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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 2021**

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 2021 on a voluntary basis.

TOTAL CONSOLIDATED REVENUE

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 the Group’s manufacturing business. Revenue recovery in the three months ended 30 September 2021 was more moderate as compared to the three months ended 30 June 2021 due to a higher base.

MANUFACTURING BUSINESS

An analysis of the revenue, quantity and ASP in relation to the manufacturing business of the Group for the three months and nine months ended 30 September 2021 is shown in the table below:

¹ Including the Group’s manufacturing business (further details of which are presented in the paragraphs headed “Manufacturing Business” in this announcement), and branding business and other businesses (which are not covered herein), and after the elimination of inter-segment sales.

* For identification purpose only

	For the three months ended 30 September			For the nine months ended 30 September		
	(Unaudited)		Change (%)	(Unaudited)		Change (%)
	2021	2020		2021	2020	
Revenue (<i>US\$ million</i>)	431.6	336.7	28.2	1,115.3	841.2	32.6
Shipment Volume (<i>million pairs</i>)	14.9	12.3	21.7	41.4	32.6	27.0
Average Selling Price ("ASP") (<i>US\$/pair</i>)	28.9	27.5	5.3	27.0	25.8	4.7

Shipment volumes in the three months and nine months ended 30 September 2021 increased by 21.7% and 27.0% year-on-year respectively, most of which was attributable to the continued recovery of the Group's orders, particularly in the Luxury, Fashion and Sports categories. However, 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 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, the Group's factories, which are located in the north of the country, maintained normal operation during the third quarter of 2021.

OUTLOOK

The Group remains cautiously optimistic for the remainder of 2021. The ongoing COVID-19 situation in Southeast Asia remains a key uncertainty. The Group is 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.

Looking ahead to the rest of the year, the Group will continue to prioritise margin improvement, while bringing its new factory in Indonesia online.

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

Hong Kong, 21 October 2021

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.