



Stella Sees Continued Growth in Q3 FY2021 Despite Higher Base

Hong Kong, 21 October 2021 – **Stella International Holdings Limited** (“Stella” or the “Group”; SEHK: 1836), a leading developer, manufacturer and retailer of quality footwear and leather goods products, today announced its unaudited third quarter business update for the three and nine months ended 30 September 2021.

Financial & Operational Highlights:

	For the three months ended 30 September (Unaudited)		For the nine months ended 30 September (Unaudited)	
	2021	2020	2021	2020
Revenue (US\$ million)				
- Manufacturing	431.6	336.7	1,115.3	841.2
Shipment volume (million pairs)	14.9	12.3	41.4	32.6
Average selling price (“ASP”) (manufacturing) (US\$/pair)	28.9	27.5	27.0	25.8

The Group’s unaudited consolidated revenue¹ increased by 27.5% to approximately US\$439.3 million (2020: US\$344.5 million) for the three months ended 30 September 2021 and increased by 32.6% to approximately US\$1,134.8 million (2020: US\$855.7 million) for the nine months ended 30 September 2021, as compared with the corresponding periods in the prior financial year. This was mainly attributable to a continued order recovery in our manufacturing business, particularly in the Luxury, Fashion and Sports categories. Revenue recovery in the three months ended 30 September 2021 was more moderate as compared to the previous quarter due to a higher base.

Our shipment volumes in the three months and nine months ended 30 September 2021 increased by 21.7% and 27.0% year-on-year respectively, although the pace of volume recovery also moderated in the three months ended 30 September 2021 as compared with the three months ended 30 June 2021 due to a higher base. The increase in average selling price (‘ASP’) for the three months ended 30 September 2021 was due to changes in the Group’s customer mix as well as product mix.

Despite the recent wave of COVID-19 infections in Vietnam, our factories, which are located in the north of the country, maintained normal operations during the third quarter of 2021.

Looking ahead, we remain cautiously optimistic for the remainder of 2021. The ongoing COVID-19 situation in Southeast Asia remains a key uncertainty. We are also closely monitoring potential headwinds that could arise from the recently announced electricity controls in the PRC and will take measures to minimise the impact accordingly. We will continue to prioritise margin improvement while bringing our new factory in Indonesia online in the coming months.

Mr. Chi Lo-Jen, Chief Executive Officer of the Group said, “Our efforts to achieve steady shipment volume growth and margin improvement for the full year remains on target. With potential headwinds, such as the

¹ Including our manufacturing business, branding business and other businesses not covered hereof, and after the elimination of inter-segment sales.

COVID-19 situation in Southeast Asia, remaining present, we will continue to work closely with our customers to navigate any challenges that arise.”

Mr. Lawrence Chen, Chairman of the Group, said, “We also remain focused on our long-term development, including the expansion and diversification of our manufacturing base. Our new factory in Indonesia is in the midst of commencing operations and is on schedule to contribute to sales in 2022.”

####

About Stella International Holdings Limited

Stella International (SEHK: 1836) is a leading developer and manufacturer of quality footwear and leather goods. A trusted partner to many of the world’s most sought-after brands, it offers a unique proposition of unparalleled craftsmanship, production flexibility, and strong speed-to-market and commercialization capability, supported by a broad, diverse and proven manufacturing base across China and Southeast Asia.

Stella International was listed on the Hong Kong Stock Exchange in 2007 and is a constituent of the MSCI Hong Kong Small Cap Index.

For further information, please contact:

Macy Leung

Head of Investor Relations

Email: macy.leung@stella.com.hk