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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)

PROFIT WARNING

This announcement is made by Dream International Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company and potential investors that the Group is expected to record a considerably lower profit for the 6 months ended 30 June 2011 as compared to the profit for the 6 months ended 30 June 2010 mainly due to the decrease in the sales volume of the Group.

The Board considers that the decrease in sales volume in Interim 2011 is primarily attributable to (i) market demand in Japan was weakened after the outbreak of earthquake in March, and (ii) a sales order from a new customer in Brazil amounted to US\$18 million was totally booked during the six months ended 30 June 2010. With reference to the announcement on 7 October 2010, another sales order amounting to US\$30.15 million from the same customer was received and was expected to be delivered from January 2011 to July 2011. However, the Company was instructed by the customer to delay the shipment until further notice and there are no sales to this customer during the six months ended 30 June 2011. Further announcement will be made after receiving revised shipment schedule from this customer.

This profit warning announcement is only based on the Company’s preliminary review of the management accounts of the Group, which is still subject to the finalisation. Details of the Group’s interim results will be disclosed in the unaudited results announcement of the Company for the six months ended 30 June 2011, which is expected to be released by the end of August 2011.

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

By Order of the Board
Dream International Limited
Mr. Young M. Lee
Vice President

Hong Kong, 9 August 2011

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