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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 THIRD 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 third 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.

TOTAL REVENUE

For the three months and nine months ended 30 September 2009, the unaudited consolidated revenue of the Group was approximately US\$303.6 million and US\$762.8 million respectively, representing a decline of approximately 8.5% and 7.6% as compared to the unaudited consolidated revenue of approximately US\$331.8 million and US\$825.5 million for the respective corresponding periods of last year. The decrease in revenue was primarily due to a drop in shipment volume as a result of the persistently slow market conditions in the U.S. and Europe in the second half of the year as anticipated. Leveraging on our unique capability in delivering value-added services with innovative designs and sophisticated craftsmanship, we will continue to offer maximum product and cost flexibility to our international brands customers, allowing them to enjoy higher market competitiveness under the current challenging operating environment. This is in line with our philosophy of growing through our customers’ successes.

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

* For identification purpose only

MANUFACTURING BUSINESS

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

	For the nine months ended 30 September (Unaudited)			For the three months ended 30 September (Unaudited)		
	2009	2008	Change (%)	2009	2008	Change (%)
Revenue (US\$ million)	732.7	808.1	-9.3	293.8	328.3	-10.5
Quantity (million pairs)	31.2	36.1	-13.6	11.8	13.2	-10.6
Average Selling Price (US\$/pair)	23.5	22.4	4.9	25.0	25.1	-0.4

The growth of average selling price for the nine months ended 30 September 2009 as compared with the corresponding period of last year was due to our value-added services and improvement in product mix.

RETAIL BUSINESS IN CHINA

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

	For the nine months ended 30 September US\$ million (Unaudited)			For the three months ended 30 September US\$ million (Unaudited)		
	2009	2008	Growth (%)	2009	2008	Growth (%)
Revenue	30.7	18.1	69.6	12.1	6.7	80.6
Same-stores-sales	18.7	14.6	28.1	5.8	4.6	26.1
Number of Stores	As at 30 September		Growth (number of stores)			
	2009	2008				
<i>Stella Luna</i> stores	118	93	25			
<i>What For</i> stores	87	58	29			

The Group maintained a healthy growth for its retail business by executing the store expansion plan in the major cities in the PRC to fulfill the growing demand for high-end women fashion footwear.

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

Hong Kong, 15 October 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.