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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 2023**

The board (the “**Board**”) of directors (the “**Directors**”) of Stella International Holdings Limited (the “**Company**”) would like to provide an update on the business development of the Company and its subsidiaries (collectively, the “**Group**”) for the second quarter of 2023 on a voluntary basis.

#### **TOTAL CONSOLIDATED REVENUE**

For the three months ended 30 June 2023, the Group’s unaudited consolidated revenue<sup>1</sup> decreased by approximately 2.8% to US\$431.4 million (2022: US\$443.9 million). For the six months ended 30 June 2023, the Group’s unaudited consolidated revenue decreased by approximately 13.4% to US\$716.0 million (2022: US\$827.2 million).

#### **MANUFACTURING BUSINESS**

An analysis of the revenue, quantity and average selling price (“**ASP**”) in relation to the manufacturing business of the Group for the three and six months ended 30 June 2023 is shown in the table below:

	<b>For the three months ended 30 June</b>			<b>For the six months ended 30 June</b>		
	<i>(Unaudited)</i>		<b>Change</b>	<i>(Unaudited)</i>		<b>Change</b>
	<b>2023</b>	2022	<i>(%)</i>	<b>2023</b>	2022	<i>(%)</i>
Revenue ( <i>US\$ million</i> )	<b>419.5</b>	432.8	-3.1	<b>696.9</b>	807.4	-13.7
Quantity ( <i>million pairs</i> )	<b>14.0</b>	15.0	-6.7	<b>23.6</b>	29.0	-18.6
ASP ( <i>US\$/pair</i> )	<b>30.2</b>	28.7	5.2	<b>29.6</b>	27.8	6.5

<sup>1</sup> 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*

Shipment volumes in the three months ended 30 June 2023 decreased by approximately 6.7% year-on-year, which was a more moderate decline than seen in the first quarter of 2023 due to the Group's reshaping of its product and customer mix as part of its Three-Year Plan (2023-2025). Shipment volumes in the six months ended 30 June 2023 decreased by approximately 18.6% year-on-year. The increase in ASP during both periods was mostly driven by changes to the Group's product mix and customer mix.

## **GROUP PERFORMANCE**

The Group remains confident of reaching the medium-term goals of its Three-Year Plan of achieving an operating margin of 10% and low-teens annualised growth rate on profit after tax by the end of 2025. Details of the Group's performance (including the unaudited consolidated interim results) for the six months ended 30 June 2023 are expected to be announced by the Company in August 2023.

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

Hong Kong, 13 July 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, Sindy.*