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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)**

**INTERIM RESULTS ANNOUNCEMENT**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2025**

**HIGHLIGHTS**

- Revenue increased by 17% to approximately RMB198.3 million
- Operating profit increased by 24% to approximately RMB70.5 million
- Profit attributable to shareholders of the Company increased by 15% to approximately RMB64.7 million
- Basic earnings per share was RMB0.033

\* *for identification purpose only*

## INTERIM RESULTS

The board of directors (the “**Board**”) of Daphne International Holdings Limited (the “**Company**”) announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 June 2025, together with the comparative figures for the corresponding period in 2024.

### CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025

		<b>Unaudited</b>	
		<b>Six months ended 30 June</b>	
		<b>2025</b>	<b>2024</b>
	<b>Note</b>	<b>RMB'000</b>	<b>RMB'000</b>
Revenue	3	<b>198,297</b>	168,796
Cost of sales		<b>(92,184)</b>	(83,027)
Gross profit		<b>106,113</b>	85,769
Other income	4	<b>27,114</b>	24,948
Other (losses)/gains - net	5	<b>(638)</b>	703
Selling and distribution expenses		<b>(29,431)</b>	(20,587)
General and administrative expenses		<b>(33,815)</b>	(34,563)
Reversal of impairment loss on financial assets		<b>1,175</b>	462
Operating profit	6	<b>70,518</b>	56,732
Finance costs	7	<b>(112)</b>	(193)
Share of profit of associates		<b>31</b>	53
Profit before income tax		<b>70,437</b>	56,592
Income tax expense	8	<b>(5,838)</b>	(732)
Profit for the period		<b>64,599</b>	55,860
<i>Attributable to:</i>			
Shareholders of the Company		<b>64,685</b>	56,055
Non-controlling interests		<b>(86)</b>	(195)
		<b>64,599</b>	55,860
Earnings per share	9		
- Basic (RMB)		<b>0.033</b>	0.028
- Diluted (RMB)		<b>0.032</b>	0.028

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Profit for the period	<b>64,599</b>	55,860
	-----	-----
Other comprehensive (loss)/income		
<i>Item that may be reclassified to profit or loss:</i>		
Exchange differences on translation of foreign operations	<b>(2,686)</b>	525
	-----	-----
Total comprehensive income for the period	<b>61,913</b>	56,385
	=====	=====
<i>Attributable to:</i>		
Shareholders of the Company	<b>61,999</b>	56,580
Non-controlling interests	<b>(86)</b>	(195)
	-----	-----
	<b>61,913</b>	56,385
	=====	=====

**CONDENSED CONSOLIDATED BALANCE SHEET  
AS AT 30 JUNE 2025**

		<b>Unaudited 30 June 2025 RMB'000</b>	<b>Audited 31 December 2024 RMB'000</b>
<b>Non-current assets</b>			
Investment properties		357,444	365,832
Property, plant and equipment		3,779	4,209
Right-of-use assets		6,194	6,539
Interests in associates		1,222	1,192
Deferred income tax assets		15,459	15,115
		<u>384,098</u>	<u>392,887</u>
<b>Current assets</b>			
Inventories		4,798	4,388
Trade receivables	11	5,844	7,235
Deposits, prepayments and other receivables		14,447	20,015
Other financial assets		133,819	30,477
Cash and cash equivalents		376,643	476,170
		<u>535,551</u>	<u>538,285</u>
<b>Current liabilities</b>			
Trade payables	12	35,443	36,891
Accrued charges and other payables		42,350	38,212
Contract liabilities		14,652	54,081
Lease liabilities		3,990	3,126
Current income tax liabilities		23,935	24,624
		<u>120,370</u>	<u>156,934</u>
<b>Non-current liabilities</b>			
Lease liabilities		2,721	3,854
Deferred income tax liabilities		8,757	8,141
		<u>11,478</u>	<u>11,995</u>
<b>Net current assets</b>		<u>415,181</u>	<u>381,351</u>
<b>Net assets</b>		<u>787,801</u>	<u>762,243</u>
<b>Equity attributable to shareholders</b>			
Share capital		175,202	175,202
Reserves		608,991	583,347
		<u>784,193</u>	<u>758,549</u>
<b>Non-controlling interests</b>		3,608	3,694
<b>Total equity</b>		<u>787,801</u>	<u>762,243</u>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 1 General information

Daphne International Holdings Limited (the “**Company**”) and its subsidiaries (together the “**Group**”) are principally engaged in licensing, distribution and sale of footwear products and accessories in Mainland China.

The Company was incorporated in the Cayman Islands with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The address of its registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands.

These condensed consolidated interim financial statements are presented in Renminbi (“**RMB**”), unless otherwise stated.

These condensed consolidated interim financial statements for the six months ended 30 June 2025 are unaudited and have been reviewed by the audit committee of the Company (the “**Audit Committee**”) and approved for issue by the Board on 20 August 2025.

### 2 Basis of preparation

These condensed consolidated interim financial statements for the six months ended 30 June 2025 have been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants and they should be read in conjunction with the annual financial statements for the year ended 31 December 2024, which have been prepared in accordance with HKFRS Accounting Standards (“**HKFRSs**”).

The accounting policies applied in the condensed consolidated interim financial statements for the six months ended 30 June 2025 are consistent with those adopted in the consolidated financial statements for the year ended 31 December 2024, except for the accounting policies below:

The Group has applied the following amended standards for the first time for their reporting period beginning on 1 January 2025 as set out below.

Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability
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The adoption of the above amended standards did not have any material impact on the Group’s operations or financial position.

The Group has not early adopted the new and amended standards that have been issued but are not yet effective.

### 3 Revenue and segment information

The Group is principally engaged in licensing, distribution and sale of footwear products and accessories in Mainland China.

Chief operating decision-maker has been identified as the executive directors of the Company (the “**Directors**”). Information reported to the executive Directors, for the purposes of resources allocation and assessment of performance, focused specifically on the revenue and the profit or loss of the Group as a whole. Hence, the Directors consider that the Group has only one reportable segment.

The Group’s revenue is derived from external customers located in Mainland China and most of the non-current assets of the Group are located in Mainland China. Accordingly, no geographical segment information is presented.

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB’000</b>	<b>RMB’000</b>
Licensing fee income	<b>85,153</b>	68,575
Sales of goods	<b>113,144</b>	100,221
	<b><u>198,297</u></b>	<u>168,796</u>

### 4 Other income

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB’000</b>	<b>RMB’000</b>
Gross rental income	<b>20,941</b>	19,281
Interest income	<b>5,487</b>	4,703
Government subsidies	<b>9</b>	553
Others	<b>677</b>	411
	<b><u>27,114</u></b>	<u>24,948</u>

### 5 Other (losses)/gains – net

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB’000</b>	<b>RMB’000</b>
Fair value gain on financial assets at fair value through profit or loss	<b>230</b>	158
Gain on disposal of property, plant and equipment	<b>6</b>	-
Net exchange (loss)/gain	<b>(874)</b>	545
	<b><u>(638)</u></b>	<u>703</u>

## 6 Operating profit

Operating profit is stated after charging the following:

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Auditors' remuneration	1,003	1,083
Cost of inventories sold, including provision for inventories of RMB1,180,000 (2024: RMB3,339,000)	92,184	83,027
Depreciation of investment properties	8,388	8,405
Depreciation of property, plant and equipment	675	520
Depreciation of right-of-use assets	1,551	2,149
Employee benefits expense	25,613	23,129
Marketing and promotion expense	11,117	5,241
	<u>          </u>	<u>          </u>

## 7 Finance costs

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Interest on lease liabilities	112	193
	<u>          </u>	<u>          </u>

## 8 Income tax expense

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Current income tax – Mainland China	660	732
Deferred income tax	5,178	-
	<u>          </u>	<u>          </u>
	<u>5,838</u>	<u>732</u>

Income tax expense is recognised based on management's estimate of weighted average effective annual income tax rate expected for the full financial year.

## 9 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to shareholders of the Company of RMB64,685,000 (2024: RMB56,055,000) by the weighted average number of 1,978,598,429 shares (2024: 1,978,598,429 shares) in issue for the six months ended 30 June 2025.

Diluted earnings per share is calculated by dividing the profit attributable to shareholders of the Company by the adjusted weighted average number of shares, after taking into consideration of the exercise of share options as follows:

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>Number of</b>	<b>Number of</b>
	<b>shares</b>	<b>shares</b>
Weighted average number of shares in issue	<b>1,978,598,429</b>	1,978,598,429
Effect of exercise of share options	<b>49,621,345</b>	-
	<hr/>	<hr/>
Adjusted weighted average number of shares for dilution effect	<b>2,028,219,774</b>	1,978,598,429
	<hr/>	<hr/>

On the other hand, 11,250,000 share options were not dilutive as the exercise price of these share options exceeded the average market price of the Company's shares for the six months ended 30 June 2025 and were excluded in the calculation of diluted earnings per share.

For the six months ended 30 June 2024, basic and diluted earnings per share were the same since the share options were not dilutive as the exercise price of the share options exceeded the average market price of the Company's shares.

## 10 Dividends

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Final dividend of HK\$0.02 per share for the year ended 31 December 2024 (2024: HK\$0.01 per share for the year ended 31 December 2023) provided for or paid during the period	<b>36,355</b>	17,934
	<hr/>	<hr/>

The Board did not recommend the payment of an interim dividend for the six months ended 30 June 2025 (2024: Nil).

## 11 Trade receivables

	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Trade receivables	14,127	16,636
Less: loss allowance	(8,283)	(9,401)
Trade receivables - net	<u>5,844</u>	<u>7,235</u>

The ageing analysis of trade receivables, net of loss allowance, based on invoice date is as follows:

	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
0 - 30 days	2,794	5,433
31 - 60 days	957	1,251
Over 60 days	2,093	551
	<u>5,844</u>	<u>7,235</u>

The carrying amounts of trade receivables, net of loss allowance, are denominated in RMB and approximate their fair value. The Group generally allows a credit period of 30 to 60 days to its trade customers. Certain customers may have specific extended terms agreed upon with the Group.

## 12 Trade payables

The carrying amounts of trade payables are considered to be the same as their fair value due to their short-term in nature. The ageing analysis of trade payables based on invoice date is as follows:

	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
0 - 30 days	33,074	34,729
31 - 60 days	278	43
Over 60 days	2,091	2,119
	<u>35,443</u>	<u>36,891</u>

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

In the first half of 2025, unresolved global geopolitical conflicts, shifting trade relations, lacklustre consumer confidence, and financial markets turbulence created a cloud of uncertainty over the global economy, dampening growth prospects. In China, despite increased instability and uncertainty in the external environment posing some challenges to its stable economic operation, the government actively coordinated domestic economic work and international economic and trade cooperation. It accelerated the implementation of more proactive and effective macroeconomic policies, with a strong focus on stabilising the national development. Amid a sluggish global economic recovery, China's gross domestic product (GDP) grew 5.3% year-on-year in the first half of 2025, according to the National Bureau of Statistics of China. The Chinese economy has demonstrated strong resilience, and its long-term sound economic fundamentals and the overall trend toward high-quality development remain unchanged.

As part of its strategy to boost domestic consumption, China's consumer goods "trade-in policy" has continued to prove effectiveness, driving retail sales growth and a clear trend toward consumption upgrading. In the first half of 2025, the total retail sales of consumer goods rose 5.0% year-on-year, with retail sales of goods up by 5.1%. While consumers have responded positively to the "trade-in policy", they remain cautious and are shifting towards a more rational consumption approach that prioritises high cost-effectiveness, quality and experiences. Meanwhile, consumer confidence in domestic brands, particularly among younger generations, has increased. In response, the Group actively adapted its strategy to these trends to better align with evolving preferences.

The rising influence of younger generations has propelled online shopping, contributing to sustained growth momentum in China's e-commerce market. In the first half of 2025, online retail sales reached RMB7.43 trillion, up by 8.5% year-on-year, though below the 9.8% growth was recorded in the previous year. Despite market expansion, competition has intensified due to declining consumer interest, stagnant user growth and increasingly homogenised marketing strategies. The prominence of content-driven platforms has transformed China's e-commerce landscape, emphasising ecosystem synergy and value-driven consumer interaction becoming mainstream, replacing the price-based competition model. In this challenging environment, the Group continued to develop online operations to leverage its advantages as an industry leader on the one hand. It invested in traditional e-commerce platforms and social media, while also actively expanding into emerging platforms to secure a favourable market position. On the other hand, the Group cautiously advanced its offline channels operated by our franchisees and strengthened its supply chain and brand building initiatives.

#### *The Group's Performance*

Seizing on resilience as a key to long-term success, the Group navigated market changes and evolving consumer preferences with a robust, forward-looking strategy. By striking a balance among brand licensing, wholesale and direct retail operations, the Group achieved a diversified business layout and consolidated the foundation for sustainable growth. Adopting a dual-focus approach, the Group devoted substantial effort to bolstering the core "DAPHNE" brand's industry leadership while vigorously cultivating the "DAPHNE.LAB" brand to capture new market opportunities. Through unique product design, strategic collaborations, influential brand ambassadors and innovative marketing, the Group effectively communicated its brand philosophy and values. This multi-pronged strategy fostered greater emotional connections with a diverse consumer base, thereby enhancing brand loyalty and building competitive edge.

Although macroeconomic indicators were generally positive, the domestic retail landscape remained highly challenging, mounting considerable pressure on both online and offline operations. Even as an industry leader, the Group faced heightened operational challenges during the period. Guided by an experienced management team, the Group further refined its established operating model, strengthened brand licensing and distribution business and adopted lean supply chain management to build resilience and adaptability. Adhering to a prudent principle and drawing on its proven development strategies, the Group achieved a well-paced expansion of its online network while maintaining a stable offline network.

Amid continued growth in online retail, new consumer trends emerged, characterised by increasingly rational, pragmatic and segmented behaviours. Consumers value not only practicality but also the emotional resonance provided by brands. Consumption patterns have become increasingly stratified and purpose-driven, with personalised experiences gaining prominence and vertical markets offering fresh opportunities for significant growth. Capitalising on the evolving e-commerce landscape and ongoing industry expansion, the Group leveraged its leadership and resources advantages to broaden its online licensing network, strengthen its presence on emerging e-commerce platforms and enhance digital marketing efforts across both traditional and emerging channels. In addition, the successful diversification into other product categories last year, such as children's shoes and handbags, further fuelled the ongoing expansion in brand licensing.

Despite shifting in consumer behaviour and ongoing industry pressures, the Group's multi-faceted efforts enabled it to deliver steady growth in both revenue and operating profit. For the six months ended 30 June 2025, the Group's total revenue increased by 17% year-on-year to approximately RMB198.3 million (2024: RMB168.8 million) while the Group's operating profit increased by 24% to approximately RMB70.5 million (2024: RMB56.7 million). The Group consistently delivered satisfactory results and remained firmly on track to achieve its development goals. Its steady progress underscores the Group's resilience and effective execution, enabling it to sustain healthy growth even amid a challenging operating environment.

For the six months ended 30 June 2025, basic earnings per share was RMB0.033 as compared to the basic earnings per share of RMB0.028 for the same period in 2024. The board of directors did not recommend the payment of an interim dividend for the six months ended 30 June 2025 (2024: Nil).

### ***Brand Licensing and Distribution Business***

Driven by an unwavering commitment to brand licensing and distribution, the Group has achieved tangible results in recent years, positioning this focus as a cornerstone of its steady development. Thanks to its continued efforts, the "DAPHNE" brand now stands as a leader in women's footwear industry in Mainland China. To further cement this leadership, the Group remains firmly dedicated to the meticulous brand management as well as the licensing and distribution of products, mainly including women's dress shoes and casual shoes, across online and offline channels.

To stay at the forefront of changing consumer preferences, "DAPHNE" has undertaken a holistic transformation, establishing itself as more than just a footwear brand. Building on last year's successful brand revamp, the Group announced Victoria Song, a renowned Chinese artist, as its new global brand spokesperson with the launch of the "Reborn In Time" fashion editorial in May 2025, marking an exciting new chapter. Victoria Song's chic style, confidence and widespread influence have infused "DAPHNE" with vibrant, fashion-forward energy, perfectly embodying the brand philosophy of "Just Be Yourself" and resonating strongly with young consumers. The announcement generated widespread market buzz across social media, outdoor advertising and digital platforms, sparking a dazzling brand comeback that not only reinforced loyalty among existing customers, but also successfully attracted younger demographics. This surge in brand interest translated into greater public recognition, an enhanced brand reputation and improved sales performance. "DAPHNE" brand rejuvenation has also reached to the very core of product design, with originality at the heart of its identity. Fusing superior comfort with an effortlessly chic aesthetic, the original "CloudSoft" collection has gained significant sales traction following spokesperson endorsement. Building on last year's positive receptivity, the Group has continued to expand into other products for "DAPHNE", such as children's shoes and handbags, consistently delivering promising results and creating substantial future growth potential for the brand. In June, "DAPHNE" collaborated with a French fashion and life-style brand to launch a pop-up store in Paris's trendy Marais district, sparking local excitement, forging new connections and reinforcing its vibrant, fashion-forward image. These initiatives have deepened emotional resonance with consumers, positioning "DAPHNE" as a vibrant, inspirational brand that empowers its audience.

With structural changes reshaping the e-commerce sector, driven largely by the prominence of interest-based, content-driven platforms, market segmentation and consumer expectations have reached new heights. Leveraging its position as a market leader, the Group actively bolstered its brand licensing business by maintaining its presence on established e-commerce platforms such as “Tmall” and “JD.com”, while also achieving notable growth on emerging channels like “Douyin” and “Pinduoduo”. Recognising that consumer loyalty increasingly stems from emotional connection rather than competitive pricing alone, the Group has actively leveraged popular platforms such as “Kuaishou”, “RedNote” and “DEWU.com” to reach younger audiences through short-form videos and collaborations with influencers, fostering meaningful engagement and enhancing positive exposure across digital platforms. In March, “DAPHNE” debuted a video series in which each episode features a different female guest from various backgrounds, sharing her story and perspective. By bringing authentic voices to light, the series echoed the brand’s core value and reinforced a more relatable brand image. Coupled with its highly attractive and accessible pricing strategy, this content-driven approach has broadened “DAPHNE” appeal among diverse consumer groups and created strong market resonance, thereby strengthening its brand equity and expanding its online presence in China’s dynamic e-commerce landscape.

The Group’s efforts in brand building, digital engagement and e-commerce development have further strengthened “DAPHNE” market position. This has successfully expanded its penetration among diverse consumer groups, setting the stage for the brand’s sustained operational momentum. Even in the face of market challenges, the Group, while executing its brand licensing strategy, has maintained strong control over its supply chain and retail pricing, ensuring product quality and stable pricing, continuing to drive steady revenue growth and was staying on course for long-term sustainable development. For the six months ended 30 June 2025, the Group’s licensing fee income grew 24% year-on-year to approximately RMB85.2 million (2024: RMB68.6 million), while the wholesale of goods under licensing arrangements recorded a steady increase of 12% year-on-year to approximately RMB102.7 million (2024: RMB91.5 million).

As weak consumer confidence remains the primary impediment to economic recovery, the Group was calmly responding to the current complex market environment. Its offline franchised retail network expansion strategy continues to be cautious and conservative, focusing on optimising the quality of existing stores and the profitability per store. Strategic adjustments are made in accordance with the constantly evolving macroeconomic environment and retail market landscape. As at 30 June 2025, there were 116 (As at 31 December 2024: 111) physical shops and 1,150 (As at 31 December 2024: 790) online shops, all operated by our franchisees under the licensing arrangement of the Group.

### ***Retail Business***

Since its debut just two years ago, the Group’s avant-garde brand “DAPHNE.LAB” has garnered positive reception for its daring aesthetic and strong brand image. Its commitment to quality, originality and emotional value has struck a chord with a new generation of fashion-forward consumers who prioritise “value for money”. The brand has also gained traction and love from numerous well-known Chinese and Korean celebrities and K-pop girl group members, gradually becoming their preferred stylish footwear. The growing presence among celebrities has led to increased coverage and discussion in domestic and international media, significantly enhancing its global influence and reputation. With consistent e-commerce sales growth and increasing brand recognition, “DAPHNE.LAB” is quickly establishing itself as a rising star in the industry, proving the effectiveness of its creative strategy.

Driven by a forward-looking vision and a strong track record in creative collaborations with emerging designers and artists, the Group continued to strategically invest resources in product innovation and brand building. This spring, “DAPHNE.LAB” partnered with a trendsetting artist to launch the “Lollipop 2.0” slippers, a bold reinterpretation of a classic style centered on rebellion and individuality, embodying its “Dare To Be” brand ethos. The collection was met with enthusiastic market response upon launch, further strengthening the brand’s connection with consumers. On International Women’s Day, “DAPHNE.LAB” hosted a K-pop dance community event, continuously deepening the brand’s K-pop cultural DNA penetration among Gen Z youth, while also showcasing the Group’s commitment to building interactive, experience-driven brand relationships. Meanwhile, “DAPHNE.LAB” continued to collaborate with celebrities and influencers across various platforms, creating diverse and engaging content to boost brand awareness, drive product sales, and accelerate market penetration.

Benefitting from increased exposure through celebrities and influencers and impactful digital marketing, “DAPHNE.LAB” achieved considerable e-commerce growth, fuelling the rapid expansion of its loyal customer base. This positive market response has also provided a solid foundation for the Group’s offline retail development. Currently, the Group operates 2 directly-managed offline stores and 6 online shops under the brand of “DAPHNE.LAB”, and continues to refine its offline strategy in line with consumer trends and retail dynamics. For example, its pop-up store at a vibrant, youth-oriented shopping and lifestyle landmark in Chengdu, demonstrated more ideal single-store operating efficiency compared to traditional shopping malls and strengthened the brand’s resonance among young consumers. It also provided the Group with valuable experience in operating high-concept retail stores, which will aid in future exploration of more impactful offline retail formats.

A resilient and agile supply chain is essential to staying competitive in today’s fast-paced consumer market. To that end, the Group has been optimising its supply chain to improve overall efficiency and maintain strict quality control. The measures taken by the Group have strengthened its ability to respond swiftly to market demands and effectively translate innovative designs into market-ready products. As a result, during the period under review, the Group successfully navigated short-term challenges and continued scaling order fulfilment, further strengthening both brand competitiveness and market presence.

## FINANCIAL REVIEW

### Financial Highlights

	<b>Unaudited For the six months ended 30 June</b>		
	<b>2025</b>	<b>2024</b>	<b>Change</b>
Revenue (RMB’ million)	<b>198.3</b>	168.8	+17%
Other income (RMB’ million)	<b>27.1</b>	24.9	+9%
Operating profit (RMB’ million)	<b>70.5</b>	56.7	+24%
Profit attributable to shareholders (RMB’ million)	<b>64.7</b>	56.1	+15%
Operating margin (%)	<b>35.6</b>	33.6	+2.0 ppt
Net margin (%) (Note 1)	<b>32.6</b>	33.2	-0.6 ppt
Basic earnings per share (RMB)	<b>0.033</b>	0.028	+18%
	<b>Unaudited As at 30 June 2025</b>	<b>Audited As at 31 December 2024</b>	<b>Change</b>
Cash and cash equivalents (RMB’ million)	<b>376.6</b>	476.2	-21%
Equity attributable to shareholders (RMB’ million)	<b>784.2</b>	758.5	+3%
Current ratio (times) (Note 2)	<b>4.4</b>	3.4	+29%
Net gearing ratio (%) (Note 3)	<b>Net cash</b>	Net cash	N/A

Notes:

1. The calculation of net margin (%) is based on profit attributable to shareholders divided by revenue for the relevant period.
2. The calculation of current ratio (times) is based on total current assets divided by total current liabilities as at the relevant period/year end.
3. The calculation of net gearing ratio (%) is based on net debt (being lease liabilities less cash and cash equivalents) divided by equity attributable to shareholders as at the relevant period/year end.

## Revenue and Gross Profit

The Group's revenue mainly comprises licensing fee income and sales of goods in Mainland China. For the six months ended 30 June 2025, the Group's total revenue amounted to approximately RMB198.3 million (2024: RMB168.8 million), an increase of 17% compared to the corresponding period in 2024.

	<b>Unaudited</b>		
	<b>For the six months</b>		
	<b>ended 30 June</b>		
	<b>2025</b>	<b>2024</b>	<b>Change</b>
	<b>RMB' million</b>	<b>RMB' million</b>	
Licensing fee income	<b>85.2</b>	68.6	+24%
<i>Sales of goods - wholesale</i>	<b>102.7</b>	91.5	+12%
<i>Sales of goods - retail</i>	<b>10.4</b>	8.7	+20%
Total sales of goods	<b>113.1</b>	100.2	+13%
Cost of sales	<b>(92.2)</b>	(83.0)	+11%
Gross profit from sales of goods	<b>20.9</b>	17.2	+22%
<i>Gross margin from sales of goods</i>	<b>18.5%</b>	17.2%	+1.3 ppt
Total revenue	<b>198.3</b>	168.8	+17%
Total gross profit	<b>106.1</b>	85.8	+24%

During the first half of 2025, revenue from licensing fee income increased by 24%, from approximately RMB68.6 million to approximately RMB85.2 million, mainly attributable to the increase in overall volume of footwear products and other product categories licensed to the online franchisees compared to the corresponding period in 2024.

The Group also engages in the distribution of footwear products and accessories for better quality control and supply chain management to both online and offline franchisees. For the six months ended 30 June 2025, revenue from wholesale of goods amounted to approximately RMB102.7 million (2024: RMB91.5 million), representing an increase of 12% compared to the same period last year, primarily due to the increase in sales volume of products to our franchisees.

The retail business of the Group is primarily for the directly-managed online and offline shops of "DAPHNE.LAB" brand. During the six months ended 30 June 2025, the revenue generated from the retail business was approximately RMB10.4 million (2024: RMB8.7 million), representing an increase of 20% compared to the corresponding period last year. Such increase in revenue was mainly due to the increase in sales volume of footwear products of this brand.

Revenue from total sales of goods increased by 13% to approximately RMB113.1 million during six months ended 30 June 2025 compared to approximately RMB100.2 million for the corresponding period in 2024. Gross margin from sales of goods also improved to 18.5% for the period under review from 17.2% for the corresponding period in 2024. Better gross margin from sales of goods was mainly attributable to the better costs and inventories control.

### ***Other Income***

For the six months ended 30 June 2025, the Group's other income was approximately RMB27.1 million (2024: RMB24.9 million), mainly comprising gross rental income of approximately RMB20.9 million (2024: RMB19.3 million) from investment properties. The increase in gross rental income was mainly due to the recovery of long outstanding lease payments from certain tenants.

### ***Operating Expenses***

The Group's operating expenses (including other (losses)/gains - net, selling and distribution expenses, general and administrative expenses, and reversal of impairment loss on financial assets) were approximately RMB62.7 million during the period under review, compared to the operating expenses of approximately RMB54.0 million for the corresponding period in 2024. The overall increase in operating expenses was mainly due to the increase in marketing and promotion expense and employee benefits expense.

### ***Operating Profit***

For the first half of 2025, the Group recorded an operating profit of approximately RMB70.5 million, an increase of approximately RMB13.8 million or 24% compared to the operating profit of approximately RMB56.7 million in the corresponding period in 2024.

### ***Finance Costs***

Finance costs represent interest on lease liabilities. Interest on lease liabilities was approximately RMB0.1 million (2024: RMB0.2 million) during the period under review.

### ***Income Tax Expense***

For the six months ended 30 June 2025, the Group's income tax expense was approximately RMB5.8 million, compared to approximately RMB0.7 million for the same period last year. The increase in income tax expense was primarily due to the net effect of the tax charge from the utilisation of deferred tax assets related to tax losses and the tax credit from the reversal of over-provision of deferred tax liabilities associated with the PRC withholding tax on unremitted profits from the previous year.

### ***Profit Attributable to Shareholders of the Company***

For the six months ended 30 June 2025, profit attributable to shareholders of the Company was approximately RMB64.7 million (2024: RMB56.1 million), representing an increase of approximately RMB8.6 million or 15% compared to the corresponding period in 2024. Basic earnings per share was RMB0.033 (2024: RMB0.028) during the period under review.

### *Liquidity, Financial Resources and Capital Structure*

As at 30 June 2025, the Group's cash and cash equivalents amounted to approximately RMB376.6 million (As at 31 December 2024: RMB476.2 million), which were denominated mainly in Renminbi, Hong Kong Dollars and United States Dollars. During the first half of 2025, the net decrease in cash and cash equivalents is analysed as follows:

	<b>Unaudited</b>	
	<b>For the six months</b>	
	<b>ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB' million</b>	<b>RMB' million</b>
Net cash inflow from operating activities	<b>38.5</b>	45.9
Capital expenditure	<b>(0.2)</b>	(0.4)
Proceeds from redemption of financial investments	-	11.1
Placement of time deposits with original maturities over three months	<b>(102.6)</b>	-
Bank interest received	<b>4.8</b>	4.7
Dividend paid to shareholders of the Company	<b>(35.8)</b>	(14.9)
Lease payments	<b>(1.6)</b>	(3.1)
	<hr/>	<hr/>
Net (decrease)/increase in cash and cash equivalents	<b>(96.9)</b>	43.3
	<hr/>	<hr/>

For the first half of 2025, the Group had received bank interest of approximately RMB4.8 million (2024: RMB4.7 million). The Group had placed time deposits with original maturities over three months amounting to approximately RMB102.6 million (2024: Nil) during the period under review. As at 30 June 2025, the carrying amount of these time deposits was approximately RMB103.0 million (As at 31 December 2024: Nil).

The Group also purchases financial investments, comprising wealth management products and certificates of deposit from commercial banks in Mainland China, which are classified as financial assets at fair value through profit or loss or at amortised cost.

The purchases of financial investments are carried out by the Group for treasury management purpose in order to maximise the utilisation of surplus cash. The Group considers that the purchases of the financial investments will provide the Group with better returns than the returns on deposits generally offered by commercial banks, and would not affect the working capital or the normal business operation of the Group. As such, the Directors are of the view that the purchases of the financial investments are fair and reasonable and in the interests of the Group and the shareholders of the Company as a whole.

During the six months ended 30 June 2025, the fair value gain on financial assets at fair value through profit or loss was approximately RMB0.2 million (2024: RMB0.2 million). The Group did not purchase or redeem any certificates of deposit during the period under review (2024: redeemed certificates of deposit amounting to approximately RMB11.1 million upon its maturity).

As at 30 June 2025, the Group had certificates of deposit with carrying amount of approximately RMB30.8 million (As at 31 December 2024: RMB30.5 million). These certificates of deposit have maturities ranging from 12 to 36 months from their dates of purchase, up to December 2025 to June 2026, and bears fixed interest rates ranging from 1.65% to 3.00% per annum.

As at 30 June 2025, equity attributable to shareholders amounted to approximately RMB784.2 million (As at 31 December 2024: RMB758.5 million). The Group's net gearing ratio remained in net cash (As at 31 December 2024: net cash) position and the current ratio further improved to 4.4 times (As at 31 December 2024: 3.4 times). Management will continuously monitor the Group's financial performance and liquidity position and believes that the Group has sufficient working capital and financial resources for its operation in future.

### ***Foreign Exchange Risk Management***

Foreign exchange risk arises from commercial transactions and recognised assets and liabilities denominated in currencies other than the functional currency of the Group's entities to which they operate. The Group is mainly exposed to foreign exchange risk with respect to Hong Kong Dollars and United States Dollars.

The Group manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposures and the Group may use forward foreign exchange contracts when major fluctuation in the relevant foreign currency is anticipated. During the six months ended 30 June 2025, the Group did not enter into any foreign exchange forward contract to hedge the foreign exchange risk exposure. Any significant exchange rate fluctuations of foreign currencies against Renminbi may have had financial impact on the Group.

### ***Significant Investments***

As at 30 June 2025, the Group did not have any significant investments.

### ***Future Plans for Material Investments and Capital Assets***

As at 30 June 2025, the Group did not have any future plans for material investments or capital assets.

### ***Pledge of Assets***

As at 30 June 2025 and 31 December 2024, the Group had no pledged or charged assets.

### ***Capital Expenditure and Commitments***

During the period under review, the Group incurred capital expenditure of approximately RMB0.2 million (2024: RMB0.4 million) primarily for leasehold improvement and office equipment. As at 30 June 2025 and 31 December 2024, the Group did not have any material capital commitments.

### ***Contingent Liabilities***

As at 30 June 2025 and 31 December 2024, the Group did not have any significant contingent liabilities.

### ***Human Resources***

As at 30 June 2025, the Group had a total of 113 (As at 31 December 2024: 109) employees predominantly in Mainland China and Hong Kong. Employee benefits expense comprising directors' emoluments for the period under review was approximately RMB25.6 million (2024: RMB23.1 million, including share-based payment expense of approximately RMB0.3 million). The overall increase of 11% year-on-year in employee benefits expense was mainly due to the increase in headcounts, discretionary performance bonus and staff benefits and allowances.

The Group values its human resources and recognises the importance of retaining high calibre employees. Remuneration packages are generally structured with reference to market conditions and terms as well as individual qualifications. In addition, share options and discretionary performance bonuses are granted to eligible employees based on the performance of the Group and of the individual employees. The Group also provides various retirement plans, medical insurance schemes, staff purchase discounts and training programmes to employees in Mainland China and Hong Kong.

## OUTLOOK

Looking ahead to the second half of 2025, the global economic outlook remains complex, challenged by weakening growth, trade policy uncertainty and geopolitical risks. Structural issues in China such as weak domestic demand and overcapacity may weigh on its growth in the near term. Nevertheless, its long-term economic fundamentals remain solid. Meanwhile, China's retail sector is undergoing a major shift from promotion-driven to value-driven consumption, with ongoing policy support aimed at boosting domestic demand. Despite soft consumer sentiment, the Group is optimistic about China's retail fundamentals in the long run, supported by its vast market and potential. The Group remains firmly committed to its strategic direction, progressing at a measured, steady pace while maintaining a prudent, proactive and optimistic approach to business operations. The Group remains confident in meeting its 2025 targets, maintain a prudent stance during the medium-term transition phase and holds an optimistic long-term view of China's economic development.

With a keen eye on policy directions and evolving consumer trends, the Group will refine its strategies across product development, category expansion, licensing and distribution, marketing and supply chain management to support continued resilience. In pursuit of sustainable growth, the Group will continue adopting a diversified business model that integrates brand licensing, direct retail and wholesale business to strengthen adaptability and long-term competitiveness.

Navigating a highly competitive landscape, the Group will strengthen “DAPHNE” brand positioning through strategic enhancements in product, marketing and channel strategy. In October, it plans to debut new “CloudSoft” products in collaboration with a designer brand during Paris Fashion Week, enhancing its image among both domestic and international consumers and reach a wider audience. Riding on the success of recent campaigns, “DAPHNE” global spokesperson will continue to lead targeted campaigns, including Double Eleven livestream to promote the “CloudSoft” collection and key autumn-winter items. Additionally, we will accelerate development in children's shoes and handbags while seeking new category opportunities to diversify its portfolio. To manage the relatively high online return rates and intensifying competition, the Group will work closely with e-commerce platforms to refine sales strategies, while implementing prudent management measures to ensure stable growth. Meanwhile, harnessing dynamic growth momentum, we will amplify “DAPHNE.LAB” global presence with bold moves at major fashion events. A runway show and designer collaboration will be launched at Shanghai Fashion Week in October. By continuously tapping into diverse creative forces and launching groundbreaking collaborations, we aim to reinforce “DAPHNE.LAB” fashion-forward identity and cultivate deeper consumer resonance, positioning itself as a rising force in the global fashion arena.

In addition, the Group will advance its omni-channel strategy to deepen consumer engagement and capture new market opportunities. On the one hand, the Group will consistently strengthen its presence across traditional and emerging e-commerce platforms, leveraging its leadership position, resources, and strong brand image to expand its online reach, especially on high-traffic emerging channels. On the other hand, the Group will take a proactive yet prudent approach to expand its offline retail network, strategically adjusting to economic dynamics, retail landscape and store performance. Building on the encouraging performance of the Chengdu pop-up store, the Group has explored diverse retail opportunities, with plans to expand “DAPHNE.LAB” retail outlets in non-traditional retail shopping malls across first-tier cities and “new first-tier cities” in the second half of the year, aiming to effectively engage young consumers and strengthen its competitive edge. By seamlessly integrating online and offline experiences and working closely with franchisees, the Group seeks to broaden brand reach and strengthen consumer relationships, delivering value that goes beyond products to create meaningful emotional connections.

With years of strategic refinement and successful business transformation, the Group has established a strong foundation to navigate an increasingly dynamic retail landscape. Amid ongoing market shifts and rising competition, the Group remains committed to optimising its proven strategies and responding with agility in pursuit of steady, sustainable growth. Underpinned by a disciplined approach and confidence in the long-term fundamentals of China's retail market, the Group is poised to capture new opportunities and lead with resilience into the future.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES**

During the six months ended 30 June 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares.

## **MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES OR JOINT VENTURES**

The Group did not have any material acquisition or disposal of subsidiaries, associates or joint ventures during the six months ended 30 June 2025.

## **SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange for dealing in securities of the Company by its directors. Having made specific enquiry with all Directors, all Directors have confirmed that they have complied with the required standards as set out in the Model Code during the six months ended 30 June 2025.

The Company also requires the relevant officers and employees of the Group who, because of such office or employment, are likely to possess inside information in relation to the Company or its securities, be also bound by the Model Code, which prohibits them to deal in securities of the Company at any time when he/she possesses inside information in relation to those securities. No incident of non-compliance of the Model Code by the relevant officers and employees was noted by the Company during the period under review.

## **CHANGES IN DIRECTORS' INFORMATION**

The change in Directors' details since the date of the Annual Report 2024 and up to the date of this announcement which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules, is set out below:

With effect from 19 June 2025 (i) Mr. Huang Shun-Tsai has resigned as an independent non-executive Director and ceased to be the chairman of the nomination committee of the Company (the “**Nomination Committee**”), and a member of each of the Audit Committee and remuneration committee of the Company (the “**Remuneration Committee**”); and (ii) Ms. Hsu Wen-Kuan has been appointed as an independent non-executive Director and the chairlady of the Nomination Committee, and a member of each of the Audit Committee and Remuneration Committee.

## **COMPLIANCE WITH CORPORATE GOVERNANCE CODE**

The Company has applied the principles set out in the Corporate Governance Code (the “**CG Code**”) as contained in Appendix C1 to the Listing Rules. Throughout the six months ended 30 June 2025, the Company has complied with all the applicable code provisions set out in the CG Code.

The Board will continue to enhance its corporate governance practices appropriate to the operation and growth of its business and to review such practices from time to time to ensure that the Company complies with statutory and professional standards and align with the latest development.

## **SUFFICIENCY OF PUBLIC FLOAT**

Based on the information publicly available to the Company and to the knowledge of the Directors throughout the six months ended 30 June 2025 and up to the date of this announcement, the Company has maintained sufficient public float of more than 25% of the Company's total issued share capital as required by the Listing Rules.

## **EVENTS AFTER THE REPORTING PERIOD**

The Directors are not aware of any significant event which had material effect on the Group subsequent to 30 June 2025 and up to the date of this announcement.

## **REVIEW OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

The Audit Committee has reviewed the Group's unaudited condensed consolidated interim financial statements for the six months ended 30 June 2025 and was satisfied that these unaudited condensed consolidated interim financial statements were prepared in accordance with applicable accounting standards.

## **PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT**

This announcement is published on the websites of the Company ([www.daphneholdings.com](http://www.daphneholdings.com)) and the HKEXnews ([www.hkexnews.hk](http://www.hkexnews.hk)). The Interim Report 2025 containing all the information required by the Listing Rules will be despatched to the shareholders of the Company and available on the same websites in due course.

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

Hong Kong, 20 August 2025

*As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Chang Chih-Kai, Mr. Chang Chih-Chiao, Mr. Wang Jungang and Ms. Chang Wan-Hsun; and three independent non-executive Directors, namely Mr. Hon Ping Cho Terence, Mr. Tan Philip and Ms. Hsu Wen-Kuan.*