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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)

INSIDE INFORMATION
VOLUNTARY PETITION FOR RELIEF UNDER
UNITED STATES BANKRUPTCY CODE FILED BY
A CUSTOMER

This announcement is made by the board (the “**Board**”) of directors (the “**Directors**”) of Stella International Holdings Limited (the “**Company**”) pursuant to Rule 13.09(2)(a) 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 in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Group was notified on 15 June 2023 that The Rockport Company, LLC (“**Rockport**”) and certain of its affiliates had each filed a voluntary petition in the United States Bankruptcy Court for the District of Delaware (the “**Chapter 11 Cases**”) for relief under chapter 11 of the United States Bankruptcy Code (the “**Bankruptcy Code**”). So far as the Directors understand, Rockport and its affiliates intend to continue to manage and operate their business as debtors in possession pursuant to the Bankruptcy Code. Based on information available to the Company, concurrently with the commencement of the Chapter 11 Cases, Rockport and its affiliates have been seeking authority to, among others things, secure debtor in possession financing, honor work-force related compensation and benefit obligations, pay certain prepetition claims, continue using their Debtors’ bank accounts and continue other operations in the ordinary course of business. It is understood that the goals of Rockport and its affiliates are to continue their operations to preserve and maximise value for their estates and their creditors, and to find means to effectuate sale of their assets during the Chapter 11 Cases.

* For identification purpose only

Rockport and its affiliates are the Group's customers for its footwear products. As at the date of this announcement, the outstanding trade receivables owed by Rockport and its affiliates to the Group amounted to approximately US\$24 million (which amount is subject to reconciliation). The Group will seek legal advice in respect of recovery of the outstanding trade receivables and protection for the ongoing supply of products to Rockport and its affiliates by the Group.

While the Group is insured against the credit risk of its counterparties and insurance coverage of approximately US\$8 million is expected to be available in connection with the Chapter 11 Cases, the Directors are of the view that the filing of the Chapter 11 Cases by Rockport and its affiliates may have an adverse impact on the results and operations of the Group, given that (i) the total outstanding trade receivables owed by Rockport and its affiliates net of the US\$8 million insurance coverage represented approximately 13.7% of the Group's net profits for the year ended 31 December 2022 and 1.3% of the Group's total assets as at 31 December 2022 respectively; and (ii) sales to Rockport and its affiliates had been relatively significant to the Group, which contributed approximately 2.0% of the Group's total revenue for the year ended 31 December 2022. The Group will continue to closely monitor the terms of sales to Rockport and its affiliates so as to reduce the Group's exposure to risks of defaults on payments by Rockport and its affiliates for future transactions. Where appropriate, the Group will continue to supply its products to the purchaser(s) (if any) of the businesses of Rockport and its affiliates.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company

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

Hong Kong, 16 June 2023

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.