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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 20 May 2005.</p>

Reference is made to the Company's announcements dated 22 February 2005 (the "**Announcement**"), 16 March 2005, 30 March 2005 and 18 April 2005 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 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 time limit for the despatch of the Circular had been extended to 9 May 2005.

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 and its auditors are in the course of finalising the financial information, in particular, the pro forma statement of the Group enlarged by the Acquisition and the Subscription, and the audited figures as well as other information in relation to the Acquisition and the Subscription for inclusion in the Circular pursuant to the GEM 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 9 May 2005 to 20 May 2005, which the Board considers to be practicable for the purpose of despatching the Circular to the Shareholders. 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, 9 May 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.

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