KINGMAKER

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 WARNING

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, in line with the projections made in the Company's annual report for the year ended 31 March 2024 ("**FY2024**"), the Group's export markets continued to be challenged by generally soft retail conditions, which led to a subdued order pipeline throughout the first half of the year ended 30 September 2024 (the "**Period**"). Based on the preliminary review of the unaudited consolidated management accounts of the Group, the Group is expected to record a loss attributable to equity holders of the Company in the estimated range of approximately HK$12 million to approximately HK$15 million for the Period, against a profit posted in the same period last year.

* *For identification purposes only*

The expected loss incurred for the Period was mainly attributable to:–

(i) diminished economies of scale as a result of an approximately 15% period-on-period decrease in the Group's revenue for the Period, which led to an increase in proportionate fixed costs;

(ii) a notable rise in labour costs for the Period compared to the corresponding period in the preceding year;

(iii) reduced share of profit of associates contributed by the Group's associated company operating in central Vietnam; and

(iv) an estimated fair value loss on revaluation of the Group's investment properties in Chinese mainland and Hong Kong.

Despite the challenging business conditions, the Group has opted to maintain a relatively stable workforce at its production centers in Vietnam and Cambodia amid difficulties in recruiting skilled labour. This strategic stance will ready the Group for future recovery in orders, and aligns with continued business development efforts to enhance its product portfolio. To this end, promising new labels have continued to be introduced to the Group's client portfolio. While the initial orders are modest in size, they signify strategic inroads into product segments with higher average selling prices. The Group is prepared to invest in and grow with these newly added brands. The Board considers that the short-term investments in labour and business development are crucial in securing the future of the Group.

The Board believes that the Group's resilience and adaptive strategies could position it to yield improved performance as market conditions improve.

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 interim results for the six months ended 30 September 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 interim results announcement of the Company for the six months ended 30 September 2024, which will be published by the Company before the end of November 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, 18 November 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 Ms. CHAN Mei Bo, Mabel, Mr. WONG Hin Wing and Mr. LAW Ka Kin.