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M DREAM INWORLD LIMITED

聯夢活力世界有限公司*

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8100

**FURTHER DELAY IN DESPATCH OF CIRCULAR
IN RELATION TO CONNECTED TRANSACTIONS,
VERY SUBSTANTIAL ACQUISITION,
ISSUE OF NEW SHARES
AND
PROPOSED INCREASE IN AUTHORIZED SHARE CAPITAL**

The Company has applied to the Stock Exchange for a further extension of deadline for despatch of the Circular from 20 September 2004 to on or before 30 September 2004.

Reference is made to the Company's announcements dated 19 August 2004 and 9 September 2004 in relation to the Share Swap, the MDC Subscription, the STT Subscription and the proposed increase of the authorized share capital of the Company (the "Announcements"). Unless the context otherwise requires, terms used herein shall have the same meanings as defined in the Announcements.

Additional time has been taken to prepare the pro forma financial information of the combined accounts of the Group and Elipva for inclusion in the Circular. As such pro forma financial information has just been finalized and will require more time to incorporate into the Circular, there will be a further delay in the posting of the Circular which was previously postponed to be despatched on or before 20 September 2004. The Company has applied to the Stock Exchange from strict compliance with Rule 19.38 and Rule 20.49 of the GEM Listing Rules respectively, and for a further extension of the time for the despatch of the Circular to on or before 30 September 2004.

By Order of the board of Directors
M Dream Inworld Limited
Koh Tat Lee, Michael
Chairman

Hong Kong, 20 September 2004

As at the date hereof, the executive directors of the Company are Mr. Koh Tat Lee, Michael, Mr. Xu Hanjie and Mr. Wong Shui Fun; the non-executive directors of the Company are Mr. Wong Kean Li and Mr. Ng Yat Cheung; the independent non-executive directors of the Company are Mr. Domingo Chen and Mr. Robert Wong.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the GEM website on the "Latest Company Announcements" page for at least 7 days from the date of its posting.

** For identification purpose only*