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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)

CONVERSION OF CONVERTIBLE NOTES

Reference is made to the announcements of Daphne International Holdings Limited (the “**Company**”) dated 15 September 2020, 22 September 2020 and 14 October 2020 respectively (the “**Announcements**”) in relation to, among other things, the issue of the Convertible Notes to the Subscriber. Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

CONVERSION OF CONVERTIBLE NOTES

The Company received a conversion notice from the Subscriber as holder of all outstanding Convertible Notes in respect of the exercise of the Conversion Rights attached to all outstanding Convertible Notes, in the aggregate principal amount of RMB25,300,000 as at 14 October 2023 (being the maturity date of the Convertible Notes, the “**Maturity Date**”), together with all accrued interest thereon which amounted to RMB6,831,000 as at the Maturity Date, at the conversion price of HK\$0.221 per Conversion Share. As a result, the Company allotted and issued 164,541,807 Conversion Shares to the Subscriber on 16 October 2023 (the “**Conversion**”).

Following the Conversion, 164,541,807 Conversion Shares have been issued which rank *pari passu* in all respects among themselves and with all other existing ordinary shares of the Company in issue and they represent approximately 9.07% of the total ordinary shares of the Company in issue immediately before the Conversion and approximately 8.32% of the total ordinary shares of the Company in issue as enlarged by the allotment and issue of the 164,541,807 Conversion Shares upon the Conversion.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Immediately before the Conversion, the Company had 1,814,056,622 ordinary shares in issue and the Subscriber holds 164,914,238 ordinary shares representing approximately 9.09% of the total issued ordinary shares in the Company. Immediately after the Conversion and as at the date of this announcement, the Company has 1,978,598,429 ordinary shares in issue and the Subscriber holds 329,456,045 ordinary shares representing

* *for identification purpose only*

approximately 16.65% of the total issued ordinary shares in the Company. For illustrative purpose only, the shareholding structure of the Company (i) immediately before the Conversion and (ii) immediately after the issue of the 164,541,807 Conversion Shares is set out below:

Shareholder	Immediately before the Conversion		Immediately after the Conversion	
	Number of shares	Approximate %	Number of shares	Approximate %
Lucky Earn International Ltd. <i>(Note 1)</i>	527,442,915	29.08	527,442,915	26.66
Warrior Limited <i>(Note 2)</i>	164,914,238	9.09	329,456,045	16.65
Other public shareholders	1,121,699,469	61.83	1,121,699,469	56.69
Total	1,814,056,622	100.00	1,978,598,429	100.00

Notes:

- Mr. Chang Chih-Kai, the chairman of the board (the “Board”) of directors of the Company (each a “Director”) and an executive Director, and Mr. Chang Chih-Chiao, an executive Director and the chief executive officer of the Company, and their two sisters have beneficial interests of 26%, 26% and 24% each, respectively, in Lucky Earn International Ltd., a company incorporated in the British Virgin Islands.*
- Warrior Limited is wholly owned by Teresaeleven Inc., which in turn is wholly owned by Ms. Quan Qizi.*

By Order of the Board
Daphne International Holdings Limited
Chang Chih-Kai
Chairman

Hong Kong, 16 October 2023

As at the date of this announcement, the Board comprises three Executive Directors, namely Mr. Chang Chih-Kai, Mr. Chang Chih-Chiao and Mr. Wang Jungang; and three Independent Non-executive Directors, namely Mr. Huang Shun-Tsai, Mr. Hon Ping Cho Terence and Mr. Tan Philip.