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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: ISSUE OF PERFORMANCE SHARES

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.

Reference is made to the Circular in relation to the Acquisition. In accordance with the Acquisition Agreement, an aggregate of 715,522,718 Tranche I Performance Shares shall be allotted and issued, credited as fully paid, by the Company to the Vendors.

The Vendors include Access Magic, Ace Source, Well Peace, Wealthy Hope, IDG-Accel, IDG-Accel Investors and THL which is a subsidiary of Tencent Holdings Limited.

As the allotment and issue of an aggregate of 715,522,718 Tranche I Performance Shares would result in the Vendors and parties acting in concert with each of them becoming obliged under Rule 26.1 of the Hong Kong Code on Takeovers and Mergers to make a general offer for shares in the Company, in accordance with the Acquisition Agreement, the Company is entitled to defer the allotment and issue of the Tranche I Performance Shares to a later time or otherwise to allot and issue the Tranche I Performance Shares in multiple tranches at different times and in such manner as the Company considers appropriate.

The Company will allot and issue the Tranche I Performance Shares as and when appropriate. Further announcement will be issued by the Company as and when the Tranche I Performance Shares are allotted and issued in due course.

* For identification purpose only

ISSUE OF PERFORMANCE SHARES

This announcement is made by M Dream Inworld Limited (“**Company**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (“**GEM Listing Rules**”) and the Inside Information Provisions (as defined in the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (“**SFO**”)(Chapter 571, the Laws of Hong Kong).

Reference is made to the circular of the Company dated 23 February 2013 (“**Circular**”) in relation to the acquisition of 50.5% of the issued share capital of Apperience (“**Acquisition**”). Capitalised terms used in this announcement shall have the same meaning as defined in the Circular.

As disclosed in the Circular, on 15 November 2012 (after trading hours), the Company, the Vendors and the Warrantors entered into the Acquisition Agreement (as supplemented by a supplemental agreement dated 11 December 2012) pursuant to which the Company had conditionally agreed to purchase, and the Vendors had conditionally agreed to sell at the Selling Proportion, the Sale Shares, which in aggregate represent 50.5% of the issued share capital of Apperience. Completion of the Acquisition took place on 31 March 2013. The maximum aggregate amount of the Consideration payable by the Company to the Vendors shall be HK\$548,985,500 (subject to adjustment) which would be satisfied partly by the creation and issue of the Convertible Notes (and where applicable) partly by the allotment and issue of the Performance Shares. The Vendors include Access Magic, Ace Source, Well Peace, Wealthy Hope, IDG-Accel, IDG-Accel Investors and THL which is a subsidiary of Tencent Holdings Limited.

In accordance with the TP Audited Accounts I and a statement of adjustments in relation to the adjustments of the Target Profit I by the Adjusted Items, the Target Profit I (as adjusted by disregarding the effect of all the Adjusted Items) of Apperience is US\$9,853,360. In accordance with the Acquisition Agreement, an aggregate of 715,522,718 Tranche I Performance Shares shall be allotted and issued, credited as fully paid, by the Company to the Vendors.

As the allotment and issue of an aggregate of 715,522,718 Tranche I Performance Shares would result in the Vendors and parties acting in concert with each of them becoming obliged under Rule 26.1 of the Hong Kong Code on Takeovers and Mergers to make a general offer for shares in the Company, in accordance with the Acquisition Agreement, the Company is entitled to defer the allotment and issue of the Tranche I Performance Shares to a later time or otherwise to allot and issue the Tranche I Performance Shares in multiple tranches at different times and in such manner as the Company considers appropriate.

The Company will allot and issue the Tranche I Performance Shares as and when appropriate. Further announcement will be issued by the Company as and when the Tranche I Performance Shares are allotted and issued in due course.

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

Hong Kong, 19 May 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 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>.