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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)

(1) RESIGNATION OF DIRECTOR
(2) CHANGE OF COMPOSITION OF BOARD COMMITTEES
(3) NON-COMPLIANCE WITH RULES 3.10 AND 3.21 OF THE LISTING RULES

RESIGNATION OF INDEPENDENT NON-EXECUTIVE DIRECTOR

The board of directors (the “**Board**”, each a “**Director**”) of Daphne International Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) announces that Mr. Lee Ted Tak Tai (“**Mr. Lee**”) has tendered his resignation as an independent non-executive Director of the Company on 30 June 2019 and the resignation took effect on 30 June 2019.

Mr. Lee has tendered his resignation due to personal reason and has confirmed that he has no disagreement with the Board and there is no matter relating to his resignation that needs to be brought to the attention of the shareholders of the Company.

The Board would like to express its sincere gratitude to Mr. Lee for his valuable contribution to the Group during his term of office.

CHANGE IN COMPOSITION OF BOARD COMMITTEES

Following the resignation of Mr. Lee, he ceases to be the chairman of the audit committee of the Board (the “**Audit Committee**”) and a member of each of the remuneration committee and nomination committee of the Board. Following the resignation of Mr. Lee, the position of the chairman of the Audit Committee becomes vacant.

NON-COMPLIANCE WITH REQUIREMENTS UNDER RULE 3.10 AND RULE 3.21 OF THE LISTING RULES

According to Rule 3.10(1) of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”), the Company is required to have at least three independent non-executive directors. According to Rule 3.10(2) of the Listing Rules, at least one of the independent non-executive directors of the Company must have appropriate professional qualifications or accounting or related financial management expertise (the “**Qualification**”). According to Rule 3.21 of the Listing Rules, the audit committee of the Company must

* *for identification purpose only*

comprise a minimum of three members, and at least one of whom is an independent non-executive director who has the Qualification.

Following the resignation of Mr. Lee:

- (1) the Company only has two independent non-executive Directors, thus the number of independent non-executive Directors falls below the minimum number required under Rule 3.10(1) of the Listing Rules;
- (2) since Mr. Lee was the only independent non-executive Director of the Company who possesses the Qualification:
 - a. there is no independent non-executive Director of the Company who has the Qualification as required under Rule 3.10(2) of the Listing Rules; and
 - b. the Audit Committee comprises no independent non-executive Director with the Qualification as required under Rule 3.21 of the Listing Rules; and
- (3) the Audit Committee only has two members, thus the number of members falls below the minimum number required under Rule 3.21 of the Listing Rules.

The Company is endeavoring to identify a suitable candidate to fill up the vacancy of independent non-executive Director with appropriate Qualification to meet the requirements set out in Rules 3.10 and 3.21 of the Listing Rules as soon as practicable, and in any event within three months from the effective date of resignation of Mr. Lee as required under Rules 3.11 and 3.23 of the Listing Rules. The Company will make further announcement(s) as and when appropriate.

By order of the Board
Daphne International Holdings Limited
Chang Chih-Kai
Chairman & CEO

Hong Kong, 1 July 2019

As at the date of this announcement, the Board of the Company comprises three Executive Directors, namely Mr. Chang Chih-Kai, Mr. Chang Chih-Chiao and Mr. Chen Tommy Yi-Hsun; and two Independent Non-executive Directors, namely Mr. Huang Shun-Tsai and Mr. Kuo Jung-Cheng.