

[For Immediate Release]

DAPHNE

Daphne Announces 2024 Annual Results Revenue and Profit Attributable to Shareholders up 23% and 71% Respectively

Steady Final Dividend of HK\$0.02 Per Share Dividend Payout Ratio was Approximately 35%

(RMB' million)	For the year ended 31 December		
	2024	2023	Change (%)
Revenue	322.3	262.6	+23%
Operating profit	96.6	67.6	+43%
Profit attributable to shareholders	106.6	62.4	+71%
Basic earnings per share (RMB)	0.054	0.034	+59%
Final dividend per share (HKD)	0.02	0.01	+100%

(26 March 2025 – Hong Kong) – A renowned ladies' footwear brand group in China – Daphne International Holdings Limited (“Daphne” or the “Group”, stock code: 210), today announced its annual results for the year ended 31 December 2024 (the “Year”).

In 2024, in the face of tepid consumer spending and insufficient domestic demand, the Group remained committed to refining its tried-and-true strategies to bolster its market position, demonstrating strong resilience through remarkable operational performance and strong annual results. Both revenue and operating profit experienced significant growth, providing a competitive edge over the broader market and highlighting the Group's capability to navigate challenging times. For the Year, the Group's total revenue increased 23% year-on-year, amounting to approximately RMB322.3 million. Operating profit surged 43% to approximately RMB96.6 million and profit attributable to shareholders significantly increased by 71% to approximately RMB106.6 million, positioning it for sustainable growth ahead. Basic earnings per share was RMB0.054. The Board of Directors recommended the payment of a final dividend of HK\$0.02 per share for the Year. The dividend payout ratio was approximately 35%.

Commenting on the annual results, **Mr. Chang Chih-Chiao, Daphne's Chief Executive Officer**, said, “In 2024, in response to cautious consumer sentiment and the diversification of e-commerce channels, the Group continued to leverage its advantages as an industry leader to bolster its presence across both traditional e-commerce platforms and social media while strategically positioning itself within emerging e-commerce platforms. Drawing on its established competitive advantages and proven strategies, the Group's business sustained healthy growth. Alongside these efforts, the Group consistently optimised its offline distribution channels, supply chain, and brand strategies, resulting in robust sales growth for the dual-brand portfolio ('DAPHNE' and 'DAPHNE.LAB') that exceeds the industry average.”

“DAPHNE”

In 2024, the Group strives to better serve the diverse needs of consumers, “DAPHNE” launched a brand rejuvenation initiative that has achieved remarkable success, with annual sales performance exceeding the Group’s expectations. In September 2024, “DAPHNE” officially announced a new brand ambassador and launched a brand new offline physical store design, making a bold return to the ladies’ footwear market with a refreshed image. This endorsement not only deepens the emotional resonance between the “DAPHNE” brand and contemporary women but also inspires every woman to bravely be herself and walk with confidence. This revitalisation was complemented by the launch of the original “CloudSoft” collection, characterised by its comfort, lightweight design, and functionality, reflecting the brand’s poised yet effortless aesthetic. Additionally, the brand’s new product categories, including children’s shoes and handbags, have shown promising initial results. With these new ventures on track, the “DAPHNE” brand sees significant potential for future growth.

Furthermore, the Group continues to actively bolster its footprint in the e-commerce arena. While maintaining a leading advantage on traditional e-commerce platforms such as “Tmall”, “VIP.com”, and “JD.com”, the Group has also kept investing in emerging platforms like “Douyin” and “Pinduoduo”, achieving higher-than-expected growth and significant results, establishing itself as a top player on these platforms. To further bolster growth, the Group explored innovative sales channels that leverage social media attributes such as “Douyin”, “RedNote” and “DEWU.com”. This strategy not only attracted younger demographics but also generated positive brand exposure among key consumer segments. In addition, “DAPHNE” products are competitively priced and offer excellent value for money, greatly increasing their strong appeal across a wide range of consumers. Recognising the growing preference for value-for-money products, the Group has ramped up its marketing efforts to foster deeper interactions with customers, successfully establishing a strong brand presence on high-traffic online platforms to drive long-term growth. Despite overall market challenges, the Group’s commitment to its brand strategy has once again translated to tangible results.

“DAPHNE.LAB”

The avant-garde brand “DAPHNE.LAB” celebrated its first anniversary with widespread market recognition for its originality and bold, innovative spirit. “DAPHNE.LAB” has brought the “Dare To Be” brand ethos to life through striking designs and creative marketing campaigns, successfully capturing the hearts of young consumers. Leveraging on its product quality, competitive pricing and unique designs, “DAPHNE.LAB” has cultivated a devoted customer base and achieved satisfactory sales performance, particularly in the e-commerce sector.

During the Year, the Group continued to partner with renowned artists and designers to develop innovative collections. In May 2024, “DAPHNE.LAB” launched the co-branded “Quirky Romantic Collection” with an artist, which was met with enthusiastic response. “DAPHNE.LAB” joined creative forces with a prominent Chinese designer in September 2024 to launch “Dare To Break Rules” collection and made its debut on the official Paris Fashion Week runway, bringing Chinese design to the world stage and garnering significant attention from both domestic and international media. These successful collaborations underscore the Group’s unwavering commitment to fostering original design and its ambition to carve out a significant presence globally. In addition, the Group actively partnered with social media influencers to enhance customer interaction, resulting in an increase in sales. The Group has

also expanded market reach by launching “DAPHNE.LAB” online stores and directly-managed stores. In November 2024, it opened a “DAPHNE.LAB” pop-up store in a youth-oriented, non-traditional shopping mall in Chengdu, which has shown better space efficiency than in typical shopping malls. The pop-up store successfully captured the young consumer demographic that resonates with the Group’s products, fostering stronger connections with its target audience.

In light of the growing sales, the Group kept injecting marketing resources to further optimise its supply chain, ensuring stringent quality control from production to retail, striving to be more refined and precise. During the Year, the Group digitised its workflows, and unified and integrated its large-scale transportation processes, resulting in significant improvements in both efficiency and quality control. These advancements have created a more robust and mature supply chain, enabling the Group to continuously expand its product categories to meet evolving consumer demands while maintaining high standards of quality and service.

Outlook

Despite encountering a range of external pressures, China’s long-term potential growth remains robust, bolstered by government initiatives aimed at stimulating economic growth through increased consumer spending and expanded domestic demand. While consumer sentiment remains cautious and price-sensitive, the Group holds a conservative yet optimistic view of the domestic economic outlook for 2025.

Looking ahead to 2025, **Mr. Chang Chih-Chiao, Chief Executive Officer**, said, “To address this cautious and conservative consumer sentiment, the Group will closely monitor policy directions and market trends, making timely adjustments to strategies in product design, category expansion, production techniques, supply chain, and sales channels for greater flexibility in order to cater to consumers who prioritise value and quality. To stay attuned to market demand, the Group will allocate more marketing resources to support the ‘DAPHNE’ brand’s development, including the launch of the Spring 2025 ‘Sweet Dreams’ collection products, alongside the introduction of a new brand ambassador to elevate its appeal. Building on initial successful expansions into new categories such as children’s shoes and handbags, ‘DAPHNE’ will diversify its product offerings while remaining receptive to further growth opportunities. Meanwhile, ‘DAPHNE.LAB’ aims for ambitious sales growth by focusing on developing fashionable, high-quality footwear with unique designs. ‘DAPHNE.LAB’ will also actively seek more collaborative opportunities to expand its reach, particularly among high-spending younger generations. Furthermore, the Group will maintain its focus on e-commerce channels to capitalise on the vibrant online retail market. In the face of the challenging consumer environment, the Group is confident that its years of industry experience and strong brand awareness, combined with efforts to enhance its operations and adaptability, will enable it to stand out and maintain a favourable position in the market to provide high-quality products to consumers and create better returns for the shareholders of the Company and investors.”

– END –

About Daphne

Daphne is a renowned ladies' footwear brand group in China which primarily engaged in the brand licensing, distribution and sale of footwear products and accessories in Mainland China. The Group currently boasts two major brands, among which the core brand "Daphne" has become a leading mass-market ladies' footwear brand in Mainland China. The innovative brand "DAPHNE.LAB", launched in 2023, garnered favorable market response upon the debut of its unique designed original collections.

For enquiries, please contact :

iPR Ogilvy Ltd.

Callis Lau / Emily Chiu

Tel: (852) 2136 6952/ 3920 7659

Fax: (852) 3170 6606

Email: daphne@iprogilvy.com