

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 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.



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 and deemed registered under the Companies Act 2016)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE:-

PROPOSED BONUS ISSUE OF 902,441,557 FREE WARRANTS IN XDL (“WARRANTS D”) ON THE BASIS OF 1 WARRANT D FOR EVERY 2 EXISTING ORDINARY SHARES OF USD0.04 EACH IN XDL HELD ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER

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 Wednesday, 2 January 2019 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 : Monday, 31 December 2018 at 10.00 a.m.
Date and time of the SGM : Wednesday, 2 January 2019 at 10.00 a.m.

This Circular is dated 14 December 2018

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
Bursa Depository	- Bursa Malaysia Depository Sdn Bhd (Company No. 165570-W)
Bursa Securities	- Bursa Malaysia Securities Berhad (Company No. 635998-W)
China or PRC	- The People's Republic of China
Circular	- This circular to the Shareholders dated 14 December 2018 in relation to the Proposed Bonus Issue of Warrants
Deed Poll D	- The Deed Poll D constituting the Warrants D to be executed by the Company in connection with the Proposed Bonus Issue of Warrants
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 Proposed Bonus Issue of Warrants
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 participate in the Proposed Bonus Issue of Warrants
EPS	- Earnings per Share
ESOS	- XDL's existing employees' share option scheme which took effect on 17 April 2015 for a period of 5 years
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	- 21 November 2018, 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
Mercury Securities or the Principal Adviser	- Mercury Securities Sdn Bhd (Company No. 113193-W)
NA	- Net assets
Official List	- The official list of the Main Market of Bursa Securities

DEFINITIONS (CONT'D)

Options	- Options granted under the ESOS where each holder can subscribe for 1 new Share for every 1 Option held
Proposed Bonus Issue of Warrants	- Proposed bonus issue of 902,441,557 Warrants D on the basis of 1 free Warrant D for every 2 existing Shares 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 or yuan	- 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
VWAP	- Volume-weighted average market price
Warrants C	- XDL warrants 2015/2018 issued by the Company pursuant to the deed poll and supplemental deed poll dated 17 June 2015 and 27 April 2016, respectively constituting the Warrants C, which have since expired on 2 July 2018
Warrants D	- 902,441,557 free XDL warrants to be allotted and issued pursuant to the Proposed Bonus Issue of Warrants
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

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

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.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by the Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that XDL’s plans and objectives will be achieved.

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 middle exchange rate of RMB1:RM0.6047 and USD1:RM4.195 as extracted from BNM’s website as at the LPD.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

TABLE OF CONTENTS

LETTER FROM THE BOARD TO THE SHAREHOLDERS IN RELATION TO THE PROPOSED BONUS ISSUE OF WARRANTS:-

	PAGE
1. INTRODUCTION	1
2. DETAILS OF THE PROPOSED BONUS ISSUE OF WARRANTS	2
3. RATIONALE FOR THE PROPOSED BONUS ISSUE OF WARRANTS	7
4. INDUSTRY OUTLOOK AND FUTURE PROSPECTS	7
5. EFFECTS OF THE PROPOSED BONUS ISSUE OF WARRANTS	9
6. TENTATIVE TIMELINE	12
7. APPROVALS REQUIRED AND CONDITIONALITY	12
8. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION	13
9. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM	13
10. BOARD'S RECOMMENDATION	13
11. SGM	14
12. FURTHER INFORMATION	14
APPENDIX I FURTHER INFORMATION	15
NOTICE OF SGM	ENCLOSED
FORM OF PROXY	ENCLOSED

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]



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

14 December 2018

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 OF WARRANTS

1. INTRODUCTION

On 3 December 2018, Mercury Securities, on behalf of the Company, announced that the Company proposes to undertake the Proposed Bonus Issue of Warrants.

On 11 December 2018, Mercury Securities, on behalf of the Company, announced that Bursa Securities had vide its letter dated 10 December 2018, granted its approval for the following:-

- (i) the admission of the Warrants D to the Official List of Bursa Securities; and
- (ii) the listing and quotation of 902,441,557 Warrants D and 902,441,557 new Shares to be issued arising from the exercise of the Warrants D on the Main Market of Bursa Securities.

The approval of Bursa Securities is subject to the conditions as set out in Section 7 of this Circular.

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

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

2. DETAILS OF THE PROPOSED BONUS ISSUE OF WARRANTS

2.1 Basis and number of Warrants D to be issued

The Proposed Bonus Issue of Warrants is to be implemented on the basis of 1 Warrant D for every 2 existing Shares held by Entitled Shareholders on the Entitlement Date.

As at the LPD, the issued and paid-up share capital of the Company is USD72,195,324.56 comprising 1,804,883,114 Shares (excluding 250 Shares held as treasury shares). Based on the foregoing, the Proposed Bonus Issue of Warrants entails the issuance of 902,441,557 Warrants D.

In conjunction with the Proposed Bonus Issue of Warrants, 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 of Warrants. 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 of Warrants.

Fractional entitlements of the Warrants D arising from the Proposed Bonus Issue of Warrants, if any, shall be disregarded and/or shall be dealt with by the Board in such manner on such terms and conditions as the Board shall in its absolute discretion deems fit and expedient, and in the best interests of the Company.

The Entitlement Date will be determined by the Board and announced at a later date upon receipt of all relevant approvals for the Proposed Bonus Issue of Warrants. The Proposed Bonus Issue of Warrants will not be implemented in stages.

2.2 Indicative salient terms of the Warrants D

Issuer	:	XDL
Issue size	:	902,441,557 Warrants D to be issued pursuant to the Proposed Bonus Issue of Warrants.
Form and denomination	:	The Warrants D will be issued in registered form and constituted by the Deed Poll D.
Board lot	:	For purpose of trading on Bursa Securities, a board lot of Warrants D shall be 100 units of Warrants D, unless otherwise revised by the relevant authorities.
Tenure ⁽¹⁾	:	3 years commencing on and including the date of issuance of the Warrants D.

Exercise Period	<p>: The Warrants D may be exercised at any time within the tenure of the Warrants D, commencing from and including the date of issue of the Warrants D to the close of business at 5.00 p.m. (Malaysian time) on the Market Day immediately preceding the 3rd anniversary of the date of issue of the Warrants D.</p> <p>Any Warrants D not exercised during the Exercise Period will thereafter lapse and cease to be valid for any purpose.</p>
Exercise Price	<p>: RM0.18 per Warrant D or the RM equivalent of the par value of the Shares based on the middle exchange rate as determined by the BNM at 9.00 am on the exercise date of the Warrant D, whichever is higher, or such price as adjusted under the provision of the Deed Poll D.</p>
Subscription rights	<p>: Each Warrant D shall entitle the holder of the Warrants D to subscribe for 1 new Share at any time during the Exercise Period at the Exercise Price, subject to adjustments in accordance with provisions of the Deed Poll D.</p>
Mode of exercise	<p>: The holders of the Warrants D shall pay the aggregate of the Exercise Price payable when exercising their Warrants D to subscribe for new Shares in the Company:-</p> <ul style="list-style-type: none"> (i) via online payment into a bank account of XDL maintained with a bank operating in Malaysia and provide the payment advice; or (ii) by banker's draft or cashier's order drawn on a bank operating in Malaysia or a money order or postal order issued by a post office in Malaysia for the aggregate of the Exercise Price payable when exercising their Warrants D to subscribe for new Shares in the Company. <p>The payment of such fee must be made in RM.</p>
Adjustments to the Exercise Price and/or the number of the Warrants D	<p>: The Exercise Price and/or the number of outstanding Warrants D in issue shall be adjusted by the Board in consultation with an approved adviser appointed by the Company or the auditors in the event of any alteration in the share capital of the Company at any time during the tenure of the Warrants D in accordance with the provisions of the Deed Poll D.</p> <p>Any adjustment to the Exercise Price will be rounded up to the nearest 1 Sen and in no event shall any adjustment (otherwise than upon the consolidation of Shares into shares of a larger par value) involve an increase in the Exercise Price or result in the Exercise Price falling below the par value of the ordinary shares of the Company for the time being.</p>
Rights of the holders of Warrants D	<p>: The Warrants D do not confer on their holders any voting rights or participate in any forms of distribution and/or offer of further securities in the Company until and unless the holders of such Warrants D have exercised their Warrants D to subscribe for new Shares in accordance with the provisions of the Deed Poll D and such new Shares have been allotted and issued to such holders.</p>

Ranking of the new Shares to be issued pursuant to the exercise of the Warrants D	: The new Shares to be issued pursuant to the exercise of the Warrants D in accordance with the provisions of the Deed Poll D shall, upon allotment, issue and payment of the Exercise Price, rank <i>pari passu</i> in all respects with the then existing issued and fully paid-up Shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to Shareholders, the Entitlement Date of which is prior to the date of allotment of the new Shares to be issued arising from the exercise of the Warrants D.
Modification of rights of Warrant D holder	: Save as otherwise provided in the Deed Poll D, a special resolution of the Warrants D holders is required to sanction any modification, alteration or abrogation in respect of the rights of the Warrant D holders.
Modification of the Deed Poll D	: The Company may, from time to time, without the consent or sanction of the holders of the Warrants D but subject to the prior approval of any relevant authorities and in accordance with the provisions of the Deed Poll D, modify the Deed Poll D, if such amendments or additions are required to correct any typographical errors or relate purely to administrative matters which in the opinion of the Company will not be materially prejudicial to the interest of the Warrant D holders, or are required to comply with any provisions of the prevailing laws of Malaysia, Rules of Bursa Depository, Securities Industry (Central Depositories) Act, 1991 and/or the Listing Requirements.
Rights of the Warrant D holders in the event of winding-up, compromise and/or arrangement	<p>Any modification to the terms and conditions of the Deed Poll D may, subject to the approval of any relevant authorities, be effected only by a further deed poll, executed by the Company and expressed to be supplemental to the Deed Poll D.</p> <p>: Where a resolution has been passed for a members' voluntary winding-up of the Company, or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of the Company or the amalgamation of the Company with 1 or more companies, then:-</p> <p>(i) for the purposes of such winding-up, compromise or arrangement (other than a consolidation, amalgamation or merger in which the Company is the continuing corporation) to which the holders of the Warrants D, or some person designated by them for such purpose by special resolution of the holders of Warrants D, shall be a party, the terms of such winding-up, compromise and arrangement shall be binding on all the holders of the Warrants D; and</p>

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

	(ii)	in any other cases, every Warrants D holder shall be entitled to exercise his / her Warrants D at any time within 6 weeks after the passing of such resolution for a members' voluntary winding up of the Company or within 6 weeks after the granting of the court order approving the winding-up, compromise or arrangement, whereupon the Company shall allot the relevant new Shares to the Warrant D holder credited as fully paid subject to the prevailing laws, and such Warrant D holder shall be entitled to receive out of the assets of the Company which would be available in liquidation if he / she had on such date been the holder of the new Shares to which he / she would have become entitled pursuant to such exercise and the liquidator of the Company shall give effect to such election accordingly. Upon the expiry of the above 6 weeks, all subscription rights of the Warrants D shall lapse and cease to be valid for any purpose.
Listing status	:	Bursa Securities had on 10 December 2018 approved the admission of the Warrants D to the Official List and the listing and quotation of the Warrants D and new Shares arising from the exercise of the Warrants D on the Main Market of Bursa Securities. The listing and quotation of the Warrants D on the Main Market of Bursa Securities is subject to a minimum of 100 holders of Warrants D.
Transferability	:	The Warrants D shall be transferable in the manner provided under the Securities Industry (Central Depositories) Act, 1991 of Malaysia and the Rules of Bursa Depository.
Governing Law	:	The Warrants D and the Deed Poll D shall be governed by the laws and regulations of Malaysia.

Note:-

(1) *The tenure of 3 years is consistent with the tenure for the previous warrants issued by the Company (i.e. warrants 2012/2015, warrants 2014/2017 and Warrants C).*

2.3 Basis and justification for the issue price and Exercise Price

The Warrants D will be issued at no cost to the Entitled Shareholders.

The Board has fixed the Exercise Price of the Warrants D at RM0.18 per Warrant D (or the RM equivalent of the par value of the Shares on the exercise date of the Warrant D based on the middle exchange rate as determined by BNM at 9.00 am, whichever is higher).

The Exercise Price of RM0.18 per Warrant D represents a premium of 27.39% to the theoretical ex-all price of XDL Shares of RM0.1413, calculated based on the 5-day VWAP of XDL Shares up to and including the LPD of RM0.1220 and the entitlement basis of 1 Warrant D for every 2 existing Shares held.

The Board in determining the Exercise Price has taken into consideration, *inter-alia*, the following:-

- (i) the par value of the Shares of USD0.04 each;
- (ii) the prevailing market conditions and market price of the Shares;
- (iii) the Warrants D being exercisable at any time within a 3-year period from the date of issue of the Warrants D; and
- (iv) the Warrants D are issued at no cost.

2.4 Listing and quotation of the Warrants D and new Shares pursuant to the exercise of the Warrants D

Bursa Securities had on 10 December 2018 granted its approval for the admission of the Warrants D to the Official List as well as the listing and quotation of the Warrants D and the new Shares to be issued arising from the exercise of the Warrants D on the Main Market of Bursa Securities.

2.5 Ranking of the Warrants D and the new Shares to be issued arising from the exercise of Warrants D

The holders of the Warrants D are not recognised as Shareholders and are not entitled to any dividends, rights, allotments and/or other distributions until and unless such holders have exercised their Warrants D into new XDL Shares.

The new XDL Shares to be issued pursuant to the exercise of the Warrants D shall, upon allotment, issue and payment of the Exercise Price, rank *pari passu* in all respects with the then existing issued and paid-up Shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the Shareholders, the entitlement date of which precedes the date of allotment and issuance of the new Shares arising from the exercise of the Warrants D.

2.6 Utilisation of proceeds

The Proposed Bonus Issue of Warrants will not raise any immediate funds for XDL as the Warrants D will be issued at no cost to the Entitled Shareholders. However, the exact quantum of proceeds that may be received by the Company upon the exercise of the Warrants D would depend on the Exercise Price and actual number of Warrants D exercised during the tenure of the Warrants D.

Strictly for illustrative purposes, assuming full exercise of 902,441,557 Warrants D at the Exercise Price of RM0.18 per Warrant D, the proceeds to be raised by the Company is approximately RM162.4 million. Such proceeds are intended to be used as working capital to finance the Company's day-to-day operations, including the purchase of raw materials, defrayment of operational and administrative expenses as well as payment of salaries. The proceeds to be utilised for each component of working capital are subject to the operating requirements at the time of utilisation and the timeframe for full utilisation cannot be determined at this juncture.

For information purposes, the Company did not undertake any fund raising exercises for the past 3 years.

3. RATIONALE FOR THE PROPOSED BONUS ISSUE OF WARRANTS

The Proposed Bonus Issue of Warrants is an appropriate avenue for rewarding the existing Shareholders after taking into consideration the following rationale:-

- (i) to reward the Shareholders for their continuous support by enabling them to participate in convertible securities of the Company which are tradable on the Main Market of Bursa Securities, without incurring any cost;
- (ii) to provide the Shareholders with an opportunity to increase their equity participation in the Company at a predetermined exercise price during the tenure of the Warrants D, and to allow Shareholders to further participate in the future growth of the Company when the Warrants D are exercised; and
- (iii) to provide the Company with additional working capital as and when the Warrants D are exercised during the tenure of the Warrants D. The exercise of the Warrants D will allow the Company to obtain proceeds without incurring interest expenses as compared to bank borrowings.

4. INDUSTRY OUTLOOK AND FUTURE PROSPECTS

The Group is primarily involved in the design, manufacturing and marketing of sports shoes as well as consumer goods for PRC's retail market sector.

4.1 Overview and outlook of the PRC's economy

In October 2018, under the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, all regions and departments implemented the decisions and arrangements made by the CPC Central Committee and the State Council. As a result, the national economy performed within an appropriate range, maintaining overall stability with momentum of progress.

In October 2018, the surveyed unemployment rate in urban areas was 4.9 percent, the same as that of last month and that of October last year. The urban surveyed unemployment rate in 31 major cities were 4.7 percent, the same as last month and 0.1 percentage point lower than that of October last year.

Generally speaking, the national economy registered progress while maintaining stability in October 2018, keeping the good momentum of long term development.

The total value of imports and exports in October 2018 was 2,747.8 billion yuan, an increase of 22.9 percent year on year, 5.7 percentage points higher than that of last month. The total value of exports was 1,490.7 billion yuan, up by 20.1 percent, 3.2 percentage points higher; the total value of imports was 1,257.1 billion yuan, an increase of 26.3 percent, 8.8 percentage points higher.

The trade balance was 233.6 billion yuan in surplus, down by 5.0 percent compared with that of the same period last year. In the first ten months, the total value of imports and exports was 25,051.5 billion yuan, a year-on-year increase of 11.3 percent. The total value of exports was 13,355.1 billion yuan, up by 7.9 percent, and the total value of imports was 11,696.4 billion yuan, up by 15.5 percent.

In October 2018, the export delivery value of industrial enterprises above designated size reached 1,148.9 billion yuan, a year-on-year increase of 14.7 percent, 3.0 percentage points higher than that of last month. From January to October 2018, the export delivery value of the industrial enterprises above designated size reached 10,120.1 billion yuan, a year-on-year increase of 8.6 percent.

In October 2018, as the Mid-Autumn Festival fell on September this year and customers postponed the purchase of some products till November 11th, the Double Eleven online shopping festival, the total retail sales of consumer goods reached 3,553.4 billion yuan, a year-on-year rise of 8.6 percent, 0.6 percentage point lower than that of last month.

Analysed by different areas, the retail sales in urban areas reached 3,060.1 billion yuan, up by 8.4 percent year on year, and the retail sales in rural areas reached 493.4 billion yuan, up by 9.7 percent. Grouped by consumption patterns, the income of the catering was 400.6 billion yuan, up by 8.8 percent; and the retail sales of goods were 3,152.8 billion yuan, up by 8.5 percent. From January to October 2018, the total retail sales of consumer goods increased by 9.2 percent year on year. The sales of upgraded consumer goods witnessed fast growth.

(Source: National Economy Maintained Overall Stability with Momentum of Progress in October, National Bureau of Statistics of China, published on 14 November 2018)

In October 2018, the total retail sales of consumer goods reached 3,553.4 billion yuan, up by 8.6 percent year-on-year nominal growth rate (the real growth rate was up by 5.6 percent after adjusting for inflation). Of the total, the retail sales of consumer goods of units above designated size was 1,247.9 billion yuan, increased 3.7 percent.

From January to October 2018, the total retail sales of consumer goods reached 30,983.4 billion yuan, up by 9.2 percent year-on-year. Of the total, the retail sales of consumer goods of units above designated size was 11,717.7 billion yuan, increased 6.6 percent.

From January to October 2018, the national online retail sales of goods and services was 7,053.9 billion yuan, increased 25.5 percent year-on-year. Of which, the online retail sales of physical goods was 5,414.1 billion yuan, increased 26.7 percent, accounting for 17.5 percent of the total retail sales of consumer goods; of the online retail sales of physical goods, food, clothing and other commodities went up by 36.1, 22.5 and 27.2 percent respectively.

(Source: Total Retail Sales of Consumer Goods up by 8.6 percent in October 2018, National Bureau of Statistics of China, published on 16 November 2018)

4.2 Prospects of XDL Group

The Group's business comprises the following 2 main core business operations:-

Proprietary brand (XiDeLang) operations

Riding on the rapid growth of e-commerce trend in the recent years, the Group has since 2016 embarked on online-to-offline marketing strategy after communication and coordination with the authorised distributors. Products are listed on third party China-based online marketplaces to generate additional market awareness, with the ultimate aim to attract consumers to the physical retail outlets.

The Group placed emphasis on improving the retail efficiency of its existing outlets managed by the authorised distributors and retailers dispersed over 21 provinces and cities within China through the following reform initiatives:-

- (i) modernising the layout of the retail outlets, to enhance the brand appeal to the younger generation and to improve the in-store experience of the consumers in line with the Group's online-to-offline marketing strategy;
- (ii) promoting brand unity, with standardised layout and promotional materials to be adopted by its retail outlets;

- (iii) optimising the retail network coverage, where smaller size and less profitable stores are merged to form a flagship store, so that resources can be concentrated on areas with sustainable profitability and growth potential; and
- (iv) optimising the in-store inventory level, where authorised distributors and retailers are encouraged to be more flexible in making replenishment orders in accordance to market condition and demand, with periodic visit by the Group's marketing team to the retail outlets as part of the proactive control to prevent overstocking issue.

In addition, the Group will from time to time, identify any potential merger and acquisition opportunities, joint venture opportunities and/or collaboration opportunities that may further strengthen the market competitiveness of the Group, thereby improving the Group's operational efficiency and financial performance.

Original design manufacturer ("ODM") production

The Group will continue to expand its ODM operations through identifying any collaboration or joint-venture opportunities with foreign trading / export companies with the aim to enlarge its customer base for ODM production and to be able to have direct business dealings with the international brand names.

The Group aims to also identify any strategic alliance, merger or acquisition opportunities with China-based ODM producers with the aim to diversify and complement the Group's existing ODM sports shoes production, as well as for cross selling.

Premised on the above plans and taking into consideration the outlook of the PRC economy as well as the domestic retail sector / consumer goods, as disclosed in Section 4.1 above, the Board is of the view that the future prospects of the Group are expected to be positive. Further, with the supportive government policies and initiatives which, amongst others, include the Several Opinions on Accelerating the Development of Sports Industry to Promote Sports Consumption announced by the State Council of the PRC, the 13th Five-Year Plan (2016-2020) announced by the General Administration of Sports of China and the National Fitness Campaign, the Group expects the demands for sportswear within the PRC market to be on gradual growth momentum.

(Source: Management of XDL)

5. EFFECTS OF THE PROPOSED BONUS ISSUE OF WARRANTS

5.1 Issued and paid-up share capital

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

	No of Shares	Share capital (USD)	Share capital (RM)
Issued and paid-up share capital ⁽¹⁾ as at the LPD	1,804,883,114	72,195,324.56	302,859,386.53
To be issued assuming full exercise of the Warrants D	902,441,557	36,097,662.28	151,429,693.26
Enlarged issued and paid-up share capital⁽¹⁾	2,707,324,671	108,292,986.84	454,289,079.79

Note:-

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

5.2 NA and gearing

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

Group level	Audited as at 31 December 2017		After subsequent events ⁽¹⁾		(II) After (I) and the Proposed Bonus Issue of Warrants		(III) After (II) and assuming full exercise of the Warrants D ⁽²⁾	
	RMB'000	RM'000	RMB'000	RM'000	RMB'000	RM'000	RMB'000	RM'000
Share capital ⁽³⁾	157,909	95,488	452,654	273,720	452,654	273,720	703,075	425,150
Share premium	15,087	9,123	-	-	-	-	-	-
Capital redemption reserve	578,218	349,648	417,225	252,296	417,225	252,296	417,225	252,296
Retained earnings	647,401	391,483	647,523	391,557	(5)646,944	(5)391,207	665,151	402,217
Other reserves ⁽⁴⁾	(131,432)	(79,477)	(131,432)	(79,477)	(131,432)	(79,477)	(131,432)	(79,477)
Total equity / NA	1,267,183	766,265	1,385,970	838,096	1,385,391	837,746	1,654,019	1,000,186
No. of Shares ('000) (excluding treasury shares)	673,870	673,870	1,804,883	1,804,883	1,804,883	1,804,883	2,707,325	2,707,325
NA per Share (RMB/RM)	1.88	1.14	0.77	0.46	0.77	0.46	0.61	0.37
Borrowings (RMB'000/RM'000)	5,000	3,024	5,000	3,024	5,000	3,024	5,000	3,024
Gearing (times)	(6)-	(6)-	(6)-	(6)-	(6)-	(6)-	(6)-	(6)-

Notes:-

(1) After adjusting for the following:-

- (i) the issuance of 676,153,620 new Shares arising from the 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, which was completed on 11 January 2018;
- (ii) the issuance of 391,809,206 new Shares arising from the exercise of Warrants C during its exercise period from 4 January 2018 up to its expiry date on 2 July 2018;
- (iii) a total of 63,050,000 Options granted to eligible employees on 20 July 2018; and
- (iv) the issuance of 63,050,000 Shares at an issue price of RM0.165 per Share on 24 August 2018 pursuant to the exercise of 63,050,000 Options.

(2) Based on the issuance of 902,441,557 new Shares arising from the full exercise of the Warrants D.

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

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

(5) After taking into account the estimated expenses in relation to the Proposed Bonus Issue of Warrants amounting to RM350,000.

(6) Negligible.

5.3 Substantial Shareholders' shareholdings

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

Substantial Shareholders	As at the LPD		Indirect		Assuming full exercise of the Warrants D	
	Direct		Indirect		Direct	
	No of Shares	(1)%	No of Shares	(1)%	No of Shares	(2)%
HongPeng	450,000,000	24.93	-	-	675,000,000	24.93
Ding PengPeng	-	-	(3)450,000,000	(3)24.93	-	-
Hong Kong HongSheng Investment Company Limited	168,070,382	9.31	-	-	252,105,573	9.31
					(3)675,000,000	(3)24.93

Notes:-

- (1) Based on the issued and paid-up share capital of the Company comprising 1,804,883,114 XDL Shares (excluding 250 Shares held as treasury shares) as at the LPD.
- (2) Based on the enlarged issued and paid-up share capital of the Company comprising 2,707,324,671 XDL Shares (excluding 250 Shares held as treasury shares).
- (3) Deemed interested by virtue of his interest in HongPeng.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

5.4 Earnings and EPS

The Proposed Bonus Issue of Warrants is not expected to have an impact on the consolidated earnings and EPS of XDL save for the dilution in the EPS as a result of the increase in the number of Shares pursuant to the exercise of Warrants D.

The potential effect of the exercise of the Warrants D on the future earnings and EPS of XDL will depend upon, amongst others, the number of Shares issued pursuant to the number of Warrants D exercised at any point in time and the potential benefits to be derived from the utilisation of the proceeds.

Although the EPS shall be correspondingly diluted as a result of the increase in number of Shares in issue pursuant to the exercise of the Warrants D, the Proposed Bonus Issue of Warrants is expected to contribute positively to the Company's consolidated earnings thereafter through the utilisation of proceeds from the exercise of the Warrants D for future working capital purposes.

5.5 Convertible securities

As at the LPD, the Company does not have any outstanding convertible securities in issue.

6. TENTATIVE TIMELINE

The Proposed Bonus Issue of Warrants is expected to be completed by the first quarter of 2019. The tentative timetable for the Proposed Bonus Issue of Warrants is as follows:-

Date	Events
2 January 2019	SGM for the Proposed Bonus Issue of Warrants
January 2019	Announcement of the Entitlement Date
January / February 2019	Listing and quotation of the Warrants D

7. APPROVALS REQUIRED AND CONDITIONALITY

7.1 Approvals required

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

- (i) the approval of Bursa Securities for the:-
 - (a) admission of the Warrants D to the Official List; and
 - (b) listing and quotation of 902,441,557 Warrants D and 902,441,557 new Shares to be issued arising from the exercise of the Warrants D on the Main Market of Bursa Securities.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

The approval of Bursa Securities was obtained on 10 December 2018, subject to, amongst others, the following conditions:-

Conditions imposed	Status of compliance
(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 of Warrants;	Noted. To be complied.
(b) XDL and Mercury Securities to inform Bursa Securities upon the completion of the Proposed Bonus Issue of Warrants;	To be complied
(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 of Warrants is completed; and	To be complied
(d) XDL to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of Warrants D as at the end of each quarter together with a detailed computation of listing fees payable.	To be complied

- (ii) the approval of the Shareholders at the forthcoming SGM for the Proposed Bonus Issue of Warrants.

7.2 Conditionality

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

8. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed Bonus Issue of Warrants, 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 and/or major Shareholders and/or persons connected to them have any interest, direct or indirect, in the Proposed Bonus Issue of Warrants other than their respective entitlements under the Proposed Bonus Issue of Warrants as Shareholders of the Company, to which all Entitled Shareholders are similarly entitled.

10. BOARD'S RECOMMENDATION

The Board, having considered all aspects of the Proposed Bonus Issue of Warrants, is of the opinion that the Proposed Bonus Issue of Warrants is in the best interest of the Company and its Shareholders as a whole.

Accordingly, the Board recommends that you vote in favour of the resolution pertaining to the Proposed Bonus Issue of Warrants 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 Wednesday, 2 January 2019 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 of Warrants.

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 Appendix I 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

APPENDIX I - FURTHER INFORMATION

1. RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board and the Directors who 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

Mercury Securities, being the Principal Adviser for the Proposed Bonus Issue of Warrants, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which it appears in 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 of Warrants.

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
2017		
December	0.305	0.270
2018		
January	0.305	0.150 ⁽¹⁾
February	0.210	0.160
March	0.190	0.145
April	0.155	0.120
May	0.140	0.115
June	0.155	0.125
July	0.210	0.140
August	0.205	0.155
September	0.160	0.140
October	0.150	0.105
November	0.130	0.105

Note:-

(1) Adjusted pursuant to the bonus issue of shares exercise undertaken by the Company, which was completed on 11 January 2018.

Last transacted market price on 30 November 2018, being the last Market Day immediately prior to the announcement of the Proposed Bonus Issue of Warrants (RM) 0.115

Last transacted market price as at the LPD (RM) 0.120

(Source: Bloomberg)

APPENDIX I - FURTHER INFORMATION (CONT'D)

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	31,936	19,312
	31,936	19,312

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 2016 and FYE 2017;
- (iii) unaudited consolidated financial statements of XDL for the 9-month financial period ended 30 September 2018;
- (iv) draft Deed Poll D; and
- (v) the letter of consent referred to in Section 2 of this Appendix I.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]



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 and deemed registered under the Companies Act 2016)

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 Wednesday, 2 January 2019 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 902,441,557 FREE WARRANTS IN XDL (“WARRANTS D”) ON THE BASIS OF 1 WARRANT D FOR EVERY 2 EXISTING ORDINARY SHARES OF USD0.04 EACH IN XDL (“XDL SHARES” OR “SHARES”) HELD ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER (“PROPOSED BONUS ISSUE OF WARRANTS”)

“THAT subject to the approval of all relevant authorities or parties having been obtained, where required, the Board of Directors of the Company (“**Board**”) be and is hereby authorised to issue and allot 902,441,557 free Warrants D in registered form and constituted by a deed poll to be executed by the Company constituting the Warrants D (“**Deed Poll D**”), by way of bonus to the shareholders of the Company whose names appear on the Record of Depositors of the Company as at the close of business at 5.00 p.m. on an entitlement date to be determined and announced later by the Board (“**Entitlement Date**”), on the basis of 1 free Warrant D for every 2 existing Shares held in the share capital of the Company on the Entitlement Date;

THAT the exercise price of the Warrants D be fixed at RM0.18 per Warrant D or the RM equivalent of the par value of the Shares on the exercise date of the Warrant D based on the middle exchange rate as determined by Bank Negara Malaysia at 9.00 am, whichever is higher, subject to any adjustments in accordance with the terms and conditions of the Deed Poll D and that the Board be and is hereby authorised to allot and issue new XDL Shares arising from the exercise of the Warrants D in accordance with the terms and conditions in the Deed Poll D and such new XDL Shares shall, upon allotment and issue, rank *pari passu* in all aspects with the then existing issued and paid-up XDL Shares, save and except that the new XDL Shares will not be entitled to any dividends, rights, allotments and/or other forms of distribution where the entitlement date precedes the relevant date of allotment and issuance of the new XDL Shares;

THAT all fractional entitlements, if any, to the Warrants D shall be disregarded and the Board be and is hereby authorised to deal with any fractional entitlements of the Warrants D that may arise from the Proposed Bonus Issue of Warrants, if any, in such manner as the Board shall in its absolute discretion deem fit and expedient and in the best interests of the Company;

THAT the proceeds arising from the exercise of the Warrants D, if any, be utilised for the purposes set out in the circular to the shareholders of the Company dated 14 December 2018 in relation to the Proposed Bonus Issue of Warrants, and the Board be authorised with full power to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Board may deem fit, necessary and/or expedient, subject to the approval of the relevant authorities, where required;

THAT approval be and is hereby given to the Board to issue and allot such appropriate number of Warrants D in accordance with the provisions of the Deed Poll D, including any additional Warrants D as may be required or permitted to be issued as a consequence of any adjustments in accordance with the terms and conditions of the Deed Poll D and to adjust from time to time the exercise price and/or number of the Warrants D to which the holder(s) of the Warrants D are entitled to be issued as a consequence of the adjustments under the provisions of the Deed Poll D and to issue and allot further new XDL Shares as may be required or permitted to be issued pursuant to such adjustments and upon any exercise by the holders of such additional Warrants D;

THAT the Board be and is hereby authorised to agree, finalise, enter into, execute and deliver for and on behalf of the Company the Deed Poll D with full power to assent to any condition, modification, variation and/or amendment (if any) as may be imposed or permitted by the relevant authorities or as may be deemed necessary by the Board, and to take all steps as the Board may deem fit or expedient in order to implement, finalise and give full effect to the Deed Poll D (including, without limitation, the affixing of the Company's common seal, where necessary);

THAT 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 the Proposed Bonus Issue of Warrants with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts and things in any manner as the Board may deem necessary or expedient to implement, finalise and give full effect to the Proposed Bonus Issue of Warrants;

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

By Order of the Board
XIDELANG HOLDINGS LTD

Secretarius Services Sdn Bhd
Company Secretary

Kuala Lumpur, Malaysia
14 December 2018

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 officer, 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 31 December 2018 or any adjournment thereof.
- vi. Only members whose names appear in the Record of Depositors as at 24 December 2018 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 and deemed registered under the Companies Act 2016)

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 and deemed registered under the Companies Act 2016) 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 Wednesday, 2 January 2019 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 OF WARRANTS		

Dated thisday of 2018

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

Signature of Shareholder(s) / Common Seal

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 31 December 2018 or any adjournment thereof.
- Only members whose names appear in the Record of Depositors as at 24 December 2018 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

1st fold here
