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DREAM INTERNATIONAL LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 1126)

DISCLOSEABLE TRANSACTION ACQUISITION OF OFFICE PREMISES

THE ACQUISITION

The Board announces that on 25 January 2018 (after trading hours), the Company, as the Purchaser and the Vendor entered into the Sale and Purchase Agreement, pursuant to which the Purchaser agreed to acquire and the Vendor agreed to sell the Office Premises for a consideration of HK\$207,951,000.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios (as defined in the Listing Rules) for the Acquisition exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules, and is subject to the notification and announcement requirements under the Listing Rules.

INTRODUCTION

The Board announces that on 25 January 2018 (after trading hours), the Company, as the Purchaser and the Vendor entered into the Sale and Purchase Agreement, pursuant to which the Purchaser agreed to acquire and the Vendor agreed to sell the Office Premises for a consideration of HK\$207,951,000. Details of the Sale and Purchase Agreement are set out below.

SALE AND PURCHASE AGREEMENT

Date

25 January 2018

Parties

- (i) Dream International Limited, as the Purchaser
- (ii) Kindersley Limited, as the Vendor

As at the date of this announcement, based on the information and confirmation provided by the Vendor and to the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Purchaser is a third party independent of and not connected with the Company and its connected persons.

The Acquisition

Pursuant to the Sale and Purchase Agreement, Purchaser agreed to purchase and the Vendor agreed to sell the Office Premises.

Consideration and payment

Pursuant to the Sale and Purchase Agreement, the consideration of HK\$207,951,000 shall be payable in cash by the Purchaser to the Vendor, in the following manner:

- (i) initial deposit in the sum of HK\$10,000,000 shall be paid upon signing of the Provisional Agreement for Sale and Purchase, which is already paid in cash on 5 January 2018;
- (ii) further deposit in the sum of HK\$10,795,000 shall be paid on or before 22 January 2018, which is already paid in cash on 22 January 2018; and
- (iii) balance of the consideration in the sum of HK\$187,156,000 shall be paid upon completion on or before 29 March 2018 at the Vendor's solicitors.

The consideration was determined after arm's length negotiation between the Purchaser and the Vendor on normal commercial terms and with reference to the property market price in Hong Kong.

Completion

Completion shall take place on or before 29 March 2018.

INFORMATION OF THE OFFICE PREMISES

The Office Premises are situated at South Seas Centre, No. 75 Mody Road, Tsim Sha Tsui, Kowloon, Hong Kong with aggregate gross area of approximately 14,542 square feet. The Office Premises comprise the whole of the sixth floor of Tower One and two car parking spaces (No. 70 and 72) on the basement floor of South Seas Centre. The Office Premises will be delivered with vacant possession upon completion of the Acquisition.

REASON FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in the design, development, manufacture and sale of plush stuffed toys, ride-on toys and plastic figures.

To cope with the business development and expansion of the Group, the Directors consider that the Acquisition is beneficial to the Group by providing additional office space for the Group. The Office Premises are intended to be held by the Group for its own use as office. The Group also expects a value appreciation of the Office Premises when considering the current commercial property market.

Having regard to the nature of and the benefits resulting from the Acquisition, the Directors are of the view that the terms of the Sale and Purchase Agreement are entered into on normal commercial terms and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATION OF THE ACQUISITION

As the applicable percentage ratios (as defined in the Listing Rules) for the Acquisition exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules, and is subject to the notification and announcement requirements under the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Acquisition”	the acquisition of the Office Premises by the Purchaser from the Vendor pursuant to the terms of the Sale and Purchase Agreement
“Board”	the board of Directors
“Company”	Dream International Limited, a company incorporated in Hong Kong with limited liability whose Shares are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the same meaning ascribed thereto under the Listing Rules
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Office Premises”	the whole of the sixth floor of Tower One and two parking spaces (No. 70 and 72) on the basement floor of South Seas Centre, No. 75 Mody Road, Tsim Sha Tsui, Kowloon, Hong Kong
“Provisional Agreement for Sale and Purchase”	the provisional sale and purchase agreement dated 5 January 2018 entered into between the Purchaser and the Vendor in relation to the Acquisition
“Purchaser”	Dream International Limited, a company incorporated in Hong Kong with limited liability whose Shares are listed on the Main Board of the Stock Exchange, being the purchaser under the Sale and Purchase Agreement
“Sale and Purchase Agreement”	the sale and purchase agreement dated 25 January 2018 entered into between the Vendor and the Purchaser in relation to the Acquisition
“Shareholder(s)”	holder(s) of the Share(s)
“Shares”	the ordinary shares in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Kindersley Limited, being the vendor under the Sale and Purchase Agreement

By order of the Board
Dream International Limited
Young M. Lee
Executive Director

Hong Kong, 25 January 2018

The Board of the Company as at the date of this announcement are as follows:

Executive Directors:

Mr. Kyoo Yoon Choi (*Chairman*)
Mr. Young M. Lee
Mr. Hyun Ho Kim
Mr. Sung Sick Kim

Independent non-executive Directors:

Professor Cheong Heon Yi
Mr. Tae Woong Kang
Dr. Chan Yoo