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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 EGM

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting (the “EGM”) of M Dream Inworld Limited (the “**Company**”) will be held at 10:30 a.m. on 13 December 2010 at Phoenix Room, The Charterhouse Hotel, 209-219 Wanchai Road, Hong Kong for the following purpose of considering and, if thought fit, passing with or without amendments, the following resolutions:

ORDINARY RESOLUTIONS

1. “**THAT** subject to and conditional upon, among others, the granting by The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) of the listing of, and permission to deal in, the issued ordinary shares of the Company consolidated in the manner as set out in paragraph (a) of this resolution below (the “**Share Consolidation**”):
 - (a) with effect from the day immediately following the date on which this resolution is passed, being a day on which shares are traded on the Stock Exchange, every five issued and unissued ordinary shares of HK\$0.01 each in the share capital of the Company (each an “Existing Share”) be consolidated into one share of HK\$0.05 (each a “Consolidated Share”), such Consolidated Shares shall rank pari passu in all respects with each other and have the rights and privileges and be subject to the restrictions in respect of ordinary shares contained in the articles of the Company;

* *for identification purposes only*

- (b) the directors of the Company (the “Directors”) be and are generally authorised to do all such acts and things and execute all such documents, including under seal where applicable, as they consider necessary, desirable or expedient to give effect to the foregoing arrangements for the Share Consolidation.”
2. “**THAT** the authorised share capital of the Company be increased from HK\$60,000,000 divided into 6,000,000,000 Existing Shares (equivalent to 1,200,000,000 Consolidated Shares) to HK\$400,000,000 divided into 8,000,000,000 Consolidated Shares (on the assumption that the Share Consolidation having become effective) by the creation of an additional 6,800,000,000 Consolidated Shares each (the “**Increase in Authorised Share Capital**”) and that any Directors be and are hereby authorised to do all such acts, deeds and things and shall execute all such documents, including under seal where applicable, as they consider necessary, desirable or expedient to give effect to the Increase in Authorised Share Capital.”
3. “**THAT**
- (a) subject to, among others, the passing of the special resolution numbered 5 and conditional upon fulfillment of the conditions of the Underwriting Agreement (as defined below), the Open Offer (as defined below) and the Bonus Issue (as defined below) and the transactions contemplated thereunder be and are hereby approved;

For the purpose of this resolution, “**Open Offer**” means the proposed issue by way of open offer of 1,048,894,324 offer shares (the “**Offer Shares**”) at a subscription price of HK\$0.10 per Offer Shares to the qualifying shareholders (the “**Qualifying Shareholders**”) of the Company whose names appear on the date by reference to which entitlement under the Open Offer will be determined (other than those shareholders (the “**Prohibited Shareholders**”) with registered addresses outside Hong Kong whom the Directors, after making relevant enquiry, consider their exclusion from the Open Offer to be necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place) in the proportion of four (4) Offer Shares for every one (1) Consolidated Share then held and otherwise pursuant to and subject to the fulfillment of the conditions of terms set out in the underwriting agreement (the “**Underwriting Agreement**” and including all supplemental agreements relating thereto) (a copy of which have been produced to this Meeting marked “A” and signed by the chairman of this Meeting for the purpose of identification) dated 15 October 2010 and made between the Company and Kingston Securities Limited as underwriter (the “**Underwriter**” or “**Kingston Securities**”);

- (b) the Directors be and are hereby authorised to allot and issue the Offer Shares pursuant to the Open Offer and the Bonus Shares pursuant to the Bonus Issue (as defined below) notwithstanding the same may be offered, allotted or issued otherwise than pro rata to the Qualifying Shareholders and, in particular, the Directors may make such exclusions or other arrangements in relation to the Prohibited Shareholders as they deem necessary, desirable or expedient to having regard to any restrictions or obligations under the articles of association of the Company or the laws of, or the rules and regulations of any recognized regulatory body or any stock exchange in, any territory outside Hong Kong;
- (c) the Underwriting Agreement and the transactions contemplated thereunder (including but not limited to the arrangements for taking up of the unsubscribed Offer Shares and the Bonus Shares, if any, by Kingston Securities) be and are hereby approved, confirmed and ratified;
- (d) the arrangements for no excess application for the Offer Shares by the Qualifying Shareholders under the Open Offer be and are hereby approved, confirmed and ratified; and
- (e) any Directors be and are hereby authorised to sign or execute such documents and do all acts and things in connection with the allotment and issue of the Offer Shares and Bonus Shares, the implementation of the Open Offer, the Bonus Issue (as defined below) and the Underwriting Agreement, the exercise or enforcement of any of the Company’s rights under the Underwriting Agreement and to make and agree to make such variations of the terms of the Underwriting Agreement as they may in their discretion consider to be appropriate, necessary or desirable and in the interests of the Company and its shareholders.”

SPECIAL RESOLUTIONS

4. **“THAT** the articles of association of the Company shall be amended by way of that the existing article 142 of the articles of association shall be deleted in its entirety and substituted therefor by the following new article 142 (the **“Amendment to the Articles”**):

“142. The Company may in general meeting, upon the recommendation of the Board, at any time and from time to time pass an ordinary resolution to the effect that it is desirable to capitalise all or any part of the amount for the time being standing to the credit of any reserve or fund of the Company (including a share premium account, capital redemption reserve and the profit and loss account) whether or not the same is available for dividend or otherwise available for distribution and such amount be set free for

distribution among the members or any class of members who would be entitled to receive the same if distributed by way of dividend and in the same proportions, or among such of the members or such other persons and in any such proportions as recommended by the Board (such non-pro-rata distribution to be approved by the Company in general meeting on every occasion when the Board recommends the same), on the footing that the same is not paid in cash but is applied on behalf of such members or such other persons either in or towards paying up in full any unpaid shares, or paying up in full, at par or at such premium as the resolution may provide, any unissued shares or debentures or other obligations of the Company which shall be allotted, issued and distributed credited as fully paid among such members or such other persons and in any such proportions as the resolution may provide (prior approval of such non-pro-rata distributions having been obtained from the Company in general meeting), and the Board shall give effect to such resolution.”

and that any Directors be and are hereby authorised to do all such acts, deeds and things and shall execute all such documents, including under seal where applicable, as they consider necessary, desirable or expedient to give effect to the Amendment to the Articles.”

5. **“THAT**

- (a) subject to, among others, the passing of the ordinary resolution numbered 3 and the special resolution numbered 4, the issue (the “**Bonus Issue**”) by way of bonus shares (the “**Bonus Shares**”) to the registered holders of the Offer Shares on the basis of three (3) Bonus Shares for every four (4) Offer Shares taken up in accordance with the terms and conditions as set out in the circular of the Company dated 17 November 2010 be and is hereby confirmed and approved and the Directors be and is hereby authorised to allot and issue the Bonus Shares pursuant to or in connection with the Bonus Issue notwithstanding that the same may be offered, allotted or issued otherwise than pro rata to the existing Shareholders and, in particular, the Directors be and are hereby authorised to make such exclusion or other arrangements in relation to fractional entitlements or overseas Shareholders as they deem necessary, desirable or expedient having regard to any restrictions or obligations under the articles of association of the Company or the laws of, or the rules and regulations of any recognized regulatory body or any stock exchange in, any territory outside Hong Kong; and

- (b) the Directors be and are hereby authorised to execute all such documents and to do all such acts and things as they consider necessary, desirable or expedient in connection with the Open Offer and the Bonus Issue, including but not limited to the allotment and issue of the Offer Shares and the Bonus Shares.”

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

Hong Kong, 17 November 2010

Registered Office:

P.O. Box 309, Uglan House
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Principal place of business in Hong Kong:

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39-41 Sheung Heung Road
To Kwa Wan
Kowloon
Hong Kong

Notes:

1. A member entitled to attend and vote at the EGM is entitled to appoint one or more proxy to attend and, subject to the provisions of the articles of association of the Company, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the EGM to represent the member. 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.
2. Whether or not you intend to attend the EGM in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the EGM or any adjournment thereof, should he so wish.
3. In order to be valid, the form of proxy, together with a power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority must be deposited at the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof.

4. In the case of joint holders of shares, any one of such holders may vote at the EGM, either personally or by proxy, in respect of such share as if he was solely entitled thereto, but if more than one of such joint holder are present at the EGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.

As at the date of this announcement, the Board of Directors consists of Mr. Chi Chi Hung, Kenneth and Mr. Ng Kay Kwok being the Executive Directors, 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 of the issuer 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 issuer. 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.