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STELLA
INTERNATIONAL

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 2026

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 third quarter of 2026 on a voluntary basis.

TOTAL CONSOLIDATED REVENUE

For the three months ended 30 September 2026, the Group's unaudited consolidated revenue[1] increased by approximately 2.2% to US$412.9 million (2025: US$404.2 million). For the nine months ended 30 September 2026, the Group's unaudited consolidated revenue increased by approximately 1.7% to US$1,199.6 million (2025: US$1,179.2 million).

[1] Including the Group's manufacturing business and other businesses not covered herein, and after the elimination of inter-segment sales.

* *For identification purpose only*

FOOTWEAR MANUFACTURING BUSINESS

An analysis of the revenue, shipment volume and average selling price ("**ASP**") in relation to the footwear manufacturing business of the Group for the three and nine months ended 30 September 2026 is shown in the table below:

	For the three months ended 30 September (Unaudited)		**Change**	**For the nine months ended 30 September (Unaudited)**		**Change**
	2026	2025	(%)	**2026**	2025	(%)
Revenue *(US$ million)*	**396.7**	391.6	1.3	**1,163.3**	1,145.1	1.6
Shipment volume *(million pairs)*	**13.3**	13.9	-4.3	**40.8**	41.4	-1.4
ASP *(US$/pair)*	**29.9**	28.2	6.0	**28.5**	27.7	2.9

In respect of the footwear manufacturing business, the decrease in shipment volumes for the three months ended 30 September 2026 was primarily attributable to the front-loading of production for a certain Casual customer into the first half of 2026 in preparation for the phased shutdown of the Group's footwear factory in the Philippines, which commenced in July 2026. Accordingly, the decrease in shipment volumes for the first nine months of 2026 was in line with expectations. ASP for both the three months and nine months ended 30 September 2026 increased due to a higher-ASP product mix, especially in our Sports segment, as well as increased raw material costs.

GROUP PERFORMANCE

Under its recently announced Three-Year Plan (2026-2028), the Group is focusing on expanding and diversifying its manufacturing base to support its future growth. The Group's new dedicated factory in Vietnam for a premium Sports customer commenced operations in the third quarter of 2026 and is expected to continue ramping up through 2027, while the Group's two new factories in Indonesia and Bangladesh are expected to commence operations in the fourth quarter of 2026. Together with the Group's existing factory in Solo, Indonesia, these new factories will add approximately 20 million pairs to the Group's total production capacity over the coming years. With 2026 set as an investment year, the Group expects the majority of the profit growth from the strategies outlined in its Three-Year Plan to materialise in the latter part of the 2026-2028 period.

In addition, the Group remains committed to returning additional cash of up to US$60 million to Shareholders in 2026 through a combination of share repurchases and special dividends, on top of paying regular dividends with a payout ratio of approximately 70% (comprising final dividends and interim dividends).

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

Hong Kong, 15 October 2026

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. Wan Sin Yee, Sindy and Ms. Ma Hui-Fan, Connie.