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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 October 2023 in relation to the adjustment to the Conversion Price of the Convertible Bonds (the “**Price Adjustment Announcement**”); and (iii) the annual results announcement of the Company dated 18 March 2024 in relation to the financial results of the Company for the year ended 31 December 2023 (the “**2023 Annual 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 2023 Annual Results Announcement, the Board shall pay a final dividend of HK\$8.0 cents per Share to the Shareholders for the year ended 31 December 2023 (the “**2023 Final 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 2023 Final 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 adjusted from HK\$9.6625 as stated in the Price Adjustment Announcement to HK\$9.4865 per Conversion Share (the “**Adjusted Conversion Price**”) as a result of the payment of the 2023 Final 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\$525,314,462 (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 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 55,374,949 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 57,634,042 Shares as stated in the Price Adjustment Announcement to 58,703,308 Shares. Such Conversion Shares will be allotted and issued under the general mandate granted to the Directors by the Shareholders on 3 May 2024. The initial 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) at the initial Conversion Price on the Issue Date, i.e. HK\$10.244 per Conversion Share, was 54,362,449 Shares. The maximum number of Conversion Shares to be issued under the Adjusted Conversion Price represents an increase of a total of 4,340,859 Shares (the “**Additional Shares**”) since the Issue Date. Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Additional Shares on the Stock Exchange. Save for the 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, 28 June 2024

*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.*