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

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, 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,  
PROPOSED AMENDMENTS TO THE MEMORANDUM AND  
ARTICLES OF ASSOCIATION AND  
THE ADOPTION OF THE AMENDED AND RESTATED MEMORANDUM AND  
ARTICLES OF ASSOCIATION  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting (“AGM”) of XD Inc. to be held at Unit A1, No. 700 Wanrong Road, Shanghai, China on Tuesday, June 20, 2023 at 10:30 a.m., at which, among other things, the above proposals will be considered, is set out on pages 30 to 35 of this circular. A form of proxy for use at the AGM is enclosed with this circular.

Whether or not you intend to attend the AGM, 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 appointed for convening the AGM (i.e. not later than 10:30 a.m. on Sunday, June 18, 2023) 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.

April 27, 2023

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## **RESPONSIBILITY STATEMENT**

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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.

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## DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be convened and held at Unit A1, No. 700 Wanrong Road, Shanghai, China on Tuesday, June 20, 2023 at 10:30 a.m. or any adjournment thereof
“Articles”	the articles of association of the Company
“Board”	the board of Directors
“Board Diversity Policy”	the board diversity policy of the Company, a summary of which is set out on page 23 of the Company’s 2022 annual report
“Buy-back Mandate”	a general unconditional mandate proposed to be granted to the Directors at the AGM to exercise the power of the Company 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
“close associates”	has the meaning as defined under the Listing Rules
“Companies Act”	the Companies Act (As Revised) of the Cayman Islands as amended, supplemented or otherwise modified from time to time
“Company”	XD Inc., a company incorporated in the Cayman Islands with limited liability on January 25, 2019 and the Shares of which are listed on the Stock Exchange on December 12, 2019
“Consolidated Affiliated Entities”	the entities we control through the contractual arrangement, namely X.D. Network and its respective subsidiaries
“Director(s)”	the director(s) of the Company

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## DEFINITIONS

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“Group”	the Company, its subsidiaries and consolidated affiliated entities
“Happy Today Trust”	a trust established by Mr. Huang Yimeng as the settlor
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“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”	April 20, 2023, 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, supplemented or otherwise modified from time to time
“Memorandum”	the memorandum of association of the Company
“Nomination Policy”	the nomination policy of the Company, a summary of which is set out on pages 30 to 31 of the Company’s 2022 annual report
“Relevant Entities”	certain entities in which X.D. Network also directly or indirectly holds investment in the PRC in addition to the restricted and/or prohibited business of the Company
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

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## DEFINITIONS

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“Share Option Plan”	the share option plan of the Company adopted and approved by the Shareholders on June 25, 2021
“Share(s)”	ordinary shares of US\$0.0001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs, as amended or supplemented from time to time
“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.

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LETTER FROM THE BOARD

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**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 of the Board and*

*Chief Executive Officer)*

Mr. Dai Yunjie

Mr. Fan Shuyang

*Non-executive Director:*

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

April 27, 2023

*To the Shareholders*

Dear Sir or Madam,

**PROPOSALS FOR GENERAL MANDATES TO ISSUE SHARES AND  
TO BUY BACK SHARES,  
RE-ELECTION OF DIRECTORS,  
PROPOSED AMENDMENTS TO THE MEMORANDUM AND  
ARTICLES OF ASSOCIATION AND  
THE ADOPTION OF THE AMENDED AND RESTATED MEMORANDUM AND  
ARTICLES OF ASSOCIATION  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**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 at the AGM in respect of, among other matters, (i) the granting to the Directors the Issue Mandate and the Buy-back Mandate, (ii) the re-election

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## LETTER FROM THE BOARD

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of Directors, (iii) the amendments to the Memorandum and Articles of Association and the Adoption of the Amended and Restated Memorandum and Articles of Association; and (iv) to give you notice of the AGM at which resolutions will be proposed for the Shareholders to consider and, if thought fit, approve the aforesaid matters.

### **GENERAL MANDATES**

At the annual general meeting of the Company held on June 23, 2022, 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 total number of Shares in issue; (ii) a general unconditional mandate to buy back Shares up to 10% of the total number of Shares in issue; and (iii) to extend the general mandate mentioned in (i) above by the addition of an amount representing the total number of Shares 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 the Companies Act 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 480,453,107 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 96,090,621 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



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## LETTER FROM THE BOARD

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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.

### **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. Assuming that there is no change in the issued Shares from the Latest Practicable Date up to the date of the AGM, the maximum number of Shares which may be bought back pursuant to the Buy-back Mandate as at the date of passing the resolution of Buy-back Mandate will be 48,045,310 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 the Companies Act 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.

Please refer to resolutions numbered 4 to 6 as set out in the notice of AGM on pages 30 to 35 of this circular for details of the proposed Issue Mandate and Buy-back Mandate.

### **RE-ELECTION OF DIRECTORS**

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. Huang Yimeng, Mr. Liu Wei and Ms. Liu Qianli shall retire from office at the AGM. Mr. Huang Yimeng, Mr. Liu Wei and Ms. Liu Qianli being eligible, will offer themselves for re-election at the AGM.

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

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## LETTER FROM THE BOARD

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### PROCEDURE AND PROCESS FOR NOMINATION OF DIRECTORS

Mr. Huang Yimeng and, being an executive Director and Mr. Liu Wei, being a non-executive Director, all 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 extensive experience in investment banking and corporate finance.

Furthermore, Ms. Liu Qianli, being independent non-executive Director eligible for re-election at the AGM, the Nomination Committee has considered and believed that:-

- (a) Ms. Liu Qianli (“**Ms. Liu**”) was appointed as an independent non-executive Director on December 17, 2020 and she has held this position for about two years. The tenure of Ms. Liu on the Board has not affected her independence. Besides, she had confirmed her independence pursuant to Rule 3.13 of the Listing Rules. During her tenure as an 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.
- (b) Ms. Liu does not hold seventh (or more) listed company directorship.
- (c) Ms. Liu possesses vast experience in investment banking and corporate finance. Ms. Liu’s working profile and other experience can provide advice to the Board from a professional perspective.
- (d) The Board currently consists of 6 male Directors and 1 female Director. The Nomination Committee has considered the above factors, and the personal characteristics of Ms. Liu and believed that she can enhance the diversity of the Board.

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 has 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 from the nomination committee of the Company, is of the view that each of Mr. Huang Yimeng, Mr. Liu Wei and Ms. Liu Qianli 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

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## LETTER FROM THE BOARD

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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.

### **PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION AND THE ADOPTION OF THE AMENDED AND RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION**

Reference was made to the announcement of the Company dated March 30, 2023 relating to the Proposed Amendments to the memorandum and articles of association of the Company (“**Memorandum and Articles of Association**”).

The Board proposed to: (i) make certain amendments (the “**Proposed Amendments**”) to the Memorandum and Articles of Association, for the purpose of, among others, (a) reflecting the core shareholder protection standards as set out in the revised Appendix 3 to the Listing Rules with effect from January 1, 2022, (b) bringing the existing Memorandum and Articles of Association in line with the Companies Act (As Revised) of the Cayman Islands, and (c) incorporating certain housekeeping amendments into the existing Memorandum and Articles of Association; and (ii) adopt the amended and restated memorandum and articles of association of the Company incorporating and consolidating the Proposed Amendments (the “**Amended and Restated Memorandum and Articles of Association**”).

Details of the Proposed Amendments to the existing Memorandum and Articles of Association are set out in Appendix III to this circular.

The legal advisers to the Company as to Hong Kong laws and Cayman Islands law have respectively confirmed that the proposed amended and restated memorandum and articles of association incorporated with the proposed amendments comply with the requirements of the Listing Rules and do not violate the applicable laws of the Cayman Islands. The Company also confirms that there is nothing unusual about the proposed amendments for a Cayman Islands company listed on the Stock Exchange.

The Proposed Amendments as well as the adoption of the Amended and Restated Memorandum and Articles of Association are subject to the Shareholders’ approval by way of special resolution at the AGM, and a special resolution numbered 7 will be proposed at the AGM accordingly.

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## LETTER FROM THE BOARD

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### ANNUAL GENERAL MEETING

Set out on pages 30 to 35 of this circular is a notice convening the AGM to consider and, if thought fit, to pass the resolutions as set out in the notice of AGM.

For the purpose of determining the identity of the Shareholders entitled to attend and vote at the AGM, the register of members of the Company will be closed from Thursday, June 15, 2023 to Tuesday, June 20, 2023, (both days inclusive), during which period no transfer of Shares will be effected. All transfers accompanied by the relevant share 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 Wednesday, June 14, 2023. Shareholders whose names appear on the register of members of the Company on June 20, 2023 are entitled to attend the AGM.

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 holding the AGM (i.e. not later than 10:30 a.m. on Sunday, June 18, 2023) or any adjournment thereof (as the case may be). Completion and return of the form of proxy shall not preclude you from attending and voting in person at the AGM or any adjournment thereof (as the case may be) should you 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.

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.

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## LETTER FROM THE BOARD

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### RECOMMENDATION

The Board considers that all the resolutions proposed for consideration and approval as set out in this circular are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of all the resolutions to be proposed 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*

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## **APPENDIX I EXPLANATORY STATEMENT ON BUY-BACK MANDATE**

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This appendix serves as an explanatory statement, as required by the Listing Rules, to provide the Shareholders with requisite information reasonably necessary to enable them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the AGM 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 480,453,107 Shares with a 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 48,045,310 Shares, representing up to 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 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 OF SHARES**

The Directors believe that the Buy-back Mandate is in the best interests of the Company and the Shareholders as a whole. 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

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## APPENDIX I EXPLANATORY STATEMENT ON BUY-BACK MANDATE

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subject to the provisions of the Companies Act, 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 Act, 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, 2022, being the date to which the latest published audited consolidated financial statements of the Company were made up.

The Directors do not intend 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 and up to the Latest Practicable Date were as follow:

	Price per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
<b>2022</b>		
April	29.40	17.66
May	23.20	18.04
June	26.75	20.20
July	21.30	17.66
August	20.40	17.42
September	22.05	15.60
October	17.92	12.26
November	24.25	13.64
December	23.00	19.30

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**APPENDIX I EXPLANATORY STATEMENT ON BUY-BACK MANDATE**

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	<b>Price per Share</b>	
	<b>Highest</b>	<b>Lowest</b>
	<i>HK\$</i>	<i>HK\$</i>
<b>2023</b>		
January	27.85	20.60
February	29.30	24.40
March	28.65	21.80
April (up to the Latest Practicable Date)	28.85	24.00

**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 power of the Company to make repurchases under the Buy-back Mandate in accordance with the Listing Rules, the Articles and the applicable laws, rules and regulations of Cayman Islands.

**8. CORE CONNECTED PERSON**

None of the Directors nor, to the best of their knowledge having made reasonable enquiries, any of their respective close associates has any present intention, in the event that the Buy-back Mandate is approved by Shareholders and the conditions (if any) which the Buy-back Mandate are fulfilled, to sell Shares to the Company under the Buy-back Mandate. No core connected person (as defined in the Listing Rules) has notified the Company that he/she/it has any present intention to sell Shares to the Company, or has undertaken not to do so, in the event that the Buy-back Mandate is approved by the Shareholders and the conditions (if any) which the Buy-back Mandate are fulfilled.

**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



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## **APPENDIX I EXPLANATORY STATEMENT ON BUY-BACK MANDATE**

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a 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 an aggregate interest in 162,937,951 Shares which comprised (i) a personal interest in 2,486,000 Shares, (ii) a spouse's interest in 2,100,000 Shares, (iii) interested in 157,605,000 Shares as a beneficiary of the Happy Today Trust and (iv) entitled to 746,951 Shares underlying the share options granted pursuant to the Share Option Plan. In the event that the Directors exercise in full the power to buy back Shares under the Buy-back Mandate, the attributable interest of Mr. Huang Yimeng would increase from approximately 33.91% to 37.68% 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. HUANG Yimeng**

**Mr. Huang Yimeng (黃一孟)**, aged 41, is an executive Director, the Chairman of the Board and the Chief Executive Officer of our Company. Mr. Huang has over 16 years of experience in games, telecommunications, technology and internet industries and is primarily responsible for the overall operations and management of our Group. Mr. Huang has been the chairman of the board of directors of X.D. Network since July 2011. Mr. Huang currently also holds directorships in various of our subsidiaries, our PRC Consolidated Affiliated Entities and Relevant Entities. In addition, Mr. Huang has abundant management experience in the technology industry, including as the chief executive officer of Shanghai Shaosi Network Technology Co., Ltd. (上海少思網絡科技有限公司) from May 2007 to June 2011, and the chief executive officer of Shanghai Weixi Network Technology Co., Ltd. (上海維西網絡科技有限公司) from June 2005 to April 2007. Mr. Huang graduated from Fudan High School in China in July 2000.

Save as disclosed above, Mr. Huang 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. Huang had a personal interest in (i) a personal interest in 2,486,000 Shares, (ii) a spouse's interest in 2,100,000 Shares, (iii) interested in 157,605,000 Shares as a beneficiary of the Happy Today Trust and (iv) entitled to 746,951 Shares underlying the share options granted pursuant to the Share Option Plan, within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. Huang has entered into a service contract with our Company on December 17, 2020. The initial term for the service contract commenced from November 29, 2019 and shall continue for three years. 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, 2022, Mr. Huang received total emoluments of RMB6,833,000.

**2. Mr. LIU Wei**

**Mr. Liu Wei (劉偉)**, aged 36, 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 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 will receive no remuneration as non-executive Director of the Company.

**3. Ms. LIU Qianli**

**Ms. Liu Qianli (劉千里)**, aged 47, is our independent non-executive Director. Ms. Liu has over 19 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 (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; an independent director of Luckin Coffee Inc., a coffee retail company listed on the OTC Pink Market (OTC: LKNCY), from May 2022 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, Ms. Liu 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, Ms. Liu is entitled to a director's fee of RMB150,000 per annum.

## **GENERAL**

- (i) The emoluments of the executive Director and independent 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 for similar senior positions.

- (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 in respect of re-election of the retiring Directors and there is no other information relating to the above Directors that should be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

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

In order to bring the Memorandum and Articles of Association in line with the amendments made to the applicable laws of the Cayman Islands and the Appendix 3 to the Listing Rules which took effect on January 1, 2022, the Board resolved on March 30, 2023 to propose to ~~make~~ the Proposed Amendments.

The Proposed Amendments are as follows (insertions are underlined while deletions are crossed-out):

<b>Currently in force</b>		<b>Proposed to be amended as</b>	
<b>Article No.</b>	<b>Articles of Association</b>	<b>Article No.</b>	<b>Articles of Association</b>
1 *	The regulations contained in Table A in the First Schedule to the Companies Law shall not apply to the Company.	1 *	The regulations contained in Table A in the First Schedule to the Companies <del>Law</del> <u>Act</u> shall not apply to the Company.
2.2	“Companies Law” shall mean the Companies Law (2018 Revision), Cap.22 of the Cayman Islands and any amendments thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor.	2.2	“Companies <del>Law</del> <u>Act</u> ” shall mean the Companies <del>Law</del> (2018 <del>Revision</del> <u>Act</u> (As Revised), Cap. 22 of the Cayman Islands and any amendments thereto or re-enactments <u>or revisions</u> thereof for the time being in force and includes every other law incorporated therewith or substituted therefor.
	“dividend” shall include bonus dividends and distributions permitted by the Companies Law to be categorised as dividends.		“dividend” shall include bonus dividends and distributions permitted by the Companies <del>Law</del> <u>Act</u> to be categorised as dividends.
	“electronic” shall have the meaning given to it in the Electronic Transactions Law.		“electronic” shall have the meaning given to it in the Electronic Transactions <del>Law</del> <u>Act</u> .

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

<p>“Electronic Transactions Law” shall mean the Electronic Transactions Law (2003 Revision) of the Cayman Islands and any amendment thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor.</p>	<p>“Electronic Transactions <del>Law</del><u>Act</u>” shall mean the Electronic Transactions <del>Law</del><u>Act</u> (2003 Revision) of the Cayman Islands and any amendment thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor.</p>
<p>“special resolution” shall have the same meaning as ascribed thereto in the Companies Law and shall include a unanimous written resolution of all members: for this purpose, the requisite majority shall be not less than three-fourths of the votes of such members as, being entitled to do so, vote in person or, where proxies are allowed, by proxy or, in the case of corporations, by their duly authorised representatives, at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given, and includes a special resolution passed pursuant to Article 13.10.</p>	<p>“special resolution” shall have the same meaning as ascribed thereto in the Companies <del>Law</del><u>Act</u> and shall include a unanimous written resolution of all members: for this purpose, the requisite majority shall be not less than three-fourths of the votes of such members as, being entitled to do so, vote in person or, where proxies are allowed, by proxy or, in the case of corporations, by their duly authorised representatives, at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given, and includes a special resolution passed pursuant to Article 13.10.</p>

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

<p>12.1</p>	<p>The Company shall hold a general meeting as its annual general meeting in each year other than the year of the Company’s adoption of these Articles, within a period of not more than 15 months after the holding of the last preceding annual general meeting or not more than 18 months after the date of adoption of these Articles (or such longer period as the Exchange may authorise). The annual general meeting shall be specified as such in the notices calling it and shall be held at such time and place as the Board shall appoint.</p>	<p>12.1</p>	<p>The Company <del>shall</del><u>must</u> hold a general meeting as its annual general meeting in each <del>year other than the year of the Company’s adoption of these Articles,</del>financial year. Such meeting <u>must be held within a period of not more than 15</u><del>more than 15</del><u>six</u> months after the holding of the last preceding annual general meeting or not more than 18 months after the date of adoption of these Articles (or such longer period as the Exchange may authorise).<u>end of the Company’s financial year.</u> The annual general meeting shall be specified as such in the notices calling it and shall be held at such time and place as the Board shall appoint.</p>
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12.3	<p>The Board may, whenever it thinks fit, convene an extraordinary general meeting. General meetings shall also be convened on the written requisition of any two or more members deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionists, provided that such requisitionists held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company. General meetings may also be convened on the written requisition of any one member which is a recognised clearing house (or its nominee(s)) deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitioner, provided that such requisitioner held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company. If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitioner(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitioner(s) as a result of the failure of the Board shall be reimbursed to them by the Company.</p>	12.3	<p>The Board may, whenever it thinks fit, convene an extraordinary general meeting. General meetings shall also be convened and resolutions to a meeting agenda shall be added on the written requisition of any <del>two</del>one or more members deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and the resolutions to be added to the meeting agenda, and signed by the requisitionists, provided that such requisitionists held as at the date of deposit of the requisition not less than one-tenth of the paid up capital, on a one vote per share basis, of the Company which carries the right of voting at general meetings of the Company. General meetings may also be convened on the written requisition of any one member which is a recognised clearing house (or its nominee(s)) deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and the resolutions to be added to the meeting agenda, and signed by the requisitioner, provided that such requisitioner held as at the date of deposit of the requisition not less than one-tenth of the paid up capital, on a one vote per share basis, of the Company which carries the right of voting at general meetings of the Company. If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitioner(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitioner(s) as a result of the failure of the Board shall be reimbursed to them by the Company.</p>
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**APPENDIX III                      PROPOSED AMENDMENTS TO THE MEMORANDUM  
AND ARTICLES OF ASSOCIATION**

	—	13.11	<u>All members for the time being entitled to receive notice of and to attend and vote at general meetings (or, in the case of a member being a corporation, its duly authorised representative), shall have the right to speak at any general meetings of the Company.</u>
14.9	The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney authorised in writing, or if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person duly authorised to sign the same.	14.9	The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney authorised in writing, or if the appointor is a corporation, <del>either under its seal or</del> <u>the corporation may execute a form of proxy</u> under the hand of <del>an officer, attorney or other person</del> <u>a</u> duly authorised to sign the same <u>officer</u> .

<p>14.15 If a recognised clearing house (or its nominee(s)) is a member it may authorise such person or persons as it thinks fit to act as its representative(s) at any general meeting of the Company or at any general meeting of any class of members provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. The person so authorised will be deemed to have been duly authorised without the need of producing any documents of title, notarised authorisation and/or further evidence to substantiate that it is so authorised. A person so authorised pursuant to this provision shall be entitled to exercise the same rights and powers on behalf of the recognised clearing house (or its nominee(s)) which he represents as that recognised clearing house (or its nominee(s)) could exercise as if such person were an individual member holding the number and class of shares specified in such authorisation, including, where a show of hands is allowed, the right to vote individually on a show of hands, notwithstanding any contrary provision contained in these Articles.</p>	<p>14.15 If a recognised clearing house (or its nominee(s)) is a member it may authorise such person or persons as it thinks fit to act as its representative(s) <del>at any general meeting of the Company</del> <u>at any meeting of the Company (including but not limited to any general meeting and creditors meeting of the Company)</u> or at any general meeting of any class of members provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. The person so authorised will be deemed to have been duly authorised without the need of producing any documents of title, notarised authorisation and/or further evidence to substantiate that it is so authorised. A person so authorised pursuant to this provision shall be entitled to exercise the same rights and powers on behalf of the recognised clearing house (or its nominee(s)) which he represents as that recognised clearing house (or its nominee(s)) could exercise as if such person were an individual member holding the number and class of shares specified in such authorisation <u>and shall enjoy rights equivalent to the rights of other members, including, the right to speak and</u> where a show of hands is allowed, the right to vote individually on a show of hands <u>or on a poll</u>, notwithstanding any contrary provision contained in these Articles.</p>
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**APPENDIX III            PROPOSED AMENDMENTS TO THE MEMORANDUM  
AND ARTICLES OF ASSOCIATION**

16.2	<p>The Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election at that meeting.</p>	16.2	<p>The Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the <del>next following</del> <u>first annual</u> general meeting of the Company <u>after his appointment</u> and shall then be eligible for re-election at that meeting.</p>
16.3	<p>The Company may from time to time in general meeting by ordinary resolution increase or reduce the number of Directors but so that the number of Directors shall not be less than two. Subject to the provisions of these Articles and the Companies Law, the Company may by ordinary resolution elect any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors. 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.</p>	16.3	<p>The Company may from time to time in general meeting by ordinary resolution increase or reduce the number of Directors but so that the number of Directors shall not be less than two. Subject to the provisions of these Articles and the Companies <del>Law</del><u>Act</u>, the Company may by ordinary resolution elect any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until the <del>next following</del> <u>first annual</u> general meeting of the Company <u>after his appointment</u> and shall then be eligible for re- election.</p>

16.6	The Company may by ordinary resolution at any time remove any Director (including a Managing Director or other executive Director) before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director and may by ordinary resolution elect another person in his stead. Any person so elected shall hold office during such time only as the Director in whose place he is elected would have held the same if he had not been removed. Nothing in this Article should be taken as depriving a Director removed under any provision of this Article of compensation or damages payable to him in respect of the termination of his appointment as Director or of any other appointment or office as a result of the termination of his appointment as Director or as derogatory from any power to remove a Director which may exist apart from the provision of this Article.	16.6	The <del>Company</del> <u>members</u> may by ordinary resolution at any time remove any Director (including a Managing Director or other executive Director) before the expiration of his <del>period</del> <u>term</u> of office notwithstanding anything in these Articles or in any agreement between the Company and such Director and may by ordinary resolution elect another person in his stead. Any person so elected shall hold office during such time only as the Director in whose place he is elected would have held the same if he had not been removed. Nothing in this Article should be taken as depriving a Director removed under any provision of this Article of compensation or damages payable to him in respect of the termination of his appointment as Director or of any other appointment or office as a result of the termination of his appointment as Director or as derogatory from any power to remove a Director which may exist apart from the provision of this Article.
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**APPENDIX III                      PROPOSED AMENDMENTS TO THE MEMORANDUM  
AND ARTICLES OF ASSOCIATION**

<p>16.18    At every annual general meeting of the Company 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. Any Director appointed pursuant to Article 16.2 or Article 16.3 shall not be taken into account in determining the number of Directors and which Directors are to retire by rotation. A retiring Director shall retain office until the close of the meeting at which he retires and shall be eligible for re-election thereat. The Company at any annual general meeting at which any Directors retire may fill the vacated office by electing a like number of persons to be Directors.</p>	<p>16.18    At every annual general meeting of the Company 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. Any Director <u>re-elected or</u> appointed pursuant to Article 16.2 or Article 16.3 shall not be taken into account in determining the number of Directors and which Directors are to retire by rotation. A retiring Director shall retain office until the close of the meeting at which he retires and shall be eligible for re-election thereat. The Company at any annual general meeting at which any Directors retire may fill the vacated office by electing a like number of persons to be Directors.</p>
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<p>29.2</p>	<p>The Company shall at every annual general meeting appoint an auditor or auditors of the Company who shall hold office until the next annual general meeting. The removal of an Auditor before the expiration of his period of office shall require the approval of an ordinary resolution of the members in general meeting. The remuneration of the Auditors shall be fixed by the Company at the annual general meeting at which they are appointed provided that in respect of any particular year the Company in general meeting may delegate the fixing of such remuneration to the Board. No person may be appointed as the, or an, Auditor, unless he is independent of the Company. The Board may before the first annual general meeting appoint an auditor or auditors of the Company who shall hold office until the first annual general meeting unless previously removed by an ordinary resolution of the members in general meeting in which case the members at that meeting may appoint Auditors. The Board may fill any casual vacancy in the office of Auditor but while any such vacancy continues the surviving or continuing Auditor or Auditors, if any, may act. The remuneration of any Auditor appointed by the Board under this Article may be fixed by the Board.</p>	<p>29.2</p>	<p><u>The appointment, removal and remuneration of an auditor or auditors of the Company shall require the approval of an ordinary resolution of the members in general meeting. The Company shall at every annual general meeting appoint an auditor or auditors of the Company who shall hold office until the next annual general meeting. and fix the remuneration of such auditor(s) being appointed. The removal of <del>an</del> Auditor before the expiration of his period of office shall <del>require the approval of an</del> be approved at a general meeting by ordinary resolution <del>of</del>and the members in general meeting. The remuneration of the Auditors shall be fixed by the Company at the annual general at that meeting at which they are appointed provided that in respect of any particular year the Company in general meeting may delegate the fixing of such remuneration to the Board. appoint new auditor in its place for the remainder of the term. No person may be appointed as the, or an, Auditor, unless he is independent of the Company. The Board may before the first annual general meeting appoint an auditor or auditors of the Company who shall hold office until the first annual general meeting unless previously removed by an ordinary resolution of the members in general meeting in which case the members at that meeting may appoint Auditors. The Board may fill any casual vacancy in the office of Auditor subject to any approval of an ordinary resolution of the members at a general meeting of the Company, but while any such vacancy continues the surviving or continuing Auditor or Auditors, if any, may act. The remuneration of any Auditor appointed by the Board under this Article may be fixed by the Board.</u>Any auditors so appointed shall hold office until the next annual general meeting after his appointment unless previously removed pursuant to these Articles.</p>
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**APPENDIX III                      PROPOSED AMENDMENTS TO THE MEMORANDUM  
AND ARTICLES OF ASSOCIATION**

	—	32.1	<u>Subject to the Companies Act, the Company may by special resolution resolve that the Company be wound up voluntarily.</u>
34	The financial year of the Company shall be prescribed by the Board and may, from time to time, be changed by it.	34	<u>The financial year of the Company shall be prescribed by end on the Board and may, from time to time, be changed by it 31st day of December in each year unless the Directors prescribe some other period therefor.</u>

\* *Similar amendments updating references to Law to the Act have been made in the following Articles as well: Articles 2.3, 2.6, 3.2, 3.4, 3.7, 3.10, 3.14, 3.15, 4.1, 4.4, 4.5, 4.11, 10.1(b), 10.1(c), 10.2, 11.5, 16.5, 18.1, 18.3, 21.1, 21.2, 23.1, 24.1, 24.12, 24.19, 27, 28.1, 28.2, 28.3, 28.6, 32.1, 32.2, 33.2, 35, 36 and 37.*

*Note:* The Proposed Amendments are prepared in the English language and the Chinese language translation of the Proposed Amendments is for reference only. In the event of any inconsistencies between the English language version and the Chinese language version of the Proposed Amendments, the English language version shall prevail.



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## NOTICE OF ANNUAL GENERAL MEETING

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**XD Inc.**

**心动有限公司**

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

**(Stock code: 2400)**

### NOTICE OF 2023 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 Tuesday, June 20, 2023 at 10:30 a.m. to transact the following businesses. Unless otherwise indicated, capitalised terms used herein shall have the same meanings as those defined in the circular of the Company dated April 27, 2023 (the “**Circular**”):

#### ORDINARY RESOLUTIONS

1. To receive and consider the audited consolidated financial statements of the Company and its subsidiaries, the reports of the directors and auditor of the Company for the year ended December 31, 2022.
2.
  - i) To re-elect Mr. HUANG Yimeng as an executive Director.
  - ii) To re-elect Mr. LIU Wei as a non-executive Director.
  - iii) To re-elect Ms. LIU Qianli as an independent non-executive Director.
  - iv) To authorize the Board to fix the remuneration of the Directors.
3. To re-appoint PricewaterhouseCoopers as auditor of the Company and to authorize the Board to fix its remuneration.

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## NOTICE OF ANNUAL GENERAL MEETING

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

4. **“THAT:**

subject to paragraph (b) of this resolution, pursuant to the Listing Rules, the exercise by the Directors during the Relevant Period (as defined in paragraph (d) below) 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 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 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;

- (a) 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;
- (b) 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 defined in paragraph (d) below); or (ii) the exercise of the conversion rights attaching to any convertible securities issued by the Company; or (iii) any adjustment of rights to subscribe for Shares under options and warrants or a special authority granted by the shareholders of the Company; or (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
- (c) for the purpose of this resolution,

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

- (i) the conclusion of the next annual general meeting of the Company;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law of the Cayman Islands to be held; or
- (iii) the date on which such mandate is revoked or varied the authority given the Directors by the passing of an ordinary resolution of the Shareholders in general meeting.

“Rights Issue” means an offer of Shares or offer or issue of warrants, options or other securities giving rights to subscribe for shares of the Company open for a period fixed by the Directors to the holders 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 such Shares (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 defined in paragraph (c) below) of all the powers of the Company to buy back the Shares on 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 Listing Rules 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 or agreed to be bought back by the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period 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 after the date of passing this resolution), and the said approval shall be limited accordingly; and

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## NOTICE OF ANNUAL GENERAL MEETING

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- (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 association 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 the authority given to the Directors by the passing of an ordinary resolution of the Shareholders in 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).”

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## NOTICE OF ANNUAL GENERAL MEETING

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### SPECIAL RESOLUTION

To consider and, if thought fit, to pass with or without amendments, the following resolutions as special resolution:

7. **“THAT:**

- (a) the proposed amendments to the existing memorandum and articles of association of the Company as set out in the circular of the Company dated April 27, 2023 be and are hereby approved;
- (b) the amended and restated memorandum and articles of association of the Company reflecting such proposed amendments, in the form tabled at the Annual General Meeting, marked “A” and for the purpose of identification signed by a Director, be approved and adopted in substitution for and to the exclusion of the existing memorandum and articles of association of the Company with immediate effect; and
- (c) any Director or officer of the Company be and is hereby authorised to do all such acts, deeds and things and execute all such documents and make all such arrangements that he/she shall, in his/her absolute discretion, deem necessary or expedient to give effect to the Proposed Amendments and the adoption of the Amended and Restated Memorandum and Articles of Association, including without limitation, attending to the necessary filings with the Registrar of Companies in Hong Kong and the Cayman Islands.”

By order of the Board

**XD Inc.**

**HUANG Yimeng**

*Chairman and Chief Executive Officer*

Shanghai, the People’s Republic of China,  
April 27, 2023

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## NOTICE OF ANNUAL GENERAL MEETING

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*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 Thursday, June 15, 2023 to Tuesday, June 20, 2023 (both days inclusive), during which period no transfer of shares will be effected. All transfers accompanied by the relevant share 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 Wednesday, June 14, 2023. Shareholders whose names appear on the register of members of the Company on June 20, 2023 are entitled to attend the AGM.
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. Completion and return of the form of proxy will not preclude a member of the Company from attending the annual general meeting and vote in person. In such event, his form of proxy will be deemed to have been revoked.
3. In the case of there are joint holders of any Share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at any meeting, 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), and for this purpose, seniority being determined by the order in which names stand in the register of members in respect to the joint holding.
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 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 (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 AGM (i.e. not later than 10:30 a.m. on Sunday, June 18, 2023) or any adjournment thereof (as the case may be).
5. With respect to resolution numbered 2 of this notice, Mr. HUANG Yimeng, Mr. LIU Wei and Ms. LIU Qianli shall retire from office of directorship and shall offer themselves for re-election in accordance with the Articles. Details of their information which are required to be disclosed under the Listing Rules are set out in the Circular.

*As at the date of this notice, the Board comprises Mr. HUANG Yimeng, Mr. DAI Yunjie and Mr. FAN Shuyang as executive Directors; and Mr. LIU Wei as non-executive Director and Mr. PEI Dapeng, Mr. XIN Quandong and Ms. LIU Qianli as independent non-executive Directors.*