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## **M DREAM INWORLD LIMITED**

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(Incorporated in the Cayman Islands and continued in Bermuda with limited liability) (Stock Code: 8100)

## INSIDE INFORMATION: LITIGATION

This announcement is made by the Company pursuant to Rule 17.10(2)(a) of the GEM Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform that it has recently come to the attention of the Company that Apperience and BlueSprig, both being non-wholly owned subsidiaries of the Company, have been named as defendants in the Litigation filed in the US Court in respect of ASC, one of the principal products of Apperience.

The Group has instructed the US Legal Counsel to defend against the Litigation and to deal with all legal matters in relation thereto.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

This announcement is made by M Dream Inworld Limited ("**Company**", and together with its subsidiaries, the "**Group**") pursuant to Rule 17.10(2)(a) 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 under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance ("**SFO**") (Chapter 571, Laws of Hong Kong).

The board ("**Board**") of directors ("**Directors**") of the Company wishes to inform the shareholders of the Company and potential investors that it has recently come to the attention of the Company that Apperience Corporation ("**Apperience**") and BlueSprig, Inc. ("**BlueSprig**"), both being non-wholly owned subsidiaries of the Company, have been named as defendants in a litigation ("**Litigation**") filed in the United States District Court for the Northern District of California ("**US Court**"). The Litigation was pleaded as a class

\* For identification purposes only

action by an individual as plaintiff ("**Plaintiff**") (for himself and on behalf of other purchasers of Advanced SystemCare PRO product ("ASC")) against Apperience and BlueSprig in respect of ASC, one of the principal products of Apperience to combat malware and improve computer performance.

In the Litigation, the Plaintiff claims that, among others, ASC does not deliver the marketing promises of fixing errors, ensuring personal security from malware and substantially speeding up the user's computer as advertised and the free trial version of ASC induces consumers to purchase the full version of ASC with misleading diagnostic scans. The Plaintiff seeks damages of US\$5,000,000 as well as relevant legal fees.

The Group has instructed its legal counsel in the United States ("US Legal Counsel") to defend against the Litigation and to deal with all legal matters in relation thereto. The US Legal Counsel believes that there may be reasonable arguments to dismiss the Plaintiff's claims and there may be grounds to deny certification of the Litigation as a class action as well as other defenses to the asserted claims. As at the date of this announcement, the Litigation has not yet been certified as a class action.

The legal process of the Litigation is in its preliminary stage and the Company is actively following up the lawsuit and evaluating the potential impact. The Company will make a further announcement to inform its shareholders and potential investors of any material development of the lawsuit as and when appropriate.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

On behalf of the Board M Dream Inworld Limited Kuang Hao Kun Giovanni *Chairman* 

Hong Kong, 19 June 2014

As at the date of this announcement, the Board consists of two Executive Directors, namely Mr. Kuang Hao Kun Giovanni and Mr. Xue Qiushi; and three Independent Non-Executive Directors, namely Mr. Lam Kit Sun, Mr. Yip Chi Fai Stevens and Ms. Xiao Yiming.

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 http://www.mdreaminworld.com.hk.