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XD Inc.

心动有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2400)

(Convertible Bonds Code: 40646)

**PARTIAL REPURCHASE AND CANCELLATION OF
US\$280,000,000 1.25% CONVERTIBLE BONDS DUE 2026 IN
THE OPEN MARKET**

This announcement is made by XD Inc. (the “**Company**”) pursuant to Rule 37.48(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

References are made to the announcements of the Company dated March 31, 2021, April 12, 2021 and April 13, 2021 (the “**Announcements**”) in relation to the issuance of the US\$280,000,000 1.25% convertible bonds by the Company due 2026 (the “**Convertible Bonds**”), and the announcement of the Company dated November 22, 2023 regarding the partial repurchase and cancellation of the Convertible Bonds in the open market. Unless otherwise stated, terms used in this announcement shall have the same meanings as those defined in the Announcements.

Pursuant to the terms and conditions of the Convertible Bonds, the Company or any of its subsidiaries may, subject to applicable laws and regulations, at any time and from time to time purchase the Convertible Bonds at any price in the open market or otherwise.

The Company hereby announces that as of December 5, 2023, the Company has further repurchased an aggregate principal amount of US\$15,000,000 of the Convertible Bonds (the “**Repurchased Convertible Bonds**”), and the total repurchased principal amount as of the date of this announcement is in the aggregate of US\$60,400,000, representing approximately 21.57% of the aggregate principal amount of the Convertible Bonds originally issued. The aforesaid repurchase of the Repurchased Convertible Bonds was funded by internal resources of the Company and its subsidiaries. The Board considered that there will be no material impact on financial position of the Company as a result of the aforesaid repurchase of the Repurchased Convertible Bonds. The Board believes that the repurchase and subsequent cancellation of the Repurchased Convertible Bonds reflects the Company’s confidence in its long-term business prospects and could also enhance the return to the shareholders of the Company.

The Company expects to cancel the Repurchased Convertible Bonds as soon as possible. As of the date of this announcement, none of the conversion rights has been exercised by bondholders holding Convertible Bonds (the “**Bondholders**”). An aggregate principal amount of US\$219,600,000 of the Convertible Bonds will remain outstanding, representing approximately 78.43% of the aggregate principal amount of the Convertible Bonds originally issued.

Pursuant to Rule 37.48(a) of the Listing Rules, the Company will make a further announcement for every subsequent 5% interval of the initial aggregate principal amount of the Convertible Bonds that have been redeemed or cancelled in accordance with the terms and conditions of the Convertible Bonds.

The Company may or may not repurchase further Convertible Bonds in the future. Bondholders and potential investors should note that any repurchase of Convertible Bonds from time to time by the Company will be at the Company’s sole and absolute discretion. There is no assurance of the timing, amount or price of any repurchase of the Convertible Bonds or whether the Company will make any further repurchase at all. Bondholders and potential investors should therefore exercise caution when dealing in any Convertible Bonds.

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

Shanghai, China, December 5, 2023

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