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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 2011**

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 third quarter of 2011. 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 nine months ended 30 September 2011, the unaudited consolidated revenue of the Group (including the Group’s manufacturing business, China retail business as mentioned below, inter-segment sales eliminations and other businesses not covered hereof) was approximately US\$466.1 million (2010: US\$426.3 million) and US\$1,138.2 million (2010: US\$970.8 million) respectively, representing a growth of approximately 9.3% and 17.2% as compared to the same periods of last year. The increase in total consolidated revenue is mostly attributed to the Group’s ongoing efforts to rationalise its manufacturing operations and stabilise its workforce, as well as the strong growth of its retail business.

Looking forward, the Group expects demand for its footwear products to remain stable throughout the rest of the year, despite the uncertain economic outlook in the US and Europe. The Group will also continue to shift more production to its new manufacturing facilities in inland China to secure a stable workforce and combat inflation.

The Group’s retail business also performed strongly during the periods under review, as the Group continued to tap growing demand from Chinese consumers for luxury footwear products. The Group will continue to further diversify its revenue mix by maintaining its store expansion strategy and through same-store sales and space expansions. The Group will also continue to explore opportunities, including joint-ventures, to develop or distribute new brands which target untapped retail markets in China.

\* *For identification purpose only*

## 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 nine months ended 30 September 2011 is shown in the table below:

	For the nine months ended 30 September (Unaudited)			Change (%)	For the three months ended 30 September (Unaudited)			Change (%)
	2011	2010			2011	2010		
Revenue ( <i>US\$ million</i> )	<b>1,099.7</b>	935.8		17.5	<b>455.5</b>	419.2		8.7
Quantity ( <i>million pairs</i> )	<b>40.3</b>	40.1		0.5	<b>14.3</b>	15.8		-9.5
Average Selling Price ( <i>US\$/pair</i> )	<b>27.3</b>	23.3		17.2	<b>31.8</b>	26.5		20.0

ASP grew strongly in the three months and nine months ended 30 September 2011 compared with correspondence period of last year, which was mostly attributable to growing recognition of the quality of the Group’s footwear products, as well as improvements to the Group’s product mix.

## RETAIL BUSINESS IN CHINA

An analysis of the revenue in relation to the Group’s retail operations in China for the three months and nine months ended 30 September 2011, as well as the number of retail stores operated by the Group in China as of 30 September 2011 is shown in the table below:

	For the nine months ended 30 September ( <i>US\$ million</i> ) (Unaudited)			Change (%)	For the three months ended 30 September ( <i>US\$ million</i> ) (Unaudited)			Change (%)
	2011	2010			2011	2010		
Revenue	<b>63.2</b>	39.5		60.0	<b>21.5</b>	13.2		62.9
Same-stores-sales	<b>34.2</b>	25.4		34.6	<b>10.9</b>	8.4		30.0
<b>Number of Stores</b>					<b>As at 30 September</b>			<b>Increase</b>
					<b>2011</b>	<b>2010</b>		
<i>Stella Luna</i> stores					<b>178</b>	140		38
<i>What For</i> stores					<b>166</b>	133		33

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

Hong Kong, 13 October 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, SBS, JP, Mr. Chen Johnny and Mr. Bolliger Peter.*