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**XD Inc.**

**心动有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 2400)**

## **ADOPTION OF RESTRICTED SHARE UNIT SCHEME**

### **ADOPTION OF THE 2024 RSU SCHEME**

The Board is pleased to announce that on May 7, 2024, the Company has adopted the 2024 RSU Scheme to, among others, recognise the contributions by the Participants with an opportunity to acquire a proprietary interest in the Company and encourage and retain such individuals for the continual operation and development of the Group. The 2024 RSU Scheme shall be solely funded by existing Shares to be purchased by the Trustee on the market.

### **SUMMARY OF THE 2024 RSU SCHEME**

The following is a summary of the principal terms of the 2024 RSU Scheme.

#### **Purpose**

The purpose of the 2024 RSU Scheme is to (i) recognise the contributions by the Participants with an opportunity to acquire a proprietary interest in the Company; (ii) encourage and retain such individuals for the continual operation and development of the Group; (iii) provide additional incentives for them to achieve performance goals; (iv) attract suitable personnel for further development of the Group; and (v) motivate the Participants to maximise the value of the Company for the benefits of both the Participants and the Company, with a view to achieving the objectives of increasing the value of the Group and aligning the interests of the Participants directly to the Shareholders through ownership of Shares.

## **Duration and Termination**

The 2024 RSU Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date, after which no Awards will be granted, but the provisions of the 2024 RSU Scheme shall in all other respects remain in full force and effect and the Awards granted during the term of the 2024 RSU Scheme may continue to be valid and exercisable in accordance with their respective terms of grant.

## **Administration**

The 2024 RSU Scheme shall be subject to the administration of the Board and the Board shall have the sole and absolute right to, among others, interpret and construe the provisions of the 2024 RSU Scheme and determine the grantees who will be granted Awards under the 2024 RSU Scheme, the terms and conditions on which Awards are granted and when the Awards granted pursuant to the 2024 RSU Scheme may vest.

The Company shall appoint the Trustee to assist with the administration and vesting of Awards granted pursuant to the 2024 RSU Scheme and the Trustee shall not exercise any voting rights in respect of any Shares held pursuant to the 2024 RSU Scheme.

## **Vesting Period, Performance Target and Lapse**

The Board shall decide on the specific terms and conditions (including but not limited to vesting period and vesting conditions) applicable to each Award. If the performance milestones or targets and/or other conditions determined by the Board (if any) are not satisfied, the Award shall automatically lapse on the date on which any such condition is not satisfied, as determined by the Board in its sole and absolute discretion.

In the event of a general offer (whether by way of voluntary offer, takeover or otherwise), a voluntary winding-up or a compromise or arrangement, the Board shall have absolute discretion to determine whether any unvested Award shall vest and the period within which such Award shall vest.

## **Scheme Limit and Limit on Individual Grant**

The maximum number of Awards which may be granted under the 2024 RSU Scheme shall not exceed 3% of the number of issued Shares as at the Adoption Date (i.e. 14,417,517 Shares). The aforementioned scheme limit may be refreshed by the Board from time to time and any Award granted prior to the refreshment of limit will not be counted for the purpose of determining the refreshed scheme limit.

No further Award shall be granted to any Participant if any such grant of Awards, when aggregated with all Awards granted to such Participant (excluding any Award lapsed in accordance with the terms of the 2024 RSU Scheme) in the 12-month period up to and including the grant date of such new grant, would result in the total number of Shares issued and to be issued to such Participant in aggregate exceeding 1% of the issued Shares as at the date of grant of such new grant.

### **Restrictions on grant of Awards**

No Award may be granted to any Participant:

- (a) where the Company has information that must be disclosed under Rule 13.09 of the Listing Rules or where the Company reasonably believes there is inside information (within the meaning given under Part XIVA of the SFO, the “**Inside Information**”) which must be disclosed under Part XIVA of the SFO, until such Inside Information has been published on the websites of the Stock Exchange and the Company;
- (b) after any Inside Information in relation to the securities of the Company has occurred or has become the subject of a decision, until such Inside Information has been published;
- (c) within the period commencing 60 days (in the case of yearly results), or 30 days (in the case of results for half-year, quarterly or other interim period) immediately preceding the earlier of (i) the date of a meeting of the Board (as such date is first notified to the Stock Exchange) for the approval of the Company’s results for any year, half-year, quarterly or other interim period (whether or not required under the Listing Rules); and (ii) the deadline for the Company to publish its quarterly, interim or annual results announcement for any such period, and ending on the date of such announcement;
- (d) in any other circumstances where dealings by selected Participant (including Directors) are prohibited under the Listing Rules, the SFO or any other applicable law or regulation or where the requisite approval from any applicable regulatory authorities has not been granted;
- (e) the securities laws or regulations require that a prospectus or other offering documents be issued in respect of the Grant or in respect of the 2024 RSU Scheme, unless the Board determines otherwise;
- (f) where the grant of Award would result in a breach of any applicable securities laws, rules or regulations by any member of the Group or any of its directors; or
- (g) where the grant of Award would result in breach of the 2024 RSU Scheme limit or other rules of the 2024 RSU Scheme.

## LISTING RULES IMPLICATIONS

The 2024 RSU Scheme is solely funded by existing Shares to be acquired by the Trustee on the market and is therefore a share scheme under Rule 17.01(1)(b) of the Listing Rules. Accordingly, no approval from the Shareholders is required for the adoption of the 2024 RSU Scheme.

The Company will comply with the Listing Rules including reporting requirement under Rule 17.12 of the Listing Rules and the applicable announcement and Shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of grants of any Award to connected person(s) of the Company.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“2024 RSU Scheme”	the restricted share unit scheme adopted by the Company on the Adoption Date
“Adoption Date”	May 7, 2024, being the date of adoption of the 2024 RSU Scheme by the Company
“Award(s)”	means an award of restricted share unit(s) granted to a Participant pursuant to the 2024 RSU Scheme. An award may include, if so specified by the Board in its absolute discretion, cash and non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of those Shares from the date that the Award is granted to the date that it vests
“Board”	the board of Directors
“Company”	XD Inc. (心动有限公司), a company incorporated under the laws of the Cayman Islands with limited liability and the shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 2400)
“connected person(s)” and “subsidiary(ies)”	each has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Participant(s)”	includes the following: <ul style="list-style-type: none"> <li>(i) any employee (whether full time or part time and including persons who are granted Awards under the 2024 RSU Scheme as an inducement to enter into employment contracts with any member of the Group), executives or officers, directors (including executive, non-executive and independent non-executive directors) of any member of the Group; and</li> <li>(ii) any consultant, adviser or agent of any member of the Group on a continuing and recurring basis in its ordinary and usual course of business which, in the sole and absolute opinion of the Board, are in the interests of the long term growth of the Group</li> </ul>
“PRC”	the People’s Republic of China. For the purposes of this announcement only and except where the context requires otherwise, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented and/or modified from time to time
“Share(s)”	ordinary share(s) of the Company with a par value of US\$0.0001 per Share
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trustee”	any person(s) who is/are officially appointed by the Board as the trustee or trustees pursuant to the trust deed from time to time to administer the 2024 RSU Scheme

“US\$” United States dollars, the lawful currency of the United States of America

“%” per cent.

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

Shanghai, China, May 7, 2024

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