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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)**

**CHANGES OF DIRECTORS**  
**AND**  
**MEMBERS OF AUDIT COMMITTEE, REMUNERATION COMMITTEE**  
**AND NOMINATION COMMITTEE**

The Board announces that Ms. Ma Xuezheng has resigned as a non-executive director and a member of the audit committee, the remuneration committee and the nomination committee of the Company with effect from 13 April 2011. The Board also announces the appointment of Mr. Kim Jin-Goon as a non-executive director and a member of the audit committee, the remuneration committee and the nomination committee of the Company, and Mr. Lau Wai Kei, Ricky as an alternate director to Mr. Kim Jin-Goon, all with effect from 13 April 2011.

The board of directors (the “Board”) of Daphne International Holdings Limited (the “Company”) announces that Ms. Ma Xuezheng (“Ms. Ma”) has tendered her resignation as a non-executive director and a member of the audit committee, the remuneration committee and the nomination committee of the Company with effect from 13 April 2011, as she would like to concentrate on other business interests.

The Board express its deepest gratitude to Ms. Ma for her contributions to the Company in the past.

Ms. Ma has confirmed that she has no disagreement with the Board and there is no matter that needs to be brought to the attention of the shareholders of the Company in relation to her resignation from the above-mentioned capacities.

The Board confirms that Ms. Ma’s resignation will not cause any material adverse impact to the operations of the Company and its subsidiaries.

The Board also announces that Mr. Kim Jin-Goon (“Mr. Kim”) has been appointed as a non-executive director and a member of the audit committee, the remuneration committee and the nomination committee of the Company and Mr. Lau Wai Kei, Ricky (“Mr. Lau”) has been appointed as an alternate director to Mr. Kim, all with effect from 13 April 2011.

Mr. Kim, aged 43, is a partner of TPG Capital (“TPG”), a private equity investment firm, an affiliate of Premier China, Ltd. (“Premier China”), which has substantial interests in the convertible bonds and warrants of the Company. Mr. Kim leads TPG’s Operating Group in Greater China, managing operations and serving on the board of several of its portfolio companies. He was Acting Chief Executive Officer and an executive director of China Grand Automotive Service Co., Ltd. from December 2007 to January 2011. Mr. Kim is also a Director of UniTrust Finance & Leasing Corporation and was previously an alternate director to Ms. Ma in the Company, as well as Premier China’s designated observer on the Board. Prior to joining TPG, Mr. Kim worked for Dell Inc., a

NASDAQ-listed company, as the managing director of its Korea business from 2002 to 2006. Before that, Mr. Kim worked as the engagement manager at McKinsey & Company, an international management consulting firm, during 1996 to 2000 and as the vice president of Internet Business Capital Corporation in Cambridge, Massachusetts, a privately funded early-stage venture capital firm, from 2000 to 2002. Mr. Kim graduated from Harvard University with a Bachelor Degree in Arts majored in Government and East Asian Studies in 1992 and a Master Degree in International Trade and Finance in 1997. Mr. Kim also conducted post graduate research in Nanjing-Hopkins Centre in China, and returned to Harvard to pursue his Master of Public Policy.

Mr. Kim has no service contract with the Company and no emolument is payable to him. Pursuant to the Company's Articles of Association (the "Articles"), Mr. Kim's appointment is subject to the retirement by rotation and re-election at the Company's annual general meeting. Save as disclosed above, Mr. Kim does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company nor does he hold any other positions with the Company or any of its subsidiaries. As at the date of this announcement, Mr. Kim does not have any interest (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) in the securities of the Company, and he has not been a director of any other listed companies in Hong Kong and overseas in the past three years.

Save as disclosed above, Mr. Kim is not aware of any other matters that need to be brought to the attention of the shareholders of the Company nor is there any information to be disclosed by the Company pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") in relation to the appointment of Mr. Kim as a director of the Company.

Mr. Lau, aged 41, is a partner of TPG, an affiliate of Premier China, which has substantial interests in the convertible bonds and warrants of the Company. He joined TPG in 1998 and has worked on all of TPG's major transactions completed in China, including TPG's investments in the Company, Shenzhen Development Bank, China Grand Auto Service Co., Ltd., China International Capital Corporation Limited and Lenovo Group Limited. Mr. Lau obtained a Kellogg-HKUST Executive MBA in 2009 and graduated from the University of British Columbia in 1992. He is also a CFA charterholder. Mr. Lau served as a director of Shenzhen Development Bank, a company listed on the Shenzhen Stock Exchange from 2007 to 2010 and currently serves as a director of China Grand Auto Service Co., Ltd. Mr. Lau has also been designated by Premier China as its observer on the Board and an alternate director to Mr. Kim.

Mr. Lau has not entered into any service contract with the Company and no fixed term has been agreed with the Company in relation to his appointment as an alternate director to Mr. Kim. Pursuant to the Company's Articles, the appointment of Mr. Lau as an alternate director to Mr. Kim shall remain effective until Mr. Kim ceases to be a director of the Company or Mr. Lau's appointment has been revoked by Mr. Kim, whichever is earlier. Pursuant to the Articles, Mr. Lau shall not be entitled to receive any remuneration from the Company in respect of his appointment as an alternate director except only such part (if any) of the remuneration otherwise payable to Mr. Kim as he may direct by notice in writing to the Company from time to time.

Save as disclosed above, Mr. Lau does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company nor does he hold any other positions with the Company or any of its subsidiaries. As at the date of this announcement, Mr. Lau is not interested in any shares in the Company within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Lau is not aware of any other matters that need to be brought to the attention of the shareholders of the Company nor is there any information to be disclosed by the Company pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules in relation to the aforesaid appointment of Mr. Lau as an alternate director.

By Order of the Board  
**Daphne International Holdings Limited**  
**Chen Ying-Chieh**  
*Chairman*

Hong Kong, 13 April 2011

*As at the date of this announcement, the Board comprises Mr. Chen Ying-Chieh, Mr. Chang Chih-Kai and Mr. Chang Chih-Chiao being the executive directors, Mr. Chen Hsien Min and Mr. Kim Jin-Goon being the non-executive directors; Mr. Hsiao Hsi-Ming, Mr. Huang Shun-Tsai and Mr. Kuo Jung-Cheng being the independent non-executive directors and Mr. Lau Wai Kei, Ricky being the alternate director to Mr. Kim Jin-Goon.*

\* *for identification purpose only*