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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)

PROPOSED CHANGE OF DOMICILE AND PROPOSED CANCELLATION OF SHARE PREMIUM ACCOUNT

PROPOSED CHANGE OF DOMICILE

The Board proposes to change the domicile of the Company from the Cayman Islands to Bermuda by way of deregistration in the Cayman Islands and continuation as an exempted company under the laws of Bermuda. The implementation of the Change of Domicile will not affect the continuity of the Company and its listing status.

PROPOSED CANCELLATION OF SHARE PREMIUM ACCOUNT

The Board proposes to cancel the entire amount standing to the credit of the share premium account of the Company and to transfer the credits arising from such cancellation to an existing account of the Company designated as the contributed surplus account of the Company before the Change of Domicile. As at the date of this announcement, the Company has a credit balance of approximately HK\$300,667,000 standing in its share premium account.

The existing account of the Company designated as the contributed surplus account of the Company, subject to the approval of the Shareholders at the EGM by way of special resolution, shall be the contributed surplus account of the Company within the meaning of the Companies Act effective upon the Change of Domicile.

WARNING

Shareholders should take note that the Change of Domicile and the Cancellation of Share Premium Account are conditional upon satisfaction of conditions set out in the paragraphs headed “Conditions of the Change of Domicile” and “Condition of the Cancellation of Share Premium Account”. Therefore, the Change of Domicile and the Cancellation of Share Premium Account may or may not proceed.

* For identification purpose only

Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

GENERAL

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Change of Domicile and the Cancellation of Share Premium Account. A circular containing, among other things, details of the Change of Domicile and the Cancellation of Share Premium Account and a notice convening the EGM will be despatched to the Shareholders as soon as practicable.

PROPOSED CHANGE OF DOMICILE

The Board proposes to change the domicile of the Company from the Cayman Islands to Bermuda by way of deregistration in the Cayman Islands and continuation as an exempted company under the laws of Bermuda.

Effect of the Change of Domicile

Other than the expenses to be incurred, the Change of Domicile will not alter the underlying assets, investments, management or financial position of the Company nor the proportionate interests of the Shareholders. The Company's legal advisers as to the laws of the Cayman Islands and Bermuda are of the view that the continuation of the Company into Bermuda does not create a new legal entity or prejudice or affect the continuity of the Company. The Company will continue to maintain a principal place of business in Hong Kong.

The Change of Domicile also will not involve the formation of a new holding company, the withdrawal of listing of the Shares, any issue of new Shares, any transfer of assets of the Company or any change in the existing shareholding of the Company. The implementation of the Change of Domicile will not affect its listing status on the Stock Exchange.

In connection with the Change of Domicile, it is proposed that a memorandum of continuance and a new set of bye-laws will be adopted by the Company to replace the existing memorandum of association and the Articles respectively in order to comply with Bermuda company law.

Reasons for the Change of Domicile

As advised by the Company's legal advisers as to the laws of the Cayman Islands, if the Company proceeds with any capital reduction in the Cayman Islands, the sanction by the Grand Court of the Cayman Islands will be required which may not be obtained in a commercially expedient time frame. The Company has been advised by the Company's legal advisers as to the laws of Bermuda that a capital reduction may be effected under Bermuda laws without the approval of the court of Bermuda after deregistration of the Company in the Cayman Islands and its continuation in Bermuda. The Board thus considers that the Change of Domicile would save the Company's time and costs if the Company may carry out any capital reduction in the future.

As at the date of this announcement, the Board has no present intention to carry out any capital reduction.

The Board believes that the Change of Domicile is beneficial to and in the interests of the Company and the Shareholders as a whole.

Conditions of the Change of Domicile

The Change of Domicile is conditional upon:

- (a) the passing of the necessary special resolutions by the Shareholders at the EGM to approve (i) the Change of Domicile; and (ii) the adoption of the memorandum of continuance and new bye-laws of the Company; and
- (b) compliance with the relevant requirements under the GEM Listing Rules and the relevant legal procedures and requirements under the Cayman Islands laws and Bermuda laws in respect of the Change of Domicile; and
- (c) the obtaining of all necessary approvals from the relevant regulatory authorities or otherwise as may be required in respect of the Change of Domicile.

PROPOSED CANCELLATION OF SHARE PREMIUM ACCOUNT

The Board proposes to cancel the entire amount standing to the credit of the share premium account of the Company and to transfer the credits arising from such cancellation to an existing account of the Company designated as the contributed surplus account of the Company before the Change of Domicile. As at the date of this announcement, the Company has a credit balance of approximately HK\$300,667,000 standing in its share premium account.

The existing account of the Company designated as the contributed surplus account of the Company, subject to the approval of the Shareholders at the EGM by way of special resolution, shall be the contributed surplus account of the Company within the meaning of the Companies Act effective upon the Change of Domicile.

Condition of the Cancellation of Share Premium Account

The Cancellation of Share Premium Account is conditional upon the passing of a special resolution by the Shareholders at the EGM to approve the transfer to an existing account of the Company designated as the contributed surplus account of the Company credits arising from the cancellation of the entire amount standing to the credit of the share premium account of the Company and that such designated contributed surplus account of the Company shall be the contributed surplus account of the Company within the meaning of the Companies Act effective upon the Change of Domicile.

EXPECTED TIMETABLE

The expected timetable for implementation of the Change of Domicile and the Cancellation of Share Premium Account is set out below. **This timetable is indicative only and may be varied due to additional time required for compliance with regulatory requirements in the Cayman Islands or Bermuda. Shareholders will be informed of any significant changes to the expected timetable by announcement.**

Despatch of circular and proxy form of the EGM Tuesday, 26 November 2013

Latest time for lodging the form of proxy 10:30 a.m.,
Tuesday, 17 December 2013

EGM and the Cancellation of Share Premium Account 10:30 a.m.,
Thursday, 19 December 2013

Publication of announcement of results of the EGM Thursday, 19 December 2013

Expected effective date of the Change of Domicile on or after Thursday,
9 January 2014 (Bermuda time)

WARNING

Shareholders should take note that the Change of Domicile and the Cancellation of Share Premium Account are conditional upon satisfaction of conditions set out in the paragraphs headed “Conditions of the Change of Domicile” and “Condition of the Cancellation of Share Premium Account”. Therefore, the Change of Domicile and the Cancellation of Share Premium Account may or may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

GENERAL

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Change of Domicile and the Cancellation of Share Premium Account. In compliance with the GEM Listing Rules, all resolutions will be voted on by way of a poll at the EGM. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, no Shareholders are required to abstain from voting on the resolutions to be proposed at the EGM. A circular containing, among other things, details of the Change of Domicile and the Cancellation of Share Premium Account and a notice convening the EGM will be despatched to the Shareholders as soon as practicable.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Articles”	the articles of association of the Company, as amended from time to time
“Board”	the board of Directors
“Cancellation of Share Premium Account”	the proposed cancellation of the entire amount standing to the credit of the share premium account of the Company
“Change of Domicile”	the proposed change of domicile of the Company from the Cayman Islands to Bermuda
“Company”	M Dream Inworld Limited, a company incorporated in the Cayman Islands, the Shares of which are listed on GEM
“Companies Act”	the Companies Act 1981 of Bermuda
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, approve, the Change of Domicile and the Cancellation of Share Premium Account
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“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)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“%”

per cent.

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

Hong Kong, 12 November 2013

As at the date of this announcement, the Board consists of Mr. Chi Chi Hung, Kenneth and Mr. Xue Qiushi being the Executive Directors, and Mr. Billy B Ray Tam, Mr. Yu Pak Yan, Peter, Ms. Chan Hoi Ling and Mr. Lam Kit Sun being the Independent Non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for at least 7 days from the date of its publication and on the website of the Company at <http://www.mdreaminworld.com.hk>.