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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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting of M Dream Inworld Limited (“Company”) will be held at 10:30 a.m. on 29th December, 2006 at Phoenix Room, The Charterhouse Hotel, 209-219 Wanchai Road, Hong Kong for the purpose of considering and, if thought fit, passing the following resolutions as special resolutions and ordinary resolutions of the Company.

SPECIAL RESOLUTION

1. **“THAT**, conditional and effective upon (i) compliance with any conditions which the Grand Court of the Cayman Islands (the “Court”) may impose, (ii) the confirmation of the Capital Reduction (as defined below) by the Court and the registration by the Registrar of Companies in the Cayman Islands of a copy of the court order confirming the Capital Resolution (as defined below) and the minutes approved by the Court containing the particulars required under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands; and (iii) the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and the permission to deal in, shares of HK\$0.01 each in the issued share capital of the Company upon the Capital Reorganisation (as defined below) becoming effective:
 - (a) every ten shares of HK\$0.01 in the capital of the Company in issue on the date this resolution becomes effective (the “Effective Date”) be consolidated into one (1) share of HK\$0.10 (the “Consolidated Share”) in the issued capital of the Company (the “Share Consolidated”) and any fractional Consolidated Shares be aggregated and sold for the benefit of the Company;
 - (b) the issued share capital of the Company be reduced by cancelling paid up capital to the extent of HK\$0.09 on each of the Consolidated Share of HK\$0.10 in the capital of the Company in issue on the Effective Date (the “Capital Reduction”) so that each issued share in the capital of the Company shall be treated as one fully-paid up share of HK\$0.01 each in the capital of the Company (the “Reduced Share”);
 - (c) subject to and forthwith upon the Capital Reduction taking effect, the credit arising from the Capital Reduction be credited to the distributable reserve account of the Company where they may be utilised in accordance with the association of the Company and all applicable laws, including to cancel the share premium of the Company as at 31 December 2005 (the “Share Premium Cancellation”); and

* For identification purpose only

(d) The Directors be authorised to do all such things, take all such steps and execute all such documents.”

2. “**THAT** the articles of association (the “**Articles**”) of the Company be and are hereby amended in the following manner:

(a) **Article 18**

by deleting Article 18 in its entirety and replacing it with the following:

“18. Every share certificate shall specify the number and class of shares in respect of which it is issued and the amount paid thereon or the fact that they are fully paid, as the case may be, and may otherwise be in such form as the Board may from time to time prescribe. A share certificate shall relate to only one class of shares, and where the capital of the Company includes shares with different voting rights, the designation of each class of shares, other than those which carry the general right to vote at general meeting, must include the words “restricted voting” or “limited voting” or some other appropriate designation which is commensurate with the rights attaching to the relevant class of shares and where the capital of the Company includes shares which do not carry voting rights, the words “non-voting” must appear in the designation of such shares.”

(b) **Article 80**

by deleting the existing Article 80 in its entirety and substituting therefor the following new Article 80:

“80. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is duly demanded or otherwise required under the Listing Rules. A poll may be demanded by:

- (a) the Chairman of the meeting; or
- (b) at least five members present in person or by proxy or, in the case of corporations, by their duly authorised representatives, and entitled to vote or who represent in the aggregate not less than one-tenth of the total voting rights of all members having the right to attend and vote at the meeting; or
- (c) any member or members present in person or by proxy or, in the case of corporations, by their duly authorised representatives, and holding shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all shares conferring that right; or

- (d) if required by the Listing Rules, any Director or Directors who, individually or collectively, hold proxies in respect of shares representing five (5) per cent or more of the total voting rights at that meeting.

Unless a poll is so required or demanded and, in the latter case, not withdrawn, a declaration by the Chairman that a resolution has on a show of hands been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the Company's book containing the minutes of proceedings of meetings of the Company shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favour of or against such resolution."

(c) **Article 93**

by inserting the words "(provided that this shall not preclude the use of the two-way form)" immediately after the words "as the Board may from time to time approve" at the end of Article 93.

(d) **Article 99**

by deleting the existing Article 99 in its entirety and substituting therefor the following new Article 99:

"99. The Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to their number) and shall then be eligible for re-election at that meeting provided that any Director who so retires shall not be taken into account in determining the number of Directors who are to retire at such meeting by rotation pursuant to Article 116."

(e) **Article 106**

by deleting the existing Article 106(vii) in its entirety and substituting therefor the following new Article 106(vii):

"106.(vii) if he shall be removed from office by an ordinary resolution of the members of the Company under Article 122(a)."

(f) **Article 116**

by deleting the existing Article 116 in its entirety and substituting therefor the following new Article 116:

“116. At each annual general meeting, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree between themselves) be determined by lot. A retiring Director shall retain office until the close of the meeting at which he retires, and shall be eligible for re-election thereat.”

(g) **Article 119**

by deleting the existing Article 119 in its entirety and substituting therefor the following new Article 119:

“119. The Company may from time to time in general meeting by ordinary resolution increase or reduce the number of Directors but so that the number of Directors shall not be less than two. Subject to the provisions of these Articles and the Law, the Company may by ordinary resolution elect any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to their number) and shall then be eligible for re-election provided that any Director who so retires shall not be taken into account in determining the Directors who are to retire at such meeting.”

(h) **Article 122**

(i) by deleting the existing Article 122(a) in its entirety and substituting therefor the following new Article 122(a):

“122.(a) The Company may by ordinary resolution at any time remove any Director (including a Managing Director or other executive Director) before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director and may by ordinary resolution elect another person in his stead. Any person so elected shall hold office during such time only as the Director in whose place he is elected would have held the same if he had not been removed.”

- (ii) by deleting the summary note to the existing Article 122 in its entirety and substituting therefor the following new summary note:

“Power to remove Director by ordinary resolution”

(i) **Article 163**

by deleting Article 163(b) in its entirety and replacing it with the following:

“163.(b) Copies of those documents to be laid before the members of the Company at an annual general meeting shall not less than 21 days before the date of the meeting, and at the same time as the notice of annual general meeting be send in the manner in which notices may be served by the Company provided herein to every member of the Company and every holder of debentures of the Company, provided that the Company shall not be required to send copies of those documents to any person of whose address the Company is not aware or to more than one of the joint holders of any shares or debentures.””

ORDINARY RESOLUTION

3. **“THAT** conditional upon the passing of the Resolution No. 1 above:

- (a) the conditional subscription agreement date 10 October 2006 entered into between the Company as the issuer and Ample Field Limited (“Ample Field”) the subscriber (“the Subscription Agreement”, a copy of which is produced to the meeting marked “A” and signed by the Chairman of the meeting for the purpose of identification) relating to the subscription of the HK\$14,040,000 convertible bonds be and are hereby approved, confirmed and ratified;
- (b) any one director of the Company, or any two directors of the Company if the affixation of the common seal of the Company is necessary, be and is/are hereby authorised on behalf of the Company sign, seal, execute, perfect, deliver and do all such documents, deeds, acts, matters and things as he/they may in his/their absolute discretion consider necessary or desirable or expedient for the purpose of or in connection with the implementation of and to give effect to the Subscription Agreement and any other transaction, agreements or documents contemplated thereunder.”

4. **“THAT** conditional upon the passing of the Resolution 1 and 3 above, the application for Whitewash Waiver (as defined and described in the circular of the Company date 4th December, 2006) be and is hereby approved and that any Director be and is hereby authorised to do all things and acts and sign all documents which he considers desirable or expedient to implement and/or give effect to any matters arising to or in connection with the Whitewash Waiver.”

5. “**THAT** conditional upon the passing of Resolutions No. 1, 3, 4 above and subject to the Capital Reorganisation becoming effective:

- (a) subject to paragraph 5(c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with unissued shares in the capital of the Company and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph 5(a) above shall be in addition to any other authorization given to the Directors and shall authorize the Directors during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which would or might require the exercise of such powers after the end of the Relevant Periods;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraphs 3 above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) an issue of shares under any options granted under the share option scheme adopted by the Company; (iii) an issue of shares upon the exercise of subscription rights attached to the warrants which might be issued by the Company; (iv) an issue of shares in lieu of the whole or part of a dividend pursuant to any scrip dividend scheme or similar arrangement in accordance with the bye-laws of the Company; and (v) any adjustment, after the date of grant or issue of any options, rights to subscribe or other securities referred to in (ii) and (iii) above, in the price at which shares in the Company shall be subscribed, and/or in the number of Shares in the Company which shall be subscribed, on exercise of relevant rights under such options, warrants or other securities, such adjustment being made in accordance with, or as contemplated by, the terms of such options, rights to subscribe or other securities, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the time of passing this resolution; and
- (d) for the purpose of this Resolution:

“Relevant Period” means the period from the time of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Memorandum of Association and Bye-laws of the Company or any applicable laws of Bermuda to be held; and
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Right Issue” means an offer of Shares open for a period fixed by the Directors to holders of the Shares on the register of members on a fixed record date in proportion to their then holdings of such shares (subject to such exclusive or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognized regulatory body or any stock exchange).”

6. **“THAT** conditional upon the passing of Resolutions No. 1, 3 to 5 above:

- (a) subject to paragraph 6(c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to purchase issued shares in the capital of the Company on the Stock Exchange or on any other stock exchange on which the Shares may be listed and recognized by The Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, and that the exercise by the Directors of all powers of the Company to purchase such securities are subject to and in accordance with all applicable laws and/or the Rules Governing the Listing of Securities on the Stock Exchange or any other stock exchange from time to time be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph 6(a) shall be in addition to any other authorization given to the Directors and shall authorize the Directors on behalf of the Company during the Relevant Period to procure the Company to purchase its Shares at a price determined by the Directors;
- (c) the aggregate nominal amount of share capital of the Company purchased or agreed conditionally or unconditionally to be purchased by the Company pursuant to the approval in paragraph 6(a) during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the time of passing this resolution, which includes the Subscription Shares; and
- (d) for the purpose of this resolution:

“Relevant Period” means the period from the time of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Memorandum of Association and Bye-laws of the Company or any applicable laws of Bermuda to be held; and
- (iii) the revocation or variation of the authority given under this resolution by ordinary resolution of the shareholders of the Company in general meeting.”

7. “**THAT** conditional upon the passing of the Resolutions No. 1, 3 to 6 above, the aggregate nominal amount of the shares in the capital of the Company which are purchased by the Company pursuant to and in accordance with the Resolution 6 shall be added to the aggregate nominal amount of the share capital of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to and in accordance with the Resolution 4 provided that such amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this Resolution, which includes the Subscription Shares.”

On behalf of the Board
Koh Tat Lee, Michael
Chairman

Hong Kong, 4th December, 2006

Principal place of business in Hong Kong:

Room A, 5th Floor,
Teda Building,
87 Wing Lok Street,
Sheung Wan,
Hong Kong

Notes:

- (1) A member entitled to attend and vote at the above meeting may appoint a proxy to attend and, on a poll vote on his behalf and such proxy need not be member of the Company. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf, if more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed. A form of proxy for use at the meeting is enclosed.
- (2) In order to be valid, the form or proxy, together with any power of attorney or authority under which it is signed or a certified copy of that power of attorney or authority, must be deposited at the Company’s branch share registrar in Hong Kong. Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong, not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.
- (3) Completion and return of the form of proxy will not preclude a shareholder of the Company from attending and voting in person at the meeting convened or any adjournment thereof and in such event, the authority of the proxy shall be deemed to be revoked.

As at the date of this notice, the board of Directors consists of Mr. Koh Tat Lee, Michael, Mr. Domingo Chen and Dr. Choong Ying Chuan, being the Executive Directors, Mr. Wong Kean Li, being the Non-executive Director, Mr. Cheung Wai Shing, Mr. Tsang Kwok Wai and Mr. Chu, Ray being the Independent Non-executive Directors.

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