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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)**

**ANNOUNCEMENT**

- (1) PROPOSED CONCURRENT REPURCHASE OF HK\$500,000,000  
1.5% CONVERTIBLE BONDS DUE 2026; AND  
(2) PROPOSED ISSUE OF HK\$500,000,000 ZERO COUPON  
CONVERTIBLE BONDS DUE 2029**

**Sole Overall Coordinator, Sole Global Coordinator, Sole Lead Manager,  
Sole Bookrunner and Sole Dealer Manager**



Reference is made to the announcements of the Company dated 10 February 2025, 20 February 2025, 30 June 2025 and 30 October 2025 in relation to the issue of the 2025 Convertible Bonds. The 2025 Convertible Bonds are listed on the Vienna Stock Exchange (ISIN: XS3006494085).

As at the date of this announcement, there are outstanding 2025 Convertible Bonds in the principal amount of HK\$500,000,000. Assuming full conversion of the outstanding 2025 Convertible Bonds at the adjusted conversion price of HK\$6.01 per Share (as disclosed in the announcement of the Company dated 30 October 2025), the outstanding 2025 Convertible Bonds will be convertible into approximately 83,194,675 Shares.

### **PROPOSED CONCURRENT REPURCHASE OF HK\$500,000,000 1.5% CONVERTIBLE BONDS DUE 2026**

Reference is made to the announcement of the Company dated 30 January 2026 in relation to the proposed Concurrent Repurchase. Pursuant to Condition 8E (*Purchase*) of the terms and conditions of the 2025 Convertible Bonds, the Company or any of its Subsidiaries may, subject to applicable laws and regulations, at any time and from time to time purchase the 2025 Convertible Bonds at any price in the open market or otherwise. The Company proposes to repurchase the 2025 Convertible Bonds pursuant to such terms and conditions.

On 30 January 2026, the Dealer Manager and the Company entered into the Dealer Manager Agreement, pursuant to which the Dealer Manager has been appointed in connection with the proposed Concurrent Repurchase to, amongst others, assist the Company in collecting indications of interest from holders of the 2025 Convertible Bonds who may be willing to sell their 2025 Convertible Bonds to the Company.

Eligible Bondholders of the 2025 Convertible Bonds accepting the invitation to offer for sale their 2025 Convertible Bonds would be eligible for receiving the repurchase price, which in total represents 100.50 per cent. of the aggregate principal amount of the 2025 Convertible Bonds and the accrued and unpaid interest on the 2025 Convertible Bonds offered for repurchase pursuant to the Concurrent Repurchase.

As at the date of this announcement, the Company has, through the Dealer Manager, received commitments from Eligible Bondholders to sell HK\$500 million in aggregate principal amount of the 2025 Convertible Bonds to the Company, representing 100% of the outstanding aggregate principal amount of the 2025 Convertible Bonds.

## **PROPOSED ISSUE OF HK\$500,000,000 ZERO COUPON CONVERTIBLE BONDS DUE 2029**

On 30 January 2026, the Company and the Manager entered into the CB Subscription Agreement, pursuant to which the Manager has conditionally agreed to subscribe or procure to subscribe (by itself or through its affiliates or sub-agent) and pay for, the Bonds to be issued by the Company in an aggregate principal amount of HK\$500,000,000 subject to and in accordance with the provisions of the CB Subscription Agreement. The Issue Price of the Bonds shall be 100% of the aggregate principal amount of the Bonds and the denomination of each of the Bonds shall be HK\$2,000,000 and integral multiples thereof.

Based on the initial Conversion Price of HK\$6.37 per Share and assuming full conversion of the Bonds, the Bonds will be convertible into a maximum of 78,492,935 New CB Shares, representing:

- (1) approximately 2.80% of the existing issued share capital of the Company as at the date of this announcement; and
- (2) approximately 2.72% of the issued share capital of the Company as enlarged by the allotment and issue of the New CB Shares.

It is intended the Bonds will be listed on the Vienna Stock Exchange. An application will be made to the Vienna Stock Exchange for the listing of the Bonds. The Company will apply to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the New CB Shares.

## **GENERAL MANDATE TO ISSUE THE NEW CB SHARES**

The New CB Shares to be issued upon the conversion of the Bonds will be issued and allotted under the General Mandate granted to the Directors to allot, issue and deal with Shares by resolution of the shareholders of the Company passed at the AGM. Under such General Mandate, the Company is authorised to issue up to 554,911,814 new Shares. As at the date of this announcement, the number of Shares that the Company may issue under the General Mandate is 554,911,814. The General Mandate is sufficient for the allotment and issue of the New CB Shares, and no additional approval from Shareholders of the Company is required for the allotment and issue of the New CB Shares.

## **USE OF PROCEEDS**

The net proceeds will be approximately HK\$492 million. The Company intends to use the net proceeds from the issue of the Bonds for refinancing the outstanding 2025 Convertible Bonds.

**The completion of the Concurrent Repurchase and the subscription and issuance of the Bonds are subject to the satisfaction and/or waiver of the conditions precedent contained in the Dealer Manager Agreement and the CB Subscription Agreement, as applicable. In addition, the Dealer Manager Agreement and the CB Subscription Agreement may be terminated under certain circumstances. Please refer to the sections headed “The Dealer Manager Agreement” and “The CB Subscription Agreement” below for further information.**

**As the Concurrent Repurchase and the issue of the Bonds may or may not complete, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

## **INTRODUCTION**

Reference is made to the announcements of the Company dated 10 February 2025, 20 February 2025, 30 June 2025 and 30 October 2025 in relation to the issue of the 2025 Convertible Bonds. The 2025 Convertible Bonds are listed on the Vienna Stock Exchange (ISIN: XS3006494085).

As at the date of this announcement, there are outstanding 2025 Convertible Bonds in the principal amount of HK\$500,000,000. Assuming full conversion of the outstanding 2025 Convertible Bonds at the adjusted conversion price of HK\$6.01 per Share (as disclosed in the announcement of the Company dated 30 October 2025), the outstanding 2025 Convertible Bonds will be convertible into approximately 83,194,675 Shares.

## **PROPOSED CONCURRENT REPURCHASE OF HK\$500,000,000 1.5% CONVERTIBLE BONDS DUE 2026**

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On 30 January 2026, the Dealer Manager and the Company entered into the Dealer Manager Agreement, pursuant to which the Dealer Manager has been appointed in connection with the proposed Concurrent Repurchase to, amongst others, assist the Company in collecting indications of interest from holders of the 2025 Convertible Bonds who may be willing to sell their 2025 Convertible Bonds to the Company.

Eligible Bondholders of the 2025 Convertible Bonds accepting the invitation to offer for sale their 2025 Convertible Bonds would be eligible for receiving the repurchase price, which in total represents 100.50 per cent. of the aggregate principal amount of the 2025 Convertible Bonds and the accrued and unpaid interest on the 2025 Convertible Bonds offered for repurchase pursuant to the Concurrent Repurchase.

A summary of the principal terms of the Dealer Manager Agreement is set out below.

### **The Dealer Manager Agreement**

Date	30 January 2026
Parties	(a) The Company (as offeror); and (b) The Dealer Manager

Conditions to the obligations of the Dealer Manager

The obligations of the Dealer Manager under the Dealer Manager Agreement are at all times conditional upon the following conditions precedent:

1. **Consents:** prior to the date of the Dealer Manager Agreement, all relevant consents, approvals or authorisations of, or registrations, filings or declarations with, any court, regulatory authority, governmental agency or stock exchange or any other person required in connection with the execution of the Dealer Manager Agreement, the performance by the Company of its obligations expressed to be undertaken by it herein, or in connection with the conduct and consummation of the Concurrent Repurchase (including, without limitation, the distribution of the Offer Materials (as defined in the Dealer Manager Agreement)) shall have been obtained by the Company and remain in full force and effect;
2. **Legal Opinions:** on the date of the Dealer Manager Agreement, the Dealer Manager to have received legal opinions in respect of the laws of Cayman Islands, the laws of England and the laws of Hong Kong;
3. **Offering:** the issue of the Bonds on 6 February 2026 (the “**Settlement Date**”); and
4. **Delivery of Authorisations:** copies of the internal authorisations of the Company authorising the Concurrent Repurchase and related matters thereto and execution of the Dealer Manager Agreement.

The Dealer Manager may, at its discretion, waive satisfaction of any of the conditions precedent.

Termination

The Dealer Manager Agreement shall terminate on the earlier of:

1. the Settlement Date;

2. upon written notice by the Company to the Dealer Manager to terminate the Dealer Manager Agreement at any time in the event they decide not to proceed with the Concurrent Repurchase;
3. upon the expiration, termination or withdrawal of the Concurrent Repurchase; or
4. upon written notice from the Dealer Manager to the Company (i) if any of the conditions precedent shall not have been fulfilled in all material respects or waived when and as provided in the Dealer Manager Agreement; or (ii) if any of the representations and warranties given or made by the Company set forth in the Dealer Manager Agreement is inaccurate or untrue or is breached in any material respect.

The Concurrent Repurchase will be conducted concurrently with the proposed Bonds Issue, and will close on or about the issue date of the Bonds.

Following settlement of the Concurrent Repurchase, the 2025 Convertible Bonds repurchased will be cancelled.

The Concurrent Repurchase has not and will not be conducted within or offered to the United States or to persons located or resident in the United States, or to person acting on behalf of a beneficial owner of the 2025 Convertible Bonds located or resident in the United States or acting for the account or benefit of any person located or resident in the United States.

As at the date of this announcement, the Company has, through the Dealer Manager, received commitments from Eligible Bondholders to sell HK\$500 million in aggregate principal amount of the 2025 Convertible Bonds to the Company, representing 100% of the outstanding aggregate principal amount of the 2025 Convertible Bonds.

## **PROPOSED ISSUE OF HK\$500,000,000 ZERO COUPON CONVERTIBLE BONDS DUE 2029**

Concurrent with the Concurrent Repurchase, the Company proposes to issue the Bonds to institutional investors.

On 30 January 2026, the Company and the Manager entered into the CB Subscription Agreement, pursuant to which the Manager has conditionally agreed to subscribe or procure to subscribe (by itself or through its affiliates or sub-agent) and pay for, the Bonds to be issued by the Company in an aggregate principal amount of HK\$500,000,000 subject to and in accordance with the provisions of the CB Subscription Agreement. The Issue Price of the Bonds shall be 100% of the aggregate principal amount of the Bonds and the denomination of each of the Bonds shall be HK\$2,000,000 and integral multiples thereof. It is intended that the Bonds will be listed on the Vienna Stock Exchange.

The Bonds have not been and will not be registered under the U.S. Securities Act. The Bonds will only be offered outside of the United States in compliance with Regulation S under the U.S. Securities Act.

### **The CB Subscription Agreement**

The principal terms of the CB Subscription Agreement are summarised as follows:

Date	30 January 2026
Parties	(a) The Company; and (b) The Manager
Bonds Subscription	The Manager agrees to subscribe or procure to subscribe (by itself or through its affiliates or sub-agent) and pay for the Bonds in an aggregate principal amount of HK\$500,000,000 at the Issue Price subject to and in accordance with the provisions of the CB Subscription Agreement.



The Manager has informed the Company that they intend to offer and sell the Bonds to no less than six independent placees (who will be independent professional, institutional and/or other investors). The Bonds will be offered and sold to persons whose ordinary business involves buying, selling or investing in securities outside the United States in reliance upon Regulation S of the Securities Act. None of the Bonds will be offered to the retail public in Hong Kong.

To the best of the Directors' knowledge, information and belief as at the date of this announcement, each of the placees of the Bonds (and their respective ultimate beneficial owners) is an Independent Third Party.

#### Conditions Precedent

The Manager shall only be under obligation to subscribe and pay for the Bonds if:

- (i) Closing documents: the Manager receives on the CB Closing Date:
  - (a) Legal opinions: legal opinions dated the CB Closing Date and addressed to the Manager and/or the Company (as applicable) from legal counsels in respect of the laws of the Cayman Islands, the PRC, England and Hong Kong, each in a form acceptable to the Manager;
  - (b) Certificate: a certificate dated the CB Closing Date signed by a Director or other equivalent senior officer of the Company addressed to the Manager, to the effect that:
    - (1) the representations and warranties deemed to be made by the Company on the CB Closing Date pursuant to the CB Subscription Agreement are true and correct; and
    - (2) the Company is in compliance with its undertakings under the CB Subscription Agreement;

- (ii) Issue documentation: the Trust Deed and the Agency Agreement are executed on or before the CB Closing Date by or on behalf of all parties thereto;
- (iii) Shareholders' Lock-up: Group Success Investments Limited (the "**Major Shareholder**") shall have executed and delivered to the Manager a lock-up agreement on the date of the CB Subscription Agreement;
- (iv) No material adverse change: since the date of the CB Subscription Agreement, there having been no change (nor any development or event involving a prospective change of which the Company is, or might reasonably be expected to be, aware) which is materially adverse to the financial condition, prospects, results of operations, profitability, business, properties or general affairs of the Company or the Group, respectively;
- (v) Accuracy of representations: the representations and warranties by the Company in the CB Subscription Agreement are true and correct on the date of the CB Subscription Agreement and on each date on which they are deemed to be repeated and would be true and correct if they were repeated on the CB Closing Date with reference to the facts and circumstances then subsisting;
- (vi) Delivery of authorisations: there being in full force and effect all corporate, governmental or regulatory authorisations, approvals or consents required (if any) for the Company to issue the Bonds on the CB Closing Date, and for the Company to fulfil its obligations under the Trust Deed and the Agency Agreement (including the NDRC Certificate), and the Company having delivered to the Manager certified copies of those authorisations, approvals or consents;

- (vii) CSRC Filing: on or prior to the CB Closing Date, the agreed and final or substantially complete drafts of the following documents in relation to the CSRC filings, in form and substance satisfactory to the Manager, having been delivered to the Manager:
  - (a) the CSRC filing report (including the letter of undertaking from the Company);
  - (b) legal opinions of the legal advisers to the Company as to PRC law, to be submitted to the CSRC (including their letter of undertaking);
  - (c) any other CSRC filings required by the CSRC; and
- (viii) Listing and trading: the Manager receives confirmation on or before the CB Closing Date that the Bonds will be listed on the Vienna Stock Exchange and the New CB Shares will be listed on the Hong Kong Stock Exchange upon conversion of the Bonds.

The Manager may, at its discretion, waive satisfaction of any of the above conditions (other than condition 2 above).

## Closing

Completion of the subscription and issue of the Bonds will take place on the CB Closing Date.

## Lock Up by the Company

Neither the Company nor any person acting on its behalf will (a) issue, offer, sell, pledge, contract to sell or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in any Shares or securities of the same class as the Bonds or the Shares or any securities convertible into, exchangeable for or which carry rights to subscribe or purchase the Bonds, the Shares or securities of the same class as the Bonds, the Shares or other instruments representing interests in the Bonds, the Shares or other securities of the same class as them, (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of the Shares, (c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (a), (b) or (c) is to be settled by delivery of Shares or other securities, in cash or otherwise or (d) announce or otherwise make public an intention to do any of the foregoing, in any such case without the prior written consent of the Manager between the date hereof and the date which is 60 days after the CB Closing Date (both dates inclusive); except for (i) the issuance of the Bonds and the New CB Shares on conversion of the Bonds; and (ii) the issuance of any Shares on conversion of the 2021 Convertible Bonds or the 2024 Convertible Bonds or the 2025 Convertible Bonds.

Lock Up Undertaking by  
the Major Shareholder

The Major Shareholder has executed and delivered to the Manager a lock-up agreement, pursuant to which the Major Shareholder undertakes that, for a period commencing from the date of the lock-up agreement to 60 days after the CB Closing Date, without the prior written consent of the Manager, except for any arrangements in relation to securities of the Major Shareholder or the Company pursuant to any agreement entered into between the Manager (or its affiliates) and the Major Shareholder on or prior to the date of the lock-up agreement, it will not (a) issue, offer, sell, pledge, contract to sell or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in the Shares held by the Major Shareholder (the “**Lock-up Shares**”) or securities of the same class as the Lock-up Shares or any securities convertible into, exchangeable for or which carry rights to subscribe or purchase the Lock-up Shares or securities of the same class as Lock-up Shares or other instruments representing interests in Lock-up Shares or other securities of the same class as them, (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of Lock-up Shares, (c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (a), (b) or (c) is to be settled by delivery of Lock-up Shares or other securities, in cash or otherwise, or (d) announce or otherwise make public an intention to do any of the foregoing.

## Termination

The Manager may give a termination notice to the Company at any time prior to the payment of the net proceeds of the Bonds Issue to the Company on the CB Closing Date if:

- (a) Inaccuracy of representation: any representation and warranty by the Company in the CB Subscription Agreement is or proves to be untrue or incorrect on the date of the CB Subscription Agreement or on any date on which it is deemed to be repeated;
- (b) Breach of obligation: the Company fails to perform any of its obligations under the CB Subscription Agreement;
- (c) Failure of condition precedent: any of the conditions precedents is not satisfied or waived by the Manager on the CB Closing Date;
- (d) Force majeure: since the date of the CB Subscription Agreement there has been, in the opinion of the Manager, such a change in national or international financial, political or economic conditions (including any disruption to trading generally, or trading in any securities of the Company on any stock exchange or in any over-the-counter market) or currency exchange rates or exchange controls as would in its view be likely to prejudice materially the success of the offering and distribution of the Bonds or dealings in the Bonds in the secondary market; or

- (e) Market conditions: in the opinion of the Manager, since the date of the CB Subscription Agreement there shall have occurred any of the following events: (i) a suspension or a material limitation in trading in securities generally on the New York Stock Exchange, the London Stock Exchange plc, the Shanghai Stock Exchange, the Singapore Stock Exchange, the Vienna Stock Exchange and/or the Hong Kong Stock Exchange and/or any other stock exchange on which the Company's securities are traded; (ii) a suspension or a material limitation in trading in the Company's securities on the Hong Kong Stock Exchange and/or any other stock exchange on which the Company's securities are traded; or (iii) a general moratorium on commercial banking activities in the United States, the PRC, Singapore, Hong Kong; the European Union and/or the United Kingdom declared by the relevant authorities or a material disruption in commercial banking or securities settlement or clearance services in the United States, the PRC, Hong Kong, Singapore; the European Union or the United Kingdom.

### Principal terms of the Bonds

The principal terms of the Bonds are summarized as follows:

Issuer	The Company
Issue Price	100% of the principal amount of the Bonds (the “ <b>Issue Price</b> ”)
Issue	Hong Kong dollar-denominated zero coupon convertible bonds due 2029 in an aggregate principal amount of HK\$500,000,000, convertible into the Company's fully-paid ordinary shares of par value of HK\$0.01.
Form and Denomination	The Bonds will be issued in registered form in the specified denomination of HK\$2,000,000 each and integral multiples thereof (each, an “ <b>Authorised Denomination</b> ”).

Interest	The Bonds are zero coupon and do not bear interest.
CB Closing Date	6 February 2026, subject to postponement under the CB Subscription Agreement.
Maturity Date	6 February 2029 (the “ <b>Maturity Date</b> ”)
Negative Pledge	So long as any Bond remains outstanding (as defined in the Trust Deed), the Company will not, and will procure that none of its Material Subsidiaries as defined in the terms and conditions of the Bonds (other than the Listed Material Subsidiaries, if applicable) will, create or permit to subsist any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction, upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness or guarantee of Relevant Indebtedness without (a) at the same time or prior thereto securing the Bonds equally and rateably therewith or (b) providing such other security for the Bonds as may be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders.



Conversion Period	<p>Subject to the terms and conditions of the Bonds, each Bond shall entitle the holder to convert such Bond into Shares credited as fully paid at any time during the Conversion Period referred to below. The right of a Bondholder to convert any Bond into Shares is called the “Conversion Right”. Subject to and upon compliance with the terms and conditions of the Bonds, the Conversion Right in respect of a Bond may be exercised, at the option of the holder thereof, at any time (subject to any applicable fiscal or other laws or regulations and as hereinafter provided) on or after 41 days after the CB Closing Date up to the close of business (at the place where the certificate evidencing such Bond is deposited for conversion) on the date falling 10 trading days prior to the Maturity Date (both days inclusive) or, if such Bond shall have been called for redemption by the Company before the Maturity Date, then up to the close of business (at the place aforesaid) on a date no later than five days (both days inclusive and in the place aforesaid) prior to the date fixed for redemption thereof (the “<b>Conversion Period</b>”).</p>
Conversion Price	<p>The price at which Shares will be issued upon exercise of a Conversion Right (the “<b>Conversion Price</b>”) will initially be HK\$6.37 per Share.</p> <p>The Conversion Price will be subject to adjustment for, among others, the consolidation, reclassification or subdivision of the Shares, capitalisation of profits or reserves, distributions, rights issues of Shares or options over Shares, rights issues of other securities, issues at less than the Current Market Price as defined under the terms and conditions of the Bonds, other issues at less than the Current Market Price, modification of rights of conversion etc., other offers to Shareholders, and other events as further described in the terms and conditions of the Bonds.</p>
Redemption at Maturity	<p>Unless previously redeemed, converted or purchased and cancelled, the Company will redeem each Bond at 104.59% of its principal amount on 6 February 2029.</p>

Redemption for Taxation  
Reasons

The Bonds may be redeemed, at the option of the Company in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice (a "**Tax Redemption Notice**") to the Trustee and the Agent in writing and to the Bondholders in accordance with terms and conditions of the Bonds (which notice shall be irrevocable), on the date specified in the Tax Redemption Notice for redemption at the Early Redemption Amount as at such date, if the Company satisfies the Trustee immediately prior to the giving of such notice that (i) the Company has or will become obliged to pay additional tax amounts as provided or referred to in the terms and conditions of the Bonds as a result of any change in, or amendment to, the laws or regulations of the Cayman Islands, Hong Kong, the PRC or, in any such case, any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 30 January 2026, and (ii) such obligation cannot be avoided by the Company taking reasonable measures available to it, provided that no Tax Redemption Notice shall be given earlier than 90 days prior to the earliest date on which the Company would be obliged to pay such additional tax amounts were a payment in respect of the Bonds then due.

Redemption at the Option  
of the Bondholders

The holder of each Bond will have the right at such holder's option, to require the Issuer to redeem all or some only of that holder's Bonds on 6 February 2028 (the "**Optional Put Date**") at the 103.03% of the principal amount on the Optional Put Date. To exercise such right, the holder of the relevant Bond must complete, sign and deposit at the specified office of any Paying Agent during normal business hours (being between 9.00 a.m. (Hong Kong time) and 3.00 p.m. (Hong Kong time), Monday to Friday except for public holidays) a duly completed and signed notice (the "**Put Option Notice**"), substantially in the form scheduled to the Agency Agreement, obtainable from the specified office of any Paying Agent, together with the Certificate evidencing the Bonds to be redeemed not earlier than 60 days and not later than 30 days prior to the Optional Put Date. Put Option Notice, once delivered, shall be irrevocable (and may not be withdrawn unless the Issuer consents to such withdrawal) and the Company shall redeem the Bonds the subject of a Put Option Notice delivered as aforesaid on the Put Option Date.

Redemption at the Option  
of the Company

On giving not less than 30 nor more than 60 days' notice (an "**Optional Redemption Notice**") to the Trustee and the Agent in writing and to the Bondholders in accordance with the terms and conditions of the Bonds, the Company may, at any time, redeem all and not some only of the Bonds on the date (the "**Optional Redemption Date**") specified in the Optional Redemption Notice at the Early Redemption Amount, provided that, prior to the date the relevant Optional Redemption Notice is given, Conversion Rights shall have been exercised and/or purchases (and corresponding cancellations) and/or redemptions effected in respect of 90 per cent. or more in aggregate principal amount of the Bonds originally issued (which shall for this purpose include any further Bonds issued pursuant to the terms and conditions of the Bonds).

Redemption for Delisting or Change of Control	<p>Following the occurrence of a Relevant Event, the holder of each Bond will have the right, at such holder's option, to require the Company to redeem all or some only of such holder's Bonds on the Relevant Event Put Date as defined in the terms and conditions of the Bonds at the Early Redemption Amount.</p> <p>“Relevant Event” occurs (i) when the Shares cease to be listed or admitted to trading or are suspended on the Main Board of the Hong Kong Stock Exchange for a period equal to or exceeding 20 consecutive trading days; or (ii) when there is a change of control described under the terms and conditions of the Bonds.</p>
Purchase and Cancellation	<p>The Company or any of its subsidiaries may, subject to applicable laws and regulations, at any time and from time to time purchase Bonds at any price in the open market or otherwise.</p> <p>All Bonds which are redeemed, converted or purchased by the Company or any of its subsidiaries will forthwith be cancelled. Certificates in respect of all Bonds cancelled will be forwarded to or to the order of the registrar and such Bonds may not be reissued or resold.</p>
Clearing System	<p>Upon issue, the Bonds will be represented by a global certificate (the “<b>Global Certificate</b>”) registered in the name of a nominee of, and deposited with, a common depository for Euroclear Bank SA/NV (“<b>Euroclear</b>”) and Clearstream Banking S.A. (“<b>Clearstream</b>”).</p> <p>Except in the limited circumstances described in the Global Certificate, owners of interests in Bonds evidenced by the Global Certificate will not be entitled to receive definitive certificates in respect of their individual holdings of Bonds. The Bonds are not issuable in bearer form.</p>
Transferability	<p>A Bond may, subject to the terms and conditions of the Bonds and the terms of the Agency Agreement, be transferred (in whole or in part but in any case in an Authorised Denomination).</p>

Transfers of interests in the Bonds evidenced by the Global Certificate will be effected in accordance with the rules and procedures of the relevant clearing systems.

**Listing** An application will be made to the Vienna Stock Exchange for the listing and quotation of the Bonds. The Company will apply to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the New CB Shares.

**Status** The Bonds constitute direct, unconditional, unsubordinated and (subject to the condition “Negative Pledge” mentioned above) unsecured obligations of the Company and shall at all times rank pari passu and without any preference or priority among themselves. The payment obligations of the Company under the Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable legislation and subject to the terms and conditions of the Bonds, at all times rank at least equally with all of its other present and future unsecured and unsubordinated obligations.

### **Approval for the Concurrent Repurchase and the Issue of the Bonds**

As of the date of this announcement, the Enterprise Foreign Debt Review and Registration Certificate (the “**NDRC Certificate**”) in respect of the issue of the Bonds has been obtained from the NDRC pursuant to the NDRC Administrative Measures.

As the issue of Bonds will occur simultaneously with the Concurrent Repurchase, approval from the Hong Kong Stock Exchange would be required under Rule 10.06(3) of the Listing Rules. The Company has made an application to the Hong Kong Stock Exchange and the Hong Kong Stock Exchange has granted the approval under Rule 10.06(3) of the Listing Rules for the issue of the Bonds.

### **Conversion Price and New CB Shares**

The initial Conversion Price of HK\$6.37 per Share represents:

- (i) a premium of approximately 23.93% over the last closing price of HK\$5.140 per Share as quoted on the Hong Kong Stock Exchange on the Last Trading Day;

- (ii) a premium of approximately 24.90% over the average closing price of approximately HK\$5.100 per Share as quoted on the Hong Kong Stock Exchange for the five consecutive trading days up to and including the Last Trading Day; and
- (iii) a premium of approximately 23.91% over the average closing price of approximately HK\$5.141 per Share as quoted on the Hong Kong Stock Exchange for the ten consecutive trading days up to and including the Last Trading Day.

The initial Conversion Price was determined with reference to the prevailing market price of the Shares and the terms and conditions of the CB Subscription Agreement and was negotiated on an arm's length basis between the Company and the Manager after a book-building exercise.

The number of New CB Shares issuable upon conversion of any Bonds shall be determined by dividing the principal amount of the Bonds converted by the Conversion Price in effect on the relevant conversion date. Based on the initial Conversion Price of HK\$6.37 per Share and assuming full conversion of the Bonds at the initial Conversion Price, the Bonds will be convertible into a maximum of 78,492,935 New CB Shares, representing:

- (i) approximately 2.80% of the existing issued share capital of the Company as at the date of this announcement; and
- (ii) approximately 2.72% of the issued share capital of the Company, as enlarged by the issue of the New CB Shares upon full conversion of the Bonds.

### **Ranking of the New CB Shares**

The New CB Shares will be allotted and issued pursuant to the General Mandate and will be fully paid and rank pari passu in all respects with fully paid Shares in issue on the relevant Registration Date except for any right excluded by mandatory provisions of applicable law. Save as set out in terms and conditions of the Bonds, a holder of New CB Shares issued on conversion of the Bonds shall not be entitled to any rights the record date for which precedes the relevant Registration Date.

## **USE OF PROCEEDS**

The aggregate principal amount of the Bonds will be HK\$500,000,000. The net proceeds will be approximately HK\$492 million. Based on such net proceeds and assuming the full conversion of the Bonds at the initial Conversion Price, the net issue price per New CB Share is approximately HK\$6.27. The Company intends to use the net proceeds from the issue of the Bonds for refinancing the outstanding 2025 Convertible Bonds.

## **REASONS FOR AND BENEFITS OF THE CONCURRENT REPURCHASE AND BONDS ISSUE**

The Board considers that by the Concurrent Repurchase and the Bonds Issue, the Company will be able to extend the debt maturity profile of the Company. Besides, the proposed issue of the Bonds renders additional benefits of (i) providing the Company with funds at lower funding cost for the purposes of funding the Concurrent Repurchase; (ii) not having an immediate dilution effect on the shareholding of the existing Shareholders; and (iii) enhancing the Company's capital base as well as benefiting the long term development of the Company in the event that the Bonds are converted into new Shares.

As such, the Directors (including the independent non-executive Directors) consider that (i) the Concurrent Repurchase and the terms and conditions of the Dealer Manager Agreement (including the Dealer Manager's fees); and (ii) the Issue Price, the Conversion Price and the terms and conditions of the CB Subscription Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

## **EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE-MONTH PERIOD**

The following are the equity fund raising activities conducted by the Company in the past twelve-month period immediately preceding the date of this announcement:

<b>Date of initial announcement</b>	<b>Fund raising activity</b>	<b>Net proceeds</b>	<b>Intended use of proceeds</b>	<b>Actual use of net proceeds</b>
10 February 2025	(i) The placing of 90,909,000 existing Shares by Group Success Investments Limited and the subscription of 90,909,000 new Shares by Group Success Investments Limited, and (ii) the issue of the 2025 Convertible Bonds	(i) HK\$493 million, and (ii) HK\$492 million	(i) further develop the Direct-to-Consumer (DTC) business model for core Xtep brand and Saucony; (ii) further enhance Saucony's branding initiatives and product offerings; and (iii) for working capital to support general corporate purposes	approximately HK\$620 million in total were utilized

Save for the aforesaid, the Company has not conducted any equity fund raising activities during the past 12 months immediately preceding the date of this announcement.



## EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY AS A RESULT OF THE CONVERSION OF THE BONDS

The following table illustrates (1) the existing shareholding structure as at the date of this announcement; and (2) the shareholding structure assuming the Bonds are fully converted into New CB Shares at the initial Conversion Price of HK\$6.37 each; on the assumptions that (a) there will be no other change to the share capital of the Company from the date of this announcement until the conversion of the Bonds in full, save for the issue of New CB Shares as a result of the conversion of the Bonds in full (as the case may be); and (b) the Bondholders do not and will not hold any Shares other than New CB Shares.

Shareholder	Existing (as at the date of this announcement)		Assuming the Bonds are fully converted into New CB Shares at the initial Conversion Price of HK\$6.37 each	
	No. of Shares	%	No. of Shares	%
Group Success Investments Limited	1,251,586,231	44.60%	1,251,586,231	43.39%
Ding Shui Po	71,977,500	2.57%	71,977,500	2.50%
Ding Mei Qing	2,070,002	0.07%	2,070,002	0.07%
Ding Ming Zhong	2,800,000	0.10%	2,800,000	0.10%
Tan Wee Seng	292,975	0.01%	292,975	0.01%
Bondholders	—	—	78,492,935	2.72%
Other public shareholders	<u>1,477,345,648</u>	<u>52.65%</u>	<u>1,477,345,648</u>	<u>51.21%</u>
Total:	<u><u>2,806,072,356</u></u>	<u><u>100%</u></u>	<u><u>2,884,565,291</u></u>	<u><u>100%</u></u>

As at the date of this announcement, the Company has no treasury shares and no intention to transfer treasury shares upon the Bondholders' exercise of the conversion rights.

## GENERAL MANDATE TO ISSUE THE NEW CB SHARES

The New CB Shares to be issued upon the conversion of the Bonds will be issued and allotted under the General Mandate granted to the Directors to allot, issue and deal with Shares by resolution of the shareholders of the Company passed at the AGM. Under such General Mandate, the Company is authorised to issue up to 554,911,814 new Shares, representing 20% of the total number of Shares of the Company in issue as at the date of the AGM.

No Shares have been issued or committed to be issued pursuant to the General Mandate. As such, as at the date of this announcement, the number of Shares that the Company may issue under the General Mandate is 554,911,814, representing 20% of the issued share capital of the Company of 2,774,559,072 Shares as at the date of the AGM.

As at the date of this announcement, assuming full conversion of the Bonds at the initial Conversion Price, the Bonds will be convertible into a maximum of 78,492,935 New CB Shares. The General Mandate is sufficient for the allotment and issue of the New CB Shares, and no additional approval from Shareholders of the Company is required for the allotment and issue of the New CB Shares.

## **INFORMATION ON THE COMPANY AND THE GROUP**

Xtep International Holdings Limited is a leading multi-brand sportswear company listed on the Main Board of the Hong Kong Stock Exchange in 2008. The Group principally engages in the design, development, manufacturing, sales, marketing and brand management of sports products covering footwear, apparel and accessories for adults and children. With the core Xtep brand, as well as Saucony and Merrell under its diversified brand portfolio, the Group strategically targets the mass market and professional sports segments through an extensive distribution network of more than 8,000 stores.

**The completion of the Concurrent Repurchase and the subscription and issuance of the Bonds are subject to the satisfaction and/or waiver of the conditions precedent contained in the Dealer Manager Agreement and the CB Subscription Agreement, as applicable. In addition, the Dealer Manager Agreement and the CB Subscription Agreement may be terminated under certain circumstances. Please refer to the sections headed “The Dealer Manager Agreement” and “The CB Subscription Agreement” above for further information.**

**As the Concurrent Repurchase and the issue of the Bonds may or may not complete, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

## DEFINITIONS

“2021 Convertible Bonds”	the 1.8% convertible bonds due 2027 in the principal amount of HK\$500,000,000 issued by the Company to GSUM IV Holdings Limited on 9 September 2021
“2024 Convertible Bonds”	the 3.5% convertible bonds due 2030 in the principal amount of HK\$500,000,000 issued by the Company to GSUM IV Holdings Limited on 1 November 2024
“2025 Convertible Bonds”	the 1.5% convertible bonds due 2026 in the principal amount of HK\$500,000,000 issued by the Company on 20 February 2025
“Agent”	an international financial institution to be agreed between the Company and the Manager
“AGM”	the annual general meeting of the Company held on 28 April 2025
“Agency Agreement”	the agency agreement in relation to the Bonds to be dated 6 February 2026 between the Company, the Trustee, and the Agent as principal paying agent and principal conversion agent, as transfer agent and registrar and the other agents named under the agency agreement
“Board”	the board of Directors
“Bondholders”	the person in whose name a Bond is registered
“Bonds”	the HK\$500 million zero coupon convertible bonds due 2029
“Bonds Issue”	the issue of the Bonds by the Company
“CB Closing Date”	6 February 2026, subject to postponement under the CB Subscription Agreement
“CB Subscription Agreement”	the subscription agreement dated 30 January 2026 entered into between the Company and the Manager in respect of the issue of the Bonds

“Company”	Xtep International Holdings Limited (特步國際控股有限公司), a company incorporated in Cayman Islands with limited liability whose Shares are listed on the Hong Kong Stock Exchange
“Concurrent Repurchase”	the repurchase of the 2025 Convertible Bonds
“connected persons”	has the meaning ascribed to it under the Listing Rules
“CSRC”	the China Securities Regulatory Commission of the PRC
“Dealer Manager Agreement”	the dealer manager agreement dated 30 January 2026 between the Company and the Manager in connection with the Concurrent Repurchase
“Director(s)”	director(s) of the Company
“Early Redemption Amount”	the amount per each HK\$2,000,000 principal amount of the Bonds determined in accordance with the formula set out in the terms and conditions of the Bonds
“Eligible Bondholder”	a holder of the 2025 Convertible Bonds that is (i) not located or resident in the United States, and (ii) not a person acting on behalf of a beneficial owner of the 2025 Convertible Bonds located or resident in the United States, or acting for the account or benefit of any person located or resident in the United States
“General Mandate”	the general mandate granted to the Board by the Shareholders at the AGM, which authorised the Directors to allot, issue or otherwise deal with up to 554,911,814 Shares, representing 20% of the total number of Shares of the Company in issue as at the date of the AGM
“Group”	collectively, the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Independent Third Party(ies)”	party(ies) who is/are independent of the Company and its connected persons and is/are not a connected person(s) of the Company
“Last Trading Day”	30 January 2026, being the last trading day prior to the signing of the CB Subscription Agreement
“Listed Material Subsidiary”	any Material Subsidiary (as defined in the terms and conditions of the Bonds), the shares of which are at the relevant time listed on the Hong Kong Stock Exchange, or any other stock exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange for the time being in force
“Manager” or “Dealer Manager”	UBS AG Hong Kong Branch, being the overall coordinator
“NDRC”	National Development and Reform Commission of the PRC or its local counterparts
“NDRC Administrative Measures”	the Administrative Measures for the Review and Registration of Medium- and Long-Term Foreign Debts of Enterprises (企業中長期外債審核登記管理辦法(國家發展和改革委員會令第56號)) issued by the NDRC and effective from 10 February 2023 and any implementation rules, reports, certificates, approvals or guidelines as issued by the NDRC from time to time
“New CB Shares”	Shares to be allotted and issued by the Company upon conversion of the Bonds
“PRC”	the People’s Republic of China, which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Registration Date”	the date the person or persons specified in the Conversion Notice (as defined in the terms and conditions of the Bonds) will become the holder of record of the number of New CB Shares issuable upon conversion of the Bonds

“Regulation S”	Regulation S under the U.S. Securities Act of 1933, as amended
“Relevant Indebtedness”	any indebtedness in the form of and represented by debentures, loan stock, bonds, notes, bearer participation certificates, depository receipts, certificates of deposit or other similar securities or instruments or by bills of exchange drawn or accepted for the purpose of raising money which are, or are issued with the intention on the part of the issuer thereof that they should be, quoted, listed, ordinarily dealt in or traded on any stock exchange or over the counter or on any other securities market (whether or not initially distributed by way of private placement) having an original maturity of more than one year from its date of issue but shall not include (i) indebtedness issued in the PRC, or (ii) bilateral loans, syndicated loans or club deal loans
“Share(s)”	the issued ordinary share(s) of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Trust Deed”	the trust deed in relation to the Bonds to be dated 6 February 2026 between the Company and the Trustee
“Trustee”	an international financial institution to be agreed between the Company and the Manager
“US” or “United States”	the United States of America
“Vienna Stock Exchange”	the Vienna MTF operated by the Vienna Stock Exchange
“%”	per cent.

By order of the Board of  
**Xtep International Holdings Limited**  
**Ding Shui Po**  
*Chairman*

Hong Kong, 2 February 2026

*As at the date of this announcement, the executive Directors of the Company are Mr. Ding Shui Po, Ms. Ding Mei Qing, Mr. Ding Ming Zhong and Mr. Yeung Lo Bun; 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.*