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Unless otherwise defined herein, capitalized terms in this announcement shall have the same meanings as those defined in the prospectus dated November 29, 2019 (the “Prospectus”) issued by XD Inc. (the “Company”).

This announcement is made pursuant to section 9(2) of the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong). This announcement is for information purposes only and does not constitute an invitation or offer or an invitation to induce an offer by any person to acquire, purchase or subscribe for securities of the Company. This announcement is not a prospectus. Potential investors should read the Prospectus for detailed information about the Company and the Global Offering before deciding whether or not to invest in the Offer Shares.

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XD Inc.
心动有限公司

*(Incorporated in the Cayman Islands with limited liability)
(Stock code: 2400)*

FULL EXERCISE OF THE OVER-ALLOTMENT OPTION, STABILIZING ACTIONS AND END OF STABILIZATION PERIOD

FULL EXERCISE OF THE OVER-ALLOTMENT OPTION

The Company announces that the Over-allotment Option described in the Prospectus was fully exercised by the Sole Global Coordinator, on behalf of the International Underwriters, on January 3, 2020 in respect of an aggregate of 9,540,000 Shares, representing 15.0% of the Offer Shares initially available under the Global Offering to cover over-allocation under the International Offering. The Over-allotment Shares comprise of the Option New Shares and the Option Existing Shares. An aggregate number of 4,060,000 Option New Shares will be issued and allotted by the Company and an aggregate number of 5,480,000 Option Existing Shares will be sold by the Over-allotment Option Grantor at HK\$11.10 per Share (plus brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%), being the Offer Price per Share under the Global Offering.

STABILIZING ACTIONS AND END OF STABILIZATION PERIOD

The Company announces that the stabilization period in connection with the Global Offering ended on January 4, 2020, being the 30th day after the last day for the lodging of applications under the Hong Kong Public Offering.

The stabilizing actions undertaken by the Stabilizing Manager, or any of its affiliates or any person acting for it, during the stabilization period involved:

- (1) over-allocation of an aggregate of 9,540,000 Shares in the International Offering, representing 15.0% of the total number of Offer Shares initially available under the Global Offering before any exercise of the Over-allotment Option;
- (2) borrowing of an aggregate of 9,540,000 Shares by CLSA Limited from the Over-allotment Option Grantor pursuant to the Stock Borrowing Agreement to cover the over-allocation in the International Offering; and
- (3) the full exercise of the Over-allotment Option by the Sole Global Coordinator, on behalf of the International Underwriters, on January 3, 2020, in respect of an aggregate of 9,540,000 Shares, representing 15.0% of the total number of the Offer Shares initially available under the Global Offering before any exercise of the Over-allotment Option, at the Offer Price per Share.

There had been no purchase or sale of any Shares on the market for the purpose of price stabilization by the Stabilizing Manager during the stabilization period.

FULL EXERCISE OF THE OVER-ALLOTMENT OPTION

As disclosed in the Prospectus, upon the exercise of Over-allotment Option, the Over-allotment Option Grantor may be required to sell up to 5,480,000 Option Existing Shares in full and following which the Company may be required to issue up to 4,060,000 Option New Shares, up to an aggregate of 9,540,000 Option Shares (representing 15% of the Offer Shares initially available under the Global Offering) at the Offer Price to cover over-allocation in the International Offering.

The Company announces that the Over-allotment Option described in the Prospectus was fully exercised by the Sole Global Coordinator, on behalf of the International Underwriters, on January 3, 2020 in respect of an aggregate of 9,540,000 Shares (the “**Over-allotment Shares**”), representing 15.0% of the Offer Shares initially available under the Global Offering to cover over-allocation under the International Offering. The Over-allotment Shares comprise of the Option New Shares and the Option Existing Shares. An aggregate number of 4,060,000 Option New Shares will be issued and allotted by the Company and an aggregate number of 5,480,000 Option Existing Shares will be sold by the Over-allotment Option Grantor at HK\$11.10 per Share (plus brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%), being the Offer Price per Share under the Global Offering.

On December 12, 2019, the Stabilizing Manager borrowed 9,540,000 Shares from the Over-allotment Option Grantor pursuant to the Stock Borrowing Agreement. The 4,060,000 Option New Shares will be used to facilitate the redelivery of the Shares borrowed by the Stabilizing Manager from the Over-allotment Option Grantor under the Stock Borrowing Agreement, which were used to cover over-allocation in the International Offering. The remaining 5,480,000 Option Existing Shares will be sold by the Over-allotment Option Grantor pursuant to the Over-allotment Option and such Option Existing Shares will be accounted for in accordance with the Stock Borrowing Agreement. Immediately after the allotment and issue by the Company of the Option New Shares and the sale by the Over-allotment Option Grantor of the Option Existing Shares, approximately 32.31% of the issued share capital of the Company will be held by the public in compliance with Rule 8.08 of the Listing Rules.

Approval of Listing

Approval for the listing of and permission to deal in the Over-allotment Shares has already been granted by the Listing Committee of the Stock Exchange. Listing of and dealings in such Over-allotment Shares are expected to commence on the Main Board of the Stock Exchange at 9:00 a.m. on January 8, 2020.

Share Capital upon the Completion of the Full Exercise of the Over-allotment Option

The shareholding structure of the Company immediately before and immediately after the completion of the full exercise of the Over-allotment Option is as follows:

Shareholders	Immediately before the completion of full exercise of the Over-allotment Option		Immediately after the completion of full exercise of the Over-allotment Option	
	Number of Shares	Approximate percentage of the Company's issued share capital ⁽¹⁾	Number of Shares	Approximate percentage of the Company's issued share capital ⁽¹⁾
Happy Today Holding Limited	157,605,000	37.17%	157,605,000	36.82%
Aiks Danger Inc.	67,545,000	15.93%	67,545,000	15.78%
Jiexin Holdings Limited	37,598,680	8.87%	37,598,680	8.79%
Edragon Technology Limited	11,805,865	2.78%	11,805,865	2.76%
Over-allotment Option Grantor	10,961,250*	2.59%	5,481,250	1.28%
RSU Holding Entity	8,437,540	1.99%	8,437,540	1.97%
Xochipilli Ltd	1,188,000	0.28%	1,188,000	0.28%
Chris Technology Limited	45,030	0.01%	45,030	0.01%
Public Shareholders	128,772,135	30.38%	138,312,135	32.31%
Total	423,958,500	100.00%	428,018,500	100.00%

* Inclusive of the borrowed Shares lent by the Over-allotment Option Grantor to the Stabilizing Manager.

⁽¹⁾ The percentage figures are subject to rounding adjustments.

The Over-allotment Option Grantor will receive the net proceeds of HK\$58.9 million (after deducting the underwriting commissions and other estimated expenses in connection with the exercise of the Over-allotment Option) for the 5,480,000 Option Existing Shares to be sold following the full exercise of the Over-allotment Option.

The Company will receive the net proceeds of HK\$43.7 million (after deducting the underwriting commissions and other estimated expenses in connection with the exercise of the Over-allotment Option) for the 4,060,000 Option New Shares to be issued and allotted following the full exercise of the Over-allotment Option.

STABILIZING ACTIONS AND END OF STABILIZATION PERIOD

The Company announces that, pursuant to section 9(2) of the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong), the stabilization period in connection with the Global Offering ended on Saturday, January 4, 2020, being the 30th day after the last day for the lodging of applications under the Hong Kong Public Offering.

The stabilizing actions undertaken by the Stabilizing Manager, or any of its affiliates or any person acting for it, during the stabilization period involved:

- (1) over-allocations of an aggregate of 9,540,000 Shares in the International Offering, representing 15.0% of the total number of Offer Shares initially available under the Global Offering before any exercise of the Over-allotment Option;
- (2) borrowing of an aggregate of 9,540,000 Shares by CLSA Limited from the Over-allotment Option Grantor pursuant to the Stock Borrowing Agreement to cover the over-allocations in the International Offering; and
- (3) the full exercise of the Over-allotment Option by the Sole Global Coordinator, on behalf of the International Underwriters, on January 3, 2020, in respect of an aggregate of 9,540,000 Shares, representing 15.0% of the total number of the Offer Shares initially available under the Global Offering before any exercise of the Over-allotment Option, at the Offer Price per Share.

The Shares borrowed from the Over-allotment Option Grantor pursuant to the Stock Borrowing Agreement will be redelivered to the Over-allotment Option Grantor or accounted for in accordance with the terms of the Stock Borrowing Agreement.

There had been no purchase or sale of any Shares on the market for the purpose of price stabilization by the Stabilizing Manager during the stabilization period.

PUBLIC FLOAT

To the best knowledge, information and belief of the Directors, immediately after the full exercise of the Over-allotment Option, the Company continues to comply with the public float requirements under Rules 8.08(1)(a) of the Listing Rules.

By order of the Board

XD Inc.

HUANG Yimeng

Chairman and Chief Executive Officer

Hong Kong, January 5, 2020

As at the date of this announcement, the Board comprises Mr. HUANG Yimeng, Mr. DAI Yunjie, Mr. SHEN Sheng, and Mr. FAN Shuyang as executive Directors, Mr. TONG Weiliang and Mr. CHEN Feng as non-executive Directors and Mr. PEI Dapeng, Mr. XIN Quandong and Mr. GAO Shaoxing as independent non-executive Directors.