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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)

CONTINUING CONNECTED TRANSACTIONS

**(1) REVISION OF ANNUAL CAPS FOR CONTINUING
CONNECTED TRANSACTIONS UNDER 2017 MASTER
MANUFACTURING AGREEMENT AND 2017 EXCLUSIVE
DISTRIBUTION AGREEMENT
AND
(2) 2019 EXCLUSIVE DISTRIBUTION AGREEMENT**

**REVISION OF ANNUAL CAPS FOR CONTINUING CONNECTED
TRANSACTIONS UNDER 2017 MASTER MANUFACTURING
AGREEMENT AND 2017 EXCLUSIVE DISTRIBUTION AGREEMENT**

To more accurately reflect the scale of the potential transactions under the 2017 Master Manufacturing Agreement and the 2017 Exclusive Distribution Agreement and to facilitate further business collaboration between the Group and the Max Group in other business areas and optimise the operational efficiency of the Group as a whole, the Board has resolved to adjust the annual cap for the transactions under the 2017 Master Manufacturing Agreement to US\$3 million for the year ending 31 December 2019, and to adjust the annual cap for the transactions under the 2017 Exclusive Distribution Agreement to RMB200 million for the year ending 31 December 2019.

* *For identification purpose only*

2019 EXCLUSIVE DISTRIBUTION AGREEMENT

On 21 January 2019, SFG as supplier and Max Branding (for itself and as trustee for the benefit of the Max Branding Group) as purchaser entered into the 2019 Exclusive Distribution Agreement in relation to the supply of the What For Products by SFG to the Max Branding Group and the grant of the exclusive right to distribute the What For Products in the Sales Territories by SFG to the Max Branding Group for a term commencing on the date thereof and ending on 31 December 2021.

It is expected that the aggregate monetary value of the consideration which will be payable by the Max Branding Group to SFG in connection with the supply of the What For Products pursuant to the 2019 Exclusive Distribution Agreement will not exceed EUR3 million for the period from the date of the 2019 Exclusive Distribution Agreement to 31 December 2019, EUR7 million for the year ending 31 December 2020 and EUR8 million for the year ending 31 December 2021.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CAH and Max Branding are owned as to 60% and 100% respectively by Max, which is indirectly owned as to approximately 64.75% by Mr. Chiang Chih-Chung, who is the brother of Mr. Chiang Jeh-Chung, Jack, the chairman of the Board and an executive Director. As such, Max, CAH and Max Branding are each an associate of Mr. Chiang Jeh-Chung, Jack and a connected person of the Company under the Listing Rules, and the transactions contemplated under the 2017 Master Manufacturing Agreement, the 2017 Exclusive Distribution Agreement and the 2019 Exclusive Distribution Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Since (1) the aggregate of the respective revised annual cap for the 2017 Master Manufacturing Agreement and the 2017 Exclusive Distribution Agreement and the annual cap for the 2019 Exclusive Distribution Agreement for the year ending 31 December 2019; (2) the annual cap for the 2019 Exclusive Distribution Agreement for the year ending 31 December 2020; and (3) the annual cap for the 2019 Exclusive Distribution Agreement for the year ending 31 December 2021 are each expected to represent less than 5% of the applicable percentage ratios, the 2019 Exclusive Distribution Agreement and the transactions contemplated thereunder (including the relevant annual caps) and the revision of the respective annual cap for the year ending 31 December 2019 for the 2017 Master Manufacturing Agreement and the 2017 Exclusive Distribution Agreement are subject to the announcement, annual review and reporting requirements but are exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

REVISION OF ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS UNDER 2017 MASTER MANUFACTURING AGREEMENT AND 2017 EXCLUSIVE DISTRIBUTION AGREEMENT

Reference is made to the announcements of the Company dated 19 July 2017 (the “**Announcement**”) in relation to, among others, the entering into of the 2017 Master Manufacturing Agreement and the 2017 Exclusive Distribution Agreement.

2017 Master Manufacturing Agreement

On 19 July 2017, SIT (MCO) (for itself and as trustee for the benefit of the Group) as supplier and Max (for itself and as trustee for the benefit of Max Group (excluding the CAH Group)) entered into the 2017 Master Manufacturing Agreement, pursuant to which SIT (MCO) shall, and shall from time to time designate and procure other member(s) of the Group to, manufacture and/or supply, label and package the Max Branded Products for members of the Max Group (excluding the CAH Group). Members of the Max Group (excluding the CAH Group) may from time to time serve written purchase order(s) to SIT (MCO) containing, among others, the specifications of the products; once accepted, the Group shall manufacture and/or supply the Max Branded Products in strict accordance with the agreed specifications and other terms and conditions of the 2017 Master Manufacturing Agreement and the relevant purchase order(s).

The price for the Max Branded Products to be supplied shall be calculated on the basis of the cost of manufacture incurred or to be incurred by the Group for such products plus a fixed percentage margin as specified in the 2017 Master Manufacturing Agreement, which is not less than 15%. Such pricing formula, including the percentage margin, has been determined and agreed by the parties after arm’s length negotiations. In determining the pricing formula and the percentage margin, the Group had taken into account the pricing formula and the percentage margin charged by the Group to its other Independent Third Party customers (the “**Independent Customers**”) engaging the Group for similar footwear manufacturing services so as to ensure that the pricing formula (including the percentage margin) so offered by the Group is fair and reasonable and no less favourable to the Group than that offered to the Independent Customers.

As disclosed in the Announcement, it was originally expected that the aggregate monetary value of the consideration which would be payable by the Max Group to the Group for the manufacture and/or supply of Max Branded Products pursuant to the 2017 Master Manufacturing Agreement would not exceed US\$3 million for the period from the date of the 2017 Master Manufacturing Agreement to 31 December 2017, US\$6 million for the year ended 31 December 2018 and US\$9 million for the year ending 31 December 2019. The said annual caps were determined on the basis of the demand of the Max Branded Products as estimated by the Max Group and the average costs per pair of the Max Branded Products as estimated by the Group at the time the parties entered into the 2017 Master Manufacturing Agreement.

Given the change in both the sourcing strategies of the Max Group and the market conditions, the value of actual transactions under the 2017 Master Manufacturing Agreement has fallen significantly below the said annual caps for the years ended 31 December 2017 and 2018, as shown in the table below:

	For the year ended 31 December 2017	For the year ended 31 December 2018
	<i>(Note)</i>	
	<i>US\$</i>	<i>US\$</i>
Original annual cap	3,000,000	6,000,000
Value of actual transactions	885,000	486,000
Utilisation rate of original annual cap	29.5%	8.1%

Notes:

The period covered under the 2017 Master Manufacturing Agreement for the financial year ended 31 December 2017 commenced on 19 July 2017 and ended on 31 December 2017.

As such, to more accurately reflect the scale of the potential transactions under the 2017 Master Manufacturing Agreement and to facilitate further business collaboration between the Group and the Max Group in other business areas and optimise the operational efficiency of the Group as a whole, the Board has resolved to adjust the annual cap for the transactions under the 2017 Master Manufacturing Agreement to US\$3 million for the year ending 31 December 2019. In determining the revised annual cap for the year ending 31 December 2019, the Board has taken into account the following factors: (i) the historical transaction amounts; and (ii) the new sourcing strategies of the Max Group.

The Directors (including the independent non-executive Directors) are of the view that the terms and conditions of the 2017 Master Manufacturing Agreement are fair and reasonable and in the interests of the Shareholders as a whole, and the continuing connected transactions contemplated under the 2017 Master Manufacturing Agreement (including the revised annual cap for the year ending 31 December 2019) are on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

Except for Mr. Chiang Jeh-Chung, Jack, the chairman of the Board and an executive Director whose relationship with Max is set out in the section headed “Implications under the Listing Rules” in this announcement, none of the Directors has or is deemed to have a material interest in the 2017 Master Manufacturing Agreement and the transactions contemplated thereunder, including the revised annual cap for the year ending 31 December 2019. Mr. Chiang Jeh-Chung, Jack has abstained from voting on the relevant resolutions at the board meetings.

2017 Exclusive Distribution Agreement

On 19 July 2017, SFC as supplier and CAH as distributor entered into the 2017 Exclusive Distribution Agreement, pursuant to which SFC shall grant the CAH Group the exclusive right to distribute the Stella Branded Products in the PRC. The CAH Group shall open and operate points of sales, including mono brand stores, shops in shop, outlets, concessionary counters and corners bearing various brands owned by the Group in the PRC to market the Stella Branded Products. In addition, the CAH Group may distribute and market the Stella Branded Products in the PRC to franchisees and/or sub-distributors and market and sell the Stella Branded Products through the internet provided that the destination for delivery of the Stella Branded Products sold shall be within the PRC. The CAH Group shall not practice any kind of active advertising of the Stella Branded Products outside the PRC.

To meet the demand of the Stella Branded Products in the PRC, members of the CAH Group may from time to time serve written purchase order(s) for the purchase of the Stella Branded Products to SFC, which shall lapse unless accepted and confirmed by SFC within six calendar days. The Stella Branded Products supplied, labelled, packaged and delivered by SFC shall be in accordance with the patterns, specifications, and quality standard that have been agreed in writing by the CAH Group and SFC upon the terms and conditions of the 2017 Exclusive Distribution Agreement and the relevant purchase order(s).

The price for any particular Stella Branded Product to be supplied by SFC shall be calculated on the basis of the ex-factory price charged by the Group for the manufacture of such product and multiplied by a fixed multiplier as specified in the 2017 Exclusive Distribution Agreement applicable to each brand of the Stella Branded Product. All such fixed multipliers do not exceed two. Such pricing formula, including the fixed multiplier applicable to each brand of the Stella Branded Products, has been determined and agreed by the parties after arm's length negotiations. In determining the pricing formula and the applicable multipliers, the Group had taken into account the pricing formula and the applicable multipliers charged by the Group to its other Independent Third Party distributors of the Stella Branded Products so as to ensure that the pricing formula (including the applicable multipliers) so offered by the Group is fair and reasonable and no less favourable to the Group than that offered to such independent distributors.

As disclosed in the Announcement, it was originally expected that the aggregate monetary value of the consideration which would be payable by the CAH Group to SFC in connection with the supply of the Stella Branded Products pursuant to the 2017 Exclusive Distribution Agreement would not exceed RMB100 million for the period from the date of the 2017 Exclusive Distribution Agreement to 31 December 2017, RMB250 million for the year ended 31 December 2018 and RMB320 million for the year ending 31 December 2019. The said annual caps were determined on the basis of (i) the historical sales revenue of the Stella Branded Products recorded by the retail business of the Group in the PRC as adjusted and calculated based on estimated wholesale prices amounting to approximately RMB314.5 million, RMB241.1 million and RMB232.9 million during each of the three years ended 31 December 2016 and approximately RMB105.7 million for the five months ended 31 May 2017; (ii) estimated growth in the sales volume of the Stella Branded Products in the coming years based on the expected market demand, particularly taking into account the launch of "S by Stella" as a contemporary and fast fashion brand of the Group which was expected to gain rapid market acceptance and recognition in the PRC; and (iii) the historical average ex-factory price per pair of the Stella Branded Products.

Given the change in both the sourcing strategies of the Max Group and the market conditions, the value of actual transactions under the 2017 Exclusive Distribution Agreement has fallen below the said annual caps for the years ended 31 December 2017 and 2018, as shown in the table below:

	For the year ended 31 December 2017 <i>(Note)</i> <i>RMB</i>	For the year ended 31 December 2018 <i>RMB</i>
Original annual cap	100,000,000	250,000,000
Value of actual transactions	81,586,000	161,722,000
Utilisation rate of original annual cap	81.6%	64.7%

Notes:

The period covered under the 2017 Exclusive Distribution Agreement for the financial year ended 31 December 2017 commenced on 19 July 2017 and ended on 31 December 2017.

As such, to more accurately reflect the scale of the potential transactions under the 2017 Exclusive Distribution Agreement and to facilitate further business collaboration between the Group and the Max Group in other business areas and optimise the operational efficiency of the Group as a whole, the Board has resolved to adjust the annual cap for the transactions under the 2017 Exclusive Distribution Agreement to RMB200 million for the year ending 31 December 2019. In determining the revised annual cap for the year ending 31 December 2019, the Board has taken into account the following factors: (i) the historical transaction amounts; and (ii) the new sourcing strategies of the Max Group.

The Directors (including the independent non-executive Directors) are of the view that the terms and conditions of the 2017 Exclusive Distribution Agreement are fair and reasonable and in the interests of the Shareholders as a whole, and the continuing connected transactions contemplated under the 2017 Exclusive Distribution Agreement (including the revised annual cap for the year ending 31 December 2019) are on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

Except for Mr. Chiang Jeh-Chung, Jack, the chairman of the Board and an executive Director whose relationship with CAH is set out in the section headed “Implications under the Listing Rules” in this announcement, none of the Directors has or is deemed to have a material interest in the 2017 Exclusive Distribution Agreement and the transactions contemplated thereunder, including the revised annual cap for the year ending 31 December 2019. Mr. Chiang Jeh-Chung, Jack has abstained from voting on the relevant resolutions at the board meetings.

2019 EXCLUSIVE DISTRIBUTION AGREEMENT

On 21 January 2019, SFG and Max Branding (for itself and as trustee for the benefit of the Max Branding Group) entered into the 2019 Exclusive Distribution Agreement for the appointment of the Max Branding Group as the exclusive distributor of the What For Products in the Sales Territories. Further details of the 2019 Exclusive Distribution Agreement are set out below:

Date

21 January 2019

Parties

- (1) SFG, as supplier
- (2) Max Branding (for itself and as trustee for the benefit of the Max Branding Group), as purchaser

Principal terms

Pursuant to the 2019 Exclusive Distribution Agreement, SFG shall grant to Max Branding (for itself and as trustee for the benefit of the Max Branding Group) the rights to (1) market, (2) sell on retail basis (i.e. to end customers) at its Points of Sales and through the Internet, (3) distribute on wholesale basis as the exclusive distributor to the POS Operators for sale on retail basis at their Points of Sales, and (4) use the “What For” trademarks for the marketing, sale and distribution of, among others, the What For Products in the Sales Territories, and the Max Branding Group wishes to engage SFG for the supply of the What For Products from time to time. The distribution right granted by SFG to the Max Branding Group and the POS Operators under the 2019 Exclusive Distribution Agreement does not include the right to open and/or operate any mono-brand store under any of the “What For” trademarks for the sale and distribution of the What For Products on retail basis in the Sales Territories. The Max Branding Group shall be free to negotiate, engage and enter into any transaction, arrangement or agreement or otherwise deal with the POS Operators in respect of the supply of the What For Products by the Max Branding Group to the POS Operators on wholesale basis, and the sale and distribution of the What For Products by the POS Operators at the Points of Sales in the Sales Territories on retail basis, provided that the Max Branding Group shall endeavour to inform SFG of its choice of POS Operators and provide any further information requested by SFG prior to the entering into of any transaction, arrangement or agreement with such POS Operators. In addition, the Max Branding Group shall not practice any kind of active advertising of the What For Products outside the Sales Territories.

To meet the demand for the What For Products in the Sales Territories, members of the Max Branding Group may from time to time serve written purchase order(s) for the purchase of the What For Products to SFG, which shall lapse unless accepted and confirmed by SFG within six working days. The What For Products supplied, labelled, packaged and delivered by SFG shall be in accordance with the patterns, specifications, and quality standards that have been agreed in writing by the Max Branding Group and SFG upon the terms and conditions of the 2019 Exclusive Distribution Agreement and the relevant purchase order(s).

The price for any particular What For Product to be supplied by SFG shall be calculated on the basis of a fixed discount, being not less than 83.6%, as specified in the 2019 Exclusive Distribution Agreement to the then applicable Recommended Retail Price of the What For Product as at the date of the acceptance or confirmation by SFG of the order for the supply of the What For Product. The Recommended Retail Price will be set and revised from time to time by the Group taking into account, among others, the demand for and sales of, and the intended positioning and marketing and sales strategies in respect of the What For Products in each of the Sales Territories, as well as other sales territories within the global market.

Such pricing formula, including the fixed discount to the Recommended Retail Price applicable to the What For Products, has been determined and agreed by the parties after arm's length negotiations. In determining the pricing formula, the Group had taken into account the prices and profit margins at which it has supplied the What For Products to its retail business in the Sales Territories and to Independent Third Parties distributors of the What For Products outside the Sales Territories (collectively, the "**Independent Distributors**"), so as to ensure that the pricing formula so offered by the Group is fair and reasonable and that the profit margin of the Group in supplying the What For Products to the Max Branding Group will be no less favourable to the Group than that in supplying the same to the Independent Distributors.

Under the 2019 Exclusive Distribution Agreement, there is no commitment by the Group to supply any minimum volume or amount of What For Products to the Max Branding Group. The Group is not restricted from supplying the What For Products to Independent Distributors for sales thereof outside the Sales Territories. Before acceptance of any purchase order under the 2019 Exclusive Distribution Agreement in the future, the Group will consider a number of factors, including but not limited to the then available production capacity of the Group, the market demand for the What For Products, and the prices then offered by any interested Independent Third Parties distributors for purchase of the What For Products for distribution purpose and the corresponding profit margin available to the Group. The Directors consider that the above pricing method, together with the above procedures to be taken by the Group, can ensure that the transactions contemplated under the 2019 Exclusive Distribution Agreement will be conducted on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

The 2019 Exclusive Distribution Agreement shall have a term commencing on the date thereof and ending on 31 December 2021, unless otherwise terminated by SFG and/or Max Branding before expiry of its term in accordance with the terms and conditions set out therein.

Annual caps

The Directors expect that the aggregate monetary value of the consideration which will be payable by the Max Branding Group to SFG in connection with the supply of the What For Products pursuant to the 2019 Exclusive Distribution Agreement will not exceed EUR3 million for the period from the date of the 2019 Exclusive Distribution Agreement to 31 December 2019 (in respect of the fall/winter season of 2019), EUR7 million for the year ending 31 December 2020 (in respect of the spring/summer season and the fall/winter season of 2020) and EUR8 million for the year ending 31 December 2021 (in respect of the spring/summer season and the fall/winter season of 2021).

The said annual caps were determined on the basis of (i) the revised product distribution strategy and wholesale workflow adopted by the Group where a stronger emphasis will be put on increasing sell through by matching the actual demand of end consumers; (ii) the expected marked demand for the What For Products in the Sales Territories in the coming years; and (iii) the estimated average Recommended Retail Price per pair of the What For Products in the Sales Territories in the coming years based on the marketing and sales strategies adopted by the Group.

The historical sales revenue of the What For Products recorded by the wholesale business of the Group in the Sales Territories amounted to approximately US\$6.1 million, US\$11.5 million and US\$8.9 million for each of the three years ended 31 December 2018 respectively.

Reasons for the continuing connected transactions

The Max Branding Group is principally engaged in design, development and manufacture of premium quality designer ladies footwear and operation of online retail stores in the PRC and other countries within the global market for brands including Ash. Based on past experience working with the Max Group, such as the distribution of footwear products, leather goods and accessories bearing trademarks owned by the Group by the subsidiaries of Max in the PRC, the Directors consider the Max Group as a reliable retail partner, and both the Group and the Max Group are keen to further their collaboration in terms of distribution of footwear products bearing trademarks owned by the Group in the European and other overseas markets. The Directors consider that it would be in the best interests of the Group to have the What For Products distributed by the Max Branding Group in the Sales Territories, such that the Group could take advantage of the commitment and local market experience and expertise of the Max Branding Group as a leading footwear retail operator in the Sales Territories. In addition, the entering into of the 2019 Exclusive Distribution Agreement will also help ensure continual supply of the Group's Products in the retail markets within the Sales Territories as the Group restructures its distribution channels in the Sales Territories.

The terms and conditions of the 2019 Exclusive Distribution Agreement were negotiated between the parties thereto on an arm's length basis. The Directors (including the independent non-executive Directors) are of the view that the terms and conditions of the 2019 Exclusive Distribution Agreement are fair and reasonable and in the interests of the Shareholders as a whole, and the continuing connected transactions contemplated under the 2019 Exclusive Distribution Agreement are on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

Except for Mr. Chiang Jeh-Chung, Jack, the chairman of the Board and an executive Director whose relationship with Max Branding is set out in the section headed “Implications under the Listing Rules” in this announcement, none of the Directors has or is deemed to have a material interest in the 2019 Exclusive Distribution Agreement and the transactions contemplated thereunder, including the annual caps. Mr. Chiang Jeh-Chung, Jack has abstained from voting on the relevant resolutions at the board meeting.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, CAH and Max Branding are owned as to 60% and 100% respectively by Max, which is indirectly owned as to approximately 64.75% by Mr. Chiang Chih-Chung, who is the brother of Mr. Chiang Jeh-Chung, Jack, the chairman of the Board and an executive Director. As such, Max, CAH and Max Branding are each an associate of Mr. Chiang Jeh-Chung, Jack and a connected person of the Company under the Listing Rules, and the transactions contemplated under the 2017 Master Manufacturing Agreement, the 2017 Exclusive Distribution Agreement and the 2019 Exclusive Distribution Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Since (1) the aggregate of the respective revised annual cap for the 2017 Master Manufacturing Agreement and the 2017 Exclusive Distribution Agreement and the annual cap for the 2019 Exclusive Distribution Agreement for the year ending 31 December 2019; (2) the annual cap for the 2019 Exclusive Distribution Agreement for the year ending 31 December 2020; and (3) the annual cap for the 2019 Exclusive Distribution Agreement for the year ending 31 December 2021 are each expected to represent less than 5% of the applicable percentage ratios, the 2019 Exclusive Distribution Agreement and the transactions contemplated thereunder (including the relevant annual caps) and the revision of the respective annual cap for the year ending 31 December 2019 for the 2017 Master Manufacturing Agreement and the 2017 Exclusive Distribution Agreement are subject to the announcement, annual review and reporting requirements but are exempt from the circular (including independent financial advice) and shareholders’ approval requirements under Chapter 14A of the Listing Rules.

GENERAL

The Company is an investment holding company. The Group is principally engaged in the manufacture and sale of footwear products.

Max is an investment holding company. The Max Group is principally engaged in design, development and manufacture of premium quality designer ladies footwear and operation of online retail stores in the PRC for brands including Ash.

CAH is an investment holding company. The CAH Group is principally engaged in the retail sales of footwear products in the PRC.

Max Branding is an investment holding company. The Max Branding Group is principally engaged in design, development and manufacture of premium quality designer ladies footwear and operation of online retail stores in the PRC and other countries within the global market for brands including Ash.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“2017 Exclusive Distribution Agreement”	the exclusive distribution agreement entered into between SFC as supplier and CAH as distributor on 19 July 2017 in relation to the supply of the Stella Branded Products by SFC to the CAH Group and the grant of the exclusive right to distribute the Stella Branded Products in the PRC by SFC to CAH (for itself and as trustee for the benefit of the CAH Group) for a term commencing on the date thereof and ending on 31 December 2019
“2017 Master Manufacturing Agreement”	the master manufacturing agreement entered into between SIT (MCO) (for itself and as trustee for the benefit of the Group) as supplier and Max (for itself and as trustee for the benefit of Max Group (excluding the CAH Group)) as purchaser on 19 July 2017 in relation to the manufacture and supply of the Max Branded Products by the Group for the Max Group (excluding the CAH Group) for a term commencing on the date thereof and ending on 31 December 2019
“2019 Exclusive Distribution Agreement”	the exclusive distribution agreement entered into between SFG as supplier and Max Branding (for itself and as trustee for the benefit of the Max Branding Group) as purchaser on 21 January 2019 in relation to the supply of the What For Products by SFG to the Max Branding Group and the grant of the exclusive right to distribute the What For Products in the Sales Territories by SFG to the Max Branding Group for a term commencing on the date thereof and ending on 31 December 2021

“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“CAH”	Couture Accessories Holding Limited, a company incorporated in the British Virgin Islands with limited liability, the entire issued share capital of which is owned as to 60% by Max
“CAH Group”	collectively, CAH and its subsidiaries from time to time
“Company”	Stella International Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“continuing connected transaction”	has the meaning ascribed to it under the Listing Rules
“EUR”	Euro, the lawful currency of the European Union
“Group”	collectively, the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	party or parties which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, is/are not connected persons of the Company
“Max”	Max Group Holdings Limited, a company incorporated under the laws of the British Virgin Islands with limited liability, the issued capital of which is indirectly owned as to approximately 64.75% by Mr. Chiang Chih-Chung

“Max Branded Products”	the footwear products bearing any of the trademarks, related ancillary and associated marks, trade names, logos, symbols or other distinctive signs, which the Max Group (excluding the CAH Group) is from time to time licensed to use in connection with such footwear products or the marketing and sales thereof, that the Group is instructed to develop, produce and/or supply to the Max Group (excluding the CAH Group) from time to time under the 2017 Master Manufacturing Agreement
“Max Branding”	Max Branding Limited, a company incorporated under the laws of the British Virgin Islands with limited liability and a wholly owned subsidiary of Max
“Max Branding Group”	collectively, Max Branding and its subsidiaries from time to time
“Max Group”	collectively, Max and its subsidiaries from time to time
“Points of Sales”	the multi-brand stores, shops in shop, outlets, concessionary counters and corners in department stores and duty free stores in the Sales Territories operated by the Max Branding Group or the POS Operator(s)
“POS Operators”	the distributors from time to time designated by the Max Branding Group for the supply and distribution, on wholesale basis, of the What For Products by the Max Branding Group to such distributors, which shall resell and distribute the What For Products at their respective Points of Sales on retail basis in the Sales Territories in accordance with the terms and conditions of the 2019 Exclusive Distribution Agreement
“PRC”	the People’s Republic of China, which, for the purpose of this announcement only, shall exclude Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan

“Recommended Retail Price”	means the recommended selling price(s) (inclusive of any applicable sales tax) for the retail sale of each What For Product as may be designated by the Supplier and informed by the Supplier to Max Branding from time to time.
“RMB”	Renminbi, the lawful currency of the PRC
“Sales Territories”	the domestic markets in various countries in Europe, Africa and the Middle East, excluding business gift networks, the sale of products bearing other trademarks and direct selling networks (sales representatives, telephone and electronic shopping or other telecommunications systems), but including the sale of the What For Products on retail basis through the internet with the destination for delivery of the What For Products within the Sales Territories and the use of the internet for promotion of the What For Products and the trademarks specified by SFG in the Sales Territories
“SFC”	興記時尚(中國)有限公司 (Stella Fashion (China) Limited)*, a wholly foreign owned enterprise established in the PRC with limited liability and an indirectly wholly owned subsidiary of the Company
“SFG”	Stella Fashion Group Limited, a company incorporated under the laws of the British Virgin Islands with limited liability and a wholly owned subsidiary of the Company
“Shareholder(s)”	shareholder(s) of the Company
“SIT (MCO)”	Stella International Trading (Macao Commercial Offshore) Ltd., a Macau commercial offshore company incorporated in the Macau Special Administrative Region and an indirectly wholly owned subsidiary of the Company

“Stella Branded Products”	the footwear products, leather goods and accessories bearing any of the “Stella Luna”, “JKJY”, “What For” or “S by Stella” trademarks or trademarks under application of the Group, the related, ancillary and associated marks, trade names, logos, symbols or other distinctive signs, bearing or including all (but not part of) the words “Stella Luna”, “JKJY”, “What For” or “S by Stella”, which are owned by the Group and licensed to SFC from time to time for use in connection with such footwear products, leather goods and accessories or the marketing and sales thereof in the PRC, that the Group may supply to the CAH Group under the 2017 Exclusive Distribution Agreement
“US\$”	United States dollars, the lawful currency of the United States of America
“What For Products”	the footwear products under any of the “What For” trademarks of the Group and all related, ancillary and associated marks, trade names, logos, symbols and other distinctive signs bearing or including all (but not part of) the words “What For”, which are owned by the Group and licensed to SFG from time to time for use in connection with such products or the marketing and sale of such products or any of them in the Sales Territories, that SFG may supply to the Max Branding Group under the 2019 Exclusive Distribution Agreement

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

Hong Kong, 21 January 2019

As at the date of this announcement, the executive Directors are Mr. Chiang Jeh-Chung, Jack, Mr. Chao Ming-Cheng, Eric, Mr. Chi Lo-Jen and Mr. Chen Li-Ming, Lawrence, 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.