

**DAPHNE INTERNATIONAL HOLDINGS LIMITED**

達 芙 妮 國 際 控 股 有 限 公 司

**Daphne Acquires 60% Equity Interest in Full Pearl**

\* \* \* \* \*

**Expands Brand Portfolio and Taps High-End Footwear Market  
in China**

(5 Jan 2010, Hong Kong) --- **Daphne International Holdings Limited** (“Daphne” or the “Group”) (stock code: 210), a leading retailer of ladies footwear in China that owns the well-known “Daphne” and “Shoebox” brands, announced today that the Group has entered into an agreement to purchase 60% equity interest in Full Pearl International Limited (“Full Pearl”) for a total consideration of HK\$195,000,000.

Daphne has agreed to subscribe for new shares of Full Pearl, representing 40% of Full Pearl, at an aggregate purchase price of HK\$130,000,000. In addition, Daphne will purchase shares representing 20% of Full Pearl from its existing shareholders for HK\$65,000,000.

Full Pearl is a retailer focused on delivering quality high-end footwear in first and second tier cities in China, Taiwan and Hong Kong. It currently operates approximately 200 stores, mostly located in shopping malls in China, selling its own brands as well as licensed brands including the renowned Canadian brand ALDO and American fashion brand Jessica Simpson.

Full Pearl’s own brands:

- “愛意” and “愛魅” are high-end female fashion and footwear brands targeting cosmopolitan customers aged between 20 and 35. Both brands have won wide acceptance and Full Pearl is operating over 180 points-of-sale in first and second tier cities in China under these brands.

Full Pearl’s licensed brands:

- Full Pearl has owned the licenses for the ALDO and Jessica Simpson brands since 2008 and currently operates 10 and 3 self-managed stores under these two brands, respectively. ALDO focuses on providing high quality footwear to both male and female, aged 18 to 40, whereas Jessica Simpson targets customers who value fashionable footwear with comfort.

The Group believes that its investment in Full Pearl will add to its brand portfolio, complement its strong position in the mass market and enable it to expand its presence in the flourishing high-end female footwear market. The Group intends to manage the brands owned by Full Pearl alongside its other high-end female brand such as AREZZO and SOFFT.

The transaction is expected to be completed in the first quarter of this year, subject to customary closing conditions.

**Mr. Chen Ying-Chieh, Chairman of Daphne** said, "We are delighted to become a major shareholder of Full Pearl, and we are confident that this investment will complement our strategy and leverage our proven success in the 'Daphne' and 'Shoebox' brands and develop our position in the high-end footwear markets in Greater China. In addition, Full Pearl will also give us an immediate presence in shopping malls and enhance our market position in the female footwear segment in China."

*(End)*

#### **About Daphne International Holdings Limited**

Established in 1987, Daphne International Holdings Limited was listed on the Main Board of The Stock Exchange of Hong Kong Limited in 1995 and has been admitted as one of the constituent stocks of the Hang Seng Composite Mainland Index, effective on 11 September 2006. The Group is principally engaged in the manufacturing, marketing and distribution of footwear, apparel and accessories products under its own and licensed brands and on an OEM basis. Its major markets include China and the US. In 1990, the Group launched its footwear business in China under the brand name "Daphne" which is now a leading ladies' footwear brand in China. Currently the Group operates over 4,000 outlets, comprising "Daphne", "Shoebox", "adidas", "Arezzo", "Sofft" and "Born" brands, in China and Taiwan.

#### **About Full Pearl International Limited**

Full Pearl, a company incorporated in the British Virgin Islands with limited liability, indirectly owns a number of companies in the Greater China region, including AEE International Ltd. Full Pearl, through its subsidiaries, engages mainly in the distribution of female footwear, including shoes under the AEE, ALDO and Jessica Simpson brands, primarily in the Greater China region.

#### For media enquiries:

Strategic Financial Relations Limited

Esther Chan           Tel: (852) 2864 4825

Doris Chan            Tel: (852) 2114 4950

Fax: (852) 2804 2789 / (852) 2527 1196

Email: [esther.chan@sprg.com.hk](mailto:esther.chan@sprg.com.hk)

Email: [doris.chan@sprg.com.hk](mailto:doris.chan@sprg.com.hk)