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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 RE-ELECTION OF DIRECTORS;
(3) PROPOSED REFRESHMENT OF SCHEME MANDATE LIMIT UNDER THE SHARE OPTION SCHEME;
AND
(4) NOTICE OF ANNUAL GENERAL MEETING

A notice convening the annual general meeting of the Company to be held at 3/F, Nexxus Building, 77 Des Voeux Road Central, Central, Hong Kong on 24 May 2013 at 10:30 a.m. is set out on pages 16 to 20 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 purposes only

CHARACTERISTICS OF GEM

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 of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

CONTENTS

	<i>Page</i>
Characteristics of GEM	i
Definitions	1
Letter from the Board	3
Appendix I — Explanatory Statement for the Repurchase Mandate	9
Appendix II — Details of Directors proposed to be re-elected at the AGM	12
Notice of AGM	16

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 3/F, Nexxus Building, 77 Des Voeux Road Central, Central, Hong Kong on 24 May 2013 at 10:30 a.m.
“Articles”	the articles of association of the Company, and “Article” shall mean an Article of the Articles of Association
“associate(s)”	has the same meaning as ascribed in the GEM Listing Rules
“Board”	the board of Directors, including all independent non-executive 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 from time to time
“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 general mandate by the Shareholders
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	18 April 2013, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“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

DEFINITIONS

“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 repurchase mandate by the Shareholders
“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\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s) from time to time
“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\$” and “\$”	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. Billy B Ray Tam
Ms. Chan Hoi Ling
Mr. Yu Pak Yan, Peter

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:*

Room 515, 5/F
Town Health Technology Centre
10-12 Yuen Shun Circuit
Siu Lek Yuen
Shatin
New Territories
Hong Kong

22 April 2013

To the Shareholders

Dear Sir or Madam,

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

INTRODUCTION

At the AGM to be held at 3/F, Nexxus Building, 77 Des Voeux Road Central, Central, Hong Kong on 24 May 2013 at 10:30 a.m., resolutions will be proposed, among other matters:

- (a) to re-elect the Directors;

* For identification purposes only

LETTER FROM THE BOARD

- (b) to grant the General Mandate to the Directors;
- (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 re-election of Directors, the refreshment of Scheme Mandate Limit under the Share Option Scheme and to give you the notice of the AGM.

GENERAL MANDATE AND REPURCHASE MANDATE

At the AGM, the Directors propose to seek the approval of the Shareholders to grant to the Directors the General Mandate and the Repurchase Mandate.

General Mandate

At the AGM, an ordinary resolution will be proposed such that the Directors be given an unconditional general mandate (i.e. the General Mandate) to allot, issue and deal with unissued Shares or underlying shares of the Company (other than by way of rights or pursuant to a share option scheme for employees of the Company or Directors and/or any of its subsidiaries or pursuant to any scrip dividend scheme or similar arrangements providing for the allotment and issue of Shares in lieu of whole or part of the dividend on Shares in accordance with the Articles of Association) or make or grant offers, agreements, options and warrants which might require the exercise of such power, of an aggregate amount of up to 20% of the issued Shares as at the date of granting of the General Mandate.

In addition, a separate ordinary resolution will further be proposed for extending the General Mandate authorising the Directors to allot, issue and deal with Shares to the extent of the Shares repurchased pursuant to the Repurchase Mandate. Details on the Repurchase Mandate are further elaborated below.

As at the Latest Practicable Date, the Company has an aggregate of 2,041,486,915 Shares in issue. Subject to the passing of the resolutions for the approval of the General Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed under the General Mandate to allot, issue and deal with a maximum of 408,297,383 Shares.

LETTER FROM THE BOARD

Repurchase Mandate

At the AGM, an ordinary resolution will also be proposed such that the Directors be given an unconditional general mandate to repurchase Shares (i.e. the Repurchase Mandate) on the Stock Exchange of an aggregate amount of up to 10% of the issued Shares as at the date of granting of the Repurchase Mandate.

Subject to the passing of the resolution for the approval of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 204,148,691 Shares.

The General Mandate and the Repurchase Mandate shall continue to be in force during the period from the date of passing of the resolutions for the approval of the General Mandate and the Repurchase Mandate up to (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, the Companies Law (Revised) of the Cayman Islands or any applicable laws of the Cayman Islands to be held; or (iii) the revocation or variation of the General Mandate or the Repurchase Mandate (as the case may be) by ordinary resolution of the Shareholders in general meeting, whichever occurs first (the “**Relevant Period**”).

An explanatory statement in connection with the Repurchase Mandate is set out in Appendix I to this circular. The explanatory statement contains all the requisite information required under the GEM Listing Rules to be given to the Shareholders to enable them to make an informed decision on whether to vote for or against the resolution approving the Repurchase Mandate.

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.

LETTER FROM THE BOARD

The current Scheme Mandate Limit was refreshed on 26 May 2011, entitling the Company to grant up to 104,889,432 Share Options before the renewal of the existing limit, representing 10% of the issued share capital of the Company as at 26 May 2011 (equivalent to 209,778,864 Share Options of the Company before share consolidation becoming effective from 18 July 2011).

During the period from 24 December 2007 to the Latest Practicable Date, 6,200,000 Options were granted, and no Options were exercised or cancelled. As at the Latest Practicable Date, 6,200,000 outstanding Options were under the Share Option Scheme, representing approximately 5.9% of the current Scheme Mandate Limit and approximately 0.3% of the issued share capital of the Company as at the Latest Practicable Date.

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.

Based on the issued share capital of 2,041,486,915 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 204,148,691 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.

LETTER FROM THE BOARD

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 29 May 2012 respectively. Mr. Billy B Ray Tam 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 as Executive Director and Mr. Billy B Ray Tam, Mr. Yu Pak Yan, Peter and Ms. Chan Hoi Ling as Independent Non-executive Directors. Mr. Ng Kay Kwok will not offer himself for re-election at the AGM in order to devote more time in his other business.

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

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.

AGM

A notice convening the AGM to be held at 3/F, Nexxus Building, 77 Des Voeux Road Central, Central, Hong Kong on 24 May 2013 at 10:30 a.m. is set out on pages 16 to 20 of this circular. Ordinary resolutions will be proposed at the AGM to approve, among other things, (i) General Mandate and the Repurchase Mandate, (ii) the re-election of Directors and (iii) the refreshment of Scheme Mandate Limit.

A form of proxy for use at the AGM is enclosed with this circular. Whether or not you are able to attend the AGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the Hong Kong branch

LETTER FROM THE BOARD

share registrar of the Company, 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 the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

All the resolutions proposed to be approved at the AGM will be taken by poll and an announcement will be made by the Company after the AGM on the results of the AGM.

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

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolutions to be proposed at the AGM.

MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

Yours faithfully,
By Order of the Board
M Dream Inworld Limited
Chi Chi Hung, Kenneth
Chairman

This Appendix I serves as an explanatory statement given to all Shareholders relating to a resolution to be proposed at the AGM authorising the proposed Repurchase Mandate.

This explanatory statement contains all information pursuant to Rule 13.08 and other relevant provisions of the GEM Listing Rules which is set out as follows:

1. NUMBER OF SHARES WHICH MAY BE REPURCHASED

Exercise in full of the Repurchase Mandate, on the basis of 2,041,486,915 Shares in issue as at the Latest Practicable Date, would result in 204,148,691 Shares (representing approximately 10% of the issued share capital of the Company as at the date of passing of the resolution), being repurchased by the Company during the period prior to the next annual general meeting of the Company following the passing of the resolution approving the Repurchase Mandate.

2. REASONS FOR PROPOSED REPURCHASE OF SHARES

The Directors believe that it is in the interests of the Company and the Shareholders to have a general authority from the Shareholders to enable the Directors to repurchase Shares on GEM. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets of the Company and/or its earnings per Share.

The Repurchase Mandate will only be exercised when the Directors believe that such purchases will benefit the Company and the Shareholders as a whole. The Directors have no present intention to repurchase any Shares.

3. SOURCE OF FUNDS

In repurchasing Shares, the Company will only apply funds legally available for such purpose in accordance with its Articles of Association, the laws of the Cayman Islands and the GEM Listing Rules. The laws of the Cayman Islands provide that the amount of capital paid in connection with a repurchase of Shares may only be paid out of the profits of the Company or the proceeds of a fresh issue of Shares made for the purposes of the repurchase or out of capital subject to and in accordance with the laws of the Cayman Islands. The amount of premium payable on repurchase may only be paid out of either the profits of the Company or out of the share premium account before or at the time the Shares are repurchased in the manner provided for in the laws of the Cayman Islands. The Company will not purchase the Shares on GEM for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

4. EFFECT OF EXERCISING THE REPURCHASE MANDATE

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements contained in the annual report of the Company for the year ended 31 December 2012) in the event that the Repurchase Mandate is exercised in full at any time during the Relevant Period. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent

as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or on the gearing levels which, in the opinion of the Directors, are from time to time appropriate for the Company.

5. DISCLOSURE OF INTERESTS

None of the Directors nor, to the best of their knowledge having made all reasonable enquires, any of their respective associates (as defined in the GEM Listing Rules), has any present intention to sell any Shares to the Company or its subsidiaries under the Repurchase Mandate if such is approved by the Shareholders at the AGM.

6. DIRECTORS' UNDERTAKING

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

7. THE HONG KONG CODE ON TAKEOVERS AND MERGERS

If, as a result of a repurchase of Shares, pursuant to the Repurchase Mandate, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code.

As a result, a Shareholder, or a group of Shareholders acting in concert (within that term's meaning under the Takeovers Code), depending on the level of increase in the Shareholders' interests, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 or 32 of the Takeovers Code.

As at the Latest Practicable Date, to the best knowledge of the Company, the following Shareholder(s) is/are interested in more than 10% of the Shares then in issue. In the event that the Directors should exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the Repurchase Mandate, the total interests of such Shareholder(s) in the Shares would be increased to approximately the percentage set out in the last column as follows:

Name of Shareholder(s)	Number of Shares	Approximate percentage of shareholding	Approximate percentage of shareholding if the Repurchase Mandate is exercised in full
Mr. Xue Qiushi (<i>Note</i>)	296,296,296 (L)	14.51%	16.13%

(L) denotes long position

Note: The interest in the shares of Mr. Xue Qiushi is held through Ace Source International Limited, a company incorporated in the British Virgin Islands, in which the entire issued share capital is beneficially and ultimately owned by Mr. Xue Qiushi. By virtue of the SFO, Mr. Xue Qiushi is deemed to be interested in the shares held by Ace Source International Limited.

On the basis of the current shareholding of the above Shareholders, an exercise of the Repurchase Mandate in full will not result in him/it becoming obliged to make a mandatory offer under Rule 26 or 32 of the Takeovers Code.

As at the Latest Practicable Date, the Directors have no intention to exercise the Repurchase Mandate to such an extent that will result in a requirement of any of the above Shareholder(s) or any other persons to make a general offer under the Takeovers Code or the number of Shares in the hands of the public falling below the prescribed minimum percentage of 25%.

The Directors are not aware of any consequences which could arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate in full.

8. NO PURCHASES OF SHARES BY THE COMPANY

The Company has not purchased any of its Shares (whether on the Stock Exchange or otherwise) in the previous six months preceding the Latest Practicable Date.

9. CONNECTED PERSON

No connected persons (as defined in the GEM Listing Rules) has notified the Company that they have a present intention to sell Shares to the Company or its subsidiaries, or have undertaken not to do so in the event that the Repurchase Mandate is approved by the Shareholders at the AGM.

10. SHARE PRICES

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

Month	Price per Share	
	Highest HK\$	Lowest HK\$
2012		
April	0.079	0.060
May	0.085	0.062
June	0.085	0.066
July	0.086	0.067
August	0.106	0.077
September	0.093	0.065
October	0.127	0.088
November	0.122	0.102
December	0.238	0.172
2013		
January	0.255	0.178
February	0.210	0.121
March	0.165	0.115
April (up to the Latest Practicable Date)	0.142	0.112

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 44, was appointed as Chairman and Executive Director with effect from 8 July 2010. Mr. Chi has over 20 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 (stock code: 559), China Sandi Holdings Limited (formerly known as China Grand Forestry Green Resources Group Limited) (stock code: 910) and Morning Star Resources Limited (stock code: 542), all of which are listed on the Main Board of the Stock Exchange. He is also an independent non-executive director of Perfect Shape (PRC) Holdings Limited (stock code: 1830), L’sea Resources International Holdings Limited (formerly known as Goodtop Tin International Holdings Limited) (stock code: 195) and Noble Century Investment Holdings Limited (formerly known as Sam Woo Holdings Limited) (stock code: 2322), all of which are listed on the Main Board of the Stock Exchange. Mr. Chi is also an independent non-executive director of Hong Kong Life Sciences and Technologies Group Limited (formerly known as ZMAY Holdings Limited) (stock code: 8085), China Natural Investment Company Limited (stock code: 8250) and Aurum Pacific (China) Group Limited (stock code: 8148), all of which are listed on the GEM of the Stock Exchange. From October 2011 to August 2012, Mr. Chi was an independent non-executive director of Interchina Holdings Company Limited (stock code: 202) which is listed on the Main Board of the Stock Exchange.

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.

Mr. Chi has entered into a letter of appointment with the Company with no fixed period of service but his appointment is subject to retirement by rotation and re-election in accordance with the Articles. Mr. Chi is entitled to a remuneration of approximately HK\$20,000 per month with effect from 1 April 2013 which is 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. Billy B Ray Tam (“Mr. Tam”)

Mr. Tam, aged 44, was appointed as an Independent Non-executive Director with effect from 18 June 2010. Mr. Tam has been a practising solicitor in Hong Kong for over fifteen years. He is currently a partner of Messrs. Ho & Tam, a firm of solicitors in Hong Kong. Mr. Tam holds a Bachelor Degree of Laws from the University of London, a Bachelor Degree in laws of the People’s Republic of China (“PRC”) from Tsinghua University; and a Master Degree of Laws from The University of Hong Kong. He is an independent non-executive director of China Fortune Financial Group Limited (stock code: 290), a company listed on the Main Board of the Stock Exchange and China AU Group Holdings Limited (stock code: 8176) and China Natural Investment Company Limited (stock code: 8250), both of which are listed on the GEM of the Stock Exchange. Mr. Tam is also a non-executive director of Larry Jewelry International Company Limited (stock code: 8351), a company listed on the GEM of the Stock Exchange and a non-executive director of Milan Station Holdings Limited (stock code: 1150), a company listed on the Main Board of the Stock Exchange.

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.

Mr. Tam has entered into a letter of appointment with the Company with no fixed period of service but his appointment is subject to retirement by rotation and re-election in accordance with the Articles. Mr. Tam is entitled to HK\$25,000 per quarter 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.

(3) Mr. Yu Pak Yan, Peter (“Mr. Yu”)

Mr. Yu, aged 62, was appointed as an Independent Non-executive Director with effect from 30 July 2010. Mr. Yu has over 29 years of experience in real estate and financial services industries. He holds 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 and was the first Chinese-American elected to the board of the San Francisco Association of Realtors. Mr. Yu worked in Pacific Union Real Estate Company in the United States from 1980–1995 and held senior positions in MetLife and New York Life Insurance Company in managing Asian customers in North America. Mr. Yu is currently serving as an executive director of Kong Sun Holdings Limited (stock code: 295) and an independent non-executive director of Kingston Financial Group Limited (stock code: 1031), Noble Century

Investment Holdings Limited (formerly known as Sam Woo Holdings Limited) (stock code: 2322) and China Sandi Holdings Limited (formerly known as China Grand Forestry Green Resources Group Limited) (stock code: 910), the issued shares of which 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.

Mr. Yu has entered into a letter of appointment with the Company with no fixed period of service but his appointment is subject to retirement by rotation and re-election in accordance with the Articles. Mr. Yu is entitled to HK\$25,000 per quarter 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.

(4) Ms. Chan Hoi Ling (“Ms. Chan”)

Ms. Chan, aged 39, 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, a Master Degree in Business Administration from The Hong Kong Polytechnic University and is an associate member of the Hong Kong Institute of Certified Public Accountants and CPA Australia. She is the independent non-executive director of Morning Star Resources Limited (stock code: 542) 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.

Ms. Chan has entered into a letter of appointment with the Company with no fixed period of service but her appointment is subject to retirement by rotation and/or re-election in accordance with the Articles. Ms. Chan is entitled to HK\$25,000 per quarter as director's remuneration as determined by the Board with reference to her 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.



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 3/F, Nexxus Building, 77 Des Voeux Road Central, Central, Hong Kong on 24 May 2013 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 2012;
2. (a) to re-elect Mr. Chi Chi Hung, Kenneth as Executive Director;
(b) to re-elect Mr. Billy B Ray Tam as Independent Non-executive Director;
(c) to re-elect Mr. Yu Pak Yan, Peter as Independent Non-executive Director;
(d) to re-elect Ms. Chan Hoi Ling as Independent Non-executive Director;
(e) to authorise the board (the “**Board**”) of Directors to fix the Directors’ remuneration;
3. to re-appoint Baker Tilly Hong Kong Limited as 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, 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;

* *For identification purposes only*

NOTICE OF AGM

- (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 (the “**Articles**”) of the Company, the Companies Law (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;

NOTICE OF AGM

“**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, 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.”

NOTICE OF AGM

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, 22 April 2013

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:*
Room 515, 5/F
Town Health Technology Centre
10–12 Yuen Shun Circuit
Siu Lek Yuen
Shatin
New Territories
Hong Kong

NOTICE OF AGM

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, 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.