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DREAM INTERNATIONAL LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 1126)

SUPPLEMENTAL AND CLARIFICATION ANNOUNCEMENT IN RELATION TO CONNECTED TRANSACTIONS IN RESPECT OF ACQUISITION OF TARPAULIN BUSINESS

INTRODUCTION

Reference is made to the announcement of Dream International Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) dated 29 November 2019 (the “**Announcement**”) in relation to the connected transactions in respect of acquisition of tarpaulin business. Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement unless otherwise defined herein.

The board of directors of the Company (the “**Board**”) would like to clarify that, based on a further review of the relevant percentage ratios (as defined under Rule 14.07 of the Listing Rules) in aggregate in respect of the transactions contemplated under the Share Transfer Agreement and the Capital Contribution Transfer Agreement, one or more of the relevant percentage ratios exceeds 5% but all relevant percentage ratios are less than 25%. Accordingly, the Acquisitions constitute (i) connected transactions of the Company subject to the reporting, announcement, circular and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules; and (ii) discloseable transactions of the Company subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

CONSIDERATION

It was mentioned in the Announcement that (i) the consideration for the acquisition of the entire share capital of C & H Vina pursuant to the Share Transfer Agreement and (ii) the consideration for the acquisition of the entire share capital of C & H Tarps pursuant to the Capital Contribution Transfer Agreement, were both determined with reference to the valuation of C & H Vina and the valuation of C & H Tarps, respectively, as indicated by an independent professional valuer in Vietnam (collectively, the “**Valuation**”).

The Company would like to further clarify that, apart from the Valuation, the considerations for the transactions contemplated under the Share Transfer Agreement and the Capital Contribution Transfer Agreement were determined with reference to the historical rate of return on investments and the pay-back period analysis.

As the valuation method adopted in the Valuation constitutes a profit forecast under Rule 14.61 of the Listing Rules (the “**Profit Forecast**”), for the purpose of complying with Rules 14A.68(7) and 14.62 of the Listing Rules, the Company will issue a separate announcement in due course, which will set out, among others, the principal assumptions upon which the Profit Forecast was based. The Company will comply with all applicable Listing Rules in relation to the publication of a Profit Forecast in due course, including the appointment of auditors or reporting accountants to review the accounting policies and calculations for the Profit Forecast.

ADDITIONAL REQUIREMENTS UNDER CHAPTER 14A OF THE LISTING RULES

An extraordinary general meeting (the “**EGM**”) will be convened and held for the Independent Shareholders for the purpose of, among other matters, considering and, if thought fit, approving, the Share Transfer Agreement and the Capital Contribution Transfer Agreement and the transactions contemplated thereunder.

An independent board committee (the “**Independent Board Committee**”) comprising all of the independent non-executive Directors will be established to provide recommendation to the Independent Shareholders in respect of the Share Transfer Agreement and the Capital Contribution Transfer Agreement and the transactions contemplated thereunder. An independent financial adviser (the “**IFA**”) will be engaged to advise the Independent Board Committee and the Independent Shareholders in the same respect.

A circular containing, among other things, (i) further details of the Share Transfer Agreement; (ii) further details of the Capital Contribution Transfer Agreement; (iii) a letter of recommendation from the Independent Board Committee; (iv) a letter from the IFA; and (v) a notice of the EGM, is expected to be despatched to the Shareholders on or before 31 January 2020 as the Company requires more time to prepare and finalise the relevant information to be included in the circular.

Save as disclosed above, all other information and contents set out in the Announcement remain unchanged.

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

Hong Kong, 10 December 2019

The Directors 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