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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 2013

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 ended 31 March 2013 as follows:

	For the first quarter of 2013
Same store sales growth rate <i>(YoY % change)</i>	-2.5%
Net addition of points-of-sale	+100 <i>(added 127 directly-managed stores, and reduced 27 franchised stores)</i>

	As at 31 March 2013
Total number of points-of-sale for core brands	6,469

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

For the first quarter of 2013, the same store sales of the Group’s core brands business recorded a marginal year-on-year decline of 2.5%, in view of the high comparison base of 22% growth for the same period of 2012.

The sales performance was also affected by the slow consumption recovery in China, and a colder-than-usual spring season.

We saw signs of improvement in the beginning of the spring season; however, the unfavourable weather in the latter part of March affected the sales momentum of spring items. Average selling price during the period was just slightly lower to that of the same period last year.

Although the consumer demand appears to have softened recently, we remain optimistic that the consumer demand will gradually pick up over the course of the year, especially when the government stimulus to domestic consumption in China begins to take effect later in the year.

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, 15 April 2013

As at the date of this announcement, the Board comprises Mr. Chen Ying-Chieh, Mr. Chang Chih-Kai, Mr. Chang Chih-Chiao and Mr. Chen Tommy Yi-Hsun being the executive directors, Mr. Kim Jin-Goon being the non-executive director; Mr. Huang Shun-Tsai, Mr. Kuo Jung-Cheng and Mr. Lee Ted Tak Tai 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*