



Performance of Stella's Manufacturing Business Remains Resilient in 2Q 2022

Hong Kong, 14 July 2022 – **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 second quarter business update for the three months and six months ended 30 June 2022.

Financial & Operational Highlights:

	For the three months ended 30 June (Unaudited)		For the six months ended 30 June (Unaudited)	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenue (US\$ million) - Manufacturing	432.8	383.9	807.4	683.7
Shipment volume (million pairs)	15.0	14.5	29.0	26.5
Average selling price (“ASP”) (manufacturing) (US\$/pair)	28.7	26.5	27.8	25.8

The Group's unaudited consolidated revenue¹ increased by approximately 13.2% to US\$443.9 million (2021: US\$392.1 million) in the three months ended 30 June 2022 and increased by approximately 18.9% to US\$827.2 million (2021: US\$695.5 million) in the year ended 30 June 2022. This was mostly attributable to increased orders within our manufacturing business during the three months and six months under review.

Shipment volumes in the three and six months ended 30 June 2022 increased by 3.4% and 9.4% year-on-year, mainly supported by our Fashion, Sports and Luxury footwear segments. The increase in the average selling price ('ASP') of our products in the same periods was mostly driven by changes to our product mix and customer mix, as well as higher raw material costs.

The Group is still in the process of finalizing its results for the six months ended 30 June 2022. Based on the preliminary review of our unaudited consolidated management accounts for the six months ended 30 June 2022 and the information currently available, we expect to record a net profit of not less than US\$52.0 million as compared with a net profit of US\$32.2 million for the six months ended 30 June 2021. The increase in profit was mostly attributable to the strong performance of our manufacturing business which benefited from the growth of our Sports and Fashion footwear segments and the addition of new customers within our Luxury footwear segment.

Mr. Chi Lo-Jen, Chief Executive Officer of the Group said, “It is pleasing to see the continued resilience of our manufacturing business in the first half of the year. However, visibility remains a concern for the second half of the year as we grapple with headwinds including inflation, the COVID-19 situation in China and interest rate hikes.”

Mr. Lawrence Chen, Chairman of the Group, said, “Despite the cloudy outlook, we remain laser-focused on our margin-expansion strategy to deliver margin improvement over the full year and beyond. We also remain

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

committed to ramping up our new factory in Solo, Indonesia, as well as setting up another new factory in Indonesia that will support our major sports customer.”

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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.

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