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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 FOURTH 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 fourth 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 CONSOLIDATED REVENUE

For the three months ended 31 December 2009, the unaudited consolidated revenue of the Group was approximately US\$245.7 million, representing a decline of approximately 11.2% as compared to the same period in 2008. Accordingly, the Group’s unaudited consolidated revenue (comprising of the manufacturing business and China retail business as discussed below and other business which is not covered in this update) for the year ended 31 December 2009 dropped slightly by 8.5% to approximately US\$1,008.5 million as compared to that of the year ended 31 December 2008.

The decrease in total consolidated revenue is mostly attributed to a decline in the volume of shipments to the United States and Europe, where retail and economic conditions have remained soft. We will continue to grow our manufacturing business by offering maximum product and cost flexibility to our international brands customers, allowing them to enjoy higher market competitiveness in the current challenging operating environment.

Our retail business in China and other markets have maintained strong growth over the period as we continue to shift more focus towards capturing Chinese consumer growth in order to sustain the profitability of our business. We opened 16 new stores in the fourth quarter of 2009, with the Group operating a total of 120 and 101 *Stella Luna* and *What For* stores respectively.

* *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 year ended 31 December 2009 is shown in the table below:

	For the year ended			For the three months ended		
	31 December (Unaudited)		Change (%)	31 December (Unaudited)		Change (%)
	2009	2008		2009	2008	
Revenue (US\$ million)	963.2	1,074.8	-10.4	230.5	266.7	-13.6
Quantity (million pairs)	42.7	48.4	-11.8	11.5	12.3	-6.5
Average Selling Price (US\$/pair)	22.6	22.2	1.8	20.1	21.7	-7.4

The growth in average selling price for the year ended 31 December 2009 as compared to the figure for the previous year was due to our value-added services and improvement in product mix, but it was only a mild growth as the increase was partially offset by a decrease in selling price triggered by input raw material cost reduction.

RETAIL BUSINESS IN CHINA

An analysis of the revenue in relation to the Group's retail operations in China for the three months and year ended 31 December 2009 and the number of retail stores of the Group in China as at 31 December 2009 are shown in the table below:–

	For the year ended			For the three months ended		
	31 December US\$ million (Unaudited)		Growth (%)	31 December US\$ million (Unaudited)		Growth (%)
	2009	2008		2009	2008	
Revenue	42.3	24.6	72.0	15.2	8.4	81.0
Same-stores-sales	23.3	18.9	23.3	11.2	8.1	38.3

Number of Stores	As at 31 December		Increase
	2009	2008	
<i>Stella Luna</i> stores	120	96	24
<i>What For</i> stores	101	60	41

The Group maintained a healthy growth in 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, 18 January 2010

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.