

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

MEMORANDUM OF STRATEGIC COLLABORATION BETWEEN GLOBAL INTERNATIONAL FOOTWEAR (HONG KONG) CO., LTD AND HONGPENG FUJIAN SHOES & GARMENTS CO., LTD

The Board of Directors of XiDeLang Holdings Ltd (“XDL” or “the Company”) wishes to announce that HongPeng Fujian Shoes & Garments Co., Ltd (“HPFS”), a wholly-owned subsidiary of XDL and Global International Footwear (HongKong) Co., Ltd (“GIF”) had on 23 May 2017 entered into the two (2) years Memorandum of Collaboration which had lapsed on 22 May 2019. Both parties have enjoyed progressive growth through the said strategic collaboration. In view thereof, HPFS had on 29 July 2019 entered into a new Memorandum of Strategic Collaboration (“MOSC”) with GIF for the purpose of establishing a new strategic collaboration to achieve mutual growth.

1) Background Information of GIF

- a) The principle business activity of GIF is trading of shoes, which mainly focus some international brands.
- b) GIF’s present issued share capital is HKD10,000 representing by 10,000 ordinary shares (“Shares”).

The directors and shareholders of GIF and their shareholdings in GIF are as follows:-

Name of Directors and Shareholders	Number of Shares	Percentage of Shareholding (%)
Chu Pingping	4,000	40.00
Ding Hongda	3,000	30.00
Zeng Yuexia	3,000	30.00
Total	10,000	100.00

2) Objectives

- a) Both parties have entered into this MOSC on a voluntary basis, premised on the established mutual trust and understanding, seeking to achieve win-win situation. The fundamental purpose of this MOSC is to achieve mutual benefits and mutual growth with mutual respects on privacy and markets.
- b) To optimise the competitive advantages and strengths of both parties with the aim to complement each other so as to enhance the market competitiveness of both parties and to facilitate market penetration and expansion.
- c) This MOSC serves as a framework agreement to provide guidance and direction on future long term collaboration between the parties.

3) Mode of collaboration and Goals

- a) Both parties shall, individually, establish a dedicated, professional marketing, technical and management team for the purpose of exchanging information. HPFS shall, based on the customer specification furnished by GIF, complete the relevant technical study and sample development. Upon confirmation of orders, HPFS shall commence production based on the sample confirmed by the customer of GIF.

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- b) Both parties agreed that the Original Design Manufacturer and/or Original Equipment Manufacturer production orders from GIF to HPFS in the next twenty-four (24) months shall not be less than RMB400 million in aggregate. The production orders were estimated based on the purchase orders/sale and purchase agreements expected to be entered into between the both parties. However, in the event the production orders from GIF is less than RMB400 million in aggregate, there will be no recourse avenue available to HPFS under this MOSC.

4) Duties and responsibilities of GIF

- a) GIF may make periodic visit to HPFS's manufacturing base together with its customer or potential customer, to better understand HPFS's product development capabilities, technical and production management skill level.
- b) GIF may, in accordance with the feedback from its customers, seek timely interaction or assistance with HPFS. HPFS shall make prompt and proactive response to GIF's feedback and suggestions.
- c) During the period of collaboration, GIF shall be responsible for the legal compliance of its customers' brands or intellectual property rights and shall provide a valid copyright documents for HPFS's record-keeping for the purpose of inspection by the relevant authorities and departments.

5) Duties and Responsibilities of HPFS

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

6) Confidentiality

- a) All information and trade secrets obtained by both parties pursuant to the collaboration shall be kept private and confidential and shall not be disclosed to third party without the prior written consent of the other party.

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- b) The parties undertake that all technical information, business information and other relevant information shall be used strictly for the purpose or scope as set out in this MOSC and shall not be duplicated or copied for any other purposes.

7) Effective Period of the MOSC

The MOSC shall be valid for a period of twenty-four (24) months, from 29 July 2019 to 28 July 2021. There will be no definitive agreement to be entered into by both parties in relation to this MOSC.

8) Effect of the MOSC

It is expected to contribute positively to the Company’s revenue and earnings during the effective period of the MOSC.

9) Directors’ and Substantial Shareholders’ Interest

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

10) Statement by Directors

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

The MOSC forms the basis for both parties to promote a practical business collaboration in the future, and has a legal effect. This MOSC shall serve as a framework agreement. A separate formal agreement shall be entered into by the parties for any specific collaboration project or to set forth detailed collaboration terms and conditions. Any matters that have not been defined in this MOSC shall be separately negotiated and mutually agreed by both parties. Any dispute may be resolved via lawsuit with the relevant governing court.

This announcement is dated 29 July 2019.