

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 FIRST QUARTER OF 2020**

The board (the “Board”) of directors (the “Directors”) of Stella International Holdings Limited (the “Company”) is pleased to provide an update on the business development of the Company and its subsidiaries (collectively, the “Group”) for the first quarter of 2020.

TOTAL CONSOLIDATED REVENUE

For the three months ended 31 March 2020, the unaudited consolidated revenue¹ of the Group was approximately US\$263.2 million, representing a decrease of approximately 15.8% as compared to the unaudited consolidated revenue of approximately US\$312.6 million for the corresponding period of last year.

Looking forward, the Group will continue to proactively monitor how the COVID-19 outbreak is affecting its customers and will formulate plans that respond to and address these challenges accordingly. In the meantime, the Group will focus on implementing various initiatives internally to safeguard its operational stability, while improving its manufacturing efficiency and cost control. This will enable the Group to better weather the external challenges while ensuring that it is well placed to restore capacity in a more advantageous and margin-accretive manner when demand normalises.

* *For identification purpose only*

¹ *Includes the Group’s manufacturing business and other businesses not covered herein (such as the branding business), and after eliminations of inter-segment sales.*

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 months ended 31 March 2020 is shown in the table below:

	For the three months ended 31 March (Unaudited)		Change (%)
	2020	2019	
Revenue (<i>US\$ million</i>)	256.7	307.1	-16.4
Quantity (<i>million pairs</i>)	11.0	12.7	-13.4
Average Selling Price (<i>US\$/pair</i>)	23.3	24.2	-3.7

The fall in revenue and shipment volumes in the Group’s manufacturing business was mainly attributed to the delayed resumption of production at the Group’s factories in China after the Lunar New Year due to the COVID-19 outbreak, as well as the changing seasonal orders pattern with more customers requiring shorter lead times compared to the same period of last year.

The fall in the ASP of the Group’s products for the three months ended 31 March 2020 was mostly driven by changes to the Group’s product mix and customer mix.

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

Hong Kong, 16 April 2020

As at the date of this announcement, the executive Directors are Mr. Chen Li-Ming, Lawrence and Mr. Chi Lo-Jen; the non-executive Directors are Mr. Chiang Jeh-Chung, Jack and Mr. Chao Ming-Cheng, Eric; and the independent non-executive Directors are Mr. Chen Johnny, Mr. Bolliger Peter, Mr. Chan Fu Keung, William, BBS, Mr. Yue Chao-Tang, Thomas, Mr. Lian Jie and Ms. Shi Nan Sun.