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DREAM EAST
梦东方

DREAMEAST GROUP LIMITED
夢東方集團有限公司

*(Incorporated in Bermuda with limited liability and
carrying on business in Hong Kong as “DreamEast Cultural Entertainment”)*

(Stock Code: 593)

INSIDE INFORMATION
WINDING UP PETITION

This announcement is made by DreamEast Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) and Rule 13.25 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

WINDING-UP PETITION AGAINST THE COMPANY

On 2 November 2023, the Company received a winding-up petition (the “**Petition**”) filed on 1 November 2023 by Forever Union Holdings Limited (“**Forever Union**” or the “**Petitioner**”) against the Company, under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) in the High Court of Hong Kong (the “**High Court**”). According to the Petition, the Company was allegedly indebted to Forever Union in the sum of RMB36,795,192.46, being the amount due to Forever Union as evidenced by a letter of acknowledgement issued by Forever Union dated 30 June 2023 and acknowledged by the Company. The Petition was scheduled to be heard on 10 January 2024. On 10 January 2024, Forever Union filed an amended petition in which the alleged sum owed by the Company was changed to HK\$36,795,192.46 instead of RMB36,795,192.46 despite the indebtedness stated in the letter of acknowledgement was RMB36,795,192.46.

The directors of the Company (the “**Directors**”) immediately started an internal investigation regarding the alleged debt owed to Forever Union. The Board has inquired with all relevant staff and noticed that (1) Forever Union has the same business registration address as the Company and (2) the letter of acknowledgement has applied the Company’s chop. This information brings significant doubts to the Board concerning the validity of the claim and potentially fraudulent acts in the Group. The Company has engaged legal counsel and upon further investigation for evidence including, *inter alia*, the letter of acknowledgement and the documentation pertaining to the alleged liabilities of the Company, no Board members had knowledge of the existence of the said letter of acknowledgement, and no Board member has authorized the applying of the company chop on the said letter. During the investigation it was further found that one of the directors of Forever Union is the daughter of the former Chairman Mr. Zhou Zheng, who left the Company on 12 October 2020 and was declared bankrupt in Hong Kong and the niece of ex-Chairman, Ms. Zhou Jin, who left the Company on 24 November 2023. The other director was a former employee of the Group and was a former company secretary of the Group’s subsidiaries, who had free access to the Headquarter, documentations and company chops of the Group before. The Company believes the Petitioner, Forever Union, was a related party to the Company by that time.

The Board is still in the course of searching evidence, and from the Company's own record thus far, there was no documentation which tends to support that the Group would be liable for any repayments to Forever Union on the date alleged by the Petitioner. The company chop on the letter of acknowledgement is still missing from the Company. The ex-Chairmans throughout the whole investigation, had never been able to be reached throughout the investigation and had ignored all the inquiries over these matters in the investigations. All the investigations showed that no directors of the Company, including ex-Chairmans Mr. Zhou Zheng and Ms. Zhou Jin, have ever signed the letter of acknowledgement or signed any documentations to approve and acknowledge the letter. After careful consideration of the abovementioned facts, the authorization and validity of the amount claimed, the information in the Petition is highly doubtful and misleading. Therefore, the Company had reported to the Hong Kong Police and will oppose the Petition vigorously.

Upon the Consent Summons filed on 21 November 2023, the Validation Order for the transfer of Company's shares was granted by the High Court on 29 November 2023. On 10 January 2024, due to the fact that the Petitioner has not yet obtained the Registrar's Certificate, the hearing was adjourned to 21 February 2024. On 21 February 2024, the Company has applied to the Court to file and serve the Company's affirmation before 7 March 2024 which was allowed by the High Court, and the hearing of the Petition was adjourned to 11 March 2024.

Effect of the Winding-up Petition under the applicable laws and regulations

Pursuant to Section 182 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong), in a winding-up by the court, any disposition of the property of the Company, including things in action, and any transfer of shares of the Company (the "**Shares**"), or alteration in the status of the members of the Company, made after the commencement of the winding-up, shall be void as a matter of Hong Kong law, unless the court otherwise orders.

The Company has applied for and was granted by the High Court a validation order dated 29 November 2023, in which the Court has ordered that, *inter alia*, the transfer of issued and fully paid up shares in the Company since the date of the Petition shall not be void by virtue of section 182 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong).

The Company wishes to remind its shareholders and the potential investors of the Company of the risk that the Shares may be restricted as the deposits of the Shares into Central Clearing and Settlement System (“CCASS”) may be suspended due to the Winding-up Petition. Pursuant to the circular dated 28 December 2016 issued by the Hong Kong Securities Clearing Company Limited (“HKSCC”) in relation to the transfer of the shares of listed issuers after a winding-up petition has been presented, and in view of the restrictions and the uncertainties that may arise in relation to the transfer of shares, for participant(s) who conduct share transfers through HKSCC (the “Participant(s)”), HKSCC may at any time, and without notice, exercise its powers under the General Rules of CCASS to temporarily suspend any of its services in respect of the shares. This may include the suspension of acceptance of deposits of share certificates of the Company into CCASS. The share certificates of the Company received by HKSCC but not yet re-registered in HKSCC Nominees Limited’s name will also be returned to the relevant Participant and HKSCC shall reserve the right to reverse any credit granted to such Participant by debiting the relevant securities of the Company from its CCASS account accordingly. These measures would generally cease to apply from the date when the Winding Up Petition has been struck-out, dismissed or permanently stayed, or the Company has obtained the necessary validation order from the relevant court(s).

ACTIONS TO BE TAKEN BY THE COMPANY

The Company has engaged legal counsel to seek legal advices and take all necessary actions to protect the rights and interests of the Company and other stakeholders. Based on the facts, the Company considers that the Petition is an abuse of process and will consider applying to the High Court to strike out the Petition.

IMPACT OF THE PETITION ON OPERATION OF THE COMPANY

As at date of this announcement, to the best of the Directors’ knowledge, information and belief, the Petition has had no material impact to the business operation of the Company and its subsidiaries.

The Company will make further announcement(s) to inform the shareholders of the Company of any significant development of the Petition as and when appropriate or as required by the applicable rules and regulations.

WARNINGS: Shareholders and potential investors of the Company should exercise extreme caution when dealing in the securities of the Company.

By order of the Board
DREAMEAST GROUP LIMITED
Chan Sin I
Executive Director

Hong Kong, 4 March 2024

As at the date of this announcement, the Board comprises Ms. Chan Sin I and Mr. Leong Tang Fu being the executive Directors, Mr. Lam Chi Wing (Chairman) and Mr. Wang Luonan being the non-executive Directors, and Dr. Li Xiao Long, Dr. Meng Xiao Su, Mr. Yang Bu Ting, Mr. Zhao Da Xin, Mr. Chu Hoi Kan and Ms. Chan Sheung Yu being the independent non-executive Directors