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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)

ANNOUNCEMENT IN RELATION TO EXPECTED GAIN ON DISPOSAL OF A SUBSIDIARY

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) of Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 28 December 2016 (the “**Announcement**”) and the annual report of the Company for the year ended 31 March 2017 (the “**Annual Report**”) in relation to the disposal (the “**Disposal**”) of the 100% equity interest in Kingmaker Footwear (Zhong Shan) Co., Ltd. (“**Kingmaker Zhong Shan**”), which holds the site and manufacturing facilities in Zhongshan, the PRC, at the consideration of RMB168,000,000 (equivalent to approximately HK\$187,583,800). Unless otherwise defined, capitalized terms used in this announcement shall have the same meaning as those defined in the Announcement.

* *For identification purposes only*

Upon completion of the registration process with the relevant industrial and commercial administration in the PRC in April 2017 in respect of the transfer of the entire equity interest in Kingmaker Zhong Shan, 50% of the consideration amounting to RMB84,000,000 (equivalent to approximately HK\$93,791,900) had already been released by the escrow agent to the Group in April 2017 and the remaining 50% of the consideration amounting to RMB84,000,000 (equivalent to approximately HK\$93,791,900) had also been released by the escrow agent to the Group in July 2017. It was disclosed in the Announcement that the unaudited net asset value of Kingmaker Zhong Shan (which comprised mainly the parcel of land and buildings erected thereon) as at 30 September 2016 was approximately HK\$55,000,000. As disclosed in note 11 “Discontinued Operation and Disposal Group Held for Sale” to the financial statements of the Annual Report, the net asset value of Kingmaker Zhong Shan as at 31 March 2017 was approximately HK\$35,256,000.

Based on the information currently available and subject to audit by the auditor of the Group, the unaudited net asset value of Kingmaker Zhong Shan as at the date of Disposal was approximately HK\$35,643,000 and derecognition of the cumulative translation differences of Kingmaker Zhong Shan recorded in the equity of the Group was approximately HK\$22,000,000. Accordingly, the Group currently expects to recognize, after transaction costs, a net gain of approximately HK\$174,000,000, which is more than the initial estimated gain as disclosed in the Announcement, mainly due to the decrease in the net asset directly associated with Kingmaker Zhong Shan and derecognition of the cumulative translation differences of Kingmaker Zhong Shan recorded in the equity of the Group.

Cash proceeds from the Disposal will be retained by the Company as working capital, and the Board may consider distributing a special interim dividend for the six months ending 30 September 2017.

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

By order of the Board
Kingmaker Footwear Holdings Limited
Chan Ho Man, Daniel
Chairman

Hong Kong, 4 August 2017

As at the date of this announcement, the board of directors of the Company consists of four executive directors, namely Mdm. HUANG Hsiu Duan, Helen, Mr. KIMMEL, Phillip Brian, Mr. MUMMA, Adin David and Mr. WONG Hei Chiu; two non-executive Directors, namely Mr. CHOW Wing Kin, Anthony and Mr. CHAN Ho Man, Daniel; and three independent non-executive Directors, namely Mr. TAM King Ching, Kenny, Mr. YUNG Tse Kwong, Steven and Ms. CHAN Mei Bo, Mabel.