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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)

CONVERSION OF CONVERTIBLE NOTES

On 30 September 2014, the Company received notice from the Converting Noteholder requesting for the conversion of the Convertible Notes in the principal amount of HK\$16,646,024.625 at the Conversion Price of HK\$0.432 per Conversion Share.

Reference is made to the circular of M Dream Inworld Limited (“**Company**”) dated 23 February 2013 (“**Circular**”) in relation to, among other matters, the very substantial acquisition relating to the acquisition of 50.5% of the issued share capital of Apperience Corporation by the Company. Capitalised terms used herein shall have the same meanings as defined in the Circular.

CONVERSION OF CONVERTIBLE NOTES

On 30 September 2014, the Company received notice from one noteholder (the “**Converting Noteholder**”) requesting for the conversion of the Convertible Notes in the principal amount of HK\$16,646,024.625 at the Conversion Price (after adjustment by the capital reorganisation which became effective on 18 July 2014, further details of which are disclosed in the announcement of the Company dated 17 July 2014) of HK\$0.432 per Conversion Share. Upon such conversion of the Convertible Notes, 38,532,464 Conversion Shares will be allotted and issued by the Company to the Converting Noteholder. Upon conversion of the Convertible Notes, all the Convertible Notes issued by the Company in accordance with the Acquisition Agreement have been converted.

Terms of the Convertible Notes have been disclosed in the Circular. The Company is expected to allot and issue a total of 38,532,464 Conversion Shares to the Converting Noteholder on or around 6 October 2014. The 38,532,464 Conversion Shares to be issued represent approximately 2.36% of the issued share capital of the Company as enlarged by the allotment and issuance of the 38,532,464 Conversion Shares.

* For identification purposes only

On the assumption that there are no other changes in the shareholding structure of the Company before the allotment and issuance of the 38,532,464 Conversion Shares, the issued share capital of the Company will be increased to 1,634,864,877 shares upon the allotment and issuance of the 38,532,464 Conversion Shares.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

On the assumption that there are no other changes in the shareholding structure of the Company before the allotment and issuance of the 38,532,464 Conversion Shares, the shareholding structure of the Company immediately before and after the issuance and allotment of the 38,532,464 Conversion Shares is set out as follows:

Name of Shareholders	Immediately before the issuance and allotment of the 38,532,464 Conversion Shares		Immediately after the issuance and allotment of the 38,532,464 Conversion Shares	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
The Converting Noteholder	—	—	38,532,464	2.36
IDG-Accel China Growth Fund II L.P.	63,166,345	3.96	63,166,345	3.86
IDG-Accel China Investors II L.P.	5,166,074	0.32	5,166,074	0.32
THL A1 Limited	7,593,484	0.48	7,593,484	0.46
Wise Action Limited	102,401,978	6.41	102,401,978	6.26
DX.com Holdings Limited	186,046,500	11.65	186,046,500	11.38
Other public Shareholders	<u>1,231,958,032</u>	<u>77.18</u>	<u>1,231,958,032</u>	<u>75.36</u>
Total	<u>1,596,332,413</u>	<u>100</u>	<u>1,634,864,877</u>	<u>100</u>

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

Hong Kong, 30 September 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 of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM website at 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 www.mdreaminworld.com.hk.