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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 SECOND QUARTER OF 2024
AND POSITIVE PROFIT ALERT**

The board (the “**Board**”) of directors (the “**Directors**”) of Stella International Holdings Limited (the “**Company**”) would like to provide the shareholders of the Company (the “**Shareholders**”) and potential investors with an update on the business development of the Company and its subsidiaries (collectively, the “**Group**”) for the second quarter of 2024 on a voluntary basis, and details of the increase in the Group’s earnings level noted during a preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2024 and the information currently available to the Company pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

TOTAL CONSOLIDATED REVENUE

For the three months ended 30 June 2024, the Group’s unaudited consolidated revenue¹ was US\$431.6 million (2023: US\$431.4 million). For the six months ended 30 June 2024, the Group’s unaudited consolidated revenue increased by approximately 7.5% to US\$770.0 million (2023: US\$716.0 million).

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, quantity and average selling price (“ASP”) in relation to the footwear manufacturing business of the Group for the three and six months ended 30 June 2024 is shown in the table below:

| | For the three months | | | For the six months | | |
|-----------------------------------|----------------------|-------|--------|--------------------|-------|--------|
| | ended 30 June | | Change | ended 30 June | | Change |
| | <i>(Unaudited)</i> | | | <i>(Unaudited)</i> | | |
| | 2024 | 2023 | (%) | 2024 | 2023 | (%) |
| Revenue (<i>US\$ million</i>) | 422.5 | 419.5 | 0.7 | 748.8 | 696.9 | 7.4 |
| Quantity (<i>million pairs</i>) | 14.8 | 14.0 | 5.7 | 26.5 | 23.6 | 12.3 |
| ASP (<i>US\$/pair</i>) | 28.7 | 30.2 | -5.0 | 28.3 | 29.6 | -4.4 |

Shipment volumes in the three months and six months ended 30 June 2024 increased by approximately 5.7% and 12.3% year-on-year respectively, with growth mainly driven by the Sports category. The decrease of ASP in both periods was due to the higher proportion of Sports product orders which have a lower ASP.

POSITIVE PROFIT ALERT

The Group is still in the process of finalising its results for the six months ended 30 June 2024. The information contained in this announcement is only based on the Company’s preliminary assessment of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2024 and the information currently available to the Company, and such information has not been audited, reviewed or confirmed by the Company’s auditors and may be subject to further changes or adjustments.

The Board wishes to inform the Shareholders and potential investors that, based on a preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2024, and the information currently available to the Company, the Group is expected to record a net profit of not less than US\$90.0 million for the six months ended 30 June 2024 as compared with a net profit of approximately US\$55.2 million for the six months ended 30 June 2023. The increase in the Group’s net profit for the six months ended 30 June 2024 was mostly attributable to the 12.3% growth in shipment volumes driven by Sports category orders and earlier shipments to certain customers compared to the original shipment plan, an enhanced customer mix, and improved operating leverage resulting from the increased utilisation of its Sports manufacturing facilities.

Details of the Group's performance (including the unaudited consolidated interim results) for the six months ended 30 June 2024 are expected to be announced by the Company in August 2024. Shareholders and potential investors are advised to read the Company's interim results announcement with care when it is published.

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

Hong Kong, 18 July 2024

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. Bolliger Peter, Mr. Chan Fu Keung, William, BBS, Mr. Yue Chao-Tang, Thomas, Ms. Shi Nan Sun and Ms. Wan Sin Yee, Cindy.