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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)

DISCLOSEABLE TRANSACTION: ACQUISITION OF 100% EQUITY INTEREST IN THE TARGET

ACQUISITION

The Board is pleased to announce that on 10 June 2014, after trading hours, the Purchaser (a direct wholly-owned subsidiary of the Company), the Company and the Vendor entered into the SP Agreement pursuant to which the Purchaser has agreed to acquire, and the Vendor has agreed to sell, the Sale Shares free from all encumbrances, and together with all rights and benefits attaching thereto at the Consideration of HK\$48 million. The Consideration will be settled by issue and allotment of Consideration Shares by the Company on Completion.

The Target Group is principally engaged in (i) provision of corporate management solutions; (ii) provision of IT contract services; and (iii) re-selling of hardware and software in Hong Kong.

IMPLICATIONS UNDER THE GEM LISTING RULES

As the relevant percentage ratios (as defined under the GEM Listing Rules) in respect of the Acquisition are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under the GEM Listing Rules and is subject to the notification and announcement requirements set out in Rule 19.34 of the GEM Listing Rules.

* For identification purposes only

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THE SP AGREEMENT

Major terms of the SP Agreement are set out below.

Date:

10 June 2014

Parties:

- (1) the Purchaser, Mission Win International Limited, a direct wholly-owned subsidiary of the Company as at the date of this announcement;
- (2) the Company; and
- (3) the Vendor, EPRO Systems Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of DX.com Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the ordinary shares of which are listed on the GEM (stock code: 8086). The Vendor is principally engaged in investment holding and management services.

As at the date of this Announcement, (a) the Company beneficially holds 248,976,000 issued shares of DX.com Holdings Limited (representing approximately 4.89% of the total issued shares of DX.com Holdings Limited) and (b) Mr. Lam Kit Sun, the independent non-executive Director is also an independent non-executive director of DX.com Holdings Limited. Save as disclosed, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Vendor and its ultimate beneficial owners are Independent Third Parties.

Assets to be acquired

The Purchaser has agreed to acquire, and the Vendor has agreed to sell the Sale Shares, representing 100% equity interest in the Target, free from all encumbrances, and together with all rights and benefits attaching thereto.

The Target is principally engaged in (i) provision of corporate management solutions; (ii) provision of IT contract services; and (iii) re-selling of hardware and software in Hong Kong. The Target has provided with the Group services in relation to corporate management solutions and IT services since 2011. The Group entered into a service contract in March 2013 with the Target which the Target would provide IT outsourcing and consulting services to the Group for 24 months. The Group also engaged the Target to provide IT services for

implementing other software and IT development projects. Terms and conditions of the relevant IT services were determined on normal commercial terms with reference to market price.

Consideration

The Consideration payable by the Purchaser to the Vendor is HK\$48 million and the Company has agreed to allot and issue Consideration Shares for the settlement of the Consideration on Completion.

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser on normal commercial terms with reference to (a) a valuation on the Target which was prepared by an independent valuer, according to which the equity value of the Target as at 4 June 2014 was approximately HK\$48 million and (b) the prospects of the Target Group on corporate management solution, stable customer base (including certain governmental institutions and sizeable organisations), the business and performance of the Target Group.

Conditions precedent to the Completion

The completion of the Acquisition is conditional upon fulfilment of the following conditions:

- (a) the Purchaser and its advisers having completed and satisfied in their absolute discretion with the results of a financial due diligence investigation in respect of the assets and liabilities of the Group;
- (b) the Capital Reorganisation having become effective;
- (c) the Stock Exchange granting the listing of, and permission to deal in, the Consideration Shares; and
- (d) the Purchaser being satisfied, from the date of the SP Agreement and at any time before Completion, that the warranties stated in the SP Agreement remaining true and accurate in all material respects, not misleading or in breach in any material respect and that no events have suggested that there were any breach in any material respect of any warranties or other provisions of the SP Agreement by the Vendor.

The Company may waive any of the conditions precedent as set out in (a) and (d) above. If the conditions precedent have not been fulfilled in full or waived by the Company on or before 5:00 p.m. on the Long Stop Date, the SP Agreement shall lapse and thereafter none of the parties to the SP Agreement shall have any rights or obligations towards any other party except in respect of any antecedent breach.

Completion

Completion shall take place on the seventh Business Days (or such other date as the Purchaser and the Vendor shall agree in writing) after the fulfilment or waiver of the conditions precedent.

Upon Completion, the Target will become a wholly-owned subsidiary of the Company and accordingly, the financial information of the Target Group will be consolidated into the accounts of the Group.

THE CONSIDERATION SHARES

Pursuant to the SP Agreement, the Company shall issue and allot, credited as fully paid, 186,046,500 Consideration Shares at the Issue Price of approximately HK\$0.258 per Consideration Share to the Vendor as settlement of the Consideration for the Acquisition. The number of Consideration Shares and the Issue Price were calculated on the basis that Completion will take place after the Capital Reorganisation having become effective. The Issue Price was arrived at after arm's length negotiation between the Company and the Vendor with reference to the recent market prices of the Shares and completion of the Capital Reorganisation.

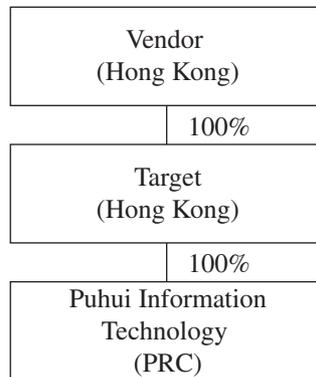
The Issue Price represents:

- (i) a premium of approximately 40.22% to the price of HK\$0.184 per Consolidated Share (which is calculated on the basis of the closing price of HK\$0.046 per Share as quoted on the Stock Exchange on the date of this announcement);
- (ii) a premium of approximately 40.83% to the price of HK\$0.1832 per Consolidated Share (which is calculated on the basis of the average closing price of approximately HK\$0.0458 per Share for the last five consecutive trading days preceding and including the date of this announcement);
- (iii) a premium of approximately 25.24% to the price of HK\$0.206 per Consolidated Share (which is calculated on the basis of the average closing price of approximately HK\$0.0515 per Share for the last ten consecutive trading days preceding and including the date of this announcement); and
- (iv) a discount of approximately 38.25% over the audited consolidated net asset value per Consolidated Share as at 31 December 2013 of approximately HK\$0.4178 per Consolidated Share (calculated by dividing the net asset value of the Company as at 31 December 2013 by the number of issued Consolidated Shares as at the date of this announcement).

The Consideration Shares represent approximately 13% of the existing issued share capital of the Company and approximately 11.65% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares respectively. An application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares. The Consideration Shares will be issued and allotted pursuant to the General Mandate. Prior to the date of the SP Agreement, the Company has not issued or agreed to issue any Shares under the General Mandate. Upon issue of the 186,046,500 Consideration Shares, the Company will have 246,281,046 New Shares available for issue and allotment under the General Mandate assuming that Completion will take place after the Capital Reorganisation having become effective.

INFORMATION ABOUT THE TARGET GROUP

The following diagram illustrates the shareholding structure of the Target Group as at the date of this announcement:



Target

The Target is a company incorporated in Hong Kong with limited liability on 18 September 2009. As at the date of this announcement, Target is principally engaged in investment holding and the vehicle for the Target Group's principal business.

Puhui Information Technology

Puhui Information Technology is a wholly-foreign-owned enterprise established under the laws of the PRC on 3 February 2012. Puhui Information Technology is principally engaged in provision of corporate management solutions and IT contract-services in the PRC and is inactive as the date of this announcement. The registered capital of Puhui Information Technology is RMB500,000 which was paid up by the Target.

Upon Completion, the Target Company will become a wholly-owned subsidiary of the Company and accordingly, the financial information of the Target Group will be consolidated into the accounts of the Group.

Set out below is a summary of certain unaudited consolidated financial information of the Target Group for the two years ended 31 December 2013 and the four months ended 30 April 2014:

	For the year ended 31 December 2012 (unaudited) (HK\$'000) (Approx.)	For the year ended 31 December 2013 (unaudited) (HK\$'000) (Approx.)	For the four months ended 30 April 2014 (unaudited) (HK\$'000) (Approx.)
Revenue	<u>20,986</u>	<u>15,506</u>	<u>8,775</u>
Net profit before taxation	<u>8,624</u>	<u>3,045</u>	<u>4,002</u>
Net profit after taxation	<u>7,215</u>	<u>2,623</u>	<u>3,355</u>

The unaudited consolidated assets value and net assets value of the Target Group as at 31 December 2013 are approximately HK\$18.2 million and HK\$13.4 million respectively.

REASONS FOR 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.

As mentioned in the Company's annual report for the year ended 31 December 2013, the Group aimed to establish a comprehensive information technology business platform. In March 2013, the Group completed an acquisition of 50.5% of the issued share capital of Apperience Corporation, which is principally engaged in the research, development and distribution of software for personal computer performance, anti-virus software, mobile applications and toolbar advertisement. In view of the business nature and performance of the Target Group with its stable customer base including governmental institutions and sizeable organisations, the Directors, but excluding Mr. Lam Kit Sun who had abstained from voting consider that the Acquisition poses a valuable opportunity for the Group to expand its business to corporate clients and deepen the provision of present software services to create synergistic effect with the existing customer base of the Group.

In consideration of the benefits of the Acquisition, the Directors (including the independent non-executive Directors, but excluding Mr. Lam Kit Sun who had abstained from voting) believe that the terms of the SP Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE GEM LISTING RULES

As the relevant percentage ratios (as defined under the GEM Listing Rules) in respect of the Acquisition are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under the GEM Listing Rules and is subject to the notification and announcement requirements set out in Rule 19.34 of the GEM Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“Acquisition”	the acquisition of the Sale Shares by the Purchaser from the Vendor pursuant to the SP Agreement
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday and Sunday) on which banks in Hong Kong are open for business
“BVI”	British Virgin Islands
“Capital Reorganisation”	means the capital reorganisation of the Company as announced by it in its announcement dated 3 June 2014 which will involve, amongst other matters, the consolidation of its existing Shares on a basis of every four Shares be consolidated into one Consolidated Share and a cancellation of part of its paid up share capital and will result in New Shares of HK\$0.01 each being created
“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
“Completion”	the completion of the Acquisition in accordance with the terms of the SP Agreement
“Completion Date”	the seventh Business Day after the last outstanding Condition Precedent (other than the Condition Precedent which can only be satisfied at Completion) having been fulfilled or waived (or such other date as the Purchaser and the Vendor shall agree in writing) on which Completion is to take place
“connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Consideration”	the sum of HK\$48 million, being the consideration for the Acquisition

“Consideration Shares”	186,046,500 New Shares to be allotted and issued, credited as fully paid, by the Company at Completion to settle the Consideration in full
“Consolidated Share(s)”	ordinary share(s) of HK\$0.40 each in the share capital of the Company immediately after the share consolidation under the Capital Reorganisation becoming effective
“Director(s)”	director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	a third party independent of and not connected with the Company and its subsidiaries and its connected persons (as defined under the GEM Listing Rules)
“Issue Price”	approximately HK\$0.258 per Consideration Share
“IT”	information technology
“Long Stop Date”	31 July 2014 or such later date as the parties to the SP Agreement may agree in writing
“New Shares”	means new Shares of HK\$0.01 each of the Company after the Capital Reorganisation having become effective
“PRC”	The People’s Republic of China, which, for the purpose of this announcement, does not include Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“Puhui Information Technology”	普暉信息科技(深圳)有限公司 (for identification purpose, in English, Puhui Information Technology (Shenzhen) Company Limited), a company incorporated in the PRC with limited liability and a wholly-foreign owned enterprise
“Purchaser”	Mission Win International Limited, a company incorporated in the BVI with limited liability and a direct wholly-owned subsidiary of the Company
“Sale Shares”	10,000 shares of HK\$1.00 in the issued share capital of the Target, representing the entire issued share capital of the Target as at the date of the SP Agreement and the Completion Date
“Share(s)”	share(s) in the share capital of the Company

“Shareholder(s)”	holder(s) of the Share(s)
“SP Agreement”	the agreement dated 10 June 2014 entered into between the Purchaser and the Vendor in relation to the Acquisition
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	e-Perfect IT Limited (普暉科技有限公司), a company incorporated in Hong Kong with limited liability
“Target Group”	the Target and Puhui Information Technology
“Vendor”	EPRO Systems Limited, a company incorporated in Hong Kong with limited liability
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%” or “per cent”	percentage

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

Hong Kong, 10 June 2014

As at the date of this announcement, the Board consists of Mr. Kuang Hao Kun Giovanni 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>.