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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)

**INSIDE INFORMATION –
UNITED STATES BANKRUPTCY PROTECTION OF
A CUSTOMER**

This announcement is made by the board (the “Board”) of directors (the “Directors”) of Stella International Holdings Limited (the “Company”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), and Rule 13.51 of the Listing Rules.

The Group was informed on 14 May 2018 that The Rockport Company, LLC (“Rockport”) and certain of its affiliates filed for bankruptcy protection (the “Chapter 11 Cases”) under Chapter 11 of the United States (“US”) Bankruptcy Code on the same date, i.e. 14 May 2018 (the “Petition Date”) in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”). So far as the Directors understand, Rockport and its affiliates intend to operate during its Chapter 11 Cases as “debtors-in-possession,” which means that Rockport and its affiliates will continue to operate its business subject to the oversight of the Bankruptcy Court in ordinary course. Based on information available to the Company, through the Chapter 11 Cases, Rockport and its affiliates plan to, among others, seek authorisation to pay prepetition obligations of certain foreign vendors in the ordinary course in an amount not exceeding the applicable cap, so as to secure their access to and maintain their relationship with a network of vendors around the world, as they rely on such vendors to source and manufacture all of the merchandise sold across their global enterprise. As a consequence of the filing of the Chapter 11 Cases, creditors, such as the Group, are stayed from collection of debts arising prior to the Petition Date, and litigations against Rockport are stayed and put on hold pending further order of the Bankruptcy Court.

* For identification purpose only

Rockport and its affiliates are the Group's customers for its footwear products, having contributed approximately 2.7% of the Group's total revenue for the year ended 31 December 2017. As at the date of this announcement, the outstanding trade receivables owed by Rockport and its affiliates amounted to approximately US\$10.3 million (which amount is subject to reconciliation).

The Group is currently seeking legal advice for the recovery of the outstanding trade receivables and for protection in respect of ongoing supplies of the Group's products to Rockport and its affiliates. While the Group has insured against the credit risk of its counterparties and it is expected that part of the outstanding trade receivables can be recovered from insurance, the Directors are of the view that the filing of the Chapter 11 Cases by Rockport and its affiliates, and by Nine West Holdings Inc. ("Nine West") and its affiliates (the details of which are set out in the announcement of the Company dated 12 April 2018) may have a material adverse impact on the results and operations of the Group, given that (i) the total outstanding trade receivables owed by Rockport and its affiliates and by Nine West amounted to approximately US\$21.0 million, representing approximately 1.7% and 35.2% of the total assets of the Group as at 31 December 2017 and the net profits of the Group for the year ended 31 December 2017 respectively; and (ii) sales to Rockport and its affiliates and Nine West had been relatively significant to the Group, having contributed approximately 5.5% to the Group's total revenue for the year ended 31 December 2017. The Group will continue to closely monitor the terms of sales of its products to Rockport and its affiliates and Nine West so as to secure payment for its future sales with them, and will make an effort to supply its products to the new purchaser of the business of Rockport and its affiliates.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company

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

Hong Kong, 15 May 2018

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.