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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)

**COMPLETION OF ISSUE OF RMB DENOMINATED US DOLLAR SETTLED  
3.125% CONVERTIBLE BONDS DUE 2014 AND WARRANTS  
AND  
APPOINTMENT OF DIRECTORS AND MEMBER OF AUDIT COMMITTEE,  
REMUNERATION COMMITTEE AND NOMINATION COMMITTEE**

The Board is pleased to announce that the completion of the issue of the Bonds and the Warrants was effected on 12 June 2009. The Board is also pleased to announce the appointment of Mr. Chang Chih-Chiao as an executive director of the Company and Ms. Ma Xuezheng as a non-executive director and a member of the audit committee, the remuneration committee and the nomination committee of the Company, all with effect from 12 June 2009.

Reference is made to the announcement of Daphne International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 25 May 2009 (the “**Announcement**”). Unless otherwise defined herein, terms used in this announcement shall have the meanings given to them in the Announcement.

The board of directors (the “**Board**”) of the Company is pleased to announce that the completion of the issue of the Bonds and the Warrants was effected on 12 June 2009. The Board is also pleased to announce that Mr. Chang Chih-Chiao (“**Mr. Chang**”) has been appointed as an executive director of the Company and Ms. Ma Xuezheng (“**Ms. Ma**”) 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, all with effect from 12 June 2009.

Mr. Chang, aged 26, obtained a bachelor’s degree in visual communication from the Northumbria University in the United Kingdom. Mr. Chang first joined the Group in 2007 as a manager of the brand business and was responsible for market research and overseeing the Group’s brand business operation in China. Since 2009, Mr. Chang has served as the assistant to the general manager of the Group and is primarily responsible for specialised business projects and negotiations. Mr. Chang has not been a director of any listed companies in Hong Kong and overseas in the past three years.

Mr. Chang is the brother of Mr. Chang Chih-Kai, an executive director of the Company, a cousin of Mr. Chen Ying-Chieh, the chairman of the Company, and also a nephew of Mr. Chen Hsien Min, the managing director of the Company. As at the date of this announcement, Mr. Chang has 26% beneficial interest in Lucky Earn International Limited which holds 424,019,995 shares of the Company. Within the meaning of Part XV of the Securities and Futures Ordinance (the “**SFO**”), Mr. Chang is interested in approximately 25.89% of the issued share capital of the Company. Save as disclosed above, Mr. Chang does not have relationships with any other directors, senior management or substantial shareholders of the Company.

\* *for identification purpose only*

Mr. Chang has entered into a service contract with the Company for a term of three years, subject to the retirement by rotation and re-election at the Company's annual general meeting. Mr. Chang is entitled to an annual remuneration of approximately HK\$837,600 which is determined by reference to his experience and qualifications.

There is no information relating to Mr. Chang that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (the "**Listing Rules**"). The directors of the Company are not aware of any other matters relating to his appointment that need to be brought to the attention of the shareholders of the Company.

Ms. Ma, aged 56, is a partner and managing director of TPG Capital ("**TPG**"), a private equity investment firm having interests in the Bonds and Warrants of the Company. Before joining TPG, Ms. Ma was the Senior Vice President and the Chief Financial Officer of Lenovo Group Limited ("**Lenovo**"), a company listed on the Stock Exchange; having been first appointed as an executive director of Lenovo in 1997. Currently Ms. Ma is a non-executive Vice Chairman of Lenovo and a director of the Shenzhen Development Bank, a company listed on the Shenzhen Stock Exchange. From 2003 to 2007, Ms. Ma served as an independent non-executive director of Sohu.com Inc., a NASDAQ listed company.

Ms. Ma has been a member of the Dean's Council of the Kennedy School of Government at Harvard University since 2002. Ms. Ma was nominated for membership of The Hong Kong Institute of Directors in 2000 and has been a member since then, and in 2009 she was appointed as a member of the Listing Committee of the Stock Exchange.

Ms. Ma graduated from the Capital Normal University with a bachelor's degree of Arts and she has over 30 years' experience in financial and executive management.

Ms. Ma has no service contract with the Company and her appointment is subject to the retirement by rotation and re-election at the Company's annual general meeting. There is no emolument payable to her. Save for her position at TPG, she has no relationship with any directors, senior management or substantial shareholders of the Company. As at the date of this announcement, Ms. Ma does not have any interest (within the meaning of Part XV of the SFO) in the securities of the Company, and save as disclosed above, she has not been a director of any other listed companies in Hong Kong and overseas in the past three years.

There is no information relating to Ms. Ma that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules. The directors of the Company are not aware of any other matters relating to his appointment that need to be brought to the attention of the shareholders of the Company.

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

Hong Kong, 12 June 2009

*As at the date of this announcement, the Board comprises Mr. Chen Ying-Chieh, Mr. Chen Hsien Min, Mr. Chang Chih-Kai and Mr. Chang Chih-Chiao being the executive directors, Ms. Ma Xuezheng being the non-executive director and Mr. Hsiao Hsi-Ming, Mr. Huang Shun-Tsai and Mr. Kuo Jung-Cheng being the independent non-executive directors.*