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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)

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2009

The board (the “Board”) of directors (the “Directors”) of Stella International Holdings Limited (the “Company”) is pleased to announce the consolidated annual results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2009, together with the comparative figures for the previous financial year.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2009

	<i>Notes</i>	2009 <i>US\$'000</i>	2008 <i>US\$'000</i>
Revenue	3	1,008,598	1,102,116
Cost of sales		(768,792)	(839,557)
Gross profit		239,806	262,559
Other income		10,994	13,172
Distribution and selling expenses		(57,391)	(57,169)
Administrative expenses		(44,863)	(47,522)
Research and development costs		(35,660)	(38,491)
Share of results of associates		710	(986)
Impairment loss on interest in associates		(5,261)	–
Finance costs		(2)	–
Profit before tax		108,333	131,563
Income tax expense	4	(6,252)	(6,585)
Profit for the year	5	102,081	124,978
Exchange differences arising on translation of foreign operation		(711)	4,290
Total comprehensive income for the year		101,370	129,268

* *For identification purpose only*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Continued)

For the year ended 31 December 2009

	Notes	2009 US\$'000	2008 US\$'000
Profit (loss) for the year attributable to:			
Owners of the Company		102,168	124,993
Minority interests		<u>(87)</u>	<u>(15)</u>
		<u>102,081</u>	<u>124,978</u>
Total comprehensive income (loss) attributable to:			
Owners of the Company		101,457	129,301
Minority interests		<u>(87)</u>	<u>(33)</u>
		<u>101,370</u>	<u>129,268</u>
Earnings per share	7		
– basic (US\$)		<u>0.129</u>	<u>0.155</u>
– diluted (US\$)		<u>0.129</u>	<u>–</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2009

	<i>Notes</i>	2009 <i>US\$'000</i>	2008 <i>US\$'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		149,152	161,076
Prepaid lease payments		8,387	8,631
Interests in associates		11,707	18,215
Deposit paid for acquisition of property, plant and equipment		445	418
		169,691	188,340
CURRENT ASSETS			
Inventories		107,725	103,921
Trade and other receivables	8	192,820	199,153
Prepaid lease payments		249	249
Amounts due from associates		29,832	31,535
Derivative financial instruments		33	–
Pledged bank deposit		–	10,068
Bank deposits		108,117	–
Cash and cash equivalents		317,120	355,011
		755,896	699,937
CURRENT LIABILITIES			
Trade and other payables	9	127,022	120,691
Bills payable	9	10,542	–
Derivative financial instruments		9	–
Amount due to an associate		879	–
Tax liabilities		18,658	14,604
		157,110	135,295
NET CURRENT ASSETS		598,786	564,642
		768,477	752,982
CAPITAL AND RESERVES			
Share capital		10,160	10,160
Share premium and reserves		758,314	742,732
Equity attributable to owners of the Company		768,474	752,892
Minority interests		3	90
		768,477	752,982

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 December 2009

	Attributable to owners of the Company											
	Share capital US\$'000	Share premium US\$'000	Merger reserve US\$'000 (Note 1)	Capital reserve US\$'000 (Note 2)	Exchange reserve US\$'000	Shares held for share award scheme US\$'000	Capital redemption reserve US\$'000	Share award reserve US\$'000	Accumulated profits US\$'000	Total US\$'000	Minority interests US\$'000	Total US\$'000
As at 1 January 2008	10,350	167,298	45,427	1,146	1,534	-	-	-	507,242	732,997	123	733,120
Exchange difference on translation of foreign operations	-	-	-	-	4,308	-	-	-	-	4,308	(18)	4,290
Profit for the year	-	-	-	-	-	-	-	-	124,993	124,993	(15)	124,978
Total comprehensive income (expense) for the year	-	-	-	-	4,308	-	-	-	124,993	129,301	(33)	129,268
Purchase of shares for unvested shares under long term incentive scheme	-	-	-	-	-	(3,001)	-	-	-	(3,001)	-	(3,001)
Cancellation upon repurchase of own shares	(190)	(12,795)	-	-	-	-	190	-	(190)	(12,985)	-	(12,985)
Dividend recognised as distribution	-	-	-	-	-	-	-	-	(93,420)	(93,420)	-	(93,420)
As at 31 December 2008	10,160	154,503	45,427	1,146	5,842	(3,001)	190	-	538,625	752,892	90	752,982
Exchange difference on translation of foreign operations	-	-	-	-	(711)	-	-	-	-	(711)	-	(711)
Profit for the year	-	-	-	-	-	-	-	-	102,168	102,168	(87)	102,081
Total comprehensive income (expense) for the year	-	-	-	-	(711)	-	-	-	102,168	101,457	(87)	101,370
Recognition of equity-settled share-based payment	-	-	-	-	-	-	-	1,205	-	1,205	-	1,205
Purchase of shares for long term incentive scheme	-	-	-	-	-	(5,082)	-	-	-	(5,082)	-	(5,082)
Shares vested under long term incentive scheme	-	-	-	-	-	1,042	-	(832)	(210)	-	-	-
Dividend recognised as distribution	-	-	-	-	-	-	-	-	(81,998)	(81,998)	-	(81,998)
As at 31 December 2009	10,160	154,503	45,427	1,146	5,131	(7,041)	190	373	558,585	768,474	3	768,477

Notes:

- (1) The merger reserve represents the difference between the nominal value of the share capital issued by the Company and the share premium and the nominal value of the share capital of (i) Stella International Limited (“Stella International”), (ii) Stella International Marketing Company Limited and (iii) Stella Luna Sol Limited pursuant to a group reorganisation to rationalise the structure of the Group in preparation for the listing of the Company in 2007.
- (2) The capital reserve arises from the following transactions:
 - (i) During the year ended 31 December 2007, a shareholder of Stella International transferred 0.2% of her beneficial interests in Stella International to an employee of the Group by way of gift, as an incentive to attract and retain the employee to the Group prior to the group reorganisation.
 - (ii) During the year ended 31 December 2007, Cordwalner Bonaventure Inc. (“Cordwalner”) issued and allotted 1.17% preferred shares in Cordwalner with subscription price US\$3,150,000 to Eagle Mate Capital Limited, a company owned by an employee, which will hold these shares on behalf of the employees as an incentive to attract and retain in the Group after the listing of the Company’s shares.

These transactions have been accounted for as an equity-settled share-based payment transaction in equity, over the vesting period, based on the fair value of the relevant shares at the grant date.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2009

	2009 US\$'000	2008 US\$'000
OPERATING ACTIVITIES		
Profit before tax	108,333	131,563
Adjustments for:		
Depreciation of property, plant and equipment	21,419	18,774
Impairment loss recognised on inventories	163	2,693
Share of results of associates	(710)	986
(Gain) loss on changes in fair value of derivative financial instruments	(24)	252
Release of prepaid lease payments	248	245
Loss on disposal of property, plant and equipment	272	72
Interest income	(5,163)	(9,021)
Share-based payment expenses	1,205	–
Impairment loss of interest in associates	5,261	–
	<hr/>	<hr/>
Operating cash flows before movements in working capital	131,004	145,564
Increase in inventories	(3,970)	(8,844)
Decrease (increase) in trade and other receivables	6,333	(25,034)
Decrease (increase) in amounts due from associates	2,582	(24,406)
Increase in trade and other payables	15,983	2,957
	<hr/>	<hr/>
Cash generated from operations	151,932	90,237
Income tax paid	(2,210)	(121)
Payment for purchase of shares under long term incentive scheme	(5,082)	(3,001)
	<hr/>	<hr/>
NET CASH FROM OPERATING ACTIVITIES	144,640	87,115
	<hr/>	<hr/>
INVESTING ACTIVITIES		
Increase in bank deposits	(108,117)	–
Purchase of property, plant and equipment	(11,625)	(15,153)
Increase in deposit paid for acquisition of property, plant and equipment	(445)	(418)
Decrease (increase) in pledged bank deposit	10,068	(10,068)
Interest received	5,163	9,021
Proceeds from disposal of property, plant and equipment	2,379	894
Dividend received	1,957	–
Investments in associates	–	(17,290)
	<hr/>	<hr/>
NET CASH FROM (USED IN) INVESTING ACTIVITIES	(100,620)	(33,014)
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CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

For the year ended 31 December 2009

	2009	2008
	<i>US\$'000</i>	<i>US\$'000</i>
FINANCING ACTIVITIES		
Dividend paid	(81,998)	(93,420)
Repurchase of own shares	<u>–</u>	<u>(12,985)</u>
CASH USED IN FINANCING ACTIVITIES	<u>(81,998)</u>	<u>(106,405)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(37,978)	(52,304)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	355,011	406,960
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	<u>87</u>	<u>355</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by	<u>317,120</u>	<u>355,011</u>
Bank balances and cash	277,029	240,495
Deposits placed in financial institutions	<u>40,091</u>	<u>114,516</u>
	<u>317,120</u>	<u>355,011</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2009

1. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

In the current year, the Group has applied the following new and revised standards, amendments and interpretations (“new and revised HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) which are or have become effective.

HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HK(IFRIC) – Int 9 & HKAS 39 (Amendments)	Embedded Derivatives
HK(IFRIC) – Int 13	Customer Loyalty Programmes
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation
HK(IFRIC) – Int 18	Transfers of Assets from Customers
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning or after 1 July 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39

Except as described below, the adoption of the new and revised HKFRSs had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods.

Adoption of new and revised HKFRSs effective in the year

Hong Kong Accounting Standard (“HKAS”) 1 (Revised 2007) has introduced a number of terminology changes, including revised titles for the consolidated financial statements, and has resulted in a number of changes in presentation and disclosure.

HKFRS 8 is a disclosure standard that requires the identification of operating segments to be performed on the same basis as financial information that is reported internally for the purpose of allocating resources between segments and assessing their performance. The predecessor standard, HKAS 14 Segment Reporting, required the identification of two sets of segments (business and geographical) using a risk and return approach. In the past, the Group’s primary reporting format was business segments. The application of HKFRS 8 has not resulted in a redesignation of the Group’s reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14 (*see Note 3*).

1. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

Adoption of new and revised HKFRSs effective in the year (Continued)

In previous years, the Group expensed all borrowing costs that were directly attributable to the acquisition, construction or production of a qualifying asset when they were incurred. HKAS 23 (Revised 2007) removes the option available under the previous version of the standard to recognise all borrowing costs as expenses immediately and requires all such borrowing costs to be capitalised as part of the cost of the qualifying asset. The Group has applied the transitional requirements in HKAS 23 (Revised 2007) and applied the revised accounting policy to borrowing costs relating to qualifying assets for which the commencement date for capitalisation is on or after 1 January 2009. The revised accounting policy has been applied prospectively since 1 January 2009.

The adoption of the new and revised HKFRSs has had no material effect on the reported results and financial position of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been required.

New and revised HKFRSs that are not yet effective

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs issued in 2008 ¹
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 ²
HKAS 24 (Revised)	Related Party Disclosure ³
HKAS 27 (Revised 2008)	Consolidated and Separate Financial Statements ¹
HKAS 32 (Amendment)	Classification of Right Issues ⁴
HKAS 39 (Amendment)	Eligible Hedged Items ¹
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters ⁵
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters ⁷
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions ⁵
HKFRS 3 (Revised 2008)	Business Combinations ¹
HKFRS 9	Financial Instruments ⁶
HK(IFRIC) – Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement ³
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners ¹
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments ⁷

¹ Effective for annual periods beginning on or after 1 July 2009

² Amendments that are effective for annual periods beginning on or after 1 July 2009 or 1 January 2010, as appropriate

³ Effective for annual periods beginning on or after 1 January 2011

⁴ Effective for annual periods beginning on or after 1 February 2010

⁵ Effective for annual periods beginning on or after 1 January 2010

⁶ Effective for annual periods beginning on or after 1 January 2013

⁷ Effective for annual periods beginning on or after 1 July 2010

1. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

New and revised HKFRSs that are not yet effective (Continued)

The adoption of HKFRS 3 (Revised 2008) may affect the Group’s accounting for business combination for which the acquisition date is on or after 1 January 2010. HKAS 27 (Revised 2008) will affect the Group’s accounting treatment for changes in the parent’s ownership interest in a subsidiary.

The directors of the Company anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the consolidated financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value and in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and by the Hong Kong Companies Ordinance.

3. REVENUE AND SEGMENTAL INFORMATION

The Group has adopted HKFRS 8 “Operating Segments” with effect from 1 January 2009. HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess its performance. In contrast, the predecessor standard, HKAS 14 “Segment Reporting”, required an entity to identify two sets of segments (business and geographical), using a risks and rewards approach, with the entity’s “system of internal financing reporting to key management personnel” serving only as the starting point for the identification of such segments. Under HKAS 14, the Group’s primary reporting segment format was business segment. The application of HKFRS 8 has not resulted in a redesignation of the Group’s reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14. Nor has the adoption of HKFRS 8 changed the basis of measurement of segment of profit or loss.

The Group determines its operating segments based on the reports reviewed by the chief operating decision maker, being the chief executive officer, for making strategic decisions. The segments are managed separately as each business, operated under different factories, which produce different models/types of products varying in materials used, craftsmanship and design and service which require different production/service information to formulate different marketing strategies. The following summary describes the operations in each of the Group’s reportable segments under HKFRS 8:

- 1) Men’s footwear – the manufacturing and sales of men’s footwear
- 2) Women’s footwear – the manufacturing and sales of women’s footwear
- 3) Footwear retailing and wholesaling

3. REVENUE AND SEGMENTAL INFORMATION *(Continued)*

For the year ended 31 December 2009

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Men's footwear <i>US\$'000</i>	Women's footwear <i>US\$'000</i>	Footwear retailing and wholesaling <i>US\$'000</i>	Eliminations <i>US\$'000</i>	Consolidated <i>US\$'000</i>
REVENUE					
External sales	292,774	669,219	46,605	–	1,008,598
Inter-segment sales	–	11,753	–	(11,753)	–
Total	<u>292,774</u>	<u>680,972</u>	<u>46,605</u>	<u>(11,753)</u>	<u>1,008,598</u>
Inter-segment sales are charged at prevailing market rates					
RESULTS					
Segment results	<u>47,225</u>	<u>128,700</u>	<u>104</u>	<u>–</u>	176,029
Unallocated income					
– Interest income from banks					5,146
– Gain on change in fair value of derivative financial instruments					33
– Rental Income					3,735
– Sale of scrap					329
– Others					1,592
Unallocated expenses					
– Research and development costs					(35,374)
– Central administrative costs					(38,595)
– Loss on change in fair value of derivative financial instruments					(9)
– Finance costs					(2)
Share of results of associates					710
Impairment loss on interest in associates					<u>(5,261)</u>
Profit before tax					<u>108,333</u>

3. REVENUE AND SEGMENTAL INFORMATION *(Continued)*

For the year ended 31 December 2008

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Men's footwear <i>US\$'000</i>	Women's footwear <i>US\$'000</i>	Footwear retailing and wholesaling <i>US\$'000</i>	Eliminations <i>US\$'000</i>	Consolidated <i>US\$'000</i>
REVENUE					
External sales	345,784	729,700	26,632	–	1,102,116
Inter-segment sales	–	11,018	–	(11,018)	–
Total	<u>345,784</u>	<u>740,718</u>	<u>26,632</u>	<u>(11,018)</u>	<u>1,102,116</u>
Inter-segment sales are charged at prevailing market rates					
RESULTS					
Segment results	<u>54,739</u>	<u>150,885</u>	<u>(4,612)</u>	<u>–</u>	201,012
Unallocated income					
– Interest income from banks					8,995
– Gain on changes in fair value of derivative financial instruments					–
– Rental income					3,657
– Dividend income					–
– Sale of scrap					–
– Others					493
Unallocated expenses					
– Research and development expenses					(38,491)
– Central administration costs					(43,117)
Share of results of associates					<u>(986)</u>
Profit before tax					<u>131,563</u>

3. REVENUE AND SEGMENTAL INFORMATION *(Continued)*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME *(Continued)*

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment profit represents profit (loss) attributable to each segment without allocation of corporate income, research and development costs, impairment loss on interests in associates, share of results of associates, central administration costs and finance costs. This is the measure reported to the Group's chief executive officer for the purposes of resource allocation and assessment of segment performance.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segment:

	2009 <i>US\$'000</i>	2008 <i>US\$'000</i>
Segment assets		
Men's footwear	191,120	174,993
Women's footwear	239,001	248,716
Footwear retailing and wholesaling	<u>39,976</u>	<u>41,391</u>
Total segment assets	470,097	465,000
Other assets	<u>455,490</u>	<u>423,277</u>
Consolidated assets	<u><u>925,587</u></u>	<u><u>888,277</u></u>
	2009 <i>US\$'000</i>	2008 <i>US\$'000</i>
Segment liabilities		
Men's footwear	55,855	54,487
Women's footwear	68,988	41,973
Footwear retailing and wholesaling	<u>9,471</u>	<u>18,394</u>
Total segment liabilities	134,314	114,854
Other liabilities	<u>22,796</u>	<u>20,441</u>
Consolidated liabilities	<u><u>157,110</u></u>	<u><u>135,295</u></u>

3. REVENUE AND SEGMENTAL INFORMATION *(Continued)*

Segment assets and liabilities *(Continued)*

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to reportable segments other than amounts due from associates, derivative financial instruments, and cash and cash equivalents; and
- all liabilities are allocated to reportable segments other than tax liabilities and liabilities not belonging to any operating segments.

Revenue from major products and services

	2009 <i>US\$'000</i>	2008 <i>US\$'000</i>
Men's footwear	292,774	345,784
Women's footwear	715,824	756,332
	<u>1,008,598</u>	<u>1,102,116</u>

Geographical information

The Group's revenue from external customers and information about its non-current assets by geographical locations of the assets are detailed below:

	Revenue from External customers		Non-current assets	
	As at 31 December		year ended 31 December	
	2009	2008	2009	2008
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
United States of America	544,736	637,849	–	–
United Kingdom	113,091	119,722	–	–
Netherlands	53,488	49,923	–	–
Italy	42,190	38,302	–	–
The PRC	71,359	54,860	169,691	188,340
Canada	27,420	29,585	–	–
Spain	18,081	12,348	–	–
Portugal	17,558	32,660	–	–
Japan	12,813	14,194	–	–
Belgium	12,750	11,281	–	–
Thailand	11,092	1,237	–	–
Germany	8,265	8,112	–	–
Australia	7,139	7,845	–	–
Singapore	6,650	10,311	–	–
South Korea	6,437	5,865	–	–
Panama	5,653	5,594	–	–
Switzerland	5,307	2,271	–	–
Others	44,569	60,157	–	–
	<u>1,008,598</u>	<u>1,102,116</u>	<u>169,691</u>	<u>188,340</u>

3. REVENUE AND SEGMENTAL INFORMATION *(Continued)*

Other segment information

2009

	Men's Footwear <i>US\$'000</i>	Women's Footwear <i>US\$'000</i>	Footwear retailing and wholesaling <i>US\$'000</i>	Total <i>US\$'000</i>
Amounts included in the measure of segment profit or loss or segment assets:				
Additions to property, plant and equipment	3,819	5,447	2,776	12,042
Depreciation	9,805	8,873	2,741	21,419
Loss on disposal of property, plant and equipment	259	13	–	272
Write-down of inventories	414	371	(622)	163
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss or segment assets:				
Interest in associates	11,061	–	646	11,707
Share of profit (loss) of associates	457	–	253	710
Income tax expense	3,161	3,091	–	6,252

Other segment information

2008

	Men's Footwear <i>US\$'000</i>	Women's Footwear <i>US\$'000</i>	Footwear retailing and wholesaling <i>US\$'000</i>	Total <i>US\$'000</i>
Amounts included in the measure of segment profit or loss or segment assets:				
Additions to property, plant and equipment	6,627	6,567	3,156	16,350
Depreciation	9,427	8,120	1,227	18,774
Loss on disposal of property, plant and equipment	48	24	–	72
Write-down of inventories	269	195	2,229	2,693
Interest in associates	–	17,823	392	18,215
Share of profit (loss) of associates	–	(888)	(98)	(986)
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss or segment assets:				
Income tax expense	2,786	3,799	–	6,585

3. REVENUE AND SEGMENTAL INFORMATION *(Continued)*

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total sales of the Group are as follows:

	2009 <i>US\$'000</i>	2008 <i>US\$'000</i>
Customer A ¹	182,436	221,945
Customer B ¹	171,699	212,197

¹ *Revenue from men's and women's footwear*

4. INCOME TAX EXPENSE

	2009 <i>US\$'000</i>	2008 <i>US\$'000</i>
Current tax:		
PRC Enterprise Income Tax ("EIT")	6,252	4,885
Underprovision in prior year	—	1,700
	<u>6,252</u>	<u>6,585</u>

No provision for Hong Kong Profits Tax has been made as the Group's profit neither arose in, nor was derived from, Hong Kong during the year.

Under the law of the PRC on EIT and Implementation Regulation of the EIT law, the tax rate of the PRC subsidiaries is 25% effective from 1 January 2008.

Dongguan Stella Footwear Company Limited ("Dongguan Stella") and Long Chuan Simona Footwear Company Limited ("Long Chuan Simona") enjoy preferential tax treatment (12.5% tax rate, determined at 50% of the applicable tax rate of 25%) (the "Preferential Tax Treatment") for the year ended 31 December 2008. Dongguan Stella continues to enjoy the Preferential Tax Treatment for the year ended 31 December 2009 whilst Long Chuan Simona is subject to EIT at a rate of 25% effective from 2009.

The income of Stella Luna Fashion Inc., Stella International and Selena Footwear Inc. derived from production, business operations and other sources in the PRC is subject to EIT at a rate of 25% for the years ended 31 December 2008 and 2009.

No deferred tax has been provided in the consolidated financial statements in respect of the temporary differences attributable to profits generated by both Dongguan Stella and Long Chuan Simona as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

4. INCOME TAX EXPENSE (Continued)

Taxation arising in other jurisdictions is calculated at the rate prevailing in the relevant jurisdictions.

The income tax expense for the year can be reconciled to the profit before tax per consolidated statement of comprehensive income as follows:

	2009 <i>US\$'000</i>	2008 <i>US\$'000</i>
Profit before tax	<u>108,333</u>	<u>131,563</u>
Tax at the applicable PRC EIT rate of 25% (2008: 12.5%)	27,083	16,445
Tax effect of expenses not deductible for tax purposes (<i>Note 1</i>)	5,396	6,642
Tax effect of income not taxable for tax purposes (<i>Note 2</i>)	(26,142)	(18,171)
Tax effect of share of results of associates	(177)	118
Effect of different tax rates of subsidiaries operating in other jurisdictions	92	(149)
Underprovision in respect of prior years	<u>–</u>	<u>1,700</u>
Income tax expense	<u>6,252</u>	<u>6,585</u>

Notes:

1. Tax effect of expenses not deductible mainly represents the subcontracting charges and operating expenses in the PRC with payment receipts but no invoices for tax deduction claim under the relevant tax jurisdictions.
2. Tax effect of income not taxable is the income of Stella International which are not assessable under the relevant tax jurisdictions. As Stella International has no fixed place to carry out the operation, it subcontracted and engaged other companies as services providers to perform supporting activities and remunerate them with the service fee.

5. PROFIT FOR THE YEAR

	2009 <i>US\$'000</i>	2008 <i>US\$'000</i>
Profit for the year has been arrived at after charging:		
Directors' emoluments	2,867	2,369
Other staff costs	171,485	177,771
Share-based payment expenses	649	–
Retirement benefit scheme contributions, excluding directors	1,675	1,590
	<hr/>	<hr/>
Total staff costs	176,676	181,730
	<hr/>	<hr/>
Impairment loss recognised on inventories	163	2,693
Auditor's remuneration	609	671
Cost of inventories recognised as an expenses	768,629	836,864
Depreciation of property, plant and equipment	21,419	18,774
Loss on changes in fair value of derivative financial instruments	9	252
Loss on disposal of property, plant and equipment	272	72
Net exchange loss	762	1,583
Release of prepaid lease payments	248	245
Share of taxation of associates (included in share of results of associates)	236	96
Gain on changes in fair value of derivative financial instruments	33	–
	<hr/> <hr/>	<hr/> <hr/>

6. DIVIDENDS

	2009 <i>US\$'000</i>	2008 <i>US\$'000</i>
2008 final dividend of HK50 cents per share (2008: 2007 final dividend of HK60 cents per share) paid	51,248	62,296
2009 interim dividend of HK30 cents per share (2008: HK30 cents per share) paid	30,750	31,124
	<hr/>	<hr/>
	81,998	93,420
	<hr/> <hr/>	<hr/> <hr/>

The final dividend of HK40 cents per share and a special dividend of HK10 cents per share in respect of the year ended 31 December 2009 has been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

7. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the owners of the Company is based on the following data:

	2009 <i>US\$'000</i>	2008 <i>US\$'000</i>
Earnings		
Profit for the year and earnings attributable to owners of the Company for the purposes of basic earnings per share	<u>102,168</u>	<u>124,993</u>
Weighted average number of ordinary shares for the purpose of basic earnings per share	791,610,816	807,227,902
Effect of dilutive potential ordinary shares:		
Unvested shares awarded	<u>1,645,143</u>	<u>–</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>793,255,959</u>	<u>–</u>

The weighted average number of ordinary shares for the purposes of basic and diluted earnings per share have been arrived at after deducting the shares held in trust for the Company by Teeroy Limited.

Diluted earnings per share was not presented for the year ended 31 December 2008 as there were no dilutive ordinary shares in existence during the prior year.

8. TRADE AND OTHER RECEIVABLES

The Group allows an average credit period of 60 days to its trade customers.

The following is an aged analysis of the Group's trade receivables presented based on invoice date at the end of the reporting period:

	2009 <i>US\$'000</i>	2008 <i>US\$'000</i>
Trade receivables:		
0 – 30 days	98,902	115,085
31 – 60 days	36,638	37,771
61 – 90 days	10,165	9,843
Over 90 days	<u>16,768</u>	<u>8,167</u>
	162,473	170,866
Other receivables	<u>30,347</u>	<u>28,287</u>
Total trade and other receivables	<u>192,820</u>	<u>199,153</u>

8. TRADE AND OTHER RECEIVABLES *(Continued)*

Included in the Group's trade and other receivables balance are debtors with aggregate amount of US\$18,011,000, US\$67,000 and US\$659,000 (2008: US\$26,344,000, US\$39,000 and US\$905,000) which are denominated in RMB, HKD and other currencies respectively and are exposed to currency risk.

Before accepting a new customer, the Group has to assess the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed periodically. Majority of the trade receivables that are neither past due nor impaired have no default payment history.

Included in the Group's trade receivable balance are debtors with aggregate carrying amount of US\$15,349,000 (31 December 2008: US\$12,183,000) which are past due at the end of the reporting period for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances.

Ageing of trade receivables which are past due but not impaired:

	2009 <i>US\$'000</i>	2008 <i>US\$'000</i>
31-60 days	5,856	1,912
61-90 days	4,253	5,326
Over 90 days	5,240	4,945
	<u>15,349</u>	<u>12,183</u>

9. TRADE, BILLS AND OTHER PAYABLES

The following is an aged analysis of the Group's trade and bills payables presented based on invoice date at the end of the reporting period is as follows:

	2009 <i>US\$'000</i>	2008 <i>US\$'000</i>
Trade and bills payables:		
0 – 30 days	57,792	49,831
31 – 60 days	5,258	5,543
Over 60 days	7,855	17,209
	<u>70,905</u>	72,583
Other payables	66,659	48,108
	<u>137,564</u>	<u>120,691</u>

The average credit period on purchase of goods is 60 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

Included in the Group's trade and other payables balance are creditors with aggregate amount of US\$39,324,000, US\$262,000 and US\$827,000 (2008: US\$36,839,000, US\$32,000 and US\$1,484,000) which are denominated in RMB, HKD and other currencies other than the functional currencies of respective group entities and are exposed to currency risk.

FINANCIAL HIGHLIGHTS

Slow Consumer Market Recovery Dampens Export Performance

2009 was another challenging year for Asian manufacturers as the aftereffects of the global recession impacted consumer activity in the U.S. and European markets. In spite of these conditions, the Group achieved strong results for the year by offering maximum value, flexibility and quality to our customers.

During the year under review, the Group's consolidated total revenue was US\$1,008.6 million, representing a year-on-year decline of 8.5%, while net profit attributable to equity holders of the Company fell by 18.3% year-on-year to US\$102.1 million. The fall in revenue was mostly attributable to the continued weakness in exports to the U.S. and Europe, where economic recovery remained slow. Basic earnings per share decreased by 16.8% year-on-year to US\$0.129 (2008: US\$0.155), based on the weighted average number of ordinary shares of 791,610,816 shares in 2009 (2008: 807,227,902 shares).

Total shipments fell 11.8% to 42.7 million pairs in 2009, compared with 48.4 million pairs sold in 2008. Nonetheless, our average selling price ("ASP") improved slightly to US\$22.6 a pair, up 1.8%, as we maintained our commitment to providing excellent products to our overseas customers.

Despite the challenging environment, all business segments continued to perform well, with the Group's women's fashion footwear business contributing 37.3% to the Group's total revenue (2008: 38.5%) and remaining as our largest business segment. Contribution from the Group's women's and men's casual footwear business, was 26.5% (2008: 26.0%) and 23.5% (2008: 25.3%) of overall revenue respectively while the contribution from the men's fashion footwear segment decreased slightly to 5.6% (2008: 5.9%).

Retail Business Benefits from Strong Chinese Consumer Spending

While the Group could not avoid the downturn in export activity, we were successful in capturing opportunities arising from the strong recovery in Chinese consumer demand which was supported by the strong stimulus policies of the Central Government. Building on the remarkable success of our *Stella Luna* and *What For* brands in China, the Group continued to expand its retail presence in China, South East Asia and the Middle Eastern markets.

For the year under review, the Group's retail revenue grew 75.0% to US\$46.6 million (2008: US\$26.6 million), while same-stores sales grew a steady 23.3% to US\$23.3 million, up from US\$18.9 million in the preceding year. The retail business contributed 4.6% to the Group's total revenue, up from 2.4% in the previous year.

Gross profit of the Group for the retail business grew a significant 84.6% to US\$33.0 million. Our retail business has also turned profitable in the year. As at the end of 2009, the Group owned and operated 256 retail stores worldwide, an increase of 48% over the preceding year.

Solid Financial Results in Difficult Environment

Gross profit of the Group for the year was US\$239.8 million, a decrease of 8.7% from 2008 (2008: US\$262.6 million). Gross profit margins were maintained at approximately 23.8% (2008: 23.8%), while our net profit margin fell 1.2 percentage points to 10.1% (2008:11.3%). The lower profitability can be attributed to a one-off impairment loss of US\$5.3 million, as well as declining margin levels resulted from lower ASP in the second half of the year and higher cost of sales to cope with shorter lead time.

During the year under review, the Group's cash flow remained strong, despite the stagnant performance of the Western markets following the global economic turmoil in late 2008. Cash generated from operations for the year grew by 66% to US\$144.6 million (2008: US\$87.1 million). Lower capital expenditure has also contributed to robust free cash inflow during the period. The net increase in bank deposit and cash equivalents for the Group was US\$60.1 million at the end of the year compared with a decrease of US\$41.8 million at the end of 2008.

Geographically, North America and Europe continued to be the Group's two largest markets, accounting for 56.9% (2008: 60.8%) and 28.6% (2008: 26.4%) of the Group's total revenue for the reporting year respectively. This was followed by the PRC (including Hong Kong) at 7.2%, Asia (other than the PRC) at 4.3%, and other geographical regions at 3.0%.

BUSINESS REVIEW

Strategy to Overcome Challenges and Capture Changing Demand

Despite the fact that the performance of export markets is still slow, the Group's profitability has remained resilient due to its strong manufacturing capabilities and value-added services. This also underscored the Group's flexibility in expanding its retail business to many of the world's most lucrative consumer markets.

Stella's unique and value-added skill-based services, which include innovative design and development capabilities, short lead time and small batch production, also gave our customers better flexibility in the current volatile markets, enabling us to achieve a higher ASP than the industrial average. This skill set also enabled us to add more fashion brands to our customer portfolio this year.

An Innovative Partner for Leading Luxury Brands

Our dedicated and quality services ensured that we remained an integral partner of many of the world's top footwear brands. This continued success can be attributed to two key capabilities. Firstly, our ability to serve niche clients, mostly luxury brands, who leverage off our strong design and development capabilities in order to customise their production, and secondly, our ability to deliver Italian quality footwear as rising costs push more international luxury brands to outsource their production.

During the year under review, our top five customers accounted for 57.9% of our total revenue (2008: 62.4%). Our client base currently includes six of the world's top ten casual footwear companies and several leading footwear brands.

We also develop and manufacture footwear for a number of high-fashion brands, as well as well-known large chain store retailers.

Enhanced Production Scale and Specialised Capability

During the year under review, the Group's manufacturing facilities in Dongguan and Vietnam have continued to operate at close to full capacity. As part of our efforts to exercise stringent cost-controls, the Group has continued to explore new production techniques and source substitution materials to keep production costs stable.

As part of our ongoing and prudent production expansion plans, the Group plans to open new factories in Guangxi in early 2011. This gradual shift of production inland will allow the Group to control manufacturing costs and optimise our production. This expansion is expected to boost our overall production capacity to 55 million pairs over the long term.

Rapidly Growing Retail Business

Throughout the year in review, the Group continued to implement its aggressive store expansion plan to meet the growing demand for high-end women fashion footwear and further strengthen our market position in the Greater China region. Strong growth was witnessed in Mainland China, where the Group opened 25 *Stella Luna* stores and 42 more *What For* stores in 2009.

2009 also saw the Group expanding its store network through regional distributors for the first time to the affluent Middle East markets, with a total of 7 *Stella Luna* stores opening in Lebanon and the United Arab Emirates.

Stella Luna is the Group's retail brand targeting the affordable fashion footwear and leather goods markets, with price ranging from RMB1,000 to RMB2,800. Our *What For* retail chain targets the contemporary and lifestyle markets, with price ranging from RMB600 to RMB1,500.

The Group currently owns and operates 120 *Stella Luna* stores in Mainland China, 3 stores in Taiwan and Macau and 15 stores in Thailand. Our 4 stores in the Philippines, and 7 stores in Lebanon and the United Arab Emirates are operated by the Group's distributors in these countries. The Group also operates 101 *What For* stores in Mainland China, 3 stores in Taiwan and Macau, and opened 3 new stores in Thailand during the year under review.

Progressive Refocus on Retail Strengths

Building on the success of our *Stella Luna* and *What For* brands, the Group has continued to build up its retail sales team to further the Group's expansion into the luxury goods market as the Group continues to acquire strong industry knowledge and retail capabilities.

As part of this broader refocusing strategy, the Group has strengthened its cooperation with our joint venture partner, Deckers Asia Pacific Limited ("Deckers"), with our first UGG store in Beijing reaching profitability this year. The joint venture plans to open more stores in China in 2010.

BUSINESS OUTLOOK

Move Up the Value Chain

The Group remains confident of its ability to overcome the current weak export environment by playing to its core strengths and servicing the increasingly specialised needs of its customers.

In 2010, the Group plans to build its first design studio in Italy to further strengthen its R&D capabilities – a first for a Chinese manufacturer. This strategy will enable the Group to move closer to its Western customers and respond quickly to their individual needs and specifications.

Steady Recovery in Manufacturing Sector

The Group remains confident of a steady recovery in its manufacturing operations, as the export markets began to show signs of recovery in the second half of the year. As our order book improves, the Group predicts a moderate growth in export volumes in the coming year, as well as a mild decline in ASP.

Potential challenges include a possible appreciation of the Renminbi (“RMB”), base wage increase and mismatches between seasonality and capacity, which may impact future margins. To combat this, the Group will maintain its prudent development strategy and cost-control measures to stabilise costs and sustain growth.

Strengthening of Competitive Edge and Bottom-line

In order to counteract increasing wage costs and other unfavorable factors, the Group plans to shift its more labor-intensive processes to more inland areas, in order to improve input costs and secure a stable labor supply.

As part of this process, we are currently developing our first factory in Guangxi, and we plan to adopt a three-pronged strategy for our production. Our existing Dongguan facilities will focus on R&D and high-end development; our Vietnamese factories will serve European shipments; and our inland factories in Hebei and Guangxi will specialise in labour-intensive processes such as sewing. The Group also plans to expand its manufacturing capacity through organic growth, rather than through acquisitions.

Through this strategy, we aim to maintain our cost competitiveness and improve efficiencies through the relocation of the more labour intensive production activities to our satellite factories in in-land provinces in the PRC. These cost reductions will be passed on to our customers as savings.

Continuous Expansion of Retail Business

The Group remains very optimistic about the prospects of the Chinese retail market, as sustainable economic development and social mobility support a growing demand for quality fashion footwear. This demand is also present in other developing economies in South-East Asia and the Middle East, which will remain key growth markets going forward as well.

In the coming year, the Group will maintain its store expansion strategy, targeting high growth in retail revenue through same-store sales and space expansions. We also plan to expand UGG-brand stores through our joint-venture with Deckers. The Group will also prudently consider the potential acquisition of selected footwear and related accessories brands and businesses to further the expansion of our business.

We believe these strategies allow the Group to be well-positioned to overcome any challenges ahead and profit from any opportunities that arise.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 December 2009, the Group had bank deposit and cash equivalents of about US\$425.2 million (2008: US\$365.1 million).

As at 31 December 2009, the Group had current assets of US\$755.9 million (2008: US\$699.9 million) and current liabilities of about US\$157.1 million (2008: US\$135.3 million). The current ratio (which is calculated on the basis of current assets over current liabilities) was 4.8 times as at 31 December 2009 (as at 31 December 2008: 5.2 times) which indicated the Group's high liquidity and healthy financial position.

BANK BORROWINGS

The Group did not have any bank borrowings as at 31 December 2009 (2008: Nil).

FOREIGN EXCHANGE EXPOSURE

During the year ended 31 December 2009, the Group's sales were mostly denominated in U.S. dollars, while the purchase of raw materials and operating expenses were mostly denominated in RMB or U.S. dollars. Currency exposures were mostly denominated in RMB and Hong Kong dollars against the functional currency of the relevant Group company. The Group has not adopted formal hedging policies and no instruments have been applied for foreign currency hedging purposes during the year under review.

CAPITAL EXPENDITURE

During the year under review, the Group's total capital expenditure amounted to approximately US\$12.1 million (2008: US\$16.4 million), of which approximately US\$9.3 million was used in the production capacity expansion and approximately US\$2.8 million was used in the retail network expansion.

PLEDGE OF ASSETS

During the year ended 31 December 2009, the deposit of US\$10.1 million pledged by the Group to a bank as at 31 December 2008 to secure banking facilities was released and there were no pledged bank deposits as at 31 December 2009.

CONTINGENT LIABILITIES

As at 31 December 2009, the Group had no material contingent liabilities.

EMPLOYEES

As at 31 December 2009, the Group had approximately a workforce of 50,000 full-time equivalent employees (as at 31 December 2008: approximately 58,000). The Group cultivates a caring, sharing and learning culture among its employees and believes that human resources are a significant asset for the Group's development and expansion. The Group seeks to attract, develop and retain individuals who are energetic and committed with a passion for our business. The Group will also continue to build a strong management team internally through effective learning and promotion programs, including a "Leadership Program" that has been launched in 2010 to identify potential high caliber employees, to assess the quality of senior management and ultimately to determine appropriate remuneration and other human resources related measures.

To cope with labor shortage issue, the Group is investing ahead of the curve. In anticipation of the PRC government's increase of the basic rate, the Group has raised the base wage for its workforce starting from February, 2010, together with granting of restricted unit rewards under the long term incentive scheme of the Company, to maintain labor force stability. As far as now the Group's recruitment remains satisfactory despite the fact of labor supply shortage.

DIVIDENDS

The Board recommended the payment of a final dividend of HK40 cents per ordinary share to shareholders (the "Shareholders") for the year ended 31 December 2009. In addition to the payment of a final dividend, the Board recommended the payment of a special dividend of HK\$10 cents per ordinary share to the Shareholders for the year ended 31 December 2009 in recognition of the continual support of the Shareholders, amounting to approximately US\$40.9 million and US\$10.2 million respectively. The proposed final dividend and special dividend will be paid to Shareholders whose names appear on the register of members of the Company on 7 May 2010, if the proposal is approved by the Shareholders at the forthcoming annual general meeting. It is expected that the final dividend and the special dividend will be paid on or about 20 May 2010.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 5 May 2010 to 7 May 2010 (both days inclusive), during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend and special dividend for the year ended 31 December 2009 and attending and voting at the forthcoming annual general meeting, all share transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:00 p.m. on 4 May 2010.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has applied the principles and complied with the code provisions of the Code on Corporate Governance Practices (the "Code") contained in Appendix 14 to the Listing Rules throughout the year ended 31 December 2009 except the deviation from Code E.1.2 as follows:

For Code E.1.2, Mr. Chiang Jeh-Chung, Jack, the chairman ("Chairman") of the Board, had not attended the annual general meeting of the Company held on 8 May 2009 (the "2009 AGM"), but Mr. Shih Takuen, Daniel, the deputy chairman (the "Deputy Chairman") of the Board, took the chair at the 2009 AGM, and the chairman or member of each of the Audit, Corporate Governance, Remuneration and Nomination Committee attended the 2009 AGM to answer Shareholders' questions. The reason for such arrangement is that the Board has allocated different responsibilities to the Chairman and the Deputy Chairman. The Chairman, Mr. Chiang Jeh-Chung, Jack, is mainly responsible for managing major customers' relationship and overseeing strategies of the Group, while the Deputy Chairman, Mr. Shih Takuen, Daniel, is responsible for providing leadership and management to the Board and handling matters relating to investor relations and communication with the Shareholders. The Board considers that such allocation of responsibilities between the Chairman and Deputy Chairman enables the Group to enhance its efficiency of the implementation of business plans and be responsive to the needs of the Shareholders. The Board will regularly review the effectiveness of the segregation of roles to ensure its appropriateness under the Group's prevailing circumstances. Save for the said deviation from the Code, the Group upholds a high standard of corporate governance and the Company has adopted practices for corporate governance which, the Directors believe, are of higher standard than that required under the Code in various aspects as more particularly described in the annual report of the Company to be dispatched to shareholders in due course.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) as set out in Appendix 10 to the Listing Rules as its code for dealing in securities of the Company by the Directors. The Company has made specific enquiry of all its Directors regarding any non-compliance with the Model Code. All the Directors confirmed that they have complied with the required standard set out in the Model Code throughout the year ended 31 December 2009.

REVIEW OF FINANCIAL STATEMENTS

The audit committee of the Company has reviewed the annual results of the Group for the year ended 31 December 2009.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities of the Company during the year.

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

Hong Kong, 18 March 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 and Mr. Ng Hak Kim, JP and Mr. Chen Johnny.