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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 2016**

The board (the “Board”) of directors (the “Directors”) of Stella International Holdings Limited (the “Company”) is pleased to provide an update on the business development of the Company and its subsidiaries (collectively, the “Group”) for the first quarter of 2016. 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 ended 31 March 2016, 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\$280.3 million, representing a fall of approximately 5.9% as compared to the unaudited consolidated revenue of approximately US\$298.0 million for the corresponding period of last year. The fall in revenue was mostly attributable to lower confidence among some customers in response to an unseasonably slow start to winter in 2015, which affected their confidence in ordering for Spring/Summer 2016.

Looking forward, the Group expects volume growth to return to normal levels in the second half of the year. Moreover, demand for certain segments, particularly sports fashion footwear, is expected to remain strong. With these conditions in mind, the Group will continue to implement strict costs control and efficiency improvement measures to maintain its competitive advantages and the level of value it provides to its customers.

The Group will also continue to implement its retail optimisation strategy, which includes the selective opening of new standalone stores in high-potential shopping mall locations in China and a further expansion of the Group’s presence in Europe to grow the global value of its brands. The Group is also working together with leading retailers around the world on new initiatives to boost the global visibility of its retail brands.

\* *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 ended 31 March 2016 is shown in the table below:

	For the three months ended 31 March (Unaudited)		Change (%)
	2016	2015	
Revenue (US\$ million)	267.6	286.2	-6.5
Quantity (million pairs)	10.6	11.1	-4.5
Average Selling Price (US\$/pair)	25.2	25.8	-2.3

The decrease in shipment volumes for the three months ended 31 March 2016 was primarily due to delayed orders by some of the Group’s customers in response to an unseasonably slow start to winter in 2015, which affected their confidence.

The fall in ASP for the three months ended 31 March 2016 was mostly attributable to lower raw material costs, particularly 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 ended 31 March 2016, together with the number of retail stores operated by the Group in China as of 31 March 2016, is shown in the table below:

	For the three months ended 31 March (US\$ million) (Unaudited)		Change (%)
	2016	2015	
Revenue	15.0	17.5	-14.3
Same-stores-sales	11.8	15.2	-22.4
	As at 31 March		Change
	2016	2015	
<b>Number of Stores</b>			
<i>Stella Luna stores</i>	174	176	-2
<i>What For stores</i>	60	72	-12
<i>JKJY by Stella stores</i>	3	4	-1
<i>Pierre Balmain stores</i>	1	1	-

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

Hong Kong, 7 April 2016

*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.*