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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)

**TERMINATION OF EXISTING SHARE AWARD SCHEME
AND
ADOPTION OF NEW SHARE AWARD SCHEME**

On 26 June 2019, the Board has resolved to terminate the Existing Share Award Scheme and adopt the New Share Award Scheme with effect from 26 June 2019.

The Existing Share Award Scheme will expire in June 2020. To facilitate participation of Directors and their respective associates in the share award scheme and to appoint a trustee to administer the share award scheme, it was proposed to terminate the Existing Share Award Scheme and adopt the New Share Award Scheme.

Pursuant to the Scheme Rules, the Shares will be acquired by the independent Trustee at the cost of the Company and be held on trust for the Selected Participants until they are vested in accordance with the Scheme Rules. Vested Shares will be transferred to the Selected Participants at no cost. The number of Shares to be awarded under the New Share Award Scheme throughout its duration is limited to 10% of the total number of issued shares of the Company as at the Adoption Date.

* *For identification purposes only*

The New Share Award Scheme does not constitute a share option scheme within the meaning of Chapter 17 of the Listing Rules and is a discretionary scheme of the Company. No shareholders' approval is required for the adoption or implementation of the New Share Award Scheme.

TERMINATION OF EXISTING SHARE AWARD SCHEME AND ADOPTION OF NEW SHARE AWARD SCHEME

The Existing Share Award Scheme will expire in June 2020. To facilitate participation of Directors and their respective associates in the share award scheme and to appoint a trustee to administer the share award scheme, it was proposed to terminate the Existing Share Award Scheme and adopt the New Share Award Scheme. As such, on 26 June 2019, the Board has resolved to terminate the Existing Share Award Scheme and adopt the New Share Award Scheme with effect from 26 June 2019.

As at the date of this announcement, there is no outstanding award for Shares granted under the Existing Share Award Scheme.

NEW SHARE AWARD SCHEME

A summary of the Scheme Rules is set out below:

Purposes and objectives

The specific objectives of the New Share Award Scheme are:

1. to recognise and motivate the contributions by certain Eligible Participants and to give incentives thereto in order to retain them for the continual operation and development of the Group;
2. to attract suitable personnel for further development of the Group; and
3. to provide certain Eligible Participants with a direct economic interest in attaining a long-term relationship between the Group and certain Eligible Participants.

Administration

The New Share Award Scheme shall be subject to the administration of the Board in accordance with Scheme Rules. In the event that a Selected Participant or his/her associate is a member of the Board, such person will abstain from voting on any approval by the Board of an award of Shares to such Selected Participant. The Board may by resolutions appoint any one or more senior management of the Company as Authorised Representative(s) to give instructions or notices to the Trustee on all matters in connection with the New Share Award Scheme and other matters in the routine administration of the Trust.

The Trustee will hold the Shares and the income derived therefrom in accordance with the Scheme Rules and subject to the terms of the Trust Deed.

Duration

Subject to any early termination as may be determined by the Board pursuant to the Scheme Rules, the New Share Award Scheme shall be valid and effective for a term of 10 years commencing on the Adoption Date.

Maximum limit

The Board shall not make any further grant of award of Shares under the New Share Award Scheme such that the total number of Shares granted under the New Share Award Scheme will exceed 10% of the total number of issued Shares as of the Adoption Date. If the relevant subscription or purchase would result in the Trustee holding in aggregate, more than 10% of the total number of issued Shares of the Company as of the Adoption Date, the Trustee shall not subscribe or purchase any further Shares.

Restrictions

No payment shall be made to the Trustee and no instructions to acquire Shares shall be given to the Trustee when any Director is in possession of unpublished inside information in relation to the Company or where dealings by Directors are prohibited under any code or requirement of the Listing Rules and all applicable laws from time to time. The Board may not make an award of Shares pursuant to the New Share Award Scheme to any Director during the periods or times in which the Directors are prohibited from dealing in Shares pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company.

Operation

The Board may, from time to time, at its absolute discretion select any Eligible Participant for participation in the New Share Award Scheme as a Selected Participant and determine the number of Awarded Shares to be awarded to the respective Selected Participants, the terms and conditions before the Awarded Shares may be vested and other related matters as expressly provided under the New Share Award Scheme. However, until so selected, no Eligible Participant shall be entitled to participate in the New Share Award Scheme.

The Board or the Authorised Representative(s) shall (after having regard to all relevant circumstances and affairs of the Group including without limitation the Group's business and financial performance of the Group) determine the maximum amount of funds to be allocated out of the Company's resources for the purchase or subscription of the Awarded Shares, as the Board or the Authorised Representative(s) deems appropriate, pursuant to the New Share Award Scheme. The Trustee shall purchase from the open market or subscribe for the relevant number of Shares awarded in accordance with the instructions of the Board or Authorised Representative(s) subject to Listing Rules and Scheme Rules and shall hold such Shares until they are vested in accordance with the Scheme Rules and Trust Deed.

When the Selected Participant has satisfied all vesting conditions specified by the Board at the time of making the award and become entitled to the Shares forming the subject of the award, the Trustee shall transfer the relevant vested Shares (Awarded Shares and all related income in the form of Shares derived from such Shares held upon the Trust (including but not limited to any bonus Shares and scrip Shares received in respect of the Awarded Shares)) to that Selected Participant at no cost.

On the vesting date, if the Selected Participant who is resident in a place where the award of the Awarded Shares and/or the vesting and transfer of Shares pursuant to the terms of the Scheme Rules is not permitted under the laws and regulations of such place or where in the view of the Board or the Trustee (as the case may be) compliance with applicable laws and regulations in such place make it necessary, the Board may determine and through its Authorised Representative(s) direct the Trustee to sell the relevant Awarded Shares at the prevailing market price and pay the net sale proceeds and to such Selected Participant.

Prior to the vesting of any Awarded Shares, a Selected Participant is not entitled to any rights attaching to the unvested Awarded Shares, including but not limited to voting rights, rights to dividends or distributions.

Vesting and lapse

A Selected Participant shall be entitled to receive the Awarded Shares held by the Trustee in accordance with the vesting schedule upon when the Selected Participant has satisfied all vesting conditions specified by the Board at the time of making the award. Vesting of the Shares will be conditional on the Selected Participant remaining a non-executive director or Employee of the Group until and on each of the relevant vesting dates and his/her execution of the relevant documents to effect the transfer from the Trustee.

Unless otherwise determined by the Board, an award shall automatically lapse when (i) a Selected Participant ceases to be an Eligible Participant for whatever reason, or (ii) the Subsidiary by which a Selected Participant is employed ceases to be a Subsidiary of the Company, or (iii) an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company (otherwise than for the purposes of, and followed by, an amalgamation or reconstruction in such circumstances that substantially the whole of the undertaking, assets and liabilities of the Company pass to a successor company) (each of these, an event of “**Total Lapse**”), save that in the case when a Selected Participant dies, or retires at his/her normal retirement date or earlier by agreement with the Company or any member of the Group prior to a vesting date, all the Awarded Shares and the related income shall be deemed to be vested on the day immediately prior to his/her death or retirement at his/her normal retirement date or earlier by agreement with the Company or any member of the Group. In case there is no claim of the vested Awarded Shares and the related income by the legal representative of the deceased Selected Participant within two years of the death of the Selected Participant (or such longer period as the Board shall determine from time to time) or the Trust Period (whichever is shorter) on the vested Awarded Shares and the related income would otherwise become bona vacantia, subject to compliance with the relevant probate law of the jurisdiction where the selected Participant is concerned, such vested Awarded Shares and the related income shall be forfeited and be held as Returned Shares for the purposes of the New Share Award Scheme.

In the event a Selected Participant fails to return duly executed transfer documents for the relevant Awarded Shares and the related income within the stipulated period (an event of “**Partial Lapse**”), the relevant part of an award made to such Selected Participant shall automatically lapse forthwith and the relevant Awarded Shares and related income shall not vest on the relevant vesting date but shall become Returned Shares for the purposes of the New Share Award Scheme.

If there occurs an event of change in control (as specified in The Codes on Takeovers and Mergers and Share Buy-back from time to time) of the Company prior to the vesting date, whether by way of offer, merger, scheme of arrangement or otherwise, the Trustee shall seek instructions from the Board, through its Authorised Representative(s), to determine whether all the Awarded Shares and related income shall vest and the time at which such Awarded Shares and related income shall vest.

Returned Shares

The Trustee shall hold Returned Shares as part of the trust fund exclusively for the benefit of all or one or more of the Selected Participants, whether the awardee is a Selected Participant at the time of award, as the Board in its absolute discretion shall at any time determine.

Voting rights

The Trustee shall not exercise the voting rights in respect of any Shares held under the Trust (including but not limited to the Awarded Shares, further Shares acquired out of the income derived therefrom, the Returned Shares, any bonus Shares and scrip Shares).

Termination

The New Share Award Scheme shall terminate on the earlier of the 10th anniversary date of the Adoption Date or such date of early termination as determined by the Board provided that such termination shall not affect any subsisting rights of the Selected Participants.

Upon termination, (i) all Awarded Shares and the related income derived therefrom shall become vested on the Selected Participants so referable on such date of termination save in respect of those lapsed as a result of Partial Lapse or Total Lapse, subject to the receipt by the Trustee of the transfer documents duly executed by the Selected Participants within the stipulated period, (ii) Returned Shares and such non-cash income remaining in the trust fund shall be sold by the Trustee, as soon as practicable but in any event within 20 Business Days (on which the trading of the Shares has not been suspended) of receiving notice of such termination of the New Share Award Scheme (or such longer period as the Board may otherwise determine) at the then prevailing market price, and (iii) residual cash, net sale proceeds of the Returned Shares and such other funds remaining in the Trust (after making appropriate deductions in respect of all disposal costs, liabilities and expenses in accordance with the Trust Deed) shall be remitted to the Company forthwith after the sale.

Listing Rules Implications

The New Share Award Scheme does not constitute a share option scheme within the meaning of Chapter 17 of the Listing Rules and is a discretionary scheme of the Company. No shareholders' approval is required for adoption or implementation of the New Share Award Scheme.

In connection with the implementation of the New Share Award Scheme, the Board may, from time to time, instruct the Trustee to subscribe for new Shares and/or purchase Shares from the open market. Where any award will be satisfied by new Shares to be allotted and issued by the Company to the Trustee under a general mandate or specific mandate, applications will be made by the Company to the listing committee of the Stock Exchange for the listing of, and permission to deal in the new Shares on the Stock Exchange.

Where any award is proposed to be granted to any Eligible Participant who is a connected person of the Company, such award must be approved by the independent non-executive Directors (except where such Eligible Participant is an independent non-executive Director, he/she shall abstain from such approval process in respect of the award of Shares to him/her), and the Company shall comply with such provisions of the Listing Rules as may be applicable, including any reporting, announcement and/or shareholders' approval requirements, unless otherwise exempted under the Listing Rules.

DEFINITIONS

“Adoption Date”	26 June 2019, being the date on which the Board adopted the New Share Award Scheme
“Authorised Representative(s)”	authorised representative(s) appointed by the Board and delegated with the power and authority by the Board to give instructions or notices to the Trustee on all matters in connection with the New Share Award Scheme and other matters in the routine administration of the Trust
“Awarded Shares”	in respect of a Selected Participant, such number of Shares awarded by the Board pursuant to the New Share Award Scheme
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday) on which the Stock Exchange is open for trading and on which banks are open for business in Hong Kong
“Company”	Kingmaker Footwear Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Directors”	the directors of the Company
“Eligible Participant”	any Employee and non-executive director of the Company and/or any member of the Group (excluding any Excluded Participants) who, in the sole opinion of the Board, will contribute or have contributed to the Company and/or any member of the Group

“Employee”	any employee (whether full time or part time, including without limitation any executive director) of the Company and/or any member of the Group
“Excluded Participant”	any Employee and non-executive director of the Company and/or any member of the Group who has tendered his/her resignation or who has been given a notice of dismissal by the Company and/or the relevant member of the Group
“Existing Share Award Scheme”	the existing share award scheme adopted by the Board on 3 June 2010
“Group”	the Company, its Subsidiaries and such entities which are considered as subsidiaries of the Company under the applicable accounting standard and policy
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“New Share Award Scheme”	the new share award scheme adopted by the Board on the Adoption Date
“Returned Shares”	such Awarded Shares and related income which are not vested and/or forfeited in accordance with the terms of the Scheme Rules
“Scheme Rules”	the rules governing the New Share Award Scheme adopted by the Board
“Selected Participant(s)”	Eligible Participant(s) selected by the Board who hold(s) a subsisting award

“Shares”	ordinary shares of HK\$0.1 each in the capital of the Company (or of such other nominal amount as shall result from a subdivision, consolidation, reclassification or reconstruction of the share capital of the Company from time to time)
“Subsidiary(ies)”	a company which is for the time being and from time to time a subsidiary undertaking (as defined in schedule 1 of the Companies Ordinance, Chapter 622 of the Laws of Hong Kong) of the Company, whether incorporated in Hong Kong or elsewhere
“Trust”	the trust constituted by the Trust Deed
“Trust Deed”	a trust deed to be entered into between the Company and the Trustee (as restated, supplemented and amended from time to time)
“Trust Period”	shall have the meaning defined in the Trust Deed
“Trustee”	the trustee (which is independent of the Company and connected persons of the Company) appointed by the Board to manage the New Share Award Scheme and any additional or replacement trustees, being the proposed trustee or trustees for the time being of the trusts to be declared in the Trust Deed

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

Hong Kong, 26 June 2019

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. TAM King Ching, Kenny, Mr. YUNG Tse Kwong, Steven and Ms. CHAN Mei Bo, Mabel.