Stella's Shipment Volume in 1Q FY2021 Improved From Low Base

Hong Kong, 22 April 2021 – **Stella International Holdings Limited** ("Stella" or the "Group"; SEHK: 1836), a leading developer, manufacturer and retailer of quality footwear and leather goods products, today announced its unaudited first quarter business update for the three months ended 31 March 2021.

Financial & Operational Highlights:

	For the three months ended 31 March (Unaudited)	
	2021	2020
Group consolidated revenue (US$ million)	**303.4**	263.2
Manufacturing revenue (US$ million)	**299.8**	256.7
Average selling price per pair (Manufacturing business) (US$)	**25.0**	23.3
Total shipment during the period (million pairs)	**12.0**	11.0

For the three months ended 31 March 2021, the Group's unaudited consolidated revenue[1] increased by 15.3% to approximately US$303.4 million, compared to the unaudited consolidated revenue of approximately US$263.2 million for the corresponding period of last year. This was mainly attributable to a low base, as the first quarter of 2020 was heavily impacted by the COVID-19 pandemic.

Shipment volumes in the same period increased by 9.1% year-on-year. The increase in average selling price ('ASP') was mainly driven by changes in our product mix and customer mix.

Looking forward, we continue to be cautiously optimistic about the upcoming Summer 2021 season. However, visibility for the second half of 2021 remains low amid ongoing lockdowns in major European countries and will depend on the development of the COVID-19 pandemic and the progress of vaccination programmes around the world. In addition, the COVID-19 pandemic had a significant impact to the normal seasonality of shipment volume and product mix in 2020. This will cause the year-on-year comparison of quarterly shipment volume for the rest of the year to be uneven.

As of 31 March 2021, our financial position remained solid with sufficient cash on hand and total undrawn bank facilities of about US$270 million – more than enough to meet our current business needs. We will continue to prioritise and improve the management of our risk and cash flow, while safeguarding our strong balance sheet.

Mr. Chi Lo-Jen, Chief Executive Officer of the Group said, "Heading into the rest of 2021, we will continue to prioritise margin improvement, while further improving our capabilities to attract more high-quality customers.

[1] Including our manufacturing business, branding business and other businesses not covered hereof, and after the elimination of inter-segment sales.

We will aim to capitalise on promising opportunities that match our business model and proven R&D and commercialisation capabilities, particularly those in our Sports and Luxury categories."

Mr. Lawrence Chen, Chairman of the Group, said, "We are pushing forward with our long-term strategies, including expanding our capacity in Southeast Asia. We will also continue to work and grow with our customers who are expanding into new categories such as athleisure. These initiatives will facilitate the future growth of our business and deliver sustainable returns to our shareholders."

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