

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 2015

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 2015. 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 2015, 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\$298.0 million, representing an improvement of approximately 8.8% as compared to the unaudited consolidated revenue of approximately US\$273.9 million for the corresponding period of last year. The increase in revenue was mostly attributed to higher manufacturing revenue during the period under review. The high percentage increase also reflects the low base that was mostly caused by weak economic conditions in the first quarter of 2014.

Looking forward, the Group expects that demand for its footwear products will continue to strengthen throughout 2015 as economic recovery in the United States and parts of Europe incentivise customers to ramp up orders. The Group will continue to implement strict cost controls and measures to improve efficiency at our manufacturing facilities and remains on track towards achieving a targeted expansion of manufacturing capacity by the end of this year.

The Group will also continue to take steps to increase the long-term competitiveness of our retail business. This includes broadening its branding efforts in Europe in order to grow brand equity in China and preserve the Group’s price premium.

* *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 2015 is shown in the table below:

	For the three months ended 31 March (Unaudited)		Change
	2015	2014	(%)
Revenue (<i>US\$ million</i>)	286.2	250.8	14.1
Quantity (<i>million pairs</i>)	11.1	10.0	11.0
Average Selling Price (<i>US\$/pair</i>)	25.8	25.0	3.2

The increase in shipment volumes in the three months ended 31 March 2015 was primarily due to restocking by customers.

The rise in ASP in the three months ended 31 March 2015 was mostly attributable to higher 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 2015, together with the number of retail stores operated by the Group in China as of 31 March 2015, is shown in the table below:

	For the three months ended 31 March (<i>US\$ million</i>) (Unaudited)		Change
	2015	2014	(%)
Revenue	17.5	24.2	-27.7
Same-stores-sales	16.2	20.4	-20.6
	As at 31 March		Change
	2015	2014	
Number of Stores			
<i>Stella Luna</i> stores	176	192	-16
<i>What For</i> stores	72	104	-32
<i>JKJY by Stella</i> stores	4	13	-9
<i>Pierre Balmain</i> stores	1	2	-1

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

Hong Kong, 9 April 2015

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.