



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)

ANNOUNCEMENT

The directors (the “Directors”) of M Dream Inworld Limited (the “Company”) referred to an article which appeared in Oriental Daily on 25 March 2005 in connection with a Writ of Summons (the “Writ”) in High Court instituted by Softbank Investment International (Strategic) Limited (“Softbank”) dated 24 March 2005 against the Company. The Writ concerned a loan of US\$1 million (HK\$7.8 million equivalent) extended from Softbank to the Company on 23 June 2004 plus interest accrued thereon of HK\$282,091.15. Subsequent to the receipt of the Writ, the Directors have successfully refinanced the loan with Softbank. Thus, Softbank discontinued the action against the Company on 29 March 2005.

The Directors confirm that they are not aware of any material adverse change in the financial or trading position of the Group, which is brought about by the pending litigation threatened against the Group.

The Directors wish to confirm that, apart from the above, they are not aware of any matter discloseable under the general obligations imposed by the listing agreement, which is or may be of a price sensitive nature.

Made by the order of the Board, the Directors of which collectively and individually accept responsibility for the accuracy of this announcement.

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

Hong Kong, 29 March 2005

** For identification purpose only*

As at the date hereof, the executive directors of the Company are Mr. Koh Tat Lee, Michael, Mr. Domingo Chen, Mr. Xu Hanjie, Mr. Wong Shui Fun and Dr. Choong Ying Chuan; the non-executive directors of the Company are Mr. Tay Yew Beng, Peter, Dr. Lee Siu Lung, James, Mr. Wong Kean Li and Mr. Ng Yat Cheung; the independent non-executive directors of the Company are Mr. Robert Wong, Ms. Hilda Sung and Mr. Yeung Chun Wai, Anthony.

This announcement, for which the directors of the Company 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: - (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) 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 “Latest Company Announcement” page of the GEM website for at least 7 days from the date of its publication.