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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)

Profit Warning – Additional Information

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited and Inside Information Provisions (as defined under the Listing Rules) under Part XIV A of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 24 January 2017 (the “**Announcement**”).

As disclosed in the Announcement, it is expected the net loss for the year ended 31 December 2016 would increase by approximately more than 50%, compared to the net loss for the same period of last year. Unless the context otherwise requires, capitalised terms used in this announcement shall have the same meanings as defined in the Announcement.

After further assessment of the Group’s unaudited management accounts and the information for the year ended 31 December 2016 currently available, the Board of the Company wishes to further update the shareholders of the Company and the potential investors that the Group expected to record (i) a net loss for the year ended 31 December 2016 in the range of approximately HK\$790 million to approximately HK\$840 million as compared to the net loss of HK\$379 million for the same period of last year; and (ii) an operating loss for the year ended 31 December 2016 in the range of approximately HK\$786 million to approximately HK\$845 million, representing an increase of approximately 58% to 70% as compared to the operating loss of HK\$498 million for the same period of last year.

The increase in the expected net loss for the year ended 31 December 2016 is mainly attributable to no deferred tax asset would be recognised for certain temporary differences and tax losses.

Despite the expected net loss for the year ended 31 December 2016, the Group wishes to reiterate that the overall financial position of the Group remains stable as the Group’s net cash, being cash and bank balances less bank loans, would be approximately more than HK\$650 million as at 31 December 2016 compared to net cash of HK\$454 million as at 31 December 2015.

* *for identification purpose only*

As the Company is still in the process of finalising the annual results for the year ended 31 December 2016, the information contained in the Announcement and this announcement is based on the preliminary assessment by the management of the Group on the unaudited financial information of the Group currently available which has not been reviewed or audited by the Company's independent auditors. The annual results of the Group for the year ended 31 December 2016 is expected to be published on 28 March 2017.

Shareholders and potential shareholders of the Company are cautioned not to unduly rely on such information, and are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Daphne International Holdings Limited
Chang Chih-Kai
Executive Director & Chief Executive Officer

Hong Kong, 3 March 2017

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