

## **XIDELANG HOLDINGS LIMITED (“XDL” OR “THE COMPANY”)**

### **MEMORANDUM OF COLLABORATION BETWEEN GLOBAL INT’L FOOTWEAR (HONG KONG) CO., LTD AND HONGPENG FUJIAN SHOES & GARMENTS CO., LTD**

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The Board of Directors of XiDeLang Holdings Ltd (“XDL” or “the Company”) wishes to announce that HongPeng Fujian Shoes & Garments Co., Ltd (“HPFS”), a wholly-owned subsidiary of XDL, had on 23 May 2017 entered into a Memorandum of Collaboration (“MOC”) with Global Int’l Footwear (HongKong) Co., Ltd (“GIF”) for the purpose of establishing a strategic collaboration to achieve mutual growth:-

#### **1) Objectives**

- a) This strategic collaboration is premised on mutual trust and understanding, with the ultimate aim to improve the efficiency of both parties and to achieve mutual growth.
- b) Both parties entered into this MOC on a voluntary basis, seeking to achieve win-win situation. The fundamental purpose of this MOC is to achieve mutual benefits and mutual growth with mutual respects on privacy and markets.
- c) To optimise the competitive advantages of both parties and to complement each other so as to enhance the market competitiveness of both parties and to facilitate market penetration and expansion.
- d) This MOC serves as a framework agreement to provide guidance and direction on future long term collaboration between the parties, and shall form the basis for any relevant collaboration agreement to be entered into by the parties in the future.

#### **2) Mode of collaboration and Goals**

- a) Both parties shall, individually, establish a dedicated, professional marketing, technical and management team for the purpose of exchanging information. HPFS shall, based on the customer specification furnished by GIF, complete the relevant technical study and sample development. Upon confirmation of orders, HPFS shall commence production based on the sample confirmed by the customer of GIF.
- b) Both parties agreed that the Original Design Manufacturer production orders from GIF to HPFS in the next twenty-four (24) months shall not be less than RMB160 million in aggregate.

#### **3) Duties and responsibilities of GIF**

- a) GIF may make an annual visit to HPFS’s manufacturing base together with its customer or potential customer, to better understand HPFS’s product development capabilities, technical and production management skill level.
- b) GIF may, in accordance with the feedback from its customers, seek timely interaction or assistance with HPFS. HPFS shall make prompt response to GIF’s feedback and suggestions.

- c) During the period of collaboration, GIF shall be responsible for the legal compliance of its customers' brands or intellectual property rights and shall provide a valid copyright documents for HPFS's record-keeping for the purpose of inspection by the relevant authorities and departments.

#### **4) Duties and Responsibilities of HPFS**

- a) Subject to GIF being in compliance with its duties and responsibilities, HPFS shall be obliged to perform follow-up services including research & development, production and technical support in accordance with GIF or its customers' specifications.
- b) HPFS shall furnish GIF with the list of materials and related information, such as the material description, test and inspection data and information.
- c) Upon request by GIF, HPFS shall facilitate the visit by GIF and its customers. HPFS acknowledges that GIF's customer information is a trade secret, and undertakes not to have private contact with GIF's customer or disclose GIF's customers information without the prior consent of GIF.
- d) HPFS shall make prompt response to GIF's enquiry and invitation to tender.
- e) HPFS shall be responsible for the quality of products supplied to GIF, and shall provide after-sales service and support to GIF in accordance with the supply contract.

#### **5) Confidentiality**

- a) All information and trade secrets obtained by the parties pursuant to the collaboration shall be kept private and confidential and shall not be disclosed to third party without the prior written consent of the other party.
- b) The parties undertake that all technical information, business information and other relevant information shall be used strictly for the purpose or scope as set out in this memorandum of collaboration and shall not be duplicated or copied for any other purposes.

#### **6) Effective Period of the MOC**

This MOC shall be valid for a period of twenty-four (24) months, from 23 May 2017 to 22 May 2019.

#### **7) Effect of the MOC**

The MOC is expected to contribute positively to the Company's revenue and earnings during the effective period of the MOC.

#### **8) Directors and Substantial Shareholders Interest**

None of the Directors and/or substantial shareholders of the Company and/or person connected to them have any interest, direct or indirect in the MOC.

**9) Statement by Directors**

The Board of Directors of XDL, having considered the terms of the MOC, is of the opinion that the MOC is in the best interest of the Company.

This MOC shall serve as a framework agreement. A separate formal agreement shall be entered into by the parties for any specific collaboration project or to set forth detailed collaboration terms and conditions. Any matters that have not been defined in this memorandum of collaboration shall be separately negotiated and mutually agreed by both parties. Any dispute may be resolved via lawsuit with the relevant governing court.

This announcement is dated 25 May 2017.