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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)

**(1) COMPLETION OF ISSUE OF XTEP CONVERTIBLE BONDS;
(2) COMPLETION OF EARLY REDEMPTION OF
K-SWISS CONVERTIBLE BONDS BY KP GLOBAL
AND
(3) STATUS UPDATE ON DISPOSAL, ISSUE OF
KP CONVERTIBLE BONDS AND SPECIAL DIVIDEND**

Reference is made to the announcements (the “**Announcements**”) of Xtep International Holdings Limited (the “**Company**”) dated 9 May 2024 and 23 May 2024 and the circular of the Company dated 2 August 2024 (the “**Circular**”) in relation to, among others, (i) the disposal of the entire issued share capital of KP Global Investment Limited (“**KP Global**”) by the Company; (ii) the proposed declaration of a special dividend; (iii) the proposed early redemption of the convertible bonds issued by KP Global on 9 September 2021; (iv) the proposed issue of the convertible bonds by the Company in the principal amount of HK\$500,000,000 to GSUM IV Holdings Limited; and (v) the proposed issue of the convertible bonds by KP Global in the principal amount of US\$154,000,000 to the Company.

Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as those defined in the Announcements and the Circular.

COMPLETION OF ISSUE OF CONVERTIBLE BONDS

The Board is pleased to announce that the conditions precedent as set out in the Xtep Subscription Agreement have been fulfilled and the issue of the Xtep Convertible Bonds was completed on 1 November 2024 (the “**Xtep CB Closing Date**”). The Xtep Convertible Bonds in the aggregate principal amount of HK\$500,000,000 were issued to the Investor on the Xtep CB Closing Date.

The net proceeds from the subscription of the Xtep Convertible Bonds, after deduction of expenses, are approximately HK\$499,000,000. The Company shall use such net proceeds ultimately for funding the redemption price for the K-Swiss CB Redemption.

None of the Xtep Convertible Bonds has been converted as at the date of this announcement.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

For illustration purposes only, the table below sets out the Company’s shareholding structure as at the date of this announcement and upon full exercise of the conversion rights attaching to the Xtep Convertible Bonds, assuming there is no other change to the issued share capital of the Company.

Shareholders	As at the date of this announcement		Immediately upon full conversion of the Xtep Convertible Bonds				Immediately upon full conversion of the Xtep Convertible Bonds (including the maximum quarterly accrued interest of 3.5% interest per annum at the Xtep CB Maturity Date) and full conversion of the 2021 CB (including the maximum quarterly accrued interest of 1.8% per annum at the relevant maturity date)	
	<i>Number of Shares</i>	<i>Approx. %</i>	<i>Number of Shares</i>	<i>Approx. %</i>	<i>Number of Shares</i>	<i>Approx. %</i>	<i>Number of Shares</i>	<i>Approx. %</i>
Group Success								
Investments Limited	1,251,586,231	46.64	1,251,586,231	45.11	1,251,586,231	44.77	1,251,586,231	43.82
Ding Shui Po	71,977,500	2.68	71,977,500	2.59	71,977,500	2.57	71,977,500	2.52
Ding Mei Qing	2,070,002	0.08	2,070,002	0.07	2,070,002	0.07	2,070,002	0.07
Ding Ming Zhong	2,800,000	0.10	2,800,000	0.10	2,800,000	0.10	2,800,000	0.10
Tan Wan Seng	292,975	0.01	292,975	0.01	292,975	0.01	292,975	0.01
The Investor	—	0.00	90,909,090	3.28	112,050,154	4.01	172,767,672	6.05
Public Shareholders	<u>1,354,923,364</u>	<u>50.49</u>	<u>1,354,923,364</u>	<u>48.84</u>	<u>1,354,923,364</u>	<u>48.47</u>	<u>1,354,923,364</u>	<u>47.43</u>
Total:	<u>2,683,650,072</u>	<u>100.00</u>	<u>2,774,559,162</u>	<u>100.00</u>	<u>2,795,700,226</u>	<u>100.00</u>	<u>2,856,417,744</u>	<u>100.00</u>

Note: Pursuant to the 2021 CB, such convertible bonds shall be converted into 57,532,695 conversion shares (based on the outstanding principal amount as at the date of this announcement) or the maximum of 60,717,518 conversion shares (including the maximum quarterly accrued interest of 1.8% per annum at the relevant maturity date). The maximum number of conversion shares is included in the table for illustrative purpose only.

COMPLETION OF EARLY REDEMPTION OF K-SWISS CONVERTIBLE BONDS BY KP GLOBAL

The Board is also pleased to announce that the conditions precedent as set out in the K-Swiss Convertible Bonds Redemption Agreement have been fulfilled, and the K-Swiss CB Redemption Closing took place on 1 November 2024.

After the K-Swiss CB Redemption Closing, KP Global owes the Company an amount of US\$154 million which corresponds to (i) the accumulated losses since the acquisition in 2019 combined with its value of the capital expenditure and working capital as at end of March 2024, and (ii) the amount paid by the Company for the early redemption of the K-Swiss Convertible Bonds.

Subject to the completion of the Disposal, in place of the amount owed to the Company, KP Global will issue the KP Convertible Bonds to the Company.

STATUS UPDATE ON DISPOSAL, ISSUE OF KP CONVERTIBLE BONDS AND SPECIAL DIVIDEND

As at the date of this announcement, the conditions precedent for the Disposal under the Share Purchase Agreement and for the issuance of the KP Convertible Bonds to the Company under the KP Subscription Agreement have been fulfilled. The Company and Ding Shun Investment are in the course of finalizing the Transition Services Agreement and the other arrangements to streamline the transition upon the completion of the Disposal. It is expected that the completion of the Disposal shall take place on or about late November 2024.

The declaration and distribution of the Special Dividend is conditional upon the completion of the Disposal.

Subject to completion of the Disposal, further announcement will be made by the Company in relation to the completion of the Disposal, the issuance of the KP Convertible Bonds to the Company, the Transition Services Agreement, and the proposed payment date for the Special Dividend.

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

Hong Kong, 1 November 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.