



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)

THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2013

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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*This announcement, for which the directors (the “**Directors**”) of M Dream Inworld Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

* For identification purposes only

FINANCIAL HIGHLIGHTS
(unaudited)

- The turnover of the Group was approximately HK\$55,407,000 for the Period representing an increase of approximately 2,308% as compared to the turnover for the corresponding period in 2012 of approximately HK\$2,301,000.
- The Group recorded a loss attributable to equity shareholders of the Company was approximately HK\$210,052,000 for the Period compared to the loss attributable to equity shareholders of the Company of approximately HK\$3,727,000 for the same period last year. The reason for the increase in loss was mainly due to the impairment loss on goodwill of approximately HK\$257,496,000.
- The Group recorded a profit after tax of the Company of approximately HK\$53,556,000 and a profit attributable to equity shareholders of the Company of approximately HK\$46,429,000 for the third quarter of 2013 (being the three months ended 30 September 2013) compared to the loss attributable to equity shareholders of the Company of approximately HK\$2,078,000 for the same period last year. The profit was mainly due to (i) profit after tax contributed by Apperience Corporation and its subsidiaries acquired by the Group in March 2013 of approximately HK\$14,399,000, (ii) the unrealised gain arising on change in fair value of the performance shares of approximately HK\$40,666,000 and (iii) gain on disposals of subsidiaries of approximately HK\$5,855,000.
- Loss per share for loss attributable to equity shareholders of the Company for the Period was HK11.35 cents.
- The Board does not recommend the payment of any dividend for the nine months ended 30 September 2013.

RESULTS

The board of Directors (the “**Board**”) of M Dream Inworld Limited (the “**Company**”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the nine months ended 30 September 2013 (the “**Period**”) and the three months ended 30 September 2013, together with the comparative unaudited figures for the corresponding period in 2012, as follows:

CONDENSED CONSOLIDATED STATEMENT OF INCOME — UNAUDITED

For the three months and nine months ended 30 September 2013

(Expressed in Hong Kong dollars)

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2013 HK\$'000	2012 HK\$'000	2013 HK\$'000	2012 HK\$'000
Continuing operations					
Turnover	4	27,276	622	55,407	2,301
Cost of sales		(5,825)	(56)	(10,530)	(163)
Gross profit		21,451	566	44,877	2,138
Other revenue and net gain/(loss)	5	46,854	509	(202,426)	1,637
Selling and administrative expenses		(7,114)	(2,384)	(19,858)	(6,218)
Profit/(Loss) from operations		61,191	(1,309)	(177,407)	(2,443)
Finance costs	6(a)	(4,715)	(26)	(11,342)	(61)
Profit/(Loss) before taxation	6	56,476	(1,335)	(188,749)	(2,504)
Income tax	8	(2,920)	(24)	(6,160)	(184)
Profit/(Loss) for the period from continuing operations		53,556	(1,359)	(194,909)	(2,688)
Discontinued operation					
Loss for the period from discontinued operation		–	(719)	–	(1,039)
Profit/(Loss) for the period		53,556	(2,078)	(194,909)	(3,727)
Profit/(Loss) for the period attributable to:					
Equity shareholders of the Company		46,429	(2,078)	(210,052)	(3,727)
Non-controlling interests		7,127	–	15,143	–
		53,556	(2,078)	(194,909)	(3,727)
Earnings/(Loss) per share					
From continuing and discontinued operations					
Basic (HK cents)	9	2.03	(0.17)	(11.35)	(0.30)
Diluted (HK cents)		1.01	(0.17)	(11.35)	(0.30)
From continuing operations					
Basic (HK cents)		2.03	(0.11)	(11.35)	(0.22)
Diluted (HK cents)		1.01	(0.11)	(11.35)	(0.22)
From discontinued operation					
Basic (HK cents)		N/A	(0.06)	N/A	(0.08)
Diluted (HK cents)		N/A	(0.06)	N/A	(0.08)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
— UNAUDITED

For the three months and nine months ended 30 September 2013

(Expressed in Hong Kong dollars)

	Three months ended		Nine months ended	
	30 September		30 September	
	2013	2012	2013	2012
<i>Notes</i>	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Profit/(Loss) for the period	53,556	(2,078)	(194,909)	(3,727)
Other comprehensive income/(expense) for the period				
<i>Items that may be reclassified to profit or loss:</i>				
Exchange differences on translation of financial statements of overseas subsidiaries	(18)	18	(47)	(6)
Fair value gain on available-for sale investments	23,293	–	23,293	–
<i>12</i>				
Other comprehensive income/(expense) for the period, net of tax	23,275	18	23,246	(6)
Total comprehensive income/(expense) for the period	76,831	(2,060)	(171,663)	(3,733)
Attributable to:				
Equity shareholders of the Company	69,704	(2,060)	(186,806)	(3,733)
Non-controlling interests	7,127	–	15,143	–
	76,831	(2,060)	(171,663)	(3,733)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY — UNAUDITED

For the nine months ended 30 September 2013 and 30 September 2012

(Expressed in Hong Kong dollars)

	Attributable to equity shareholders of the Company										
	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Contributed surplus <i>HK\$'000</i>	Share option reserve <i>HK\$'000</i>	Convertible notes reserves <i>HK\$'000</i>	Investment revaluation reserve <i>HK\$'000</i>	Exchange reserve <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Total <i>HK\$'000</i>	Non- controlling interests <i>HK\$'000</i>	Total equity <i>HK\$'000</i>
Balance at 1 January 2012 (Audited)	124,889	206,661	6,426	310	–	–	294	(180,190)	158,390	–	158,390
Loss for the period	–	–	–	–	–	–	–	(3,727)	(3,727)	–	(3,727)
Other comprehensive expense for the period	–	–	–	–	–	–	(6)	–	(6)	–	(6)
Total comprehensive expense for the period	–	–	–	–	–	–	(6)	(3,727)	(3,733)	–	(3,733)
Balance at 30 September 2012 (Unaudited)	<u>124,889</u>	<u>206,661</u>	<u>6,426</u>	<u>310</u>	<u>–</u>	<u>–</u>	<u>288</u>	<u>(183,917)</u>	<u>154,657</u>	<u>–</u>	<u>154,657</u>
Balance at 1 January 2013 (Audited)	<u>124,889</u>	<u>206,661</u>	<u>6,426</u>	<u>310</u>	<u>6,605</u>	<u>–</u>	<u>5</u>	<u>(206,816)</u>	<u>138,080</u>	<u>–</u>	<u>138,080</u>
Profit/(Loss) for the period	–	–	–	–	–	–	–	(210,052)	(210,052)	15,143	(194,909)
Other comprehensive income/(expense) for the period	–	–	–	–	–	23,293	(47)	–	23,246	–	23,246
Total comprehensive income/(expense) for the period	–	–	–	–	–	23,293	(47)	(210,052)	(186,806)	15,143	(171,663)
Acquisition of subsidiaries	–	–	–	–	325,290	–	–	–	325,290	26,440	351,730
Shares issued on conversion of convertible notes on 25 March 2013 (<i>note 17b</i>)	20,000	2,170	–	–	(6,605)	–	–	–	15,565	–	15,565
Shares issued on conversion of convertible notes on 10 April 2013, 28 August 2013 and 9 September 2013 (<i>note 17c</i>)	133,334	91,836	–	–	(119,454)	–	–	–	105,716	–	105,716
Dividends declared to non-controlling interests	–	–	–	–	–	–	–	–	–	(7,487)	(7,487)
Balance at 30 September 2013 (Unaudited)	<u>278,223</u>	<u>300,667</u>	<u>6,426</u>	<u>310</u>	<u>205,836</u>	<u>23,293</u>	<u>(42)</u>	<u>(416,868)</u>	<u>397,845</u>	<u>34,096</u>	<u>431,941</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 30 September 2013

(Expressed in Hong Kong dollars)

1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company's shares have been listed on the Growth Enterprise Market ("**GEM**") of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The principal activity of the Company is investment holding. The Group is principally engaged in (i) research, development and distribution of personal computer performance software, anti-virus software, mobile phone applications and toolbar advertisement ("**Software Business**"); and (ii) the provision of website development, electronic learning products and services ("**E-learning Business**") during the Period.

This third quarterly unaudited condensed consolidated financial information is presented in Hong Kong Dollars ("**HK\$**"), unless otherwise stated.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The unaudited condensed consolidated financial statements of the Company have been prepared in accordance with the Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), accounting principles generally accepted in Hong Kong, the disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the GEM (the "**GEM Listing Rules**") of the Stock Exchange.

The Group's 2013 third quarterly unaudited financial statements have been prepared under the historical cost convention, except for certain investment property, financial assets and liabilities which have been measured at fair values. The principal accounting policies used in the preparation of these unaudited condensed consolidated financial statements are consistent with those used in the annual consolidated financial statements for the year ended 31 December 2012 except in relation to the new and revised standards, amendments and interpretations ("**new and revised HKFRSs**") issued by the HKICPA that are adopted for the first time for the current period's financial statements.

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current period, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2013. HKFRSs comprise Hong Kong Financial Reporting Standards ("**HKFRS**"); Hong Kong Accounting Standards; and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current and prior accounting periods.

The Group has not early applied the new HKFRSs that have been issued but are not yet effective. The Company has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether new HKFRSs would have a material impact on its operations and financial position.

4. TURNOVER

Turnover represents the sales value of goods and services supplied to customers. An analysis of the Group's revenue for the periods is as follows:

	Three months ended 30 September		Nine months ended 30 September	
	2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)	2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)
Continuing operations				
Software Business	26,660	–	53,286	–
E-learning Business	616	622	2,121	2,301
	<u>27,276</u>	<u>622</u>	<u>55,407</u>	<u>2,301</u>

5. OTHER REVENUE AND NET GAIN/(LOSS)

	Three months ended 30 September		Nine months ended 30 September	
	2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)	2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)
Continuing operations				
Other revenue				
Bank interest income	15	434	275	1,362
Income from provision of business centre services	40	60	160	180
Loan interest income	14	15	14	51
Other investment interest income	88	–	180	–
Other income	–	–	47	–
Rental income	225	–	338	–
	<u>382</u>	<u>509</u>	<u>1,014</u>	<u>1,593</u>
Other gains and losses, net				
Foreign exchange loss, net	(19)	–	(35)	–
(Loss)/Gain on fair value changes on investment in a convertible bond	13 (30)	–	260	–
Gain on disposals of subsidiaries	14 5,855	–	5,855	–
Gain on fair value changes on performance shares	16 40,666	–	47,928	–
Gain on disposal of fixed assets	–	–	–	47
Impairment loss on goodwill	15 –	–	(257,496)	–
Net sundry income/(expenses)	–	–	11	(3)
Recovery from impairment loss on trade receivables	–	–	37	–
	<u>46,472</u>	<u>–</u>	<u>(203,440)</u>	<u>44</u>
Other revenue and net gain/(loss)	<u>46,854</u>	<u>509</u>	<u>(202,426)</u>	<u>1,637</u>

6. PROFIT/(LOSS) BEFORE TAXATION

Profit/(Loss) before taxation from continuing operations have been arrived at after charging:

	Three months ended		Nine months ended	
	30 September		30 September	
	2013	2012	2013	2012
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Continuing operations				
(a) Finance costs:				
Bank loan interest	9	26	58	61
Effective interest on debt component of convertible notes	4,706	–	11,284	–
	<u>4,715</u>	<u>26</u>	<u>11,342</u>	<u>61</u>
(b) Staff costs (including directors' remuneration):				
Salaries, wages and other benefits	2,053	1,246	6,244	3,372
Retirement scheme contributions	56	24	143	69
	<u>2,109</u>	<u>1,270</u>	<u>6,387</u>	<u>3,441</u>
(c) Other items:				
Amortisation of intangible assets	1,350	–	2,747	–
Auditor's remuneration	100	96	301	303
Depreciation	100	88	399	240
Operating lease charges: minimum lease payments				
— hire of office premises	243	138	681	237
Impairment loss on goodwill (<i>Note 15</i>)	–	–	257,496	–
Legal and professional fees	1,763	119	5,263	236
	<u>1,763</u>	<u>119</u>	<u>5,263</u>	<u>236</u>

7. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with current period's presentation.

8. INCOME TAX

Income tax in the unaudited condensed consolidated statement of income represents:

	Three months ended 30 September		Nine months ended 30 September	
	2013	2012	2013	2012
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Continuing operations				
Current tax				
— Hong Kong Profits Tax (<i>Note 1</i>)	2,911	24	6,140	184
— Withholding tax in Japan (<i>Note 2</i>)	9	—	20	—
	<u>2,920</u>	<u>24</u>	<u>6,160</u>	<u>184</u>

Note 1: Provision for the Hong Kong Profits Tax calculated at 16.5% (2012: 16.5%) of the estimated assessable profits for the Period.

Note 2: Withholding tax in Japan, regarding the external sales are located in Japan, is charged at the appropriate current rates of taxation ruling in Japan. Except for the withholding tax in Japan, no taxation has been provided in unaudited condensed consolidated financial statements of the subsidiaries operating outside Hong Kong for the Period (2012: HK\$nil).

9. EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

From continuing and discontinued operations

The calculation of basic earnings/(loss) per share from continuing and discontinued operations for the three months and nine months ended 30 September 2013 are based on the profit/(loss) attributable to equity shareholders of the Company from continuing and discontinued operations of profit approximately HK\$46,429,000 and loss approximately HK\$210,052,000 respectively (for the three months and nine months ended 30 September 2012: loss approximately HK\$2,078,000 and HK\$3,727,000 respectively) and the weighted average of 2,291,084,338 and 1,849,898,257 respectively (for the three months and nine months ended 30 September 2012: 1,248,894,324) ordinary shares in issue during that periods.

From continuing operations

The calculation of basic earnings/(loss) per share from continuing operations for the three months and nine months ended 30 September 2013 are based on the profit/(loss) attributable to equity shareholders of the Company from continuing operations of profit approximately HK\$46,429,000 and loss approximately HK\$210,052,000 respectively (for the three months and nine months ended 30 September 2012: loss approximately HK\$1,359,000 and HK\$2,688,000 respectively) and the weighted average of 2,291,084,338 and 1,849,898,257 respectively (for the three months and nine months ended 30 September 2012: 1,248,894,324) ordinary shares in issue during that periods.

From discontinued operation

Basic earnings/(loss) per share from discontinued operation for the three months and nine months ended 30 September 2013 are not shown as there was no discontinued operation during that periods.

The calculation of basic earnings/(loss) per share from discontinued operation for the three months and nine months ended 30 September 2012 are based on the loss attributable to equity shareholders of the Company from discontinued operation of approximately HK\$719,000 and HK\$1,039,000 respectively and the weighted average of 1,248,894,324 ordinary shares in issue that periods.

(b) Diluted earnings/(loss) per share

Diluted loss per share for the nine months ended 30 September 2013 is equal to basic loss per share as the potential ordinary shares are anti-dilutive. Diluted loss per share for the three months and nine months ended 30 September 2012 are equal to basic loss per share as the potential ordinary shares are no dilutive effects.

The calculation of the diluted earnings per share for the three months ended 30 September 2013 is based on the profit attributable to equity shareholders of the Company of approximately HK\$51,062,000 adjusted by effective interest saved on debt component of convertible notes of approximately HK\$4,633,000 and the weighted average number of 5,079,750,799 ordinary shares. The weighted average number of ordinary shares for the purpose of calculating the diluted earnings per share for the three months ended 30 September 2013 has been adjusted with the weighted average number of ordinary shares deemed to be issued during the period, assuming the exercise of all potential dilutive shares including the potential shares arising from the exercise of the Company's outstanding convertible notes would decrease in earnings per share of the Group for the period and is recognised as dilutive.

The calculation of the basic and diluted earnings per share attributable to equity shareholders of the Company from continuing operations for the three months ended 30 September 2013 is based on the following data:

	Three months ended 30 September 2013 (Unaudited) HK\$'000
<i>Earnings</i>	
Earnings for the purpose of calculating basic earnings per share	46,429
Effect of dilutive potential ordinary shares:	
Effective interest saved on debt component of convertible notes	<u>4,633</u>
Earnings for the purpose of calculating diluted earnings per share	<u><u>51,062</u></u>

	Number of shares (‘000)
<i>Number of shares</i>	
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	2,291,084
Effect of dilutive potential ordinary shares:	
Convertible notes	<u>2,788,667</u>
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	<u><u>5,079,751</u></u>
Diluted earnings per share HK cents	<u><u>1.01</u></u>

10. SEGMENT REPORTING

The Group manages its businesses by divisions, which are organised by a mixture of both business lines and geography. In a manner consistent with the way in which information is reported internally to the Group’s most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following three reportable segments.

Continuing operations:

- Research, development and distribution of personal computer performance software, anti-virus software, mobile phone applications and toolbar advertisement (“**Software Business**”)
- Provision of website development, electronic learning products and services (“**E-learning Business**”)

Discontinued operation:

- Optical display equipment, components and related technology (“**Display Business**”)

(a) Segment results

For the purpose of monitoring segment performance and allocating resources between segments:

- Segment profit/(loss) represented profit earned by/(loss from) each segment without allocation of central administration costs, finance costs and income tax expense.
- Segment revenue reported below represents revenue generated from external customers. There were no inter-segment sales in the Period (2012: HK\$nil).

Information regarding the Group's reportable segments for the periods ended 30 September 2013 and 30 September 2012 is set out below.

	Nine months ended 30 September									
	Continuing operations		Continuing operations		Discontinued operation		Unallocated		Consolidated	
	Software Business		E-learning Business		Display Business					
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	
Turnover										
Revenue from external customers	<u>53,286</u>	<u>-</u>	<u>2,121</u>	<u>2,301</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,407</u>	<u>2,301</u>
Results										
Segment results	<u>(220,832)</u>	<u>-</u>	<u>(2,191)</u>	<u>1,116</u>	<u>-</u>	<u>(1,046)</u>	<u>-</u>	<u>-</u>	<u>(223,023)</u>	<u>70</u>
Interest income									<u>469</u>	<u>1,419</u>
Unallocated income									<u>54,474</u>	<u>43</u>
Unallocated expenses									<u>(9,327)</u>	<u>(5,014)</u>
Loss from operations									<u>(177,407)</u>	<u>(3,482)</u>
Finance costs									<u>(11,342)</u>	<u>(61)</u>
Loss before taxation									<u>(188,749)</u>	<u>(3,543)</u>
Income tax									<u>(6,160)</u>	<u>(184)</u>
Loss after taxation									<u>(194,909)</u>	<u>(3,727)</u>
Other segment information:										
Amortisation of intangible assets	<u>(2,286)</u>	<u>-</u>	<u>(461)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,747)</u>	<u>-</u>
Depreciation	<u>-</u>	<u>-</u>	<u>(26)</u>	<u>(3)</u>	<u>-</u>	<u>(10)</u>	<u>(373)</u>	<u>(237)</u>	<u>(399)</u>	<u>(250)</u>
Gain on fair value changes on investment in a convertible bond	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>260</u>	<u>-</u>	<u>260</u>	<u>-</u>
Gain on fair value changes on performance shares	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,928</u>	<u>-</u>	<u>47,928</u>	<u>-</u>
Impairment loss on goodwill	<u>(257,496)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(257,496)</u>	<u>-</u>
Legal and professional fees	<u>(1,645)</u>	<u>-</u>	<u>(31)</u>	<u>-</u>	<u>-</u>	<u>(51)</u>	<u>(3,587)</u>	<u>(236)</u>	<u>(5,263)</u>	<u>(287)</u>

(b) Geographical segments

The following table sets out information about the geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location at which the services were provided or the goods delivered.

	Three months ended		Nine months ended	
	30 September		30 September	
	2013	2012	2013	2012
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue from external customers				
United States of America	14,655	–	28,481	–
Germany	822	–	2,653	–
United Kingdom	1,661	–	3,276	–
Hong Kong (place of domicile)	616	622	2,121	2,301
Australia	1,092	–	2,144	–
Canada	938	–	1,915	–
Russia	973	–	1,808	–
Japan	521	–	1,087	–
Others (including Mainland China)	5,998	–	11,922	–
	<u>27,276</u>	<u>622</u>	<u>55,407</u>	<u>2,301</u>

11. DIVIDENDS

The Board does not recommend the payment of any dividend in respect of the Period (2012: nil).

12. FAIR VALUE GAIN ON AVAILABLE-FOR-SALE INVESTMENTS

On 13 June 2013, the Group entered into an acquisition agreement for the acquisition of the 248,976,000 shares (“**Acquired Shares**”) of DX.com Holdings Limited (formerly known as EPRO Limited) (a company listed on the GEM of the Stock Exchange (stock code: 8086)), at an aggregate consideration of HK\$79,921,296 (“**Shares Acquisition**”). The completion of the Shares Acquisition took place on 27 August 2013. The Acquired Shares are classified as available-for-sales securities and subsequently measured at fair value. The gain or loss arising from changes in fair value is recognised in the statement of comprehensive income. The fair value gain of approximately HK\$23,293,000, which represents the fair value of the Acquired Shares of approximately HK\$103,325,000, based on the bid price (HK\$0.415 per Acquired Share) as at 30 September 2013, over the aggregate consideration of approximately HK\$79,921,000 and the transaction costs of approximately HK\$111,000 that are directly attributable to the Shares Acquisition. The details of Shares Acquisition are set out in the Company's announcements dated 13 June 2013 and 27 August 2013 and the Company's circular dated 8 August 2013.

13. GAIN ON FAIR VALUE CHANGES ON INVESTMENT IN A CONVERTIBLE BOND

On 27 March 2013, the Group completed the subscription for 2014 due 10% coupon convertible bond in the principal amount of HK\$3,500,000 issued by Capital VC Limited (a company listed on the Main Board of the Stock Exchange (stock code: 2324)). The convertible bond is designated as financial asset at fair value through profit or loss as it contains embedded derivatives.

The movements of the convertible bond are as follows:

	At 30 September 2013 HK\$'000 (Unaudited)
Nominal value of convertible bond	3,500
Fair value gains on financial assets at fair value through profit or loss (<i>Note</i>)	<u>260</u>
Fair value of convertible bond	<u><u>3,760</u></u>

Note: Gain on fair value changes in a convertible bond was directly recognised in the unaudited condensed consolidated statement of income during the Period. The fair value of the convertible bond as at 30 September 2013 was valued by an independent professional valuer based on the Binomial Model.

14. GAIN ON DISPOSALS OF SUBSIDIARIES

On 6 June 2013, the Group has entered into a disposal agreement to dispose of the entire issued share capital of Five Stars Development Limited (“**Five Stars**”) together with its subsidiary, namely Elite Ford Limited (collectively referred to as the “**Five Stars Group**”) and a loan, being the entire amount of the shareholders’ loan owing by Five Stars to the Group (“**Sales Loan**”) on the completion date of disposal at an aggregate consideration of HK\$13,000,000. The principal asset of Five Stars is a property in Hong Kong. The completion of such disposal took place on 8 August 2013. The estimated gain on disposal of subsidiaries is approximately HK\$5,855,000. Details of this disposal are set out in the Company’s announcements dated 6 June 2013 and 8 August 2013.

15. IMPAIRMENT LOSS ON GOODWILL

On 31 March 2013, the Group completed the very substantial acquisition of 50.5% of the issued share capital of Apperience Corporation (“**Acquisition**”) (“**Apperience**”, and its subsidiaries, collectively referred as “**Apperience Group**”) at a maximum consideration (“**Consideration**”) payable by the Company to the vendors of the Acquisition of HK\$548,985,500 (subject to adjustment). The Consideration of HK\$548,985,500 (subject to adjustment) had been satisfied partly by the creation and issue of convertible notes in the principal amount of HK\$392,132,500 and (where applicable) shall be satisfied partly by the allotment and issue of additional shares of the Company (“**Performance Shares**”) at the issue price of HK\$0.108 per Performance Share to the vendors of the Acquisition, the maximum number of which shall be 1,452,342,588 (subject to adjustment). The details of the Acquisition are set out in the Company’s announcements dated 5 December 2012 (“**First Announcement**”), 12 March 2013 and 1 April 2013 and the Company’s circular dated 23 February 2013 (“**Circular**”).

The fair value of the identifiable net assets acquired and goodwill arising on Acquisition as at the date of completion is as follows:

	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Carrying amount of identifiable net assets (Audited)		30,881
Fair value adjustment on intangible assets		30,044
Deferred tax liabilities arising from the fair value adjustment		<u>(7,511)</u>
		53,414
Less: Non-controlling interests of 49.5% equity interest in the Apperience Group		<u>(26,440)</u>
Fair value of identifiable net assets of the Apperience Group acquired		26,974
Goodwill		<u>757,662</u>
Fair value of purchase consideration		<u><u>784,636</u></u>
Fair value of the purchase consideration:		
— issue of convertible notes		
Debt component	282,160	
Equity component	<u>325,290</u>	607,450
— issue of Performance Shares		<u>177,186</u>
Fair value of purchase consideration		<u><u>784,636</u></u>

The recoverable amounts of the CGUs are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and budgeted gross margin and turnover during the period. The Group estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on long-term average economic growth rate of the geographical area in which the business of the CGUs operates. Budgeted gross margin and turnover are based on past practices and expectations on market development.

The Group prepares cash flow forecasts derived from the most recent financial budgets for the next five years with the residual period using the growth rate of 2%. This rate does not exceed the average long-term growth rate for the relevant markets. The rate used to discount the forecast flows is 18.74%.

At 31 March 2013, before impairment testing, goodwill of approximately HK\$757,662,000 were allocated to the Apperience Group. As disclosed in the Circular, the fair value of the Consideration (which will be settled by securities and convertible securities of the Company) as at the valuation date of 30 September 2012 was approximately HK\$595,380,000. The market price of shares of the Company has increased since the First Announcement and up to 31 March 2013 (being the date of completion of the Acquisition (“**Completion Date**”)). The fair value of the Consideration of approximately HK\$784,636,000 at the Completion Date was estimated by an independent professional valuer which has increased as a result of such increase in the market price of shares of the Company, which in turn has resulted in a substantial amount of goodwill in connection with the Acquisition. The impairments of goodwill in relation to the Acquisition are largely due to the increase in the fair value of the Consideration mentioned above. The goodwill allocated to the Apperience Group has therefore been reduced to its estimated recoverable amount through recognition of an impairment loss against goodwill of approximately HK\$257,496,000 during the Period. The impairments of goodwill are non-cash and accounting adjustments which will not affect the working capital sufficiency of the Group.

16. GAIN ON FAIR VALUE CHANGES ON PERFORMANCE SHARES

Performance Shares of the Company represents shares to be issued to the vendors in the acquisition of subsidiaries described in note 15. The fair value of the Performance Shares was valued by the independent valuer at the Completion Date. The gain on the fair value adjustment of Performance Shares is approximately HK\$47,928,000 which represents the difference between the fair value of Performance Shares of approximately HK\$177,186,000 as at the Completion Date and the fair value of Performance Shares of approximately HK\$129,258,000 as at 30 September 2013.

17. SHARE CAPITAL

	Nominal value per share HK\$	Number of shares	HK\$
Ordinary shares			
Authorised:			
At 1 January 2013	0.10	4,000,000,000	400,000,000
Increase in authorised capital (<i>Note (a)</i>)	0.10	4,000,000,000	400,000,000
		<u>8,000,000,000</u>	<u>800,000,000</u>
At 30 September 2013		<u>8,000,000,000</u>	<u>800,000,000</u>
Issued and fully paid:			
At 1 January 2013	0.10	1,248,894,324	124,889,432.40
Shares issued on conversion of convertible notes (<i>Note (b)</i>)	0.10	200,000,000	20,000,000.00
Shares issued on conversion of convertible notes (<i>Note (c)</i>)	0.10	1,333,333,329	133,333,332.90
		<u>2,782,227,653</u>	<u>278,222,765.30</u>
At 30 September 2013		<u>2,782,227,653</u>	<u>278,222,765.30</u>

Notes:

- (a) By an ordinary resolution of the shareholders passed at an extraordinary general meeting of the Company held on 12 March 2013, the authorised share capital of the Company was increased from HK\$400,000,000 divided into 4,000,000,000 shares of HK\$0.10 each to HK\$800,000,000 divided into 8,000,000,000 shares of HK\$0.10 each by the creation of an additional 4,000,000,000 shares of the Company. The details of increase in authorised share capital of the Company are contained in the Company's Circular dated 23 February 2013 and Company's announcement dated 12 March 2013.
- (b) On 14 November 2012, the Company issued convertible notes with principal amount of HK\$20,000,000. The noteholder has a right to convert the convertible notes into ordinary shares of the Company at an initial conversion price of HK\$0.10 per conversion share (subject to adjustment). On 25 March 2013, the Company issued a total of 200,000,000 conversion shares to the noteholder at the conversion price of HK\$0.10 per conversion share pursuant to the exercise of the conversion right attached to the convertible notes by the noteholder. The details of the convertible notes and the conversion are contained in the Company's announcements dated 28 September 2012, 14 November 2012 and 19 March 2013 and the note 27 to the consolidated financial statements in the Company's 2012 Annual Report.

- (c) During the Period, the Company issued a total of 1,333,333,329 conversion shares to the converting noteholders pursuant to the exercise of conversion right attaching to the convertible notes in the aggregate principal amount of HK\$144,000,000 at the conversion price of HK\$0.108 per conversion share. The details of the convertible notes and the conversion are set out in the Company's Circular dated 23 February 2013 and Company's announcements dated 5 December 2012, 12 March 2013, 1 April 2013, 2 April 2013, 26 August 2013 and 2 September 2013.

18. RESERVES

The amounts of the Group's reserves and the movements therein for the Period and the same period of previous year are presented in the unaudited condensed consolidated statement of changes in equity.

19. RELATED PARTY TRANSACTIONS

During the Period, the Group entered into the following transactions with related parties:

Name of related party	Nature of transactions	Nine months ended 30 September	
		2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)
KanHan Technologies	Sales of website development, electronic learning products and services (<i>Note 1</i>)	—	259
KanHan Technologies	Income from provision of business centre services (<i>Note 1</i>)	160	180
成都奧畢信息技術有限公司 ("PRC Company")	Software development fees (<i>Note 2</i>)	6,724	—

Note 1:

The above transactions were entered into with KanHan Technologies Limited ("KanHan Technologies"), a Hong Kong company which was previously the shareholder of the entire equity interests of KanHan Educational Services Limited ("KanHan EDU"). Mr. Mo Wai Ming, Lawrence is also a common director for both KanHan Technologies and KanHan EDU.

The Group's wholly owned subsidiary, KanHan EDU, entered into a supply agreement and a business centre service agreement with KanHan Technologies on 19 November 2010 for the sales of website development, electronic learning products and services, and provides business centre services respectively for the term of 3 years. The annual sales cap and service charge during the term of the supply agreement and business centre service agreement shall not exceed HK\$1,000,000 and HK\$300,000 respectively. Details of the transaction are set out in the Company's announcement dated 19 November 2010.

Note 2:

The PRC Company is owned as to 70% by Mr. Dong Yuguo (“**Mr. Dong**”) and Mr. Xue Qiushi (“**Mr. Xue**”) in equal shares. As Mr. Dong and Mr. Xue are the directors of Apperience and certain members of the Apperience Group, and Mr. Xue is the executive Director and Chief Executive Officer of the Company with effect from 5 July 2013, upon the completion of acquisition of Apperience on 31 March 2013, the IT consultancy service agreements entered into between Apperience and the PRC Company (details of which are set out in the paragraphs headed “Directors’ Interests in Contract” on pages 24 and 25 of this announcement) have constituted continuing connected transactions for the Company under the GEM Listing Rules. During the Period, the Group paid software development fees amounted to approximately US\$867,000 (approximately HK\$6,724,000) to the PRC Company. The IT consultancy services agreements were early terminated on 10 August 2013. Details of the agreements are set out in the Company’s announcement dated 5 December 2012, the Company’s Circular dated 23 February 2013 and report of the directors in the Company’s 2012 annual report.

20. EVENTS AFTER THE REPORTING PERIOD

Subsequent to the end of the reporting period, the transaction of disposal of the entire issued share capital of Refine Skill Limited (“**Refine Skill**”) was completed on 17 October 2013, at a consideration of HK\$8,000,000. Details of this disposal are set out in the Company’s announcements dated 2 July 2013 and 17 October 2013 and the Company’s circular dated 19 September 2013.

MANAGEMENT DISCUSSIONS AND ANALYSIS

BUSINESS REVIEW

The year of 2013 could be marked as a year of change of the Company. The Group has disposed of Refine Skill Limited (“**Refine Skill**”) and its subsidiaries, which is principally engaged in the E-learning business and was in loss during the Period. Besides, we have diversified our business into the information technology field of personal computer performance, anti-virus software and mobile applications.

Software Business

The completion of acquisition of 50.5% of the issued share capital of Apperience Corporation (“**Apperience**”) represents a strategic long-term investment for the Group, marking its entry into the information technology field of personal computer performances, anti-virus software and mobile applications.

Apperience develops and sells security products that support personal computers. Its products include a wide range of software products for anti-virus, anti-malware, browsing protection and computer performance enhancement, as well as toolbar advertisements. As at 30 September 2013, its flagship product, Advanced SystemCare, has accumulated over 1,000,000 paid subscribers worldwide. According to the internal sales database of the Apperience Group, there are over 6,000,000 free and paid active users (which refer to users who have used the product at least one time in that month) in September 2013.

Apperience delivered satisfactory performance to the Group during the Period. Turnover of the Software Business for the six month period ended 30 September 2013 amounted to approximately HK\$53,286,000. However, the segment result recorded a loss before taxation of approximately HK\$220,832,000 for the same period. The reason for the loss was mainly due to impairment loss on goodwill (“**Goodwill Impairment**”) of approximately HK\$257,496,000 arising from the acquisition of 50.5% of the issued share capital of Apperience. The Goodwill Impairment is a non-cash adjustment and will not affect working capital sufficiency of the Group. The segment result of software business before the Goodwill Impairment and taxation for the Period was approximately HK\$36,664,000.

E-learning Business

On 17 October 2013, the Group has completed the very substantial disposal of Refine Skill and its subsidiaries at a consideration of HK\$8 million. Following the disposal, the Group is now able to allocate more resources in its more profitable businesses.

In July 2013, the Group launched a website for internet education, a website selling e-learning materials (“**Internet Education Website**”) and commenced selling e-Book and the Group will continue to carry out E-learning Business through the Group’s Internet Education Website. As the website was in an initial stage and due to the increased competition in the e-learning market, the management will continually monitor the market trend and the performance of this segment.

Turnover of the E-learning Business for the Period amounted to approximately HK\$2,121,000, showing a decrease of 7.82% from the corresponding period in the last year of approximately HK\$2,301,000. The segment result recorded a loss of approximately HK\$2,191,000 (2012: a profit of approximately HK\$1,116,000). The reason for the loss was mainly due to a drop in turnover and an increase in the amortisation of intangible assets.

FINANCIAL REVIEW

Turnover

For the Period under review, the turnover of the Group from its continuing operations was approximately HK\$55,407,000, representing an increase of approximately 2,308% compared to the turnover for the nine months period ended 30 September 2012 of approximately HK\$2,301,000. The turnover for the Period was mainly contributed by the Software Business.

Gross profit

The amount of gross profit of the Group for the Period from its continuing operations increased by 1,999% to approximately HK\$44,877,000.

Loss for the Period

The loss attributable to the equity shareholders of the Company for the Period was approximately HK\$210,052,000 compared to the loss attributable to equity shareholders of the Company of approximately HK\$3,727,000 for the nine months period ended 30 September 2012. The main reason for the increase in loss was mainly due to the impairment loss on goodwill of approximately HK\$257,496,000.

The Group recorded a profit attributable to the equity shareholders of the Company was approximately HK\$46,429,000 for the third quarter of 2013 (being the three months ended 30 September 2013) compared to the loss attributable to the equity shareholders of the Company of approximately HK\$2,078,000 for the same period last year. The profit was mainly due to (i) the profit after tax contributed by the subsidiaries of Apperience acquired in March 2013 of approximately HK\$14,399,000, (ii) the unrealised gain arising on change in fair value of the Performance Shares of approximately HK\$40,666,000 and (iii) gain on disposals of subsidiaries of approximately HK\$5,855,000.

Liquidity, financial resources and capital structure

As at 30 September 2013, the Group's cash and cash equivalents and pledged deposit amounted to approximately HK\$48,396,000 (2012: HK\$123,635,000), which were principally denominated in Renminbi, United States dollar and Hong Kong dollar (2012: Renminbi and Hong Kong dollar).

The Group generally finances its operation using internally generated resources and proceeds raised from issue of convertible notes in the year 2012.

On 14 November 2012, the Company issued convertible notes in a principal amount of HK\$20,000,000 as alternative financing instruments. The notes bear interest at 2% per annum, are unsecured and have a maturity date falling 12 months from the date of issue of the convertible notes. The noteholder has the right to convert the convertible notes into ordinary shares of the Company at conversion price of HK\$0.10 per conversion share (subject to adjustment) up to (but excluding) the date falling three business days prior to the maturity date. On 25 March 2013, the Company issued a total of 200,000,000 conversion shares to the noteholder pursuant to the exercise of conversion right attaching to the convertible notes at the conversion price of HK\$0.10 per conversion share. The details of the convertible notes and the conversion are set out in the Company's announcements dated 28 September 2012, 14 November 2012 and 19 March 2013 and note 17(b) to these unaudited consolidated financial statements.

On 31 March 2013, upon completion of the acquisition of 50.5% of the issued share capital of Apperience, the Company issued convertible notes in the aggregate principal amount of HK\$392,132,500 at the initial conversion price of HK\$0.108 per conversion share (subject to adjustment) to vendors of the acquisition. A summary of the principal terms of the convertible notes is set out in the Company's announcement dated 5 December 2012 and the Company's Circular dated 23 February 2013. During the Period, the Company issued a total of 1,333,333,329 conversion shares to the converting noteholders pursuant to the exercise of conversion right attaching to the convertible notes in the aggregate principal amount of

HK\$144,000,000 at the conversion price of HK\$0.108 per conversion share. The details of the convertible notes and the conversion are set out in the Company's circular dated 23 February 2013 and Company's announcements dated 5 December 2012, 12 March 2013, 1 April 2013, 2 April 2013, 26 August 2013 and 2 September 2013 and note 17(c) to these unaudited consolidated financial statements.

On 12 March 2013, an ordinary resolution to increase the authorised share capital of the Company from HK\$400,000,000 divided into 4,000,000,000 shares of HK\$0.10 each to HK\$800,000,000 divided into 8,000,000,000 shares of HK\$0.10 each by the creation of an additional 4,000,000,000 shares of the Company was passed by the shareholders of the Company at an extraordinary general meeting. As at the date of this announcement, the authorised share capital of the Company is HK\$800,000,000 divided into 8,000,000,000 shares of HK\$0.10 each.

As at the date of this announcement, the issued share capital of the Company was HK\$278,222,765.30 divided into 2,782,227,653 ordinary shares of HK\$0.10 each.

Gearing ratio

As at 30 September 2013, the total assets of the Group were approximately HK\$791,171,000 (2012: HK\$161,531,000), whereas the total liabilities were approximately HK\$359,230,000 (2012: HK\$6,874,000). The gearing ratio of the Group, calculated as total liabilities over total assets, was 45.4% (2012: 4.26%).

Interim dividend

The Directors do not recommend to pay any interim dividend for the nine months ended 30 September 2013 (2012: HK\$nil).

Charges on the Group's Assets

The Group's pledged bank deposits of approximately US\$80,000 (approximately HK\$621,000) represented deposits pledged to bank to secure banking facilities to the extent of HK\$500,000 granted to the Group. The deposits are in US\$ and at fixed interest rate of 0.05% per annum. At 30 September 2013, the Group had available approximately HK\$307,000 of undrawn banking facilities.

Foreign exchange exposure

During the Period, the business activities of the Group were mainly denominated in Hong Kong dollars, United States dollars and Renminbi.

Following the completion of the acquisition of Apperience Corporation, United States dollars became the main currencies transacted by the Group. Since Hong Kong dollars remain pegged to the United States dollars within a defined range, the Group is not exposed to any significant foreign exchange risk against the United States dollars and has not entered into any foreign exchange contract as hedging measures. The Directors did not consider the Group was significantly exposed to any foreign currency exchange risk.

Notwithstanding the above, the Group manages its foreign currency risk against other currencies by closely monitoring the movement of the foreign currency rates and may use hedging derivative, such as foreign currency forward contract, to manage its foreign currency risk as appropriate.

Significant investment

Subscription of the convertible bonds

On 21 March 2013, the Company signed the placing letter with a sub-placing agent in respect of the subscription for the 2014 due 10% coupon convertible bonds in the principal amount of HK\$3,500,000 issued by Capital VC Limited, whose shares are listed on the Main Board of the Stock Exchange (stock code: 2324). The completion of the placement took place on 27 March 2013. As at the date of this announcement, none of the convertible bonds have been converted by the Company. Details of the transaction are set out in the Company's announcement dated 21 March 2013.

Acquisition of Apperience

On 31 March 2013, the Group completed the very substantial acquisition of 50.5% of the issued share capital of Apperience. The details of the Acquisition of Apperience are set out in the Company's announcements dated 5 December 2012, 12 March 2013 and 1 April 2013, the Company's Circular dated 23 February 2013 and the section of business review in this announcement.

Acquisition of a property

On 15 May 2013, the Group completed the acquisition of 100% of the issued share capital in Dragon Oriental Investment Limited ("**Dragon Oriental**") at a consideration of HK\$42 million which was settled by cash. The principal asset of the Dragon Oriental is a property in Hong Kong. The details of the acquisition of Dragon Oriental are set out in the Company's announcement dated 15 May 2013.

Acquisition of the shares of DX.com Holdings Limited (formerly known as EPRO Limited)

On 13 June 2013, the Group entered into an acquisition agreement for the acquisition of the 248,976,000 shares ("**Acquired Shares**") of DX.com Holdings Limited (formerly known as EPRO Limited) whose shares are listed on the GEM of the Stock Exchange (stock code: 8086), at an aggregate consideration of HK\$79,921,296. The acquisition constitutes a very substantial acquisition for the Company and is subject to approval by the shareholders of the Company and other conditions precedent and the completion of such acquisition took place on 27 August 2013. During the period from the completion date of acquisition to the date of this announcement, the Group held the Acquired Shares for long-term investment purposes. The details of the acquisition are set out in the Company's announcements dated 13 June 2013 and 27 August 2013, the Company's circular dated 8 August 2013 and note 12 to these unaudited consolidated financial statements.

Significant disposal

Disposal of a property

On 6 June 2013, the Group has entered into a disposal agreement to dispose of the entire issued share capital of Five Stars and the entire amount of the shareholder's loan owing by Five Stars to the Group on the date of completion of the disposal agreement at an aggregate consideration of HK\$13,000,000. The principal asset of Five Stars is a property in Hong Kong. Such disposal is subject to a number of conditions precedent and the completion of such disposal has taken place on 8 August 2013. Details of this disposal are set out in the Company's announcements dated 6 June 2013 and 8 August 2013, and note 14 to these unaudited consolidated financial statements.

Disposal of Refine Skill

On 20 June 2013, the Group entered into a disposal agreement and conditionally agreed to dispose of the entire issued share capital of Refine Skill, at a consideration of HK\$8,000,000. Such disposal is subject to a number of conditions precedent and the completion of such disposal has taken place on 17 October 2013. The details of the disposal are set out in the Company's announcements dated 2 July 2013 and 17 October 2013, and the Company's circular dated 19 September 2013.

Material acquisitions and disposals

Apart from those disclosed in the sections of business review, significant investment and significant disposal disclosed above, the Group had no material acquisition or disposal during the Period.

Employees and remuneration policies

As at 30 September 2013, the Group had approximately 50 employees (2012: 41 employees) in Hong Kong and the PRC. The Group's remuneration policy is reviewed periodically and determined by reference to market terms, company performance, individual qualifications and performance, and in accordance with the statutory requirements of the respective jurisdiction where the employees are engaged. On 24 December 2007, the share option scheme ("**Share Option Scheme**") was approved by shareholders of the Company in an extraordinary general meeting. The Share Option Scheme is to enable the Company to grant option to either Directors or employees of the Group in order to recognise and motivate their contribution, to provide incentives and to help the Group in retaining its existing employees and recruiting additional quality employees so as to provide them with a direct economic interest in attaining the long term business objectives of the Group. No options were granted under the Share Option Scheme during the Period. As at 30 September 2013, there were options to subscribe for 6,200,000 shares of the Company outstanding under the Share Option Scheme.

DEALINGS FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has relied on Rules 5.48 to 5.67 of the GEM Listing Rules as the required standard of dealings in respect to any dealings in the Company's securities by the Company's Directors. General and specific enquiries have been made to all Directors and they all confirmed they had complied with the said GEM Listing Rules during the Period.

OUTLOOK

Looking forward, the long term market opportunities continue to be attractive for the Group as viruses, malware threats and other attacks in today's information technology-driven environment are still posing challenges. The Group's priorities for the coming year are clear — to drive growth and market expansion. While investing in new software production and geographical expansion, the Group will continue to closely monitor the latest information technology trend and upgrade its products so as to retain the existing customers and explore new market opportunities.

The Group will push for greater returns from its investments through continually enhancing its treasury function by best utilising its surplus resources. To this end, the Group will consider various ways of increasing returns, including investment in local or global securities markets and property investments. The Board will be positive but prudent on managing its treasury to keep its investment portfolio.

The Group will continue to look for new potential investments and formulate business plans, further diversify its businesses to bring greater value for shareholders in the future.

OTHER INFORMATION

DIRECTORS' INTERESTS IN CONTRACT

An information technology consultancy service agreement and a supplemental agreement thereto (collectively, the "**IT Consultancy Service Agreement**") have been entered into between Apperience Corporation as service recipient and Chengdu AOB Information Technology Co., Ltd. ("**PRC Company**") (a company owned as to 35% by Mr. Xue Qiushi ("**Mr. Xue**"), who was appointed as an executive Director on 5 July 2013) as service provider on 15 April 2011 and 10 November 2012 respectively. In accordance with the IT Consultancy Service Agreement, the PRC Company shall provide to Apperience Corporation, among others, the services in relation to the development and research on related technologies and provision of technological applications and implementation on an exclusive basis at a service fee to be agreed among the parties in separate agreement(s) for a term ending 10 November 2015.

An information technology consultancy service agreement ("**2013 IT Consultancy Service Agreement**") has been entered into between Apperience Corporation as service recipient and the PRC Company as service provider on 31 December 2012 pursuant to which the PRC Company shall provide to Apperience Corporation, among others, the development and update services for certain software of Apperience Corporation at a service fee of US\$2,600,000 for a term ending on 31 December 2013.

On 10 August 2013, the IT Consultancy Service Agreement and the 2013 IT Consultancy Service Agreement were terminated.

A copyright licence agreement (“**Copyright Licence Agreement**”) has been entered into between Apperience Corporation as licensee and the PRC Company as licensor on 18 February 2013 pursuant to which the PRC Company shall grant to Apperience Corporation an exclusive licence to use the copyright of “Advanced SystemCare” registered in the name of the PRC Company in the PRC at nil consideration for a period from the date of the Copyright Licence Agreement to (i) the date on which the relevant copyright is transferred from the PRC Company and registered in the name of Apperience Corporation in the PRC; and (ii) the date on which the copyright of “Advanced SystemCare” has been registered in the name of Apperience Corporation in the US (whichever is the earlier).

Save for the Copyright Licence Agreement in which Mr. Xue Qiushi (an executive Director) is interested through his shareholding in the PRC Company, none of the Directors was materially interested in any contract or arrangement subsisting as at 30 September 2013 which is significant in relation to the business of the Group, nor had any Director had any direct or indirect interests in any assets which have been acquired or disposed of by or leased to, or are proposed to be acquired or disposed of by or leased to, any member of the Group at the end of the Period or at any time during the Period.

DIRECTORS’ AND CHIEF EXECUTIVES’ INTERESTS OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS

As at 30 September 2013, save as disclosed below, none of the Directors nor chief executives of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“**SFO**”), Chapter 571 under the laws of Hong Kong) which (i) 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 and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, 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 were as follows:

Aggregate long positions in Shares and underlying Shares of the Company

Name of the Director	Capacity in which the Shares and underlying Shares are held	Number of Shares and underlying Shares	Approximate percentage of the Company's issued share capital (Note 1)
Xue Qiushi ("Mr. Xue")	Interest in a controlled corporation and interests deemed under sections 317(1)(a) and 318 of the SFO (Note 2)	4,342,458,328	156.08%

Notes:

- The total number of the 2,782,227,653 Shares in issue as at 30 September 2013 have been used for the calculation of the approximate percentage.
- Ace Source International Limited ("Ace Source") (being one of the substantial shareholders of the Company whose interests are set out in the section headed "Interests discloseable under the Securities and Futures Ordinance (the "SFO") and substantial shareholders and other persons interest in securities" in this announcement) is wholly and beneficially owned by Mr. Xue. As such, Mr. Xue is deemed to be interested in all the Shares/underlying Shares held by Ace Source pursuant to Part XV of the SFO. Based on the Director's/Chief Executive's Notice — Interests in Shares of Listed Corporation filed by Mr. Xue on 3 September 2013, among these 4,342,458,328 Shares/underlying Shares, 3,749,865,737 of which were underlying Shares with an exercise period from 31 March 2013 to 31 March 2017 and can be exercised at the exercise price of HK\$0.108 per Share.

Aggregate long positions in shares and underlying shares of the associated corporation of the Company

Name of the Director	Name of the associated corporation	Capacity in which the shares are held	Number of shares	Approximate percentage of the associated corporation's issued share capital
Mr. Xue	Apperience	Interest in a controlled corporation (Note)	3,882,391	18.79%

Note: Ace Source is wholly and beneficially owned by Mr. Xue. As such, Mr. Xue is deemed to be interested in all the shares held by Ace Source in Apperience (being an associated corporation of the Company) pursuant to Part XV of the SFO.

Aggregate long position in debentures of the Company

Name of Director	Capacity in which the debentures are held	Amount of debentures
Mr. Xue	Interest in a controlled corporation and other (<i>Note</i>)	HK\$248,132,500

Note: Ace Source is wholly and beneficially owned by Mr. Xue. As such, Mr. Xue is deemed to be interested in all the debentures held by Ace Source pursuant to Part XV of the SFO.

Mr. Xue was appointed as an executive Director on 5 July 2013. Ace Source is a company wholly and beneficially owned by Mr. Xue and therefore he is deemed to be interested in all the shares and underlying shares of the Company held by Ace Source pursuant to Part XV of the SFO. Interests in shares and underlying shares of the Company in which Ace Source is interested are set out in the paragraph headed “Interests discloseable under the Securities and Futures Ordinance (the “SFO”) and substantial shareholders and other persons interest in securities” in this announcement. Mr. Xue is also the sole director of Ace Source.

DIRECTORS’ AND CHIEF EXECUTIVES’ RIGHTS TO ACQUIRE SHARES OR DEBT SECURITIES

Save for the zero coupon convertible notes issued by the Company in accordance with the acquisition agreement in relation to the acquisition of 50.5% of the issued share capital of Apperience Corporation dated 15 November 2012 and the performance shares which may be issued by the Company in accordance with the terms and conditions of such acquisition agreement in which Mr. Xue is interested (through his holding of shares in Ace Source, being one of the vendors of Apperience Corporation), at no time during the Period was the Company or any of its subsidiaries a party to any arrangements to enable the Directors and chief executives, their respective spouses or children under the age of 18 to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

SHARE OPTION SCHEME

On 24 December 2007, the existing share option scheme was approved by shareholders of the Company at an extraordinary general meeting. Such scheme is to enable the Company to grant option to either Directors or employees and recruiting additional quality employees and to provide them with a direct economic interest in attaining the long term business objective of the Group.

On 19 May 2011, the Company has granted 6,200,000* share options to a consultant of the Company under the scheme at the exercise price of HK\$0.116* per share.

Details of the movements in the share options granted under the Share Option Scheme during the Period are as follows:

Date of grant	Exercise period	Exercise price per share <i>HK\$</i>	Outstanding as at 1 January 2013 <i>'000</i>	Number of share options			Outstanding as at 30 September 2013 <i>'000</i>
				Granted during the Period	Exercised during the Period	Lapsed during the Period	
19 May 2011	20 May 2011 to 19 May 2014	0.116*	6,200*	-	-	-	6,200*

* After the adjustment for share consolidation dated 18 July 2011.

The details of share options granted are set out in the Company's circular and announcement dated 19 April 2011 and 19 May 2011 respectively. The details of share consolidation are set out in Company's announcements dated 13 June 2011, 15 June 2011, and 15 July 2011, the circular dated 27 June 2011, and the next day disclosure return dated 18 July 2011.

INTERESTS DISCLOSEABLE UNDER THE SECURITIES AND FUTURES ORDINANCE (THE "SFO") AND SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS INTEREST IN SECURITIES

Substantial shareholders

As at 30 September 2013, the following persons (other than Directors or chief executives of the Company) had, or were deemed or taken to have interest or short position in the shares or underlying shares of the Company 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, which were recorded in the register required to be kept by the Company under Section 336 of SFO were as follows:

Long positions in the Shares and underlying Shares

Substantial shareholders	Capacity in which the Shares and underlying Shares are held	Number of Shares and underlying Shares	Approximate percentage of the Company's issued share capital <i>Note (16)</i>	<i>Notes</i>
Wise Action Limited (“ Wise Action ”)	Beneficial owner	756,815,555	27.20%	(1)
Rosy Lane Investments Limited (“ Rosy Lane ”)	Interest of a controlled corporation	756,815,555	27.20%	(1)
Hong Kong Education (Int'l) Investments Limited (“ HK EDU INTL ”) (formerly known as Modern Education Group Limited)	Interest of a controlled corporation	756,815,555	27.20%	(1)
Access Magic Limited (“ Access Magic ”)	Beneficial owner and interests deemed under sections 317(1)(a) and 318 of the SFO	4,342,458,328	156.08%	(2)
Dong Yuguo (“ Mr. Dong ”)	Interest of a controlled corporation and interests deemed under sections 317(1)(a) and 318 of the SFO	4,342,458,328	156.08%	(2), (3)
Ace Source	Beneficial owner and interests deemed under sections 317(1)(a) and 318 of the SFO	4,342,458,328	156.08%	(4)
Wealthy Hope Limited (“ Wealthy Hope ”)	Beneficial owner and interests deemed under sections 317(1)(a) and 318 of the SFO	4,342,458,328	156.08%	(5)
Chen Liang (“ Mr. Chen ”)	Interest of a controlled corporation and interests deemed under sections 317(1)(a) and 318 of the SFO	4,342,458,328	156.08%	(5), (6)
Well Peace Global Limited (“ Well Peace ”)	Beneficial owner and interests deemed under sections 317(1)(a) and 318 of the SFO	4,342,458,328	156.08%	(7)
Lian Ming (“ Mr. Lian ”)	Interest of a controlled corporation and interests deemed under sections 317(1)(a) and 318 of the SFO	4,342,458,328	156.08%	(7), (8)
Best Attained Holdings Limited (“ Best Attained ”)	Beneficial owner	1,201,041,307	43.17%	(9)

Substantial shareholders	Capacity in which the Shares and underlying Shares are held	Number of Shares and underlying Shares	Approximate percentage of the Company's issued share capital <i>Note (16)</i>	<i>Notes</i>
IDG-Accel China Growth Fund II L.P. (“IDG-Accel”)	Interest of a controlled corporation and interests deemed under sections 317(1)(a) and 318 of the SFO	4,342,458,328	156.08%	<i>(9), (10)</i>
IDG-Accel China Investors II L.P. (“IDG-Accel Investors”)	Interests deemed under sections 317(1)(a) and 318 of the SFO	4,342,458,328	156.08%	<i>(11)</i>
IDG-Accel China Growth Fund II Associates L.P. (“IDG-Accel II Associates”)	Interest of a controlled corporation	4,342,458,328	156.08%	<i>(9), (10), (11), (12)</i>
IDG-Accel China Growth Fund GP II Associates Ltd. (“IDG-Accel GP II”)	Interest of a controlled corporation	4,342,458,328	156.08%	<i>(9), (10), (11), (12)</i>
Zhou Quan (“Mr. Zhou”)	Interest of a controlled corporation and interests deemed under sections 317(1)(a) and 318 of the SFO	4,342,458,328	156.08%	<i>(9), (10), (11), (12)</i>
Ho Chising (“Mr. Ho”)	Interest of a controlled corporation and interests deemed under sections 317(1)(a) and 318 of the SFO	4,342,458,328	156.08%	<i>(9), (10), (11), (12)</i>
THL A1 Limited (“THL”)	Beneficial owner and interests deemed under sections 317(1)(a) and 318 of the SFO	4,342,458,328	156.08%	<i>(13)</i>
Tencent Holdings Limited (“Tencent”)	Interest of a controlled corporation	4,342,458,328	156.08%	<i>(13)</i>
MIH TC Holdings Limited (“MIH TC Holdings”)	Interest of a controlled corporation	4,342,458,328	156.08%	<i>(13), (14)</i>
MIH (Mauritius) Limited (“MIH Mauritius”)	Interest of a controlled corporation	4,342,458,328	156.08%	<i>(13), (14), (15)</i>
MIH Ming He Holdings Limited (“MIH Ming He”)	Interest of a controlled corporation	4,342,458,328	156.08%	<i>(13), (14), (15)</i>
MIH Holdings (Proprietary) Limited (“MIH Proprietary”) (formerly known as “MIH Holdings Limited”)	Interest of a controlled corporation	4,342,458,328	156.08%	<i>(13), (14), (15)</i>
Naspers Limited (“Naspers”)	Interest of a controlled corporation	4,342,458,328	156.08%	<i>(13), (14), (15)</i>

Notes:

- (1) Wise Action is wholly and beneficially owned by Rosy Lane. Rosy Lane is wholly owned by HK EDU INTL. Each of HK EDU INTL and Rosy Lane was deemed to be interested in all the 756,815,555 Shares held by Wise Action pursuant to Part XV of the SFO.
- (2) Access Magic was interested in 1,003,067,671 Shares/underlying Shares in the capacity as the beneficial owner and was deemed to be interested in 3,339,390,657 Shares/underlying Shares in accordance with sections 317(1)(a) and 318 of the SFO. Among these 4,342,458,328 Shares/underlying Shares, 3,749,865,737 of which were underlying Shares.
- (3) Access Magic is wholly and beneficially owned by Mr. Dong. As such, Mr. Dong is deemed to be interested in all the Shares/underlying Shares held by Access Magic pursuant to Part XV of the SFO.
- (4) Ace Source was interested in 1,421,059,131 Shares/underlying Shares in the capacity as the beneficial owner and was deemed to be interested in 2,921,399,197 Shares/underlying Shares in accordance with sections 317(1)(a) and 318 of the SFO. Among these 4,342,458,328 Shares/underlying Shares, 3,749,865,737 of which were underlying Shares. Ace Source is wholly and beneficially owned by Mr. Xue. As such, Mr. Xue is deemed to be interested in all the Shares/underlying Shares held by Ace Source. Mr. Xue's interests in the Shares and underlying Shares of the Company are disclosed in the paragraph headed "Directors' and Chief Executives' Interests or Short Positions in the Shares, Underlying Shares or Debentures of the Company or any Associated Corporations" in this announcement.
- (5) Wealthy Hope was interested in 250,754,210 Shares/underlying Shares in the capacity as the beneficial owner and was deemed to be interested in 4,091,704,118 Shares/underlying Shares in accordance with sections 317(1)(a) and 318 of the SFO. Among these 4,342,458,328 Shares/underlying Shares, 3,749,865,737 of which were underlying Shares.
- (6) Wealthy Hope is wholly and beneficially owned by Mr. Chen. As such, Mr. Chen is deemed to be interested in all the Shares/underlying Shares held by Wealthy Hope pursuant to Part XV of the SFO.
- (7) Well Peace was interested in 250,754,210 Shares/underlying Shares in the capacity as the beneficial owner and was deemed to be interested in 4,091,704,118 Shares/underlying Shares in accordance with sections 317(1)(a) and 318 of the SFO. Among these 4,342,458,328 Shares/underlying Shares, 3,749,865,737 of which were underlying Shares.
- (8) Well Peace is wholly and beneficially owned by Mr. Lian. As such, Mr. Lian is deemed to be interested in all the Shares/underlying Shares held by Well Peace pursuant to Part XV of the SFO.
- (9) Best Attained was interested in 1,201,041,307 underlying Shares in the capacity as the beneficial owner.
- (10) Best Attained is 92.44% owned by IDG-Accel. As such, IDG-Accel is deemed to be interested in all the Shares/underlying Shares held by Best Attained pursuant to Part XV of the SFO.

IDG-Accel was deemed to be interested in 1,201,041,307 Shares/underlying Shares as interest in its controlled corporation and was deemed to be interested in 3,141,417,021 Shares/underlying Shares in accordance with sections 317(1)(a) and 318 of the SFO. Among these 4,342,458,328 Shares/underlying Shares, 3,749,865,737 of which were underlying Shares.

- (11) IDG-Accel Investors was deemed to be interested in 4,342,458,328 Shares/underlying Shares in accordance with sections 317(1)(a) and 318 of the SFO. Among these 4,342,458,328 Shares/underlying Shares, 3,749,865,737 of which were underlying Shares.

- (12) IDG-Accel GP II owns the entire equity interest in each of IDG-Accel II Associates and IDG-Accel Investors. IDG-Accel GP II is 50% owned by Mr. Ho and 50% owned by Mr. Zhou. As such, each of Mr. Ho, Mr. Zhou and IDG-Accel GP II was deemed to be interested in all the Shares/underlying Shares held by IDG-Accel II Associates and IDG-Accel Investors.

Best Attained is 92.44% owned by IDG-Accel which is in turn wholly owned by IDG-Accel II Associates. As such, IDG-Accel II Associates was deemed to be interested in all the Shares/underlying Shares held by Best Attained pursuant to Part XV of the SFO.

- (13) Based on the corporate substantial shareholder notice filed by Tencent on 16 September 2013, THL is wholly owned by Tencent and as such, Tencent is deemed to be interested in all 4,342,458,328 Shares/underlying Shares held by its controlled corporation THL pursuant to Part XV of the SFO. THL was interested in 215,781,799 Shares/underlying Shares in the capacity of beneficial owner and 4,126,676,529 Shares/underlying Shares in other capacities. Among these 4,342,458,328 Shares/underlying Shares, 3,749,865,737 of which were underlying Shares.
- (14) Based on the corporate substantial shareholder notice filed by MIH TC Holdings on 19 September 2013, THL is wholly owned by Tencent and Tencent is 33.91% owned by MIH TC Holdings. As such, MIH TC Holdings is deemed to be interested in all the 4,342,458,328 Shares/underlying Shares held by its controlled corporations THL and Tencent pursuant to Part XV of the SFO.
- (15) Based on the corporate substantial shareholder notice filed by Naspers on 19 September 2013, THL is wholly owned by Tencent, Tencent is 33.91% owned by MIH TC Holdings, which is in turn 90% owned by MIH Mauritius. MIH Mauritius is wholly owned by MIH Ming He, which is in turn wholly owned by MIH Proprietary (formerly known as MIH Holdings Limited). MIH Proprietary is wholly owned by Naspers. Based on the above relationship, each of MIH Mauritius, MIH Ming He, MIH Proprietary and Naspers are deemed to be interested in all the 4,342,458,328 Shares/underlying Shares held by their controlled corporations pursuant to Part XV of the SFO.
- (16) The total number of the 2,782,227,653 Shares in issue as at 30 September 2013 have been used for the calculation of the approximate percentage.

Save as disclosed above, as at 30 September 2013, so far as is known to the Directors, there is no other person who had, or were deemed to have interests or short positions in the shares or underlying shares of the Company 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, which were recorded in the register required to be kept by the Company under Section 336 of SFO.

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR

Reference is made to the announcement of the Company dated 2 October 2013 in relation to the appointment of independent non-executive director of the Company. Mr. Lam Kit Sun (“**Mr. Lam**”) was appointed as an independent non-executive director on 2 October 2013 and his biographical details are set out in the announcement of the Company dated 2 October 2013.

CHANGE OF AUDITOR

On 31 October 2013, Baker Tilly Hong Kong Limited, who acted as auditor of the Company, resigned and RSM Nelson Wheeler was appointed as the new auditor of the Company. The details of the change of auditor are set out in the Company’s announcement dated 31 October 2013.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Period.

COMPETING INTEREST

None of the Directors or management shareholders of the Company (within the meaning of the GEM Listing Rules) has any interest in any business which competes or may compete with the business of the Group during the Period.

CORPORATE GOVERNANCE

During the Period, the Company has complied with the code provisions set out in Appendix 15 of the GEM Listing Rules except for the deviation from Code Provision A.4.1 and A.2.1 which are explained below.

Under the Code Provision A.4.1, non-executive Directors should be appointed for a specific term and subject to re-election. Certain existing independent non-executive Directors of the Company were not appointed for specific terms but are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Article of Association of the Company. The Company considers that sufficient measures have been taken to ensure good corporate governance practices of the Company in this aspect of the Code Provisions.

Under the Code Provision A.2.1, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Since the former Chief Executive Officer of the Company, Mr. Ng Kay Kwok, retired on 24 May 2013, Mr. Chi Chi Hung, Kenneth, the Chairman of the Board, has temporarily taken up the role as Chief Executive Officer of the Company for a transitional period with a view to identifying a suitable candidate. Subsequently on 5 July 2013, the Company appointed Mr. Xue Qiushi, as an Executive Director and the Chief Executive Officer of the Company, and the Company has duly complied with the Code Provision A.2.1 on 5 July 2013.

As at 30 August 2013, the Company has adopted the Board Diversity Policy in accordance to the Code Provision A5.6 and revised the terms of reference of Nomination Committee accordingly.

AUDIT COMMITTEE

The Company established an Audit Committee with written terms of reference in accordance with Rules 5.28 to 5.33 of the GEM Listing Rules. The Audit Committee members as at the date of this announcement are Mr. Billy B Ray Tam, Mr. Yu Pak Yan, Peter and Ms. Chan Hoi Ling. They are the Independent Non-executive Directors of the Company. The Audit Committee's principal duties are to review and supervise the financial reporting process and internal control procedures of the Group.

The Group's unaudited consolidated results for the Period have been reviewed and discussed by the Audit Committee before any disclosure and release of information.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors of the Company, as at the date of this announcement the Company has maintained the prescribed public float under the GEM Listing Rules.

On behalf of the Board, I would like to take this opportunity to express my sincere gratitude to all shareholders for their support to the Company.

On behalf of the Board
M Dream Inworld Limited
Chi Chi Hung, Kenneth
Chairman

8 November 2013

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

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 at <http://www.mdreaminworld.com.hk>.