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## **M DREAM INWORLD LIMITED**

**聯夢活力世界有限公司\***

*(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)*

**(Stock Code: 8100)**

### **INSIDE INFORMATION: MOU IN RELATION TO THE ACQUISITION OF 100% OF THE ISSUED SHARE CAPITAL OF THE TARGET**

This announcement is made by the Company pursuant to Rule 17.10 of the GEM Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

#### **THE ACQUISITION**

The Board is pleased to announce that on 28 March 2014, the Purchaser and the Vendor entered into the MOU in relation to the Acquisition. The subject matter of the Acquisition is 100% of the issued share capital of the Target.

Pursuant to the MOU, the Initial Consideration is HK\$868,000, which is subject to upward or downward adjustment based on the net asset value (or as the case may be, the net liability value) of the Target to be agreed by the Purchaser and the Vendor.

As the applicable percentage ratios under Rule 19.07 of the GEM Listing Rules in respect of the Acquisition are less than 5%, the Acquisition does not constitute a notifiable transaction for the Company under Chapter 19 of the GEM Listing Rules.

**The Board wishes to emphasise that the Acquisition is subject to the results of due diligence exercise on the Target and the entry into of the SPA and the Acquisition may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

This announcement is made by the Company pursuant to Rule 17.10 of the GEM Listing Rules and the Inside Information Provisions (as defined in the GEM Listing Rules) under Part XIVA of the SFO.

\* For identification purposes only

## THE ACQUISITION

The Board is pleased to announce that on 28 March 2014, the Purchaser, which is a direct wholly-owned subsidiary of the Company, and the Vendor entered into the MOU in relation to the Acquisition.

## PRINCIPAL TERMS OF THE MOU

The principal terms of the MOU are set out below:

Asset to be acquired: The subject matter of the Acquisition is 100% of the issued share capital of the Target.

Consideration: The initial consideration (“**Initial Consideration**”) of the Acquisition shall be HK\$868,000, which is subject to upward or downward adjustment based on the net asset value (or as the case may be, the net liability value) of the Target to be agreed by the Purchaser and the Vendor (“**Final Consideration**”).

The Final Consideration is payable in the following manner:

- (i) 50% of the Initial Consideration is payable by the Purchaser to the Vendor as deposit (“**Deposit**”) at the entry into of the MOU;
- (ii) 25% of the Initial Consideration is payable by the Purchaser to the Vendor upon the entry into of the SPA should the Acquisition proceed; and
- (iii) the remainder of the Final Consideration is payable by the Purchaser to the Vendor upon completion of the Acquisition should the Acquisition proceed.

In any event, the Final Consideration shall not be more than HK\$1,500,000. Should the Acquisition proceed to completion, the Deposit shall form part of the Final Consideration.

Due Diligence: Upon payment of the Deposit, the Vendor shall support the due diligence exercise to be conducted by the Purchaser including access to information and documentation.

The Purchaser shall conduct and complete due diligence exercise on the Target within 1 month (“**Due Diligence Period**”) of the entry into of the MOU. The Deposit shall be refunded by the Vendor to the Purchaser if the Purchaser notifies the Vendor within the Due Diligence Period that it is not satisfied with the results of the due diligence exercise on the Target.

The Vendor shall be entitled to forfeit the Deposit if the Purchaser does not proceed with the Acquisition after the expiry of the Due Diligence Period without notifying the Vendor of its dissatisfaction with the results of the due diligence exercise on the Target.

Licensing Status: The Purchaser accepts any changes in the licensing status of the Target as a licensed corporation to carry on regulated activity under the SFO. Nevertheless, the Vendor shall ensure that the membership of the Target at the Professional Insurance Brokers Association (“**PIBA**”) remains effective and the chief executive registered with the PIBA remains employed by the Target.

As at the date of the MOU, the Deposit has been paid by the Purchaser to the Vendor.

### **INFORMATION OF THE TARGET**

The Target is a company incorporated in Hong Kong with limited liability and is currently a licensed corporation to carry on business in Type 4 (advising on securities) regulated activity under the SFO, subject to conditions imposed by the SFC. Based on the representations of the Vendor, the Target is currently applying for the cancellation of its licensing status as a licensed corporation to carry on business in Type 4 (advising on securities) regulated activity under the SFO. The Target is also registered as a member of the PIBA to carry out long term (including linked long term) insurance & general insurance lines of business. The Target is principally engaged in insurance and Mandatory Provident Fund schemes brokerage business.

### **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Group is principally engaged in (1) research, development and distribution of personal computer performance software, anti-virus software, mobile phone applications and toolbar advertisement, (2) provision of website development services, e-learning products and services, (3) investment in securities and (4) money lending business.

The Directors consider that the entry into of the MOU and the Acquisition thereunder represents an opportunity for the Group to explore the opportunity of developing an online trading platform for insurance-related investment products.

The Directors consider that the terms of the MOU are fair and reasonable, on normal commercial terms, and in the interest of the Company and the Shareholders as a whole.

## IMPLICATIONS UNDER THE GEM LISTING RULES

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor is an Independent Third Party.

As the applicable percentage ratios under Rule 19.07 of the GEM Listing Rules in respect of the Acquisition are less than 5%, the Acquisition does not constitute a notifiable transaction for the Company under Chapter 19 of the GEM Listing Rules.

**The Board wishes to emphasise that the Acquisition is subject to the results of due diligence exercise on the Target and the entry into of the SPA and the Acquisition may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Acquisition”	the acquisition of 100% of the issued share capital of the Target by the Purchaser from the Vendor
“Board”	the board of Directors
“Company”	M Dream Inworld Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability, the shares of which are listed on GEM
“Directors”	the directors of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Third Party”	third party independent of the Company and its connected persons and their respective associates (within the meaning of the GEM Listing Rules)
“Purchaser”	Fast Yield Holdings Limited, a company incorporated in the British Virgin Islands and is a direct wholly-owned subsidiary of the Company
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SPA”	the formal sale and purchase agreement to be negotiated and entered into between the Purchaser and the Vendor in relation to the Acquisition

“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	a company incorporated in Hong Kong with limited liability and is currently a licensed corporation to carry on business in Type 4 (advising on securities) regulated activity under the SFO, subject to conditions imposed by the SFC (which is in the course of cancellation) and a member of the PIBA
“MOU”	the memorandum of understanding dated 28 March 2014 and entered into between the Purchaser and the Vendor in relation to the Acquisition
“Vendor”	a Hong Kong citizen, who holds approximately 99.99% of the issued share capital of the Target as at the date of the MOU, and shall hold 100% of the issued share capital of the Target immediately prior to the completion of the Acquisition
“%”	per cent.

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

Hong Kong, 28 March 2014

*As at the date of this announcement, the Board consists of Mr. Chi Chi Hung, Kenneth and Mr. Xue Qiushi being the Executive Directors, and Mr. Lam Kit Sun, Mr. Yip Chi Fai Stevens and Ms. Xiao Yiming being the Independent Non-executive Directors.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief 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 [www.hkgem.com](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>.*