

**[Immediate Release]****DREAM EAST**  
**梦东方****DreamEast Group Limited****夢東方集團有限公司****DREAM EAST (593.HK) DISPOSES OF 58% OF EQUITY INTERESTS OF  
QIAN'AN PROJECT TO OPTIMIZE ASSET STRUCTURE**

(13 September 2018, Hong Kong) – Prioritising the development of tourist resorts, film and animation as its core business, **DreamEast Group Limited** (“DreamEast” and together with its subsidiaries, the “Group”, stock code: 593.HK) has announced that, in order to more focus on the core business of cultural and entertainment, it proposes to dispose the entire issued share capital of Fusion Link International Limited (“Fusion Link”) to SkyOcean Investment Holdings Limited (“SkyOcean Investment”) for a consideration of approximately HK\$1.41 billion. After SkyOcean Investment converts part of DreamEast’s convertible bonds (“CBs”) it currently holds to shares, the Group will buyback and cancel the converted shares to offset the consideration for the disposal of Fusion Link. As SkyOcean Investment is the ultimate shareholder and the largest single shareholder of the Group, the disposal constitutes a major and connected transaction and is subject to the approval by independent shareholders at the special general meeting.

Fusion Link holds 58% of the equity interests in SkyOcean Real Estate (Tangshan) Co., Ltd (“SkyOcean Real Estate”), whose principal asset is the commercial real estate project located in Qian’an City, Tangshan, Hebei Province, the PRC (“Qian’an Project”). The Qian’an Project has a total site area of 224,700 sq.m., and currently has a completed floor area of approximately 164,000 sq.m. with six commercial buildings. According to the independent third-party valuer, Fusion Link’s net asset value on June 30 2018 was approximately HK\$1.41 billion; for the six months ended June 30 2018, Fusion Link recorded a loss of approximately HK\$3.3 million. Upon the completion of the transaction, SkyOcean Real Estate would no longer be incorporated into the Group’s consolidated financial statements. Its daily management is also to be transferred to SkyOcean Investment, which would enable the Group to allocate its financial and human resources in the promising cultural and entertainment business, in line with its strategic direction. The disposal of the commercial real estate project also shows the Group’s determination to develop a successful cultural and entertainment business.

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SkyOcean Investment holds a principal amount of RMB1.5 billion CBs of the Group. The CBs were issued in 2015, zero-coupon, initial conversion price of HK\$6.8 per share, and are due to mature in December 2020. In the 2016 and 2017 financial years, the financial cost relating to running the CBs were HK\$100 million and HK\$110 million respectively. By buying-back and cancelling the shares converted from part of the CBs, the Group will be exempted from repaying part of the debts of the CBs, which will greatly enhance the Group's flexibility to manage the turnover of its capital. This will also help the Group to reduce the financial costs by more than approximately HK\$60 million per year and therefore to improve its profitability.

The converted shares at the buy-backs price of approximately HK\$8.19 represents a discount of 20% to the closing price of the Group's shares on September 13, 2018. Upon the completion of the transaction, the shareholding interests of SkyOcean Investment in the Group will remain unchanged at approximately 69.49%.

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### **DreamEast Group Limited**

DreamEast Group is a company listed on the Stock Exchange of Hong Kong (stock code: 593.HK) with its global headquarters located in Hong Kong, China headquarters in Beijing and U.S. headquarters in Los Angeles. DreamEast focuses on two core areas: films and animation, and tourist resorts. Giving full rein to creativity and ingenuity, we adhere to a strategy of comprehensive IP development, so as to fashion unique works that can play the wonderful melody of life and share the beauty of China with the world. For further information, please visit [www.dreameast.com](http://www.dreameast.com).

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