

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in M Dream Inworld Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

- (1) PROPOSED GRANT OF GENERAL MANDATES TO
ALLOT AND ISSUE NEW SHARES AND REPURCHASE SHARES;
(2) PROPOSED REFRESHMENT OF THE SCHEME MANDATE LIMIT
UNDER THE SHARE OPTION SCHEME;
(3) PROPOSED RE-ELECTION OF DIRECTORS; AND
(4) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of the Company to be held at Phoenix Room, The Charterhouse Hotel, 209–219 Wanchai Road, Hong Kong on 26 May 2011 at 10:30 a.m. is set out on pages 15 to 19 of this circular. A form of proxy for use at the annual general meeting is enclosed.

Whether or not you intend to attend and vote at the annual general meeting, you are requested to complete and return the enclosed form of proxy to 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 in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting or any adjournment thereof should you so wish.

This circular will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for seven days from the date of its publication and on the Company’s website.

* For identification purpose only

CHARACTERISTICS OF GEM

Characteristics of the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Exchange”).

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be convened and held at Phoenix Room, The Charterhouse Hotel, 209-219 Wanchai Road, Hong Kong on 26 May 2011 to consider and, if thought fit, to approve, among other matters, the proposed grant of the General Mandate and the Repurchase Mandate, the refreshment of the Scheme Mandate Limit under the Share Option Scheme and the re-election of Directors
“Articles”	the articles of association of the Company, and “Article” shall mean an Article of the Articles of Association
“associate(s)”	has the meaning ascribed thereto in the GEM Listing Rules
“Board”	the board of Directors
“Company”	M Dream Inworld Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM
“Director(s)”	the director(s) of the Company
“Existing Limit”	the total number of Shares that may be issued upon exercise of all options to be granted under the Share Option Scheme and any other option scheme of the Company which was approved by the Shareholders at the extraordinary general meeting of the Company held on 24 December 2007
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“General Mandate”	the general mandate proposed to be granted to the Directors at the AGM to issue further new Shares not exceeding 20% of the issued share capital of the Company as at the date of passing the relevant resolution granting such mandate
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	14 April 2011, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular

DEFINITIONS

“Options”	the options granted under the Share Option Scheme to subscribe for Shares in accordance with the Share Option Scheme
“Refreshed Limit”	the proposed limit on the number of Shares that may be issued upon exercise of the options to be granted under the Share Option Scheme, being 10% of the Shares in issue as at the date of approval of such limit
“Repurchase Mandate”	the repurchase mandate proposed to be granted to the Directors at the AGM to exercise the powers of the Company to repurchase up to a maximum of 10% of the issued share capital of the Company as at the date of passing the relevant resolution granting such mandate
“Scheme Mandate Limit”	the maximum number of Shares which may be issued upon exercise of all options (excluding options lapsed in accordance with the Share Option Scheme) that may be granted under the Share Option Scheme
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Share Option Scheme”	the share option scheme adopted by the Company on 24 December 2007
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Chi Chi Hung, Kenneth
Mr. Ng Kay Kwok

Independent Non-executive Directors:

Mr. B Ray Tam, Billy
Mr. Yu Pak Yan, Peter
Ms. Chan Hoi Ling

Registered office:

P.O. Box 309, Ugland House
Grand Cayman
KY1-1104
Cayman Islands
British West Indies

*Head office and principal place of
business in Hong Kong:*

Block C, 10 Floor
Cheong Wah Factory Building
39-41 Sheung Heung Road
To Kwa Wan
Kowloon, Hong Kong

19 April 2011

To the Shareholders

Dear Sir or Madam,

- (1) PROPOSED GRANT OF GENERAL MANDATES TO
ALLOT AND ISSUE NEW SHARES AND REPURCHASE SHARES;
(2) PROPOSED REFRESHMENT OF THE SCHEME MANDATE LIMIT
UNDER THE SHARE OPTION SCHEME;
(3) PROPOSED RE-ELECTION OF DIRECTORS; AND
(4) NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

At the AGM to be held at Phoenix Room, The Charterhouse Hotel, 209-219 Wanchai Road, Hong Kong on 26 May 2011 at 10:30 a.m., resolutions will be proposed, among other matters:

- (a) to re-elect the Directors;
(b) to grant the General Mandate to the Directors;

* For identification purpose only

LETTER FROM THE BOARD

- (c) to grant the Repurchase Mandate to the Directors;
- (d) to increase the number of Shares to be allotted and issued under the General Mandate by an additional number representing such number of Shares repurchased under the Repurchase Mandate; and
- (e) to refresh the Scheme Mandate Limit under the Share Option Scheme.

The purpose of this circular is to provide you with information in relation to the resolutions to be proposed at the AGM for the grant of the General Mandate and the Repurchase Mandate, the refreshment of the Scheme Mandate Limit under the Share Option Scheme, the re-election of Directors, and to give you the notice of the AGM.

GENERAL MANDATE AND REPURCHASE MANDATE

The General Mandate and the Repurchase Mandate shall be effective until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company; or
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles, or any applicable law of the Cayman Islands to be held; or
- (c) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors.

Under the GEM Listing Rules, the Company is required to give to the Shareholders all information which is reasonably necessary to enable the Shareholders to make an informed decision as to whether to vote for or against the resolution to renew the grant to the Directors of the Repurchase Mandate. The explanatory statement required by the GEM Listing Rules to be included in this circular is set out in Appendix I.

General Mandate

The Company has in issue an aggregate of 2,097,788,648 Shares as at the Latest Practicable Date. Subject to the passing of the proposed resolution for the approval of the General Mandate and in accordance with the terms therein, the Company would be allowed to allot and issue up to a maximum of 419,557,729 Shares, representing 20% of the aggregate nominal amount of the issued Shares at the time of the passing of the resolution approving the General Mandate on the basis that no further Shares will be issued or repurchased by the Company prior to the AGM. In addition, it is further proposed, by way of a separate ordinary resolution that the General Mandate be extended so that the Directors be given a general mandate to issue further Shares of an aggregate nominal value equal to the aggregate nominal value of the share capital repurchased under the Repurchase Mandate. Any issue of new Shares of the Company is subject to approval from the Stock Exchange for the listing of and permission to deal in such new Shares.

LETTER FROM THE BOARD

Repurchase Mandate

On pages 15 to 19 of this circular is the notice of the AGM. At the AGM, and as part of the special business of the AGM, an ordinary resolution will be proposed to grant the Repurchase Mandate to the Directors.

REFRESHMENT OF THE SCHEME MANDATE LIMIT UNDER THE SHARE OPTION SCHEME

The Share Option Scheme was adopted by the Company on 24 December 2007. Under the rules of the Share Option Scheme, the Scheme Mandate Limit must not in aggregate exceed 10% of the issued share capital of the Company as at the date of approval of the Share Option Scheme.

The Scheme Mandate Limit may be refreshed by obtaining approval of the Shareholders in general meeting provided that the Refreshed Limit shall not exceed 10% of the issued share capital of the Company as at the date of approval of such limit. Options previously granted under the Share Option Scheme and any other share option schemes of the Company (including those outstanding, cancelled, lapsed in accordance with the Share Option Scheme or exercised options) shall not be counted for the purpose of calculating the Refreshed Limit.

Notwithstanding the foregoing, the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the issued share capital of the Company from time to time.

As at the Latest Practicable Date, the Company does not have any share option schemes other than the Share Option Scheme. The Scheme Mandate Limit was not refreshed since the date of the adoption of the Share Option Scheme on 24 December 2007.

Up to the Latest Practicable Date, the Company has not granted any options under the Existing Limit. As such, the Directors may grant options to subscribe for 12,413,899 Shares of HK\$0.05 each (equivalent to 62,069,499 shares of the Company before share consolidation becoming effective from 14 December 2010) before the renewal of the Existing Limit, representing approximately 0.59% of the existing issued share capital of the Company. As at the Latest Practicable Date, no Options under the Share Option Scheme were outstanding since adoption.

As the purpose of the Share Option Scheme is to recognize and motivate the contribution of the employees and eligible persons of the Group and to provide incentives and to help the Group in retaining its existing employees and recruiting additional employees and to provide them with a direct economic interest in attaining the long term business objectives of the Group, the Directors consider that the refreshment of the Existing Limit is in the interests of the Company and the Shareholders as it enables the Company to have more flexibility in providing incentives to those eligible persons by way of granting of options.

LETTER FROM THE BOARD

Based on the issued share capital of 2,097,788,648 Shares as at the Latest Practicable Date and assuming that no further Shares will be issued or repurchased prior to the AGM, the Refreshed Limit will enable the Company to grant Options carrying rights to subscribe for up to a total of 209,778,864 Shares under the Share Option Scheme. An ordinary resolution will be proposed at the AGM to refresh the Scheme Mandate Limit to 10% of the issued share capital of the Company at the date of the AGM.

The refreshment of the Scheme Mandate Limit is conditional upon:

- (a) the passing of an ordinary resolution by the Shareholders at the AGM to approve the Refreshed Limit; and
- (b) the GEM Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the new Shares which may be issued upon exercise of Options to be granted under the Refreshed Limit.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the new Shares which may be issued upon exercise of options to be granted under the Refreshed Limit.

RE-ELECTION OF DIRECTORS

According to Article 116, 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 at every annual general meeting. A retiring Director shall be eligible for re-election.

According to Article 116A, at each annual general meeting, all Non-executive Directors (including all Independent Non-executive Directors) shall retire from office. A retiring Director shall retain office until the close of the meeting at which he retires, and shall be eligible for re-election.

According to Article 119, 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 annual general meeting of the Company and shall then be eligible for re-election, but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting.

Mr. Chi Chi Hung, Kenneth and Mr. Ng Kay Kwok were appointed as Executive Directors on 8 July 2010 and 9 July 2010 respectively. Mr. B Ray Tam, Billy was appointed as Independent Non-executive Director on 18 June 2010, Mr. Yu Pak Yan, Peter and Ms. Chan Hoi Ling were appointed as Independent Non-executive Directors on 30 July 2010. Pursuant to Article 119, they shall hold office only until the AGM and shall be eligible for re-election at that meeting.

At the AGM, an ordinary resolution will be proposed to re-elect Mr. Chi Chi Hung, Kenneth and Mr. Ng Kay Kwok as Executive Directors and Mr. B Ray Tam, Billy, Mr. Yu Pak Yan, Peter and Ms. Chan Hoi Ling as Independent Non-executive Directors.

Particulars relating to Mr. Chi Chi Hung, Kenneth, Mr. Ng Kay Kwok, Mr. B Ray Tam, Billy, Mr. Yu Pak Yan, Peter and Ms. Chan Hoi Ling are set out in Appendix II to this circular.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

This circular, 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 circular 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 circular misleading.

ACTION TO BE TAKEN

Whether or not you intend to attend the AGM, you are requested to complete and return the form of proxy accompanying this circular in accordance with the instructions printed thereon to 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 as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. The completion and return of a form of proxy will not preclude you from attending and voting at the AGM or any adjournment thereof in person if you so wish.

RECOMMENDATION

Pursuant to Rule 17.47(4) of the GEM Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Therefore, all resolutions proposed at the AGM shall be voted by poll.

The Directors believe that an exercise of the General Mandate to allot and issue new Shares will enable the Company to take advantage of market conditions to raise additional capital for the Company.

The Directors believe that the proposed grant of the General Mandate and the Repurchase Mandate, the proposed refreshment of the Scheme Mandate Limit and the proposed re-election of Directors are in the best interests of the Company and the Shareholders as a whole and recommend the Shareholders to vote in favour of the above resolutions to be proposed at the AGM.

GENERAL

Your attention is drawn to the information set out in the appendices to this circular.

Yours faithfully,
For and on behalf of the Board of
M Dream Inworld Limited
Chi Chi Hung, Kenneth
Chairman

This Appendix serves as an explanatory statement, as required by the GEM Listing Rules, to provide the requisite information to you for your consideration of the Repurchase Mandate.

REPURCHASE MANDATE TO PURCHASE SHARES

1. The Repurchase Proposal

The resolution set out in Resolution 5 in the notice convening the AGM which will be proposed at the AGM relates to the granting of a Repurchase Mandate to the Directors to repurchase, on GEM or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission, Shares up to a maximum of 10% of the issued share capital of the Company at the date of passing the resolution. The Repurchase Mandate would continue in force until the conclusion of the next annual general meeting of the Company or the expiration of the period within which the next annual general meeting of the Company is required by the Articles or the Repurchase Mandate is revoked or varied by an ordinary resolution in a general meeting by the shareholders of the Company, whichever is the earliest.

2. Repurchase of securities from connected parties

The GEM Listing Rules prohibit a company from knowingly purchasing securities on the Stock Exchange from a “connected person”, that is, a director, chief executive or substantial shareholder of the Company or any of its subsidiaries or their respective associates and a connected person is prohibited from knowingly selling his/her/its securities to the Company.

No connected person of the Company has notified the Company that he/she/it has a present intention to sell any Shares to the Company nor has any such connected person undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Repurchase Mandate is passed.

3. Share capital

As at the Latest Practicable Date, the issued share capital of the Company comprised 2,097,788,648 fully paid Shares.

Subject to the passing of the proposed resolution for the approval of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased by the Company prior to the AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 209,778,864 Shares, representing 10% of the issued share capital of the Company as at the Latest Practicable Date.

4. Reasons for the repurchase

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders as a whole. An exercise of the Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets per Share and/or earnings per Share and will only be made when the Directors believe that a repurchase will benefit the Company and the Shareholders as a whole.

5. Funding of repurchases

Pursuant to the Repurchase Mandate, repurchases would be funded entirely from the Company's available cash flow or working capital facilities which will be funds legally available under the Cayman Islands law and the memorandum and articles of association of the Company for such purpose. Any premium payable on a repurchase over the par value of the Shares may be effected out of funds of the company which would otherwise be available for dividend or distribution or out of the company's share premium account.

An exercise of the Repurchase Mandate in full could have a material adverse impact on the working capital and gearing position of the Company compared with that as at 31 December 2010, being the date of its latest published audited consolidated accounts. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing position of the Company.

6. Share prices

The highest and lowest prices at which the Shares have traded on the Stock Exchange in each of the previous twelve calendar months were as follows:

Month	Price per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2010		
April	0.166 ^A	0.136 ^A
May	0.166 ^A	0.133 ^A
June	0.159 ^A	0.118 ^A
July	0.134 ^A	0.119 ^A
August	0.121 ^A	0.114 ^A
September	0.144 ^A	0.119 ^A
October	0.138 ^A	0.112 ^A
November	0.128 ^A	0.099 ^A
December	0.179	0.078
2011		
January	0.100	0.060
February	0.085	0.069
March	0.082	0.059
April (up to the Latest Practicable Date)	0.074	0.064

A = adjusted for the share consolidation, open offer and bonus issue.

7. Disclosure of interests and minimum public holding

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, their associates, have any present intention to sell to the Company or its subsidiaries any of the Shares in the Company if the Repurchase Mandate is approved at the AGM and exercised.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the GEM Listing Rules and applicable laws of the Cayman Islands.

If a Shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, there is no substantial Shareholder according to the definition of the GEM Listing Rules. In the event that the Repurchase Mandate is exercised in full, no shareholding of the substantial Shareholder would be affected.

The Directors are not aware of any consequences which may arise under the Takeovers Code as consequences of any purchase made under the Repurchase Mandate. However, the Company may not repurchase Shares which would result in the amount of Shares held by the public being reduced to less than 25%.

As at the Latest Practicable Date, no connected person (within the meaning ascribed to it in the GEM Listing Rules) of the Company has notified the Company that he has a present intention to sell any Shares nor has such connected person undertaken not to sell any of the securities held by him to the Company in the event that the Repurchase Mandate is granted.

8. Shares repurchase made by the Company

No repurchases of Shares have been made by the Company (whether on the Stock Exchange or otherwise) during the six months immediately prior to the Latest Practicable Date.

The details of the Directors proposed to be re-elected at the AGM are set out below:

(1) Mr. Chi Chi Hung, Kenneth (“Mr. Chi”)

Mr. Chi, aged 42, was appointed as Chairman and Executive Director with effect from 8 July 2010. Mr. Chi, has over 18 years of experience in accounting and financial control area. He holds a Bachelor of Accountancy Degree from the Hong Kong Polytechnic University and is a fellow member of Association of Chartered Certified Accountants in the United Kingdom, an associate member of the Hong Kong Institute of Certified Public Accountants, an associate member of the Hong Kong Institute of Chartered Secretaries and an associate member of the Institute of Chartered Secretaries and Administrators in the United Kingdom. Mr. Chi is an executive director of Hua Yi Copper Holdings Limited, China Grand Forestry Green Resources Group Limited and Morning Star Resources Limited, all of which are listed on the Main Board of the Stock Exchange. He is also an independent non-executive director of ZMAY Holdings Limited and Aurum Pacific (China) Group Limited, both of which are listed on GEM.

Mr. Chi is acting as the Authorized Representative and Compliance Officer of the Company. Save as disclosed above, Mr. Chi did not hold any positions with the Company or its subsidiaries in the past three years, nor does he has any connection with any Directors, senior management, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Chi does not have any interests in any other securities in the Company within the meaning of Part XV of the SFO. Save as disclosed above, Mr. Chi does not hold any directorships in any other listed companies on the Stock Exchange and any other stock exchange during the three years preceding the date of this circular.

There is no service contract entered into between the Company and Mr. Chi. Mr. Chi has not been appointed for a specific term and his appointment is subject to retirement by rotation and re-election in accordance with the Articles. Mr. Chi did not receive director’s remuneration for the year ended 31 December 2010. His remuneration after the re-election will be determined by the Board with reference to his duties and responsibilities within the Company, the Company’s remuneration policy and the prevailing market conditions.

Save as disclosed above, there are no other matters about Mr. Chi which are required to be disclosed pursuant to paragraphs (h) to (v) of Rule 17.50(2) of the GEM Listing Rules or need to be brought to the attention of the Shareholders.

(2) Mr. Ng Kay Kwok (“Mr. Ng”)

Mr. Ng, aged 48, was appointed as an Executive Director on 9 July 2010. Mr. Ng has over 15 years of experience in audit and accounting. He obtained a Graduate Diploma in Accounting from Macquarie University and is a CPA member of CPA, Australia. He has served as the Chief Financial Officer and Company Secretary of the Company since 1 January 2007. Mr. Ng was the independent non-executive director of Hao Wen Holdings Limited (“Hao Wen”) until 15 May 2009 and he is presently the independent non-executive director of China Fortune Group Limited (“China Fortune”). Hao Wen is listed on GEM and China Fortune is listed on the Main Board of the Stock Exchange.

Mr. Ng does not have any connection with any Directors, senior management, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Ng does not have any interests in any other securities in the Company within the meaning of Part XV of the SFO.

Mr. Ng is still acting as the Company Secretary and Authorized Representative of the Company and he is holding directorship in some wholly owned subsidiaries of the Company. Save as disclosed above, Mr. Chi does not hold any directorships in any other listed companies on the Stock Exchange and any other stock exchange during the three years preceding the date of this circular.

There is no service contract entered into between the Company and Mr. Ng. Mr. Ng has not been appointed for a specific term and his appointment is subject to retirement by rotation and re-election in accordance with the Articles. Mr. Ng is entitled to HK\$20,000 per month as director's remuneration as determined by the Board with reference to his duties and responsibilities within the Company, the Company's remuneration policy and the prevailing market conditions.

Save as disclosed above, there are no other matters about Mr. Ng which are required to be disclosed pursuant to paragraphs (h) to (v) of Rule 17.50(2) of the GEM Listing Rules or need to be brought to the attention of the Shareholders.

(3) Mr. B Ray Tam, Billy ("Mr. Tam")

Mr. Tam, aged 42, was appointed as an Independent Non-executive Director with effect from 18 June 2010. Mr. Tam, obtained his Bachelor Degree of Laws from The University of London, Bachelor Degree of PRC Laws from Tsinghua University and a Master Degree of Laws from The University of Hong Kong. Mr. Tam has been working in the legal profession for almost twenty years. He is an Admitted Solicitor in Hong Kong and England. Mr. Tam is now a partner of Ho and Tam, Solicitors. Mr. Tam is the independent non-executive director of China Fortune Group Limited which is listed on the Main Board of the Stock Exchange. Mr. Tam is also a non-executive director of Eternite International Company Limited, the shares of which are listed on GEM.

Save as disclosed above, Mr. Tam did not hold any positions with the Company or its subsidiaries in the past three years, nor does he has any connection with any Directors, senior management, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Tam does not have any interests in any other securities in the Company within the meaning of Part XV of the SFO. Save as disclosed above, Mr. Tam does not hold any directorships in any other listed companies on the Stock Exchange and any other stock exchange during the three years preceding the date of this circular.

There is no service contract entered into between the Company and Mr. Tam. Mr. Tam has not been appointed for a specific term and his appointment is subject to retirement by rotation and re-election in accordance with the Articles. Mr. Tam is entitled to HK\$5,000 per month as director's remuneration as determined by the Board with reference to his duties and responsibilities within the Company, the Company's remuneration policy and the prevailing market conditions.

Save as disclosed above, there are no other matters about Mr. Tam which are required to be disclosed pursuant to paragraphs (h) to (v) of Rule 17.50(2) of the GEM Listing Rules or need to be brought to the attention of the Shareholders.

(4) Mr. Yu Pak Yan, Peter (“Mr. Yu”)

Mr. Yu, aged 60, was appointed as an Independent Non-executive Director with effect from 30 July 2010. Mr. Yu, has over 28 years of experience in real estate and financial services industries. He obtained a Bachelor Degree in Management from Youngstown State University in Ohio, USA and a Master of Science Degree in Financial Services from American College in Pennsylvania, USA. Mr. Yu is a member of the Certified Commercial Investment Member Institute. He has held senior positions in Metlife and New York Life Insurance Company in managing Asian customers in North America. Mr. Yu is currently serving as executive director of Kong Sun Holdings Limited and independent non-executive director of Golden Resorts Group Limited and China Grand Forestry Green Resources Group Limited, all companies are listed on the Main Board of the Stock Exchange.

Save as disclosed above, Mr. Yu did not hold any positions with the Company or its subsidiaries in the past three years, nor does he has any connection with any Directors, senior management, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Yu does not have any interests in any other securities in the Company within the meaning of Part XV of the SFO. Save as disclosed above, Mr. Yu does not hold any directorships in any other listed companies on the Stock Exchange and any other stock exchange during the three years preceding the date of this circular.

There is no service contract entered into between the Company and Mr. Yu. Mr. Yu has not been appointed for a specific term and his appointment is subject to retirement by rotation and re-election in accordance with the Articles. Mr. Yu is entitled to HK\$5,000 per month as director’s remuneration as determined by the Board with reference to his duties and responsibilities within the Company, the Company’s remuneration policy and the prevailing market conditions.

Save as disclosed above, there are no other matters about Mr. Yu which are required to be disclosed pursuant to paragraphs (h) to (v) of Rule 17.50(2) of the GEM Listing Rules or need to be brought to the attention of the Shareholders.

(5) Ms. Chan Hoi Ling (“Ms. Chan”)

Ms. Chan, aged 37, was appointed as an Independent Non-executive Director with effect from 30 July 2010. Ms. Chan, has extensive experience in auditing and financial management. She obtained a Bachelor Degree in Accountancy from the University of South Australia and is an associate member of the Hong Kong Institute of Certified Public Accountants and CPA Australia. Ms. Chan is the independent non-executive director of Morning Star Resources Limited which is listed on the Main Board of the Stock Exchange. From 1 August 2007 to 11 June 2010, Ms. Chan was serving as independent non-executive director of China E-Learning Group Limited which is listed on GEM of the Stock Exchange. From 26 June 2007 to 13 May 2008, Ms. Chan was also serving as independent non-executive director, and from 13 May 2008 to 24 November 2009, as executive director of Climax International Company Limited which is listed on the Main Board of the Stock Exchange.

Save as disclosed above, Ms. Chan did not hold any positions with the Company or its subsidiaries in the past three years, nor does she has any connection with any Directors, senior management, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, Ms. Chan does not have any interests in any other securities in the Company within the meaning of Part XV of the SFO. Save as disclosed above, Ms. Chan does not hold any directorships in any other listed companies on the Stock Exchange and any other stock exchange during the three years preceding the date of this circular.

There is no service contract entered into between the Company and Ms. Chan. Ms. Chan has not been appointed for a specific term and his appointment is subject to retirement by rotation and/or re-election in accordance with the Articles. Ms. Chan is entitled to HK\$5,000 per month as director’s remuneration as determined by the Board with reference to his duties and responsibilities within the Company, the Company’s remuneration policy and the prevailing market conditions.

Save as disclosed above, there are no other matters about Ms. Chan which are required to be disclosed pursuant to paragraphs (h) to (v) of Rule 17.50(2) of the GEM Listing Rules or need to be brought to the attention of the Shareholders.

NOTICE OF AGM



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 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting of M Dream Inworld Limited (the “Company”) will be held at Phoenix Room, The Charterhouse Hotel, 209–219 Wanchai Road, Hong Kong on 26 May 2011 at 10:30 a.m. to consider and, if thought fit, pass with or without amendments the following resolutions as ordinary resolutions:

1. to receive and approve the audited consolidated financial statements and the reports of the directors (the “Directors”) and auditors of the Company for the year ended 31 December 2010;
2.
 - (a) to re-elect Mr. Chi Chi Hung, Kenneth as Executive Director;
 - (b) to re-elect Mr. Ng Kay Kwok as Executive Director;
 - (c) to re-elect Mr. B Ray Tam, Billy as Independent Non-executive Director;
 - (d) to re-elect Mr. Yu Pak Yan, Peter as Independent Non-executive Director;
 - (e) to re-elect Ms. Chan Hoi Ling as Independent Non-executive Director;
 - (f) to authorise that board (the “**Board**”) of Directors to fix the Directors’ remuneration;
3. to re-appoint the auditors of the Company and to authorise the Board to fix their remuneration;
4. to consider, as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (c) below, pursuant to the Rules (the “GEM Listing Rules”) Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), the exercise by the directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with unissued Shares and to make or grant offers,

* For identification purpose only

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agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;

- (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of any options granted under the share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed the aggregate of:
 - (aa) 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution; and
 - (bb) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the aggregate nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution).

and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from the date 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 articles of association of the Company, the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated or revised) of the Cayman Islands (the “**Companies Law**”) or any other applicable law of the Cayman Islands to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution;

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“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the directors of the Company to holders of Shares on the register on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

5. to consider, as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT:**

- (a) the exercise by the directors of the Company during the Relevant Period (as defined below) of all powers of the Company to purchase the Shares on the Stock Exchange or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission, the Stock Exchange, the Companies Law and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares which may be purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (c) for the purposes of this resolution, “**Relevant Period**” means the period from the date 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 articles of association of the Company, the Companies Law or any other applicable law of the Cayman Islands to be held; and
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution.”

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6. to consider, as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** the directors of the Company be and they are hereby authorised to exercise the authority referred to in paragraph (a) of resolution no. 4 above in respect of the share capital of the Company referred to in sub-paragraph (bb) of paragraph (c) of such resolution.”

7. to consider, as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** subject to and conditional upon the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Shares to be allotted and issued upon the exercise of options granted under the share option scheme adopted by the Company on 24 December 2007 (the “Share Option Scheme”), the existing limit in respect of the granting of options to subscribe for Shares under the Share Option Scheme be refreshed and renewed provided that the total number of Shares which may be allotted and issued upon exercise of the options granted under the Share Option ‘Scheme and any other share option schemes of the Company (excluding options previously granted, outstanding, cancelled, lapsed or exercised under the Scheme) shall not exceed 10% of the Shares in issue as at the date of passing this resolution (the “Refreshed Limit”) and that the Directors be and are hereby authorised, subject to compliance with the GEM Listing Rules, to grant options under the Scheme up to the Refreshed Limit and to exercise all powers of the Company to allot, issue and deal with Shares pursuant to the exercise of such options.”

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

Hong Kong, 19 April 2011

Registered office:

P.O. Box 309, Uglan House
Grand Cayman
KY1-1104
Cayman Islands
British West Indies

*Head office and principal place of
business in Hong Kong:*

Block C, 10 Floor
Cheong Wah Factory Building
39–41 Sheung Heung Road
To Kwa Wan
Kowloon, Hong Kong

Notes:

1. A member entitled to attend and vote at the annual general meeting convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the Articles 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 annual general meeting 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. In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, at the offices of the Company’s branch registrar and transfer office in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai,

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Hong Kong not less than 48 hours before the time for holding the meeting or adjourned meeting. Completion and return of a form of proxy will not preclude a shareholder of the Company from attending in person and voting at the annual general meeting or any adjournment thereof, should he so wish.

3. In relation to proposed resolutions nos. 4 and 6 above, approval is being sought from the shareholders for the grant to the directors of the Company of a general mandate to authorise the allotment and issue of shares of the Company under the GEM Listing Rules. The Directors have no immediate plans to issue any new shares of the Company other than Shares which may fall to be issued under the existing share option scheme of the Company or any scrip dividend scheme which may be approved by shareholders.
4. In relation to proposed resolution no. 5 above, the directors of the Company wish to state that they will exercise the powers conferred thereby to repurchase Shares in circumstances which they deem appropriate for the benefit of the shareholders of the Company. An explanatory statement containing the information necessary to enable the shareholders to make an informed decision to vote on the proposed resolution as required by the GEM Listing Rules is set out in Appendix I to this circular.