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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 FIRST QUARTER OF 2010

The Board (the “Board”) of Directors (the “Directors”) 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 first quarter of 2010. 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 March 2010, the unaudited consolidated revenue of the Group (including the Group’s manufacturing business, China retail business, inter-segment sales eliminations and other businesses) was approximately US\$224.7 million, representing a growth of approximately 12.2% as compared to the same period last year. The increase in consolidated revenue is mostly attributed to the steady recovery of export markets. As its order book improves, the Group predicts moderate growth in export volumes this year, coupled with a mild decline in the average selling price (“ASP”).

The Group remains confident of the long-term recovery of the footwear export market and has continued to implement prudent and cost-effective measures to sustain growth momentum and reinforce its competitiveness. In 2010, the Group plans to further expand its production capacity into inland areas of China, which will also allow it to lower input costs and secure a stable labour supply. This will allow the Group to move its manufacturing business further up the value chain and service the increasingly specialised needs of its brand customers.

The Group’s increasingly internationalised retail business in China and other markets continued to be the major growth driver of the Group allowing the Company to steadily diversify its overall revenue mix. The Group will continue to maintain its store expansion strategy and target high growth in retail revenue through same-store sales and space expansions. It will also continue to explore opportunities to develop new brands in order to target different market segments and widen its customer base.

* *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 ended 31 March 2010 is shown in the table below:

	For the three months ended		Change (%)
	31 March (Unaudited)		
	2010	2009	
Revenue (US\$ million)	212.0	191.6	10.6
Quantity (million pairs)	11.5	9.3	23.7
Average Selling Price (US\$/pair)	18.5	20.7	-10.6

The decline in ASP for the three months ended 31 March 2010 reflects a reduction in raw material costs.

RETAIL BUSINESS IN CHINA

An analysis of the unaudited revenue in relation to the Group's retail operations in China for the three months ended 31 March 2010, as well as the number of retail stores operated by the Group worldwide as of 31 March 2010 is shown in the table below:

	For the three months ended		Growth (%)
	31 March (Unaudited)		
	2010	2009	
Revenue (US\$ million)	13.3	8.8	51.1
Same-stores-sales (US\$ million)	6.5	5.7	14.0

Number of Stores	As at 31 March		Growth (Number of stores)
	2010	2009	
<i>Stella Luna</i> stores	123	101	22
<i>What For</i> stores	104	68	36

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

Hong Kong, 26 April 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 and the independent non-executive Directors are Mr. Chu Pao-Kuei, Mr. Ng Hak Kim, JP and Mr. Chen Johnny.