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## **DREAM INTERNATIONAL LIMITED**

### **德林國際有限公司**

*(Incorporated in Hong Kong with limited liability)*

(Stock Code: 1126)

#### **REVISION OF ANNUAL CAP OF CONTINUING CONNECTED TRANSACTIONS**

References are made to the announcements of the Company dated 3 June 2013, 25 September 2013 and 24 October 2014 regarding the Supply Agreement with C & H for the sale of goods from the Group to the C & H Group and revision of annual caps, respectively (the “Announcements”).

In view of a one-off promotional order expecting to be received from the C & H Group, the Directors anticipate that the 2015 Annual Cap of HK\$9,300,000 will not be sufficient to meet the expected purchases volume of the C & H Group. The Directors therefore propose that the 2015 Annual Cap be revised and increased to the Revised Annual Cap. The Revised Annual Cap will be HK\$12,300,000 for the year ending 31 December 2015.

As the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Revised Annual Cap of the transactions are less than 5%, the transactions are subject to the reporting and announcement requirements but exempted from Independent Shareholders’ approval requirement under Rule 14A.76(2) of the Listing Rules.

#### **INTRODUCTION**

References are made to the announcements of the Company dated 3 June 2013, 25 September 2013 and 24 October 2014 regarding the Supply Agreement with C & H for the sale of goods from the Group to the C & H Group for a period of three years from 1 June 2013 and revision of annual caps, respectively.

Pursuant to the Supply Agreement, among other things, the Company agreed that any member of the Group shall sell and C & H agreed that any member of the C & H Group shall purchase such quantities of plush stuffed and ride-on toys, and plastic figures as may be ordered by any members of the C & H Group at such prices as the parties may agree from time to time, subject to the terms of the Supply Agreement.

On 25 September 2013, the 2013 annual cap of HK\$5,460,000 was revised and increased to HK\$9,800,000 due to a one-off promotional order received from the C & H Group during the year ended 31 December 2013.

On 24 October 2014, in view of the increasing sales demand of plastic figures products in Korea, the annual caps for each of the two years ending 31 December 2015 were revised and increased to HK\$9,300,000.

As disclosed in the Announcements, the 2015 Annual Cap for the Supply Agreement was set at HK\$9,300,000. The 2015 Annual Cap has not been exceeded as of the date of this announcement.

## **REVISION OF THE 2015 ANNUAL CAP**

In view of a one-off promotional order expecting to be received from the C & H Group, the Directors anticipate that the 2015 Annual Cap of HK\$9,300,000 will not be sufficient to meet the expected purchases volume of the C & H Group. The Directors therefore propose that the 2015 Annual Cap be revised and increased to the Revised Annual Cap. The Revised Annual Cap will be HK\$12,300,000 for the year ending 31 December 2015.

The Revised Annual Cap is determined with reference to (i) the historical transactions between the Group and the C & H Group, (ii) the estimated demand of the C & H Group and (iii) seasonal factors of these transactions.

The Directors (including the Independent Non-executive Directors) are of the view that the basis of determining the Revised Annual Cap is fair and reasonable.

## **REASONS FOR AND BENEFITS OF THE REVISED ANNUAL CAP AND THE TRANSACTIONS**

The Directors have been carefully monitoring the historical transacted amounts and estimated demand of the C & H Group regarding the continuing connected transactions. Due to a one-off promotional order expecting to be received from the C & H Group, the Directors anticipate that the aggregate value of the continuing connected transactions for the year ending 31 December 2015 would exceed the 2015 Annual Cap. The Directors therefore propose to revise and increase the 2015 Annual Cap.

The Supply Agreement was entered to secure the Company's income and business growth. The transactions were normal sale of goods entered into in the ordinary course of business of the Group and enabled the Group to profit therefrom and the proceeds of sale will be used for general working capital purpose.

Except for Mr. Kyoo Yoon Choi, who is also a director of C & H, none of the Directors have any material interest in the transactions. Mr. Kyoo Yoon Choi has abstained from voting on the Board resolutions approving the Revised Annual Cap.

The Directors (including the Independent Non-executive Directors) are of the view that the Revised Annual Cap is fair and reasonable and in the interests of the Group and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

Mr. Kyoo Yoon Choi, the Chairman, Chief Executive Officer and the controlling shareholder of the Company, together with his wife, Ms. Woul Hee Cha, hold approximately 61.95% of the issued share capital of C & H as at the date of this announcement. According to the Listing Rules, C & H is an associate of Mr. Kyoo Yoon Choi and thus a connected person of the Company. Each member of the C & H Group is also deemed to be a connected person of the Company. Therefore, the transactions contemplated under the Supply Agreement constitute continuing connected transactions for the Company.

Pursuant to the Listing Rules, if the Company proposes to revise the annual cap for a continuing connected transaction, the Company must re-comply with the provisions of Chapter 14A of the Listing Rules in relation to the relevant connected transaction.

As the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Revised Annual Cap of the transactions are less than 5%, the transactions are subject to the reporting and announcement requirements but exempted from Independent Shareholders' approval requirement under Rule 14A.76(2) of the Listing Rules.

## **INFORMATION ON THE GROUP**

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

## **DEFINITIONS**

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

“2015 Annual Cap”	the annual cap of sale of goods under the Supply Agreement for the year ending 31 December 2015 according to the Announcements
“associate(s)”, “connected person(s)” and “controlling shareholder”	have the meanings ascribed to them in the Listing Rules
“Board”	the board of Directors
“C & H Group”	C & H and its subsidiaries
“C & H”	C & H Co., Ltd., a limited liability company incorporated in the Republic of Korea, of which approximately 61.95% of the issued share capital were held by Mr. Kyoo Yoon Choi and his wife
“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

“Director(s)”	the director(s) 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
“Independent Shareholders”	Shareholders other than Mr. Kyoo Yoon Choi and its associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Revised Annual Cap”	the revised annual cap of sale of goods under the Supply Agreement for the year ending 31 December 2015 according to this announcement
“Share(s)”	the ordinary share(s) in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supply Agreement”	the supply agreement dated 1 June 2013 entered into by the Company and C & H for a period of 3 years from 1 June 2013 and ending on 31 May 2016 for supply of plush stuffed and ride-on toys, and plastic figures
“%”	per cent

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

Hong Kong, 26 October 2015

The Directors 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. James Chuan Yung Wang  
Mr. Hyun Ho Kim

*Independent Non-executive Directors*

Professor Cheong Heon Yi  
Professor Byong Hun Ahn  
Mr. Tae Woong Kang