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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 2024 in relation to the adjustment to the Conversion Price of the Convertible Bonds (the “**Price Adjustment Announcement**”); and (iii) the announcements of the Company dated 9 May 2024 and 23 May 2024 and the circular of the Company dated 2 August 2024 in relation to, among others, the declaration and payment of a special dividend of HK\$0.447 per Share (the “**Special Dividend**”). Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as those defined in the CB Announcement.

The declaration of the Special Dividend was approved by the independent shareholders of the Company in the extraordinary general meeting of the Company held on 23 August 2024 and the Board further announced on 2 December 2024 that the Special Dividend will be distributed and paid on the date of this announcement.

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 Special 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\$9.1718 as stated in the Price Adjustment Announcement to HK\$8.3446 per Conversion Share (the “**Adjusted Conversion Price**”) as a result of the payment of the Special 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\$527,678,377 (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 63,235,910 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 60,717,518 Shares as stated in the Price Adjustment Announcement to 66,736,444 Shares. The additional 6,018,926 Shares (the “**Additional Shares**”) will be allotted and issued pursuant to the general mandate granted to the Directors by the Shareholders on 7 May 2021. As at the date of this announcement, it is expected that the limit of the general mandate is sufficient to cover the issue of the Additional Shares. 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, 6 December 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.