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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 2015**

The board (the “Board”) of directors (the “Directors”) of Stella International Holdings Limited (“Stella” or the “Company”) is pleased to provide an update on the business development of the Company and its subsidiaries (collectively, the “Group”) for the third quarter of 2015. This announcement is made pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

**TOTAL CONSOLIDATED REVENUE**

For the three months and nine months ended 30 September 2015, 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\$569.0 million (2014: US\$545.7 million) and US\$1,366.2 million (2014: US\$1,266.7 million) respectively. This represented an increase of approximately 4.3% and 7.9%, as compared to the corresponding periods of 2014.

Looking forward, the Group expects orders for the Group’s footwear products will pick-up further towards the end of this year and the beginning of 2016, as its customers continue to expand their global presence and as demand for sports fashion footwear continues to grow. Order levels will also be supported by greater efficiency and improved utilisation at the Group’s production facilities in inland China and South-East Asia. The Group cautiously expects shipment volumes to reach 58 million pairs by the end of 2015.

The Group will continue to implement strict cost controls and efficiency improvement measures to preserve its profitability. This includes placing a renewed focus on leveraging its competitive strengths to pursue new promising product segments, such as sports fashion footwear. The Group also remains committed to building the long-term competitiveness of its retail business with the opening of new standalone stores and shops-in-shops in quality locations. It will also continue to boost its branding efforts in Europe to further grow the value of its brands among Chinese consumers.

\* *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 2015 is shown in the table below:

	For the three months ended 30 September (Unaudited)			Change  (%)	For the nine months ended 30 September (Unaudited)			Change  (%)
	2015	2014			2015	2014		
	Revenue ( <i>US\$ million</i> )	557.0	528.1		5.5	1,315.8	1,201.7	
Quantity ( <i>million pairs</i> )	16.8	15.8	6.3	43.3	39.5	9.6		
Average Selling Price ( <i>US\$/pair</i> )	33.2	33.4	-0.6	30.4	30.4	-		

The increase in shipment volumes for the three months ended 30 September 2015 was mostly attributable to growing demand for sports fashion footwear, as well as the ramping-up of orders by some customers. Some orders were delayed until the fourth quarter of 2015 after some customers adopted a more cautious stance to the changing global macroeconomic environment.

The drop in ASP for the three months ended 30 September 2015 was due to falling raw material prices, especially for leather.

## 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 2015, together with the number of retail stores operated by the Group in China as of 30 September 2015, is shown in the table below:

	For the three months ended 30 September ( <i>US\$ million</i> ) (Unaudited)			Change  (%)	For the nine months ended 30 September ( <i>US\$ million</i> ) (Unaudited)			Change  (%)
	2015	2014			2015	2014		
	Revenue	15.4	19.8		-22.2	53.9	69.1	
Same-store-sales	13.3	16.3	-18.4	43.9	53.6	-18.1		

As at 30 September		Change
2015	2014	

### Number of stores

<i>Stella Luna stores</i>	179	181	-2
<i>What For stores</i>	66	82	-16
<i>JKJY by Stella stores</i>	4	7	-3
<i>Pierre Balmain stores</i>	2	1	1

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

Hong Kong, 15 October 2015

*As at the date of this announcement, the executive Directors are Mr. Chiang Jeh-Chung, Jack, Mr. Chao Ming-Cheng, Eric, Mr. Chen Li-Ming, Lawrence and Mr. Chi Lo-Jen and the independent non-executive Directors are Mr. Chen Johnny, Mr. Bolliger Peter, Mr. Chan Fu Keung, William, BBS and Mr. Yue Chao-Tang, Thomas.*