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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 2017**

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 2017. 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 2017, the unaudited consolidated revenue of the Group (including the Group's manufacturing business, China and Europe retail business as mentioned below, inter-segment sales eliminations and other businesses not covered hereof) was approximately US\$307.0 million, representing an increase of approximately 10.0% as compared with the unaudited consolidated revenue of approximately US\$279.0 million for the corresponding period of last year.

Looking forward, the Group expects demand for its athleisure footwear products to continue to be its growth driver, while the casual and fashion segments are expected to further stabilise throughout the year. The Group's retail management team will continue to implement its strategies to turnaround the retail business in China, while also building the global presence of the Group's brands.

#### **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 2017 is shown in the table below:

	<b>For the three months ended</b>		<b>Change</b>
	<b>31 March</b>		
	<b>(Unaudited)</b>		
	<b>2017</b>	<b>2016</b>	<b>(%)</b>
Revenue ( <i>US\$ million</i> )	<b>285.7</b>	267.6	6.8
Quantity ( <i>million pairs</i> )	<b>11.5</b>	10.6	8.5
Average Selling Price ( <i>US\$/pair</i> )	<b>24.8</b>	25.2	-1.6

\* *For identification purpose only*

The increase in revenue and shipment volumes in the three months ended 31 March 2017 was primarily due to sustainably growing orders for the Group's athleisure products, as well as the stabilisation of demand for its causal and fashion footwear products.

The slight drop in ASP in the three months ended 31 March 2017 was mostly attributable to changes to some customers' 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 ended 31 March 2017, together with the number of retail stores operated by the Group in China as of 31 March 2017, is shown in the table below:

	For the three months ended		Change
	31 March		
	<i>(US\$ million)</i>		
	<i>(Unaudited)</i>		
	2017	2016	<i>(%)</i>
Revenue	15.8	13.7	15.3
Same-stores-sales	11.9	10.9	9.2
	As at 31 March		Change
	2017	2016	
<b>Number of Stores</b>			
<i>Stella Luna stores</i>	182	174	8
<i>What For stores</i>	58	60	-2
<i>JKJY by Stella stores</i>	1	3	-2
<i>Pierre Balmain stores</i>	-	1	-1

## RETAIL BUSINESS IN EUROPE

An analysis of the revenue in relation to the Group's retail operations in Europe for the three months ended 31 March 2017 is shown in the table below:

	For the three months ended		Change
	31 March		
	<i>(US\$ million)</i>		
	<i>(Unaudited)</i>		
	2017	2016	<i>(%)</i>
Revenue	4.7	3.8	23.7
Same-stores-sales	0.4	0.3	7.7

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

Hong Kong, 13 April 2017

*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, Mr. Yue Chao-Tang, Thomas and Mr. Lian Jie.*