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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) SUPPLEMENTAL INFORMATION  
TO THE ANNOUNCEMENT DATED 9 MAY 2024  
AND**

**(2) APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**

Reference is made to the announcement of Xtep International Holdings Limited (the “**Company**”) dated 9 May 2024 in relation to (1) discloseable and connected transaction — disposal of the entire issued share capital of KP Global; (2) proposed declaration of Special Dividend; (3) early redemption of K-Swiss Convertible Bonds by KP Global; (4) issue of convertible bonds in principal amount of HK\$500,000,000 by the Company to Investor under General Mandate; (5) Call Options to K-Swiss CB Investor by Controlling Shareholder; (6) connected transaction — issue of convertible bonds in principal amount of US\$154,000,000 by KP Global to the Company; and (7) connected transaction — waiver in respect of Deed of Non-compete (the “**Announcement**”).

Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

**(1) SUPPLEMENTAL INFORMATION TO THE ANNOUNCEMENT DATED 9  
MAY 2024**

The Company would like to supplement the Announcement with the following clarifications.

## **Conditions precedent to the issue of the Xtep Convertible Bonds**

The Company wishes to clarify that while the declaration and payment of the Special Dividend, the exercise of the Call Option and the subscription of the KP Convertible Bonds are conditional upon the completion of the Disposal, the issue of the Xtep Convertible Bonds to the Investor is not conditional upon the completion of the Disposal. Whether or not the Disposal is completed, the Company will issue the Xtep Convertible Bonds to the Investor subject to the fulfilment of the relevant conditions precedent. The issue of the Xtep Convertible Bonds to the Investor is also not subject to other transactions as disclosed in the Announcement.

## **Principal amount of the KP Convertible Bonds**

The Company wish to clarify that the principal amount of the KP Convertible Bonds of US\$154,000,000 represents the amount to be owed by KP Global to the Company after the completion of the K-Swiss CB Redemption and the Disposal, which includes (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 to be paid by the Company for the early redemption of the K-Swiss Convertible Bonds.

Subject to the completion of the Disposal, KP Global will issue the KP Convertible Bonds at an aggregate principal amount of US\$154,000,000 to the Company to refinance the equivalent amount which are expected to be due from KP Global to the Company at completion of the Disposal.

## **Condition to the exercise of the Call Option**

The Company wishes to clarify that the Call Option has been granted to the K-Swiss CB Investor when the Call Option Deed was executed on 9 May 2024. It is the completion of the sale and purchase of the relevant Option Shares upon the exercise of the Call Option (rather than the grant of the Call Option) which is conditional upon the completion of the Disposal.

## **Listing Rules implications for the subscription of the KP Convertible Bonds**

The Company wishes to clarify that as KP Global will be wholly owned by the Ding Family through Ding Shun Investment upon completion of the Disposal, KP Global will become a connected person of the Company, and the subscription of the KP Convertible Bonds by the Company will constitute a connected transaction for the Company under Chapter 14A of the Listing Rules. The subscription of the KP Convertible Bonds is subject to the announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The subscription of the KP Convertible Bonds also constitutes financial assistance by the Company to KP Global under Rule 14.04(1)(e) of the Listing Rules. As one or more of the applicable percentage ratios under the Listing Rules in respect of the Share Purchase Agreement exceed 5% but is less than 25%, the subscription of the KP Convertible Bonds also constitutes a discloseable transaction for the Company that is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Save as disclosed above, the Board confirms that all information in the Announcement remains unchanged. This announcement is supplemental to and should be read in conjunction with the Announcement.

### **(2) APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**

Red Sun Capital Limited has been appointed as the independent financial adviser to make recommendations to the Independent Shareholders and the independent board committee, which comprises all independent non-executive Directors, on whether the terms of the Share Purchase Agreement, the Special Dividend, the KP Convertible Bonds and the Waiver are fair and reasonable and to advise the Independent Shareholders on how to vote on the proposed resolutions in respect thereof at the EGM, and such appointment has been approved by the independent board committee.

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

Hong Kong, 23 May 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.*