

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **KINGMAKER FOOTWEAR HOLDINGS LIMITED**

**信星鞋業集團有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 01170)**

### **INSIDE INFORMATION POSITIVE PROFIT ALERT**

This announcement is made by Kingmaker Footwear Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors of the Company (the “**Directors**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and the potential investors that based on the preliminary review of the unaudited consolidated management accounts of the Group, the Group is expected to record an unaudited profit attributable to equity holders of the Company of not more than HK\$30 million for the six months ended 30 September 2022 (the “**Period**”), as compared with a loss for the six months ended 30 September 2021.

\* *For identification purposes only*

The expected profit for the Period was mainly attributable to:

- (i) economies of scale achieved on a 68.4% year-on-year increase in the Group's consolidated revenue to approximately HK\$639 million, as a result of a stronger order book for the manufacturing business and higher utilization achieved throughout the Period, while by comparison, the Group's southern Vietnam plant experienced a temporary production halt due to COVID-19 restrictions in the corresponding period last year;
- (ii) higher average selling price achieved in addition to shipment volume increase, leading to a comparative improvement in the gross profit margin; and
- (iii) the share of profit of associates contributed by the Group's associated company operating in Central Vietnam;

which was partially offset by:

- (i) an estimated fair value loss on certain investment properties in mainland China and Hong Kong.

The Group's return to net profit during the Period was mainly attributable to the solid performance of the manufacturing business which benefited from its earlier decision to focus on six strategic action areas as mentioned in the 2022 Annual Report. This focused effort is in line with the Group's overall margin-accretive strategy and has helped to enhance the revenue portfolio. Amid an overall volume growth during the Period, the rugged shoes category achieved a particularly notable recovery with shipment surpassing pre-pandemic levels. Moreover, despite renewed COVID-19 restrictions in some parts of Asia, the geographic diversity of the Group's manufacturing base has helped to stabilize operations and output. In summary, the Group is performing in line with expectations, and has adopted a set of growth strategies to align ongoing business development efforts with its unique capabilities.

The Company is still in the process of preparing the unaudited consolidated financial results of the Group for the Period. The information contained in this announcement is only a preliminary assessment by the Company based on the unaudited consolidated management accounts of the Group for the Period and the information currently available to the Board, which may be subject to adjustments, and is not based on any information or figures that have been reviewed or audited by the Company's auditor. Shareholders and potential investors are advised to read the Company's interim results announcement with care when it is published. Details of the Group's financial results for the Period will be disclosed in the interim results announcement, which is expected to be published by the end of November 2022.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

By Order of the Board  
**Kingmaker Footwear Holdings Limited**  
**HUANG Hsiu Duan, Helen**  
*Chairman*

Hong Kong, 15 November 2022

*As of the date of this announcement, the Board consists of three executive Directors, namely Mdm. HUANG Hsiu Duan, Helen, Mr. WONG Hei Chiu and Mr. CHEN Yi Wu, Ares; three non-executive Directors, namely Mr. CHAN Ho Man, Daniel, Mr. KIMMEL Phillip Brian and Dr. CHOW Wing Kin, Anthony; and three independent non-executive Directors, namely Mr. TAM King Ching, Kenny, Mr. YUNG Tse Kwong, Steven and Ms. CHAN Mei Bo, Mabel.*