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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 AND LATEST UPDATE ON ASSET OPTIMISATION

This announcement is made by Kingmaker Footwear Holdings Limited (the "**Company**", together with its subsidiaries, collectively known as the "**Group**") pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on the Stock Exchange (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).

PROFIT WARNING

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 a preliminary review of the Group's unaudited consolidated management accounts and the information currently available, the Group expects to record a loss attributable to equity holders in the range of approximately HK$45 million to HK$50 million for the six months ended 30 September 2026 (the "**Period**"), compared with a loss of approximately HK$6.6 million for the six months ended 30 September 2025.

* *For identification purposes only*

Amid continued global economic volatility and weak retail sentiment, branded clients remained cautious in their procurement, with orders characterized by small batches and short turnaround times. Sales volume consequently declined, with a modest increase in the average selling price providing a partial offset to the impact on revenue. As a result, revenue decreased by approximately 11% compared with the corresponding period last year.

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

(i) a gross loss resulting from reduced economies of scale due to lower revenue; a marked increase in subcontracting charges associated with research and development for, and production of, more complex models; and one-off provision for inventories held following a customer's corporate restructuring;

(ii) a decrease in the Group's share of profit from its associated company in central Vietnam, as the fulfillment of more labor-intensive orders requiring higher skill levels put pressure on its gross profit margin;

(iii) a net fair value loss incurred on revaluation of the Group's investment properties amid generally subdued rental market conditions; and

(iv) a decline in rental income from certain investment properties in the Chinese Mainland.

The Board expects order visibility to remain limited for the remainder of the year ending 31 March 2027 amid ongoing market uncertainty. The Group will maintain prudent cost control, align production and resource allocation with demand, and strive to improve capacity utilization and operational efficiency. It will also exercise strict discipline in capital expenditure and working capital management to preserve its financial strength and resilience. In parallel, continued collaboration with existing and new clients on product development will support longer-term growth. The Group remains positive about its long-term prospects and will position itself to capture opportunities as the market recovers.

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 2026. 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 2026, which will be published by the Company before the end of November 2026.

LATEST UPDATE ON ASSET OPTIMISATION

The Group continues to review its property portfolio to make better use of its assets and release value. This includes reviewing leasing arrangements and, where appropriate, disposing of under-utilised premises, which would release capital tied up in non-core assets and reduce the Group's ongoing holding costs.

In this regard, the Group is in negotiations with an independent third party for the possible disposal of its factory premises located in the Vietnam-Singapore Industrial Park, Binh Duong Province, Vietnam (the "**Property**"). The Property comprises two parcels of land with a total site area of approximately 15,356.5 sq.m., held under a land lease expiring in December 2045, together with two factory buildings with a total gross floor area of approximately 31,488 sq.m. erected on them.

If completed, the possible disposal would increase the Group's cash position and strengthen its liquidity and working capital.

As at the date of this announcement, no legally binding agreement has been entered into, and the terms of the possible disposal are still under negotiation. The possible disposal may or may not proceed. If the possible disposal materialises, it may constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules, and the Company will comply with the applicable requirements of the Listing Rules, including making a further announcement as and when appropriate.

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, 23 November 2026

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. WONG Hin Wing, Mr. LAW Ka Kin and Mr. WONG Chiu Kwai.