

[For immediate release]



Stella Announces 2007 Fourth Quarter Business Update

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Maintaining Strong Growth Momentum on Total Shipment and ASP

Hong Kong, 17 January, 2008 – **Stella International Holdings Limited** (“Stella” or the “Group”; SEHK: 1836), a leading developer and manufacturer of quality footwear products, today announced its fourth quarter business update for the three months and the year ended 31 December 2007.

Manufacturing Business

For the three months ended 31 December 2007, shipment of the Group amounted to approximately US\$228.2 million, a 23.8% year-on-year growth as compared to the same period last year. Due to such strong performance, the total shipment of the Group made for the year ended 31 December 2007 was approximately US\$921.2 million, representing a year-on-year growth of 19.6% as compared to 2006.

Attributed to the organic sales growth as a result of the Group’s broad customer base and the established long-term relationships with the leading footwear brand companies worldwide, the Group achieved satisfactory results with both quantity and average selling price (“ASP”) increased robustly. During the three months ended 31 December 2007, the total footwear shipment reached 12.3 million pairs, reflecting a growth of 12.6% compared with the same period of last year. ASP increased from US\$16.9/pair to US\$18.5/pair, representing an increase of 10.0% for the three months ended 31 December 2007. For the twelve-month period, total footwear quantity sold reached 47.7 million pairs with ASP reaching US\$19.3/pair, representing a growth of 10.0% and 8.7% respectively when compared with the same period in 2006.

During the year, the Group’s manufacturing facilities in Guangdong, China and Vietnam continued to operate at full capacity.

Retail Business

Sales of the Group's retail business amounted to approximately US\$4.1 million for the three months ended 31 December 2007, representing a surge of 256% as compared to the last corresponding quarter. A significant same-stores-sales growth of 56% has also achieved for the last quarter of 2007.

For the year ended 31 December 2007, total retail sales amounted to approximately US\$10.5 million, signifying a growth of more than three times as compared to the same period in 2006.

During the fourth quarter, the Group's own Stella Luna and What For retail chains continued to perform well. The Group operated a total of 83 retail stores in the PRC and Thailand as at 31 December 2007, which goes beyond the original target of the Group of opening 80 stores by the end of 2007. Among those 83 retail stores, 67 Stella Luna stores and 10 What For stores located in China, while the remaining 6 Stella Luna stores are in Thailand.

Mr. Lawrence Chen, Chief Executive Officer of the Group said, "Our shipment growth continues to demonstrate the strong momentum driven by the growing global demand for premium branded fashion footwear as well as our ability to offer one-stop design, value-added development and manufacturing solutions to our customers. We believe the momentum will be further sustained by steady expansion of our manufacturing facilities in Guangdong, China and Vietnam. In addition, our brands, "Stella Luna" and "What For" will continue to enjoy encouraging support from consumers, building a solid foundation of our future growth."

Mr. Jack Chiang, Deputy Chairman of the Group commented, "We are pleased with our performance in the fourth quarter of this year, which reflects our strength and expertise in the fashion industry. Despite the uncertainty brought by US subprime crisis, the Group has strong confidence in maintaining its solid business foundation and core competency. Looking forward, with robust global demand on branded and high-quality footwear coupled with rising consumer spending and upcoming Beijing Olympic Games in China, the management remains positive and optimistic with regard to Stella's business performance and future outlook in 2008."

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