% limit on the basis that the total number of shares which may be issued upon exercise of all Options that may be granted under the Share Option Plan and any other option scheme shall not exceed ten per cent. (10%) of the issued share capital of the Company as at the date of approval of the refreshed limit. The maximum number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Share Option Plan and any other options granted and yet to be exercised under any other option scheme shall not exceed thirty per cent. (30%) of the issued share capital of the Company from time to time.

As the Share Option Plan involves the grant of options, the Share Option Plan must comply with the relevant requirements of Chapter 17 of the Listing Rules. In addition, the grant of the Share Options to a Director or a connected person (as defined in the Listing Rules) of the Company (if any) will be subject to compliance with Chapter 14A of the Listing Rules, including the applicable reporting, announcement and/or independent Shareholders' approval requirements under Chapter 14A.

The Company will disclose in its annual report and interim report the following information in respect of the Share Option Plan:

- (a) particulars of outstanding Options at the beginning and at the end of the financial year/period;
- (b) particulars of Options granted during the financial year/period; and
- (c) the number of Options exercised, cancelled and/or lapsed during the financial year/period.

LETTER FROM THE BOARD

Conditions of the Share Option Plan

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

- (a) the passing of an ordinary resolution to approve the adoption of the Share Option Plan 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 Share Option Plan.

Any alterations to the provisions of the Share Option Plan which are of a material nature (except where alterations take effect automatically under the provisions of the Share Option Plan) must be approved by the Shareholders in general meeting, respectively.

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

Value of the Options

The Directors consider that it is not appropriate to state the value of all Options that may be granted pursuant to the Share Option Plan as if they had been granted on the Latest Practicable Date, because the calculation of the value of the Options is based on a number of variables such as the exercise price, exercisable period, interest rate, expected volatility and other relevant variables. As no Options have been granted under the Share Option Plan as at the Latest Practicable Date, certain variables were not available for calculating the value of the Options. The Directors believe that any calculation of the value of the Options as at the Latest Practicable Date based on a great number of speculative assumptions would not be meaningful to the Shareholders.

Key terms of the Share Option Plan

For details of the Share Option Plan, please refer to Appendix III of this circular. Pursuant to the requirements of the Listing Rules, the Share Option Plan is submitted to the general meeting for consideration.

LETTER FROM THE BOARD

A copy of the rules of the Share Option Plan is available for inspection at 40th Floor, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong at normal business hours from the date of this circular up to and including the date of the AGM, which is a period of not less than 14 days before the date of the AGM.

General information

As at the Latest Practicable Date, the Share Option Plan has not appointed any trustee, accordingly none of the Directors is appointed as trustee of the Share Option Plan or has a direct or indirect interest in any trustee of the Share Option Plan.

ANNUAL GENERAL MEETING

Set out on pages 28 to 32 of this circular is a notice convening the AGM to consider and, if appropriate, to approve, among others, the ordinary resolutions relating to the proposals for the granting of the Issue Mandate and the Buy-back Mandate and re-election of Directors.

A form of proxy for use at the AGM is enclosed herewith. If you are not able to attend and/or vote at the AGM in person, you are requested to complete the form of proxy and return it to the Company's branch share registrar and transfer office in Hong Kong, 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 less than 48 hours before the time of the AGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the AGM (i.e. not later than 11:00 a.m. on Wednesday, June 23, 2021) or any adjournment thereof should you so wish. Completion and return of the form of proxy shall not preclude a Shareholder from attending and voting in person at the AGM if they so wish and in such event the form of proxy shall be deemed to be revoked.

There is no Shareholder who has any material interest in the proposed resolutions, therefore none of the Shareholders is required to abstain from voting on such resolutions.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman of the general meeting, in good faith, decides to allow a resolution which relates purely to procedural or administrative matter to be voted by a show of hands. Accordingly, each of the resolutions put to vote at the AGM will be taken by way of poll. An announcement on the poll results will be made by the Company after the AGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

LETTER FROM THE BOARD

On a poll, every Shareholder present in person or by proxy or, in the case of a Shareholder being a corporation, by its duly authorised representative, shall have one vote for every fully paid Share of which he/she is the holder. A Shareholder entitled to more than one vote need not use all his/her votes or cast all the votes he/she uses in the same way.

RECOMMENDATION

The Board considers that the ordinary resolutions in relation to the granting of the Issue Mandate and the Buy-back Mandate, the re-election of Directors and the adoption of the Share Option Plan to be proposed at the AGM are in the best interests of the Company and the Shareholders. Accordingly, the Board recommends the Shareholders to vote in favour of such resolutions at the AGM.

GENERAL

Your attention is also drawn to the appendices to this circular.

MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

By order of the Board

XD Inc.

HUANG Yimeng

Chairman and Chief Executive Officer

APPENDIX I EXPLANATORY STATEMENT ON BUY-BACK MANDATE

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide the Shareholders with all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the ordinary resolution to approve the Buy-back Mandate.

1. LISTING RULES RELATING TO THE BUY-BACK OF SHARES

The Listing Rules permit companies whose primary listings are on the Stock Exchange to buy back their shares on the Stock Exchange subject to certain restrictions.

2. SHARE CAPITAL

As at the Latest Practicable Date, the number of total issued Shares was 480,430,700 Shares of nominal value of US\$0.0001 each which have been fully paid. Subject to the passing of the resolution for buy-back of Shares and on the basis of no further new Shares will be issued or purchased by the Company up to the AGM, the Company would be allowed under the Buy-back Mandate to buy back a maximum of 48,043,070 Shares, representing 10% of the total number of issued Shares as at the date of passing the relevant resolution for granting the Buy-back Mandate. During the period ending on the earlier of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of the Company or any applicable law of the Cayman Islands to be held; or (iii) the date on which such mandate is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

3. REASONS FOR BUY-BACK

The Directors believe that the Buy-back Mandate is in the best interests of the Company and the Shareholders. Such buy-back may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets of the Company and/or its earnings per share and will only be made when the Directors believe that such a buy-back will benefit the Company and the Shareholders as a whole.

4. FUNDING OF BUY-BACK OF SHARES

Any buy-back of Shares of the Company would be funded entirely from the cash flow or working capital facilities available to the Company, and will, in any event be made out of funds legally available for the purpose in accordance with the Articles and the applicable laws of the Cayman Islands and the Listing Rules. Such funds include, but are not limited to, profits available for distribution. Purchases may only be effected out of the profits of the Company or out of the proceeds of a fresh issue of Shares made for the purpose, or, if so authorized by its Articles and subject to the provisions of the Companies Law, out of capital. Any premium payable on a purchase over the par value of the Shares to be Buy-back must be provided for out of profits of the Company or out of the Company's share premium account, or, if so authorized by the Articles and subject to the provisions of the Companies Law, out of capital.

5. GENERAL

The Directors believe that if the Buy-back Mandate is exercised in full, it may not have a material adverse impact on the working capital and gearing position of the Company, as compared with the positions disclosed in the audited consolidated financial statements of the Company as at December 31, 2020, 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 Buy-back Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

6. SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the previous 12 months up to the Latest Practicable Date were as follow:

	Shares	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2020		
April	24.30	19.48
May	28.00	18.46
June	34.00	24.10
July	45.50	29.95
August	47.90	35.00
September	43.60	34.75
October	42.80	33.80
November	39.90	32.65
December	46.90	35.60
2021		
January	70.70	46.70
February	114.50	66.50
March	76.50	46.60
April	72.40	45.10
May (up to and including the Latest Practicable Date)	70.45	51.50

7. UNDERTAKING

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their close associates (as defined in the Listing Rules), have any present intention to sell any Shares to the Company under the Buy-back Mandate if the same is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Buy-back Mandate pursuant to the proposed resolution in accordance with the Listing Rules and the applicable laws of Cayman Islands.

8. CORE CONNECTED PERSON

No core connected person (as defined in the Listing Rules) has notified the Company that he or she has a present intention to sell any Shares to the Company, or has undertaken not to do so, in the event that the Buy-back Mandate is approved by the Shareholders.

9. TAKEOVERS CODE AND MINIMUM PUBLIC SHAREHOLDING

If on exercise of the powers of buy-back pursuant to the Buy-back 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. As a result, a Shareholder or group of Shareholders acting in concert (within the meaning under the Takeovers Code), 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.

As at the Latest Practicable Date, according to the register kept by the Company pursuant to section 336 of the SFO and so far as is known to, or can be ascertained after reasonable enquiry by the Directors, Mr. Huang Yimeng had a personal interest in (i) 2,100,000 Shares, a spouse's interest in (ii) 2,100,000 Shares and interested in (iii) 157,605,000 Shares as a beneficiary of the Happy Today Trust. In the event that the Directors exercise in full the power to buy back Shares under the Buy-back Mandate, then the attributable interest of Mr. Huang would be increased from approximately 33.68% to 37.42% of the total number of Shares in issue. Such increase would give rise to general offer obligation under the Takeovers Code. The Directors have no present intention to exercise the Buy-back Mandate to such extent which would trigger Mr. Huang's general offer obligation under the Takeovers Code.

10. SHARE PURCHASE MADE BY THE COMPANY

The Company has not purchased any of the Shares (whether on the Stock Exchange or otherwise) in the six months preceding and up to the Latest Practicable Date.

The following are the particulars of the retiring Directors (as required by the Listing Rules) proposed to be re-elected at the AGM.

1. Mr. Liu Wei

Mr. Liu Wei (劉偉), aged 33, is a non-executive Director of our Company. Mr. Liu served as the supervisor of miHoYo Co. Ltd. (“miHoYo”) from February 2012 to March 2012; the director and deputy general manager of miHoYo from March 2012 to October 2015; the director, deputy general manager and secretary of the board of directors of miHoYo from October 2015 to April 2016; and from April 2016 to date, Mr. LIU serves as the director, deputy general manager and president of miHoYo.

Mr. Liu obtained his bachelor’s degree in Information Engineering from Shanghai Jiaotong University in 2009 and master’s degrees in Communication and Information Systems and Electrical Computer Engineering from Shanghai Jiaotong University and Georgia Institute of Technology in 2012, respectively.

Mr. Liu has been the vice president of the Shanghai Youth Entrepreneurship Association (上海市青年創業協會) for a four-year term since May 2019.

Save as disclosed above, Mr. Liu does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company and has not held any other directorships in other listed public companies in the last three years. As at the Latest Practicable Date, Mr. Liu did not have any interest in Shares within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. Liu has entered into a service agreements with the Company on December 17, 2020. The initial term for the appointment letter shall be three years from the date of the Prospectus or until the third annual general meeting of the Company since the Listing Date, whichever is sooner, (subject always to re-election as and when required under the Articles) until terminated in accordance with the terms and conditions of the appointment letter or by either party giving to the other not less than three months’ prior notice in writing. Under the service agreement, Mr. Liu will receive no remuneration as non-executive Director of the Company.

2. Ms. Liu Qianli

Ms. Liu Qianli (劉千里), aged 45, is our independent non-executive Director. Ms. Liu has over 17 years of experience in investment banking and corporate finance. Ms. Liu served as a senior associate in The Parthenon Group (Strategic Management Consulting) from 1997 to 2000; a

vice president in TRULY CUSTOM CONSTRUCTION, INC. (E-Commerce) from 2000 to 2001; a vice president of investment banking department in Lehman Brothers in Hong Kong and an associate of investment banking department in Lehman Brothers in New York from July 2003 to June 2007; the chief financial officer of MainOne Information Technology Company Ltd., an information technology company, from June 2007 to August 2008; the chief financial officer of ChinaEdu Corp., an education services provider in China from October 2008 to November 2010; the chief financial officer of Phoenix New Media Limited, a media company listed on the New York Stock Exchange (Stock Code: FENG), from December 2010 to July 2013; an independent non-executive director of BAI00 Family Interactive Limited, a children's web game developer listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (Stock Code: 2100) from March 2014 to date; an independent non-executive director of Feiyu Technology International Company Ltd., a leisure mobile game developer listed on the Main Board of the Stock Exchange (Stock Code: 1022) from November 2014 to date; and Ms. Liu serves as the Assistant Head of School, Business of Keystone Academy from 2020 to date.

Ms. Liu obtained her bachelor's degree in arts from Dartmouth College in 1997 and her master's degree in Business Administration from the Massachusetts Institute of Technology Sloan School of Management in 2003.

Save as disclosed above, Ms. Liu does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company and has not held any other directorships in other listed public companies in the last three years. As at the Latest Practicable Date, Mr. Fan did not have any interest in Shares within the meaning of Part XV of the Securities and Futures Ordinance.

Ms. Liu has entered into a service agreement with the Company on December 17, 2020. The initial term for the appointment letter shall be three years from the date of the Prospectus or until the third annual general meeting of the Company since the Listing Date, whichever is sooner, (subject always to re-election as and when required under the Articles) until terminated in accordance with the terms and conditions of the appointment letter or by either party giving to the other not less than three months' prior notice in writing. Under the service agreement, Mr. Liu is entitled to a director's fee of RMB150,000 per annum.

3. Mr. Fan Shuyang

Mr. Fan Shuyang (樊舒陽), aged 37, is an executive Director and one of the joint company secretaries of our Company. Mr. Fan has also served as the secretary to the board of directors, the product manager and project manager of X.D. Network since February 2012. Mr. Fan has more than twelve years of experience in game and consultancy industries and is primarily responsible

for daily operations, corporate governance and legal and compliance affairs of our Group. Prior to joining our Group, Mr. Fan served as a project manager at SEGA Shanghai (世嘉(上海)) from January 2010 to January 2012, a transfer pricing consultant at KPMG China from July 2009 to December 2009 and a software engineer at SEGA Shanghai from July 2006 to July 2007. Mr. Fan obtained his bachelor's degree in automation from Tongji University in China in July 2007 and his master's degree in electronic business management from University of Warwick in the United Kingdom in January 2009.

Save as disclosed above, Mr. Fan does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company and has not held any other directorships in other listed public companies in the last three years. As at the Latest Practicable Date, Mr. Fan did not have any interest in Shares within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. Fan has entered into a service contract with our Company on November 29, 2019. The initial term for the service contract shall commence from the date of his appointment being approved by the Board and shall continue for three years after or until the third annual general meeting of the Company since the Listing Date (whichever is sooner). Either party has the right to give not less than three months' written notice to terminate the agreement. The term is also subject to termination provisions therein and provisions on retirement by rotation of Directors as set out in the Articles. The director remuneration and discretionary bonus will be adjusted from time to time with reference to the recommendation by the Remuneration and Appraisal Committee. The Remuneration and Appraisal Committee will take the Group's operating results and the individual performance into consideration. For the year ended December 31, 2020, Mr. Fan received total emoluments of RMB1,097,000.

GENERAL

- (i) The emoluments of the executive Directors and non-executive Directors are determined with reference to the Directors' duties and responsibilities, the individual director's overall performance, the Company's performance, as well as the prevailing market conditions.
- (ii) Save for the information set out in this section, there are no other matters that need to be brought to the attention of the Shareholders of the Company in respect of re-election of the retiring Directors and there is no other information relating to the retiring Directors that should be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

I. EFFECTIVENESS AND DURATION

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

The Share Option Plan shall be valid and effective for a period of 10 years commencing on the Adoption Date, after which period no further Options will be granted under the Share Option Plan, but the provisions of the Share Option Plan 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 Share Option Plan.

II. ADMINISTRATION

The Board shall have the sole and absolute right to, among others, interpret and construe the provisions of the Share Option Plan, determine the Grantees who will be offered Options under the Share Option Plan and the Subscription Price in relation to such Options in accordance with the provisions of the Share Option Plan.

The Administrative Committee shall be responsible for, among other things, 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 Share Option Plan on the Stock Exchange and approving the draft announcement to be published by the Company in connection with the grant of Options and other administrative work of the Share Option Plan as delegated by the Board from time to time.

III. ELIGIBILITY AND GRANT OF OPTIONS**(A) Eligibility and making and acceptance of an offer**

The Eligible Participants for the Share Option Plan include any employee (whether full time or part time), executives or officers, directors (including executive, non-executive and independent non-executive directors) of any member of the Group, who, in the sole opinion of the Board, have contributed or will contribute to the growth and development of the Group.

The Board shall be entitled at any time during the operation of the Share Option Plan, at its/his/her 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. Unless otherwise determined by the Board, RMB1.00 shall be payable by the Grantee to the Company upon acceptance of the offer of Options, and such remittance shall not be refundable.

(B) Grant of Options to Director, chief executive, substantial shareholder, and their respective associates

Any grant of Options to a connected person (as defined in the Listing Rules) of the Company, or any of its/his/her associates, shall also comply and be approved in accordance with the applicable requirements of the Listing Rules, including but not limited to:

- (i) if Options are granted to a Director, chief executive or substantial shareholder of the Company or any of their respective associates, such grant shall be subject to the approval by the independent non-executive Directors (and in the event that the Board offers to grant Options to any independent non-executive Director, the vote of such independent non-executive Director shall not be counted for the purposes of approving such grant); and
- (ii) if Options are granted to a substantial Shareholder or an independent non-executive Director (or any of their respective associates) and that grant would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person under the Share Option Plan and any other schemes in the 12-month period up to and including the Grant Date:
 - (a) representing in aggregate over 0.1%, or such other percentage as may from time to time be provided under the Listing Rules, of the Shares in issue on the Grant Date; and
 - (b) having an aggregate value, based on the official closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange on the Grant Date, in excess of HK\$5 million or such other sum as may from time to time be provided under the Listing Rules,

such grant shall be subject to, in addition to the approval of the independent non-executive Directors, the issue of a circular by the Company to the Shareholders and the approval of the Shareholders in general meeting of the Company by way of a poll convened and held in accordance with the Articles of Association at which all connected persons (as defined in the Listing Rules) of the Company shall abstain from voting in favour of the resolution concerning the grant of such Options at the general meeting, and/or such other requirements prescribed under the Listing Rules from time to time. Unless provided otherwise in the Listing Rules, the date of the Board meeting at which the Board proposes to grant the proposed Options to that Eligible Participant shall be taken as the Grant Date for the purpose of calculating the Subscription Price.

(C) 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 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,

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) 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) 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.

IV. 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 Share Option Plan and any other option scheme involving the issue or grant of options over Shares or other securities by the Company or any of its subsidiaries shall not in aggregate exceed 10% of the issued share capital of the Company as of the date of general meeting of the Company approving the adoption of the Share Option Plan (the "**Scheme Limit**") unless the Company obtains the approval of the Shareholders to refresh the Scheme Limit.

(B) Refreshment of Scheme Limit

The Company may seek the approval of the Shareholders in general meeting to refresh the Scheme Limit such that the total number of Shares which may be issued upon exercise of all Options that may be granted under the Share Option Plan and any other option scheme/plan involving the issue or grant of options over Shares or other securities by the Company under the limit as refreshed shall not exceed 10% of the issued share capital of the Company as at the date of approval of the refreshed limit.

The Company may seek the approval of the Shareholders in general meeting to grant Options which will result in the number of Shares in respect of all the Options granted under the Share Option Plan and all the options granted under any other option scheme exceeding 10% of the issued share capital of the Company, provided that such Options are granted only to participants specifically identified by the Company before the approval of the Shareholders is sought.

(C) Maximum number of Shares issued pursuant to Options

The maximum number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Share Option Plan and any other options granted and yet to be exercised under any other option scheme shall not exceed 30% of the issued share capital of the Company from time to time.

(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 upon exercise of the Options already granted or to be granted to such Eligible Participant under the Share Option Plan (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the Grant Date of such new grant exceeding 1% in aggregate of the issued share capital of the Company as at the Grant Date of such new grant. Any grant of further Options above this limit shall be subject to the requirements provided under the Listing Rules.

V. OPTION TERMS AND EXERCISE OF OPTIONS**(A) Subscription Price**

The Subscription Price shall be a price determined by the Board and notified to any Grantee and will be the highest of:

- (a) the closing price of a Share as stated in the Stock Exchange's daily quotations sheet on the Grant Date of the relevant Options, which must be a Business Day;
- (b) an amount equivalent to the average closing price of a Share as stated in the Stock Exchange's daily quotation sheets for the five (5) Business Days immediately preceding the Grant Date of the relevant Options; and
- (c) the nominal value per Share on the Grant Date.

(B) Vesting Schedule and Exercise Period

The Board may specify the exercise period and the vesting schedule of the Options in the grant letter. Unless the Options have been withdrawn and cancelled or been forfeited in whole or in part, the Grantee may exercise his rights under the Share Option Plan according to the vesting schedule set out in the relevant Grant Letter. The Option must be exercised no more than 10 years from the Grant Date. There is no minimum period for which an Option must be held before it can be exercised.

(C) Performance Target

Unless otherwise determined by the Board, no performance target shall be achieved before the Options can be exercised.

VI. TRANSFERABILITY

Any Options 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. Any breach of the foregoing by the Grantee shall entitle the Company to cancel any Options or part thereof granted to such Grantee (to the extent not already exercised) without incurring any liability on the part of the Company.

VII. LAPSE

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

- (a) the expiry of the exercise period of the Options;
- (b) subject to the compromise or arrangement (for the purpose of or in connection with reconstruction or amalgamation) becoming effective, the expiry of the exercise period relating to termination of employment of the Grantee or the listing of the Company's subsidiary which employs the Grantee;
- (c) the date on which the Grantee ceases to be an Eligible Participant in accordance with the Share Option Plan;
- (d) the date of the commencement of the voluntary winding-up of the Company;
- (e) the date on which the Board exercises the Company's right to cancel or forfeit the Options if the Grantee commits any breach of the provisions of paragraph VI above or the confidentiality clause of the Share Option Plan;
- (f) the date on which the Options are cancelled in accordance with the Share Option Plan; and
- (g) the date on which the Option shall cease to be exercisable as determined by the Board in accordance with the Share Option Plan in the event of a general offer for Shares.

VIII. 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 and will rank equally in all respects with the Shares in issue on the date of allotment and issuance. Such Shares will not rank for any rights attaching to Shares by reference to a record date preceding the date of allotment and issuance.

IX. ADJUSTMENT

If there is any alteration in the capital structure of the Company while any Options remains exercisable, whether by way of capitalisation of profits or reserves, rights issue, consolidation, subdivision 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 Subscription Price; and/or
- (c) the maximum number of Shares for which further Options may be granted under the Share Option Plan.

Except alterations made on a capitalization issue, any alteration to the number of Shares which is the subject of the Options and/or the Subscription 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.

X. ALTERATION

The Share Option Plan may be altered in any respect by resolution of the Board except that certain provisions relating to the matters set out in Rule 17.03 of the Listing Rules shall not be altered to extend the class of persons eligible for the grant of options or to the advantage of Grantees or prospective Grantees except with the prior approval of the Shareholders in general meeting (with participants and their respective associates abstaining from voting). The amended terms of the Share Option Plan shall comply with the relevant requirements of the Listing Rules (including, without limitation, Chapter 17 of the Listing Rules).

Notwithstanding the foregoing, the Share Option Plan 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.

XI. TERMINATION

The Board may at any time terminate the operation of the Share Option Plan before the end of its life and in such event no further Options will be offered but (save in the case of termination pursuant to paragraph I above) the provisions of the Share Option Plan 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.

XII. CANCELLATION

Unless otherwise provided for in the Share Option Plan, any cancellation of Options granted in accordance with the Share Option Plan but not exercised may be effected on such terms as the Board may in its absolute discretion sees fit and in a manner that complies with all applicable legal requirements for such cancellation. 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 limit set out in paragraph IV above.

NOTICE OF ANNUAL GENERAL MEETING



XD Inc.

心动有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2400)

NOTICE OF 2021 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Annual General Meeting of XD Inc. (the “Company”) will be held at Unit A1, No. 700 Wanrong Road, Shanghai, China on Friday, June 25, 2021 at 11:00 a.m. to transact the following businesses:

1. To receive and consider the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors and auditor for the year ended December 31, 2020.
2.
 - i) To re-elect Mr. Liu Wei as a Director.
 - ii) To re-elect Ms. Liu Qianli as a Director.
 - iii) To re-elect Mr. Fan Shuyang as a Director.
 - iv) To authorize the board of Directors to fix the remuneration of the Directors.
3. To re-appoint PricewaterhouseCoopers as auditor and to authorize the board of Directors to fix its remuneration.

and to consider and, if thought fit, pass the following resolutions as ordinary resolution:

4. **“THAT:**
 - (a) subject to paragraph (b) of this resolution, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional Shares of US\$0.0001 each in the share capital of the Company (the “Shares”) or securities convertible into Shares, and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into Shares) which would or

NOTICE OF ANNUAL GENERAL MEETING

might require the exercise of such powers, subject to and in accordance with all applicable laws, rules and regulations, be and is hereby generally and unconditionally approved;

- (b) the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into Shares) which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) the exercise of the conversion rights attaching to any convertible securities issued by the Company; (iii) any adjustment of rights to subscribe for Shares under options and warrants or a special authority granted by the shareholders of the Company; (iv) the exercise of any subscription rights which may be granted under any share option scheme or similar arrangement for the time being adopted by the Company; or (v) an issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles of Association of the Company; shall not exceed 20% of the total number of Shares in issue as at the date of the passing of this resolution (subject to adjustment in the case of any consolidation or subdivision of Shares of the Company after the date of passing this resolution), and the said approval shall be limited accordingly; and
- (d) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of the Company or any applicable law of the Cayman Islands to be held; or
 - (iii) the date on which such mandate is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

“Rights Issue” means an offer of Shares open for a period fixed by the Directors to the holders of Shares or any class of Shares whose names appear on the registers of members of the Company on a fixed record date in proportion to their then holdings of

NOTICE OF ANNUAL GENERAL MEETING

such Shares as at that date (subject to such exclusions or other arrangements as the directors of the Company 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 any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

5. **“THAT:**

- (a) subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to buy back the Shares on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchange on which Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or those of any other recognised stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate number of Shares to be purchased by the Company pursuant to the approval in paragraph (a) of this resolution shall not exceed 10% of the total number of Shares in issue as at the date of the passing of this resolution (subject to adjustment in the case of any consolidation or subdivision of Shares of the Company after the date of passing this resolution), and the said approval shall be limited accordingly; and
- (c) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of the Company or any applicable law of the Cayman Islands to be held; or
 - (iii) the date on which such mandate is revoked or varied by an ordinary resolution of the Shareholders in general meeting.”

NOTICE OF ANNUAL GENERAL MEETING

6. “**THAT** conditional upon resolutions numbered 4 and 5 above being passed, the general mandate granted to the Directors to allot, issue and deal with additional Shares or securities convertible into Shares and to make or grant offers, agreements, and options which might require the exercise of such powers pursuant to resolution numbered 4 above be and is hereby extended by the addition to the number of the issued Shares of the Company which may be allotted or agreed conditional or unconditionally to be allotted by Directors pursuant to such general mandate of an amount representing the aggregate number of Shares purchased by the Company under the authority granted pursuant to resolution numbered 5 above, provided that such amount shall not exceed 10% of the total number of Shares in issue as at the date of passing the resolution (subject to adjustment in the case of any consolidation or subdivision of Shares of the Company after the date of passing this resolution).”

7. “**That** the share option plan of the Company be and are hereby approved and any director or the company secretary of the Company be and are hereby authorized to execute such documents and take such actions as they deem appropriate to implement and give effect to such share option plan and the directors of the Company be and are hereby authorized to grant options and to allot, issue and deal with the shares of the Company pursuant to the exercise of any option granted thereunder.”

By order of the Board

XD Inc.

HUANG Yimeng

Chairman and Chief Executive Officer

May 21, 2021

Notes:

1. For the purpose of determining the identity of the shareholders entitled to attend and vote at the meeting, the register of members of the Company will be closed from Tuesday, June 22, 2021 to Friday, June 25, 2021, both dates inclusive, during which period no transfer of shares will be effected. All transfers accompanied by the relevant certificates must be lodged with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, June 21, 2021.

2. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint one or, if he is the holder of two or more Shares, more proxies to attend and vote instead of him. A proxy need not be a member of the Company.

3. In the case of joint holders of Shares in the Company, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holder(s), seniority being determined by the order in which names stand in the register of members.

NOTICE OF ANNUAL GENERAL MEETING

4. In order to be valid, the form of proxy must be in writing under the hand of the appointor or of his attorney duly authorized in writing, or if the appointor is a corporation, either under seal, or under the hand of an officer or attorney or other person duly authorized, and must be deposited with the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (together with the power of attorney or other authority, if any, under which it is signed or a certified copy thereof) not less than 48 hours before the time fixed for holding of the Meeting.
5. With respect to resolution numbered 2 of this notice, Mr. LIU Wei, Ms. LIU Qianli and Mr. FAN Shuyang shall retire from office of directorship and shall offer themselves for re-election in accordance with the Articles of the Company. Details of their information which are required to be disclosed under the Listing Rules are set out in the circular of the Company dated May 21, 2021.
6. 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.