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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)

ANNOUNCEMENT

Trading in shares of the Company on the GEM has been suspended since 4 October 2005 pending an announcement in relation to the proposed change of domicile, capital reorganisation, open offer and bonus issue of shares in the Company. Suspension of trading in shares of the Company will continue until the announcement is issued.

The board of directors (the “**Board**”) of M Dream Inworld Limited (the “**Company**”) refers to the suspension of trading in shares of the Company (the “**Shares**”) on The Growth Enterprise Market of the The Stock Exchange of Hong Kong Limited (“**GEM**”) since 4 October 2005 pending the publication of an announcement in relation to the proposed change of domicile, capital reorganisation, open offer and bonus issue of Shares (the “**Proposed Transactions**”).

Due to certain unresolved issues arising from, inter alia, the underwriting arrangement of the Shares to be issued under the proposed open offer since the suspension of trading in Shares, the terms of the Proposed Transactions were further negotiated and revised. As at the date of this announcement, the Company is in the process of resolving the outstanding issues and addressing the comments from The Stock Exchange of Hong Kong Limited and the Securities and Futures Commission and the Board considers that additional time is required for such purposes. The Board is aware that there remains certain outstanding issues relating to the Proposed Transactions which are or may be of price sensitive nature and it is not practicable for the Company to publish the information at this time.

In view of the price sensitive nature of the Proposed Transactions, trading in Shares on the GEM has been suspended since 4 October 2005 at the request of the Company. The Shares

will remain suspended pending the publication of an announcement in relation to the Proposed Transactions.

By Order of the Board
M Dream Inworld Limited
Koh Tat Lee, Michael
Chairman

Hong Kong, 12 December 2005

**For identification purpose only*

As at the date hereof, the executive directors of the Company are Mr. Koh Tat Lee, Michael, Mr. Domingo Chen, Mr. Wong Shui Fun and Dr. Choong Ying Chuan; the non-executive directors of the Company are Mr. Tay Yew Beng, Peter, Dr. Lee Siu Lung, James and Mr. Wong Kean Li; the independent non-executive directors of the Company are Ms. Hilda Sung, Mr. Leigh Man Sung, Camballaw and Mr. Ng Wing Hang, Patrick.

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: - (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (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.

This announcement will remain on the "Latest Company Announcement" page of the GEM website for at least 7 days from the date of its publication.