
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this prospectus or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

A copy of each of the Prospectus Documents, together with the documents mentioned in the paragraph headed “Documents delivered to the Registrar of Companies in Hong Kong” in appendix III to this Prospectus, has been registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission of Hong Kong and the Registrar of Companies in Hong Kong take no responsibility for the contents of any of these documents. Dealings in the securities of the Company may be settled through CCASS (as defined herein) and you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser for details of the settlement arrangements and how such arrangements may affect your rights and interests.

Subject to the granting of the listing of, and permission to deal in, the Offer Shares (as defined herein) and the Bonus Shares (as defined herein) on the Stock Exchange (as defined herein) as well as compliance with the stock admission requirements of HKSCC (as defined herein), the Offer Shares and the Bonus Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement date of dealings in the Offer Shares or such other dates 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 day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Hong Kong Exchanges and Clearing Limited, the Stock Exchange and HKSCC take no responsibility for the contents of the Prospectus Documents, make no representation as to their respective accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of these documents.



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)

**OPEN OFFER OF 1,048,894,324 OFFER SHARES
ON THE BASIS OF FOUR (4) OFFER SHARES FOR EVERY ONE (1)
CONSOLIDATED SHARE HELD ON THE RECORD DATE WITH BONUS ISSUE
ON THE BASIS OF THREE (3) BONUS SHARES FOR EVERY FOUR (4)
OFFER SHARES TAKEN UP UNDER THE OPEN OFFER**

Underwriter



KINGSTON SECURITIES LTD.

The latest time for application and payment for the Offer Shares is 4:00 p.m. (Hong Kong time) on 12 January 2011. The procedures for application of the Offer Shares are set on page 26 of this prospectus.

It should be noted that the Underwriting Agreement contains provisions granting the Underwriter the right to terminate the obligations of the Underwriter thereunder on the occurrence of certain events. These certain events are set out in the paragraph headed “Termination of the Underwriting Agreement” on page 9 of this prospectus. If the Underwriting Agreement is terminated by the Underwriter or does not become unconditional, the Open Offer and the Bonus Issue will not proceed. Shareholders should note that, based on the expected timetable, the Shares have been dealt in on an ex-entitlement basis commencing from 17 December 2010 and that dealing in the Shares may take place even though the conditions under the Underwriting Agreement remain unfulfilled. Any Shareholder or other person dealing in the Shares to the date on which all conditions to which the Open Offer and the Bonus Issue is subject are fulfilled (which is expected to be on or before 17 January 2011), will accordingly bear the risk that the Open Offer and the Bonus Issue may not become unconditional and may not proceed.

Any Shareholder or other persons contemplating dealings in the Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional advisers.

* For identification purpose only

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate companies to which a high investment risk may be attached than other companies listed on the Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

In this prospectus, unless the context otherwise requires, the following expressions have the following meanings:

“acting in concert”	has the same meaning as ascribed to it in the Hong Kong Code on Takeovers and Mergers
“Amendment to the Articles”	the amendment to Article 142 of the Articles to allow distribution to Shareholders on a non-pro-rata basis, which was approved by the Shareholders at the EGM
“Announcement”	the announcement of the Company dated 15 October 2010 relating to, among other things, the Open Offer, the Bonus Issue the Amendment to the Articles and the Capital Reorganisation
“Application Form”	the Application Form for use by the Qualifying Shareholders to apply for the Offer Shares
“Articles”	the articles of association of the Company, as amended from time to time
“associates”	has the meaning ascribed to it under the GEM Listing Rules
“Baker Tilly”	Baker Tilly Hong Kong Limited
“Board”	the board of Directors
“Bonus Issue”	the issue of the Bonus Shares pursuant to the terms and conditions of the Underwriting Agreement
“Bonus Shares”	the bonus Shares to be issued (for no additional payment) to the First Registered Holders of Offer Shares on the basis of three (3) Bonus Shares for every four (4) Offer Shares taken up under the Open Offer subject to the terms and upon conditions as set out in the Underwriting Agreement and the Prospectus
“Business Day”	a day (other than a Saturday, Sunday or public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“CCASS”	The Central Clearing and Settlement System established and operated by HKSCC
“Capital Reorganisation”	the capital reorganisation involving the Share Consolidation and the Increase in Authorised Share Capital
“Companies Ordinance”	the Companies Ordinance, Chapter 32 of the Laws of Hong Kong

DEFINITIONS

“Company”	M Dream Inworld Limited, an exempted company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the GEM
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Consolidated Share(s)”	consolidated ordinary share(s) of HK\$0.05 each in the issued and unissued share capital of the Company upon completion of the Share Consolidation
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company held on 13 December 2010 whereas the Shareholders have approved the Open Offer, the Bonus Issue, the Amendment to the Articles and the Capital Reorganisation
“First Registered Holders”	Qualifying Shareholders who have applied for and received the Offer Shares allotted to them by the Company after lodging valid application forms of the Open Offer or in respect of those Underwritten Shares not taken up and those first registered holders who have received the Underwritten Shares which the Underwriter subscribed or procured subscription pursuant to the Underwriting Agreement
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons
“Increase in Authorised Share Capital”	the increase in the authorised share capital of the Company from HK\$60,000,000 divided into 6,000,000,000 Pre-consolidated Shares to HK\$400,000,000 divided into 8,000,000,000 Consolidated Shares

DEFINITIONS

“Kingston Securities” or “Underwriter”	Kingston Securities Limited, a corporation licensed to carry on business in type 1 regulated activity (dealing in securities) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Last Trading Day”	15 October 2010, being the last trading day for the Shares prior to the publication of the Announcement
“Latest Lodging Date”	4:30 p.m. on 20 December 2010 as the latest time for lodging transfer of Shares in order to qualify for the Open Offer
“Latest Practicable Date”	23 December 2010, being the latest practicable date prior to the printing of this Prospectus for the purpose of ascertaining certain information for the inclusion in this Prospectus
“Latest Time for Acceptance”	4:00 p.m. on 12 January 2011 or such later time or date as may be agreed between the Company and Kingston Securities, being the latest time for acceptance of, and payment for, the Offer Shares
“Latest Time for Termination”	4:00 p.m. on 17 January 2011, i.e. the third business day after the Latest Time for Acceptance or such later time or date as may be agreed between the Company and Kingston Securities, being the latest time to terminate the Underwriting Agreement
“Offer Share(s)”	1,048,894,324 new Consolidated Shares proposed to be offered to the Qualifying Shareholders for subscription on the basis of four (4) Offer Shares for every one (1) Consolidated Share held on the Record Date and payable in full on acceptance pursuant to the Open Offer
“Open Offer”	the proposed issue of the Offer Shares by way of Open Offer to the Qualifying Shareholders on the terms to be set out in the Prospectus Documents and summarised herein
“Overseas Shareholders”	the Shareholders with registered addresses on the register of members of the Company which are outside Hong Kong on the Record Date
“Pre-consolidated Share(s)”	ordinary share(s) of HK\$0.01 each in the issued and unissued share capital of the Company before the implementation of the Capital Reorganisation

DEFINITIONS

“Prohibited Shareholder(s)”	those Overseas Shareholder(s) to whom the Board, after making enquires, considers it necessary or expedient on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place not to offer the Offer Shares to them
“Prospectus”	this prospectus of the Company in relation to the Open Offer
“Prospectus Documents”	the Prospectus and the Application Form in respect of the assured allotment of the Offer Shares
“Prospectus Posting Date”	29 December 2010 or such later date as may be agreed between Kingston Securities and the Company for the despatch of the Prospectus Documents
“Qualifying Shareholders”	the Shareholders, other than the Prohibited Shareholders, whose names appear on the register of members of the Company as at the close of business on the Record Date
“Record Date”	24 December 2010, 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, the branch share registrar of the Company in Hong Kong
“Share(s)”	Pre-consolidated Share(s) and/or Consolidated Share(s), as the case may be
“Share Consolidation”	the consolidation of every five Pre-consolidated Shares of HK\$0.01 each in the issued and unissued share capital of the Company into one Consolidated Share of HK\$0.05 each in the issued and unissued share capital of the Company
“Share Option Scheme”	the share option scheme of the Company as approved by the Shareholders on 24 December 2007
“Shareholder(s)”	holder(s) of the issued Share(s)
“Specified Event”	an event occurring or matter arising on or after the date hereof and prior to the Latest Time for Termination which if it had occurred or arisen before the date hereof would have rendered any of the warranties contained in the Underwriting Agreement untrue or incorrect in any material respect
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Subscription Price”	the subscription price of HK\$0.10 per Offer Share
“substantial shareholder(s)”	has the same meaning as ascribed to it under the GEM Listing Rules
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“Underwriting Agreement”	the underwriting agreement dated 15 October 2010 (as supplemented by any supplemental agreement thereto) entered into between the Company and Kingston Securities in relation to the Open Offer with Bonus Issue
“Underwritten Share(s)”	the total number of Offer Shares to which Qualifying Shareholders are entitled pursuant to the Open Offer, being 1,048,894,324 Offer Shares
“Untaken Shares”	those (if any) of the Offer Shares for which duly completed application form in respect of the Offer Shares (accompanied by cheques or banker’s cashier orders for the full amount payable on application which are honoured on first or, at the option of the Company, subsequent presentation) have not been lodged for acceptance, or received, as the case may be, on or before the Latest Time for Acceptance
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

SUMMARY OF THE OPEN OFFER AND THE BONUS ISSUE

The following information is derived from, and should be read in conjunction with, the full text of this prospectus.

ISSUE STATISTICS

Basis of the Open Offer:	Four (4) Offer Shares for every one (1) Consolidated Share held on the Record Date and payable in full on acceptance, together with the Bonus Issue on the basis of three (3) Bonus Shares for every four (4) Offer Shares taken up
Subscription Price:	HK\$0.10 per Offer Share
Number of Shares in issue as at the Latest Practicable Date:	262,223,581 Consolidated Shares
Number of Offer Shares:	1,048,894,324 Offer Shares
Number of Bonus Shares:	786,670,743 Bonus Shares to be issued to the First Registered Holders of the Open Offer
Maximum number of Offer Shares underwritten by Kingston Securities:	1,048,894,324 Offer Shares, being the number of the Offer Shares
Number of Shares in issue upon completion of the Open Offer with the Bonus Issue:	2,097,788,648 Consolidated Shares

EXPECTED TIMETABLE

The expected timetable for the Open Offer and the Bonus Issue set out below is for indicative purposes only and has been prepared on the assumption that all the conditions of the Open Offer and the Bonus Issue will be fulfilled. The expected timetable is subject to change, and any changes will be announced in a separate announcement by the Company as and when appropriate.

Last day of dealing in Shares on a cum-entitlement basis	16 December 2010
First day of dealing in Shares on an ex-entitlement basis	17 December 2010
Latest time for lodging transfer of Shares in order to qualify for the Open Offer (with Bonus Issue)	4:30 p.m. on 20 December 2010
Register of members of the Company closes (both dates inclusive)	21 December 2010 to 24 December 2010
Record Date	24 December 2010
Register of members for the Shares reopens	28 December 2010
Despatch of Prospectus Documents.	29 December 2010
Designated broker starts to stand in the market to provide matching service for the sale and purchase of odd lots of the Consolidated Shares	9:30 a.m. on 29 December 2010
Original counter for trading in the Consolidated Shares in board lots of 20,000 Consolidated Shares reopens.	9:30 a.m. on 29 December 2010
Parallel trading in the Consolidated Shares commences	9:30 a.m. on 29 December 2010
Latest time for acceptance of and payment for Offer Shares	4:00 p.m. on 12 January 2011
Latest time for the Open Offer to become unconditional.	4:00 p.m. on 17 January 2011
Temporary counter for trading in the Consolidated Shares in board lots of 4,000 Consolidated Shares closes (in the form of Pre-consolidated Shares)	4:00 p.m. on 18 January 2011
Parallel trading in the Consolidated Shares ends	4:00 p.m. on 18 January 2011
Designated broker ceases to stand in the market to provide matching service	4:00 p.m. on 18 January 2011
Announcement of the results of the Open Offer and the Bonus Issue	19 January 2011
Share certificates for the Offer Shares and Bonus Shares to be posted.	21 January 2011

EXPECTED TIMETABLE

Last day of free exchange of Pre-consolidated share certificates
for new share certificates. 24 January 2011

Dealing in Offer Shares and Bonus Shares commences. 9:30 a.m. on 25 January 2011

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) a tropical cyclone warning signal number 8 or above, or
- (b) a “black” rainstorm warning
 - (i) in force in Hong Kong at any local time before 12:00 noon but no longer in force after 12:00 noon on Wednesday, 12 January 2011. Instead the latest time of acceptance of and payment for the Offer Shares will be extended to 5:00 p.m. on the same Business Day;
 - (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Wednesday, 12 January 2011. Instead the latest time of acceptance of and payment for the Offer Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for the Offer Shares does not take place on the Latest Acceptance Date, the dates mentioned in the section headed “Expected timetable” may be affected. An announcement will be made by the Company in such event as soon as practicable.

TERMINATION OF THE UNDERWRITING AGREEMENT

TERMINATION OF THE UNDERWRITING AGREEMENT

If, prior to the Latest Time for Termination (provided that for the purposes of the Underwriting Agreement 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 hereof) 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

TERMINATION OF THE UNDERWRITING AGREEMENT

- (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 any 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 or the Prospectus Documents or other announcements or circulars in connection with 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 and thereupon the obligations of all parties under 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.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Chi Chi Hung, Kenneth

Mr. Ng Kay Kwok

Independent Non-executive Directors:

Mr. Billy B Ray Tam

Mr. Yu Pak Yan, Peter

Ms. Chan Hoi Ling

Registered office:

P.O. Box 309, Uglan House

Grand Cayman

KY1-1104

Cayman Islands

Principal place of business in Hong Kong:

Block C, 10 Floor

Cheong Wah Factory Building

39-41 Sheung Heung Road

To Kwa Wan

Kowloon

Hong Kong

29 December 2010

To the Shareholders

Dear Sir or Madam,

**OPEN OFFER OF 1,048,894,324 OFFER SHARES
ON THE BASIS OF FOUR (4) OFFER SHARES FOR EVERY ONE (1)
CONSOLIDATED SHARE HELD ON THE RECORD DATE WITH BONUS ISSUE
ON THE BASIS OF THREE (3) BONUS SHARES FOR EVERY FOUR (4)
OFFER SHARES TAKEN UP UNDER THE OPEN OFFER**

INTRODUCTION

Reference is made to the Announcement in relation to, among others, the Open Offer of 1,048,894,324 Offer Shares at a subscription price of HK\$0.10 per Offer Share payable in full on application on the basis of four (4) Offer Shares for every one (1) Consolidated Share held on the Record Date with the Bonus Issue on the basis of three (3) Bonus Shares for every four (4) Offer Shares taken up under the Open Offer. The Open Offer and the Bonus Issue have been duly approved by the Shareholders at the EGM held on 13 December 2010.

* For identification purpose only

LETTER FROM THE BOARD

The purpose of this prospectus is to provide you with further details of the Open Offer and the Bonus Issue including information on dealings in and application for the Offer Shares, and certain financial and other information of the Group.

OPEN OFFER WITH BONUS ISSUE

Issue statistics

Basis of the Open Offer:	Four (4) Offer Shares for every one (1) Consolidated Share held on the Record Date and payable in full on acceptance, together with the Bonus Issue on the basis of three (3) Bonus Shares for every four (4) Offer Shares taken up
Subscription Price:	HK\$0.10 per Offer Share
Number of Shares in issue as at the Latest Practicable Date:	262,223,581 Consolidated Shares
Number of Offer Shares:	1,048,894,324 Offer Shares
Number of Bonus Shares:	786,670,743 Bonus Shares to be issued to the First Registered Holders of the Open Offer
Maximum number of Offer Shares underwritten by Kingston Securities:	1,048,894,324 Offer Shares, being the number of the Offer Shares
Number of Shares in issue upon completion of the Open Offer with the Bonus Issue:	2,097,788,648 Consolidated Shares

The Company has no other outstanding warrants, options or convertible or exchangeable securities as at the Latest Practicable Date. The Company will not grant share options under the Share Option Scheme on or before the Record Date.

As at the Latest Practicable Date, the Board has not received any information from any of the substantial shareholders of the Company of its/their intention to take up the Offer Shares.

LETTER FROM THE BOARD

Bonus Issue

Subject to the satisfaction of the conditions of the Open Offer, the Bonus Shares will be issued to the First Registered Holders of the Offer Shares on the basis of three (3) Bonus Shares for every four (4) Offer Shares taken up under the Open Offer.

On the basis of 1,048,894,324 Offer Shares to be issued under the Open Offer, 786,670,743 Bonus Shares will be issued.

Qualifying Shareholders

The Open Offer is only available to the Qualifying Shareholders and the Company will send the Prospectus Documents to the Qualifying Shareholders. To qualify for the Open Offer, the Shareholders must at the close of business on the Record Date:

- (i) be registered on the register of members of the Company; and
- (ii) not be the Prohibited Shareholders.

In order to be registered as members of the Company on the Record Date, the Shareholders must lodge any transfer of the Shares (with the relevant share certificates) for registration with the Registrar by 4:30 p.m. on 20 December 2010. The address of the Registrar, Tricor Tengis Limited, is at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.

The invitation to subscribe for the Offer Shares to be made to the Qualifying Shareholders will not be transferable.

Closure of register of members

The register of members of the Company has been closed from 21 December 2010 to 24 December 2010, both dates inclusive, to determine the eligibility of the Open Offer. No transfer of Shares has been registered during this period.

Subscription Price

The Subscription Price is HK\$0.10 per Offer Share, payable in full on application. The Subscription Price represents:

- (i) a discount of approximately 83.74% to the adjusted closing price of HK\$0.615 per Consolidated Share (assuming the Share Consolidation becoming effective at that time), based on the closing price of HK\$0.123 per Share as quoted on the Stock Exchange on the Last Trading Day;

LETTER FROM THE BOARD

- (ii) a discount of 21.26% to the theoretical ex-entitlement price of approximately HK\$0.127 per Consolidated Share (assuming the Share Consolidation becoming effective at that time) after the Bonus Issue based on the adjusted closing price of HK\$0.615 per Consolidated Share (assuming the Share Consolidation becoming effective), based on the closing price of HK\$0.123 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 83.58% to the adjusted average of the closing prices of HK\$0.609 per Consolidated Share (assuming the Share Consolidation becoming effective), based on the average closing price of HK\$0.1218 per Share for the last five consecutive trading days including and up to the Last Trading Day; and
- (iv) a premium of approximately 19.05% to the closing price of HK\$0.084 per Consolidated Share as quoted on the Stock Exchange on the Latest Practicable Date.

The Subscription Price was arrived at after arm's length negotiation between the Company and Kingston Securities with reference to, among other things, the prevailing market price of the Shares and the financial requirements of the Company for the Possible Acquisition (as defined below). In order to increase the attractiveness of the Open Offer to the Qualifying Shareholders, the Directors (including the Independent Non-executive Directors) consider that the proposed discount of the Subscription Price to the market 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 (including the Independent Non-executive Directors) consider the Subscription Price is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Status of the Offer Shares and the Bonus Shares

The Offer Shares and the Bonus Shares (when allotted, fully paid and issued) will rank *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Offer Shares and the Bonus Shares. Holders of the Offer Shares and the Bonus Shares will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the Offer Shares and the Bonus Shares.

Certificates of the Offer Shares and the Bonus Shares

Subject to fulfillment of the conditions of the Open Offer, share certificates for the Offer Shares and the Bonus Shares are expected to be posted on or before 21 January 2011 to those entitled thereto by ordinary post at their own risk.

Rights of the Overseas Shareholders

The Prospectus Documents will not be registered under the applicable securities legislation of any jurisdiction other than Hong Kong.

According to the register of members of the Company as at the Latest Practicable Date, there were Shareholders with registered addresses located in Macau, Malaysia, the PRC and Singapore. The Directors have, in compliance with Rule 17.41 of the GEM Listing Rules, conducted enquiries regarding the feasibility of extending the Open Offer and the Bonus Issue to such Overseas Shareholders.

LETTER FROM THE BOARD

Based on the legal opinions provided by the legal advisers in the relevant jurisdictions, the Directors consider that the Offer Shares can be offered to the Overseas Shareholders in the relevant jurisdictions as there are no legal restrictions for the Company on offering of the Offer Shares and the Bonus Shares to these Overseas Shareholders. Accordingly, there are no Overseas Shareholders being prohibited from the Open Offer and the Bonus Issue.

It is the responsibility of the Shareholders (including the Overseas Shareholders) to observe the domestic legal and regulatory requirements applicable to them for taking up and onward sale (if applicable) of the Offer Shares and Bonus Shares.

Fractional entitlement to the Offer Shares

Fractional entitlements of Offer Shares will not be allotted and will be aggregated. Any Offer Shares arising from the aggregation of fractions of Offer Shares will be taken up by the Underwriter.

No excess application for the Offer Shares

No excess Offer Shares will be offered to the Qualifying Shareholders and any Offer Shares not taken up by the Qualifying Shareholders will be underwritten by the Underwriter.

Application for listing

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Offer Shares and the Bonus Shares.

Subject to the granting of the listing of, and permission to deal in, the Offer Shares and Bonus Shares on the Stock Exchange, the Offer Shares and Bonus 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 and Bonus 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 settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Dealings in the Offer Shares and Bonus Shares may be settled through CCASS. You should seek advice of your stock broker or other professional adviser for details of those settlement arrangements and how such arrangements will affect your rights and interests.

UNDERWRITING ARRANGEMENT

Underwriting Agreement

Date: 15 October 2010

Underwriter: Kingston Securities Limited

Number of Offer Shares underwritten: Pursuant to the Underwriting Agreement, the Underwriter has conditionally agreed to underwrite the Offer Shares which have not been taken up. Accordingly, the Open Offer is fully underwritten.

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As at the Latest Practicable Date, the Underwriter is interested in 68 Consolidated Shares. To the best of the Directors' knowledge, information and belief, the Underwriter and its ultimate beneficial owners are Independent Third Parties.

It is one of the conditions of the Underwriting Agreement that the Underwriter might enter into binding agreements with certain placees and/or sub-underwriters, which shall be Independent Third Parties, for placing and/or sub-underwriting the Offer Shares (with Bonus Shares), such that (i) the Underwriter together with its parties acting in concert shall not in aggregate be interested in exceeding 19.9% of the issued share capital of the Company as enlarged by the Offer Shares and the Bonus Shares; and (ii) each of the placees and/or sub-underwriters and their respective parties acting in concert shall not in aggregate be interested in 10% or more of the issued share capital of the Company as enlarged by the Offer Shares and the Bonus Shares.

Termination of the Underwriting Agreement

If, prior to the Latest Time for Termination (provided that for the purposes of the Underwriting Agreement 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 hereof) 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

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- (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 any 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 or the Prospectus Documents or other announcements or circulars in connection with the Open Offer,

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 Kingston Securities; or
- (2) any Specified Event comes to the knowledge of Kingston Securities.

Any such notice shall be served by the Underwriter prior to the Latest Time for Termination and thereupon the obligations of all parties under 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.

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Conditions of the Open Offer and the Bonus Issue

The Open Offer and the Bonus Issue are conditional upon:

- (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 Listing Rules and the Companies Ordinance;
- (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 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 and the Bonus Shares;
- (4) the obligations of the Underwriter becoming unconditional and that the Underwriting Agreement is not terminated in accordance with its terms;
- (5) there being no Specified Event occurred prior to the Latest Time for Termination;
- (6) compliance with and performance of all undertakings and obligations of the Company under the Underwriting Agreement;
- (7) the passing of the necessary ordinary resolutions at the EGM to approve the Open Offer and the Bonus Issue, the Share Consolidation and the Increase in Authorised Share Capital by the Independent Shareholders (or where appropriate by the Shareholders) and the transactions contemplated hereunder;
- (8) the passing of necessary special resolution(s) by the Shareholders to approve the Amendment to the Articles and the allotment and issue of the Bonus Shares;
- (9) the Share Consolidation, the Increase in Authorised Share Capital and the Amendment to the Articles having become effective; and
- (10) the entering into of binding agreements by the Underwriter with certain placees and/or sub-underwriters, which shall be Independent Third Parties, for placing and/or sub-underwriting the Offer Shares, such that (i) the Underwriter together with its parties acting in concert shall not in aggregate be interested in exceeding 19.9% of the issued share capital of the Company as enlarged by the Open Offer and the Bonus Issue; and (ii) each of the placees and/or sub-underwriters and their respective parties acting in concert shall not in aggregate be interested in 10% or more of the issued share capital of the Company as enlarged by the Open Offer and the Bonus Issue.

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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.

REASONS FOR THE OPEN OFFER AND THE BONUS ISSUE AND USE OF PROCEEDS

The Group is principally engaged in sale of display equipment, components and related technology, and provide electronic learning products and services.

The estimated net proceeds from the Open Offer will be approximately HK\$100 million. The Company has commenced preliminary arm's length negotiations with an Independent Third Party in relation to a possible acquisition (the "**Possible Acquisition**") of the majority equity interests in an information technology related company. The Possible Acquisition, if materialized, will constitute a notifiable transaction on the part of the Company under Chapter 19 of the Listing Rules. The potential target of the Possible Acquisition is a profitable company principally engaged in the information technology field and is specialized in multimedia, video and 3D technology. Based on the representations made by the counterparties, the sales and the profit of the potential target for the first quarter ended 30 September 2010 amounts to approximately HK\$8.3 million and HK\$3.5 million respectively and the sales and the profit of the potential target for the last financial year ended 30 June 2010 amounts to approximately HK\$41.5 million and HK\$ 6 million respectively. The Company would like to emphasize that such figures are unaudited and are provided by the counterparties and the Company has not conducted detailed due diligence on the potential target yet. **As at the date of this prospectus, no binding agreement has been entered into in respect of the Possible Acquisition and the Possible Acquisition may or may not be materialized and Shareholders and investors are advised to take cautions when dealing with securities of the Company.** Save as disclosed above, the Board also confirms that there are no negotiation or agreement relating to any intended acquisitions or realizations which are discloseable under Chapters 19 and 20 of the GEM Listing Rules, neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 17.10 of the GEM Listing Rules, which is or may be of a price-sensitive nature.

The Board intends to apply such proceeds from the Open Offer to finance the Possible Acquisition. In the event that the Possible Acquisition cannot be materialized, the Board intends to apply such proceeds from the Open Offer for its general working capital and/or to finance the acquisition of other appropriate investments which may or may not be in the principal line of business of the Group. The current utilization plan of the proceeds is that the majority of the proceeds will be applied towards the Possible Acquisition, although in the event that the Possible Acquisition cannot be materialised, the Company will seek other appropriate investments and the preliminary plan of the Company is that as to approximately 60% of the proceeds will be utilized for appropriate investments and the remaining balance of approximately 40% for the general working capital of the Company. The Company will consider numerous factors in making such investments, including the potential return, the synergy effect of such investments with the existing business of the Company, the historical financial information of such potential target and the costs of investment. The Company will base on such various criteria in making its investments but preference will be given to those businesses that can have synergy effect with the existing information technology related business of the Group.

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The estimated expenses in relation to the Open Offer, including financial, legal and other professional advisory fees, underwriting commission, printing and translation expenses will be borne by the Company. Having considered other fund raising alternatives for the Group, such as bank borrowings and placing of new Shares, and taking into account the benefits and cost of each of the alternatives, the Open Offer allows the Group to strengthen its balance sheet without facing the increasing interest rates. The Company has considered the possibility of rights issue instead of Open Offer which allows Shareholders to trade the nil-paid rights. However, given the additional administrative costs and expenses to be borne by the Company in arranging trading arrangement of the nil-paid rights, the Company consider that the Open Offer is a better option. The Board considers that the Open Offer is in the interest of the Company and the Shareholders as a whole as it offers all the Qualifying Shareholders an equal opportunity to participate in the enlargement of the capital base of the Company and enables the Qualifying Shareholders to maintain their proportionate interests in the Company and continue to participate in the future development of the Company should they wish to do so. In addition, the Bonus Issue will be as additional incentive for the Shareholders to take part into the Open Offer. **However, those Qualifying Shareholders who do not take up the Offer Shares to which they are entitled should note that their shareholdings in the Company will be diluted to one-eighth in comparison with their shareholdings before the Open Offer and the Bonus Issue. Qualifying Shareholders should also note that based on the closing price of HK\$0.123 per Pre-consolidated Share as quoted on the Stock Exchange on the Last Trading Day, the theoretical ex-entitlement price per Consolidated Share after the Open Offer and the Bonus Issue is approximately HK\$0.127, representing a discount of approximately 79.35% to the adjusted closing price of HK\$0.615 per Consolidated Share.**

Odd lots may be created as a result of the Open Offer, Bonus Issue and the Share Consolidation. In order to relieving the difficulty of Shareholders in trading with odd lots, the Company has appointed a designated broker to match the purchase and sale of odd lots of the Consolidated Shares at the relevant market price. Please refer to the section headed “Odd lot arrangement and matching services” below for reference. However, the matching service provided cannot guarantee that all the odd-lot trading can be matched and after the matching service expires, trading of odd-lot Shares on the market may not be easy and may not be desirable in terms of costs to Shareholders.

As at the Latest Practicable Date, the Company has no current intention to dispose of any of its existing business and/or assets and has no current intention to conduct further fund raising exercise. The trading of the Shares will have to be suspended if minimum public float cannot be maintained or a false market exists. Depending upon the actual circumstances, the Company might become a cash company under Rule 19.82 of the GEM Listing Rules and listing approval will not be granted if there is non-compliance with the GEM Listing Rules.

The Directors (including the Independent Non-executive Directors) consider that the Open Offer and the Bonus Issue is fair and reasonable and in the interests of the Company and the Shareholders as a whole having taken into account the terms of the Open Offer and the Bonus Issue.

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Odd lot arrangement and matching services

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company has agreed to procure Kingston Securities to arrange matching services regarding the sale and purchase of odd lots of Consolidated Shares from 9:30 a.m. on 29 December 2010 to 4:00 p.m. on 18 January 2011 (both dates inclusive). Holders of odd lots of the Consolidated Shares may contact Ms. Rosita Kiu of Kingston Securities (telephone number: (852) 2298 6215) during the aforesaid period. Shareholders should note that the successful matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Any Shareholder, who is in doubt about the odd lot matching arrangement, is recommended to consult his/her/its own professional advisers.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Save as disclosed below, the Company has not conducted any other fund raising activities announced in the past twelve months before the the Latest Practicable Date.

Date of announcement	Event	Net proceeds (approximately)	Intended use of proceeds	Actual use of proceeds
29 July 2010	Placing of 218,000,000 new Shares to not less than six places at the placing price of HK\$0.10 per Share on a fully-underwritten basis	HK\$21.1 million	For general working capital	Has been utilised for the early redemption of promissory note as announced on 23 August 2010 as the noteholder agreed a HK\$2 million discount on the face value of the promissory note for the early redemption

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EFFECTS ON SHAREHOLDING STRUCTURE

The existing and enlarged shareholding structures of the Company immediately before and after the completion of the Open Offer and the Bonus Issue are set out below:

Shareholders	As at the Latest Practicable Date		Immediately after completion of the Open Offer and the Bonus Issue (assuming no Qualifying Shareholder has taken up his/her/its entitlements under the Open Offer) (Note 2)		Immediately after completion of the Open Offer and the Bonus Issue (assuming all Qualifying Shareholders have taken up their entitlements under the Open Offer)	
	No. of Consolidated Shares	Approximate %	No. of Consolidated Shares	Approximate %	No. of Consolidated Shares	Approximate %
	Ample Field Limited (Note 1)	54,666,666	20.85	54,666,666	2.61	437,333,328
<i>Public Shareholders</i>						
The Underwriter (Note 3)	68	0.00	1,835,565,135	87.50	544	0.00
Other public Shareholders	207,556,847	79.15	207,556,847	9.89	1,660,454,776	79.15
Total	<u>262,223,581</u>	<u>100.00</u>	<u>2,097,788,648</u>	<u>100.00</u>	<u>2,097,788,648</u>	<u>100.00</u>

Notes:

- These Shares are held by Ample Field Limited of which the entire issued capital is beneficially owned by Mr. Yu Shu Kuen. Accordingly, Mr. Yu is deemed to be interested in the Shares beneficially owned by Ample Field Limited.
- This scenario is for illustration purpose only and will never occur. Pursuant to the Underwriting Agreement, in the event of the Underwriter being called upon to subscribe for or procure subscribers for the Untaken Shares, (a) the Underwriter shall not subscribe, for its own account, for such number of Underwritten Shares which will result in the shareholding of it and parties acting in concert (having the meaning of the Takeovers Code) with it in the Company to exceed 19.9% of the voting rights of the Company upon the completion of the Open Offer; and (b) the Underwriter shall use its best endeavours to ensure that each of the subscribers of the Untaken Shares procured by it (i) shall be third party independent of, not acting in concert (within the meaning of the Takeovers Code) with and not connected with the Directors or chief executive of the Company or substantial shareholders of the Company or their respective associates (Rules); and (ii) save for the Underwriter itself and its associates, shall not, together with any party acting in concert with it, hold 10.0% or more of the voting rights of the Company upon completion of the Open Offer. The Company will ensure the compliance with the public float requirements under Rule 11.23 of the GEM Listing Rules upon completion of the Open Offer.
- As at the Latest Practicable Date, the Underwriter is interested in 68 Consolidated Shares. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Underwriter and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

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FINANCIAL AND TRADING PROSPECT OF THE GROUP

The Group is principally engaged in trading of display units and after completion of the acquisition of KanHan Educational Services Limited in this year, the Group is also engaged in e-learning related business.

As some sales was not yet confirmed by some customers, the sales of display related business for the three months ended 30 June 2010 was only approximately HK\$472,000 which was quite disappointing. The Group has focused on doing its display business during that period. The sales for the six months ended 30 June 2010 was slightly less than the sales for the same period in last year, experienced about a 10% drop.

However, the loss attributable to equity shareholders of the Company was smaller in that period compared to the same period in last year as there was no loss from discontinued operation incurred in that period, and the selling and administration expenses was properly controlled.

In light of the declining trading business operations of the Group, the Board has actively sought investment opportunities in order to give a better return for the Shareholders. Recently, the Group has acquired KanHan Educational Services Limited, which represents an excellent opportunity for the Group in entering into the e-learning education market.

In addition to the acquisition of KanHan Educational Services Limited, the Board has also been actively seeking appropriate businesses which will bring synergy effect with the existing business of the Group. The Board is currently negotiating the Possible Acquisition with an independent third party and the target of the Possible Acquisition is also an information technology related company. The Company will make further announcement(s) when the Possible Acquisition is materialised.

RISK FACTORS

In compliance with the GEM Listing Rules, the Company sets out below the risk factors of the Group for the Shareholders' attention. The Directors believe that there are certain risks involved in the operations of the Group and these risks can be categorized into: (1) business risk relating to the Group; (2) financial risks relating to the group; (3) risks related to the industry; (4) risks related to politics, economics and regulations; and (5) risks relating to the Shares prices and Shareholders' shareholdings. Additional risks and uncertainties not presently known to the Directors, or not expressed or implied below, or than the Directors currently deem immaterial, may also adversely affect the Group's business, operating results and financial condition in a material aspect.

Business risk relating to the Group

- (1) The industry in which the Group is operating is subject to intense competition and the success of the Group will depend on its capacity and capability to expand its market share and to secure contracts from its potential customers. If the Group fails to maintain its competitiveness against other competitors, this will affect the profitability and market share of the Group.

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- (2) The global financial tsunami in the second half of 2008 has affected the consumption of the general public and potential customers of the Group, which, in turn, may affect the profitability of the Group as a result of the global economic downturn and continued economic recession.
- (3) The Group is in negotiations with an Independent Third Party in relation to the Possible Acquisition. There is no certainty that the Possible Acquisition will become materialized. This may affect the future business development of the Group.

Financial risks relating to the Group

Exposure to credit, liquidity, interest rate and foreign currency risks arises in the normal course of the Group's business.

These risks are limited by the Group's financial management policies and practices as described below.

(a) Credit risk

The Group's credit risk is primarily attributable to trade and other receivables and cash and cash equivalents. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

The credit risk on bank deposits is limited because the counterparties are banks with high credit-ratings.

(b) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with lending covenants and to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

(c) Interest rate risk

The Company's interest rate risk arises primarily from finance lease obligations at fixed rates expose the company to fair value interest rate risk.

(d) Foreign currency risk

(i) Forecast transactions

The Group is exposed to foreign currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily Renminbi, Singapore dollars and United States dollars.

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(ii) *Recognised assets and liabilities*

In respect of receivables and payables held in currencies other than the functional currency of the operations to which they relate, the Group ensures that the net exposure is kept to an acceptable level, by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances.

By assessing the foreign currency risk, the effect arising from a reasonable possible changes in the exchange rates of Renminbi, Singapore dollars and United States dollars against Hong Kong dollars in the next twelve months was not material to the results for the years ended 2009 and 2008, on the basis that all other variables remain constant.

Risks related to the industry

Intense competition

The market for system solutions in which the Group operates are characterized by an increasing number of entrants because of the relative low set-up costs. Many of the Group's competitors have a longer operating history in the market, greater brand recognition, larger customer base and significantly greater financial and marketing resources. Such present or future competitors may provide products and services that have performance, price or other advantages over those offered by the Group. There is no assurance that the Group will be able to compete successfully against the current or future competitors.

Rapid technological changes

The IT industry is characterized by its fast evolving nature and the Group needs to maintain an edge in technology over its competitors to maintain competitiveness. If the Group fails to keep up with the most up-to-date technology, the Group may become less competitive and the profitability of the Group may be adversely affected.

Risks related to politics, economics and regulations

The business operations of the Group are primarily based in the PRC and Hong Kong. Accordingly, the Group's operating results, financial position and prospects could be adversely affected by economic, political and legal developments in these jurisdictions. As a result of the financial tsunami, there is no assurance that economic, political and legal developments in these jurisdictions will not be adversely affected. If there is any material adverse change in the general economic, political and legal developments in these jurisdictions, the Group's operations and financial position may be adversely affected.

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Risks relating to the Share price and Shareholders' shareholdings

(a) The Share price may be volatile

The price and trading volume of the Shares will be determined in the market place and may be highly volatile. Factors such as variations in the Group's revenue, earnings and cash flows, changes in or challenges to its business, announcements of new investments or acquisitions, the depth and liquidity of the market for the Shares, investors' perceptions of the Group and general political, economic, social and market conditions both globally and in the PRC or Hong Kong could cause the market price of the Shares to change substantially.

(b) Shareholders' shareholding may be diluted as a result of future equity fundraising

The Group may need to raise additional funds in the future to finance its expansion or for other reasons. If additional funds are raised through the issuance by the Company of new equity or equity-linked securities other than on a pro-rata basis to existing Shareholders, the percentage ownership of individual Shareholders will decline. Any such new securities may have preferential rights or options that favour their holders over holders of the Shares, to the extent permitted by law, exchange rules and the Company's constitutive documents.

TAXATION

The Directors consider that there is no tax implication on the Company resulting from the Open Offer and the Bonus Issue. However, Shareholders should note that dealing in the Offer Shares and the Bonus 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. In addition, Shareholders should note that the taxation implications on them arising from the acquisition of, holding of or dealing in the Offer Shares and the Bonus Shares may differ depending on their individual circumstances. Shareholders are recommended to consult their professional advisers if they are in doubt as to their tax position under the Open Offer and the Bonus Issue. It is emphasized that none of the Company, the Directors or any other parties involved in the Open Offer and/or the Bonus Issue accept responsibility for any tax effects or liabilities of any Shareholders or potential investors resulting from the Open Offer and/or the Bonus Issue.

PROCEDURE FOR APPLICATION AND PAYMENT

If you are a Qualifying Shareholder, you will find the Application Form enclosed with this Prospectus which entitles you to apply for the number of Offer Shares in your assured entitlement shown thereon. If you wish to apply for such Offer Shares or any lesser number of such Offer Shares, you must complete, sign and lodge the same in accordance with the instructions printed thereon, together with the remittance for full amount payable on application with the Registrar by not later than 4:00 p.m. (Hong Kong time) on 12 January 2011. All remittances must be made in Hong Kong dollars. Cheques must be drawn on an account with, and banker's cashier orders must be issued by, a licensed bank in Hong Kong and made payable to "M Dream Inworld Limited – Provisional Allotment Account" and crossed "Account Payee Only".

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It should be noted that unless the Application Form, together with the appropriate remittance, has been lodged with the Registrar, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong by not later than 4:00 p.m. (Hong Kong time) on 12 January 2011 by the Qualifying Shareholder, his/her/its entitlement to apply under the Open Offer will be deemed to have been declined and will be cancelled.

All cheques or banker's cashier orders will be presented for payment immediately following receipt and all interest earned on such application monies will be retained for the benefit of the Company. Any Application Form in respect of which the cheque or cashier order is dishonoured on first presentation is liable to be rejected, and in that event the relevant entitlements of the Qualifying Shareholder under the Open Offer will be deemed to have been declined and will be cancelled.

If the Underwriter exercises the right to terminate its obligations under the Underwriting Agreement before the Latest Time for Termination and/or if any of the conditions to which the Open Offer is subject are not fulfilled in accordance with the section headed "Conditions of the Open Offer", the application monies will be refunded, without interest, by sending cheques made out to the applicants (or in the case of joint applicants, to the first named applicant) and crossed "Account Payee Only", through ordinary post at the risk of the applicants to the address as registered in the register of members of the Company on or before 21 January 2011. Under the Underwriting Agreement, the Underwriters will subscribe or procure subscribers for the Offer Shares not subscribed by the Qualifying Shareholders.

The Application Form is for use only by the person(s) named therein and is not transferable or renounceable. All documents, including cheques and cashier orders for amounts due, will be sent at the risk of the persons entitled thereto to their registered addresses. No receipt will be issued in respect of any application monies received.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Prospectus.

By the order of the Board
M Dream Inworld Limited
Chi Chi Hung, Kenneth
Executive Director

1. FINANCIAL SUMMARY

The audited financial information of the Group for each of the three years ended 31 December 2007, 2008, and 2009 can be referred to the annual reports of the Company for the years ended 31 December 2007 (pages 20 to 71), 2008 (pages 25 to 91) and 2009 (pages 23 to 91) respectively; and the unaudited interim consolidated results and assets and liabilities of the Group for the six months ended 30 June 2010 can be referred to the interim report of the Company for the six months ended 30 June 2010 (pages 3 to 16).

The above-mentioned financial information has been published on both the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (www.mdreaminworld.com.hk). The auditors of the Company have not issued any qualified opinion on the Group's financial statements for the financial years ended 31 December 2007, 2008 and 2009.

2. STATEMENT OF INDEBTEDNESS**Borrowings**

As at the close of business on 30 November 2010, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this Prospectus, the Group had total borrowings of approximately HK\$1,543,000, representing outstanding obligations under finance leases.

Securities and guarantees

As at the close of business on 30 November 2010, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this Prospectus, the Group did not have any material securities and guarantees.

Disclaimer

Save as disclosed above and apart from intra-group liabilities and normal trade and other payables, as at the close of business on 30 November 2010, the Group did not have any outstanding mortgages, charges, debentures or other loan capital or bank overdrafts or loans or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptance or acceptance credits, debt securities, guarantees or other material contingent liabilities. The Directors confirmed that there has been no material change to the indebtedness and contingent liabilities of the Group since 30 November 2010 and up to the Latest Practicable Date.

3. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2009, being the date to which the latest audited financial statements of the Group were made up.

4. WORKING CAPITAL

The Directors, after due and careful consideration, are of the opinion that, taking into consideration the financial resources available to the Group including the internally generated funds, the present bank and other facilities, the Group will have sufficient working capital for at least twelve months from the date of this Prospectus.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

1. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The following is the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group which has been prepared in accordance with paragraph 7.31 of the GEM Listing Rules to illustrate the effects of the Open Offer on the unaudited consolidated net tangible assets of the Group as if the Open Offer and Bonus Issue had been completed on 30 June 2010.

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group has been prepared for illustrative purposes only, based on the judgements and assumptions of the Directors, and because of its hypothetical nature, does not provide any assurance or indication that any event will take place in the future and may not be indicative of the financial position of the Group as at 30 June 2010 or any future date.

	Unaudited consolidated net tangible assets of the Group as at 30 June 2010	Estimated net proceeds from the Open Offer	Unaudited pro forma adjusted consolidated net tangible assets of the Group	Unaudited consolidated net tangible assets of the Group per Share as at 30 June 2010	Unaudited pro forma adjusted consolidated net tangible assets of the Group per Share as at 30 June 2010
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$</i>	<i>HK\$</i>
	<i>(Note 1)</i>	<i>(Note 2)</i>		<i>(Note 3)</i>	<i>(Note 4)</i>
Based on 1,048,894,324 Offer Shares at subscription price of HK\$0.10 per Offer Share	<u>25,167</u>	<u>101,168</u>	<u>126,335</u>	<u>0.023</u>	<u>0.060</u>

Notes:

1. The unaudited consolidated net tangible assets of the Group as at 30 June 2010 is based on the unaudited consolidated net assets of the Group attributable to the Company's equity holders as at 30 June 2010 of approximately HK\$25,167,000 as extracted from the published interim report of the Company for the six months ended 30 June 2010.
2. The estimated net proceeds from the Open Offer of approximately HK\$101,168,000 are calculated based on 1,048,894,324 Offer Shares to be issued at the subscription price of HK\$0.10 per Offer Share, after deduction of estimated related expenses, including underwriting commission, legal and professional fees and other related expenses of approximately HK\$3,721,000.
3. The calculation of unaudited consolidated net tangible assets of the Group per Share as at 30 June 2010 is based on the unaudited consolidated net tangible assets of the Group of approximately HK\$25,167,000 and 1,093,117,906 shares in issue as at 30 June 2010.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

4. The calculation of unaudited pro forma consolidated net tangible assets of the Group per Share as at 30 June 2010 is based on the unaudited pro forma adjusted consolidated net tangible assets of the Group of approximately HK\$126,335,000 and 2,097,788,648 Consolidated Shares in issue immediately after the completion of the Open Offer and Bonus Issue.

5. No adjustment has been made to reflect the trading results or effect of other transactions, including the acquisition of KanHan Educational Services Limited, entered into by the Group subsequent to 30 June 2010.

2. ACCOUNTANTS' REPORT ON UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The following is the text of a report, prepared for the sole purpose of inclusion in this Prospectus, received from independent reporting accountants, Baker Tilly Hong Kong Limited, Certified Public Accountants, Hong Kong.

**BAKER TILLY****HONG KONG LIMITED****CERTIFIED PUBLIC ACCOUNTANTS****天職香港會計師事務所有限公司**

12th Floor, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong
香港干諾道中168-200號信德中心招商局大廈12樓

Accountants' Report on Unaudited Pro Forma Statement of Adjusted Consolidated Net Tangible Assets of the Group to the Directors of M Dream Inworld Limited

We report on the unaudited pro forma statement of adjusted consolidated net tangible assets of M Dream Inworld Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group"), which has been prepared by the directors of the Company, for illustrative purposes only, to provide information in connection with the open offer shares of the Company which might have affected the financial information presented, for inclusion in Part 1 of Appendix II to the prospectus dated 29 December 2010 issued by the Company (the "Prospectus"). The basis of preparation of the unaudited pro forma statement of adjusted consolidated net tangible assets is set out on pages 30 to 31 to the Prospectus.

Respective responsibilities of directors of the Company and reporting accountants

It is the responsibility solely of the directors of the Company to prepare the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

It is our responsibility to form an opinion, as required by the paragraph 7.31(7) of the GEM Rules, on the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Basis of opinion

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 300 “Accountants’ Reports on Pro Forma Financial Information in Investment Circulars” issued by the HKICPA. Our work consisted primarily of comparing the unadjusted financial information with source documents, considering the evidence supporting the adjustments and discussing the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group with the directors of the Company. This engagement did not involve independent examination of any of the underlying financial information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the unaudited pro forma statement of adjusted consolidated net tangible assets has been properly compiled by the directors of the Company on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purpose of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group as disclosed pursuant to paragraph 7.31(1) of the GEM Rules.

The unaudited pro forma statement of adjusted consolidated net tangible assets is for illustrative purpose only, based on the judgements and assumptions of the directors of the Company, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in future and may not be indicative of the financial position of the Group as at 30 June 2010 or at any future date.

Opinion

In our opinion:

- a. the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group has been properly compiled by the directors of the Company on the basis stated;
- b. such basis is consistent with the accounting policies of the Group; and
- c. the adjustments are appropriate for the purpose of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group as disclosed pursuant to paragraph 7.31(1) of the GEM Rules.

Baker Tilly Hong Kong Limited

Certified Public Accountants

Andrew David Ross

Practising Certificate number P01183

Hong Kong, 29 December 2010

RESPONSIBILITY STATEMENT

This prospectus, for which the Directors of the issuer 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 Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this prospectus misleading.

SHARE CAPITAL

<i>Authorised capital:</i>		<i>HK\$</i>
<u>8,000,000,000</u>	ordinary Consolidated Shares of HK\$0.05 each	<u>400,000,000.00</u>
<i>Issued and fully paid or credited as fully paid:</i>		
262,223,581	Consolidated Shares as at the Latest Practicable Date	13,111,179.05
1,048,894,324	Offer Shares to be allotted and issued under the Open Offer	52,444,716.20
<u>786,670,743</u>	Bonus Shares to be allotted and issued under the Open Offer	<u>39,333,537.15</u>
<u>2,097,788,648</u>	Consolidated Shares in issue immediately after completion of the Open Offer (with Bonus Issue)	<u>104,889,432.40</u>

As at the Latest Practicable Date, the Company has no outstanding warrants, options or convertible or exchangeable securities.

All the Shares in issue and the Offer Shares and the Bonus Shares to be issued will rank pari passu in all respects with each other including as regards to dividends and voting rights. The Offer Shares and Bonus Shares to be issued will be listed on GEM.

No part of the securities of the Company is listed or dealt in, nor is listing or permission to deal in the securities of the Company being or proposed to be sought, on any other stock exchange.

There is no arrangement under which future dividends are/will be waived or agreed to be waived.

DISCLOSURE OF INTERESTS

(a) Directors' interests and short positions in the securities of the Company and its associated corporations

As at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were, pursuant to rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors to be notified to the Company and the Stock Exchange.

(b) Persons who have an interest or short position which is discloseable under Divisions 2 and 3 of Part XV of the SFO and substantial shareholders

So far as is known to the Directors, as at the Latest Practicable Date, the following persons (not being Directors or chief executive of the Company) had, or were deemed to have, interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

Substantial Shareholders:

Name of shareholder	Number of shares held	Approximate percentage of interests in the Company's issued share capital
Ample Field Limited (<i>Note 1</i>)	54,666,666	20.85%
Mr. Yu Shu Kuen (<i>Note 1</i>)	54,666,666	20.85%
Kingston Finance Limited (<i>Note 2</i>)	54,666,666	20.85%
Ample Cheer Limited (<i>Note2, 3</i>)	54,666,666	20.85%
Best Forth Limited (<i>Note2, 3</i>)	54,666,666	20.85%
Mrs. Chu Yuet Wah (<i>Note2, 3</i>)	54,666,666	20.85%

Notes:

1. These shares are beneficially owned by Ample Field Limited of which the entire issued capital is beneficially owned by Mr. Yu Shu Kuen. Accordingly, Mr. Yu Shu Kuen is deemed to be interested in these shares.
2. The 54,666,666 shares in the Company held by Ample Field Limited is charged to Kingston Finance Limited. Accordingly, Kingston Finance Limited is deemed to have a security interest in these 54,666,666 shares.
3. Kingston Finance Limited is wholly owned by Ample Cheer Limited which is 80% owned by Best Forth Limited, and Best Forth Limited is wholly owned by Mrs. Chu Yuet Wah. Accordingly, Ample Cheer Limited, Best Forth Limited and Mrs. Chu Yuet Wah are deemed to be interested in the 54,666,666 shares in the Company which Kingston Finance Limited is deemed to have a security interest.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other person (other than the Directors and the chief executive of the Company) who had, or was deemed to have, interests or short positions in the Shares or underlying Shares (including any interests in options in respect of such capital), which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation).

COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or their respective associates had any interests in businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group, other than those businesses where the Directors were appointed as directors to represent the interests of the Company and/or the Group.

LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was involved in any litigation or arbitration of material importance and no litigation or claim of material importance known to the Directors to be pending or threatened by or against the Company or any of its subsidiaries.

EXPERTS AND CONSENTS

The following is the qualification of the expert who has given opinion which is contained in this Prospectus:

Name	Qualifications
Baker Tilly	Certified Public Accountants

Baker Tilly has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of its letter/opinion or report(s) and references to its name in the form and context in which they appear.

Baker Tilly does not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

Baker Tilly does not have any direct or indirect interests in any assets which have been, since 31 December 2009 (being the date to which the latest published audited consolidated accounts of the Group were made up), acquired or disposed of by or leased to, any member of the Group, or which are proposed to be acquired or disposed of by or leased to, any member of the Group.

MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) have been entered into by the Company or any of its subsidiaries within the two years immediately preceding the date of this Prospectus and are or may be material:

- (a) the framework agreement dated 2 February 2009 entered into between Guang Tai Yichang (Beijing) Technology Co. Ltd, a wholly owned subsidiary of the Company as purchaser and Greatsource Holding Co., Ltd. as supplier in relation to, among others, the supply of various types of display equipments and components and display technology;
- (b) the underwriting agreement dated 22 June 2009 entered into between the Company and Kingston Securities in relation to the open offer of 273,279,476 offer Shares on the basis of one offer Shares for every three Shares at a offer price of HK\$0.045 per offer Share;
- (c) the sale and purchase agreement dated 4 September 2009 and entered into between Dr. Lui Siu-Man as purchaser and Elipva International Limited, a wholly owned subsidiary of the Company as vendor, in relation to the disposal of 148,609,832 shares in the share capital of Elipva Limited, representing 70% issued share capital of Elipva Limited, for a cash consideration of HK\$300,000;
- (d) the sale and purchase agreement dated 14 July 2010 and entered into between Refine Skill Limited, a wholly owned subsidiary of the Company as purchaser and KanHan Technologies Limited as vendor in relation to the acquisition of the entire equity interest of KanHan Educational Services Limited for a total consideration of HK\$25,000,000;

- (e) the placing agreement dated 29 July 2010 and entered into between the Company as issuer and Kingston Securities as placing agent in relation to the placing of 218,000,000 placing Shares at the placing price of HK\$0.10 per Share; and
- (f) the Underwriting Agreement.

EXPENSES

The expenses in connection with the Capital Reorganisation, the Amendment to the Articles, the Open Offer and the Bonus Issue, including the underwriting commission, financial advisory fees, printing, registration, translation, legal and accountancy charges are estimated to amount approximately HK\$3,721,000 and are payable by the Company.

DIRECTORS' INTERESTS IN ASSETS/CONTRACTS AND OTHER INTERESTS

- (a) As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any asset which had been acquired, or disposed of by, or leased to any member of the Group, or was proposed to be acquired, or disposed of by, or leased to any member of the Group since 31 December 2009, the date to which the latest published audited financial statements of the Group were made up.
- (b) As at the Latest Practicable Date, none of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group since 31 December 2009, being the date to which the latest published audited financial statements of the Company were made up, and which was significant in relation to the business of the Group.

PARTIES INVOLVED IN THE OPEN OFFER AND THE BONUS ISSUE AND CORPORATE INFORMATION

Registered office P.O. Box 309, Ugland House
Grand Cayman
KY1-1104
Cayman Islands

Head office and principal place of business Block C, 10 Floor
Cheong Wah Factory Building
39-41 Sheung Heung Road
To Kwa Wan
Kowloon
Hong Kong

Authorised representatives	Chi Chi Hung, Kenneth Block C, 10 Floor Cheong Wah Factory Building 39-41 Sheung Heung Road To Kwa Wan Kowloon Hong Kong Ng Kay Kwok Block C, 10 Floor Cheong Wah Factory Building 39-41 Sheung Heung Road To Kwa Wan Kowloon Hong Kong
Compliance officer	Chi Chi Hung, Kenneth Block C, 10 Floor Cheong Wah Factory Building 39-41 Sheung Heung Road To Kwa Wan Kowloon Hong Kong
Company Secretary	Ng Kay Kwok
Reporting Accountants	Baker Tilly Hong Kong Limited Certified Public Accountants 12th Floor, China Merchants Tower Shun Tak Centre 168-200 Connaught Road Central Hong Kong
Underwriter	Kingston Securities Limited Suite 2801, 28th Floor One International Finance Centre 1 Harbous View Street Central Hong Kong

Legal advisers

On Cayman Islands Law
Maples and Calder
53rd Floor The Center
99 Queen's Road Central
Hong Kong

On Hong Kong Law
Michael Li & Co.
14/F Printing House
6 Duddell Street, Central
Hong Kong

Principal bankers

Wing Hang Bank Limited
161, Queen's Road Central
Hong Kong

Standard Chartered Bank (Hong Kong) Limited
Standard Chartered Bank Building
4-4A Des Voeux Road Central
Hong Kong

Principal share registrar and transfer office

Bank of Butterfield International (Cayman) Limited
Butterfield House, 68 Fort Street
P.O. Box 705
George Town
Grand Cayman
Cayman Islands
British West Indies

Hong Kong branch share registrar and transfer office

Tricor Tengis Limited
26 Floor, Tesbury Centre
28 Queen's Road East
Wanchai, Hong Kong

PARTICULARS OF DIRECTORS**Executive Directors**

Mr. Chi Chi Hung, Kenneth

Mr. Chi, aged 42, has over 18 years of experience in accounting and financial control area. He holds a Bachelor of Accountancy Degree from the Hong Kong Polytechnic University and is a fellow member of Association of Chartered Certified Accountants in the United Kingdom, an associate member of the Hong Kong Institute of Certified Public Accountants, an associate member of the Hong Kong Institute of Chartered Secretaries and an associate member of the Institute of Chartered Secretaries and Administrators in the United Kingdom. Mr. Chi is an executive director of Hua Yi Copper Holdings

Limited, China Grand Forestry Green Resources Group Limited and Morning Star Resources Limited, all of which are listed on the Main Board of the Stock Exchange. He is also an independent non-executive director of ZMAY Holdings Limited and Aurum Pacific (China) Group Limited, both of which are listed on the Growth Enterprise Market of the Stock Exchange.

Mr. Ng Kay Kwok

Mr. Ng, aged 48, has over 18 years of experience in audit and accounting. He obtained a Graduate Diploma in Accounting from Macquarie University and is an associate member of CPA, Australia. He has served as the Chief Financial Officer and Company Secretary of the Company since 1 January 2007. Mr. Ng is the independent non-executive director of China Fortune Group Limited which is listed on the Main Board of the Stock Exchange. Mr. Ng is also the Company Secretary of the Company.

Independent Non-executive Directors

Mr. Billy B Ray Tam

Mr. Tam, aged 42, obtained his Bachelor Degree of Laws from The University of London, Bachelor Degree of PRC Laws from Tsinghua University and a Master Degree of Laws from The University of Hong Kong. Mr. Tam has been working in the legal profession for over 15 years. He is an Admitted Solicitor in Hong Kong SAR and England. Mr. Tam is now a partner of Ho and Tam, Solicitors. Mr. Tam is the independent non-executive director of China Fortune Group Limited which is listed on the Main Board of the Stock Exchange.

Mr. Yu Pak Yan, Peter

Mr. Yu, aged 60, has over 28 years of experience in real estate and financial services industries. He obtained a Bachelor Degree in Management from Youngstown State University in Ohio, USA and a Master of Science Degree in Financial Services from American College in Pennsylvania, USA. Mr. Yu is a member of the Certified Commercial Investment Member Institute. He has held senior positions in Metlife and New York Life Insurance Company in managing Asian customers in North America. Mr. Yu is currently serving as executive director of Kong Sun Holdings Limited and independent non-executive director of Golden Resorts Group Limited, both companies are listed on the Main Board of the Stock Exchange.

Ms. Chan Hoi Ling

Ms. Chan, aged 37, has extensive experience in auditing and financial management. She obtained a Bachelor Degree in Accountancy from the University of South Australia and is an associate member of the Hong Kong Institute of Certified Public Accountants and CPA Australia. Ms. Chan is the independent non-executive director of Morning Star Resources Limited which is listed on the Main Board of the Stock Exchange.

The Company has established an audit committee with written terms of reference for the purpose of reviewing and providing supervision over the financial reporting process and internal control procedures of the Group. The audit committee of the Company comprises Mr. Billy B Ray Tam, Mr. Yu Pak Yan, Peter and Ms. Chan Hoi Ling who are Independent Non-executive Directors of the Company and the primary duty of which are to review the annual reports and accounts, half-year reports and quarterly reports and give advice and comments thereon to the Directors and to review and supervise the financial reporting process and internal controls.

BINDING EFFECT

The Prospectus Documents and all acceptances of any offer or application contained in such documents, are governed by and shall be construed in accordance with the laws of Hong Kong. When an acceptance or application is made in pursuance of any such documents, the relevant document(s) shall have the effect of rendering all persons concerned bound by the provisions (other than the penal provisions) of sections 44A and 44B of the Companies Ordinance.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

A copy of the Prospectus Documents and the consent letter referred to in the paragraph headed “Experts and Consents” in this appendix have been registered with the Registrar of Companies in Hong Kong Pursuant to Section 342C of the Companies Ordinance.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the principal place of business of the Company at Block C, 10 Floor, Cheong Wah Factory Building, 39-41 Sheung Heung Road, To Kwa Wan, Kowloon, Hong Kong during normal business hours up to and including 19 January 2011:

- (a) the memorandum and articles of association of the Company;
- (b) the letter from the Board, the text of which is set out on pages 11 to 27 of this Prospectus;
- (c) the annual reports of the Company for the two years ended 31 December 2008 and 31 December 2009 respectively;
- (d) the unaudited interim report of the Company for the six months ended 30 June 2010;
- (e) the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group, the text of which is set out in Appendix II to this Prospectus;
- (f) the letter from Baker Tilly on the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group, the text of which is set out in Appendix II to this Prospectus;
- (g) the material contracts referred to in the paragraph headed “Material contracts” in this appendix;

- (h) the written consents referred to in the paragraph headed “Experts and consents” in this appendix; and
- (i) a copy of each of the circulars issued pursuant to the requirements set out in Chapters 19 and/or 20 of the GEM Listing Rules which has been issued since 31 December 2009, the date of the latest published audited consolidated financial statements of the Group were made up.