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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)

VERY SUBSTANTIAL ACQUISITION — ACQUISITION OF SHARES OF EPRO LIMITED

VERY SUBSTANTIAL ACQUISITION

On 13 June 2013 (after trading hours), the Purchaser (an indirect wholly-owned subsidiary of the Company) and the Vendors entered into the SP Agreement for the sale and purchase of the Sale Shares, representing approximately 4.89% of the issued share capital of EPRO Limited as at the date of the SP Agreement, at an aggregate consideration of HK\$79,921,296.

GENERAL

The Acquisition constitutes a very substantial acquisition for the Company and is subject to approval by the Shareholders by way of poll pursuant to the GEM Listing Rules. The EGM will be convened and held for the Shareholders to consider and, if thought fit, to approve the Acquisition, the SP Agreement and the transactions contemplated thereunder. The Company has confirmed with the Vendors that as at the date of this announcement, except for the holding of 60,540,000 Shares by THHK, none of LDL and any of the respective associates (as defined under the GEM Listing Rules) of THHK and LDL is holding any Shares. As such, save for THHK, no Shareholder is required to abstain from voting in favour of the resolution(s) to approve the Acquisition, the SP Agreement and the transactions contemplated thereunder at the EGM.

A circular containing, among others, (i) details of the Acquisition, the SP Agreement and the transactions contemplated thereunder; (ii) further information of the EPRO Group; and (iii) the notice of the EGM is expected to be despatched to the Shareholders on or before 31 August 2013 as more time is needed for the preparation of the financial information to be contained therein.

* for identification purpose only

As Completion is subject to the fulfillment of a number of conditions precedent, the Acquisition may or may not be completed. Shareholders and potential investors should exercise caution when dealing in the Shares.

THE SP AGREEMENT

Date:

13 June 2013 (after trading hours)

Parties:

Purchaser : the Purchaser, an indirectly wholly-owned subsidiary of the Company

Vendors : THHK

LDL

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, (i) THHK and LDL are principally engaged in trading of listed securities; (ii) THHK and LDL are indirect wholly-owned subsidiaries of Town Health International Investments Limited, a company listed on the Main Board of the Stock Exchange (stock code: 3886); and (iii) the Vendors and their respective ultimate beneficial owners are Independent Third Parties.

As at the date of this announcement, THHK held 60,540,000 Shares, representing approximately 2.97% of the issued share capital of the Company.

Assets to be acquired:

THHK and LDL have conditionally agreed to sell to the Purchaser the THHK Sale Shares and the LDL Sale Shares respectively, and the Purchaser has conditionally agreed to purchase the THHK Sale Shares and the LDL Sale Shares from THHK and LDL respectively free from all Encumbrances together with all rights and title of any nature now or hereafter attaching thereto including but not limited to all interests, dividends or distributions which may be paid, declared or made in respect thereof at any time on or after the Completion.

The Sale Shares represented approximately 4.89% of the issued share capital of EPRO Limited as at the date of the SP Agreement. Immediately prior to the signing of the SP Agreement, the Group did not hold any EPRO Shares. As at the date of this announcement, save for the Sale Shares, the Company currently has no intention to acquire additional interest in EPRO Limited.

The SP Agreement does not contain any restrictions which apply to the subsequent sale of the Sale Shares.

Consideration:

The consideration for the sale and purchase of the THHK Sale Shares shall be HK\$2,229,024, which shall be payable in cash and satisfied in the following manner:

- (a) as to HK\$976,500 (“**THHK Deposit**”) payable by the Purchaser to THHK on the date of the SP Agreement; and
- (b) as to HK\$1,252,524 payable by the Purchaser to THHK at Completion.

The consideration for the sale and purchase of the LDL Sale Shares shall be HK\$77,692,272, which shall be payable in cash and satisfied in the following manner:

- (a) as to HK\$34,023,500 (“**LDL Deposit**”) payable by the Purchaser to LDL on the date of the SP Agreement; and
- (b) as to HK\$43,668,772 payable by the Purchaser to LDL at Completion.

The consideration was agreed at after arm’s length negotiations between each of the Vendors and the Group on normal commercial terms after taking into account the benefits of the Acquisition as disclosed in the paragraph headed “Reasons for and benefits of the Acquisition” below and the recent market prices of EPRO Shares. The average price payable by the Group for each of the Sale Shares is approximately HK\$0.321, representing a slight premium of 1.90% to the closing price of the EPRO Shares of HK\$0.315 as quoted on GEM on the date of the SP Agreement. The Directors consider that despite such slight premium, it is difficult, if not possible, for the Group to acquire the Sale Shares at such price in the dynamic stock market taking into account the fact that the trading price is expected to go up if the Group acquires such large quantity of the Sale Shares in the market.

The Group will fund the payment of the consideration by its internal resources.

Conditions precedent:

The SP Agreement and the obligations of the Purchaser to effect Completion are conditional upon:

- (a) the passing of ordinary resolution(s) by the Shareholders by poll at the EGM approving the terms of the SP Agreement and the transactions contemplated thereunder including but not limited to the acquisition by the Purchaser of the Sale Shares;
- (b) the warranties given by the Vendors in the SP Agreement will remain true and accurate in all respects and not misleading;
- (c) all requisite consents, clearances, authorisations and approvals (or, as the case may be, the relevant waiver) in connection with the entering into and the performance of the SP Agreement having been obtained by the parties thereto; and
- (d) the consummation of the transactions contemplated pursuant to the SP Agreement shall not have been restrained, enjoined or otherwise prohibited by any applicable laws and regulations, including any order, injunction, decree or judgment of any court or other governmental authority.

None of the conditions precedent is capable of being waived.

If the conditions precedent shall not have been fulfilled in full on or before 5:00 p.m. on the Long Stop Date, all rights and obligations of the parties thereunder shall cease and terminate, and no party shall have any claim against the others save for claim (if any) in respect of such continuing provisions in the SP Agreement or any antecedent breach thereof. In case of such termination, each of THHK and LDL shall refund the THHK Deposit and the LDL Deposit received by it to the Purchaser respectively within three Business Days from the date of such termination without interests.

Completion:

Subject to the fulfillment of the above conditions precedent, Completion shall take place on the fifth Business Day after the last outstanding condition precedent shall have been fulfilled (or such other date as the Purchaser and the Vendors shall agree in writing) on which Completion is to take place.

INFORMATION OF THE EPRO GROUP

EPRO Limited is a company incorporated in the Cayman Islands with limited liability and all issued EPRO Shares listed on GEM (stock code: 8086). The EPRO Group is principally engaged in the provision of professional information technology contracts and maintenance services as well as e-commerce business and provision of online sales platform.

Set out below is a summary of certain audited consolidated financial information of EPRO Limited for the two years ended 30 June 2012 (as extracted from the 2012 annual reports of EPRO Limited):

	For the year ended 30 June 2012 (HK\$'000)	For the year ended 30 June 2011 (HK\$'000)
Revenue	1,416,012	192,849
Net profit before taxation	163,942	78,003
Net profit after taxation	131,757	71,450

The unaudited consolidated total asset value and net asset value of EPRO Limited as at 31 December 2012 were approximately HK\$399,968,000 and HK\$289,205,000 respectively.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in (i) research, development and distribution of software for personal computers performance and security as well as mobile applications; and (ii) the provision of website development, electronic learning products and services (“**E-learning Business Unit**”). As at the date of this announcement, the Group currently has no intention to discontinue its existing businesses. Nevertheless, the Group has started the negotiation with a potential purchaser to dispose of some of its non-performing subsidiaries in the E-learning Business Unit. The Company will issue announcement in respect of such disposal (if materialised) as and when necessary in compliance with the GEM Listing Rules. Subject

to the finalisation of the proposal of the said disposal among the parties, the disposal (if materialised) may constitute a very substantial disposal for the Company under Chapter 19 of the GEM Listing Rules.

The EPRO Group is principally engaged in the provision of professional information technology contracts and maintenance services as well as e-commerce business and provision of online sales platform. In 2012, the EPRO Group established the B2C (Business-to-Customer) foreign trade e-commerce website DX.com to facilitate the communication with non-English speaking customers and increase consumer awareness of DX brand by linking to DealExtreme.com, another B2C foreign trade e-commerce website maintained by the EPRO Group. DealExtreme.com and DX.com target at overseas markets and aim to seek high-quality products from the PRC for global consumers, who can then enjoy a more caring, convenient and secured cross-border online shopping experience. As at 30 June 2012, the websites acquired a large loyal customer base from over 200 countries and regions worldwide. As at 31 March 2013, DX.com offered more than tens of thousands of products across 15 categories, including digital products, electronic and audio-visual accessories, mobile phone accessories, computer hardware, gardening tools, personal care products, outdoor gear, apparel accessories, auto parts and tools, stationery, creative toys, beauty and cosmetic tools, holiday gifts and pet supplies, bringing consumers a convenient shopping experience. In addition, the EPRO Group also provides tailor-made professional IT support solutions for government departments and corporate clients and the Group is one of its clients. The Board considers that the Acquisition may bring in possible collaboration opportunities between the Group and the EPRO Group in the future. No formal business collaboration plan was under negotiation between the Group and the EPRO Group as at the date of this announcement.

The Group has a strong and solid financial position. In light of the gradual recovery of the financial markets, the Group will enhance its treasury function to utilise its surplus resources with an aim to maximizing the investment returns and managing its financial resources to bring more value to shareholders. To this end, the Group will consider various ways of increasing returns, including investments in local or global securities market. The Board will take a positive but prudent approach to perform treasury management. The Board considers that the Acquisition may enable the Group to benefit from the possible investment gain by investing into the EPRO Group.

The terms of the SP Agreement were determined after arm's length negotiations between the parties thereto. The Directors (including the independent non-executive Directors) are of the view that the terms of the SP Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE GEM LISTING RULES

The Acquisition constitutes a very substantial acquisition for the Company and is subject to approval by the Shareholders by way of poll pursuant to the GEM Listing Rules. The EGM will be convened and held for the Shareholders to consider and, if thought fit, to approve the Acquisition, the SP Agreement and the transactions contemplated thereunder. The Company has confirmed with the Vendors that as at the date of this announcement, except for the holding of 60,540,000 Shares by THHK, none of LDL and any of the respective associates (as defined under the GEM Listing Rules) of THHK and LDL is holding any Shares. As

such, save for THHK, no Shareholder is required to abstain from voting in favour of the resolution(s) to approve the Acquisition, the SP Agreement and the transactions contemplated thereunder at the EGM.

A circular containing, among others, (i) details of the Acquisition, the SP Agreement and the transactions contemplated thereunder; (ii) further information of the EPRO Group; and (iii) the notice of the EGM is expected to be despatched to the Shareholders on or before 31 August 2013 as more time is needed for the preparation of the financial information to be contained therein.

As Completion is subject to the fulfillment of a number of conditions precedent, the Acquisition may or may not be completed. Shareholders and potential investors should exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“Acquisition”	the acquisition of the Sale Shares by the Purchaser
“Business Day”	a day (excluding Saturday and Sunday and any day on which a tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for general business
“Company”	M Dream Inworld Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the GEM
“Completion”	the completion of the Acquisition pursuant to the SP Agreement
“connected person(s)”	has the meaning ascribed to it in the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to consider and approve, among other things, the SP Agreement and the transactions contemplated thereunder including but not limited to the acquisition by the Purchaser of the Sale Shares

“Encumbrances”	any mortgage, charge, pledge, lien (otherwise than arising by statute or operation of law), hypothecation, equities, and adverse claims, or other encumbrance, priority or security interest, deferred purchase, title retention, leasing, sale and purchase, sale-and-leaseback arrangement over or in any property, assets or rights of whatsoever nature or interest or any agreement for any of the same
“EPRO Group”	EPRO Limited and its subsidiaries
“EPRO Limited”	EPRO Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the GEM (Stock code: 8086)
“EPRO Shares”	share(s) of HK\$0.01 each in the share capital of EPRO Limited
“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
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons
“LDL”	Lime Development Limited, a company incorporated in the British Virgin Islands, the vendor of the LDL Sale Shares under the SP Agreement
“LDL Sale Shares”	242,032,000 EPRO Shares owned by LDL
“Long Stop Date”	means 30 December 2013 (or such later date as the Purchaser and the Vendors may agree in writing)
“PRC”	the People’s Republic of China, for the purposes of this announcement only, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	Perfect Growth Limited, a company incorporated in Hong Kong and an indirectly wholly-owned subsidiary of the Company, being the purchaser named under the SP Agreement
“Sale Shares”	248,976,000 EPRO Shares, comprising the THHK Sale Shares and the LDL Sale Shares

“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“SP Agreement”	the sale and purchase agreement dated 13 June 2013 and entered into by and among the Purchaser and the Vendors in relation to the Acquisition
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“THHK”	Town Health Corporate Advisory and Investments Limited, a company incorporated in Hong Kong, the vendor of the THHK Sale Shares under the SP Agreement
“THHK Sale Shares”	6,944,000 EPRO Shares owned by THHK
“Vendors”	THHK and LDL
“%”	per cent.

By order of the Board
M Dream Inworld Limited
Chi Chi Hung, Kenneth
Chairman

Hong Kong, 13 June 2013

As at the date of this announcement, the Board consists of Mr. Chi Chi Hung, Kenneth being the Executive Director, and Mr. Billy B Ray Tam, Mr. Yu Pak Yan, Peter and Ms. Chan Hoi Ling 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 <http://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.