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M DREAM INWORLD LIMITED

聯夢活力世界有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8100)

VERY SUBSTANTIAL DISPOSAL AND RESUMPTION OF TRADING

Financial adviser to the Company



KINGSTON CORPORATE FINANCE LTD.

THE DISPOSAL AGREEMENT

After trading hours on 20 June 2013, the Company and the Purchaser entered into the Disposal Agreement, pursuant to which the Company has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase the Sale Share at a consideration of HK\$8 million. The Disposal Group comprises Refine Skill and its direct and indirect wholly-owned subsidiaries, namely KanHan and Guangzhou Kanpu. Refine Skill is an investment holding company, whereas KanHan is principally engaged in the provision of website development, electronic learning products and services and Guangzhou Kanpu is principally engaged in the provision of support services for KanHan in launching the development products. For the purpose of the transactions under the Disposal Agreement, the Disposed Subsidiaries are excluded from the Disposal Group.

In the event that there remains any Vendor's Debt immediately prior to the Completion, the Purchaser shall assume the Company's obligation to repay and discharge such debt in accordance with the Deed of Novation to be entered into at Completion and thereafter the Company will be released from all liabilities in connection with the Vendor's Debt.

* For identification purpose only

IMPLICATIONS UNDER THE GEM LISTING RULES

As one or more of the applicable percentage ratios calculated pursuant to Rule 19.07 of the GEM Listing Rules in respect of the Disposal are more than 75%, the Disposal under the Disposal Agreement and the transactions contemplated thereunder (including the novation of the Vendor's Debt) constitute a very substantial disposal for the Company under Chapter 19 of the GEM Listing Rules.

Accordingly, the Disposal under the Disposal Agreement and the transactions contemplated thereunder (including the novation of the Vendor's Debt) are subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules. The Company has confirmed with the Purchaser that as at the date of this announcement, none of the Purchaser and its associates is holding any Shares. As no Shareholder has a material interest in the Disposal, no Shareholder is required to abstain from voting on the resolution(s) to be proposed at the EGM to approve the Disposal and the related transactions.

GENERAL

A circular containing, among other things, further details of the Disposal and a notice convening the EGM to approve the Disposal and the related transactions will be despatched to the Shareholders on or before 11 September 2013 as more time is needed for the preparation of the financial information to be contained therein.

Completion of the Disposal is subject to certain conditions, including the obtaining of the approval of the Shareholders, and hence the Disposal may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:00 a.m. on 21 June 2013 pending the release of this announcement. An application has been made to the Stock Exchange for the resumption of trading in Shares with effect from 9:00 a.m. on 3 July 2013.

THE DISPOSAL AGREEMENT

The Board is pleased to announce that after trading hours on 20 June 2013, the Company and the Purchaser entered into the Disposal Agreement, pursuant to which the Company has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase the Sale Share at a consideration of HK\$8 million.

The principal terms of the Disposal Agreement are set out below:

Date

20 June 2013

Parties

Vendor : The Company

Purchaser : Brilliant Path Limited

The Purchaser is principally engaged in investment holding. The ultimate beneficial owner of the Purchaser was introduced to Mr. Chi Chi Hung, Kenneth (“**Kenneth**”), the executive Director and chairman of the Company by Mr. Yu Shu Kuen (“**Mr. Yu**”), a third party independent of the Company and its connected persons, on a business occasion in mid-May 2013. Mr. Yu was a former executive director of the Company from 30 January 2007 to 30 September 2009 and the ultimate beneficial owner of a former substantial shareholder of the Company from 30 January 2007 to 3 January 2011. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, (i) other than the Disposal, there was no previous business or other relationship between the Purchaser and the Company or its connected persons nor was there any relationship between the Purchaser and the counterparties to the Company’s previous acquisitions or disposals conducted in recent years; and (ii) the Purchaser and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

Assets to be disposed of

Pursuant to the Disposal Agreement, the Company agreed to sell the Sale Share to the Purchaser free from all Encumbrances together with all rights of any nature now or hereafter attaching thereto including but not limited to all dividends or distributions which may be paid, declared or made at any time on or after the Completion Date.

The Sale Share represents the entire issued share capital of Refine Skill, which is a wholly-owned subsidiary of the Company. KanHan, a wholly-owned subsidiary of Refine Skill, in turn owns all the equity interests in Guangzhou Kanpu. Further details of the Disposal Group are set out under the paragraph headed “Information of the Disposal Group” below.

In the event that there remains any Vendor’s Debt immediately prior to the Completion, the Purchaser shall assume the Company’s obligation to repay and discharge such debt in accordance with the Deed of Novation to be entered into at Completion and thereafter the Company will be released from all liabilities in connection with the Vendor’s Debt.

Consideration

The Consideration in the sum of HK\$8 million shall be satisfied by the Purchaser in cash in the following manner:

- (a) as to HK\$0.8 million as Disposal Deposit payable by the Purchaser upon signing of the Disposal Agreement; and
- (b) as to HK\$7.2 million payable by the Purchaser upon Completion.

The Consideration has been determined based on normal commercial terms and after arm’s length negotiations between the Company and the Purchaser having taken into account: (i) the unaudited consolidated net asset value of the Disposal Group as at 31 May 2013 of approximately HK\$12.52 million and adjusted by excluding the Vendor’s Debt, which amounted to approximately HK\$5.93 million as at the date of the Disposal Agreement which (if still subsisting immediately prior to Completion) shall be assumed by the Purchaser in

accordance with the Deed of Novation at Completion; (ii) the financial position of the Disposal Group; and (iii) the factors set out in the paragraph headed “Reasons for and benefits of the Disposal” below.

Conditions Precedent

Completion shall be conditional upon the satisfaction of the following conditions precedent:

- (a) the passing of ordinary resolution(s) by the Shareholders by poll at the EGM approving the terms of the Disposal Agreement and the transactions contemplated thereunder;
- (b) all requisite consents, clearances, authorisations and approvals (or, as the case may be, the relevant waiver) in connection with the entering into and the performance of the Disposal Agreement having been obtained by the parties to the Disposal Agreement; and
- (c) the consummation of the transactions contemplated pursuant to the Disposal Agreement shall not have been restrained, enjoined or otherwise prohibited by any applicable laws and regulations, including any order, injunction, decree or judgment of any court or other governmental authority.

None of the above conditions precedent is capable of being waived.

In the event that any of the above conditions is not fulfilled on or before 5:00 p.m. on the Long Stop Date, all rights and obligations of the parties under the Disposal Agreement shall cease and terminate, and no party shall have any claim against the others save for claim (if any) in respect of such continuing provisions in the Disposal Agreement or any antecedent breach thereof. In case of such termination, the Company shall refund the Disposal Deposit received by it to the Purchaser within 3 Business Days from the date of such termination without interests.

Completion

Subject to the fulfillment of the above conditions precedent, Completion shall take place on the third Business Day after the date on which the last outstanding condition precedent set out above has been fulfilled (or such other date as the Company and the Purchaser shall agree in writing). In the event that there remains any Vendor’s Debt immediately prior to the Completion, the novation of the Vendor’s Debt from the Company to the Purchaser shall take place on the Completion Date.

INFORMATION OF THE DISPOSAL GROUP

Refine Skill is incorporated in the BVI with limited liability, being a direct wholly-owned subsidiary of the Company. As at the date of this announcement, Refine Skill is an investment holding company.

KanHan is incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of Refine Skill. As at the date of this announcement, KanHan has an issued share capital of HK\$5.01 million divided into 5,010,000 ordinary shares of HK\$1 each, which have been fully paid up or credited as fully paid. Principal business of KanHan is the provision of website development, electronic learning products and services.

Guangzhou Kanpu is established in the PRC with limited liability with a registered capital of RMB1 million and is a direct wholly-owned subsidiary of KanHan. It is principally engaged in the provision of support services for KanHan in launching the development products.

The unaudited consolidated financial results of the Disposal Group for the two years ended 31 December 2012 are respectively summarised as follows:

	For the year ended	
	31 December	
	2012	2011
	<i>HK\$ million</i>	<i>HK\$ million</i>
	<i>(approximately)</i>	<i>(approximately)</i>
Turnover	4.14	3.64
Net (loss)/profit before tax	(14.34)	28.16
	<i>(Note 1)</i>	<i>(Note 2)</i>
Net (loss)/profit after tax	(14.70)	27.94
	<i>(Note 1)</i>	<i>(Note 2)</i>

Notes:

1. The reason for the unaudited consolidated net loss before and after tax for the year ended 31 December 2012 was mainly due to the impairment loss on goodwill of approximately HK\$20.8 million arising from the acquisition of the entire issued share capital of KanHan by the Group in 2010.
2. The unaudited consolidated net profit before and after tax for the year ended 31 December 2011 included the gain on a waiver of an amount due from Refine Skill to its then prevailing holding company of approximately HK\$25.8 million.

As at 31 May 2013, the unaudited consolidated total asset value and net asset value of the Disposal Group were approximately HK\$14.45 million and HK\$12.52 million, respectively.

Subject to and upon Completion, Refine Skill, KanHan and Guangzhou Kanpu shall cease to be subsidiaries of the Company, and the results of the Disposal Group shall no longer be consolidated in the Company's consolidated financial statements.

FINANCIAL EFFECTS OF THE DISPOSAL

With reference to the unaudited consolidated financial results of the Disposal Group as at 31 May 2013, the Group is expected to realise a book gain on the Disposal of approximately HK\$50,000. In calculating such book gain resulting from the Disposal, factors including the novation of the Vendor's Debt of an estimated amount of approximately HK\$5.93 million due from the Company to Refine Skill at Completion and the estimated legal and professional fees for the Disposal have been taken into account. The actual book gain or loss derived from the Disposal would depend on the profit or loss of the Disposal Group up to the Completion Date and is subject to final audit to be performed by the Company's auditors.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group is principally engaged in the (i) research, development and distribution of personal computers performance software, anti-virus software and mobile phone applications; and (ii) the provision of website development, electronic learning products and services (“**E-learning Business Unit**”).

The Group acquired KanHan in July 2010. In accordance with the KanHan Agreement, KanHan Technologies Limited (as vendor) warranted and guaranteed that the audited consolidated net profits before tax and any extraordinary or exceptional items of the KanHan Group for each of the three years ended 31 December 2010, 2011 and 2012 should not be less than HK\$450,000, HK\$2,200,000 and HK\$6,500,000 respectively. As disclosed in the annual report of the Company for the financial year ended 31 December 2012, the actual audited consolidated net profits before tax and any extraordinary or exceptional items of the KanHan Group for each of the three years ended 31 December 2010, 2011 and 2012 were approximately HK\$488,000, HK\$2,356,000 and HK\$2,265,000 respectively. Hence, the KanHan Group has met the profits guarantee for the years ended 31 December 2010 and 2011, but not for the year ended 31 December 2012. The shortfall amount between the guaranteed profits and the actual audited net profits before tax and any extraordinary or exceptional items of the KanHan Group for the year ended 31 December 2012 was compensated by the profits guarantee provided by KanHan Technologies Limited in accordance with the KanHan Agreement and the Group was still able to recognise an income of approximately HK\$4,235,000 accordingly.

Despite the deteriorating financial performance of the KanHan Group, the Group has been continuously devoting its effort in improving the E-learning Business Unit. In September 2012, the Group has entered into a service agreement with Modern Education (Hong Kong) Limited (“**Modern Education HK**”) (an indirect wholly-owned subsidiary of HK EDU INTL), pursuant to which, Modern Education HK has agreed to provide the Group with services in (a) advising the Group on building a website for internet education (the “**Internet Education Website**”); (b) sourcing a suitable information technology company for building the Internet Education Website and supervising the whole process; and (c) providing electronic textbooks and/or teaching materials for the internet education business of the Group. The Internet Education Website, a website of selling e-learning materials, has launched a trial run on 30 May 2013, and is expected to be launched officially in or around July 2013.

On 15 November 2012, the Group also entered into an acquisition agreement to acquire 50.5% of the issued share capital of Apperience, which business is principally engaged in the research, development, and distribution of personal computer performance software, anti-virus software and mobile phone applications which are available for download by customers through the internet worldwide. Completion of the acquisition of Apperience took place on 31 March 2013. The Company has then foreseen that, subject to certain modifications and adjustments to the then existing e-learning platform of the Group (i.e. the KanHan platform and any future e-commerce platforms to be developed by the Group) with the Apperience’s platform, the Group would be able to take advantage of Apperience and expand its e-learning platform through the sharing of online sales experience possessed by

the Apperience Group and to enjoy the synergistic effects from the acquisition. The Board also expected that this business segment would record good results in the future by launching quality electronic teaching solutions.

As the Internet Education Website was still under development in the first quarter of 2013 and the acquisition of Apperience was only completed on 31 March 2013, the Group recorded turnover of approximately HK\$674,000 (2012: HK\$884,000), representing a decrease of approximately 23.8% from the corresponding period in 2012. The Group's segment results for the E-learning Business Unit for the period has recorded an unaudited loss of approximately HK\$578,000 for the three months ended 31 March 2013, as compared to an unaudited gain of approximately HK\$561,000 for the corresponding period in 2012. The KanHan Group recorded an unaudited consolidated net loss of approximately HK\$818,000 for the five months ended 31 May 2013 (which continuously deteriorated as compared with the segment result for the three months ended 31 March 2013 of approximately HK\$578,000). It was noted that the decrease in the segment return was principally due to (a) a drop in turnover; and (b) an increase in the amortisation of intangible assets. While the Company continues to believe that there is potential in developing the E-learning Business Unit, it is noted that (1) the recent trend of having more book publishers also providing e-learning materials to some primary and secondary schools in Hong Kong which are the primary clients of KanHan, the KanHan Group's turnover has been inevitably adversely affected; and (2) the profits of the KanHan Group are no longer guaranteed by KanHan Technologies Limited since 2013, the Company has been contemplating any possible business reorganisation or adopting strategies to enhance the prospect of the E-learning Business Unit. For instance, it is expected that the Internet Education Website is targeted at the general public.

In mid-May 2013, as mentioned above, the Purchaser was introduced to the Company by Mr. Yu on a business occasion and the Purchaser has shown interests in purchasing KanHan and started to negotiate the relevant terms and conditions with the Company in late May 2013 and the Disposal Agreement was subsequently concluded on 20 June 2013. In view of the deteriorating financial performance of the KanHan Group, the increase in competition in the market and the profits of the KanHan Group are no longer guaranteed by KanHan Technologies Limited, the Board considers that the Disposal is in the interest of the Company and Shareholders as a whole. For the avoidance of doubt, subsequent to the Disposal, the Group will continue to engage in the E-learning Business Unit via the Internet Education Website.

Subsequent to the completion of the acquisition of Apperience on 31 March 2013, the business operation and financial performance of the Apperience Group have been in line with the Board's expectation. The Board is optimistic about the future prospects of the Apperience Group and expects that revenue from the Apperience Group will become the principle source of income of the Group going forward. The Board is of the view that the Group shall devote more manpower and resources on developing this business segment which is on one hand has growth potential to the Group and on the other hand, could provide synergistic effects to the Group's other business. It is therefore intended that the Group shall proceed with the Disposal and continue to develop its E-learning Business Unit via the Internet Education Website and to devote more resources on the development of the business of the Apperience Group.

With a strong and solid financial position, the Group will enhance its treasury function to utilise its surplus resources with an aim to maximising the investment returns and managing its financial resources to bring more value to Shareholders.

The Directors expect that the net proceeds from the Disposal, after deducting the expenses directly attributable thereto, will be approximately HK\$6.60 million which will be used as general working capital of the Group or other potential investments in the future. The Board believes that, through the Disposal, the Company will be able to allocate its resources more effectively in order to focus on more profitable businesses.

Having taken into consideration the above reasons for and benefits of the Disposal and (a) the opportunity to reallocate resources after the Disposal to the Apperience Group and the Internet Education Website, which may have better growth potential and (b) the potential gain from the Disposal as set out in the section headed “Financial Effects of the Disposal” above, the Directors (including the independent non-executive Directors) are of the view that the Disposal and the terms of the Disposal Agreement (including the amount of the Consideration) are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

BUSINESS OF THE REMAINING GROUP

Following the Disposal, the Remaining Group will continue to carry out its existing businesses, i.e. the E-learning Business Unit for, among other things, building websites for educational units and development of e-books etc. and the business carried out by Apperience Group which focuses on, among others, the development and distribution of personal computer performance software, anti-virus software and mobile phone applications.

Mr. Ng Kay Kwok retired as an executive Director at the conclusion of the annual general meeting of the Company on 24 May 2013 and did not offer himself for re-election in order to devote more time to his other business. Since then, the Board comprises one executive Director only and three independent non-executive Directors. In order to maintain a balanced composition of the executive and non-executive Directors in the Board and to avoid the assumption of the executive role by one executive Director only at the Board level, in mid-June 2013, the Company contemplated to appoint an additional executive Director. It is intended that Mr. Xue Qiushi (who is the ultimate beneficial owner of Ace Source International Limited, being one of the vendors of Apperience) will be appointed by the Board as an executive Director in or around July 2013.

The Company will make further announcement in relation to the above appointment as and when necessary in compliance with the GEM Listing Rules.

TRANSACTIONS UNDERTAKEN BY REFINE SKILL

As disclosed in the announcement of the Company dated 6 June 2013, Refine Skill has entered into a disposal agreement with a third party independent of the Company and its connected persons for the disposal of the entire issued share capital of Five Stars Development Limited which in turn holds 100% interest in Elite Ford Limited (科達行有限公司).

As at the date of this announcement, the disposal of the Disposed Subsidiaries has not yet been completed. Pursuant to the Disposal Agreement, the Company and the Purchaser agree and confirm that if the disposal of the Disposed Subsidiaries by Refine Skill cannot be completed on or before the Long Stop Date or the Completion Date (whichever is earlier), the Company shall be entitled to purchase the Disposed Subsidiaries from Refine Skill at nil consideration. For the purpose of the transactions under the Disposal Agreement, the Disposed Subsidiaries are excluded from the Disposal Group. Under the Disposal Agreement, the proceeds received and to be received by Refine Skill pursuant to the disposal of the Disposed Subsidiaries shall not form part of the assets of the Disposal Group and any such proceeds shall be advanced by Refine Skill to the Company or as it may direct and will form part of the Vendor's Debt (where appropriate).

Furthermore, in the event that the completion of the disposal of the Disposed Subsidiaries takes place after the Completion Date and Refine Skill receives any proceeds from such disposal, all the proceeds so received by Refine Skill shall be held on trust on behalf of the Company and shall be returned to the Company, without any withholding or deduction, as the Company may direct forthwith after receipt.

IMPLICATION UNDER THE GEM LISTING RULES

As one or more of the applicable percentage ratios calculated pursuant to Rule 19.07 of the GEM Listing Rules in respect of the Disposal are more than 75%, the Disposal under the Disposal Agreement and the transactions contemplated thereunder (including the novation of the Vendor's Debt) constitutes a very substantial disposal for the Company under Chapter 19 of the GEM Listing Rules.

Accordingly, the Disposal under the Disposal Agreement and the transactions contemplated thereunder (including the novation of the Vendor's Debt) are subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules. The Company has confirmed with the Purchaser that as at the date of this announcement, none of the Purchaser and its associates is holding any Shares. As no Shareholder has a material interest in the Disposal, no Shareholder is required to abstain from voting on the resolution(s) to be proposed at the EGM to approve the Disposal and the related transactions.

GENERAL

A circular containing, among other things, further details of the Disposal and a notice convening the EGM to approve the Disposal and the related transactions will be despatched to the Shareholders on or before 11 September 2013 as more time is needed for the preparation of the financial information to be contained therein.

Completion of the Disposal is subject to certain conditions, including the obtaining of the approval of the Shareholders, and hence the Disposal may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:00 a.m. on 21 June 2013 pending the release of this announcement. An application has been made to the Stock Exchange for the resumption of trading in Shares with effect from 9:00 a.m. on 3 July 2013.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings:

“Apperience”	Apperience Corporation, an indirect 50.5% owned subsidiary of the Company, is an exempted company incorporated in the Cayman Islands;
“Apperience Group”	Apperience and its subsidiaries;
“Associates”	has the same meaning as ascribed thereto under the GEM Listing Rules;
“Board”	the Board of Directors;
“Business Day(s)”	any day(s) (except any Saturday, Sunday or public holiday or any day on which a tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business throughout their normal business hours;
“BVI”	the British Virgin Islands;
“Company”	M Dream Inworld Limited, a company incorporated in the Cayman Islands, the shares of which are listed on the GEM;
“Completion”	completion of the Disposal in accordance with the terms and conditions of the Disposal Agreement;
“Completion Date”	date of Completion, being the third Business Day after the last outstanding condition precedent of the Disposal Agreement has been fulfilled (or such other date as the Purchaser and the Company shall agree in writing);
“connect person”	the meaning ascribed to it in the GEM Listing Rules;
“Consideration”	the consideration in the amount of HK\$8 million for the Sale Share;

“Deed of Novation”	the deed of novation in respect of the novation of the Vendor’s Debt to be entered into by the Company as original obligor, the Purchaser as new obligor and Refine Skill as creditor on the Completion Date pursuant to the terms of the Disposal Agreement;
“Director(s)”	the director(s) of the Company;
“Disposal”	the proposed disposal of the Sale Share by the Company to the Purchaser pursuant to the terms and conditions of the Disposal Agreement;
“Disposal Agreement”	the conditional sale and purchase agreement dated 20 June 2013 entered into between the Company and the Purchaser in relation to the Disposal;
“Disposal Deposit”	the HK\$0.8 million deposit payable by the Purchaser to the Company upon signing of the Disposal Agreement;
“Disposal Group”	Refine Skill and its subsidiaries, being KanHan and Guangzhou Kanpu, and for the avoidance of doubt, the Disposed Subsidiaries shall be excluded;
“Disposed Subsidiaries”	Five Stars Development Limited (a direct wholly-owned subsidiary of Refine Skill) and Elite Ford Limited (科達行有限公司) (a direct wholly-owned subsidiary of Five Stars Development Limited), details of which are set out in the paragraph headed “Transactions Undertaken by Refine Skill” in this announcement;
“Encumbrances”	any mortgage, charge (whether fixed or floating), pledge, lien (otherwise than arising by statute or operation of law), hypothecation, equities, and adverse claims, or other encumbrance, priority or security interest, deferred purchase, title retention, leasing, sale and purchase, sale-and-leaseback arrangement over or in any property, assets or rights of whatsoever nature or interest or any agreement for any of the same or any third party right;
“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;
“Guangzhou Kanpu”	廣州看普軟件科技有限公司 (for identification purposes, its English translation is “Guangzhou Kanpu Software Technology Co., Ltd.”), a company established in the PRC with registered capital of RMB1 million and is wholly-owned by KanHan;

“HK EDU INTL”	Hong Kong Education (Int’l) Investments Limited (formerly known as Modern Education Group Limited), a company incorporated in the Cayman Islands with limited liability, which shares are listed on the Main Board of the Stock Exchange (Stock Code: 1082);
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC;
“KanHan”	KanHan Educational Services Limited (看漢教育服務有限公司) (formerly known as “China Rise Investment Limited”), a company incorporated in Hong Kong with limited liability and is wholly-owned by Refine Skill;
“KanHan Agreement”	the sale and purchase agreement dated 14 July 2010 entered into between Refine Skill as purchaser and KanHan Technologies Limited as vendor for the acquisition of the KanHan Group. Details of which are set out in the announcement of the Company dated 14 July 2010;
“KanHan Group”	KanHan and its subsidiaries;
“Long Stop Date”	30 January 2014 (or such other date as the Purchaser and the Company may agree in writing);
“PRC”	the People’s Republic of China;
“Purchaser”	Brilliant Path Limited, which is wholly owned by Mr. Wong Tai Wai David, is a company incorporated in the BVI with limited liability and the purchaser named under the Disposal Agreement;
“Refine Skill”	Refine Skill Limited, a company incorporated in the BVI, being a direct wholly-owned subsidiary of the Company and the holding company of KanHan;
“Remaining Group”	the Company and its subsidiaries after the Completion;
“Sale Share”	one ordinary share of par value US\$1 in the share capital of Refine Skill, representing the entire issued share capital of Refine Skill as at the date of the Disposal Agreement;
“Shareholder(s)”	shareholder(s) of the Company;
“Shares”	the shares of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

“Vendor’s Debt” (where applicable) the entire amount owing by the Company to Refine Skill as at Completion; and

“%” per cent.

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

Hong Kong, 2 July 2013

As at the date of this announcement, the Board consists of Mr. Chi Chi Hung, Kenneth being the Executive Director, and Mr. Billy B Ray Tam, Mr. Yu Pak Yan, Peter and Ms. Chan Hoi Ling being the Independent Non-executive Directors.

This announcement, for which the Directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement 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 announcement misleading.

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