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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 SECOND QUARTER OF 2025

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 second quarter of 2025 on a voluntary basis.

TOTAL CONSOLIDATED REVENUE

For the three months ended 30 June 2025, the Group’s unaudited consolidated revenue¹ increased by approximately 2.9% to US\$444.0 million (2024: US\$431.6 million). For the six months ended 30 June 2025, the Group’s unaudited consolidated revenue increased by approximately 0.7% to US\$775.0 million (2024: US\$770.0 million).

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

* For identification purpose only

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 six months ended 30 June 2025 is shown in the table below:

	For the three months ended 30 June (Unaudited)			For the six months ended 30 June (Unaudited)		
	2025	2024	Change (%)	2025	2024	Change (%)
Revenue (US\$ million)	433.0	422.5	+2.5	753.5	748.8	+0.6
Quantity (million pairs)	15.4	14.8	+4.1	27.5	26.5	+3.8
ASP (US\$/pair)	28.2	28.7	-1.7	27.4	28.3	-3.2

Shipment volumes in the three months and six months ended 30 June 2025 increased by approximately 4.1% and 3.8% year-on-year respectively, mainly driven by the Sports segment, despite a high-base effect from higher shipment volumes in the corresponding period in 2024 when approximately 1 million pairs were shipped ahead of schedule in the first half of 2024, outside normal seasonality. ASP in both periods decreased due to the higher proportion of Sports product orders which have a lower ASP.

GROUP PERFORMANCE

Having achieved an operating profit margin of approximately 11.9% in 2024, the Group is ahead of schedule in meeting the targets of its Three-Year Plan (2023-2025), which are to achieve an operating margin of 10% and a low-teens compound annualised growth rate on profit after tax by the end of 2025. The Group expects to continue meeting these Three-Year Plan targets, despite temporary margin headwinds associated with the ramp-up of our expanded production capacities in Indonesia and the Philippines, and broader macroeconomic uncertainties this year.

The Group also remains committed to returning additional cash up to US\$60 million per year to shareholders in 2025 and 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, 17 July 2025

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 and Ms. Wan Sin Yee, Cindy.