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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 THE DESPATCH OF CIRCULAR

MAJOR TRANSACTIONS:

(1) SUBSCRIPTION OF M DREAM CHINA SHARES

(2) ACQUISITION OF VASINA SHARES

<p>The Company has made an application to the Stock Exchange for a further extension of time limit for the despatch of the Circular to 9 May 2005.</p>
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Reference is made to the Company's announcements dated 22 February 2005 ("**1st Announcement**"), 16 March 2005 ("**2nd Announcement**") and 30 March 2005 ("**3rd Announcement**") respectively. Terms used herein shall have the same meanings as those defined in the 1st Announcement unless the context otherwise requires.

As set out in the 1st Announcement, a circular ("**Circular**") containing further information on (a) the Subscription Agreement and the Subscription, (b) the Acquisition Agreement and the Acquisition, and (c) consequences if the Subscription and the Acquisition are voted down by the Shareholders, together with the notice of the EGM will be despatched to the Shareholders as soon as practicable, and in any event within 21 days after publication of the Announcement. The Company had made two respective applications to the Stock Exchange for an extension of time limit for the despatch of the Circular to 30 March 2005 and further to 18 April 2005, details of which have been set out in the 2nd Announcement and the 3rd Announcement respectively.

The Directors wish to inform the Shareholders that, since the publication of the 1st Announcement, the Company and its auditors have been reviewing the financial data of the Group, M Dream China and Vasina and preparing the audited financial information of the Group, M Dream China and Vasina for the financial year ended 31 December 2004 and the pro forma financial information of the Group after the Acquisition and the Subscription to be included in the Circular. The Company is in the course of finalising the financial information and the audited figures as well as other information for inclusion

in the Circular pursuant to the Listing Rules. Accordingly, further time is required for the Company to finalise the aforesaid information for the purpose of the publication of the Circular, and thus, an application has been made by the Company to the Stock Exchange to further extend the time limit for despatch of the Circular from 18 April 2005 to 9 May 2005. The Board has been closely liaising with the auditors of the Company and will use its best endeavour to ensure that the Circular could be despatched to the Shareholders as soon as possible.

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

Hong Kong, 18 April 2005

** for identification purpose only*

As at the date of this announcement, the board of Directors consists of Mr. Koh Tat Lee, Michael, Mr. Domingo Chen, Mr. Xu Hanjie, Mr. Wong Shui Fun and Dr. Choong Ying Chuan, being the executive Directors, Mr. Peter Tay Yew Beng, Mr. Wong Kean Li, Mr. Ng Yat Cheung and Dr. Lee Siu Lung, James, being non-executive Directors and Mr. Robert Wong, Ms. Hilda Sung and Mr. Leigh Man Sung, Camballaw, being the independent non-executive Directors.

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:- (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 GEM website www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the date of its posting.