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Stella Reports Volume Growth of 3.8% in 2025 and Announces Next Three-Year Plan (2026 –2028)

Board Announces Full-Year Dividend of HK145 Cents, Inclusive of Special Dividend of HK56 Cents

Highlights:

- Shipment volume increased by 3.8%, led by Sports category
- Revenue increased by 1.6% to US\$1,570.2 million
- Operating profit was US\$149.2 million, with an operating margin at 9.5%
- Net profit reported as US\$137.0 million
- Acquired a high-end handbag factory in Vietnam
- Maintained solid net cash position at US\$367.4 million
- Declared final dividend of HK37 cents per share (together with interim dividend, representing a dividend payout ratio of about 70%), and an additional special dividend of HK56 cents per share from excess cash return program. The total dividends for full-year 2025 are HK145 cents.

Hong Kong, 19 March 2026 – **Stella International Holdings Limited** ("Stella" or the "Group"; SEHK: 1836), a leading developer and manufacturer of quality footwear and leather goods products, today announced its annual results for the year ended 31 December 2025.

In 2025, demand for our products and diversified manufacturing capacity remained strong, even against a more challenging operating environment. Revenue and shipment volumes increased by 1.6% and 3.8% year-on-year, mainly driven by our Sports segment and solid demand from our new customers for whom we are ramping up production.

However, our overall performance was weighed down by shortfalls in production efficiency associated with the ramp-up of our new production facility in Indonesia and the Philippines, as well as by tariff support provided to selected U.S. customers as they worked to pass through price adjustments. As a result, we recorded a net profit of US\$137.0 million.

As of 31 December 2025, our net cash position was US\$367.4 million and the Group's net gearing ratio was -33.1%.

Final Dividend in Line 70% Payout Ratio, With Additional Special Dividend of HK56 Cents Under Excess Cash Return Program

After considering the Group's strong cash levels and pre-funded capital expenditure projects, the Board has resolved to recommend the payment of a final dividend of HK37 cents per ordinary share. Combined with the interim dividend of HK52 cents per ordinary share, this maintains the Company's normal payout ratio of approximately 70% set against our adjusted net profit¹ of US\$137.0 million.

We are also delighted to announce a special dividend of HK56 cents per ordinary share. This special dividend fulfils our promise to return US\$60 million annually to our shareholders under our Excess Cash Return Program. Under this program, we plan to distribute an additional US\$60 million annually for the 2026 financial year through a combination of share repurchases and special dividends, in addition to our normal dividend payout ratio of about 70%.

¹ Adjusted net profit represents the profit for the year excluding any change in the net fair value of the Group's investment in Lanvin Group.

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As a result, the full-year dividend for the year ended 31 December 2025 is HK145 cents per ordinary share.

Next Three-Year Plan (2026–2028) Focused on Diversification and Expanding Capacity

Under our new Three-Year Plan (2026–2028), we will continue to grow with our new Luxury and high-end Fashion customers, supporting their expansion into new product categories and helping them drive greater innovation across their collections. We will also further diversify our sources of revenue by ramping up production for our new Sports customers, strengthening their leadership in product innovation by establishing and developing our R&D base in Vietnam.

On the supply side, we are focused on commissioning and ramping up our three new factories in Indonesia, Bangladesh and Vietnam, which together with our factory in Solo, Indonesia, will add approximately 20 million pairs of additional capacity over the coming years, while completing our current investment cycle. We have applied the important lessons learned from overcoming the ramp-up challenges in 2025, enabling us to proceed more smoothly in this area in the years ahead.

We are also committed to establishing our handbag and accessories manufacturing business as a core growth driver, following the acquisition of a high-end handbag factory in Vietnam in the second half of 2025. The new facility will elevate our craftsmanship, product quality and R&D capabilities in this category, which will enable us to further develop and scale up this business.

2026 Outlook – Commissioning and Orderly Ramp-up of Three New Factories

We expect the shifting global tariff landscape to remain a headwind in 2026 and we will continue to monitor the situation and our customers' responses. At the same time, 2026 will be a key investment year for our Group, with the contribution from our three new factories in Indonesia, Bangladesh and Vietnam being modest. Nevertheless, our diversified manufacturing base remains a key differentiator, supporting both customer retention and new-customer acquisition.

Despite these market uncertainties, we expect our non-customer-exclusive manufacturing facilities to operate at close to full utilisation in 2026, supported by strong demand from our new Sports and high-end Fashion customers. Given our strong product development pipeline, we remain well placed and focused on winning additional customers in these segments as more brands reassess their supply chain strategies and consolidate with strategic vendors that offer differentiation, high quality and value. Meanwhile, we expect our dedicated factories for our largest Sports customer in the PRC to experience operating deleverage in 2026.

Mr. Chi Lo-Jen, Chief Executive Officer of the Group, said, "In 2025, we navigated a year marked by stronger macroeconomic headwinds and constant shifts in the global tariff landscape. Yet demand for our products and our diversified manufacturing capacity remained strong, demonstrating both our resilience and the strength of our relationships with customers."

Mr. Lawrence Chen, Chairman of the Group, said, "As we embark on our second Three-Year Plan (2026–2028) to accelerate long-term growth and margin expansion, our foremost priority is the commissioning and orderly ramp-up of our three new manufacturing facilities and completing a new R&D and product development hub in Vietnam. We are confident in our ability to minimise ramp-up risks by applying the lessons we learned in 2025, including strengthening production-quality training, enforcing greater discipline in production planning and material utilisation, and enhancing upstream quality control."

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About Stella International Holdings Limited

Stella International (SEHK: 1836) is a leading developer and manufacturer of quality footwear and leather goods. A trusted partner to many of the world's most sought-after brands, it offers a unique proposition of unparalleled craftsmanship, production flexibility, and strong speed-to-market and commercialization capability, supported by a broad, diverse and proven manufacturing base across China and Southeast Asia.

Stella International was listed on the Hong Kong Stock Exchange in 2007. It is a constituent of the Hang Seng Composite Index and the MSCI Hong Kong Small Cap Index, and eligible to be traded on the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect.

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