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Stella International Holdings Limited
九興控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1836)

BUSINESS UPDATE OF THE GROUP
FOR THE SECOND QUARTER OF 2009

The board of directors (the “Board”) of Stella International Holdings Limited (the “Company”) is pleased to update the business development of the Company and its subsidiaries (collectively, the “Group”) for the second quarter of 2009. This announcement is made pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

TOTAL REVENUE

For the three months and six months ended 30 June 2009, the unaudited consolidated revenue of the Group was approximately US\$258.5 million and US\$458.8 million respectively, representing a decrease of 7.6% and 7.1% as compared to the unaudited consolidated revenue of approximately US\$279.8 million and US\$493.7 million for the respective corresponding periods of last year. The decrease was primarily due to a drop in shipment volume resulting from the challenging macro-economic environment. Looking ahead, the Group will continue to strengthen its core competence by providing quality products and services, which include short lead time, small batch production, and innovative design and development capabilities, that allow customers to enjoy higher flexibility and increase their market share.

An analysis of the performance of the major business segments of the Group is made as below.

* For identification purpose only

MANUFACTURING BUSINESS

An analysis of the revenue, quantity and average selling price in the manufacturing business of the Group for the respective three months and six months ended 30 June 2009 is shown in the table below:

	For the six months ended 30 June (Unaudited)			For the three months ended 30 June (Unaudited)		
	2009	2008	Change (%)	2009	2008	Change (%)
Revenue (US\$ million)	438.8	479.8	-8.5	247.2	270.5	-8.6
Quantity (million pairs)	19.4	23.0	-15.7	10.2	11.6	-12.1
Average Selling Price (US\$/pair)	22.6	20.9	+8.1	24.3	23.3	+4.4

RETAIL BUSINESS IN CHINA

An analysis of the revenue from the Group's retail operations in China for the three months and six months ended 30 June 2009 respectively and the number of retail stores of the Group in China as at 30 June 2009 are shown in the table below:

	For the six months ended 30 June US\$ million (Unaudited)			For the three months ended 30 June US\$ million (Unaudited)		
	2009	2008	Growth (%)	2009	2008	Growth (%)
Revenue	18.6	10.8	72.4	9.6	6.2	55.3
Same-stores-sales	13.3	10.0	33.0	7.6	6.0	26.7
Number of stores				As at 30 June 2009	2008	Growth (number of stores)
<i>Stella Luna</i> stores				106	81	25
<i>What For</i> stores				75	37	38

BOARD MEETING

The Board expects that a Board meeting to consider and approve the interim results of the Group for the six months ended 30 June 2009 and the payment of an interim dividend, if any, would be held in August 2009. Formal announcement in respect of the date of the Board meeting and interim results announcement will be published in accordance with the Listing Rules in due course.

By order of the Board
Stella International Holdings Limited
Chiang Jeh-Chung, Jack
Chairman

Hong Kong, 16 July 2009

As at the date of this announcement, the executive Directors are Mr. Chiang Jeh-Chung, Jack, Mr. Shih Takuen, Daniel, Mr. Chao Ming-Cheng, Eric, Mr. Chen Li-Ming, Lawrence, Mr. Shieh Tung-Pi, Billy and Mr. Chi Lo-Jen, Stephen and the independent non-executive Directors are Mr. Chu Pao-Kuei, Mr. Ng Hak-Kim, JP and Mr. Chen Johnny.