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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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Daphne International Holdings Limited (the “Company”) will be held at Strategic Financial Relations Limited, Room 3203, 32nd Floor, Admiralty Central 1, 18 Harcourt Road, Hong Kong on Wednesday, 27 May 2009 at 2:30 p.m. for the following purposes:

Ordinary Resolutions

1. To receive and consider the audited Accounts of the Company and the Reports of the Directors and the Auditor for the year ended 31 December 2008;
2. To approve and declare a final dividend for the year ended 31 December 2008;
3. To re-elect the retiring directors and authorise the Board of Directors to fix the directors’ remuneration;
4. To re-appoint the auditor and authorise the Board of Directors to fix their remuneration;
5. To consider and, if thought fit, pass with or without amendments the following resolutions as ordinary resolutions:–

A. “THAT:

- (a) subject to paragraph (b) below, the exercise by the directors of the Company (“Directors”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase issued shares of the Company of HK\$0.10 each on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, under the Hong Kong Code of Share Repurchase, subject to and in accordance with all applicable laws and requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

* *for identification purpose only*

- (b) the approval in paragraph (a) shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to repurchase its own shares at a price to be determined by the Directors;
- (c) the aggregate nominal amount of shares of the Company to be repurchased the Company pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution, and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

“Relevant Period” means the period from the date of passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the Articles of Association of the Company to be held; or
- (iii) the date upon which the authority set out in this resolution is revoked or varied by way of an ordinary resolution of the shareholders of the Company in general meeting.”

B. “THAT:

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and otherwise deal with additional ordinary shares of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such powers, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above, shall be in addition to any other authorisations given to the Directors and shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted, issued or otherwise dealt with or agreed conditionally or unconditionally to be allotted, issued or otherwise dealt with (whether pursuant to an option or otherwise) by the Directors pursuant to the

approval granted in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Articles of Association of the Company; or (iii) the exercise of any options granted under the share option scheme or similar arrangement for the time being adopted or to be adopted for the grant or issue of shares or rights to acquire shares of the Company approved by the Stock Exchange, shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution, and the said approval shall be limited accordingly; and

(d) for the purpose of this resolution:

“Relevant Period” shall have the same meaning as ascribed to it under the resolution set out in paragraph 5A(d) of this Notice; and

“Rights Issue” means the allotment, issue or grant of shares open for a period fixed by the Directors to the holders of shares of the Company on the register of members on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

C. “THAT:

conditional upon the passing of Resolutions Nos. 5A and 5B, the general mandate granted to the Directors pursuant to Resolution No. 5B be and hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the share capital of the Company as stated in Resolution No. 5A above provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution.”

Special Resolution

6. To consider and, if thought fit, pass with or without amendments the following resolution as a special resolution:–

- (a) “THAT the Memorandum of Association of the Company be and are hereby amended in the following manner:

The heading “MEMORANDUM OF ASSOCIATION OF VICTORIA SUCCESS INTERNATIONAL GROUP LIMITED” shall be deleted and be replaced by the words “AMENDED AND RESTATED MEMORANDUM OF ASSOCIATION OF DAPHNE INTERNATIONAL HOLDINGS LIMITED”.

Clause 1

The words “Victoria Success International Group Limited” shall be deleted and be replaced by the words “Daphne International Holdings Limited”.

Clause 2

The words “Maples and Calder, Attorneys-at-Law, P.O. Box 309, George Town, Grand Cayman, Cayman Islands, British West Indies” shall be deleted and be replaced by the words “Codan Trust Company (Cayman) Limited at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands”.

Clause 4

The words “Companies Law (Revised)” in the first line shall be deleted and be replaced by the words “Companies Law Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands”.

Clause 6

The words “Companies Law (Revised)” in the fourth line shall be deleted and be replaced by the words “Companies Law Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands”.

Clause 7

The words “Companies Law (Revised)” in the second and third lines shall be deleted and be replaced by the words “Companies Law Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands” and the words “Section 192” in the second line shall be deleted and be replaced by the words “Section 182”.

The signature blocks and date shall be deleted in its entirety.”

- (b) “THAT the Articles of Association of the Company be and are hereby amended in the following manner:

Article 2

By deleting the word “Associate” in the first column and substituting thereof with the new word “associate”;

By inserting the following new definitions immediately after the definition of “Auditors”:

““Board” or “the Directors” means the board of directors of the Company or the directors present at a meeting of directors of the Company at which a quorum is present, and references in the Articles to Directors shall be to both executive and non-executive Directors unless otherwise indicated;

“business day” means any day on which the Designated Stock Exchange is open for business of dealing in securities. For the avoidance of doubt, where the Designated Stock Exchange is closed for the business of dealing in securities by reason of typhoon, black rainstorm warning or other similar events, such day shall for the purposes of these Articles be counted as a business day;”;

By inserting the following new definition immediately after the definition of “capital”:

““clear business days” or “clear days” in relation to the period of notice, means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;”;

By moving the definition of “Designated Stock Exchange” forward to a position immediately after the definition of “the Company” or “this Company”;

By deleting the definition of “the Directors” in its entirety;

By deleting the definition of “the Law” in its entirety and substituting thereof with the following new definition:

““the Law” means the Companies Law Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands;”;

By inserting the words “in the share capital the Company” after the word “shares” in the definition of “member” or “shareholder”;

By inserting the following new definition immediately after the definition of “month”:

““notice” means written notice unless otherwise specifically stated and as further defined in these Articles;”;

By inserting the following new definition immediately after the definition of “office”:

““ordinary resolution” means a resolution which has been passed by a simple majority of votes cast by such members as, being entitled so to do, vote in person or, in the case of any member being a corporation, by its duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which notice has been duly given in accordance with Article 58(A);”;

By inserting the following new definition immediately after the definition of “the register”:

““registration office” in respect of any class of share capital, means such place as the Board may from time to time determine to keep a branch register of members in respect of that class of share capital and where (except in cases where the Board otherwise directs) the transfers or other documents of title for such class of share capital are to be lodged for registration and are to be registered;”;

By deleting the definition of “special resolution” in its entirety and substituting thereof with the following new definition:

““special resolution” means a resolution which has been passed by a majority of not less than three fourths of votes cast by such members as, being entitled so to do, vote in person or, in the case of such members as are corporations, by their respective duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which notice has been duly given in accordance with Article 58(A); and a special resolution shall be effective for any purpose for which an ordinary resolution is expressed to be required under any provision of these Articles or the Statutes;”;

By inserting the following new definition immediately after the definition of “special resolution”:

““Statutes” means the Law and every other law of the Legislature of the Cayman Islands for the time being in force applying to or affecting the Company, the Memorandum of Association and/or these Articles;” and

By inserting the word “Designated” before the words “Stock Exchange” in the definition of “in writing” or “written”.

Article 4

By deleting the figures “100,000,000” and “1,000,000,000” and substituting thereof with the new figures “1,000,000,000” and “10,000,000,000” respectively.

Article 7(A)

By deleting the words “on a poll”; and “that any holder of shares if the class present in person or by proxy or authorised representative may demand a poll”.

Article 9

By deleting the words “Stock Exchange on which the shares of the Company are listed” and substituting thereof with the new words “Designated Stock Exchange”.

Article 10

By deleting the words “Stock Exchange on which the shares of the Company are listed” and substituting thereof with the new words “Designated Stock Exchange”.

Article 11(C)

By deleting the words “Stock Exchange where the Company’s securities are listed or quoted” and substituting thereof with the new words “Designated Stock Exchange”.

Article 12(A)

By inserting the word “Designated” before the words “Stock Exchange” appearing twice in this Article.

Article 13

By deleting the words “Stock Exchange on which the shares of the Company are listed” and substituting thereof with the new words “Designated Stock Exchange”.

Article 44

By deleting the words “Stock Exchange on which the shares of the Company are listed” in item (i) and substituting thereof with the new words “Designated Stock Exchange”.

Article 47

By deleting the words “Stock Exchange on which the shares of the Company are listed” and substituting thereof with the new words “Designated Stock Exchange”.

Article 55

By deleting the words “Stock Exchange on which the Company’s securities are listed or quoted” and substituting thereof with the new words “Designated Stock Exchange”.

Article 58

By deleting the existing Article 58 in its entirety and substituting thereof with the following Article 58(A) and Article 58(B):

- “58. (A) An annual general meeting shall be called by notice of not less than twenty-one (21) clear days and not less than twenty (20) clear business days and any extraordinary general meeting at which the passing of a special resolution is to be considered shall be called by notice of not less than twenty one (21) clear days and not less than ten (10) clear business days. All other extraordinary general meetings may be called by notice of not less than fourteen (14) clear days and not less than ten (10) clear business days but if permitted by the rules of the Designated Stock Exchange, a general meeting may be called by shorter notice, subject to the Law, if it is so agreed:
- (i) in the case of a meeting called as the annual general meeting, by all the members entitled to attend and vote thereat; and
 - (ii) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent in nominal value of the shares giving that right.

- (B) The notice shall specify the time and place of the meeting and particulars of resolutions to be considered at the meeting and, in case of special business, the general nature of the business. The notice convening an annual general meeting shall specify the meeting as such. Notice of every general meeting shall be given to all members other than to such members as, under the provisions of these Articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, to all persons entitled to a share in consequence of the death or bankruptcy or winding up of a member and to each of the Directors and the Auditors.”

Article 59

By deleting the existing Article 59 in its entirety and substituting thereof with the words “(Intentionally deleted)”.

Article 60

By deleting Article 60 in its entirety and substituting thereof with the following new Article 60:

- “60. The accidental omission to give notice of a meeting or (in cases where instruments of proxy are sent out with the notice) to send such instrument of proxy to, or the non-receipt of notice of a meeting or such instrument of proxy by, any person entitled to receive notice shall not invalidate any resolution passed or any proceedings at any meeting.”.

Article 61

By deleting the existing Article 61 in its entirety and substituting thereof with the words “(Intentionally deleted)”.

Article 68

By renumbering the existing Article 68 as new Article 68(A); and

By inserting the following paragraph immediately after the renumbered Article 68(A) as new Article 68(B):

- “68. (B) At any general meeting a resolution put to the vote of the meeting shall be decided by way of a poll.”.

Article 69

By deleting the existing Article 69 in its entirety and substituting thereof with the words “(Intentionally deleted)”.

Article 70

By deleting the existing Article 70 in its entirety and substituting thereof with the words “(Intentionally deleted)”.

Article 71

By inserting a comma after the words “an equality of votes” and by deleting the words “whether on a show of hands or on a poll,”.

Article 72

By deleting the existing Article 72 in its entirety and substituting thereof with the words “(Intentionally deleted)”.

Article 73

By deleting the existing Article 73 in its entirety and substituting thereof with the words “(Intentionally deleted)”.

Article 74

By deleting the words “on a show of hands” after the words “to any class or classes of shares,”.

Article 77

By renumbering the existing Article 77 as new Article 77(A) and by deleting the words “, whether on a show of hands or on a poll,” in the renumbered Article 77(A).

Articles 77(A)(1) and 77(A)(2)

By renumbering the existing Articles 77(A)(1) and 77(A)(2) as new Articles 77(B) and 77(C) respectively.

Article 81

By deleting the existing Article 81 in its entirety and substituting thereof with the following new Article 81:

“81. The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified at the registration office or the office, as may be appropriate) not less than forty eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote.”

Article 82

By deleting existing Article 82 in its entirety and substituting thereof with the following New Article 82:

“82. No instrument appointing a proxy shall be valid after the expiration of twelve (12) months from the date named in it as the date of its execution, except at an adjourned meeting in cases where the meeting was originally held within twelve (12) months from such date. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.”

Article 83

By deleting the words “to demand or join in demanding a poll and”.

Article 86

By renumbering the existing Articles 86 and 86(A) as new Articles 86(A) and 86(B) respectively.

Article 104(B)

By deleting the words “Stock Exchange where the Company’s securities are listed or quoted” and substituting thereof with the new words “Designated Stock Exchange”.

Article 159

By renumbering the existing Articles 159 and 159(A) as new Articles 159(A) and 159(B) respectively;

By deleting the words “Stock Exchange on which the shares of the Company are listed” and substituting thereof with the new words “Designated Stock Exchange” in the renumbered Article 159(A); and

By deleting the words “Article 159” and substituting thereof with the new words “Article 159(A)” and by inserting the word “Designated” before the words “Stock Exchange” in the renumbered Article 159(B).

Article 160

By deleting the words “Stock Exchange where the Company’s securities are listed or quoted” and substituting thereof with the new words “Designated Stock Exchange”.

Article 164

By inserting the word “Designated” before the words “Stock Exchange” appearing twice in this Article; and

By deleting the word “Member” both after the words “in a prepaid envelop addressed to such” and “notice being duly received by the” and substituting both thereof with the new word “member”.

Article 165

By deleting the word “and” at the end of item (b);

By deleting the full stop at the end of item (c) and substituting thereof with the words “; and”; and

By inserting the following paragraph immediately after item (c):

“(d) may be given to a member either in the English language or the Chinese language, subject to due compliance with the provisions of the Statutes and rules and regulations of the relevant Designated Stock Exchange.”.

Article 171

By renumbering the existing Articles 171 and 171(A) as new Articles 171(A) and 171(B) respectively.”

- (c) “THAT the Memorandum and Articles of Association of the Company consolidating all of the proposed amendments referred to in paragraphs (a) and (b) above and all previous amendments made pursuant to resolutions passed by the members of the Company at general meetings in the form produced to the meeting, a copy of which has been produced to this meeting and marked “A” and initialled by the chairman of this meeting for the purpose of identification, be and are hereby approved and adopted as the amended and restated Memorandum and Articles of Association of the Company in substitution for and to the exclusion of all the existing Memorandum and Articles of Association of the Company with immediate effect.”

By order of the Board
Daphne International Holdings Limited
Chan Oi Chu
Company Secretary

Hong Kong, 21 April 2009

Notes:

1. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company.
2. To be valid, a form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof must be lodged with the Company's share registrar in Hong Kong, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
3. The register of members of the Company will be closed from 25 May 2009 to 27 May 2009, both dates inclusive, during which period no transfer of shares will be effected. In order to be entitled to attend and vote at the meeting and to qualify for the proposed final dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong not later than 4:00 p.m. on 22 May 2009.
4. Where there are joint holders of any share, any one of such persons may vote at any meeting, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto; but if more than one of such joint holders be present any meeting the vote of the senior who tenders a vote, whether a person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand first in the register of members in respect of the joint holding.
5. Please refer to Appendix II of the circular dated 21 April 2009 (the "Circular") for the details of the retiring Directors subject to re-election at the meeting.
6. In relation to resolution No. 5(A), an explanatory statement as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited is set out in Appendix I of the Circular to be dispatched to shareholders.

As at the date of this announcement, the Board comprises Mr Chen Ying-Chieh, Mr Chen Hsien Min, Mr Chang Chih-Kai being the executive directors and Mr Hsiao Hsi-Ming, Mr Huang Shun-Tsai and Mr Kuo Jung-Cheng being the independent non-executive directors.