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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)

CLARIFICATION ANNOUNCEMENT AND TRADING ARRANGEMENT FOR NEW SHARES

The Directors noted that there were typographical errors in the Announcement. In particular, it was erroneously stated “completion of the Share Subscription” in the revised expected timetable in the Announcement instead of “completion of the Share Reorganisation”. The Directors would like to apologise for any inconvenience that may have caused by such typographical errors.

Upon the Share Reorganisation becoming effective, Shareholders can submit share certificates for the Shares to the Company’s branch share registrar, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong for exchange, at the expense of the Company, for new share certificates for the New Shares during 15 October 2007 to 23 November 2007 (both dates inclusive).

In order to facilitate the trading of odd lots (if any) of the New Shares, the Company has appointed One China Securities Limited to stand in the market to match the purchase and sale of odd lots of the New Shares at the relevant market price per New Share for the period from 30 October 2007 to 20 November 2007 (both days inclusive), on a “best effort” basis.

Reference is made to the circular (the “**Circular**”) and the announcement (the “**Announcement**”) of the Company dated 4 December 2006 and 5 October 2007 respectively relating to, among other matters, the Share Reorganisation and the Subscription of the Convertible Bonds with an aggregate principal amount of HK\$14.04 million by the Subscriber. Unless otherwise stated, capitalised terms used herein shall bear the same meanings as defined in the Circular and the Announcement.

* For identification purpose only

CLARIFICATION ANNOUNCEMENT

The Directors noted that there were typographical errors in the Announcement. In particular, it was erroneously stated “completion of the Share Subscription” in the revised expected timetable in the Announcement instead of “completion of the Share Reorganisation”. The Directors would like to apologise for any inconvenience that may have caused by such typographical errors.

Set out below is the revised expected timetable for your reference.

Expected Date	Documents/Events
On or before 12 October 2007	completion of the Share Reorganisation (<i>Note 1</i>)
	completion of the Subscription (<i>Note 1</i>)
15 October 2007	the Share Reorganisation becoming effective
	Resumption of trading in the Shares (<i>Note 2</i>)
	Dealings of the New Shares begin
	First day of free exchange of existing yellow certificate for the Shares for new certificates for the New Shares
9:30 a.m. on 15 October 2007	Original counter for trading in the Shares in board lots of 8,000 Shares temporarily closes
9:30 a.m. on 15 October 2007	Temporary counter for trading in the Shares in board lots of 800 New Shares open
9:30 a.m. on 30 October 2007	Original counter for trading in the New Shares in board lots of 20,000 New Shares reopen
9:30 a.m. on 30 October 2007	Parallel trading in the New Shares in the form of existing and new share certificates commences
9:30 a.m. on 30 October 2007	Designated broker starts to stand in the market to provide matching service
4:00 p.m. on 20 November 2007	Temporary counter for trading in the New Shares in board lots of 800 New Shares each closes
4:00 p.m. on 20 November 2007	Parallel trading in the New Shares ends
4:00 p.m. on 20 November 2007	Designated broker ceases to stand in the market to provide matching services

23 November 2007 Last day of free exchange of existing yellow certificates for the Shares for new certificates for the New Shares

Notes:

1. Completion of the Share Reorganisation and the Subscription is subject to the fulfillment of various conditions as set out in the Circular.
2. The timetable is merely indicative and resumption of trading in the Share may or may not take place as stipulated in this timetable.

The expected timetable is indicative only and subject to the condition of resumption of trading of the Shares on GEM. Further announcement(s) will be made as and when appropriate should there be any changes to the timetable.

TRADING ARRANGEMENT AND FREE EXCHANGE OF CERTIFICATE(S) FOR NEW SHARES

Shareholders should note that the expected timetable as set out above is prepared on the assumption that Share Reorganisation will become effective on 15 October 2007.

Subject to the Share Reorganisation becoming effective on 15 October 2007, Shareholders may, during 15 October 2007 to 23 November 2007 (both dates inclusive), submit share certificates of the existing Shares (in yellow) to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, for free exchange at the expense of the Company for new share certificate (in blue) of the New Shares. Thereafter, certificates for the Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be allowed by the Stock Exchange) for each share certificate for the Shares cancelled or each new share certificate issued for the New Shares, whichever number of certificates cancelled/issued is higher. Nevertheless, certificates for the Shares will continue to be good evidence of legal title and may be exchanged for certificates for the New Shares at any time.

Arrangement on odd lot trading

In order to facilitate the trading of odd lots (if any) of the New Shares, the Company has appointed One China Securities Limited to stand in the market to match the purchase and sale of odd lots of the New Shares at the relevant market price per New Share for the period from 30 October 2007 to 20 November 2007 (both days inclusive), on a "best effort" basis. Holders of odd lots of the New Shares who wish to take advantage of this facility either to dispose of their odd lots of the New Shares or to top up to a full board lot may contact Mr. Lo Yiu Chuen of One China Securities Limited at 4/F., Amtel Building, 148 Des Voeux Road Central, Hong Kong (telephone number: (852) 3188 9897) during the aforesaid period. Holders of odd lots of the New Shares should note that the matching of the sale and purchase of odd lots of the New Shares is not guaranteed.

Arrangements will also be made to ensure the New Shares are accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS upon the Share Reorganisation becoming effective.

Suspension of Trading

Trading in the Shares of the Company was suspended at the request of the Company on 4 October 2005 and will remain to be suspended until further notice.

By order of the Board
M Dream Inworld Limited
Ha Shu Tong
Chairman

Hong Kong, 10 October 2007

As at the date of this announcement, the board of Directors consists of Mr. Ha Shu Tong, Mr. Yu Shu Kuen, Mr. Tham Ming Yong and Mr. Domingo Chen being the executive Directors, Mr. Koh Tat Lee, Michael being the non-executive Director, Mr. Cheung Wai Shing, Mr. Tsang Kwok Wai and Mr. Chu Ray, 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 at <http://www.hkgem.com> on the “Latest Company Announcements” page for at least 7 days from the date of its publication.