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XD Inc.

心动有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2400)

**COMPLETION OF SHARE
TRANSACTION AND CONNECTED TRANSACTION
IN RELATION TO THE ACQUISITION OF 35% SHAREHOLDING
IN X.D. GLOBAL (HK) LIMITED INVOLVING THE ISSUE OF
CONSIDERATION SHARES UNDER SPECIFIC MANDATE**

References are made to the announcement of XD Inc. (the “**Company**”) dated April 9, 2024 and the circular (the “**Circular**”) of the Company dated June 3, 2024, each in relation to, amongst others, the acquisition of 35% shareholding in X.D. Global (HK) Limited. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Circular.

COMPLETION OF THE ACQUISITION

The Board is pleased to announce that, on September 6, 2024, all the conditions under the Sale and Purchase Agreement was fulfilled, and Completion took place in accordance with the terms and conditions of the Sale and Purchase Agreement. Upon Completion, the Target Company became a direct wholly-owned subsidiary of the Purchaser (which is in turn a direct wholly-owned subsidiary of the Company), and the financial results of the Target Company remain consolidated into the financial results of the Group.

Pursuant to the terms and conditions of the Sale and Purchase Agreement, the Company allotted and issued 7,405,714 and 2,194,286 Consideration Shares to EDragon and LY Development respectively, representing approximately 1.51% and 0.45% of the enlarged issued share capital of the Company immediately following the allotment and issue of the Consideration Shares.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company immediately following the Completion and the allotment and issue of the Consideration Shares:

Shareholders	Immediately prior to the Completion and allotment and issue of the Consideration Shares		Immediately after the Completion and allotment and issue of the Consideration Shares	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
EDragon (<i>Note 1</i>)	4,484,865	0.93	11,890,579	2.43
LY Development	—	—	2,194,286	0.45
Happy Today Holding Limited (<i>Note 2</i>)	157,605,000	32.79	157,605,000	32.15
Kros Dai Inc. (<i>Note 3</i>)	53,245,000	11.08	53,245,000	10.86
Other Shareholders	265,339,728	55.20	265,339,728	54.12
Total	<u>480,674,593</u>	<u>100.00</u>	<u>490,274,593</u>	<u>100.00</u>

Notes:

1. Mr. XW Huang also holds interest in certain share options granted pursuant to the Share Option Plan.
2. Happy Today Holding Limited is a company incorporated in the British Virgin Islands and is wholly-owned by Happy Today Company Limited. Happy Today Company Limited is held by the Happy Today Trust, which was established by Mr. Huang Yimeng (an executive Director) as the settlor. J.P. Morgan Trust Company (Singapore) Pte. Ltd. is the trustee of the Happy Today Trust, and Mr. Huang Yimeng and his family members are the beneficiaries of the Happy Today Trust. Mr. Huang Yimeng is also a director of Happy Today Holding Limited.
3. Kros Dai Inc. is a company incorporated in the British Virgin Islands and is wholly-owned by Danger and Sons Inc. Danger and Sons Inc. is held by the Dai & Sons Trust, which was established by Mr. Dai Yunjie (an executive Director) as the settlor. J.P. Morgan Trust Company of Delaware is the trustee of the Dai & Sons Trust, and Mr. Dai Yunjie and his family members are the beneficiaries of the Dai & Sons Trust. Mr. Dai Yunjie is also a director of Kros Dai Inc.
4. Shareholding percentages are subject to rounding adjustments and may not add up to 100%.

As disclosed in the Circular, the Initial Consideration shall be subject to further adjustments pursuant to the terms and conditions of the Sale and Purchase Agreement. The Company will comply with any applicable requirements under the Listing Rules and/or other applicable laws in the event that any Earn Out Adjustments are payable by the Vendors and any Consideration Shares are returned to the Company, and will comply with the disclosure requirements under the Listing Rules (including but not limited to Rules 14A.62 and 14A.63) if the Pre-Tax Profit for the Earn Out Period fails to meet the Reference Pre-Tax Profit.

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

Shanghai, the PRC
September 6, 2024

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