

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

**SHARE REORGANISATION BECOMING EFFECTIVE,
COMPLETION OF THE SUBSCRIPTION OF HK\$14.04 MILLION CONVERTIBLE
BONDS,
CHANGE IN AUTHORISED REPRESENTATIVES AND COMPLIANCE OFFICER
AND
RESUMPTION OF TRADING**

The Board is pleased to announce that the conditions of the Share Reorganisation have been fulfilled and the Share Reorganisation will become effective on 15 October 2007 upon the resumption of trading in the Shares. Application has been made to the Stock Exchange for the listing or, and permission to deal in, the New Shares and the listing approval has been granted by the Stock Exchange on 11 October 2007.

All existing yellow share certificate for the Shares will continue to be good evidence of legal title of the Shares and may be exchanged for certificates for the New Shares at any time.

The listing approval in dealing with the Conversion Shares has also been granted by the Stock Exchange on 11 October 2007. Accordingly, completion of the Subscription takes place on 12 October 2007 and the Convertible Bonds has been issued by the Company to the Subscriber.

The Board also announces that with effect from 12 October 2007, Mr. Yu Shu Kuen, an executive Director and Mr. Ng Kay Kwok, the secretary and qualified accountant of the Company replace Mr. Koh Tat Lee, Michael and Mr. Chen Domingo as the authorised representatives of the Company. Mr. Yu Shu Kuen will also replace Mr. Koh Tat Lee, Michael as compliance officer of the Company with effect from 12 October 2007. There are no matter that need to be brought to the attention of the Shareholders of the Company in connection with the aforesaid changes.

Trading in the Shares was suspended at the request of the Company on 4 October 2005. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 15 October 2007.

Reference is made to the circular (the “**Circular**”) of the Company dated 4 December 2006 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. Reference is also made to the announcements (the “**Major Developments Announcements**”) of the Company dated 5 October 2007 and 10 October 2007 respectively. Unless otherwise stated, capitalised terms used herein shall bear the same meanings as defined in the Circular and the Major Developments Announcements.

SHARE REORGANISATION BECOMING EFFECTIVE

The Board is pleased to announce that all the conditions of the Share Reorganisation have been fulfilled. Accordingly, the Share Reorganisation will become effective on 15 October 2007 upon the resumption of trading in the Shares. Application has been made to the Stock Exchange for the listing or, and permission to deal in, the New Shares and the listing approval has been granted by the Stock Exchange on 11 October 2007.

Upon completion of the Share Reorganisation, the Company has an authorised share capital of HK\$60,000,000 divided into 6,000,000,000 New Shares and the issued share capital of the Company will be HK\$2,606,949.91 divided into 260,694,991 New Shares

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 until 23 November 2007. Thereafter, certificate for the Shares will only 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 cancelled/issued is higher. Nevertheless, all existing yellow share certificates for the Shares shall continue to be good evidence of legal title of the Shares and may be exchanged for certificates for the New Shares at any time. Please also refer to the Major Developments Announcements for further details in trading arrangements of the Shares.

COMPLETION OF THE SUBSCRIPTION OF HK\$14.04 MILLION CONVERTIBLE BONDS

Application has been made to the Stock Exchange for the listing or, and permission to deal in, the Conversion Shares. The listing approval in dealing with the Conversion Shares has been granted by the Stock Exchange on 11 October 2007. Accordingly, completion of the Subscription takes place on 12 October 2007 and the Convertible Bonds has been issued by the Company to the Subscriber.

CHANGE OF AUTHORISED REPRESENTATIVES AND COMPLIANCE OFFICER

The Board also announces that with effect from 12 October 2007, Mr. Yu Shu Kuen, an executive Director and Mr. Ng Kay Kwok, the secretary and qualified accountant of the Company replace Mr. Koh Tat Lee, Michael and Mr. Chen Domingo as the authorised representatives of the Company. Mr. Yu Shu Kuen will also replace Mr. Koh Tat Lee, Michael as compliance officer of the Company with effect from 12 October 2007. There are no matter that need to be brought to the attention of the Shareholders of the Company in connection with the aforesaid changes.

RESUMPTION OF TRADING

Trading in the Shares was suspended at the request of the Company on 4 October 2005. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 15 October 2007.

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

Hong Kong, 12 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