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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)

GRANT OF SHARE OPTIONS

This announcement is made pursuant to Rule 17.06A of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The board of directors (the “Board”) of Daphne International Holdings Limited (the “Company”) announces that on 27 January 2010, the Company granted an aggregate of 67,525,000 share options (“Options”) to subscribe for ordinary shares of HK\$0.10 each of the Company (“Shares”) to certain directors and employees under its share option scheme adopted on 29 May 2003 and amended on 7 December 2009 (the “Scheme”). The Options are subject to the acceptance of the grantees (the “Grantees”). Details of such grant are set out below:

Date of grant : 27 January 2010
 Exercise price of Options granted : HK\$6.01 per Share
 Number of Shares underlying the Options : 67,525,000
 Closing price of the Shares on the date of grant : HK\$5.78 per Share

The Options are valid for a period of 10 years from 27 January 2010 to 26 January 2020 (both days inclusive) and their vesting periods are set out as follows:

For 40,000,000 options granted to directors of the Company (“Class I”)

Date	Percentage of Options which will vest and become exercisable
From 27 January 2011	15%
From 27 January 2012	15%
From 27 January 2013	15%
From 27 January 2014	15%
From 27 January 2015	15%
	25% (subject to certain performance targets to be determined by the Board)

For 22,525,000 options granted to employees of subsidiaries of the Company (“Class II”)

Date	Percentage of Options which will vest and become exercisable
From 27 January 2011	20%
From 27 January 2012	20%
From 27 January 2013	20%
From 27 January 2014	20%
From 27 January 2015	20%

For 5,000,000 options granted to employees of subsidiaries of the Company (“Class III”)

Date	Percentage of Options which will vest and become exercisable
From 27 January 2011	12%
From 27 January 2012	12%
From 27 January 2013	12%
From 27 January 2014	12%
From 27 January 2015	12%
From 27 January 2015	40% (subject to certain performance targets to be determined by the Board)

The Options granted to the directors under Class I and their associates under Class II are as follows:

Name of director/associate	Position(s) held	Number of Options
Mr. Chen Ying-Chieh	Chairman and Executive Director	16,000,000
Mr. Chen Hsien Min	Managing Director and Executive Director	12,000,000
Mr. Chang Chih-Kai	Executive Director	6,500,000
Mr. Chang Chih-Chiao	Executive Director	5,500,000
Mr. Chen Yi Hsun (An associate of Mr. Chen Hsien Min)	Employee	4,000,000
Ms. Chang Wan Hsun (An associate of Mr. Chang Chih Kai and Mr. Chang Chih Chiao)	Employee	4,000,000

The grant of Options to the above directors and their associates has been approved by the independent non-executive directors.

3,000,000 Options granted to certain employees under Class III shall vest fully at the time of termination of their employments provided they are terminated by the Company or its subsidiaries prior to 20 January 2015.

Each Option shall entitle the holder of the Option to subscribe for one Share upon exercise of such Option at an exercise price of HK\$6.01 per Share, which represents the highest of (i) the closing price of HK\$5.78 per Share as stated in the daily quotation sheets issued by the Stock Exchange on 27 January 2010 (the date of grant); (ii) the average closing price of HK\$6.01 per Share as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Share.

Save as disclosed above, none of the eligible Grantees is a director, chief executive nor substantial shareholder of the Company, or an associate of any of them (as defined in the Listing Rules).

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

Hong Kong, 27 January 2010

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; Mr. Hsiao Hsi-Ming, Mr. Huang Shun-Tsai and Mr. Kuo Jung-Cheng being the independent non-executive directors and Mr. Kim Jin-Goon being the alternate director to Ms. Ma Xuezheng.

* *for identification purpose only*