

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

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 (the “**Directors**”) of the Company wishes to inform the shareholders (the “**Shareholders**”) and potential investors of the Company that, based on the preliminary review of the unaudited consolidated management accounts of the Group, the Group is expected to record a profit attributable to equity holders of the Company in the estimated range of approximately HK\$15 million to approximately HK\$20 million for the year ended 31 March 2024 (the “**Period**”), representing a period-on-period decrease of approximately 60-70%.

The expected decrease in profit for the Period was mainly attributed to:–

- (i) diminished economies of scale resulting from an approximately 35% period-on-period decrease in the Group’s revenue for the Period; and

* *For identification purposes only*

- (ii) reduced share of profit of associates contributed by the Group's associated company operating in central Vietnam.

The profit decline was partially offset by:–

- (i) an increase in interest income; and
- (ii) a reduced estimated fair value loss on revaluation of the Group's investment properties in mainland China and Hong Kong.

The Group's efforts to enhance its product portfolio and achieve higher selling prices were undermined by weak retail sentiment due to high interest rates and geopolitical instability, resulting in a negative impact on turnover for the Period. Despite these present challenges, the Group continues to embrace its strategy of driving value growth, which requires maintaining a skilled labor force and aligning facility upgrades with demanding client requirements. Given the subdued order pipeline, the Group has adjusted its workforce scale and enforced strict cost controls over the past financial year, but the fixed manufacturing input costs have not fallen as much as the drop in turnover, resulting in a decrease in gross profit.

Looking forward, the Group will continue to maintain its financial strength, engage in active high-end product development, and prudently invest in facility upgrades and automation to position itself for market improvements. With confidence in its manufacturing capabilities and strong fundamentals, the Group will continue its strategy of prioritizing value over volume growth, and remains optimistic about its long-term prospects.

The Board will update the Shareholders and potential investors of the Company as and when appropriate.

The Group is still in the course of preparing and finalising its consolidated annual results for the year ended 31 March 2024. The information in this announcement is only based on the preliminary assessment by the Board, with reference to the management accounts and the information currently available, which are subject to finalization and adjustments, and has not been audited nor reviewed by the auditor of the Company. Details of the Group's financial performance for the Period will be disclosed in the annual results announcement of the Company for the year ended 31 March 2024, which will be published by the Company before the end of June 2024.

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, 11 June 2024

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, Ms. CHAN Mei Bo, Mabel and Mr. WONG Hin Wing.