

THIS CIRCULAR TO SHAREHOLDERS OF XIDELANG HOLDINGS LTD (“XDL” OR THE “COMPANY”) IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

Bursa Malaysia Securities Berhad (“**Bursa Securities**”) takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular. Bursa Securities has not perused the contents of this Circular prior to its issuance as the circular pertaining to the Proposed Bonus Issue is an exempt document pursuant to Practice Note 18 of the Main Market Listing Requirements of Bursa Securities.



XIDELANG HOLDINGS LTD

(Bermuda Company Registration No. 43136)

(Incorporated as an exempted company in Bermuda under the Companies Act 1981 of Bermuda)

(Malaysian Foreign Company Registration No. 995210-W)

(Registered as a foreign company in Malaysia under the Companies Act, 1965 of Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE:-

PROPOSED BONUS ISSUE OF UP TO 894,179,400 NEW ORDINARY SHARES OF USD0.04 EACH IN THE COMPANY (“SHARES”) (“BONUS SHARES”) ON THE BASIS OF 1 BONUS SHARE FOR EVERY 1 EXISTING SHARE HELD BY THE ENTITLED SHAREHOLDERS OF XDL ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER (“PROPOSED BONUS ISSUE”)

AND

NOTICE OF SPECIAL GENERAL MEETING

Principal Adviser



MERCURY SECURITIES SDN BHD

(Company No. 113193-W)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of Special General Meeting (“**SGM**”) of XDL to be held at Safir I, Ballroom Level, Hotel Istana Kuala Lumpur City Centre, 73 Jalan Raja Chulan, 50200 Kuala Lumpur, Malaysia on Tuesday, 26 December 2017 at 10.00 a.m. or at any adjournment thereof, is enclosed together with the Form of Proxy in this Circular.

You are requested to complete, sign and return the enclosed Form of Proxy and deposit it at the registered office of the Company in Malaysia at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia or alternatively, at the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia not less than 48 hours before the time and date appointed for holding the SGM. The completion and lodgement of the Form of Proxy shall not preclude you from attending and voting in person at the SGM should you subsequently wish to do so and in such an event, your Form of Proxy shall be deemed to have been revoked.

Last date and time for lodging the Form of Proxy : Sunday, 24 December 2017 at 10.00 a.m.
Date and time of the SGM : Tuesday, 26 December 2017 at 10.00 a.m.

This Circular is dated 8 December 2017

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:-

Bermuda Companies Act	- Companies Act, 1981 of Bermuda, as amended, modified or supplemented from time to time
BNM	- Bank Negara Malaysia
Board	- The Board of Directors of XDL
Bonus Shares	- Up to 894,179,400 new XDL Shares to be issued pursuant to the Proposed Bonus Issue
Bursa Depository	- Bursa Malaysia Depository Sdn Bhd (Company No. 165570-W)
Bursa Securities	- Bursa Malaysia Securities Berhad (Company No. 635998-W)
Circular	- This circular dated 8 December 2017 in relation to the Proposed Bonus Issue
Deed Poll C	- Deed poll dated 17 June 2015 constituting the Warrants C (as varied and amended by a supplemental deed poll dated 27 April 2016)
Directors	- The directors of the Company for the time being
Entitled Shareholders	- Shareholders whose names appear in the Record of Depositors of the Company as at the close of business at 5.00 p.m. on the Entitlement Date in order to be entitled to the Bonus Shares
Entitlement Date	- A date to be determined by the Board and announced later, on which the names of the Shareholders must appear in the Company's Record of Depositors as at the close of business at 5.00 p.m. on that date in order to be entitled to the Bonus Shares
EPS	- Earnings per Share
FPE	- Financial period ended 30 September
FYE	- Financial year(s) ended / ending 31 December
HongPeng	- HongPeng International Holdings Limited
Listing Requirements	- Main Market Listing Requirements of Bursa Securities, including any amendments made thereto from time to time
LPD	- 4 December 2017, being the latest practicable date prior to the printing of this Circular
Market Day	- Any day on which Bursa Securities is open for trading in securities
Maximum Scenario	- Assuming all the outstanding Warrants C are exercised into new Shares prior to the Entitlement Date
Mercury Securities	- Mercury Securities Sdn Bhd (Company No. 113193-W)
Minimum Scenario	- Assuming none of the outstanding Warrants C are exercised into new Shares prior to the Entitlement Date
NA	- Net assets

DEFINITIONS (CONT'D)

PRC	- People's Republic of China
Proposed Bonus Issue	- Proposed bonus issue of up to 894,179,400 Bonus Shares on the basis of 1 Bonus Share for every 1 existing Share held by the Entitled Shareholders on the Entitlement Date
Record of Depositors	- A record of securities holders provided by Bursa Depository under the Rules of Bursa Depository
RM and sen	- Ringgit Malaysia and sen respectively
RMB	- Renminbi, the lawful currency of PRC
Rules of Bursa Depository	- The rules of Bursa Depository as issued pursuant to the Securities Industry (Central Depositories) Act, 1991 of Malaysia as amended from time to time, including Securities Industry (Central Depositories) Amendment Act, 1998 of Malaysia
SGM	- Special general meeting of XDL
Shareholders	- Registered holders of XDL Shares
USD	- United States Dollar, the lawful currency of the United States of America
Warrants B	- The XDL warrants 2014/2017 issued by the Company pursuant to the deed poll dated 9 December 2013 constituting the Warrants B (as varied and amended by a supplemental deed poll dated 27 April 2016), which has expired on 20 January 2017
Warrants C	- The outstanding XDL warrants 2015/2018 issued by the Company pursuant to the Deed Poll C (as varied and amended by a supplemental deed poll dated 27 April 2016) and expiring on 2 July 2018
XDL or the Company	- XiDeLang Holdings Ltd (Bermuda Company Registration No. 43136) (Malaysian Foreign Company Registration No. 995210-W), incorporated in Bermuda as an exempted company under the Bermuda Companies Act and registered as a foreign company in Malaysia under the Companies Act, 1965 of Malaysia
XDL Group or the Group	- Collectively, XDL and its subsidiaries
XDL Shares or Shares	- Ordinary shares of par value USD0.04 each in the share capital of XDL

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DEFINITIONS (CONT'D)

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*.

Reference to persons shall include corporations, unless otherwise specified.

All references to "you" in this Circular are to the Shareholders.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted.

Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise stated.

Any discrepancies in the figures included in this Circular between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown in totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

For illustrative purposes and where applicable, all RM figures in this Circular were translated based on the exchange rate of RMB1:RM0.6138 and USD1:RM4.0615 as extracted from BNM's website as at the LPD.

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NOTICE OF SGM ENCLOSED

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XIDELANG HOLDINGS LTD

(Bermuda Company Registration No. 43136)

(Incorporated as an exempted company in Bermuda under the Companies Act 1981 of Bermuda)

(Malaysian Foreign Company Registration No. 995210-W)

(Registered as a foreign company in Malaysia under the Companies Act, 1965 of Malaysia)

Registered office in Malaysia

Unit 30-01, Level 30, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Wilayah Persekutuan
Malaysia

8 December 2017

Board of Directors

Ding LiHong (*Executive Chairman*)

Ding PengPeng (*Managing Director / Chief Executive Officer*)

Ding PengWan (*Executive Director / Deputy Chief Executive Officer cum Chief Operating Officer*)

Lin YingYu (*Executive Director*)

Zhu GuoHe (*Senior Independent Non-Executive Director*)

Wong Yoke Nyen (*Independent Non-Executive Director*)

Woon Yeow Thong (*Independent Non-Executive Director*)

To: The Shareholders of XDL

Dear Sir / Madam,

PROPOSED BONUS ISSUE

1. INTRODUCTION

On 15 November 2017 and 23 November 2017, Mercury Securities had, on behalf of the Company, announced that the Company proposes to undertake the Proposed Bonus Issue.

On 4 December 2017, Mercury Securities had, on behalf of the Company, announced that Bursa Securities had vide its letter dated 4 December 2017, granted its approval for the following:-

- (i) listing and quotation of up to 894,179,400 Bonus Shares to be issued pursuant to the Proposed Bonus Issue on the Main Market of Bursa Securities;
- (ii) listing and quotation of up to 220,309,112 additional Warrants C to be issued pursuant to adjustments arising from the Proposed Bonus Issue on the Main Market of Bursa Securities; and
- (iii) listing and quotation of up to 220,309,112 new Shares to be issued arising from the exercise of the additional Warrants C on the Main Market of Bursa Securities.

The approval of Bursa Securities is subject to the conditions as set out in Section 6 of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH RELEVANT INFORMATION ON THE PROPOSED BONUS ISSUE AND TO SET OUT THE VIEWS AND RECOMMENDATIONS OF THE BOARD AS WELL AS TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED BONUS ISSUE, WHICH WILL BE TABLED AT THE FORTHCOMING SGM. THE NOTICE OF SGM AND THE FORM OF PROXY ARE ENCLOSED WITH THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH ITS APPENDICES BEFORE VOTING ON THE RESOLUTION TO GIVE EFFECT TO THE PROPOSED BONUS ISSUE AT THE FORTHCOMING SGM.

2. DETAILS OF THE PROPOSED BONUS ISSUE

2.1 Basis and number of Bonus Shares to be issued

The Proposed Bonus Issue entails the issuance of up to 894,179,400 Bonus Shares to be credited as fully paid-up at par, on the basis of 1 Bonus Share for every 1 existing Share held by the Entitled Shareholders on the Entitlement Date.

As at the LPD, the issued and paid-up share capital of the Company is USD26,954,811.52 comprising 673,870,288 Shares (excluding 250 Shares held as treasury shares) and the Company has 220,309,112 outstanding Warrants C.

In conjunction with the Proposed Bonus Issue, the Company undertakes that it will not purchase any additional Shares pursuant to its share buy-back exercise until the completion of the Proposed Bonus Issue. The Company has no intention to deal with the treasury shares which the Company currently holds, whether to resell and/or distribute, prior to the completion of the Proposed Bonus Issue.

Assuming full exercise of the outstanding Warrants C under the Maximum Scenario, the enlarged issued and paid-up share capital of the Company would be USD35,767,176.00 comprising 894,179,400 Shares (excluding 250 Shares held as treasury shares). Based on the foregoing, the Proposed Bonus Issue entails the issuance of up to 894,179,400 Bonus Shares under the Maximum Scenario. The actual number of Bonus Shares to be issued will depend on the total number of issued Shares on the Entitlement Date.

Fractional entitlements arising from the Proposed Bonus Issue, if any, shall be disregarded and dealt with in such manner as the Board shall in their absolute discretion deem fit and expedient, and to be in the best interests of the Company.

The Entitlement Date will be determined and announced at a later date after the receipt of all relevant approvals by the Company for the Proposed Bonus Issue. The Proposed Bonus Issue is not intended to be implemented in stages over a period of time.

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2.2 Capitalisation of reserves

The Proposed Bonus Issue is to be effected by way of capitalising the Company's share premium and capital redemption reserve accounts at USD0.04 (or RMB0.2647 based on BNM's exchange rate as at the LPD of RMB1:RM0.6138 and USD1:RM4.0615) per Bonus Share, being the par value of the Shares by the following amount:-

	Minimum Scenario		Maximum Scenario	
	RMB'000	RM'000	RMB'000	RM'000
Capitalisation for the Proposed Bonus Issue	178,359	109,477	236,671	145,269
To be capitalised from:-				
Share premium	15,087	9,261	15,087	9,261
Capital redemption reserve	163,272	100,216	221,584	136,008
Total	178,359	109,477	236,671	145,269

Based on the latest audited financial statements of XDL for the FYE 2016 and the latest unaudited financial statements of XDL for the 9-month FPE 2017, the share premium and the capital redemption reserve accounts, at both group and company levels, are as follows:-

	Group				Company			
	Unaudited as at 30 September 2017		Audited as at 31 December 2016		Unaudited as at 30 September 2017		Audited as at 31 December 2016	
	RMB'000	RM'000	RMB'000	RM'000	RMB'000	RM'000	RMB'000	RM'000
Share premium	15,087	9,261	15,087	9,261	15,087	9,261	15,087	9,261
Capital redemption reserve	578,218	354,910	578,218	354,910	578,218	354,910	578,218	354,910

Based on the above, the Proposed Bonus Issue shall be capitalised from the share premium and the capital redemption reserve accounts of the Company as follows:-

(i) Minimum Scenario

Share premium

Company level	Unaudited as at 30 September 2017		Audited as at 31 December 2016	
	RMB'000	RM'000	RMB'000	RM'000
Share premium	15,087	9,261	15,087	9,261
Less:- Capitalisation for the Proposed Bonus Issue	(15,087)	(9,261)	(15,087)	(9,261)
After the Proposed Bonus Issue Share premium	-	-	-	-

Capital redemption reserve

Company level	Unaudited as at 30 September 2017		Audited as at 31 December 2016	
	RMB'000	RM'000	RMB'000	RM'000
Capital redemption reserve ⁽¹⁾	578,218	354,910	578,218	354,910
Less:- Capitalisation for the Proposed Bonus Issue	(163,272)	(100,216)	(163,272)	(100,216)
After the Proposed Bonus Issue Capital redemption reserve	414,946	254,694	414,946	254,694

Note:-

(1) *The capital redemption reserve of the Company comprises the credit arising from the previous par value reduction exercises undertaken by the Company.*

For the avoidance of doubt, the breakdown of the capitalisation of the capital redemption reserve for the Proposed Bonus Issue under the Minimum Scenario is as follows:-

	Audited as at 31 December 2016	
	<u>RMB'000</u>	<u>RM'000</u>
Capital redemption reserve	578,218	354,910
Less:- Credit arising from the par value reduction completed on 23 June 2016 #	(354,675)	(217,700)
<i>Balance of capital redemption reserve available for capitalisation</i>	<u>223,543</u>	<u>137,210</u>
Less:- Capitalisation for the Proposed Bonus Issue	(163,272)	(100,216)
After the Proposed Bonus Issue <i>Balance of capital redemption reserve from the par value reduction completed on 18 February 2015 available for capitalisation</i>	<u>60,271</u>	<u>36,994</u>

As stated in the circular to Shareholders dated 20 May 2016, the Board does not intend to utilise the credit arising from the par value reduction which was completed on 23 June 2016 for the purpose of any bonus issue exercises in the future.

(ii) Maximum Scenario

Share premium

Company level	Unaudited as at 30 September 2017		Audited as at 31 December 2016	
	RMB'000	RM'000	RMB'000	RM'000
Share premium	15,087	9,261	15,087	9,261
Less:- Capitalisation for the Proposed Bonus Issue	(15,087)	(9,261)	(15,087)	(9,261)
After the Proposed Bonus Issue Share premium	-	-	-	-

Capital redemption reserve

Company level	Unaudited as at 30 September 2017		Audited as at 31 December 2016	
	RMB'000	RM'000	RMB'000	RM'000
Capital redemption reserve ⁽¹⁾	578,218	354,910	578,218	354,910
Less:- Capitalisation for the Proposed Bonus Issue	(221,584)	(136,008)	(221,584)	(136,008)
After the Proposed Bonus Issue Capital redemption reserve	356,634	218,902	356,634	218,902

Note:-

(1) As stated above, the capital redemption reserve of the Company comprises the credit arising from the previous par value reduction exercises undertaken by the Company.

For the avoidance of doubt, the breakdown of the capitalisation of the capital redemption reserve for the Proposed Bonus Issue under the Maximum Scenario is as follows:-

	Audited as at 31 December 2016	
	RMB'000	RM'000
Capital redemption reserve	578,218	354,910
Less:- Credit arising from the par value reduction completed on 23 June 2016 #	(354,675)	(217,700)
Balance of capital redemption reserve available for capitalisation	223,543	137,210
Less:- Capitalisation for the Proposed Bonus Issue	(221,584)	(136,008)
After the Proposed Bonus Issue Balance of capital redemption reserve from the par value reduction completed on 18 February 2015 available for capitalisation	1,959	1,202

As stated in the circular to Shareholders dated 20 May 2016, the Board does not intend to utilise the credit arising from the par value reduction which was completed on 23 June 2016 for the purpose of any bonus issue exercises in the future.

Pursuant to Paragraph 6.30(1) of the Listing Requirements, a listed issuer intending to make a bonus issue of securities must ensure that the necessary reserves required for capitalisation of the bonus issue are unimpaired by losses on a consolidated basis, where applicable, based on the listed issuer's latest audited financial statements as well as its latest quarterly report.

The Board confirms that based on the latest audited financial statements of the Group for the FYE 2016 and the latest unaudited financial statements of the Group for the 9-month FPE 2017, the Group's reserves required to be capitalised for the purposes of the Proposed Bonus Issue are unimpaired by losses on a consolidated basis, in compliance with Paragraph 6.30(1) of the Listing Requirements.

The Board also confirms that based on the latest audited financial statements of the Group for the FYE 2016 and the latest unaudited financial statements of the Group for the 9-month FPE 2017, the Company has sufficient reserves at both group and company levels for the capitalisation of the Proposed Bonus Issue.

2.3 Ranking of the Bonus Shares

The Bonus Shares shall, upon allotment and issuance, rank *pari passu* in all respects with the then existing issued and paid up XDL Shares, save and except that the holders of such Bonus Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the Shareholders, where the entitlement date precedes the date of allotment of the Bonus Shares.

2.4 Listing and quotation of the Bonus Shares

The approval from Bursa Securities for the listing and quotation of the Bonus Shares on the Main Market of Bursa Securities has been obtained via its letter dated 4 December 2017.

The Bonus Shares shall be listed and quoted on the Main Market of Bursa Securities on the next Market Day following the Entitlement Date.

3. RATIONALE FOR THE PROPOSED BONUS ISSUE

The Proposed Bonus Issue will result in an adjustment to the market price of XDL Shares, i.e. decrease by half. Based on the last traded price of the Shares as at the LPD of RM0.290, XDL Shares' reference price will be adjusted to RM0.145 after the Proposed Bonus Issue. This is expected to result in the XDL Shares being more affordable and appeal to a wider group of public shareholders and investors. This in turn may lead to enhanced trading liquidity of XDL Shares on Bursa Securities through greater participation by investors as well as broaden the shareholder base of the Company.

Apart from the above, the Proposed Bonus Issue is also aimed to reward existing Shareholders for their loyalty and continuous support by enabling them to have greater participation in the Company's equity in terms of the number of Shares held, while maintaining their percentage of equity interest in the Company.

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4. EFFECTS OF THE PROPOSED BONUS ISSUE

4.1 Issued and paid-up share capital

The pro forma effects of the Proposed Bonus Issue on the issued and paid-up share capital of the Company are as follows:-

	Minimum Scenario		Maximum Scenario	
	No of Shares	Share capital (USD)	No of Shares	Share capital (USD)
Issued and paid-up share capital ⁽¹⁾ as at the LPD	673,870,288	26,954,811.52	673,870,288	26,954,811.52
To be issued assuming full exercise of outstanding Warrants C ⁽²⁾	-	-	220,309,112	8,812,364.48
Enlarged issued and paid-up share capital ⁽¹⁾	673,870,288	26,954,811.52	894,179,400	35,767,176.00
To be issued pursuant to the Proposed Bonus Issue	673,870,288	26,954,811.52	894,179,400	35,767,176.00
Enlarged issued and paid-up share capital⁽¹⁾ after the Proposed Bonus Issue	1,347,740,576	53,909,623.04	1,788,358,800	71,534,352.00
				290,536,770.66
				109,476,966.99
				35,791,418.34
				145,268,385.33
				145,268,385.33

Notes:-

(1) Excluding 250 Shares held as treasury shares as at the LPD.

(2) The current exercise price of the Warrants C is RM0.16 per Warrant C or the RM equivalent of the par value of the Shares, whichever is higher.

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4.2

NA and gearing

The pro forma effects of the Proposed Bonus Issue on the NA and gearing of the Group are as follows:-

Minimum Scenario

Group level	Audited as at 31 December 2016		(I) After subsequent events ⁽¹⁾		(II) After (I) and the Proposed Bonus Issue ⁽²⁾	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RM'000
Share capital ⁽³⁾	157,909	96,925	157,909	96,925	336,268	206,401
Share premium	15,087	9,261	15,087	9,261	-	-
Warrant reserve	24,032	14,751	-	-	-	-
Capital redemption reserve	578,218	354,910	578,218	354,910	414,946	254,694
Retained earnings	608,967	373,784	632,999	388,535	⁽⁶⁾ 632,673	⁽⁶⁾ 388,335
Other reserves ⁽⁴⁾	(133,617)	(82,014)	(133,617)	(82,014)	(133,617)	(82,014)
Total equity / NA	1,250,596	767,617	1,250,596	767,617	1,250,270	767,416
No. of Shares ('000) (excluding treasury shares)	2,695,482	2,695,482	673,870	673,870	1,347,740	1,347,740
NA per Share (RMB/RM)	0.46	0.28	1.86	1.14	0.93	0.57
Borrowings (RMB'000/RM'000)	10,000	6,138	10,000	6,138	10,000	6,138
Gearing (times)	⁽⁶⁾ _-	⁽⁶⁾ _-	⁽⁶⁾ _-	⁽⁶⁾ _-	⁽⁶⁾ _-	⁽⁶⁾ _-

Notes:-

(1) After adjusting for the following:-

- (i) the consolidation of every 4 ordinary shares of USD0.01 each in the authorised and issued share capital of the Company into 1 ordinary share of USD0.04, which was completed on 18 May 2017; and
 - (ii) the expiry of all 362,998,424 Warrants B on 20 January 2017.
- (2) After taking into consideration the issuance of 673,870,288 new Shares arising from the Proposed Bonus Issue.
- (3) Excluding 250 Shares held as treasury shares as at the LPD.
- (4) Other reserves include treasury shares, statutory surplus reserve, merger deficit and exchange translation reserve.
- (5) After taking into account the estimated expenses in relation to the Proposed Bonus Issue amounting to RM200,000.
- (6) Negligible.

Maximum Scenario

Group level	Audited as at 31 December 2016		(I) After subsequent events ⁽¹⁾		(II) After (I) and assuming full exercise of the outstanding Warrants C ⁽²⁾		(III) After (II) and the Proposed Bonus Issue ⁽³⁾	
	RMB'000	RM'000	RMB'000	RM'000	RMB'000	RM'000	RMB'000	RM'000
Share capital ⁽⁴⁾	157,909	96,925	157,909	96,925	216,220	132,716	452,891	277,985
Share premium	15,087	9,261	15,087	9,261	15,087	9,261	-	-
Warrant reserve	24,032	14,751	-	-	-	-	-	-
Capital redemption reserve	578,218	354,910	578,218	354,910	578,218	354,910	356,634	218,902
Retained earnings	608,967	373,784	632,999	388,535	632,999	388,535	⁽⁶⁾ 632,673	⁽⁶⁾ 388,335
Other reserves ⁽⁵⁾	(133,617)	(82,014)	(133,617)	(82,014)	(133,617)	(82,014)	(133,617)	(82,014)
Total equity / NA	1,250,596	767,617	1,250,596	767,617	1,308,907	803,408	1,308,581	803,208
No. of Shares ('000) (excluding treasury shares)	2,695,482	2,695,482	673,870	673,870	894,179	894,179	1,788,358	1,788,358
NA per Share (RMB/RM)	0.46	0.28	1.86	1.14	1.46	0.90	0.73	0.45
Borrowings (RMB'000/RM'000)	10,000	6,138	10,000	6,138	10,000	6,138	10,000	6,138
Gearing (times)	(7) ₋	(7) ₋	(7) ₋	(7) ₋	(7) ₋	(7) ₋	(7) ₋	(7) ₋

Notes:-

(1) After adjusting for the following:-

(i) the consolidation of every 4 ordinary shares of USD0.01 each in the authorised and issued share capital of the Company into 1 ordinary share of USD0.04, which was completed on 18 May 2017; and

(ii) the expiry of all 362,998,424 Warrants B on 20 January 2017.

(2) Assuming all the 220,309,112 outstanding Warrants C as at the LPD are fully exercised into new Shares prior to the Entitlement Date.

(3) After taking into consideration the issuance 894,179,400 new Shares arising from the Proposed Bonus Issue.

(4) Excluding 250 Shares held as treasury shares as at the LPD.

(5) Other reserves include treasury shares, statutory surplus reserve, merger deficit and exchange translation reserve.

(6) After taking into account the estimated expenses in relation to the Proposed Bonus Issue amounting to RM200,000.

(7) Negligible.

4.3 Substantial shareholders' shareholdings

The pro forma effects of the Proposed Bonus Issue on the substantial shareholders' shareholdings are as follows:-

Minimum Scenario

Substantial shareholders	As at the LPD			After the Proposed Bonus Issue			
	Direct		Indirect	Direct		Indirect	
	No of Shares	(1)%	No of Shares	No of Shares	(2)%	No of Shares	(2)%
HongPeng	225,000,000	33.39	-	450,000,000	33.39	-	-
Ding PengPeng	-	-	(3)225,000,000	-	-	(3)450,000,000	(3)33.39

Notes:-

- (1) Based on the issued and paid-up share capital of the Company comprising 673,870,288 XDL Shares (excluding 250 Shares held as treasury shares).
- (2) Based on the enlarged issued and paid-up share capital of the Company comprising 1,347,740,576 XDL Shares (excluding 250 Shares held as treasury shares).
- (3) Deemed interest by virtue of his interest in HongPeng.

Maximum Scenario

Substantial shareholders	As at the LPD			(i) Assuming full exercise of the outstanding Warrants C			(ii) After (i) and the Proposed Bonus Issue			
	Direct		Indirect	Direct		Indirect	Direct		Indirect	
	No. of Shares	(1)%	No. of Shares	No. of Shares	(2)%	No. of Shares	No. of Shares	(3)%	No. of Shares	(3)%
HongPeng	225,000,000	33.39	-	225,000,000	25.16	-	450,000,000	25.16	-	-
Ding PengPeng	-	-	(4)225,000,000	-	-	(4)225,000,000	-	-	(4)450,000,000	(4)25.16

Notes:-

- (1) Based on the issued and paid-up share capital of the Company comprising 673,870,288 XDL Shares (excluding 250 Shares held as treasury shares).
- (2) Based on the enlarged issued and paid-up share capital of the Company comprising 894,179,400 XDL Shares (excluding 250 Shares held as treasury shares).
- (3) Based on the enlarged issued and paid-up share capital of the Company comprising 1,788,358,800 XDL Shares (excluding 250 Shares held as treasury shares).
- (4) Deemed interest by virtue of his interest in HongPeng.

4.4 Earnings and EPS

The Proposed Bonus Issue will not have any material impact on the earnings of the Group except for the corresponding reduction in the consolidated EPS of the Group as a result of increase in the number of Shares in issue, assuming that the earnings of Group remain unchanged.

4.5 Convertible securities

Save for the 220,309,112 outstanding Warrants C, the Company does not have any other outstanding convertible securities as at the LPD.

The implementation of the Proposed Bonus Issue will give rise to certain adjustments to the outstanding Warrants C in accordance with the Company's Deed Poll C.

Any such adjustments arising from the Proposed Bonus Issue will only be determined after due certification by the Directors in consultation with the Principal Adviser and certified by the Company's auditors and approved by the Board on the Entitlement Date. The adjustments to the existing Warrants C arising from the Proposed Bonus Issue, is expected to be as follows:-

(i) Exercise price of Warrants C

The current exercise price of the Warrants C is RM0.16 per Warrant C or the RM equivalent of the par value of the Shares, whichever is higher.

Pursuant to the provisions of the Deed Poll C, the adjustments arising from the Proposed Bonus Issue will not result in any change to the exercise price of the Warrants C as the adjusted exercise price of RM0.08, computed pursuant to the adjustment formula in the Deed Poll C, is below the par value of a XDL Share of USD0.04 (equivalent to RM0.1625 based on BNM's exchange rate of USD1:RM4.0615 as at the LPD).

(ii) Number of Warrants C

Under the Minimum Scenario, the Proposed Bonus Issue will give rise to 220,309,112 additional Warrants C, yielding a total number of 440,618,224 Warrants C. There will be no additional Warrants C under the Maximum Scenario as all outstanding Warrants C are assumed to be exercised prior to the Entitlement Date.

The rights and obligations of the holders of the existing Warrants C will remain unchanged, save for the above adjustment. The holders of the existing Warrants C will be officially notified in due course on the effective adjustments arising from the Proposed Bonus Issue.

5. TENTATIVE TIMELINE

The Proposed Bonus Issue is expected to be completed by the first quarter of 2018. The tentative timetable for the Proposed Bonus Issue is as follows:-

Date	Events
26 December 2017	SGM for the Proposed Bonus Issue
End December 2017	Announcement of the Entitlement Date
Early January 2018	Listing and quotation of the Bonus Shares

6. APPROVALS REQUIRED

The Proposed Bonus Issue is conditional upon the following approvals being obtained:-

- (i) the approval of Bursa Securities for the following:-
 - (a) listing and quotation of up to 894,179,400 Bonus Shares to be issued pursuant to the Proposed Bonus Issue on the Main Market of Bursa Securities;
 - (b) listing and quotation of up to 220,309,112 additional Warrants C to be issued pursuant to adjustments arising from the Proposed Bonus Issue on the Main Market of Bursa Securities; and
 - (c) listing and quotation of up to 220,309,112 new Shares to be issued arising from the exercise of the additional Warrants C on the Main Market of Bursa Securities.

The approval of Bursa Securities was obtained on 4 December 2017 subject to, amongst others, the following conditions:-

- (a) XDL and Mercury Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Bonus Issue;
 - (b) XDL and Mercury Securities to inform Bursa Securities upon the completion of the Proposed Bonus Issue;
 - (c) XDL to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Bonus Issue is completed; and
 - (d) XDL and Mercury Securities are required to make the relevant announcements pursuant to Paragraphs 6.35(2)(a)&(b) and 6.35(4) of the Listing Requirements pertaining to the Proposed Bonus Issue.
- (ii) Shareholders at the forthcoming SGM for the Proposed Bonus Issue.

7. INTER-CONDITIONALITY

The Proposed Bonus Issue is not conditional upon any other corporate exercise / scheme undertaken or to be undertaken by the Company.

8. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed Bonus Issue, there are no other corporate exercises which have been announced by the Company but is pending completion as at the LPD.

9. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

None of the Directors, major shareholders of XDL and/or persons connected to them have any interest, whether direct and/or indirect, in the Proposed Bonus Issue save for their respective entitlements, if any, as Shareholders under the Proposed Bonus Issue, which all other Shareholders of the Company are similarly entitled to.

10. BOARD'S RECOMMENDATION

The Board, having considered all aspects of the Proposed Bonus Issue, including but not limited to the rationale and effects of the Proposed Bonus Issue, is of the opinion that the Proposed Bonus Issue is in the best interests of the Company.

Accordingly, the Board recommends that the Shareholders vote in favour of the resolution pertaining to the Proposed Bonus Issue to be tabled at the forthcoming SGM.

11. SGM

The SGM, the notice of which is enclosed with this Circular, will be held at Safir I, Ballroom Level, Hotel Istana Kuala Lumpur City Centre, 73 Jalan Raja Chulan, 50200 Kuala Lumpur, Malaysia on Tuesday, 26 December 2017 at 10.00 a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the resolution, with or without any modifications, to give effect to the Proposed Bonus Issue.

If you are unable to attend and vote in person at the SGM, you may appoint not more than 2 proxies to attend and vote on your behalf by completing, signing on and returning the enclosed Form of Proxy in accordance with the instructions contained therein as soon as possible, so as to arrive at the registered office of the Company in Malaysia at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia or alternatively, at the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia not less than 48 hours before the time and date appointed for holding the SGM or any adjournment thereof.

The completion and lodgement of the Form of Proxy shall not preclude you from attending and voting in person at the SGM should you subsequently wish to do so and in such an event, your Form of Proxy shall be deemed to have been revoked.

12. FURTHER INFORMATION

You are requested to refer to the enclosed appendices for further information.

Yours faithfully,
For and on behalf of the Board of
XIDELANG HOLDINGS LTD

DING PENGWAN

Executive Director / Deputy Chief Executive Officer cum Chief Operating Officer

FURTHER INFORMATION**1. RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by the Board and the Directors of XDL collectively and individually accept full responsibility for the completeness and accuracy of the information given in this Circular and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements contained in this Circular or other material facts the omission of which would make any statement in this Circular false or misleading.

2. CONSENT AND CONFLICT OF INTEREST

The written consent of Mercury Securities, being the Principal Adviser for the Proposed Bonus Issue, for the inclusion of its name in the form and context in which it appears in this Circular has been given and has not been subsequently withdrawn before the issuance of this Circular.

As at the LPD, Mercury Securities is not aware of any existing conflict of interest nor of any circumstances which would or is likely to give rise to a possible conflict of interest by virtue of its appointment as the Principal Adviser for the Proposed Bonus Issue.

The written consent of Conyers Dill and Pearman Pte Ltd, being the legal counsel to the Company on Bermuda law, for the inclusion of its name and letter of advice in relation to the Proposed Bonus Issue in the form and context in which it appears in this Circular has been given and has not been subsequently withdrawn before the issuance of this Circular.

As at the LPD, Conyers Dill and Pearman Pte Ltd is not aware of any existing conflict of interest nor of any circumstances which would or is likely to give rise to a possible conflict of interest by virtue of its appointment as the legal counsel to the Company on Bermuda law.

3. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of XDL Shares as transacted for the past 12 months preceding the date of this Circular are as follows:-

	High RM	Low RM
<u>2016</u>		
December	0.030	0.020
<u>2017</u>		
January	0.030	0.025
February	0.035	0.025
March	0.040	0.030
April	0.040	0.030
May	⁽¹⁾ 0.325	0.030
June	0.300	0.245
July	0.280	0.215
August	0.270	0.230
September	0.310	0.245
October	0.315	0.275
November	0.300	0.270

Note:-

(1) Adjusted pursuant to the consolidation of every 4 ordinary shares of USD0.01 each in the authorised and issued share capital of the Company into 1 ordinary share of USD0.04, which was completed on 18 May 2017.

FURTHER INFORMATION (CONT'D)

Last transacted market price on 14 November 2017, being the last Market Day immediately prior to the announcement of the Proposed Bonus Issue (RM) 0.285

Last transacted market price as at the LPD (RM) 0.290

(Source: Bloomberg)

4. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES**Material commitments**

Save as disclosed below, the Board is not aware of any other material commitments incurred or known to be incurred by the Group that has not been provided for as at the LPD, which upon becoming due or enforceable, may have a material impact on the financial position of the Group:-

Capital commitments	Amount	
	RMB'000	RM'000
Capital expenditure in respect of property, plant and equipment - approved but not contracted for	39,792	24,424
	39,792	24,424

Contingent liabilities

The Board is not aware of any contingent liabilities incurred or known to be incurred by the Group as at the LPD, which may have a material impact on the financial position of the Group.

5. MATERIAL LITIGATION

As at the LPD, neither XDL nor its subsidiaries are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which has or would have a material and adverse effect on the financial position of the Group and, to the best of the Board's knowledge and belief, the Board is not aware of any proceedings pending or threatened against the Group or of any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of the Group.

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of XDL in Malaysia at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia during normal business hours from Monday to Friday (except public holidays) following the date of this Circular up to and including the date of the SGM:-

- (i) Memorandum of Association and Bye-laws of XDL;
- (ii) audited consolidated financial statements of XDL for the FYE 2015 and FYE 2016;
- (iii) unaudited consolidated financial statements of XDL for the 9-month FPE 2017;
- (iv) the letter of advice dated 5 December 2017 from Conyers Dill and Pearman Pte Ltd enclosed in Appendix II; and
- (v) the letters of consent referred to in Section 2 of this Appendix I.

LETTER OF ADVICE FROM CONYERS DILL & PEARMAN PTE LTD

Conyers Dill & Pearman Pte. Ltd.
 9 Battery Road
 #20-01 Straits Trading Building
 Singapore 049910
 Tel: +65 6223 6006
 Fax: +65 6223 7887
 conyersdill.com

BERMUDA
 BRITISH VIRGIN ISLANDS
 CAYMAN ISLANDS
 DUBAI
 HONG KONG
 LONDON
 MAURITIUS
 SINGAPORE



Conyers Dill & Pearman

5 December 2017

Matter No.: #883127
 Doc Ref: AP-Legal #103804496

The Board of Directors of
 XiDeLang Holdings Ltd
 Clarendon House,
 2 Church Street,
 Hamilton HM 11,
 Bermuda.

Dear Sirs,

XiDeLang Holdings Ltd (the "Company")
– Proposed issue of bonus shares by the Company

We understand you wish us to advise on whether it is permissible under the laws of Bermuda for the Company to utilise its contributed surplus reserve to pay up unissued shares of the Company to be issued to its members as fully paid-up bonus shares (the "Bonus Issue"). The said contributed surplus reserve arose from credits resulting from a share capital reduction exercise carried out by the Company pursuant to Section 46 of the Companies Act 1981 of Bermuda.

We have assumed (a) that there is no provision of the law of any jurisdiction, other than Bermuda, which would have any implication in relation to the opinion expressed herein; (b) that the proposed Bonus Issue will not violate any rules or regulations of Bursa Malaysia Securities Berhad applicable to the Company; (c) that the Company is, and after the date on which the Bonus Issue is effected (the "Bonus Issue Date") be, able to pay its liabilities as they become due; (d) that on the Bonus Issue Date the realisable value of the Company's assets is not, and after the Bonus Issue Date will not be, less than its liabilities; (e) that the new shares to be issued as bonus shares shall be issued at an issue price that is not less than the par value of those shares; and (f) that pursuant to bye-law 146(1) of the Company's Bye-laws, the approval of the Company in general meeting by way of an ordinary resolution (as defined in the Company's Bye-laws) to capitalise the Company's contributed surplus for the purposes of the proposed Bonus Issue has been obtained (or will be obtained prior to the Bonus Issue Date) at a duly convened, constituted and quorate special general meeting of the Company and that such ordinary resolution remain in full force and effect and have not been rescinded or amended as at the Bonus Issue Date.

LETTER OF ADVICE FROM CONYERS DILL & PEARMAN PTE LTD (CONT'D)

The Board of Directors of
XiDeLang Holdings Ltd
5 December 2017
Page 2

We have made no investigation of and express no opinion in relation to the laws of any jurisdiction other than Bermuda. This opinion is to be governed by and construed in accordance with the laws of Bermuda and is limited to and is given on the basis of the current law and practice in Bermuda. This opinion is issued solely for your benefit and use in connection with the matter described herein and is not to be relied upon by any other person, firm or entity or in respect of any other matter.

On the basis of and subject to the foregoing, we are of the opinion that:

The laws of Bermuda allow the Company to utilise its contributed surplus reserve to pay up unissued shares of the Company to be issued to its members as fully paid-up bonus shares.

Yours faithfully,



Conyers Dill & Pearman Pte. Ltd.





XIDELANG HOLDINGS LTD

(Bermuda Company Registration No. 43136)
(Incorporated as an exempted company in Bermuda under the Companies Act 1981 of Bermuda)
(Malaysian Foreign Company Registration No. 995210-W)
(Registered as a foreign company in Malaysia under the Companies Act, 1965 of Malaysia)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT a Special General Meeting of XiDeLang Holdings Ltd (the “**Company**” or “**XDL**”) will be held at Safir I, Ballroom Level, Hotel Istana Kuala Lumpur City Centre, 73 Jalan Raja Chulan, 50200 Kuala Lumpur, Malaysia on Tuesday, 26 December 2017 at 10.00 a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the following ordinary resolution with or without any modification:-

ORDINARY RESOLUTION

PROPOSED BONUS ISSUE OF UP TO 894,179,400 NEW ORDINARY SHARES OF USD0.04 EACH IN THE COMPANY (“SHARES”) (“BONUS SHARES”) ON THE BASIS OF 1 BONUS SHARE FOR EVERY 1 EXISTING SHARE HELD BY THE ENTITLED SHAREHOLDERS OF XDL ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER (“PROPOSED BONUS ISSUE”)

“**THAT** subject to the approvals of all relevant regulatory authorities for the listing and quotation of the Bonus Shares on the Main Market of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) having been obtained, approval be and is hereby given for a sum of up to USD35,767,176 standing to the credit of the share premium account and the capital redemption reserve account of the Company to be capitalised by way of issuance of up to 894,179,400 Bonus Shares, credited as fully paid-up at par, on the basis of 1 Bonus Share for every 1 existing Share held by the shareholders of the Company whose names appear in the Record of Depositors of the Company as at the close of business at 5.00 p.m. (Malaysia time) on the Entitlement Date (“**Entitled Shareholders**”);

THAT authority be and is hereby given to the Board of Directors of the Company (“**Board**”) to allot and issue up to 894,179,400 Bonus Shares, to be credited as fully paid-up at par, to the Entitled Shareholders on the basis of 1 Bonus Share for every 1 existing Share held by the Entitled Shareholders on the Entitlement Date (which Entitlement Date shall be as determined by the Board), and to deal with any fractional entitlements in such manner as the Board may in its absolute discretion deem fit or expedient and in the best interests of the Company;

THAT the Bonus Shares shall, upon allotment and issuance, rank *pari passu* in all respects with the then existing issued and paid-up Shares, save and except that the holders of such Bonus Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the shareholders of the Company, where the entitlement date precedes the date of allotment of such Bonus Shares;

AND the Board be and is hereby authorised to sign and execute all documents, do all things and acts as may be required to give effect to and to complete the Proposed Bonus Issue with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required by any relevant authorities or deemed necessary by the Board and to deal with all matters relating thereto and to take all such steps and do all such acts and things in any manner as he may consider necessary or expedient to implement, finalise and give full effect to the Proposed Bonus Issue;

AND THAT this resolution constitutes a specific approval for the issuance of securities in the Company contemplated herein which is made pursuant to an offer, agreement or option and shall continue in full force and effect until all Bonus Shares to be issued pursuant to or in connection with the Proposed Bonus Issue have been duly allotted and issued in accordance with the terms of the Proposed Bonus Issue.”

**By Order of the Board
XIDELANG HOLDINGS LTD**

**Secretarius Services Sdn Bhd
Company Secretary**

Kuala Lumpur, Malaysia
8 December 2017

Notes:-

- i. *A member entitled to attend and vote at a meeting of the Company who is the holder of two (2) or more shares shall be entitled to appoint up to two (2) proxies to attend and vote at the same meeting. A proxy may but need not be a member of the Company. Where a member appoints more than one (1) proxy the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*
- ii. *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 of Malaysia, it may appoint not more than two (2) proxies in respect of each Securities Account it holds which is credited with ordinary shares of the Company.*
- iii. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.*
- iv. *The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, the proxy form must be executed under its common seal or under the hand of an office, attorney or other person duly authorised to sign the same.*
- v. *The instrument appointing a proxy must be deposited at the Company's registered office in Malaysia i.e. Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia or alternatively, at the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia not less than forty-eight (48) hours before the time appointed for holding the meeting i.e. on or before 24 December 2017 or any adjournment thereof.*
- vi. *Only members whose names appear in the Record of Depositors as at 19 December 2017 will be entitled to attend and vote at the meeting or appoint proxy (proxies) to attend and vote on their behalf.*



XIDELANG HOLDINGS LTD

(Bermuda Company Registration No. 43136)
(Incorporated as an exempted company in Bermuda under the Companies Act 1981 of Bermuda)
(Malaysian Foreign Company Registration No. 995210-W)
(Registered as a foreign company in Malaysia under the Companies Act, 1965 of Malaysia)

FORM OF PROXY

No. of Shares held	
CDS account no.	

Telephone no. (during office hours)

I/We.....NRIC / Passport / Company No.....
(Full Name in Capital Letters)

of.....
(Full Address)

being a member(s) of **XIDELANG HOLDINGS LTD** (incorporated in Bermuda under the Companies Act 1981 of Bermuda – Company No. 43136) (Registered as a Foreign Company in Malaysia under the Companies Act, 1965 of Malaysia – Company No. 995210-W) hereby appoint.....NRIC / Passport No.....
(Full Name in Capital Letters)

of.....
(Full Address)

and/or failing him/her,.....NRIC / Passport No.....
(Full Name in Capital Letters)

of.....
(Full Address)

or failing him/her, the Chairman of the Meeting as my/our proxy/proxies to attend and vote for me/us on my/our behalf at the Special General Meeting of the Company to be held at Safir I, Ballroom Level, Hotel Istana Kuala Lumpur City Centre, 73 Jalan Raja Chulan, 50200 Kuala Lumpur, Malaysia on Tuesday, 26 December 2017 at 10.00 a.m. or at any adjournment thereof. The proxy is to vote in the manner indicated below, with an "X" in the appropriate spaces. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.

NO.	RESOLUTION	FOR	AGAINST
1.	ORDINARY RESOLUTION – PROPOSED BONUS ISSUE		

Dated thisday of 2017

Signature of Shareholder(s) / Common Seal

For the appointment of two (2) proxies, percentage of shareholdings to be represented by the proxies:-

Proxy	No. of Shares	Percentage (%)
1		
2		
Total		100

Notes:-

- A member entitled to attend and vote at a meeting of the Company who is the holder of two (2) or more shares shall be entitled to appoint up to two (2) proxies to attend and vote at the same meeting. A proxy may but need not be a member of the Company. Where a member appoints more than one (1) proxy the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 of Malaysia, it may appoint not more than two (2) proxies in respect of each Securities Account it holds which is credited with ordinary shares of the Company.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, the proxy form must be executed under its common seal or under the hand of an office, attorney or other person duly authorised to sign the same.
- The instrument appointing a proxy must be deposited at the Company's registered office in Malaysia i.e. Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia or alternatively, at the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia not less than forty-eight (48) hours before the time appointed for holding the meeting i.e. on or before 24 December 2017 or any adjournment thereof.
- Only members whose names appear in the Record of Depositors as at 19 December 2017 will be entitled to attend and vote at the meeting or appoint proxy (proxies) to attend and vote on their behalf.



Fold this flap for sealing

Then fold here

AFFIX
STAMP

Registered Office in Malaysia
XIDELANG HOLDINGS LTD
Unit 30-01, Level 30, Tower A, Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Wilayah Persekutuan
Malaysia

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