

BURSA MALAYSIA SECURITIES BERHAD'S QUERIES DATED 29 MAY 2017

XIDELANG HOLDINGS LIMITED ("XDL" OR THE "COMPANY")

MEMORANDUM OF COLLABORATION ("MOC") BETWEEN GLOBAL INT'L FOOTWEAR (HONG KONG) CO., LTD ("GIF") AND HONGPENG FUJIAN SHOES & GARMENTS CO., LTD ("HPFS")

We refer to the announcement by the Company dated 25 May 2017 ("**Announcement**") and the query by Bursa Malaysia Securities Berhad ("**Bursa Securities**") dated 29 May 2017 in relation to the MOC.

Unless otherwise stated, defined terms used in this reply shall have the same meanings as those used in the Announcement.

The Company wishes to provide the following additional information pursuant to the abovementioned query:-

1. Whether the MOC is legally binding;

Reply

The Memorandum of Collaboration between GIF and HPFS dated 23 May 2017 was a memorandum entered into after a long period of discussions and negotiations between the two parties. It forms the basis for both parties to promote a practical business collaboration in the future, and has a legal effect.

2. Basis to arrive at the amount of Original Design Manufacturer production orders from GIF to HPFS in the next twenty-four (24) months of not less than RMB160 million in aggregate;

Reply

The total production orders over the next 24 months were estimated based on the purchase orders / sale and purchase agreements expected to be entered into between the two parties.

3. Background information on GIF including the principle business activities, identity of the directors and major shareholders together with their respective shareholdings;

Reply

As the person-in-charge of the counter party is currently on business trip, we are unable to furnish the accurate background information of GIF at this moment. The required information shall be made available upon the return of the aforesaid person-in-charge.

4. Whether will there be any definitive agreement to be entered into. If yes, to provide reason for having such a long MOC validity period of twenty-four (24) months; and

Reply

The collaboration period of 24 months was arrived at based on recommendation from GIF. Pertaining to this MOC, there will be no definitive agreement to be entered into.

- 5. To further elaborate what is the right of recourse available to HPFS in the event the production orders from GIF is less than RMB160 million in aggregate for the next twenty-four (24) months.**

Reply

All the collaboration efforts shall be based solely on the terms and conditions of the final purchase orders and agreements entered into, and as such there will be no recourse avenue available under the MOC.

This announcement is dated 30 May 2017.