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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)

DISCLOSEABLE TRANSACTION FINANCIAL ASSISTANCE TO AN AFFILIATED COMPANY

The Board announces that Novel Alliance, which is a wholly-owned subsidiary of the Company, and Vast King have agreed to (a) provide shareholders' loans in total sum of approximately US\$10 million to Alliance Investment by 30 June 2019; and (b) provide further financial assistance to Alliance Investment by way of shareholders' loans or guarantees on a several basis in respect of borrowings from banks or financial institutions in total sum of approximately US\$10 million by 31 December 2019. The above financial assistance to Alliance Investment shall be provided by Novel Alliance and Vast King in proportion to their respective shareholding interests in Alliance Investment.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the provision of the 2019 Financial Assistance, in aggregate with the advance of approximately US\$800,000 (equivalent to HK\$6,240,000) provided to Alliance Investment within 12 months, exceed 5% but are less than 25%, the provision of the 2019 Financial Assistance constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules.

* *For identification purposes only*

Reference is made to the announcement of the Company dated 9 January 2017 in respect of the formation of Alliance Investment. Alliance Investment is owned as to 40% by Novel Alliance, a wholly-owned subsidiary of the Company, and 60% by Vast King. As such, Alliance Investment is an affiliated company of the Company.

FINANCIAL ASSISTANCE TO AN AFFILIATED COMPANY

The Board announces that Novel Alliance and Vast King have agreed to (a) provide unsecured and interest free shareholders' loans in total sum of approximately US\$10 million to Alliance Investment by 30 June 2019; and (b) provide further financial assistance (the "**Further Financial Assistance**") to Alliance Investment by way of shareholders' loans or guarantees on a several basis in respect of borrowings from banks or financial institutions in total sum of approximately US\$10 million by 31 December 2019. The above financial assistance to Alliance Investment shall be provided by Novel Alliance and Vast King in proportion to their respective shareholding interests in Alliance Investment. As such, it is contemplated that Novel Alliance will provide shareholder's loan of approximately US\$4 million and Further Financial Assistance of approximately US\$4 million to Alliance Investment (collectively, the "**2019 Financial Assistance**").

The Directors confirmed that the 2019 Financial Assistance is expected to be financed by internal resources of the Group.

INFORMATION OF ALLIANCE INVESTMENT AND VAST KING

Alliance Investment is a company incorporated in the British Virgin Islands and owned as to 40% by Novel Alliance, a wholly-owned subsidiary of the Company, and 60% by Vast King. As such, Alliance Investment is an affiliated company of the Company. Alliance Investment is the holding company of several operating subsidiaries which are principally engaged in manufacturing footwear in central Vietnam.

Vast King belongs to the Evervan Group, which is one of the leading international footwear manufacturers and principally engaged in the manufacturing and distribution of footwear products which covers internationally-recognised branded sports shoes, basketball shoes, tennis shoes, baseball shoes and other products.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Vast King and its ultimate beneficial owners are Independent Third Parties to the Company.

REASONS FOR THE 2019 FINANCIAL ASSISTANCE

The Group is principally engaged in the business of manufacturing and trading of footwear. The Directors anticipate that with the strong background of Evervan Group in production of international top-of-the-line sports shoes, synergies can be achieved through the joint venture. The Alliance Group seeks to broaden its customers base and product range, particularly to penetrate into the manufacturing of more high-end footwear products. The Directors believe that the Alliance Group will help lead the Group's foray into more complicated and innovative footwear products.

Owing to the business plan of the Alliance Group being lagged behind the original schedule, the Alliance Group recorded losses for the year ended 31 March 2018. Nonetheless, as disclosed in the interim report of the Company for the six months ended 30 September 2018, Alliance Group's orders were expected to increase in fiscal year 2019/20 in view of the positive feedback from customers. As such, to facilitate such business development, the Group had further invested approximately US\$800,000 (equivalent to HK\$6,240,000) in Alliance Investment in the second half of the financial year ended 31 March 2019. For the year ended 31 March 2019, the Alliance Group made further progress in adapting its manufacturing business to an ever-changing market environment. It focused more on enhancing its lean manufacturing and efficiency, upgrading its equipment and machineries, and improving its technological innovation and process automation to improve efficiency in line with customer demand. As such, it is expected that the overall financial performance of the Alliance Group for the year ended 31 March 2019 has improved when compared to the year ended 31 March 2018. In line with a new customer's demand, the 2019 Financial Assistance to Alliance Investment will mainly be used for building a new factory building and ancillary facilities, purchase of machineries and modification of additional production lines to suit the production requirements for the new customer and general working capital of the Alliance Group. Having considered the improving performance and in line with the customers' demand of the Alliance Group, the Directors are of the view that the provision of 2019 Financial Assistance to Alliance Investment is fair and reasonable and in the interests of the Group and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the provision of the 2019 Financial Assistance, in aggregate with the advance of approximately US\$800,000 (equivalent to HK\$6,240,000) provided to Alliance Investment within 12 months, exceed 5% but are less than 25%, the provision of the 2019 Financial Assistance constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Alliance Group”	Alliance Investment and its subsidiaries
“Alliance Investment”	Alliance Investment Development Limited, a company incorporated in the British Virgin Islands and an affiliated company of the Company
“Board”	the board of Directors
“Company”	Kingmaker Footwear Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock code: 1170)
“Directors”	directors of the Company
“Evervan Group”	Guangzhou Evervan Footwear Co. Ltd and its subsidiaries
“Group”	the Company and its subsidiaries
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons (as defined under the Listing Rules)

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Novel Alliance”	Novel Alliance Holdings Limited, a company incorporated in the British Virgin Islands and is an indirect wholly-owned subsidiary of the Company
“Share(s)”	ordinary share(s) of HK\$0.1 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States Dollars, the lawful currency of the United States of America
“Vast King”	Vast King International Holdings Limited, a company incorporated in the British Virgin Islands with limited liability
“%”	per cent

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

Hong Kong, 25 April 2019

As of the date of this announcement, the Board consists of three executive Directors, namely Mdm. HUANG Hsiu Duan, Helen, Mr. MUMMA, Adin David and Mr. WONG Hei Chiu; three non-executive Directors, namely Mr. CHAN Ho Man, Daniel, Mr. KIMMEL Phillip Brian and Mr. 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.