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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)

CHANGE OF CHAIRMAN RESIGNATION OF DEPUTY CHAIRMAN AND RE-DESIGNATION OF DIRECTORS

The board (the “Board”) of directors (the “Directors”) of Stella International Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) hereby announces the following corporate changes in accordance with the Group’s long-term succession planning:

RESIGNATION OF CHAIRMAN AND DEPUTY CHAIRMAN AND RE-DESIGNATION OF DIRECTORS

With effect from 21 March 2019 (after publication of the announcement of the annual results for the year ended 31 December 2018 of the Company (the “Announcement”):

- (1) Mr. Chiang Jeh-Chung, Jack (“Mr. Jack Chiang”) shall resign from his positions as the chairman of the Board (the “Chairman”) and a member of the executive committee of the Board (the “Executive Committee”) and all other current positions within the Group (other than his directorship of the Company);
- (2) Mr. Chao Ming-Cheng, Eric (“Mr. Eric Chao”) shall resign from his positions as the deputy chairman of the Board (the “Deputy Chairman”) and a member of the Executive Committee and all other current positions within the Group (other than his directorship of the Company); and
- (3) Mr. Jack Chiang and Mr. Eric Chao shall each be re-designated as a non-executive Director.

* *For identification purpose only*

Biography of Mr. Jack Chiang

Mr. Jack Chiang, aged 68, is the Chairman, an executive Director and a member of the Executive Committee. Mr. Jack Chiang is one of the founders of the Group and has been with the Group since 1982. He is responsible for the Group's design, development, marketing and customer relationship. Mr. Jack Chiang has over 37 years of experience in new product development and management in the footwear industry. He is also a director of certain subsidiaries of the Company which are engaged in design and marketing activities. He is the uncle of Mr. Chi Lo-Jen, an executive Director and the chief executive officer of the Group and the chairman of the Executive Committee.

Mr. Jack Chiang shall enter into a service agreement ("Company Service Agreement I") with the Company under which he shall serve the Company in the capacity of a non-executive Director for a term of two years commencing on 21 March 2019 (after publication of the Announcement) and ending on 20 March 2021 unless terminated by six months' notice in writing served by either party. Mr. Jack Chiang is also subject to retirement by rotation and re-election at the annual general meetings of the Company pursuant to the Articles of Association. Mr. Jack Chiang is entitled to an annual director's fee of HK\$300,000 under Company Service Agreement I. Concurrently, to support the succession transition, Mr. Jack Chiang shall also enter into a service agreement ("Subsidiary Service Agreement I") with a wholly-owned subsidiary of the Company under which he shall assume the position of director of the subsidiary for a term of two years commencing on 21 March 2019 (after publication of the Announcement) and ending on 20 March 2021 unless terminated by six months' notice in writing served by either party. Mr. Jack Chiang is entitled to an annual director's fee of HK\$600,000 and is eligible for a discretionary bonus and other allowances under Subsidiary Service Agreement I. The director's fee and remuneration, as mentioned above, are subject to annual adjustment, and together with the discretionary bonus (if any), are subject to review by the remuneration committee of the Board (the "Remuneration Committee") and approval by the Board with reference to his performance, the profitability of the Group and the remuneration benchmarks in the industry. The Company Service Agreement I and the Subsidiary Service Agreement I are in substitution for and shall supersede all former and existing agreements or arrangements for the employment of Mr. Jack Chiang by the Company and the subsidiary, which shall be deemed to have been cancelled, with effect from 21 March 2019 (after publication of the Announcement).

As at the date of this announcement, Mr. Jack Chiang is directly interested in 331,500 ordinary shares of HK\$0.10 each in the share capital of the Company (the “Shares”) which are held by him personally, and deemed to be interested in 39,597,418 Shares which are held by a company the entire issued share capital of which is owned by him by virtue of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”), in aggregate representing approximately 5.03% of the total number of issued Shares.

Mr. Jack Chiang has confirmed that he has no disagreement with the Board. Save as disclosed above, there is no other information that is required to be disclosed pursuant to any of the requirements under Rule 13.51(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) nor any other matter that needs to be brought to the attention of the Shareholders in relation to the re-designation of Mr. Jack Chiang.

Biography of Mr. Eric Chao

Mr. Eric Chao, aged 67, is the Deputy Chairman, an executive Director and a member of the Executive Committee. Mr. Eric Chao is one of the founders of the Group and has been with the Group since 1982. He is responsible for factory management and setting up new manufacturing facilities. Mr. Eric Chao has over 37 years of experience in management in the footwear industry. He holds a Bachelor of Commerce degree from the Tunghai University, Taiwan. He is also a director of certain subsidiaries of the Company which are engaged in manufacturing business.

Mr. Eric Chao shall enter into a service agreement (“Company Service Agreement II”) with the Company under which he shall serve the Company in the capacity of a non-executive Director for a term of two years commencing on 21 March 2019 (after publication of the Announcement) and ending on 20 March 2021 unless terminated by six months’ notice in writing served by either party. Mr. Eric Chao is also subject to retirement by rotation and re-election at the annual general meetings of the Company pursuant to the Articles of Association. Mr. Eric Chao is entitled to an annual director’s fee of HK\$300,000 under Company Service Agreement II. Concurrently, to support the succession transition, Mr. Eric Chao shall also enter into a service agreement (“Subsidiary Service Agreement II”) with a wholly-owned subsidiary of the Company under which he shall assume the position of director of the subsidiary for a term of two years commencing on 21 March 2019 (after publication of the Announcement) and ending on 20 March 2021 unless terminated by six months’ notice in writing served by either party. Mr. Eric Chao is entitled to an annual director’s fee of HK\$540,000 and is eligible for a discretionary bonus and other allowances under Subsidiary Service Agreement II. The director’s fee and remuneration, as mentioned above, are subject to annual adjustment, and together with the discretionary bonus (if any), are subject to review by the Remuneration Committee and approval by the Board with reference to his performance, the profitability of the Group and the remuneration benchmarks in the industry. The Company Service Agreement II and the Subsidiary Service Agreement II are in substitution for and shall supersede all former and existing agreements or arrangements for the employment of Mr. Eric Chao by the Company and the subsidiary, which shall be deemed to have been cancelled, with effect from 21 March 2019 (after publication of the Announcement).

As at the date of this announcement, Mr. Eric Chao is directly interested in 238,500 Shares which are held by him personally, and deemed to be interested in 30,364,612 Shares which are held by a company the entire issued share capital of which is owned by him by virtue of the SFO, in aggregate representing approximately 3.85% of the total number of issued Shares.

Mr. Eric Chao has confirmed that he has no disagreement with the Board. Save as disclosed above, there is no other information that is required be disclosed pursuant to any of the requirements under Rule 13.51(2) of the Listing Rules nor any other matter that needs to be brought to the attention of the Shareholders in relation to the re-designation of Mr. Eric Chao.

APPOINTMENT OF CHAIRMAN

The Board further announces that following the resignation of Mr. Jack Chiang as the Chairman, with effect from 21 March 2019 (after publication of the Announcement) and ending on 20 March 2021, Mr. Chen Li-Ming, Lawrence (“Mr. Lawrence Chen”) shall succeed Mr. Jack Chiang as the Chairman.

Biography of Mr. Lawrence Chen

Mr. Lawrence Chen, aged 58, is an executive Director and a member of the Executive Committee. Mr. Lawrence Chen has been with the Group since 1985. He is responsible for the Group’s corporate management. He has over 34 years of experience in technology development and management in the footwear industry. He holds a Bachelor of Electrophysics degree from the National Chiao Tung University, Taiwan. He is also a director of certain subsidiaries of the Company which are engaged in design and marketing activities, manufacturing and retail business. He is a director of Cordwalner Bonaventure Inc., the controlling shareholder (as defined in the Listing Rules) of the Company. He is the cousin of Mr. Yang Chen-Ning, a member of the senior management of the Company.

Mr. Lawrence Chen has entered into a service agreement (the “Service Agreement”) with the Company under which he shall serve the Company in the capacity of an executive Director for a term of two years commencing on 9 January 2014, renewable automatically for successive terms of two years, unless terminated by not less than six months’ notice in writing served by either party. Mr. Lawrence Chen is also subject to retirement by rotation and re-election at the annual general meetings of the Company pursuant to the Articles of Association. Under the Service Agreement, Mr. Lawrence Chen is entitled to an annual director’s fee of HK\$300,000. Mr. Lawrence Chen has also entered into an employment contract (the “Employment Contract”) with a wholly-owned subsidiary of the Company under which he assumes the position of vice president of the subsidiary for a term of two years commencing on 9 January 2014, renewable automatically for successive terms of two years, unless terminated by not less than six months’ notice in writing served by either party. Under the Employment Contract, Mr.

Chen is entitled to an annual remuneration of HK\$480,000 and is eligible for a discretionary management bonus and other allowances. The director's fee and remuneration, as mentioned above, are subject to annual adjustment, and together with the discretionary management bonus (if any), are subject to review by the Remuneration Committee and approval by the Board with reference to his performance, the profitability of the Group and the remuneration benchmarks in the industry.

As at the date of this announcement, Mr. Lawrence Chen is directly interested in 777,000 Shares which are held by him personally, and deemed to be interested in 27,228,227 Shares which are held by a company the entire issued share capital of which is owned by him by virtue of the SFO, in aggregate representing approximately 3.53% of the total number of issued Shares.

Save as disclosed above, there is no other information that is required to be disclosed pursuant to any of the requirements under Rule 13.51(2) of the Listing Rules nor any other matter that needs to be brought to the attention of the Shareholders in relation to the appointment of Mr. Lawrence Chen as the Chairman.

The Board would like to express its warm welcome to Mr. Lawrence Chen on his new appointment.

By order of the Board
Stella International Holdings Limited
Chen Li-Ming, Lawrence
Chairman

Hong Kong, 21 March 2019

As at the date of this announcement and following the above re-designation of Directors, the executive Directors are Mr. Chen Li-Ming, Lawrence and Mr. Chi Lo-Jen; the non-executive Directors are Mr. Chiang Jeh-Chung, Jack and Mr. Chao Ming-Cheng, Eric; and the independent non-executive Directors are Mr. Chen Johnny, Mr. Bolliger Peter, Mr. Chan Fu Keung, William, BBS, Mr. Yue Chao-Tang, Thomas, Mr. Lian Jie and Ms. Shi Nan Sun.