DREAM INTERNATIONAL LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 1126)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025

The board (the "Board") of directors (the "Directors") of Dream International Limited (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2025 together with comparative figures for the corresponding period in 2024.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025 – unaudited
(Expressed in Hong Kong dollars)

		Six months ended 30 June	
		2025	2024
	Notes	***$'000***	*$'000*
Revenue	*3*	**2,578,311**	2,294,045
Cost of sales		**(2,060,691)**	(1,743,774)
Gross profit		**517,620**	550,271
Other revenue		**50,491**	46,362
Other net income/(loss)		**36,724**	(27,759)
Distribution costs		**(42,150)**	(31,972)
Administrative expenses		**(169,226)**	(187,601)
Profit from operations		**393,459**	349,301
Finance costs	*4(a)*	**(3,589)**	(1,371)
Share of profit/(loss) of an associate		**242**	(203)
Profit before taxation	*4*	**390,112**	347,727
Income tax	*5*	**(83,086)**	(68,873)
Profit for the period		**307,026**	278,854
Earnings per share	*7*		
Basic and diluted		**$0.454**	$0.412

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025 – unaudited
(Expressed in Hong Kong dollars)

	Six months ended 30 June	
	2025	2024
	$'000	*$'000*
Profit for the period	**307,026**	278,854
Other comprehensive income for the period (after tax and reclassification adjustments):		
Item that may be or is reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of subsidiaries outside Hong Kong	**33,226**	(39,900)
Other comprehensive income for the period	**33,226**	(39,900)
Total comprehensive income for the period	**340,252**	238,954

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025 – unaudited
(Expressed in Hong Kong dollars)

	Notes	At 30 June 2025 $'000	At 31 December 2024 $'000
Non-current assets			
Property, plant and equipment	*8*	**1,317,784**	1,258,115
Investment properties		**46,520**	48,016
Long term receivables and prepayments		**17,430**	9,040
Other intangible assets		**38,786**	38,259
Goodwill		**6,308**	6,308
Interests in an associate		**17,438**	17,196
Deferred tax assets		**12,689**	5,689
Time deposits		**9,217**	4,957
Other financial asset	*9*	**1,917**	1,771
		1,468,089	1,389,351
Current assets			
Inventories	*10*	**983,635**	833,900
Trade and other receivables	*11*	**1,157,833**	1,125,915
Current tax recoverable		**6**	2,750
Time deposits		**97,700**	199,504
Cash and cash equivalents		**1,479,353**	1,407,921
		3,718,527	3,569,990
Current liabilities			
Trade and other payables and contract liabilities	*12*	**837,209**	636,275
Bank loans		**62,089**	99,612
Lease liabilities		**17,856**	20,022
Current tax payable		**186,942**	211,241
		1,104,096	967,150
Net current assets		**2,614,431**	2,602,840
Total assets less current liabilities		**4,082,520**	3,992,191

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
At 30 June 2025 – unaudited
(Expressed in Hong Kong dollars)

	At 30 June 2025	At 31 December 2024
	$'000	*$'000*
Non-current liabilities		
Lease liabilities	**31,767**	23,350
Deferred tax liabilities	**20,329**	7,923
	52,096	31,273
NET ASSETS	**4,030,424**	3,960,918
CAPITAL AND RESERVES		
Share capital	**236,474**	236,474
Reserves	**3,793,950**	3,724,444
TOTAL EQUITY	**4,030,424**	3,960,918

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

1 GENERAL INFORMATION AND BASIS OF PREPARATION

The principal activities of the Group are design, development, manufacture and sale of plush stuffed toys, plastic figures and tarpaulin.

The Company is a limited liability company incorporated in Hong Kong. The address of its registered office is 6/F, Tower 1, South Seas Centre, 75 Mody Road, Tsim Sha Tsui, Kowloon, Hong Kong.

The Company is listed on the Main Board of The Stock Exchange of Hong Kong Limited.

The interim financial results set out in this announcement do not constitute the Group's interim financial report for the six months ended 30 June 2025 but are extracted from those interim financial report.

The interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard ("HKAS") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). It was authorised for issue on 25 August 2025.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of Dream International Limited (the "Company") and its subsidiaries (the "Group") since the 2024 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with HKFRS Accounting Standards.

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA.

The financial information relating to the financial year ended 31 December 2024 that is included in the interim financial report as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) (the "Companies Ordinance") is as follows:

The Company has delivered the financial statements for the year ended 31 December 2024 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

The Company's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

2 CHANGES IN ACCOUNTING POLICIES

The Group has applied the amendments to HKAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the HKICPA to this interim financial report for the current accounting period. The amendments do not have a material impact on this interim report as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 REVENUE AND SEGMENT REPORTING

The Group manages its businesses by divisions, which are organised by a mixture of both product lines and geographical location of customers. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has identified three (six months ended 30 June 2024: three) reportable segments. No operating segments have been aggregated to form the following reportable segments.

(a) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products lines and geographical location of customers is as follows:

	Six months ended 30 June	
	2025	2024
	$'000	*$'000*
Revenue from sales of goods within the scope of HKFRS 15		
Disaggregated by major product lines		
– Plush stuffed toys	**1,324,333**	1,186,083
– Plastic figures	**1,068,951**	936,337
– Tarpaulin	**185,027**	171,625
	2,578,311	2,294,045

	Six months ended 30 June	
	2025	2024
	$'000	*$'000*
Disaggregated by geographical location of customers		
– Hong Kong (place of domicile)	**173,400**	144,760
– North America	**1,046,889**	976,417
– Japan	**702,306**	539,157
– Chinese Mainland	**509,205**	509,985
– Europe	**79,689**	62,475
– Other countries	**66,822**	61,251
	2,578,311	2,294,045

(b) Information about profit or loss, assets and liabilities

Disaggregation of revenue from information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the period is set out below.

	Plush stuffed toys		Plastic figures		Tarpaulin		Total	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024
	$'000	*$'000*	***$'000***	*$'000*	***$'000***	*$'000*	***$'000***	*$'000*
For the six months ended 30 June								
Revenue from external customers	**1,324,333**	1,186,083	**1,068,951**	936,337	**185,027**	171,625	**2,578,311**	2,294,045
Inter-segment revenue	**5,422**	11,091	**–**	60,881	**3**	–	**5,425**	71,972
Reportable segment revenue	**1,329,755**	1,197,174	**1,068,951**	997,218	**185,030**	171,625	**2,583,736**	2,366,017
Reportable segment profit (adjusted EBITDA)	**340,508**	306,266	**92,970**	98,003	**26,064**	22,006	**459,542**	426,275
	30 June 2025	31 December 2024	**30 June 2025**	31 December 2024	**30 June 2025**	31 December 2024	**30 June 2025**	31 December 2024
	$'000	*$'000*	***$'000***	*$'000*	***$'000***	*$'000*	***$'000***	*$'000*
Reportable segment assets	**1,561,301**	1,641,724	**1,507,177**	1,200,854	**354,515**	319,596	**3,422,993**	3,162,174
Reportable segment liabilities	**270,078**	290,053	**595,686**	375,496	**27,667**	73,743	**893,431**	739,292

The measure used for reporting segment profit is "adjusted EBITDA" i.e. "adjusted earnings before interest, taxes, depreciation and amortisation", where "interest" is regarded as including investment income. To arrive at the adjusted EBITDA, the Group's earnings are further adjusted for items not specifically attributed to individual segments, such as share of profit/(loss) of an associate, directors' and auditors' remuneration and other head office or corporate administration costs.

(c) Reconciliations of reportable segment profit or loss

	Six months ended 30 June	
	2025	2024
	$'000	*$'000*
Reportable segment profit	**459,542**	426,275
Interest income	**22,290**	25,099
Depreciation and amortisation	**(66,802)**	(82,215)
Finance costs	**(3,589)**	(1,371)
Share of profit/(loss) of an associate	**242**	(203)
Unallocated head office and corporate expenses	**(21,571)**	(19,858)
Consolidated profit before taxation	**390,112**	347,727

4 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

(a) Finance costs

	Six months ended 30 June	
	2025	2024
	$'000	*$'000*
Interest expense on bank borrowings	**1,878**	356
Interest expense on lease liabilities	**1,711**	1,015
	3,589	1,371

(b) Other items

	Six months ended 30 June	
	2025	2024
	$'000	*$'000*
Depreciation charge		
– owned property, plant and equipment	**48,554**	67,496
– leasehold land held for own use	**3,435**	2,423
– right-of-use assets	**14,725**	12,207
Expenses related to short-term lease	**8,159**	6,845
Amortisation of intangible assets	**88**	89
Inventories write-down *(note 10)*	**9,817**	7,829
Reversal of write-down of inventories *(note 10)*	**–**	(22,508)
Bank interest income	**(22,290)**	(25,099)
Net (gain)/loss on disposal of other property, plant and equipment	**(369)**	402

5 INCOME TAX

	Six months ended 30 June	
	2025	2024
	$'000	*$'000*
Current tax – Hong Kong Profits Tax	**14,201**	4,560
Current tax – Outside Hong Kong	**61,227**	66,656
Deferred taxation	**7,658**	(2,343)
	83,086	68,873

The provision for Hong Kong Profits Tax for the six months ended 30 June 2025 is calculated at 16.5% (six months ended 30 June 2024: 16.5%) of the assessable profits for the period except for the Company which is a qualifying corporation under the two-tiered Profits Tax rate regime.

For the Company, the first $2,000,000 of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax was calculated at the same basis for the six months ended 30 June 2024.

Taxation for subsidiaries outside Hong Kong is calculated similarly using the estimated annual effective rates of taxation that are expected to be applicable in the relevant countries.

Withholding tax of $8,876,000 (six months ended 30 June 2024: $7,724,000) is levied on the dividend income from the Chinese Mainland subsidiaries at applicable rate of 5% (six months ended 30 June 2024: 5%) which is included in "Current tax – Outside Hong Kong".

6 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends payable to equity shareholders of the Company attributable to the interim period

	Six months ended 30 June	
	2025	2024
	$'000	*$'000*
Interim dividend declared and paid after the interim period of 25 cents per ordinary share (six months ended 30 June 2024: 20 cents per ordinary share)	**169,216**	135,373

The interim dividend has not been recognised as a liability at the end of the reporting period.

(b) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the following interim period

	Six months ended 30 June	
	2025	2024
	$'000	*$'000*
Final dividend in respect of the previous financial year, approved and paid during the following interim period, of 40 cents per ordinary share (six months ended 30 June 2024: 35 cents per ordinary share)	**270,746**	236,903

7 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of $307,026,000 (six months ended 30 June 2024: $278,854,000) and the weighted average number of ordinary shares of 676,865,000 shares (six months ended 30 June 2024: 676,865,000 shares) in issue during the interim period.

(b) Diluted earnings per share

The diluted earnings per share is the same as the basic earnings per share as there were no dilutive potential ordinary shares in existence during the six months ended 30 June 2025 and 2024.

8 PROPERTY, PLANT AND EQUIPMENT

(a) Right-of-use assets

During the six months ended 30 June 2025, additions to right-of-use assets were $26,762,000 (six months ended 30 June 2024: $16,704,000). This amount related to the capitalised lease payments payable under new tenancy agreements.

(b) Acquisitions and disposals of owned assets

During the six months ended 30 June 2025, the Group acquired items of other property, plant and equipment with a cost of $103,701,000 (six months ended 30 June 2024: $100,089,000). Items of other property, plant and equipment with a net book value of $7,245,000 were disposed of during the six months ended 30 June 2025 (six months ended 30 June 2024: $7,721,000), resulting in a net gain on disposal of $369,000 (six months ended 30 June 2024: loss of $402,000).

9 OTHER FINANCIAL ASSET

	At 30 June 2025	At 31 December 2024
	$'000	*$'000*
Unlisted equity security measured at FVOCI (non-recycling) *(Note)*	**1,917**	1,771

Note:

Unlisted equity security represents an investment in Joongang Tongyang Broadcasting Company ("JTBC"), a company incorporated in Korea and engaged in multimedia and broadcasting. The Group designated its investment in JTBC at fair value through other comprehensive income ("FVOCI") (non-recycling), as the investment is held for strategic purpose. No dividends were received on this investment during the period (2024: $Nil).

10 INVENTORIES

During the six months ended 30 June 2025, there is no reversal of write-down of inventories (six months ended 30 June 2024: $22,508,000). The reversal arose upon utilisation, disposal or an increase in the estimated net realisable value of these inventories.

During the six months ended 30 June 2025, there was a write-down of inventories of $9,817,000 (six months ended 30 June 2024: $7,829,000). The write-down arose upon a decrease in the estimated net realisable value of these inventories.

11 TRADE AND OTHER RECEIVABLES

As at 30 June 2025, the ageing analysis of trade debtors and bills receivable (which are included in trade and other receivables), based on the invoice date or date of revenue recognition (if earlier) and net of loss allowance, is as follows:

	At 30 June 2025	At 31 December 2024
	$'000	*$'000*
Within 1 month	**498,861**	598,877
1 to 2 months	**274,791**	197,646
2 to 3 months	**75,622**	65,304
3 to 4 months	**25,385**	42,563
Over 4 months	**7,737**	14,649
Trade debtors and bills receivable, net of loss allowance	**882,396**	919,039
Other receivables	**219,811**	155,903
Prepayments	**19,306**	16,462
Loans receivable	**36,320**	34,511
	1,157,833	1,125,915

Trade debtors and bills receivable are due within 30 to 120 days from the date of billing.

Loans receivable at 30 June 2025 and 31 December 2024 are due from third parties, of which $34,514,000 (31 December 2024: $34,511,000) are fully secured by a leasehold land and a factory building held by the third party, interest-bearing at 5.4% – 9.5% per annum and recoverable within one year. The Group does not have the right to sell or re-pledge the leasehold land and the factory building held as collateral in the absence of default by the third party.

12 TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES

As at 30 June 2025, the ageing analysis of trade payables (which are included in trade and other payables and contract liabilities), based on the invoice date, is as follows:

	At 30 June 2025	At 31 December 2024
	$'000	*$'000*
Within 1 month	**398,756**	279,915
Over 1 month but within 3 months	**134,481**	92,935
Over 3 months but within 6 months	**65,431**	37,392
Over 6 months	**24,688**	13,626
Trade payables	**623,356**	423,868
Salary and welfare payables	**145,422**	116,389
Value-added tax payable	**8,154**	5,942
Other payables and accruals	**55,424**	87,996
Receipt in advance	**4,853**	2,080
	837,209	636,275

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

In the first half of 2025, with elevated inflation, geopolitical instability, persistently high interest rates and escalating trade conflicts adding to economic volatility, overall consumer confidence was dampened. Facing uncertainties and challenges, the Company deliberately drew on its advantage of having multi-region production presence and collaborated closely with character owners and licensors to capture market demand with diversified and innovative products. As such, it was able to maintain growth in the adverse market.

For the six months ended 30 June 2025 (the "Period"), driven by robust market demand in North America and Asia alongside orders shifting to Vietnam to mitigate tariff rise, the Group's revenue rose by 12.4% to HK$2,578.3 million (six months ended 30 June 2024: HK$2,294.0 million). Gross profit for the Period reached HK$517.6 million (six months ended 30 June 2024: HK$550.3 million), with gross profit margin reaching 20.1% (six months ended 30 June 2024: 24.0%), due to increasing labor costs in Vietnam and aggressive efforts to win new orders for the plastic figures. Profit attributable to shareholders of the Company was maintained at HK$307.0 million (six months ended 30 June 2024: HK$278.9 million), with net profit margin at 11.9% (six months ended 30 June 2024: 12.2%).

As at 30 June 2025, the Group was in a healthy financial position with cash and cash equivalents and current bank deposits amounting to HK$1,577.1 million (31 December 2024: HK$1,607.4 million). To reward the shareholders of the Company (the "Shareholders") for their long-term support, the Board has recommended payment of an interim dividend of HK25 cents per ordinary share (six months ended 30 June 2024: HK20 cents) for the Period.

Business Review

Product Analysis

Plush Stuffed Toys

The segment's revenue for the Period increased by 11.7% to HK$1,324.3 million (six month ended 30 June 2024: HK$1,186.1 million), accounting for 51.4% of the Group's total revenue. The increase was primarily driven by robust demand from theme parks with steady visitor patronage in Asia. To strengthen partnership with such key customers as toy licensors and character owners, the Group provided them with customised solutions, which were very well received. Thanks to the US tariff situation, the Group was able to capture the increasing demand from key customers for production capacity outside China, thus allowed it to achieve faster growth.

Plastic Figures

The segment's revenue for the Period increased by 14.2% to HK$1,069.0 million (six month ended 30 June 2024: HK$936.3 million), accounting for 41.5% of the Group's total revenue. The increase was mainly propelled by strong demand from Asian and North American markets. To grasp these opportunities, the Group expanded its product lines including blind boxes and various collectibles, in collaboration with key customers, so as to boost order values and market penetration. Moreover, the Group utilised its diversified production footprint in Vietnam and Indonesia to capture accelerated orders redirected by geopolitical supply chain shifts, amplified by the search for alternatives to China amid the US tariff situation during the Period. It also scaled up production capacity, enhanced automation, as well as localised sourcing to reduce logistics costs and optimise production efficiency of the segment, building a stronger foundation for future development.

Tarpaulin

The segment's revenue for the Period increased by 7.8% to HK$185.0 million (six month ended 30 June 2024: HK$171.6 million), accounting for 7.1% of the Group's total revenue. The increase was supported by lower inventory levels and gradually recovering orders, particularly from the US market. Additionally, the Group strengthened market presence and order pipelines through actively participating in exhibitions in Europe, the US, and Asia, complemented by regular sales trips. To mitigate volatile raw material cost and enhance production efficiency, it rigorously managed inventory and closely monitored raw material prices, while reducing dependency on labour via automation, including automated welding and eyeleting.

Geographic Market Analysis

For the six months ended 30 June 2025, North America remained the Group's largest geographical market, accounting for 40.6% of its total revenue. Sales from Japan accounted for 27.2% of the total revenue, followed by the PRC at 19.7% and Hong Kong at 6.7%.

Operational Analysis

As at 30 June 2025, the Group operated 28 factories (seven in China, 20 in Vietnam, and one in Indonesia) with average utilisation rate reaching around 84.7%. With its regional footprint and newly operational Indonesian factory enhancing production capacity, the Group was able to maintain considerable volume output of high-quality products, while meeting customer demands for diversified production bases and shorter lead times. In addition, the Group invested in advanced equipment such as laser cutting, sublimation printing, automated spraying and assembly equipment, and packaging machines for its various production lines. These investments have significantly bolstered operational efficiency and enabled seamless capacity allocation to capture shifting demand patterns.

Prospects

Looking ahead to the second half of 2025, geopolitical tensions, particularly the US tariff policies impacting toy imports from China and other manufacturing hubs, are expected to continue to weigh on the industry. Given these uncertainties and the growing preference among toy brands for partners with flexible production solutions to cope with the volatile market, maintaining a resilient supply chain is critical for industry players. Looking at the global toy market, especially the IP-driven segment, robust growth has continued, fuelled by the expanding "kidult" force, technology-integrated experiences, and strong franchise tie-ins with entertainment content. Moreover, consumer demand for sustainable and eco-friendly products is increasing. As a leader in the toy industry, who has production bases in multiple regions and is capable of offering high-quality and diversified products to customers, Dream International is well-positioned to capitalise on these trends and thrive.

One of the development strategies of the Group is to continuously strengthen its multi-location manufacturing presence. Its proactive geographic diversification has not only effectively mitigated impacts from tariff conflicts on production, but also created opportunities to capture redirected orders. It will thus continue to allocate production capacity agilely, with Chinese facilities focusing on local demand from international and emerging Chinese brands, while the Vietnam and Indonesia bases serve as global export centres that support customers targeting international markets. Furthermore, an additional factory in Vietnam and another in Indonesia are in the Group's plan for the second half of 2025 to cater booming demands, especially from Asian countries and the US market. The Group will also strive to maximise productivity and enhance technical proficiency, so that it may allocate highly complex product lines with flexibility across all three bases. By localising raw material sourcing to reduce logistics costs and lead times, adopting lean manufacturing practices that incorporate targeted automation to boost operational efficiency across various bases, and implementing rigorous quality assurance programme, the Group is ready to capture emerging opportunities through operational excellence.

In addition, the Group's long-standing relationships with major character owners and licensors are built on its reputation of providing consistently high-quality products, which underscores the trust from customers and their preference to collaborate with the Group to seize market opportunities. To further strengthen ties with customers, the Group is constantly improving its R&D and production capabilities that support higher product values to drive market penetration. Regular strategic feedback sessions with customers are held for the sake of refining its product portfolio and identify emerging trends. It believes such efforts to create joint value will not only deepen existing cooperation, but also appeal to new licensors, as evidenced in progressing discussions based on its proven track records.

Priding core competitive advantages, including tightly-knitted partnerships with character owners and licensors, continuous innovation capabilities for high-quality products, and strategic manufacturing presence in China, Vietnam and Indonesia, Dream International stands prime to snatch emerging opportunities and navigate industry challenges. Affording strong operational agility and embracing collaborative value creation, the Group will keep reinforcing its commitments to excellence and delivering sustainable long-term returns to its stakeholders.

Number and Remuneration of Employees

As at 30 June 2025, the Group had 28,699 (31 December 2024: 28,697) employees in Hong Kong, the PRC, Korea, the US, Japan, Vietnam, Singapore and Indonesia. The total amount of staff costs of the Group for the Period was HK$804.7 million (six months ended 30 June 2024: HK$670.5 million). The Group values its human resources and recognises the importance of attracting and retaining quality staff for its continuing success. Staff bonuses are awarded based on individual performance. In addition, the Group provides comprehensive training programs to its employees or sponsors the employees to attend various job-related training course.

Liquidity and Financial Resources and Gearing

The Group continued to maintain a reasonable liquidity position. As at 30 June 2025, the Group had net current assets of HK$2,614.4 million (31 December 2024: HK$2,602.8 million). The Group's total cash and cash equivalents as at 30 June 2025 amounted to HK$1,479.4 million (31 December 2024: HK$1,407.9 million). The bank loans of the Group as at 30 June 2025 amounted to HK$62.1 million (31 December 2024: HK$99.6 million). The Group financed its operations by internally generated cashflows and banking facilities provided by the banks. The Group maintains a prudent approach in managing its financial requirements.

The Group also maintains a conservative approach to foreign exchange exposure management. The Group is exposed to currency risk primarily through income and expenditure streams denominated in United States Dollar, Renminbi Yuan, Vietnamese Dong, Japanese Yen and Indonesian Rupiah. To manage currency risks, non-Hong Kong Dollar assets are financed primarily by matching local currency debts as far as possible. The Group's gearing ratio, calculated on the basis of total bank loan over the total equity, was at 1.5% at 30 June 2025 (31 December 2024: 2.5%).

PLEDGE ON GROUP ASSETS

Factory buildings, certain leasehold land, property, plant and equipment, and time deposit of the Group with an aggregate carrying amount of HK$166.1 million (31 December 2024: HK$186.0 million) as at 30 June 2025 were pledged as security for bank loans of the Group of HK$62.1 million (31 December 2024: HK$99.6 million).

As at 30 June 2025, unutilised banking facility of HK$86.2 million (31 December 2024: HK$60.3 million) was secured by factory buildings, leasehold land and other property, plant and equipment, and time deposit of the Group with an aggregate carrying amount of HK$142.0 million (31 December 2024: HK$95.0 million).

As at 30 June 2025, factory building, leasehold land and property, plant and equipment with carrying amount of HK$39.3 million were pledged for both utilised and unutilised banking facilities (31 December 2024: Nil). Total pledged asset value as at 30 June 2025 is HK$268.8 million (31 December 2024: HK$281.0 million).

SIGNIFICANT INVESTMENT HELD

There was no significant investment held by the Group during the six months ended 30 June 2025.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES

There was no material acquisition or disposal of subsidiaries, associated companies and joint ventures by the Group during the six months ended 30 June 2025.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

As at 30 June 2025, there are no treasury shares held by the Company.

During the six months ended 30 June 2025, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sales of treasury shares).

CORPORATE GOVERNANCE

During the six months ended 30 June 2025, the Board considered that the Company has complied with the code provisions set out in the Corporate Governance Code (the "CG Code") contained in Appendix C1 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), save for the deviation from the code provision C.2.1.

Under the code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer ("CEO") should be separated and should not be held by the same individual. Mr. Kyoo Yoon Choi has been appointed as the CEO on 4 October 2012 and has performed both the roles as the chairman and CEO of the Company. The Board is of the opinion that it is appropriate and in the best interests of the Company at the present stage for Mr. Kyoo Yoon Choi to hold both positions as it helps to maintain the continuity of the policies and stability of the operations of the Company. The Board including three independent non-executive Directors has a fairly independent element in the composition and will play an active role to ensure a balance of power and authority.

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as the code of conduct regarding the securities transactions by the Directors on terms no less exacting than the required standard. The Company has made specific enquires of all the Directors, and all Directors have confirmed that they had complied with the required standard as set out in the Model Code at all applicable times during the six months ended 30 June 2025.

INTERIM DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The Board declared an interim dividend of HK25 cents per ordinary share for the six months ended 30 June 2025 (six months ended 30 June 2024: HK20 cents per ordinary share). The interim dividend of HK$169,216,000 (six months ended 30 June 2024: HK$135,373,000) will be paid on 13 October 2025 to the Shareholders registered at the close of business on the record date, 29 September 2025.

The register of members will be closed for one day on 29 September 2025, during that day no transfer of shares will be effected. In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Share Registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on 26 September 2025.

As at the date of this announcement, there are no treasury shares held by the Company (whether held or deposited in the Central Clearing and Settlement System, or otherwise).

AUDIT COMMITTEE AND REVIEW OF ACCOUNTS

The audit committee of the Company (the "Audit Committee") has reviewed with management of the Company with respect to the accounting principles and practices adopted by the Group and discussed risk management and internal control systems and financial reporting matters, including a review of the unaudited interim results for the six months ended 30 June 2025. The Audit Committee considered that the unaudited interim results for the six months ended 30 June 2025 were in compliance with the relevant accounting standards, rules and regulations and that appropriate disclosures have been made. The interim financial report for the six months ended 30 June 2025 have not been audited, but have been reviewed by KPMG, the Company's auditor, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

PUBLICATION OF 2025 INTERIM RESULTS AND INTERIM REPORT

The electronic version of this interim results announcement is published on the websites of the Company (www.dream-i.com.hk) and the Stock Exchanges (www.hkexnews.hk). An interim report for the six months ended 30 June 2025 prepared in accordance with the applicable disclosure requirements of Appendix D2 to the Listing Rules will be available in hard copies to the Shareholders on request and will also be available on the above websites in due course.

By order of the Board
Dream International Limited
Min Jung Lee
Executive Director

Hong Kong, 25 August 2025

At the date of this announcement, the Directors are:

Executive Directors:
Mr. Kyoo Yoon Choi *(Chairman)*
Mr. Min Jung Lee
Ms. Hyunjoo Kim
Mr. Jae Seng Yu

Independent non-executive Directors:
Professor Cheong Heon Yi
Dr. Chan Yoo
Mr. Jong Hun Lim