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DAPHNE INTERNATIONAL HOLDINGS LIMITED
達芙妮國際控股有限公司*

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 210)

Unaudited Operational Update for the Fourth Quarter of 2018

The board of directors (the “**Board**”) of Daphne International Holdings Limited (the “**Company**”, which together with its subsidiaries, is referred to as the “**Group**”) provides, on a voluntary basis, the following unaudited operational update of the Group’s operation under “Daphne” and “Shoebox” brands in Mainland China (“**Core Brands**”).

Same-store Sales of Core Brands

The Group’s Core Brands business recorded a high-single-digit decline in its year-on-year same-store sales for the fourth quarter of 2018, which was mainly driven by a decrease in sales volume. During the period of the fourth quarter, average selling price increased by low single digit as compared to the corresponding period of 2017. Overall, the same-store sales for the year ended 31 December 2018 decreased by 7.6% on a year-on-year basis.

The Number of Points of Sale (“POS”) for Core Brands

Responding to the unfavourable macro market, the Group continued with its channel mix adjustments, which led to a net closure of 282 POS (including 270 directly-managed stores and 12 franchised stores) for the fourth quarter of 2018. After a net closure of 941 POS for the whole year of 2018, the Group had a total number of 2,648 POS under its Core Brands business as at 31 December 2018.

The Board wishes to remind the shareholders and potential investors of the Company that the information stated in this announcement is based on the Group’s unaudited operational information which has not been reviewed or audited by the Company’s independent auditor.

Shareholders and potential investors of the Company are cautioned not to unduly rely on such information, and are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Daphne International Holdings Limited
Chang Chih-Kai
Chairman & CEO

Hong Kong, 23 January 2019

* *For identification purpose only*

As at the date of this announcement, the Board of the Company comprises three Executive Directors, namely Mr. Chang Chih-Kai, Mr. Chang Chih-Chiao and Mr. Chen Tommy Yi-Hsun; and three Independent Non-executive Directors, namely Mr. Huang Shun-Tsai, Mr. Kuo Jung-Cheng, and Mr. Lee Ted Tak Tai.