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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 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 fourth 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 and year ended 31 December 2010, the unaudited consolidated revenue of the Group (including the Group’s manufacturing business and China retail business as mentioned below, inter-segment sales eliminations and other businesses not covered hereof) was approximately US\$325.3 million and US\$1,295.9 million respectively, representing a growth of approximately 31.1% and 28.5% as compared to the same periods of last year. The increase in revenue is mostly attributed to the strong performance of the Group’s manufacturing business in the second half of 2010.

MANUFACTURING BUSINESS

An analysis of the revenue, quantity and average selling price (“ASP”) in relation to the manufacturing business of the Group for the three months and year ended 31 December 2010 is shown in the table below:

	For the year ended 31 December (Unaudited)			For the three months ended 31 December (Unaudited)		
	2010	2009	Change (%)	2010	2009	Change (%)
Revenue (<i>US\$ million</i>)	1,235.1	963.2	28.2	299.3	230.5	29.9
Quantity (<i>million pairs</i>)	53.3	42.7	24.8	13.2	11.5	14.8
Average Selling Price (<i>US\$/pair</i>)	23.2	22.6	2.7	22.7	20.1	12.9

* For identification purpose only

The Group witnessed a strong bounce back in the ASP of its footwear products, reflecting rises in input costs and the Group's ability to serve niche clients, especially luxury and premium brands. Shipment volumes also continued to increase at a steady pace and the Group ran a full order book throughout most of the year.

Looking forward, the Group will continue to seek more flexibility in its input costs by maintaining its strategy of diversifying production capacity into inland areas of China and South-East Asia in order to secure a stable and quality manpower supply at reasonable costs. The Group will also continue to build its innovative design and development capabilities to strengthen the Group's unique position on the value chain and attract an ASP that is higher than the industrial average.

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 2010, as well as the number of retail stores operated by the Group in China as of 31 December 2010 are shown in the table below:

	For the year ended 31 December			For the three months ended 31 December		
	US\$ million (Unaudited)		Growth (%)	US\$ million (Unaudited)		Growth (%)
	2010	2009		2010	2009	
Revenue	62.4	42.3	47.5	22.9	15.2	50.7
Same-stores-sales	27.7	22.1	25.3	9.1	6.4	42.2
			As at 31 December		Increase	
Number of Stores			2010	2009		
<i>Stella Luna</i> stores			145	120		25
<i>What For</i> stores			143	101		42

The Group's retail business continued to grow strongly as it maintained its store expansion strategy and further built its presence in the Chinese affordable luxury market. In 2011, the Group will continue to explore opportunities to develop new brands that target segments of the market outside of women's shoes. It will also continue to prudently consider other opportunities to acquire selected footwear or accessories brands/channels to further expand its business and diversify the overall revenue mix of the Group.

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

Hong Kong, 13 January 2011

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, and Mr. Chi Lo-Jen and the independent non-executive Directors are Mr. Chu Pao-Kuei, Mr. Ng Hak Kim, JP, Mr. Chen Johnny and Mr. Bolliger Peter.