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DREAM INTERNATIONAL LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 1126)

VOLUNTARY ANNOUNCEMENT BUSINESS UPDATE ENTERING INTO THE ADDENDUM TO MASTER SOURCING AGREEMENT WITH A MAJOR EXISTING CUSTOMER

This announcement is made by Dream International Limited (the “**Company**”, and its subsidiaries, the “**Group**”) on a voluntary basis to keep the shareholders of the Company (the “**Shareholders**”) and potential investors informed of the latest development of the Group.

The board of directors of the Company (the “**Board**”) is pleased to announce that on 30 November 2018 (Washington time), the Company entered into an addendum (the “**Addendum**”) to an existing master sourcing agreement dated 22 June 2018 (the “**Master Sourcing Agreement**”) with a major existing customer (the “**Customer**”). The existing Master Sourcing Agreement established the general terms and conditions for supplying toy products by the Company to the Customer. Pursuant to the Addendum, the Customer agreed to new pricing and other terms for orders to the Company during the period from 1 January 2019 to 31 December 2023, including potential incentives set out in the Addendum for different products if certain annual volume thresholds are met.

The Customer is a third party independent of the Company and its connected persons (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited). In addition, the transactions under the Master Sourcing Agreement and the Addendum are conducted in the ordinary course of business of the Company. The Board believes that the terms of the Addendum can generate stable revenue growth for the Company, stimulate greater production efficiency and create a sustainable business relationship with the Customer in the foreseeable future.

Shareholders and potential investors should exercise caution when dealing in the shares of the Company.

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

Hong Kong, 3 December 2018

As at the date of this announcement, the directors of the Company 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