

*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 THIRD QUARTER OF 2023**

The board (the “**Board**”) of directors (the “**Directors**”) of Stella International Holdings Limited (the “**Company**”) would like to provide an update on the business development of the Company and its subsidiaries (collectively, the “**Group**”) for the third quarter of 2023 on a voluntary basis.

#### **TOTAL CONSOLIDATED REVENUE**

For the three months ended 30 September 2023, the Group’s unaudited consolidated revenue<sup>1</sup> decreased by approximately 15.9% to US\$387.2 million (2022: US\$460.5 million). For the nine months ended 30 September 2023, the Group’s unaudited consolidated revenue decreased by approximately 14.3% to US\$1,103.2 million (2022: US\$1,287.7 million).

#### **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 and nine months ended 30 September 2023 is shown in the table below:

	<b>For the three months ended 30 September (Unaudited)</b>		<b>Change</b>	<b>For the nine months ended 30 September (Unaudited)</b>		<b>Change</b>
	<b>2023</b>	2022	<b>(%)</b>	<b>2023</b>	2022	<b>(%)</b>
Revenue ( <i>US\$ million</i> )	<b>377.1</b>	453.6	-16.9	<b>1,074.0</b>	1,261.0	-14.8
Quantity ( <i>million pairs</i> )	<b>12.2</b>	15.0	-18.7	<b>35.8</b>	44.1	-18.8
ASP ( <i>US\$/pair</i> )	<b>30.8</b>	30.2	+2.0	<b>30.0</b>	28.6	+4.9

<sup>1</sup> Including the Group’s manufacturing business, branding business and other businesses not covered herein, and after elimination of inter-segment sales.

\* *For identification purpose only*

Shipment volumes in the three months ended 30 September 2023 decreased by approximately 18.7% year-on-year, due to a shift in the focus of the Group's customer mix and destocking by some customers to manage their inventory issues. Shipment volumes in the nine months ended 30 September 2023 decreased by approximately 18.8% year-on-year. The increase in ASP during both periods was mostly driven by changes to the Group's product mix and customer mix.

## **GROUP PERFORMANCE**

The Group's reshaping of its product and customer mix continued to provide support to its margin expansion strategy. The Group remains confident of reaching the medium-term goals of its Three-Year Plan (2023-2025) of achieving an operating margin of 10% and low-teens annualised growth rate on profit after tax during the three-year period.

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

Hong Kong, 19 October 2023

*As at the date of this announcement, the executive Directors are Mr. Chen Li-Ming, Lawrence, Mr. Chi Lo-Jen, Mr. Gillman Charles Christopher and Mr. Chiang Yi-Min, Harvey; and the independent non-executive Directors are Mr. Bolliger Peter, Mr. Chan Fu Keung, William, BBS, Mr. Yue Chao-Tang, Thomas, Ms. Shi Nan Sun and Ms. Wan Sin Yee, Cindy.*