

**DREAM INTERNATIONAL LTD :
PLAYING WITH TOYS AND DOLLS MAY GIVE ONE
A VERY GREEN THUMB**

There appeared to be no valid reason for Dream International Ltd to have gone public on the Main Board of The Stock Exchange of Hongkong Ltd, in late January – because it is not in any dire need of an extra financing, having just scored a bull's eye, so to speak, with regard to its Net Profits for the 2001 Financial Year.

In fact, Dream International, Stock Code Number 1126, has money, coming out of every corporate orifice, it would appear on reading its Prospectus.

This Company is in the toy business: It designs, develops, manufactures and sells a wide range of what is known in the business as *'plush stuffed toys'*, its main money-spinner, as well as producing some steel and plastic toys.

Manufacturing is carried out on an OEM basis and an ODM basis (**O**riginal **E**quipment **M**anufacturing and **O**riginal **D**esign **M**anufacturing, respectively).

The Company has been in business since April 1985, having been founded by Mr Kyoo Yon Choi, a Korean national, who, originally, established C & H Company Ltd in Seoul, South Korea.

Today, 17 years later, the company that Mr Choi founded has expanded to include 5 wholly owned subsidiaries, employing about 12,383 workers.

And it is making money, hands over fist.

Dream International Placed and Issued a total of 162.50 million, one-cent (US cents) shares at \$HK1.20 per share.

It netted about \$HK175 million from the flotation, which is intended to be used as to:

1. \$HK23.40 million *'for vertical integration in the area of spinning of yarns'*;
2. \$HK70.20 million *'for expansion of marketing in the US market'*;
3. \$HK23.40 million *'for acquisition of character licence business'*;
4. \$HK23.40 million *'for expansion of marketing in Japan and Europe'*;
5. \$HK23.40 million *'for developing research and development capabilities'*; and,
6. \$HK11.20 million *'as general working capital of the Group.'*

All of the above-stated, intended future expenditures, contained at Page 110 of the Prospectus, could have been internally funded, without any real problem to Management of this Company, which appears to be quite well run.

According to Page 153, the Consolidated Balance Sheets, there was about \$HK89.47 million in cash and cash equivalents, as at June 30, 2001, but that figure must have been swollen by at least another \$HK50 million by the end of the last Financial Year, ended December 31, 2001.

And Dream International has no borrowings, according to Page 94 of the Prospectus.

For the past 42 months, this Company has gone from strength to strength, in spite of the economic downturn of the past few years.

The following is the Company's track record:

	Financial Year ended December 31			Six Months to June 30
	1998	1999	2000	2001
	All Figures are Denominated in \$HK'000 (unless otherwise stated)			
Turnover	658,806	805,398	874,401	337,364
Cost of Sales	(525,463)	(634,179)	(683,744)	(254,675)
Gross Profit	133,343	171,219	190,657	82,689
Gross Profit Margin	20.24 percent	21.25 percent	21.80 percent	24.51 percent
Other Revenue	9,485	11,180	19,584	8,071
Other Net Income/(Loss)	1,822	510	(4,873)	115
Distribution Costs	(36,235)	(39,599)	(49,234)	(14,934)
Administrative Expenses	(41,805)	(56,262)	(63,865)	(25,239)
Profit from Operations	66,610	87,048	92,269	50,702
Financing Costs	(3,329)	(777)	(155)	(230)
Profit from Ordinary Activities before Taxation	63,281	86,271	92,114	50,472
Taxation	(11,052)	(6,137)	(3,868)	(3,473)
Net Profit Attributable to Shareholders	52,229	80,134	88,246	46,999

For the Financial Year, ended December 31, 2001, Management had forecast that the Net Profit Attributable to Shareholders, before any Extraordinary Items, ... [CLICK TO ORDER FULL ARTICLE](#)

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