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Xtep International Holdings Limited

特步國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1368)

ADJUSTMENT TO CONVERSION PRICE OF THE CONVERTIBLE BONDS

Reference is made to (i) the announcement of Xtep International Holdings Limited (the “**Company**”) dated 15 June 2021 in relation to the issue of the Convertible Bonds by the Company in the aggregate principal amount of HK\$500,000,000 under the General Mandate (the “**CB Announcement**”) and the Convertible Bonds were issued on 9 September 2021; (ii) the announcement of the Company dated 30 June 2022 in relation to the adjustment to the Conversion Price of the Convertible Bonds (the “**Price Adjustment Announcement**”); and (iii) the interim results announcement of the Company dated 23 August 2022 in relation to the financial results of the Company for the six months ended 30 June 2022 (the “**Interim Results Announcement**”). Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as those defined in the CB Announcement.

As announced in the Interim Results Announcement, the Board shall pay an interim dividend of HK\$13.0 cents per Share to the Shareholders for the six months ended 30 June 2022 (the “**Interim Dividend**”).

Pursuant to the Bond Instrument, the Conversion Price is subject to adjustment for, amongst other things, dividends paid or made by the Company. Hence, the payment of the Interim Dividend shall give rise to adjustments to the Conversion Price. Pursuant to the terms and conditions of the Convertible Bonds, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such payment of dividends by the following fraction:

$$\frac{A-B}{A}$$

where:

- A is the current market price (as defined in the Bond Instrument) of one Share on the last trading day preceding the date on which the dividend is publicly announced; and
- B is the fair market value on the date of such announcement of the portion of the cash distribution attributable to one Share

and such adjustment shall become effective on the date where the dividend is paid.

The Company and the Investor have confirmed that the Conversion Price shall be further adjusted from the current price of HK\$10.0175 as stated in the Price Adjustment Announcement to HK\$9.9138 per Conversion Share (the “**Further Adjusted Conversion Price**”) as a result of the payment of the Interim Dividend by the Company, and that such adjustment has become effective as at the date of this announcement.

As at the date of this announcement, the total outstanding principal amount of the Convertible Bonds is HK\$509,060,933 (including the quarterly accrued interest of 1.8% per annum accrued up to the date of this announcement and payable in kind as additional principal amount). Based on the Further Adjusted Conversion Price, (i) the number of Conversion Shares to be issued by the Company upon full conversion of the Convertible Bonds (based on the outstanding principal amount as at the date of this announcement) will be 51,348,719 Shares; and (ii) the maximum number of Conversion Shares to be issued by the Company upon full conversion of the Convertible Bonds (including the maximum quarterly accrued interest of 1.8% interest per annum at the Maturity Date) will be increased from 55,591,608 Shares as stated in the Price Adjustment Announcement to 56,173,105 Shares. Such Conversion Shares will be allotted and issued under the general mandate granted to the Directors

by the Shareholders on 6 May 2022. Save for the further adjustment to the Conversion Price, all other terms and conditions of the Convertible Bonds remain unchanged.

By Order of the Board
Xtep International Holdings Limited
DING Shui Po
Chairman

Hong Kong, 31 October 2022

As at the date of this announcement, the executive Directors of the Company are Mr. Ding Shui Po, Ms. Ding Mei Qing and Mr. Ding Ming Zhong; the non-executive Director is Mr. Tan Wee Seng and the independent non-executive Directors are Dr. Bao Ming Xiao, Dr. Wu Ka Chee, Davy and Dr. Chan Yee Wah.