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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
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, June 23, 2022 at 10:30 a.m., at which, among other things, the above proposals will be considered, is set out on pages 18 to 22 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 Tuesday, June 21, 2022) or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

May 25, 2022

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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, June 23, 2022 at 10:30 a.m. or any adjournment thereof
“Articles”	the articles of association of the Company, as amended, supplemented or otherwise modified from time to time
“Board”	the board of Directors
“Board Diversity Policy”	the board diversity policy of the Company, a summary of which is set out on page 24 of the Company’s 2021 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
“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
“Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time
“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
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	a general unconditional mandate proposed to be granted to the Directors at the AGM to allot, issue and deal with Shares or securities convertible into Shares of up to 20% of the total number of Shares in issue as at the date of passing of the relevant resolution granting such mandate
“Latest Practicable Date”	May 18, 2022, 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
“Nomination Policy”	the nomination policy of the Company, a summary of which is set out on pages 31 to 32 of the Company’s 2021 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

DEFINITIONS

“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.

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. Liu Wei

Independent Non-executive Directors:

Mr. Pei Dapeng

Mr. Xin Quandong

Ms. Liu Qianli

Registered Office:

Floor 4, Willow House, Cricket Square
Grand Cayman KY1-9010
Cayman Islands

Principal place of business in Hong Kong:

40th Floor, Dah Sing Financial Centre
No. 248 Queen's Road East
Wanchai
Hong Kong

May 25, 2022

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR GENERAL MANDATES TO ISSUE SHARES
AND TO BUY BACK SHARES
RE-ELECTION OF DIRECTORS
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 and (ii) the re-election of Directors.

LETTER FROM THE BOARD

GENERAL MANDATES

At the annual general meeting of the Company held on June 25, 2021, 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 Law or the Articles; and (c) the date upon which such authority is revoked or varied by an ordinary resolution by the Shareholders in a general meeting.

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

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

LETTER FROM THE BOARD

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 48,043,070 Shares. The Buy-back Mandate will end on the earlier of (a) conclusion of the next annual general meeting of the Company; (b) expiration of the period within which the next annual general meeting of the Company is required to be held by the Companies Law or the Articles; and (c) the date upon which such authority is revoked or varied by an ordinary resolution by the Shareholders in a general meeting.

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

Please refer to resolutions numbered 4 to 6 as set out in the notice of AGM on pages 18 to 22 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. Dai Yunjie, Mr. Pei Dapeng and Mr. Xin Quandong shall retire from office at the AGM. Mr. Dai Yunjie, Mr. Pei Dapeng 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.

LETTER FROM THE BOARD

PROCEDURE AND PROCESS FOR NOMINATION OF DIRECTORS

Mr. Dai Yunjie, being the executive Director, possess deep understanding of the businesses of the Group and a broad range of commercial experience. Mr. Pei Dapeng and Mr. Xin Quandong, being independent non-executive Directors, possesses vast experience in global business management, and diverse experience and expertise through their involvement across businesses in different sectors, such as E-commerce, network technology, accounting, and investment.

Mr. Pei Dapeng and Mr. Xin Quandong had confirmed their independence pursuant to Rule 3.13 of the Listing Rules. During their tenure as independent non-executive Director, they have not been involved in the daily management of the Company nor in any relationship or circumstances which would materially interfere with their exercise of independent judgement. The nomination was made in accordance with the Nomination Policy and took into account the Board's composition as well as the various diversity aspects as set out in the Board Diversity Policy.

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

The Board, having considered the recommendation from the nomination committee of the Company, is of the view that each of Mr. Dai Yunjie, Mr. Pei Dapeng 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.

ANNUAL GENERAL MEETING

Set out on pages 18 to 22 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 Saturday, June 18, 2022 to Thursday, June 23, 2022, (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 Friday, June 17, 2022. Shareholders whose names appear on the register of members of the Company on June 23, 2022 are entitled to attend the AGM.

LETTER FROM THE BOARD

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 Tuesday, June 21, 2022) 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.

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. 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.

LETTER FROM THE BOARD

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 480,430,700 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 48,043,070 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 subject to the provisions of the Companies Law, out of capital. Any premium payable on a purchase over the par value of the Shares to be Buy-back must be provided for out of profits of the Company or out of the Company's share premium account, or, if so authorized by the Articles and subject to the provisions of the Companies Law, out of capital.

5. GENERAL

The Directors believe that if the Buy-back Mandate is exercised in full, it may not have a material adverse impact on the working capital and gearing position of the Company, as compared with the positions disclosed in the audited consolidated financial statements of the Company as at December 31, 2021, 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>
2021		
May	70.45	51.50
June	69.15	52.20
July	71.50	35.50
August	49.95	37.10
September	51.45	41.00
October	51.50	38.80
November	56.50	42.00
December	47.95	36.30
2022		
January	39.70	27.50
February	33.40	24.50
March	28.95	14.20
April	29.40	17.66
May (up to the Latest Practicable Date)	21.85	18.92

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 (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 286,949 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 33.82% to 37.58% 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. Dai Yunjie

Mr. Dai Yunjie (戴雲傑), aged 39, is an executive Director and the President of our Company. Mr. Dai has over 15 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 has been the president of X.D. Network since July 2011. 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) 224,368 Shares underlying the share options granted pursuant to the share option plan adopted by the Company on June 25, 2021 (“**Share Option Plan**”), (ii) had a beneficial interest in 565,800 Shares and (iii) interested in 66,745,000 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, 2021, Mr. Dai received total emoluments of RMB6,158,000.

2. Mr. Pei Dapeng

Mr. Pei Dapeng (裴大鵬), aged 44, is our independent non-executive Director. Mr. Pei has also been an independent director of X.D. Network since October 2017. Mr. Pei has extensive industry experience in E-commerce and network technology. In addition to his positions in our Group, Mr. Pei has been the chairman of the board of directors and chief executive officer in Shopex Software Co., Ltd. (商派軟件有限公司) since March 2019. Mr. Pei also served as the general manager in Shopex Software Co., Ltd. (商派軟件有限公司) from June 2017 to February 2019. Mr. Pei served as the general manager in Youliang (Shanghai) Information Technology Co., Ltd. (有量(上海)信息技術有限公司) from April 2015 to May 2017. Mr. Pei served as the general manager in Shanghai Youliang Marketing Co., Ltd. (上海有量市場營銷策劃有限公司) from November 2014 to March 2015. Mr. Pei served as the general manager in Ku Mei (Shanghai) Information Technology Co., Ltd. (酷美(上海)信息技術有限公司) from January 2009 to October 2014. Mr. Pei served as the general manager of Shanghai Shopex Network Technology Co., Ltd. (上海商派網絡科技有限公司) from November 2006 to December 2008. Mr. Pei obtained his bachelor's degree in Informatics from East China Normal University in China in July 2000.

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

Mr. Pei has entered into an appointment letter with the Company on November 29, 2019. 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. Pei is entitled to a director's fee of HK\$150,000 per annum.

3. Mr. Xin Quandong

Mr. Xin Quandong (辛全東), aged 48, 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 November 29, 2019. 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.

- (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.

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 2022 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 Wannong Road, Shanghai, China on Thursday, June 23, 2022 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 May 25, 2022 (the “**Circular**”):

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, 2021.
2.
 - i) To re-elect Mr. Dai Yunjie as an executive Director.
 - ii) To re-elect Mr. Pei Dapeng as an independent non-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.
3. To re-appoint PricewaterhouseCoopers as auditor of the Company and to authorize the Board to fix its remuneration.

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

4. “**THAT:**
 - (a) subject to paragraph (b) of this resolution, 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

NOTICE OF ANNUAL GENERAL MEETING

(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 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
- (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.

NOTICE OF ANNUAL 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
- (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

NOTICE OF ANNUAL GENERAL MEETING

(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).”

By order of the Board

XD Inc.

HUANG Yimeng

Chairman and Chief Executive Officer

Shanghai, the People’s Republic of China

May 25, 2022

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 Saturday, June 18, 2022 to Thursday, June 23, 2022 (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 Friday, June 17, 2022. Shareholders whose names appear on the register of members of the Company on June 23, 2022 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.

NOTICE OF ANNUAL GENERAL MEETING

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 join 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 Tuesday, June 21, 2022) or any adjournment thereof (as the case may be).
5. With respect to resolution numbered 2 of this notice, Mr. Dai Yunjie, Mr. Pei Dapeng 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. LIU Wei as non-executive Director and Mr. PEI Dapeng, Mr. XIN Quandong and Ms. LIU Qianli as independent non-executive Directors.