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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 FOURTH 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 fourth quarter of 2021 on a voluntary basis.

TOTAL CONSOLIDATED REVENUE

For the three months ended 31 December 2021, the Group’s unaudited consolidated revenue¹ increased by 44.9% to approximately US\$405.8 million (2020: US\$280.1 million). For the year ended 31 December 2021, the Group’s unaudited consolidated revenue increased by 35.6% to approximately US\$1,540.60 million (2020: US\$1,135.8 million). This was mainly attributable to a continued order recovery in the Group’s manufacturing business.

¹ *Including the Group’s manufacturing business, branding business and other businesses not covered herein, and after the elimination of inter-segment sales.*

* *For identification purpose only*

MANUFACTURING BUSINESS

An analysis of the revenue, quantity and ASP in relation to the manufacturing business of the Group for the three months and the year ended 31 December 2021 is shown in the table below:

	For the three months ended 31 December			For the year ended 31 December		
	(Unaudited)		Change (%)	(Unaudited)		Change (%)
	2021	2020		2021	2020	
Revenue (<i>US\$ million</i>)	396.7	275.9	43.8	1,512.0	1,117.1	35.4
Shipment Volume (<i>million pairs</i>)	14.4	10.8	33.3	55.8	43.4	28.6
Average Selling Price (<i>US\$/pair</i>)	27.5	25.6	7.4	27.1	25.7	5.4

Shipment volumes in the three months and the year ended 31 December 2021 increased by 33.3% and 28.6% year-on-year, respectively, most of which was attributable to the continued recovery of the Group's orders across all product categories.

The increase in ASP for the three months and the year ended 31 December 2021 was mainly due to changes in the Group's customer mix as well as product mix.

OUTLOOK

The Group is cautiously optimistic about order levels for the upcoming Spring and Summer 2022 seasons. It will continue to closely monitor potential headwinds, including the COVID-19 situation in Southeast Asia and the PRC, and will take measures to minimise the impact accordingly.

Looking ahead, the Group will continue to prioritise margin improvement in 2022 while ramping up production at its new factory in Indonesia.

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

Hong Kong, 13 January 2022

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.