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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)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 17.10 of the GEM Listing Rules.

The Board wishes to inform the shareholders of the Company and potential investors that the Group is expected to record a substantial loss for the Year based on discussions with the Auditors about the amount of a gain on partial disposal of a subsidiary during the Year.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

The board of directors (“the Board”) of M Dream Inworld Limited (“the Company”) wishes to inform the shareholders of the Company and potential investors that the Company together with its subsidiaries (together “the Group”) is expected to record a substantial loss for the year ended 31 December 2008 (“the Year”) based on discussions with the auditors of the Company (“the Auditors”) about the amount of a gain on partial disposal of a subsidiary during the Year.

When the Group disposed of its 30% equity interest in its Singapore subsidiary to the subsidiary’s chief executive officer, despite the cash consideration received, the Group reckoned that this subsidiary’s chief executive officer as a minority of the subsidiary, would take up part of the subsidiary’s accumulated losses, resulting in a significant gain on this partial disposal. However the Auditors hold the view that the recognition of such gain is uncertain. Without recognizing this considerable gain, the Group is expected to record a substantial loss for the Year.

* For identification purposes only

Shareholders of the Company and potential investors are advised to read carefully the Group's annual results announcement for the Year which is expected to be published on 23 March 2009.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
M Dream Inworld Limited
Yu Shu Kuen
Chairman

Hong Kong, 20 March 2009

As at the date of this announcement, the Board of Directors consists of Mr. Yu Shu Kuen, Ms. Li Fang Hong and Mr. Rong Hsu being the Executive Directors, Mr. Cho Chun Wai, Mr. Chan Kam Kwan, Jason and Ms. Zhao Yang 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 Rules ("GEM Listing Rules") Governing the Listing of Securities on the Growth Enterprise Market ("GEM") of the Stock Exchange of Hong Kong Limited 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 least 7 days from the date of its publication.