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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

This announcement is made by Kingmaker Footwear Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 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 and 30 July 2021 regarding the temporary production halt at the Group’s factory in Binh Duong Province, Vietnam after the report of COVID-19 cases (the “**Announcements**”). Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Announcements.

* *For identification purposes only*

Temporary Production Halt in Vietnam

The Board wishes to advise the shareholders and potential investors of the Company that, on 15 August 2021, Binh Duong provincial authorities announced a further extension of the social distancing and night curfew measures for up to 31 August 2021 for certain cities, including Thuan An where the Group's factory is located. In light of this directive and the ongoing impact of the COVID-19 outbreak in the local area, production at the affected factory will remain suspended until 31 August 2021. As such, the management now estimates that the normal production at the affected factory may be resumed in September 2021. The Board continues to contemplate the schedule of and steps to be taken towards the resumption of normal production safely and as soon as the circumstances allow.

Business Update

As projected in the Company's annual report for the year ended 31 March 2021, the Group started the current financial year ending 31 March 2022 ("**2021/22**") with growth in its order book. Based on the unaudited figures from the Company's management accounts, revenue generated by the Group is expected to increase by approximately 20% year on year for the April-June quarter of 2021/22.

However, the upward trend of the Group's revenue has been interrupted by the production halt at the affected factory in Vietnam since 12 July 2021. The Group's 40%-held associated factory in Central Vietnam has not been affected and remains in normal operation. As the production capacity of the factory in Cambodia has been gearing up gradually to fill more orders since July 2021 to mitigate the overall impact, revenue to be recorded from Cambodia for the July-September quarter of 2021/22 is expected to increase.

The Board anticipates additional costs to be incurred in the affected factory in Vietnam as a result of the COVID-19 outbreak. Apart from expenses related to the disinfection of the premises and tests for employees of the factory, the affected factory is subject to mandatory payment of wages (calculated on the basis of the minimum wage level) to the employees during the suspension. The Board assesses that these costs would have an extent of impact on the bottom line of the Group's first-half 2021/22 results.

The Board will closely monitor the situation and update the shareholders and potential investors of the Company as and when appropriate.

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 by the auditors or reviewed by the audit committee of the Board. Details of the Group's financial performance for the first-half of 2021/22 will be disclosed in the interim results announcement of the Company for the six months ending 30 September 2021, which will be published by the Company in due course.

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 August 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.