
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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,
DECLARATION OF FINAL DIVIDEND,
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**

A notice convening the annual general meeting (“AGM”) of XD Inc. to be held at Unit A1, No. 700 Wanrong Road, Shanghai, China on Thursday, May 29, 2025 at 10:30 a.m., at which, among other things, the above proposals will be considered, is set out on pages 27 to 32 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 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 appointed for convening the AGM (i.e. not later than 10:30 a.m. on Tuesday, May 27, 2025) 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. For the avoidance of doubt, holders of treasury shares (if any) shall abstain from voting at the AGM.

April 30, 2025

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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:

“AGM”	the annual general meeting of the Company to be convened and held at Unit A1, No. 700 Wanrong Road, Shanghai, China on Thursday, May 29, 2025 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 in the Company’s 2024 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 (excluding treasury shares, if any) as at the date of passing of the relevant resolution granting such mandate
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“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

DEFINITIONS

“Director(s)”	the director(s) of the Company
“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
“HKSCC”	Hong Kong Securities Clearing Company Limited
“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 (including any sale or transfer of treasury shares) or securities convertible into Shares of up to 20% of the total number of Shares in issue (excluding treasury shares, if any) as at the date of passing of the relevant resolution granting such mandate
“Latest Practicable Date”	April 23, 2025, 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 in the Company’s 2024 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

DEFINITIONS

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“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
“treasury shares”	has the meaning ascribed to it under the Listing Rules
“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 of the Board and
Chief Executive Officer)*

Mr. Dai Yunjie

Mr. Fan Shuyang

Non-executive Director:

Mr. Wu Meng

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 30, 2025

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR GENERAL MANDATES
TO ISSUE SHARES AND TO BUY BACK SHARES,
DECLARATION OF FINAL DIVIDEND,
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**

LETTER FROM THE BOARD

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) declaration of final dividend; (iii) the re-election of Directors, (iv) the amendments to the Memorandum and Articles of Association and the Adoption of the Amended and Restated Memorandum and Articles of Association; and (v) 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 25, 2024, ordinary resolutions were passed to grant to the Directors (i) a general unconditional mandate to allot, issue and deal in Shares (including any sale or transfer of treasury shares) or securities convertible into Shares not exceeding 20% of the total number of Shares in issue (excluding treasury shares, if any); (ii) a general unconditional mandate to buy back Shares up to 10% of the total number of Shares in issue (excluding treasury shares, if any); 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 (including any sale or transfer of treasury shares) or securities convertible into Shares not exceeding 20% of the number of the issued Shares (excluding treasury Shares, if any) 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.

LETTER FROM THE BOARD

Subject to the passing of the ordinary resolution granting the Issue Mandate and on the basis of 491,338,461 Shares in issue (excluding treasury shares, if any) 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 98,267,692 Shares, being 20% of the number of the issued Shares (excluding treasury Shares, if any) 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 7, the number of Shares purchased by the Company under ordinary resolution numbered 6 will also be added to extend the Issue Mandate as mentioned in ordinary resolution numbered 5 provided that such additional number of Shares shall represent up to 10% of the number of issued Shares (excluding treasury shares, if any) as at the date of passing the Shareholders' resolutions in relation to the Issue Mandate and Buy-back Mandate (the "**Extension 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 (excluding treasury shares, if any) 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 49,133,846 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 5 to 7 as set out in the notice of AGM on pages 27 to 32 of this circular for details of the proposed Issue Mandate and Buy-back Mandate.

LETTER FROM THE BOARD

DECLARATION OF FINAL DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

As stated in the announcement of the Company dated March 28, 2025 relating to the annual results of the Group for the year ended December 31, 2024, the Board has resolved to recommend the payment of a final dividend of HK\$0.4 per ordinary share for the year ended December 31, 2024, which is subject to the approval of the Shareholders at the AGM. The final dividend is expected to be paid in Hong Kong dollars on or before Monday, June 30, 2025 to the Shareholders whose names appear on the register of members of the Company on Tuesday, June 10, 2025 (the “**Record Date**”).

For determining the entitlement to the final dividend, the register of members of the Company will be closed by the Company from Friday, June 6, 2025 to Tuesday, June 10, 2025, both days inclusive, during which period no transfer of Shares will be effected. In order to be qualified for the final dividend, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar and transfer office 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 Thursday, June 5, 2025.

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. Dai Yunjie and Mr. Xin Quandong shall retire from office at the AGM. Mr. Huang Yimeng, Mr. Dai Yunjie and Mr. Xin Quandong 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.

PROCEDURE AND PROCESS FOR NOMINATION OF DIRECTORS

Mr. Huang Yimeng and Mr. Dai Yunjie, being executive Directors, all possess deep understanding of the businesses of the Group and a broad range of commercial experience. Mr. Xin Quandong, being independent non-executive Director, possesses extensive experience in accounting and investment industries.

LETTER FROM THE BOARD

Furthermore, Mr. Xin Quandong, being independent non-executive Director eligible for re-election at the AGM, the Nomination Committee has considered and believed that:–

- (a) Mr. Xin Quandong (“**Mr. Xin**”) were appointed as an independent non-executive Director on November 29, 2019 and he has held this position for about five years. The tenure of Mr. Xin on the Board has not affected his independence. Besides, he had confirmed his independence pursuant to Rule 3.13 of the Listing Rules. During his tenure as an independent non-executive Director, he has not been involved in the daily management of the Company nor in any relationship or circumstances which would materially interfere with his exercise of independent judgement.
- (b) Mr. Xin does not hold seventh (or more) listed company directorship.
- (c) Mr. Xin has extensive experience in accounting and investment industries. Mr. Xin’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 Mr. Xin and believed that he 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. Dai Yunjie and Mr. Xin Quandong will continue to contribute to the Board with his 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.

LETTER FROM THE BOARD

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 28, 2025 relating to the Proposed Amendments to the memorandum and articles of association of the Company (“**Memorandum and Articles of Association**”).

The Board proposed to make certain amendments (the “**Proposed Amendments**”) to the existing memorandum and articles of association of the Company (the “**Existing Memorandum and Articles of Association**”) mainly in relation to (i) amendments to the provisions of the Listing Rules relating to allowing general meetings of listed issuers to be convened and held as hybrid or electronic meetings, and (ii) adopt the fourth 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 conform with the requirements of the Listing Rules and are not inconsistent with the 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 8 will be proposed at the AGM accordingly.

ANNUAL GENERAL MEETING

Set out on pages 27 to 32 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.

LETTER FROM THE BOARD

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 Monday, May 26, 2025 to Thursday, May 29, 2025, (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 and transfer office 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 Friday, May 23, 2025. Shareholders whose names appear on the register of members of the Company on May 29, 2025 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 appointed for holding the AGM (i.e. not later than 10:30 a.m. on Tuesday, May 27, 2025) 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. For the avoidance of doubt and for the purposes of the Listing Rules, holders of treasury shares (if any) shall abstain from voting on matters that require Shareholders' approval at the Company's general meetings.

LETTER FROM THE BOARD

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

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 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 491,338,461 Shares, and the Company did not hold any treasury 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 49,133,846 Shares, representing up to 10% of the total number of issued Shares (excluding treasury shares, if any) 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.

If the Company purchases any Shares pursuant to the Buy-back Mandate, the Company will either (i) cancel the Shares repurchased and/or (ii) hold such Shares in treasury, subject to market conditions and the Company's capital management needs at the relevant time any repurchases of Shares are made.

To the extent that any treasury shares are deposited with CCASS pending resale on the Stock Exchange, the Company will adopt appropriate measures to ensure that it does not exercise any shareholders' rights or receive any entitlements which would otherwise be suspended under the applicable laws if those shares were registered in the Company's own name as treasury shares. These measures may include approval by the Board that (i) the Company would not (or would procure its broker not to) give any instructions to HKSCC to vote at general meetings for the treasury shares deposited with CCASS, (ii) in the case of dividends or distributions (if any and where applicable), withdrawing the treasury shares from CCASS, and either re-register them in its own name as treasury shares or cancel them, in each case before the relevant record date for the dividends or distributions; and (iii) take any other appropriate measures to ensure that it will not exercise any shareholders' rights or receive any entitlements which would otherwise be suspended under the applicable laws if those Shares were registered in its own name as treasury shares.

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. On the other hand, Shares repurchased by the Company and held as treasury shares may provide more flexibility to the Board to resell the treasury shares on the market prices to raise additional funds for the Company, or transfer or use for share grants under share schemes that comply with Chapter 17 of the Listing Rules and for other purposes permitted under the Listing Rules, the Articles and the applicable laws of the Cayman Islands. Share buy-back 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 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, 2024, 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.

APPENDIX I EXPLANATORY STATEMENT ON BUY-BACK MANDATE

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>
2024		
April	16.00	13.32
May	21.70	14.66
June	22.25	18.00
July	23.00	15.50
August	23.80	19.16
September	25.50	17.70
October	28.05	19.78
November	26.35	20.30
December	27.70	23.55
2025		
January	25.45	22.05
February	36.35	24.15
March	40.40	30.50
April (up to the Latest Practicable Date)	34.55	27.80

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 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 164,022,804 Shares which comprised (i) a personal interest in 2,605,400 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 1,712,404 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 33.38% to 37.09% 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.

The Company confirms that neither this explanatory statement nor the proposed share repurchase has any unusual features.

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 43, is an executive Director, the Chairman of the Board and the Chief Executive Officer of our Company. Mr. Huang has over 18 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 (i) a personal interest in 2,605,400 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 1,712,404 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, 2024, Mr. Huang received total emoluments of RMB6,833,000.

2. Mr. DAI Yunjie

Mr. Dai Yunjie (戴雲傑), aged 42, is an executive Director and the President of our Company. Mr. Dai has over 18 years of experience in games, telecommunications, technology and internet industries and is primarily responsible for daily operations, overseas business development and human resources of our Group. Mr. Dai currently also holds directorships in various of our subsidiaries, Consolidated Affiliated Entities and Relevant Entities. Mr. Dai has been an executive director of Shanghai Qingwu Network Technology Co., Ltd. (上海輕舞網絡科技有限公司) since August 2014, and an executive director of Shanghai Yinzhi Network Technology Co., Ltd. (上海隱志網絡科技有限公司) since November 2003. In addition, Mr. Dai was the chief operating 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 operating 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. Dai graduated from Shanghai University in China majoring in mechanical engineering and automation in June 2006.

Save as disclosed above, as at the Latest Practicable Date, Mr. Dai did not assume other offices in any member of the Group. Mr. Dai 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. Dai was entitled to (i) 980,304 Shares underlying the share options granted pursuant to the Share Option Plan, (ii) had a beneficial interest in 565,800 Shares and (iii) interested in 53,545,000 Shares as a beneficiary of the Danger and Sons Trust, within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. Dai has entered into a service contract with the Company on November 29, 2019. 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 contract. 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's 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 into consideration the Group's operating results and the individual performance. For the year ended December 31, 2024, Mr. Dai received total emoluments of RMB6,158,000.

3. Mr. XIN Quandong

Mr. Xin Quandong (辛全東), aged 51, is our independent non-executive Director. Mr. Xin also serves as an independent director of X.D. Network since October 2017. Mr. Xin has extensive experience in accounting and investment industries. In addition to his positions in our Group, Mr. Xin has been founding partner and chief executive officer of Shanghai Honggu Equity Investment Fund (上海紅穀股權投資基金) since August 2015. Before that, Mr. Xin served as the partner and managing director of Shanghai Chengding Equity Investment Fund (上海誠鼎股權投資基金) from May 2010 to July 2015, as chairman and general manager of Shanghai Big Thumb Home Service Co., Ltd. (上海大拇指家庭服務有限公司) from June 2008 to May 2010, as executive vice president of Shanghai East Joy Long Motor Airbag Co., Ltd. (上海東方久樂汽車安全氣囊股份有限公司) from December 2006 to July 2007, as chief financial officer and deputy general manager of Shanghai Huabo Investment Consulting Co., Ltd. (上海華博投資諮詢有限公司) from April 2003 to December 2006, as investment manager of Shanghai Keyuan Investment Consulting Co., Ltd. (上海科遠投資諮詢有限公司) from April 2001 to November 2012. Mr. Xin obtained his bachelor's degree in accounting from Shanghai University of Finance and Economics in China in July 1996. Mr. Xin has been accredited as a Certified Public Accountant by the Chinese Institute of Certified Public Accountants (中國註冊會計師協會) since 1998 and has obtained the fund practice qualification from Asset Management Association of China in 2017.

Save as disclosed above, as at the Latest Practicable Date, Mr. Xin did not assume other offices in any member of the Group. Mr. Xin 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. Xin did not have any interest in Shares within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. Xin has entered into an appointment letter with the Company on December 17, 2023. The initial term for the appointment letter shall be three years from December 12, 2019 (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 party not less than three months' prior notice in writing. Under the service agreement, Mr. Xin is entitled to a director's fee of HK\$150,000 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 latest regulatory requirements in relation to the expanded paperless listing regime and the electronic dissemination of corporate communications by listed issuers and the relevant amendments made to the Listing Rules, the Board resolved on March 28, 2025, to propose to make the Proposed Amendments.

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

Currently in force		Proposed to be amended as	
Article		Article	
No	Articles of Association	No.	Articles of Association
2.2	—	2.2	<p style="text-align: center;">...</p> <p><u>“Communication Facilities” shall mean technology by which natural persons are capable of hearing and being heard by each other, and if the Directors so determine in respect of any general meeting of the members, the functional equivalent for those with no or impaired hearing.</u></p>
2.2	<p>“Electronic Transactions Act” shall mean the Electronic Transactions Act (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>	2.2	<p>“Electronic Transactions Act” shall mean the Electronic Transactions Act (2003 Revision)<u>(As Revised)</u> 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>
2.2	—	2.2	<p style="text-align: center;">...</p> <p><u>“Present” shall mean, in respect of any person, such person’s presence at a general meeting of members, which may be satisfied by means of such person or, in the case of a member being a corporation, its duly authorized representative (or, in the case of any member, a proxy which has been validly appointed by such member in accordance with these Articles), being: (a) physically present at the venue specified in the notice convening the meeting; or (b) in the case of any meeting at which Communications Facilities are permitted in accordance with these Articles, including any Virtual Meeting, connected by Communication Facilities in accordance with procedures specified in the notice convening such general meeting; and “Presence” shall be construed accordingly.</u></p>

Currently in force		Proposed to be amended as	
Article		Article	
No	Articles of Association	No.	Articles of Association
2.2	—	2.2	... <u>“Virtual Meeting” shall mean any general meeting of the members at which the members (and any other permitted participants of such meeting, including without limitation the Chairman and any Directors) are permitted to be Present solely by means of Communications Facilities.</u>
12.4	An annual general meeting shall be called by not less than 21 days’ notice in writing and any extraordinary general meeting shall be called by not less than 14 days’ notice in writing. Subject to the requirement under the Listing Rules, the notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the time, place, and agenda of the meeting, particulars of the resolutions and the general nature of the business to be considered at the meeting. The notice convening an annual general meeting shall specify the meeting as such, and the notice convening a meeting to pass a special resolution shall specify the intention to propose the resolution as a special resolution. Notice of every general meeting shall be given to the Auditors and to all members other than such as, under the provisions hereof or the terms of issue of the shares they hold, are not entitled to receive such notice from the Company.	12.4	An annual general meeting shall be called by not less than 21 days’ notice in writing and any extraordinary general meeting shall be called by not less than 14 days’ notice in writing. Subject to the requirement under the Listing Rules, the notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the time, place (except in the case of a Virtual Meeting), and agenda of the meeting, particulars of the resolutions and the general nature of the business to be considered at the meeting. The notice convening an annual general meeting shall specify the meeting as such, and the notice convening a meeting to pass a special resolution shall specify the intention to propose the resolution as a special resolution. Notice of every general meeting shall be given to the Auditors and to all members other than such as, under the provisions hereof or the terms of issue of the shares they hold, are not entitled to receive such notice from the Company. <u>If the Directors so determine in respect of a specific general meeting or all general meetings of the Company, Presence at the relevant general meeting may be by means of Communication Facilities. In addition, the Directors may determine that any general meeting may be held as a Virtual Meeting and this shall be specified in the notice of meeting. The notice of any general meeting at which Communication Facilities may be utilized (including any Virtual Meeting) must set forth the Communications Facilities that will be used, including the procedures to be followed by any member or other participant of the general meeting utilizing such Communication Facilities.</u>

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

Currently in force		Proposed to be amended as	
Article		Article	
No	Articles of Association	No.	Articles of Association
13.1	For all purposes the quorum for a general meeting shall be two members (excluding the holder of Treasury Share(s)) present in person (or in the case of a corporation, by its duly authorised representative) or by proxy provided always that if the Company has only one member of record the quorum shall be that one member present in person or by proxy. No business (except the appointment of a Chairman) shall be transacted at any general meeting unless the requisite quorum shall be present at the commencement of the business.	13.1	For all purposes the quorum for a general meeting shall be two members (excluding the holder of Treasury Share(s)) p Present in person (or in the case of a corporation, by its duly authorised representative) or by proxy provided always that if the Company has only one member of record the quorum shall be that one member p Present in person or by proxy. No business (except the appointment of a Chairman) shall be transacted at any general meeting unless the requisite quorum shall be p Present at the commencement of the business.
13.2	If within 15 minutes from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved, but in any other case it shall stand adjourned to the same day in the next week and at such time and place as shall be decided by the Board, and if at such adjourned meeting a quorum is not present within 15 minutes from the time appointed for holding the meeting, the member or members present in person (or in the case of a corporation, by its duly authorised representative) or by proxy shall be a quorum and may transact the business for which the meeting was called.	13.2	If within 15 minutes from the time appointed for the meeting a quorum is not p Present, the meeting, if convened upon the requisition of members, shall be dissolved, but in any other case it shall stand adjourned to the same day in the next week and at such time and place as shall be decided by the Board, and if at such adjourned meeting a quorum is not p Present within 15 minutes from the time appointed for holding the meeting, the member or members p Present in person (or in the case of a corporation, by its duly authorised representative) or by proxy shall be a quorum and may transact the business for which the meeting was called.
13.3	The chairman of the board of Directors shall take the chair at every general meeting, or, if there be no such chairman or, if at any general meeting such chairman shall not be present within 15 minutes after the time appointed for holding such meeting or is unwilling to act, the Directors present shall choose another Director as Chairman, and if no Director be present, or if all the Directors present decline to take the chair, or if the Chairman chosen shall retire from the chair, then the members present (whether in person or represented by proxy or duly authorised representative) shall choose one of their own number to be Chairman.	13.3	The chairman of the board of Directors shall take the chair at every general meeting, or, if there be no such chairman or, if at any general meeting such chairman shall not be p Present within 15 minutes after the time appointed for holding such meeting or is unwilling to act, the Directors p Present shall choose another Director as Chairman, and if no Director be present, or if all the Directors present decline to take the chair, or if the Chairman chosen shall retire from the chair, then the members present (whether in person or represented by proxy or duly authorised representative) shall choose one of their own number to be Chairman. <u>The Chairman of any general meeting shall be entitled to participate at any such general meeting by Communication Facilities, in which event the following provisions shall apply:</u>

Currently in force		Proposed to be amended as	
Article		Article	
No	Articles of Association	No.	Articles of Association
			<p>(a) <u>he shall be deemed to be Present at the general meeting; and</u></p> <p>(b) <u>if the Communication Facilities fail to enable the Chairman of the general meeting to hear and be heard by other persons participating in that meeting constituting at least a quorum as provided for in these Articles, in the reasonable opinion of that Chairman, then any Director or person nominated by the Directors shall preside as Chairman, failing which the members Present shall chose any person Present to be Chairman of that meeting;</u></p> <p><u>If at any general meeting no Director is willing to act as Chairman or if no Director is Present within fifteen minutes after the time appointed for holding the meeting, the members Present shall choose one of their number to be Chairman of the meeting.</u></p>
13.4	The Chairman may, with the consent of any general meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn any meeting from time to time and from place to place as the meeting shall determine. Whenever a meeting is adjourned for 14 days or more, at least seven clear days' notice, specifying the place, the day and the hour of the adjourned meeting shall be given in the same manner as in the case of an original meeting but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting. Save as aforesaid, no member shall be entitled to any notice of an adjournment or of the business to be transacted at any adjourned meeting. No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.	13.4	The Chairman may, with the consent of any general meeting at which a quorum is p Present, and shall, if so directed by the meeting, adjourn any meeting from time to time and from place to place as the meeting shall determine. <u>In the case of a Virtual Meeting when a failure or impairment in the Communication Facilities has occurred, the Chairman is entitled at any point, but is not obliged, to adjourn the Virtual Meeting without having such adjournment approved by any procedural motion or other consent of those Present at the Virtual Meeting, and to reconvene it on such terms as he considers appropriate in his discretion.</u> Whenever a meeting is adjourned for 14 days or more, at least seven clear days' notice, specifying the place, the day and the hour of the adjourned meeting shall be given in the same manner as in the case of an original meeting but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting. Save as aforesaid, no member shall be entitled to any notice of an adjournment or of the business to be transacted at any adjourned meeting. No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.

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

Currently in force		Proposed to be amended as	
Article		Article	
No	Articles of Association	No.	Articles of Association
			<p><u>In the event there is a technical failure or impairment in the Communication Facilities, this shall not, in the absence of bad faith of the Company, invalidate the proceedings at the relevant Virtual Meeting, provided that, in the reasonable opinion of the Chairman of the general meeting, at least persons constituting a quorum as provided for in these Articles was capable of hearing and being heard by each other. In the event that the Chairman of the general meeting becomes aware of such failure or impairment at the commencement of the Virtual Meeting or during the Virtual Meeting, he may, but is not obliged, to pause (but without adjourning) the proceeding, for such period as he considers reasonable, to allow for the Company and/or its agents to endeavor to rectify such failure or impairment. At the expiry of such period, the Chairman may (but subject to the proviso regarding quorum in this Article) continue with the Virtual Meeting, even if such failure or impairment has not been rectified.</u></p>
13.6	<p>A poll shall (subject as provided in Article 13.7) be taken in such manner (including the use of ballot or voting papers or tickets) and at such time and place, not being more than 30 days from the date of the meeting or adjourned meeting at which the poll was taken as the Chairman directs. No notice need be given of a poll not taken immediately. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was taken.</p>	13.6	<p><u>Subject to the Listing Rules, aA poll shall (subject as provided in Article 13.7) be taken in such manner (including the use of ballot or voting papers or tickets or electronic voting or otherwise) and at such time and place, not being more than 30 days from the date of the meeting or adjourned meeting at which the poll was taken as the Chairman directs. No notice need be given of a poll not taken immediately. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was taken.</u></p>

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

Currently in force		Proposed to be amended as	
Article		Article	
No	Articles of Association	No.	Articles of Association
14.1	Subject to any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of shares, at any general meeting where a show of hands is allowed, every member (except the holder of Treasury Share(s)) present in person (or, in the case of a member being a corporation, by its duly authorised representative) shall have one vote, and on a poll every member present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy shall have one vote for each share registered in his name in the register. On a poll a member (except the holder of Treasury Share(s)) entitled to more than one vote is under no obligation to cast all his votes in the same way. For the avoidance of doubt, where more than one proxy is appointed by a recognised clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands and is under no obligation to cast all his votes in the same way on a poll.	14.1	Subject to any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of shares, at any general meeting where a show of hands is allowed, every member (except the holder of Treasury Share(s)) p Present in person (or, in the case of a member being a corporation, by its duly authorised representative) at a general meeting shall have one vote, and on a poll every member p Present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy shall have one vote for each share registered in his name in the register. On a poll a member (except the holder of Treasury Share(s)) entitled to more than one vote is under no obligation to cast all his votes in the same way. For the avoidance of doubt, where more than one proxy is appointed by a recognised clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands and is under no obligation to cast all his votes in the same way on a poll.
14.4	Where there are joint registered holders of any share, any one of such persons may vote at any meeting, either personally 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 personally or by proxy, that one of the said persons so present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register in respect of the relevant joint holding. Several executors or administrators of a deceased member in whose name any share stands shall for the purposes of this Article be deemed joint holders thereof.	14.4	Where there are joint registered holders of any share, any one of such persons may vote at any meeting, either personally 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 p Present at any meeting personally or by proxy , that one of the said persons so p Present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register in respect of the relevant joint holding. Several executors or administrators of a deceased member in whose name any share stands shall for the purposes of this Article be deemed joint holders thereof.
14.6	Save as expressly provided in these Articles or as otherwise determined by the Board, no person other than a member duly registered and who shall have paid all sums for the time being due from him payable to the Company in respect of his shares shall be entitled to be present or to vote (save as proxy for another member), or to be reckoned in a quorum, either personally or by proxy at any general meeting.	14.6	Save as expressly provided in these Articles or as otherwise determined by the Board, no person other than a member duly registered and who shall have paid all sums for the time being due from him payable to the Company in respect of his shares shall be entitled to be p Present or to vote (save as proxy for another member), or to be reckoned in a quorum, either personally or by proxy at any general meeting.

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

Currently in force		Proposed to be amended as	
Article		Article	
No	Articles of Association	No.	Articles of Association
29.2	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 any Auditor before the expiration of his period of office shall be approved at a general meeting by ordinary resolution and the members shall at that meeting 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 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. Any auditors so appointed shall hold office until the next annual general meeting after his appointment unless previously removed pursuant to these Articles.	29.2	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 any Auditor before the expiration of his period of office shall be approved at a general meeting by ordinary resolution and the members shall at that meeting 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. <u>Subject to compliance with the Listing Rules,</u> t 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. Any auditors so appointed shall hold office until the next annual general meeting after his appointment unless previously removed pursuant to these Articles.

Note 1: 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.

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 2025 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 Thursday, May 29, 2025 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 30, 2025 (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, 2024.
2. to declare a final dividend of HK\$0.4 per ordinary share of the Company for the year ended December 31, 2024.
3.
 - i) To re-elect Mr. HUANG Yimeng as an executive Director.
 - ii) To re-elect Mr. Dai Yunjie as an executive Director.
 - iii) To re-elect Mr. Xin Quandong as an independent non-executive Director.
 - iv) To authorize the Board to fix the remuneration of the Directors.
4. To re-appoint PricewaterhouseCoopers as auditor of the Company and to authorize the Board to fix its remuneration.

NOTICE OF ANNUAL GENERAL MEETING

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

5. **“THAT:**

- (a) 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 (including any sale or transfer of shares out of treasury that are held as treasury shares) (which shall have the meaning ascribed to it under the Listing Rules) 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;
- (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 including any sale or transfer of treasury shares) 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 (excluding treasury shares, if any) 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

NOTICE OF ANNUAL GENERAL MEETING

(d) 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;
- (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).”

6. **“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;

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- (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 (excluding treasury shares, if any) 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
 - (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.”
7. “**THAT** conditional upon resolutions numbered 5 and 6 above being passed, the general mandate granted to the Directors to allot, issue and deal with additional Shares (including any sale or transfer of treasury 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 5 above be and is hereby extended by the addition to the number of the issued Shares 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 6 above, provided that such amount shall not exceed 10% of the total number of Shares in issue (excluding treasury shares, if any) 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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SPECIAL RESOLUTION

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

8. **“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 30, 2025 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 30, 2025

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 Monday, May 26, 2025 to Thursday, May 29, 2025 (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 and transfer officer in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre,

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183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, May 23, 2025. Shareholders whose names appear on the register of members of the Company on May 29, 2025 are entitled to attend the AGM.

2. For determining the entitlement to the final dividend, the register of members of the Company will be closed by the Company from Friday, June 6, 2025 to Tuesday, June 10, 2025, both days inclusive, during which period no transfer of Shares will be effected. In order to be qualified for the final dividend, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office 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 Thursday, June 5, 2025. Shareholders whose names appear on the register of members of the Company on Tuesday, June 10, 2025 are entitled to receive the final dividend.
3. 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. For the avoidance of doubt and for the purposes of the Listing Rules, holders of treasury Shares of the Company (if any) are not entitled to vote at the Company's general meetings.
4. 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.
5. 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 Tuesday, May 27, 2025) or any adjournment thereof (as the case may be).
6. With respect to resolution numbered 3 of this notice, Mr. HUANG Yimeng, Mr. DAI Yunjie and Mr. XIN Quandong 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. WU Meng as non-executive Director and Mr. PEI Dapeng, Mr. XIN Quandong and Ms. LIU Qianli as independent non-executive Directors.