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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)

### **CHANGE OF AUDITORS**

The Board announces that Messrs. KPMG resigned as auditors of the Company and its subsidiaries with effect from 11 August 2006 and Messrs. PWC have been appointed as the auditors of the Company and its subsidiaries to fill the casual vacancy following the resignation of KPMG as auditors of the Group, and to hold office until the conclusion of the next annual general meeting of the Company.

The Board of Directors (the “Board”) of Dream International Limited (the “Company”) announces that Messrs. KPMG (“KPMG”) have resigned as auditors of the Company and its subsidiaries (the “Group”) with effect from 11 August 2006 and Messrs. PricewaterhouseCoopers (“PWC”) have been appointed as the auditors of the Group to fill the casual vacancy following the resignation of KPMG as auditors of the Group, and to hold office until the conclusion of the next annual general meeting of the Company.

Consistent with good corporate governance practices, it is the Group’s policy to review the engagement of auditors from time to time. As KPMG have been the external auditors of the Group for over a decade, the Board believes that the change of auditors will bring in new input and thus can benefit the shareholders of the Company.

KPMG confirmed in the letter addressed to the Board and the Company’s audit committee dated 11 August 2006 that there were no circumstances connected with their resignation, which they considered should be brought to the attention of the shareholders of the Company. The Board confirmed that there are no circumstances in respect of the change of auditors, which should be brought to the attention of the shareholders of the Company. The Board and the audit committee also confirmed that there is no disagreement between KPMG and the Board on anything unusual or unresolved regarding to the resignation of KPMG.

KPMG completed the audit for the financial statements of the Group for the year ended 31 December 2005. KPMG have not yet commenced any review work on the interim financial report of the Group for the period from 1 January 2006 to 30 June 2006, or the audit work on the annual financial statements for the year ending 31 December 2006. On 11 August 2006, KPMG issued a

professional clearance letter to PWC in which KPMG confirmed that there are no circumstances surrounding the change of auditors of the Company, which it considers PWC should be aware of. It is expected that the change of auditors of the Company will not affect the review or audit and the release of interim or annual results of the Company for the period ended 30 June 2006 or for the financial year ending 31 December 2006.

The Board would like to thank KPMG for their professional services and support in the past.

By Order of the Board  
**Kyoo Yoon Choi**  
*Chairman*

South Korea, 11 August 2006

*At the date of this announcement, the Board comprises the following eight directors:*

*Executive Directors*

Mr. Kyoo Yoon Choi (*Chairman*)  
Mrs. Shin Hee Cha  
Mr. Tae Sub Choi  
Mr. Young M. Lee  
Mr. James Wang

*Independent Non-Executive Directors*

Mr. Kin Piu Cheung, Valiant  
Professor Cheong Heon Yi  
Dr. Chan Yoo

Please also refer to the published version of this announcement in International Herald Tribune.