

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 FOURTH 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 fourth quarter of 2023 on a voluntary basis.

TOTAL CONSOLIDATED REVENUE

For the three months ended 31 December 2023, the Group’s unaudited consolidated revenue¹ increased by approximately 13.5% to US\$389.5 million (2022: US\$343.1 million). For the twelve months ended 31 December 2023, the Group’s unaudited consolidated revenue decreased by approximately 8.5% to US\$1,492.7 million (2022: US\$1,630.8 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 twelve months ended 31 December 2023 is shown in the table below:

| | For the three months ended 31 December | | | Change (%) | For the twelve months ended 31 December | | |
|--------------------------|---|-------|------|---------------|--|-------|------|
| | (Unaudited) | | 2022 | | (Unaudited) | | 2022 |
| | 2023 | 2022 | | | 2023 | 2022 | |
| Revenue (US\$ million) | 380.3 | 335.1 | 13.5 | 1,454.3 | 1,596.1 | -8.9 | |
| Quantity (million pairs) | 13.2 | 11.9 | 10.9 | 49.0 | 56.0 | -12.5 | |
| ASP (US\$/pair) | 28.8 | 28.2 | 2.1 | 29.7 | 28.5 | 4.2 | |

¹ 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 31 December 2023 increased by approximately 10.9% year-on-year, as our differentiated, high-quality footwear products continued to deliver strong sell-through for our customers. Shipment volumes in the twelve months ended 31 December 2023 decreased by approximately 12.5% year-on-year due to the reshaping of the Group's product and customer mix as part of its Three-Year Plan (2023-2025), as well as destocking by some customers during the 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 remains confident of reaching the medium-term goals under 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. Details of the Group's performance (including the consolidated annual results) for the twelve months ended 31 December 2023 are expected to be announced by the Company in March 2024.

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

Hong Kong, 18 January 2024

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.