

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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 ended 31 March 2012

The board of directors (the “Board”) of Daphne International Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) announces the following operating information of the Group’s core brands business (“Daphne” and “Shoebox” brands business in Mainland China) for the three months ended 31 March 2012 as follows:

	For the three months ended 31 March 2012
Same store sales growth rate (YoY % change)	22%
Net addition of points-of-sale	149 (including net addition of 166 directly-managed stores and net decrease of 17 franchised stores)

	As at 31 March 2012
Number of points-of-sale	5,751

For the first quarter of 2012, the core brands business of the Group achieved a satisfactory double-digit year-on-year growth in same store sales. This favourable performance was due to both the low base of the corresponding period last year and recently bolstered marketing and promotion activities. However, the Group saw intense sales promotions in the PRC ladies footwear market during the review period. These practices together with rising rental and labour costs, have put mounting pressure on the Group’s profit margins. The management is stepping up efforts to enhance operational efficiency and cost control. The Group believes the benefit of these measures will be reflected in its future performance, leading to further value creation for our shareholders.

Potential investors and shareholders of the Company are reminded that the above operating information has not been reviewed or audited by the Company’s independent auditors and investors and shareholders should 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, 12 April 2012

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*