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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 First Quarter of 2014

The board of directors (“the Board”) of Daphne International Holdings Limited (“the Company”, together with its subsidiaries, “the Group”) announces the unaudited operational data and information of the Group’s Core Brands business for the first quarter of 2014 as follows:

	For the first quarter of 2014
Same store sales growth rate <i>(YoY % change)</i>	-9.5%
Net addition/reduction of points-of-sale	-53 <i>(reduced 12 directly-managed stores, and 41 franchised stores)</i>

	As at 31 March 2014
Total number of points-of-sale for Core Brands	6,266

Note: Core Brands business refers to the operation of “Daphne” and “Shoebox” brands in Mainland China

For the first quarter of 2014, the Group’s Core Brands business recorded a same store sales decline of 9.5% year-on-year. The total number of Core Brands points-of-sales reduced, on a net basis, by 53, comprising net closures of 12 directly-managed stores and 41 franchised stores.

The sales performance in the first quarter was mainly affected by the earlier Chinese New Year in 2014, which in effect shortened the preceding festive shopping period when compared to that of last year. However, the Group saw modest signs of sales improvement in the second half of March after spring season emerged and the weather turned to be more favourable.

During the quarter, the Group made aggressive efforts to clear off-season products to improve the overall inventory mix, and therefore exerted pressure on the gross profit margin.

* *for identification purpose only*

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

Shareholders and potential shareholders 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
Chen Ying-Chieh
Chairman

Hong Kong, 11 April 2014

As at the date of this announcement, the Board comprises Mr. Chen Ying-Chieh, Mr. Chang Chih-Chiao, Mr. Chang Chih-Kai and Mr. Chen Tommy Yi-Hsun being the executive directors, Mr. Kim Jin-Goon being the non-executive director (with Mr. Lau Wai Kei, Ricky as the alternate); Mr. Huang Shun-Tsai, Mr. Kuo Jung-Cheng and Mr. Lee Ted Tak Tai being the independent non-executive directors.