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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

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).

Reference is made to the announcements of the Company dated 14 July 2021, 30 July 2021, 23 August 2021, 6 October 2021 and 12 October 2021 in relation to the temporary production halt at the Group’s factory in Binh Duong Province, Vietnam, after the report of local COVID-19 cases (the “**Announcements**”).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders and potential investors of the Company that, based on the preliminary assessment of the unaudited consolidated management accounts of the Group and the information currently available to the Board, the Group is expected to report a loss attributable to equity holders of the Company of not more than approximately HK\$25 million for the six months ended 30 September 2021 (the “**Period**”) as compared with a profit for the six months ended 30 September 2020.

* For identification purposes only

The expected loss was mainly attributable to:

- (i) the production halt in Vietnam as disclosed in the Announcements, resulting in:
 - (a) increased labor-to-revenue ratio as the Group was subject to mandatory payment of wages (at the minimum wage level) to the employees of the affected factory during the production halt; and
 - (b) additional costs incurred for COVID-19 inspections of the employees and disinfection of the factory premises.
- (ii) increase in materials and supply-chain costs, including higher transportation costs for the delivery of materials;
- (iii) the absence of the one-off fair value gain of approximately HK\$143 million arising from the revaluation of the property at the Zhuhai plant recorded during the six months ended 30 September 2020, against an estimated fair value loss for the Period; and
- (iv) impairment losses on certain property, plant and equipment and materials;

which was partially offset by:

- (i) increased share of profit of associates during the Period from the Group's associated company operating in Central Vietnam.

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. 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 2021.

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 2021

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. KIMMEL Phillip Brian, Mr. CHAN Ho Man, Daniel 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.