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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)

**BUSINESS UPDATE OF THE GROUP FOR
THE THIRD QUARTER OF 2022**

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 2022 on a voluntary basis.

TOTAL CONSOLIDATED REVENUE

For the three months ended 30 September 2022, the Group’s unaudited consolidated revenue¹ increased by approximately 4.8% to US\$460.5 million (2021: US\$439.3 million), and for the nine months ended 30 September 2022, it increased by approximately 13.5% to US\$1,287.7 million (2021: US\$1,134.8 million). This was mostly attributed to increased orders within our manufacturing business, despite a higher base effect in the three months ended 30 September 2022.

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

MANUFACTURING BUSINESS

An analysis of the revenue, shipment volume and average selling price in relation to the manufacturing business of the Group for the three months and nine months ended 30 September 2022 is shown in the table below:

	For the three months ended 30 September <i>(Unaudited)</i>		Change (%)	For the nine months ended 30 September <i>(Unaudited)</i>		Change (%)
	2022	2021		2022	2021	
Revenue (<i>US\$ million</i>)	453.6	431.6	5.1	1,261.0	1,115.3	13.1
Shipment Volume (<i>million pairs</i>)	15.0	14.9	0.7	44.1	41.4	6.5
Average Selling Price (“ASP”) <i>(US\$/pair)</i>	30.2	28.9	4.5	28.6	27.0	5.9

Shipment volumes in the three months and nine months ended 30 September 2022 increased by approximately 0.7% and 6.5% year-on-year, mainly supported by the Group’s Sports and Fashion segments. The increase in ASP during the same periods was mostly driven by changes to the Group’s product mix and customer mix, as well as higher raw material costs.

The Group will continue to face tougher revenue and shipment volume comparisons in the coming months as its manufacturing business was operating at full utilisation in the second half of 2021. The rapidly changing macroeconomic and geopolitical environment also continues to cloud its order book visibility as certain customers adopt a more cautious response. The Group remains committed to its major long-term capacity expansion projects, with the ramp-up of its new manufacturing facility in Solo, Indonesia, remaining on track.

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

Hong Kong, 20 October 2022

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. Chen Johnny, Mr. Bolliger Peter, Mr. Chan Fu Keung, William, BBS, Mr. Yue Chao-Tang, Thomas and Ms. Shi Nan Sun.