ASP Growth Turns Positive

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Shipment Volumes for the Full-year 2018 Increased by 6.4%

Continued Progress Made in Reallocating Production Base
While Global Trade Frictions Did Not Impact Group's Operations

Hong Kong, 16 January 2019 – Stella International Holdings Limited ("Stella", or together with its subsidiaries, the "Group"; SEHK: 1836), a leading designer, manufacturer and retailer of quality footwear and leather goods products, today announced its unaudited fourth quarter business update for the three months and the year ended 31 December 2018.

Financial & Operational Highlights:

	For the three months ended 31 December (Unaudited)		For the year ended 31 December (Unaudited)	
	2018	2017	**2018**	2017
Revenue (US$ million)				
- Manufacturing	**374.3**	349.3	**1,550.7**	1,510.3
- Branding business	**3.3**	2.9	**17.3**	15.6
Average selling price per pair (manufacturing) (US$)	**24.8**	24.3	**25.8**	26.7
Total shipment during the period (million pairs)	**15.1**	14.4	**60.2**	56.6

For the three months ended 31 December 2018, the Group's unaudited consolidated revenue[1] was approximately US$386.5 million (2017: US$357.2 million), an increase of approximately 8.2% as compared to the unaudited consolidated revenue for the corresponding period of last year.

For the year ended 31 December 2018, the Group's unaudited consolidated revenue[1] was approximately US$1,595.9 million (2017: US$1,571.3 million[2]), an increase of approximately 1.6% as compared to the unaudited consolidated revenue for the last corresponding year. On a comparable basis (after adjustments in the light of the disposal of the Group's former

[1] Includes the Group's manufacturing business, branding business and other businesses not covered hereof, and after the elimination of inter-segment sales.

[2] The unaudited consolidated revenue for the year ended 31 December 2017 included revenue of US$36.5 million from the Group's former China retail business. The relevant companies are no longer subsidiaries of the Company.

China retail business), our unaudited comparable consolidated revenue for the year ended 31 December 2018 improved by 3.3%.

Revenue from our manufacturing operations increased by 7.2% and 2.7% to US$374.3 million and US$1,550.7 million respectively for the three months and year ended 31 December 2018. Shipment volumes rose 4.9% and 6.4% over the same periods to 15.1 million pairs and 60.2 million pairs respectively. The increase in shipment volumes was attributable to the continued robust ordering activity for our fashion athletic footwear products throughout the year and an increase in the full-year ordering activity for our casual and fashion footwear products. Global trade frictions did not have an impact on the Group's operations during the periods under review.

The average selling price ("ASP") of our footwear products recorded a positive growth with an increase of 2.1% to US$24.8 per pair for the three months ended 31 December 2018. This was attributable to an increase in the ASP of our casual footwear products, as well as changes to the Group's product mix and customer mix.

Revenue from our branding business, anchored by our retail business in Europe for the three months ended 31 December 2018 was higher compared to the corresponding period of 2017.

Looking forward into 2019, the Group continues to expect strong growth in the demand of its fashion athletic footwear products, which remains our key growth driver. We also expect the demand for our casual and fashion footwear products to stabilise further.

We will continue to re-allocate our production capacity from China to South East Asia and drive further improvement in production efficiency in order to deliver margin recovery over the medium term.

We will also continue to monitor external events that could impact our business and operating environments, such as the current trade tensions between the U.S. and China.

Mr. Chi Lo-Jen, Chief Executive Officer of the Group, commented on the Group's performance, "We are pleased that our ASP growth turned positive in the fourth quarter of 2018 while overall shipment volume in 2018 grew solidly. We are also achieving further recognition in the industry for the quality of our athletic footwear products – a growing product segment. We look forward to working with our branded customers to deliver even more value and quality."

Commenting on the outlook for the Group's businesses, **Mr. Jack Chiang, Chairman** of the Group, said, "While it is heartening to see some tentative progress in trade negotiations between China and the U.S., we will remain vigilant of ongoing risks. We will also continue to reallocate our production base in order to enhance the quality and service that we provide to our customers."

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For further information, please contact:

Macy Leung
Head of Investor Relations
Email: macy.leung@stella.com.hk