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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)

- (1) PROPOSED OPEN OFFER IN THE PROPORTION OF
ONE OFFER SHARE FOR EVERY THREE SHARES
HELD ON THE RECORD DATE;
AND
(2) RESUMPTION OF TRADING**

Underwriter



KINGSTON SECURITIES LIMITED

PROPOSED OPEN OFFER

The Board proposes to raise approximately HK\$12.3 million before expenses, by issuing 273,279,476 Offer Shares at the Subscription Price of HK\$0.045 per Offer Share, by way of the Open Offer on the basis of one (1) Offer Share for every three (3) Shares held by the Qualifying Shareholders on the Record Date and payable in full upon acceptance. Qualifying Shareholders are entitled to apply for excess Offer Shares not taken up in excess of their respective entitlements under the Open Offer. The Open Offer is only available to the Qualifying Shareholders and will not be available to the Prohibited Shareholders.

To qualify for the Open Offer, Shareholders must be registered as a member of the Company on the Record Date and not be a Prohibited Shareholder. In order to be registered as a member of the Company on the Record Date, any transfer of Shares (together with the relevant share certificates) must be lodged for registration with the Registrar on or before 4:30 p.m. on 3 July 2009, being the Latest Lodging Date. The register of members for the Shares will be closed on from 6 July to 8 July 2009, both dates inclusive, to determine the eligibility of the Shareholders to the Open Offer.

* for identification purposes only

Universal Target has given the UT Undertaking in favour of the Company and the Underwriter (i) not to dispose of or transfer or agree to dispose of or transfer any Shares held by it from the date of the Underwriting Agreement to the close of business on the Record Date; (ii) to subscribe for 51,666,666 Offer Shares to which it is entitled under the Open Offer; and (iii) not to apply for any additional excess Offer Shares under the excess application arrangements under the Open Offer. Ample Field has given the AF Undertaking in favour of the Company and the Underwriter (i) not to dispose of or transfer or agree to dispose of or transfer any Shares held by it from the date of the Underwriting Agreement to the close of business on the Record Date; (ii) to subscribe for 68,333,333 Offer Shares to which it is entitled under the Open Offer; and (iii) not to apply for any additional excess Offer Shares under the excess application arrangements under the Open Offer.

The Underwriter has conditionally agreed to underwrite the Offer Shares (other than the Offer Shares agreed to be taken up by Universal Target under the UT Undertaking and the Offer Shares agreed to be taken up by Ample Field under the AF Undertaking) which have not been taken up. Accordingly, the Open Offer is fully underwritten.

The estimated net proceeds from the Open Offer will be approximately HK\$11.7 million (net of expenses of approximately HK\$0.6 million). The Board intends to apply the net proceeds as general working capital of the Group and funds for future business expansion, including potential acquisitions of businesses which may or may not be within the existing principal business of the Group.

The Open Offer is subject to the satisfaction of certain conditions as described under the section headed “Conditions of the Open Offer”. In particular, it is subject to the Underwriter not terminating the Underwriting Agreement (see the section headed “Termination of the Underwriting Agreement” below) on or before the third Business Day following the Latest Acceptance Date. Accordingly, the Open Offer may or may not become unconditional and may or may not proceed. Investors’ attention is drawn to the section headed “Warning of the risks of dealing in Shares” below.

Shareholders and potential investors are advised to exercise caution when dealings in the Shares up to the date when the conditions of the Open Offer are fulfilled.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:30 a.m. on 21 May 2009 pending the release of this announcement. The Company has applied to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 23 June 2009.

PROPOSED OPEN OFFER

Issue statistics

Basis of the Open Offer:	One (1) Offer Share for every three (3) Shares held on the Record Date
Subscription Price:	HK\$0.045 per Offer Share payable in fully upon acceptance
Number of Shares in issue as at the date of this announcement:	819,838,430 Shares
Number of Offer Shares:	273,279,476 Offer Shares, representing approximately 33.33% of the existing issued share capital of the Company and representing approximately 25.00% of the issued share capital of the Company as enlarged by the Open Offer
Number of Offer Shares undertaken to be taken up by Universal Target:	Universal Target has given the UT Undertaking in favour of the Company and the Underwriter (i) not to dispose of or transfer or agree to dispose of or transfer any Shares held by it from the date of the Underwriting Agreement to the close of business on the Record Date; (ii) to subscribe for 51,666,666 Offer Shares to which it is entitled under the Open Offer; and (iii) not to apply for any additional excess Offer Shares under the excess application arrangements under the Open Offer
Number of Offer Shares undertaken to be taken up by Ample Field:	Ample Field has given the AF Undertaking in favour of the Company and the Underwriter (i) not to dispose of or transfer or agree to dispose of or transfer any Shares held by it from the date of the Underwriting Agreement to the close of business on the Record Date; (ii) to subscribe for 68,333,333 Offer Shares to which it is entitled under the Open Offer; and (iii) not to apply for any additional excess Offer Shares under the excess application arrangements under the Open Offer
Number of Offer Shares underwritten by the Underwriter:	153,279,477 Offer Shares, being the number of the aggregate Offer Shares less the number of Offer Shares undertaken to be taken up by Universal Target under the UT Undertaking and the number of Offer Shares undertaken to be taken up by Ample Field under the AF Undertaking

As at the date of this announcement, there were no outstanding options, warrants, derivatives or convertible securities which may confer any right to the holder thereof to subscribe for, convert or exchange into new Shares and as at the date of this announcement, the Company has no intention to issue any new Shares and any of the above securities.

Subscription Price

The Subscription Price for the Offer Shares is HK\$0.045 per Offer Share, payable in full when a Qualifying Shareholder accepts his/her/its assured entitlement under the Open Offer.

The Subscription Price represents:

- (i) a discount of approximately 70.00% to the closing price of HK\$0.150 per Share on the Last Trading Date;
- (ii) a discount of approximately 70.39% to the average closing price of HK\$0.152 per Share for the five (5) consecutive trading days up to and including the Last Trading Date; and
- (iii) a discount of approximately 63.71% to the theoretical price of HK\$0.124 per Share based on the closing price of HK\$0.150 as quoted on the Stock Exchange on the Last Trading Date.

The Subscription Price was arrived at after arm's length negotiation between the Company and the Underwriter with reference to among other things, the prevailing market price of the Shares and the financial requirements of the Company. Taking into consideration of the theoretical ex-entitlement price per Share, in order to increase the attractiveness of the Open Offer to the Qualifying Shareholders, the Directors consider that the proposed discount of the Subscription Price is appropriate. Each Qualifying Shareholder is entitled to subscribe for the Offer Shares at the same price in proportion to his/her/its existing shareholding in the Company. The Directors consider the Subscription Price is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Conditions of the Open Offer

The Open Offer is conditional upon the following conditions being fulfilled:

- (1) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the GEM Listing Rules and the Companies Ordinance not later than the Prospectus Posting Date;
- (2) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus and a letter in the agreed form to the Prohibited Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Open Offer on or before the Prospectus Posting Date;

- (3) the GEM Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in the Offer Shares by no later than the first day of their dealings;
- (4) the obligations of the Underwriter becoming unconditional and that the Underwriting Agreement is not terminated in accordance with its terms;
- (5) compliance with and performance of all undertakings and obligations of the Company under the Underwriting Agreement;
- (6) compliance with and performance of all undertakings and obligations of Universal Target under the UT Undertaking; and
- (7) compliance with and performance of all undertakings and obligations of Ample Field under the AF Undertaking.

The conditions precedent are incapable of being waived. If the conditions precedent are not satisfied in whole or in part by the Company by the Latest Time for Termination or such other date as the Company and the Underwriter may agree, the Underwriting Agreement shall terminate and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches.

The Open Offer is not subject to the Shareholders' approval.

Status of the Offer Shares

The Offer Shares, when allotted, issued and fully-paid, will rank *pari passu* with the Shares in issue in all respects. Holders of such Offer Shares will be entitled to receive full future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the fully paid Offer Shares. Dealings in fully-paid Offer Shares will be subject to the payment of stamp duty in Hong Kong.

Qualifying Shareholders

The Open Offer is only available to the Qualifying Shareholders. The Company will send (i) the Prospectus Documents to Qualifying Shareholders and (ii) the Prospectus, for information only, with the Overseas Letter to the Prohibited Shareholders.

To qualify for the Open Offer, the Shareholder must be registered as a member of the Company on the Record Date and not be a Prohibited Shareholder.

In order to be registered as a member of the Company on the Record Date, Shareholders must lodge any transfers of the Shares (with the relevant share certificate(s)) with the Registrar, Tricor Tengis Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong by 4:30 p.m. on the Latest Lodging Date.

Closure of register of members

The Company's register of members will be closed from 6 July 2009 to 8 July 2009 (both dates inclusive), for the purpose of, among other things, establishing entitlements to the Open Offer. No transfer of Shares will be registered during this period.

Rights of Overseas Shareholders

If, at the close of business on the Record Date, a Shareholder's address on the register of members of the Company is in a place outside Hong Kong, that Shareholder may not be eligible to take part in the Open Offer as the Prospectus Documents are not expected to be registered and/or filed under the applicable securities legislation of any jurisdictions other than Hong Kong. The Board will make enquiries as to whether the issue of Offer Shares to the Overseas Shareholders may contravene the applicable securities legislation of the relevant overseas places or the requirements of the relevant regulatory bodies or stock exchanges pursuant to the GEM Listing Rules. If, after making such enquiries, the Board is of the opinion that it would be necessary or expedient not to offer the Offer Shares to such Overseas Shareholders, the Open Offer will not be available to such Overseas Shareholders. Accordingly, the Open Offer will not be extended to the Prohibited Shareholders. The results of the enquiries and the basis of exclusion of the Overseas Shareholders will be included in the Prospectus.

The Company will send the Overseas Letter together with the Prospectus, for information only, to the Prohibited Shareholders (if any) and will not send any Application Form under the Open Offer to the Prohibited Shareholders.

Fractional entitlement to the Offer Shares

Fractional entitlements of Offer Shares will not be allotted and will be aggregated. Any Offer Shares created from the aggregation of fractions of Offer Shares will be taken up by the Qualifying Shareholders who have applied for the excess Offer Shares. The remaining Offer Shares not taken up by the Qualifying Shareholders shall be taken up by the Underwriter.

Excess application for excess Offer Shares

For excess application of Offer Shares, the Company will determine on a fair and equitable basis based on the following principles:

- (1) preference will be given to applications for less than a board lot of Offer Shares where they appear to the Directors that such applications are made to round up odd-lot holdings to whole-lot holdings; and
- (2) subject to availability of excess Offer Shares after allocation under principle (1) above, the excess Offer Shares will be allocated to Qualifying Shareholders who have applied for excess application based on factors including the excess Offer Shares applied by the Qualifying Shareholders and their respective shareholdings in the Company with board lots allocations to be made on a best effort's basis.

Share certificates for the fully-paid Offer Shares

Subject to the fulfillment of the conditions of the Open Offer, share certificates for all fully-paid Offer Shares are expected to be posted to the Qualifying Shareholders on 31 July 2009 who have accepted and applied for (where appropriate) and fully paid for on acceptance at their own risk.

Application for listing of the Offer Shares on the Stock Exchange

The Company will apply to the GEM Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the fully paid Offer Shares. The Offer Shares are expected to continue to be traded in the existing board lot of 20,000 Shares. Dealings in the Offer Shares on the Stock Exchange will be subject to the payment of stamp duty in Hong Kong, Stock Exchange trading fees, SFC transaction levy and other applicable fees and charges in Hong Kong.

Subject to the granting of listing of, and permission to deal in, the Offer Shares on the Stock Exchange, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Offer Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading any thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Reasons for the Open Offer and the use of proceeds

The Group is principally engaged in the system solutions and development business.

The estimated net proceeds from the Open Offer will be approximately HK\$11.7 million (net of expenses of approximately HK\$0.6 million). The Board intends to apply the net proceeds as general working capital of the Group and funds for future business expansion, including potential acquisitions of businesses which may or may not be within the existing principal business of the Group.

The Directors are of the view that the Open Offer is in the interest of the Company and its Shareholders as a whole as the Open Offer will strengthen the working capital position of the Company.

Undertaking by Universal Target

Universal Target has given the UT Undertaking in favour of the Company and the Underwriter (i) not to dispose of or transfer or agree to dispose of or transfer any Shares held by it from the date of the Underwriting Agreement to the close of business on the Record Date; (ii) to subscribe for 51,666,666 Offer Shares to which it is entitled under the Open Offer; and (iii) not to apply for any additional excess Offer Shares under the excess application arrangements under the Open Offer.

Undertaking by Ample Field

Ample Field has given the AF Undertaking in favour of the Company and the Underwriter (i) not to dispose of or transfer or agree to dispose of or transfer any Shares held by it from the date of the Underwriting Agreement to the close of business on the Record Date; (ii) to subscribe for 68,333,333 Offer Shares to which it is entitled under the Open Offer; and (iii) not to apply for any additional excess Offer Shares under the excess application arrangements under the Open Offer.

UNDERWRITING ARRANGEMENT

Underwriting Agreement

Date: 22 June 2009

Underwriter: Kingston Securities Limited

Basis of the Open Offer: One (1) Offer Share for every three (3) Shares held on the Record Date

Subscription Price: HK\$0.045 per Offer Share payable in fully upon acceptance

Number of Offer Shares underwritten by the Underwriter: 153,279,477 Offer Shares, being the number of the aggregate Offer Shares less the number of Offer Shares undertaken to be taken up by Universal Target under the UT Undertaking and the number of Offer Shares undertaken to be taken up by Ample Field under the AF Undertaking

The Underwriter shall be entitled to the underwriting commission of 2.0% of the aggregate Subscription Price in respect of 153,279,477 Offer Shares underwritten by the Underwriter. The Company will reimburse the Underwriter reasonable legal fees and other reasonable out-of-pocket expenses of the Underwriter.

To the best of the Directors' knowledge, information and belief, the Underwriter and its ultimate beneficial owners are Independent Third Parties.

Termination of the Underwriting Agreement

If, prior to the Latest Time for Termination (provided that for the purposes if the date of the Latest Time for Termination shall be a Business Day on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is or remains hoisted in Hong Kong between 9:00 a.m. and 4:00 p.m. on that day, the date of the Latest Time for Termination shall be the next Business Day on which no tropical cyclone warning signal no. 8 or above or no black rainstorm warning signal is or remains hoisted in Hong Kong between 9:00 a.m. and 4:00 p.m. on that day):

- (1) in the absolute opinion of the Underwriter, the success of the Open Offer would be materially and adversely affected by:

- (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Open Offer; or
 - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (2) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the absolute opinion of the Underwriter is likely to materially or adversely affect the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
 - (3) there is any change in the circumstances of the Company or any member of the Group which in the absolute opinion of the Underwriter will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or
 - (4) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or
 - (5) any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole whether or not ejusdem generis with any of the foregoing; or
 - (6) any matter which, had it arisen or been discovered immediately before the date of the Prospectus and not having been disclosed in the Prospectus, would have constituted, in the absolute opinion of the Underwriter, a material omission in the context of the Open Offer; or

- (7) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive Business Days, excluding any suspension in connection with the clearance of the announcement in respect of the Open Offer or the Prospectus Documents or other announcements or circulars in connection with the Open Offer; or
- (8) the Prospectus when published contains information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date hereof been publicly announced or published by the Company and which may in the absolute opinion of the Underwriter is material to the Group as a whole upon completion of the Open Offer and is likely to affect materially and adversely the success of the Open Offer, the Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

The Underwriter shall be entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:

- (1) any material breach of any of the representations, warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriter; or
- (2) any Specified Event comes to the knowledge of the Underwriter.

Any such notice shall be served by the Underwriter prior to the Latest Time for Termination.

WARNING OF THE RISK OF DEALING IN SHARES

The Shareholders and potential investors of the Company should note that the Open Offer is conditional upon the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the paragraph headed "Termination of the Underwriting Agreement" above). Accordingly, the Open Offer may or may not proceed.

The Shareholders and potential investors of the Company should therefore exercise extreme caution when dealings in the Shares, and if they are in any doubt about their positions, they should consult their professional advisers.

The Shareholders should note that the Shares will be dealt in on an ex-entitlement basis commencing from 2 July 2009 and that dealings in Shares will take place while the conditions to which the Underwriting Agreement is subject to remain unfulfilled. Any Shareholder or other person dealings in the Shares up to the date on which all conditions to which the Open Offer is subject to are fulfilled (which is expected to be on 29 July 2009), will accordingly bear the risk that the Open Offer may not become unconditional and may not proceed.

CHANGES IN SHAREHOLDING STRUCTURE

The existing shareholding structure of the Company as at the date of this announcement and the shareholding structure of the Company immediately upon completion of the Open Offer are set out below for illustration purpose only:

Shareholders	As at the date of this announcement		Immediately after completion of the Open Offer (assuming no Qualifying Shareholders (other than Universal Target and Ample Field) shall take up his/her/its entitlements under the Open Offer)		Immediately after completion of the Open Offer (assuming all Qualifying Shareholders shall take up his/her/its entitlements under the Open Offer)	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
Ample Field (Note 1)	205,000,000	25.00	273,333,333	25.00	273,333,333	25.00
Universal Target (Note 2)	155,000,000	18.91	206,666,666	18.91	206,666,666	18.91
Sub-Total (Note 5)	360,000,000	43.91	479,999,999	43.91	479,999,999	43.91
<i>Public Shareholders</i>						
The Underwriter	–	–	153,279,477	14.02	–	–
stt Ventures Limited (Note 3)	50,786,236	6.19	50,786,236	4.65	67,714,981	6.19
Other public Shareholders	409,052,194	49.90	409,052,194	37.42	545,402,926	49.90
Total	<u>819,838,430</u>	<u>100.00</u>	<u>1,093,117,906</u>	<u>100.00</u>	<u>1,093,117,906</u>	<u>100.00</u>

Notes:

- These shares are held by Ample Field of which the entire issued capital is beneficially owned by Mr. Yu Shu Kuen, an executive Director. Accordingly, Mr. Yu is deemed to be interested in the shares beneficially owned by Ample Field Limited.
- These shares are held by Universal Target and it is wholly owned by Eternal Mass Limited. Eternal Mass Limited is 40% beneficially owned by Ms. Li and the rest 60% is beneficially owned by Mr. Gui Song, who is the spouse of Ms. Li. Accordingly, Eternal Mass Limited, Mr. Gui Song and Ms. Li are deemed to be interested in the shares of the Company beneficially owned by Universal Target.
- These shares are held by stt Ventures Limited, which is a wholly-owned subsidiary of STT Communications Limited (“STTC”). 99.99% of the interest of STTC is in turn held by Singapore Technologies Telemedia Pte Ltd, which is in turn a wholly-owned indirect subsidiary of Temasek Holdings (Private) Limited. Temasek Holdings (Private) Limited is a Singapore state-owned company. Accordingly, Temasek Holdings (Private) Limited, Singapore Technologies Telemedia Pte Ltd and STTC are deemed to be interested in the shares beneficially owned by stt Ventures Limited.

4. Mr. Rong Hsu, an executive Director, does not directly or indirectly hold any Shares.
5. Ample Field and Universal Target are regarded as parties acting in concert under the Takeovers Code.

EXPECTED TIMETABLE

The expected timetable for the Open Offer is set out below:

2009

Last day of dealings in the Shares on a cum-entitlement basis	30 June
Commencement of dealings in the Shares on an ex-entitlement basis.	2 July
Latest time for lodging transfers of Shares in order to qualify for the Open Offer.	4:30 p.m. on 3 July
Register of members closes (both dates inclusive)	6 July to 8 July
Record Date	8 July
Register of members reopens	9 July
Despatch of Prospectus Documents.	9 July
Latest time for the payment for and acceptance of the Offer Shares	4:00 p.m. on 24 July
Latest time for the Open Offer to become unconditional.	4:00 p.m. on 29 July
Announcement of the results of the Open Offer	31 July
Despatch of certificates for the Offer Shares.	31 July
Dealing in Offer Shares commences	4 August

All times stated above refer to Hong Kong times. Dates stated in the timetable are indicative only and may be extended or varied. Any changes to the expected timetable for the Open Offer will be announced as appropriate.

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR OFFER SHARES

The latest time for acceptance of and payment for Offer Shares will not take place if there is:

- a tropical cyclone warning signal number 8 or above, or
- a “black” rainstorm warning

in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on 24 July 2009. Instead, the Latest Acceptance Date for the Offer Shares will be rescheduled to 12:00 noon on the next Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 12:00 noon. If the Latest Acceptance Date for the Offer Shares does not take place on 24 July 2009, the dates mentioned in the section headed “Expected timetable” in this announcement may be affected. An announcement will be made by the Company in such event.

FUNDS RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

During the past twelve months immediately preceding the date of this announcement, the Company has not conducted any fund raising activities.

LISTING RULES IMPLICATION ON THE OPEN OFFER

Since the proposed Open Offer will not increase the issued share capital or the market capitalisation of the Company by more than 50%, pursuant to Rule 10.39 of the GEM Listing Rules, the Open Offer itself will not be subject to the Shareholders’ approval.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:30 a.m. on 21 May 2009 pending the release of this announcement. The Company has applied to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 23 June 2009.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“AF Undertaking”	the irrevocable undertaking given by Ample Field in favour of the Company and the Underwriter, further details of which are set out in the paragraph headed “Undertaking given by Ample Field” in this announcement
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“Ample Field”	Ample Field Limited, a company incorporated in the British Virgin Islands holding 205,000,000 Shares as at the date hereof and is wholly beneficially owned by Mr. Yu (an executive Director)
“Application Form(s)”	the application form for use by the Qualifying Shareholders to apply for the Offer Shares in relation to their respective entitlement and the excess Offer Shares under the Open Offer
“associates”	has the meaning ascribed to this term under the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	any day on which the Stock Exchange is open for the business in dealing securities
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	M Dream Inworld Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM
“Directors”	directors of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Acceptance Date”	being 4:00 p.m. 24 July 2009 or such other date and/or time as the Underwriter and the Company may agree as the latest date for acceptance and payment in respect of provisional entitlement under the Open Offer

“Latest Lodging Date”	being 4:30 p.m. 3 July 2009 or such other date and/or time as the Underwriter and the Company may agree as the latest time for lodging transfer of Shares in order to be qualified for the Open Offer
“Last Trading Date”	20 May 2009, being the last trading day of the Shares prior to the release of this announcement
“Mr. Yu”	Mr. Yu Shu Kuen, an executive Director of the Company
“Ms. Li”	Ms. Li Fang Hong, an executive Director of the Company
“Offer Share(s)”	273,279,476 new Shares to be allotted and issued pursuant to the Open Offer
“Open Offer”	the proposed open offer on the basis of one (1) Offer Share for every three (3) Shares to the Qualifying Shareholders pursuant to the terms and conditions of the Underwriting Agreement
“Overseas Letter”	a letter from the Company to the Prohibited Shareholders explaining the circumstances in which the Prohibited Shareholders are not permitted to participate in the Open Offer
“Overseas Shareholder(s)”	the Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date and whose registered address(es) as shown on such register is(are) outside Hong Kong
“Prohibited Shareholders”	Overseas Shareholders, to whom the Directors, based on legal opinions provided by legal advisers and on account either of legal restrictions under the laws of relevant place or the requirements of the relevant regulatory body or stock exchange in that place, consider it necessary or expedient not to offer the Offer Shares
“Prospectus”	the prospectus to be issued by the Company in relation to the Open Offer
“Prospectus Documents”	the Prospectus and the Application Form
“Prospectus Posting Date”	9 July 2009 or such later date as the Underwriter may agree in writing with the Company

“Qualifying Shareholder(s)”	the Shareholder(s), other than the Prohibited Shareholder(s), whose name(s) appear(s) on the register of members of the Company on the Record Date
“Record Date”	8 July 2009 (or such later date as the Underwriter may agree with the Company), being the date by reference to which entitlements to the Open Offer will be determined
“Registrar”	Tricor Tengis Limited at 26/F., Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong, being the Company’s Hong Kong branch share registrar
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Option(s)”	the share option(s) granted under the Share Option Scheme
“Share Option Scheme”	the share option scheme adopted by the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	subscription price of HK\$0.045 per Offer Share
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Underwriter”	Kingston Securities Limited, a licensed corporation to carry on business in Type 1 regulated activity under the Securities and Futures Ordinance
“Underwriting Agreement”	the underwriting agreement dated 22 June 2009 entered into among the Company and the Underwriter in relation to the Open Offer
“Universal Target”	Universal Target Limited, a company incorporated in the British Virgin Islands holding 155,000,000 Shares as at the date hereof and is wholly beneficially owned by Eternal Mass Limited. Eternal Mass Limited is 40% beneficially owned by Ms. Li Fang Hong (an executive Director) and the rest 60% is beneficially owned by Mr. Gui Song, who is the spouse of Ms. Li Fang Hong

“UT Undertaking”	the irrevocable undertaking given by Universal Target in favour of the Company and the Underwriter, further details of which are set out in the paragraph headed “Undertaking given by Universal Target” in this announcement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board
M Dream Inworld Limited
Li Fang Hong
Executive Director

Hong Kong, 22 June 2009

As at the date of this announcement, the Board consists of Mr. Yu Shu Kuen, Mr. Rong Hsu and Ms. Li Fang Hong being the executive Directors, and Mr. Chan Kam Kwan, Jason, Mr. Cho Chun Wai 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 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.

The Directors jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

This announcement will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page and the website of the Company for at least 7 days from the date of its publication.