

**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 registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in M Dream Inworld Limited (“Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser, the 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)**

**PROPOSED CHANGE OF DOMICILE;  
ADOPTION OF MEMORANDUM OF CONTINUANCE AND BYE-LAWS;  
PROPOSED CANCELLATION OF SHARE PREMIUM ACCOUNT;  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening the extraordinary general meeting of the Company to be held at 10:30 a.m. on Thursday, 19 December 2013 at 3/F., Nexxus Building, 77 Des Voeux Road Central, Hong Kong is set out on pages 31 to 33 of this circular. Whether or not you are able to attend the meeting, you are requested to complete and return the enclosed form of proxy 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 meeting or any adjournment thereof to the Company’s branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting in person should you so wish and, in such event, the instrument appointing a proxy will be deemed to be revoked.

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

\* For identification purpose only

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## **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.**

## 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.**

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

EGM . . . . . 10:30 a.m. on Thursday, 19 December 2013

Expected effective date of  
the Cancellation of Share Premium Account . . . . . Thursday, 19 December 2013

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

**The following events are conditional on the fulfillment of the conditions for the implementation of the Change of Domicile and the Cancellation of Share Premium Account:**

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

First day of free exchange of certificates of  
existing Shares into new share certificates . . . . . 9:00 a.m. on Friday, 10 January 2014

Last day of free exchange of certificates of  
existing Shares into new share certificates . . . . . 4:30 p.m. on Friday, 7 February 2014

*Note:* Unless otherwise indicated, all dates and time above refer to Hong Kong time.

## DEFINITIONS

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

“Articles”	the articles of association of the Company, as amended from time to time
“Board”	the board of Directors
“Bye-laws”	the bye-laws proposed to be adopted by the Company at the EGM
“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
“Companies Act”	the Companies Act 1981 of Bermuda
“Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised), of the Cayman Islands
“Company”	M Dream Inworld Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened at 10:30 a.m. on Thursday, 19 December 2013 for the purposes of considering and, if thought fit, approving, among others, the Change of Domicile, the adoption of memorandum of continuance and Bye-laws and the Cancellation of Share Premium Account, the notice of which is set out on pages 31 to 33 of this circular
“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

## DEFINITIONS

“Latest Practicable Date”	22 November 2013, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“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.

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. Xue Qiushi

*Independent non-executive Directors:*

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

*Registered office:*

Cricket Square  
Hutchins Drive, P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*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

26 November 2013

*To the Shareholders*

Dear Sir or Madam,

**PROPOSED CHANGE OF DOMICILE;  
ADOPTION OF MEMORANDUM OF CONTINUANCE AND BYE-LAWS;  
AND  
PROPOSED CANCELLATION OF SHARE PREMIUM ACCOUNT**

**INTRODUCTION**

As announced by the Company in its announcement dated 12 November 2013, the Company proposed to put forward the following proposals for approval by the Shareholders at the EGM:

- (1) 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 and to adopt memorandum of continuance and Bye-laws in connection with the Change of Domicile; and

\* For identification purpose only

## **LETTER FROM THE BOARD**

- (2) to cancel the share premium account and transfer credits arising from such cancellation to the contributed surplus account of the Company.

The purpose of this circular is to provide you with information regarding the above proposals and to give you notice of the EGM.

### **PROPOSED CHANGE OF DOMICILE AND ADOPTION OF MEMORANDUM OF CONTINUANCE AND BYE-LAWS**

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.

#### **Adoption of memorandum of continuance and Bye-laws**

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.

A summary of the proposed memorandum of continuance and the Bye-laws and differences with the memorandum of association and the Articles are set out in Appendix I to this circular.

Copies of (i) the existing memorandum of association of the Company and the Articles and (ii) the memorandum of continuance and the Bye-laws proposed to be adopted by the Company will be available for inspection at 3rd floor, Agricultural Bank of China Tower, 50 Connaught Road C., Central, Hong Kong during normal business hours from the date of this circular and up to and including the date of the EGM.



## **LETTER FROM THE BOARD**

### **Fixing the maximum number of Directors**

As required under the Companies Act, the Shareholders shall fix the maximum number of Directors and may authorise the Directors to elect or appoint a person to act as additional Director up to such maximum number. Accordingly, the Directors propose to seek the approval of the Shareholders to fix the maximum number of Directors at 20 and to grant an authority to the Directors to fill vacancies on the Board or appoint additional Directors up to such maximum number if necessary by including the same in a special resolution to be proposed at the EGM.

### **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 Latest Practicable Date, 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 the Bye-laws; 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.

## **LETTER FROM THE BOARD**

### **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 Latest Practicable Date, 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.

### **Free exchange of share certificates**

As indicated in the expected timetable set out above, there will be arrangement for the exchange of the existing share certificates into new share certificates from Friday, 10 January 2014 to Friday, 7 February 2014 at the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong. Details regarding the arrangement of the free exchange of share certificates will be announced by the Company as and when appropriate.

The existing share certificates will be valid for delivery, trading and settlement purposes for the period up to 7 February 2014 and thereafter will not be accepted for delivery, trading and settlement purposes but will continue to be good evidence of legal title to the Shares. The shareholders may, on or after 9:00 a.m. on 10 January 2014 until 4:30 p.m. on 7 February 2014 (both days inclusive), submit existing share certificates to the Company's branch share registrar, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, to exchange, at the expense of the Company, for new share certificates.

Thereafter, existing share certificates will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be specified by the Stock Exchange) by Shareholders to the Company's branch share registrar for each new share certificate to be issued or each existing share certificate submitted, whichever number of share certificates is higher. It is expected that the new share certificates will be available for collection within a period of ten business days after the submission of the existing share certificates.

## LETTER FROM THE BOARD

### 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

A notice convening the EGM to be held at 10:30 a.m. on Thursday, 19 December 2013 at 3/F., Nexxus Building, 77 Des Voeux Road Central, Hong Kong is set out on pages 31 to 33 in this circular.

Pursuant to Rule 17.47 of the GEM Listing Rules, any votes of the Shareholders at the general meeting must be taken by poll. Therefore, the resolutions proposed at the EGM will be voted by poll.

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, as at the Latest Practicable Date, no Shareholders are required to abstain from voting on the resolutions to be proposed at the EGM.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete and return the enclosed form of proxy 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 the holding of the EGM (or any adjournment thereof) to the Company’s branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM (or any adjournment thereof) should you so wish and, in such event, the instrument appointing a proxy will be deemed to be revoked.

### RECOMMENDATION

The Board considers that the Change of Domicile, the adoption of the memorandum of continuance and Bye-laws and the Cancellation of Share Premium Account are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the special resolutions to be proposed at the EGM to approve the Change of Domicile, the adoption of the memorandum of continuance and Bye-laws and the Cancellation of Share Premium Account.

## LETTER FROM THE BOARD

### ADDITIONAL INFORMATION

Your attention is drawn to the notice of the EGM set out on pages 31 to 33 of this circular and the information set out in Appendix I to this circular.

### DIRECTORS' COMPETING INTERESTS

To the best knowledge of the Directors, as at the Latest Practicable Date, none of the Directors or their respective associates had any interests in a business, which competes or is likely to compete either directly or indirectly with the business of the Group which would be required to be disclosed under rule 11.04 of the GEM Listing Rules, as if the Directors were controlling Shareholders.

### LISTING AND DEALING

The issued Shares are listed and dealt in on GEM. There are no equity or debt securities of the Company that are listed or dealt in on any other stock exchange nor is listing or permission to deal in such securities on any other stock exchange being or proposed to be sought.

### 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.

On behalf of the Board  
**M Dream Inworld Limited**  
**Chi Chi Hung, Kenneth**  
*Chairman*

Set out below is a summary of the provisions of the new memorandum of continuance (“**New Memorandum**”) and the bye-laws of the Company (“**Bye-laws**”) upon continuation into Bermuda and their differences with the memorandum of association (“**Memorandum**”) and articles of association (“**Articles**”) of the Company prior to the Change of Domicile.

## **1. THE MEMORANDUM AND THE NEW MEMORANDUM**

The Memorandum states, inter alia, that the liability of each member of the Company is limited to the amount from time to time unpaid on such member’s shares, that the objects for which the Company is established are unrestricted and that the Company shall have and be capable of from time to time and at all times exercising any and all of the powers at any time or from time to time exercisable by a natural person or body corporate, irrespective of any question of corporate benefit provided that the Company shall only carry on the businesses for which a licence is required under the laws of the Cayman Islands when so licensed under the terms of such laws.

Upon continuance of the Company into Bermuda, the Company will adopt the New Memorandum which, upon filing with and registration by the Bermuda Registrar, will in effect be the Company’s new memorandum of association. The New Memorandum states, inter alia, that the liability of members of the Company is limited to the amount, if any, for the time being unpaid on the shares respectively held by them and that the Company is an exempted company as defined in the Companies Act. The New Memorandum also sets out the objects of the Company from the date of continuance are unrestricted and that the Company has the capacity, rights, powers and privileges of a natural person. As an exempted company, the Company will be carrying on business outside Bermuda.

In accordance with and subject to section 42A of the Companies Act, the New Memorandum empowers the Company to purchase its own shares and pursuant to its Bye-laws, this power is exercisable by the Board upon such terms and subject to such conditions as it thinks fit.

## **2. THE ARTICLES AND THE BYE-LAWS**

### **(a) Directors**

#### **(i) *Power to allot and issue shares and warrants***

##### *Summary*

Subject to the Companies Act, the New Memorandum and the Bye-laws and any special rights conferred on the holders of any shares or class of shares, any share in the Company (whether forming part of the present capital or not) may be issued with or have attached thereto such rights, or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, as the Company may by ordinary resolution determine or if there has not been any such determination or so far as the same may not make specific provision, as

the Board may determine. Subject to the Companies Act, the New Memorandum and the Bye-laws and any special rights conferred on the holders of any shares or class of shares, any preference shares may be issued or converted into shares that are liable to be redeemed at a determinable date or at the option of the Company or the holder, on such terms and in such manner as the Company before the issue or conversion may by ordinary resolution of the members of the Company determine. The Board may issue warrants conferring the right upon the holders thereof to subscribe for any class of shares or securities in the capital of the Company on such terms as it may from time to time determine.

Subject to the provisions of the Companies Act, the Bye-laws, any direction that may be given by the Company in general meeting and, where applicable, the rules of any Designated Stock Exchange (as defined in the Bye-laws) and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, the unissued shares in the Company (whether forming part of the original or any increased capital) shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times, for such consideration and upon such terms and conditions as it in its absolute discretion determine, but so that no shares shall be issued at a discount.

Neither the Company nor the Board shall be obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such offer, option or shares to members or others with registered addresses in any particular territory or territories being a territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of the Board, be unlawful or impracticable. Members affected as a result of the foregoing sentence shall not be, or be deemed to be, a separate class of members for any purpose whatsoever.

#### *Material differences*

The corresponding provisions of the Articles relating to the power of Directors to allot and issue shares and warrants are substantially the same.

#### ***(ii) Power to dispose of the assets of the Company or any of its subsidiaries***

##### *Summary*

There are no specific provisions in the Bye-laws relating to the disposal of the assets of the Company or any of its subsidiaries.

*Note:* The Directors may, however, exercise all powers and do all acts and things which may be exercised or done or approved by the Company and which are not required by the Bye-laws or the laws of Bermuda to be exercised or done by the Company in general meeting.

*Material differences*

The Articles do not contain any prohibition or restriction on the disposal of the assets of the Company or any of its subsidiaries.

**(iii) Compensation or payments for loss of office***Summary*

Payments to any Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director is contractually entitled) must be approved by the Company in general meeting.

*Material differences*

The Articles contain similar provisions.

**(iv) Loans and provision of security for loans to Directors***Summary*

There are no provisions in the Bye-laws relating to the making of loans to Directors. However, the Companies Act contains restrictions on companies making loans or providing security for loans to their Directors.

*Material differences*

There are provisions in the Articles prohibiting the making of loans to a Director of the Company or to any of their respective associates (as defined in the Articles).

**(v) Financial assistance to purchase shares of the Company***Summary*

Subject to compliance with the rules and regulations of the Designated Stock Exchange (as defined in the Bye-laws) and any other relevant regulatory authority, the Company may give financial assistance for the purpose of or in connection with a purchase made or to be made by any person of any shares in the Company.

*Material differences*

The corresponding provision of the Articles relating to the power to give financial assistance is substantially the same.



(vi) *Disclosure of interests in contracts with the Company or any of its subsidiaries*

*Summary*

A Director may hold any other office or place of profit with the Company (except that of auditor of the Company) in conjunction with his office of Director for such period and, subject to the Companies Act, upon such terms as the Board may determine, and may be paid such remuneration (whether by way of salary, commission, participation in profits or otherwise) in respect of any such other office or place of profit in addition to any remuneration provided for by or pursuant to any other Bye-law. A Director may be or become a director or other officer of, or a member of, any company promoted by the Company or any other company in which the Company may be interested, and shall not be liable to account for any remuneration, profits or other benefits received by him as a director, officer or member of, or from his interest in, such other company. Subject as otherwise provided by the Bye-laws, the Directors may exercise or cause to be exercised the voting power conferred by the shares in any other company held or owned by the Company, or exercisable by them as directors of such other company in such manner in all respects as it thinks fit, including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company.

Subject to the Companies Act and to the Bye-laws, no Director or proposed or intending Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatsoever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company or the members of the Company for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office or the fiduciary relationship thereby established provided that such Director shall disclose the nature of his interest in any contract or arrangement in which he is interested in accordance with the Bye-law. A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration, if he knows his interest then exists, or in any other case at the first meeting of the Board after he knows that he is or has become so interested.



A Director shall not vote (nor be counted in the quorum) on any resolution of the Board approving any contract or arrangement or other proposal in which he or any of his associates is materially interested but this prohibition shall not apply to any of the following matters, namely:

- (aa) any contract or arrangement for the giving to such Director or his associate(s) any security or indemnity in respect of money lent by him or any of his associates or obligations incurred or undertaken by him or any of his associates at the request of or for the benefit of the Company or any of its subsidiaries;
- (bb) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (cc) any contract or arrangement concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (dd) any contract or arrangement in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company; or
- (ee) any proposal or arrangement concerning the adoption, modification or operation of a share option scheme, a pension fund or retirement, death, or disability benefits scheme or other arrangement which relates both to Directors, his associates and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director, or his associate(s), as such any privilege or advantage not accorded generally to the class of persons to which such scheme or fund relates.

*Material differences*

The Articles contain substantially similar provisions except that there is an extra exception to a Director's right to vote (i.e., any proposal concerning any other company in which the Director is interested only, whether directly or indirectly, as an officer or executive or a shareholder or in which the Director

or any of his associates is/are beneficially interested in the shares of that company, provided that, the Director and any of his associates is/are not, beneficially interested in 5 per cent. or more of the issued shares or of the voting rights of any class of shares of such company (or of any third company through which his interest or that of any of his associates is derived).

**(vii) Remuneration**

*Summary*

The ordinary remuneration of the Directors shall from time to time be determined by the Company in general meeting, such remuneration (unless otherwise directed by the resolution by which it is voted) shall be divided amongst the Board in such proportions and in such manner as the Board may agree or, failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which the remuneration is payable shall only rank in such division for a proportion of remuneration related to the period during which he has held office. The Directors shall also be entitled to be prepaid or repaid all travelling, hotel and incidental expenses reasonably incurred or expected to be incurred by them in attending any Board meetings, meetings of committees of the Board or general meetings or separate meetings of any class of shares or of debentures of the Company or otherwise in connection with the discharge of their duties as Directors.

Any Director who, by request, goes or resides abroad for any purpose of the Company or who performs services which in the opinion of the Board go beyond the ordinary duties of a Director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine and such extra remuneration shall be in addition to or in substitution for any ordinary remuneration provided for by or pursuant to any other Bye-law. A Director appointed to be a managing director, joint managing director, deputy managing director or to hold any other employment or other executive office of the Company shall receive such remuneration (whether by way of salary, commission or participation in profits or otherwise or by all or any of those modes) and such other benefits (including pension and/or gratuity and/or other benefits on retirement) and allowances as the Board may from time to time decide. Such remuneration may be either in addition to or in lieu of his remuneration as a Director.

The Board may establish or concur or join with other companies (being subsidiary companies of the Company or companies with which it is associated in business) in establishing and making contributions out of the Company's monies to any schemes or funds for providing pensions, sickness or compassionate allowances, life assurance or other benefits for employees (which expression as used in this and the following paragraph shall include any

Director or ex-Director who may hold or have held any executive office or any office of profit with the Company or any of its subsidiaries) and ex-employees of the Company and their dependants or any class or classes of such persons.

The Board may pay, enter into agreements to pay or make grants of revocable or irrevocable, and either subject or not subject to any terms or conditions, pensions or other benefits to employees and ex-employees and their dependants, or to any of such persons, including pensions or benefits additional to those, if any, to which such employees or ex-employees or their dependants are or may become entitled under any such scheme or fund as is mentioned in the previous paragraph. Any such pension or benefit may, as the Board considers desirable, be granted to an employee either before and in anticipation of, or upon or at any time after, his actual retirement.

*Material differences*

The Articles contain similar provisions.

**(viii) Retirement, appointment and removal**

*Summary*

At each annual general meeting, one third of the Directors for the time being (or if their number is not a multiple of three, then the number nearest to but not less than one third) will retire from office by rotation provided that every Director shall be subject to retirement at least once every three years. The Directors to retire in every year will be those who have been longest in office since their last re-election or appointment but as between persons who became or were last re-elected Directors on the same day those to retire will (unless they otherwise agree among themselves) be determined by lot.

*Note:* There are no provisions relating to retirement of Directors upon reaching any age limit.

The Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or, subject to authorisation by the members in general meeting, as an addition to the existing Board but so that the number of Directors so appointed shall not exceed any maximum number determined from time to time by the members in general meeting. Any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of members after his appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election. Neither a Director nor an alternate Director is required to hold any shares in the Company by way of qualification.

A Director may be removed by an ordinary resolution of the Company before the expiration of his period of office (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company) provided that the notice of any such meeting convened for the purpose of removing a Director shall contain a statement of the intention to do so and be served on such Director fourteen (14) days before the meeting and, at such meeting, such Director shall be entitled to be heard on the motion for his removal. Unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than two. There is no maximum number of Directors unless otherwise determined from time to time by members of the Company.

The Board may from time to time appoint one or more of its body to be managing director, joint managing director, or deputy managing director or to hold any other employment or executive office with the Company for such period (subject to their continuance as Directors) and upon such terms as the Board may determine and the Board may revoke or terminate any of such appointments (but without prejudice to any claim for damages that such Director may have against the Company or vice versa). The Board may delegate any of its powers, authorities and discretions to committees consisting of such Director or Directors and other persons as the Board thinks fit, and it may from time to time revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes, but every committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations that may from time to time be imposed upon it by the Board.

#### *Material differences*

The Articles contain substantially similar provisions. In addition, the Articles provide that at each annual general meeting, all non-executive Directors (including all independent non-executive Directors) shall retire from office. There is however no requirement to serve any notice on the Director who is being removed nor is there any provision allowing such Director to be heard on the motion for his removal. There is also no provision requesting for shareholders' authorisation in case of appointment of a person as an addition to the existing Board.

#### **(ix) *Borrowing powers***

##### *Summary*

The Board may from time to time at its discretion exercise all the powers of the Company to raise or borrow money, to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital

of the Company and, subject to the Companies Act, to issue debentures, bonds and other securities of the Company, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

*Note:* These provisions, in common with the Bye-laws in general, can be varied with the sanction of a special resolution of the Company.

*Material differences*

The Articles contain substantially similar provisions.

**(b) Alterations to constitutional documents**

*Summary*

The Bye-laws may be rescinded, altered or amended by the Directors subject to the confirmation of the Company in general meeting. The Bye-laws state that a special resolution shall be required to alter the provisions of the New Memorandum, to confirm any such rescission, alteration or amendment to the Bye-laws or to change the name of the Company.

*Material differences*

Under the Articles, any alteration to the Memorandum and the Articles requires the sanction of a special resolution.

**(c) Alteration of capital**

*Summary*

The Company may from time to time by ordinary resolution in accordance with the relevant provisions of the Companies Act:

- (i) increase its capital by such sum, to be divided into shares of such amounts as the resolution shall prescribe;
- (ii) consolidate and divide all or any of its capital into shares of larger amount than its existing shares;
- (iii) divide its shares into several classes and without prejudice to any special rights previously conferred on the holders of existing shares attach thereto any rights, privileges, conditions or restrictions which, in the absence of any such determination by the Company in general meeting, as the Directors may determine;

- (iv) sub-divide its shares or any of them into shares of smaller amount than is fixed by the New Memorandum (subject, nevertheless, to the Companies Act);
- (v) change the currency denomination of its share capital;
- (vi) make provision for the issue and allotment of shares which do not carry any voting rights; and
- (vii) cancel any shares which, at the date of passing of the resolution, have not been taken, or agreed to be taken, by any person, and diminish the amount of its capital by the amount of the shares so cancelled.

The Company may, by special resolution, subject to any confirmation or consent required by law, reduce its authorised or issued share capital or, save for the use of share premium as expressly permitted by the Companies Act, any share premium account or other undistributable reserve.

*Material differences*

The Articles contain similar provisions save and except that there is no express provision in the Articles authorising the Company to do (iii), (v) and (vi) by way of ordinary resolution. However, it does not necessarily mean that the Company may not do any of (iii), (v) and (vi) as the Directors have general power under the Articles to do all such acts and things that are not by the Articles or by the Companies Law required to be exercised or done in general meeting. The Company may also by special resolution reduce any capital redemption reserve.

**(d) Variation of rights of existing shares or classes of shares**

*Summary*

Subject to the Companies Act, all or any of the special rights attached to the shares or any class of shares may (unless otherwise provided for by the terms of issue of that class) be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting the provisions of the Bye-laws relating to general meetings will mutatis mutandis apply, but so that the necessary quorum (other than at an adjourned meeting) shall be two persons (or in the case of a member being a corporation, its duly authorised representative) holding or representing by proxy not less than one-third in nominal value of the issued shares of that class and at any adjourned meeting two holders present in person or (in the case of a member being a corporation) its duly authorised

representative or by proxy (whatever the number of shares held by them) shall be a quorum. Every holder of shares of the class shall be entitled to one vote for every such share held by him.

*Material differences*

The Articles contain substantially similar provisions save and except that the necessary quorum of any such separate meeting and of any adjournment thereof shall be a person or persons together holding not less than one-third in nominal value of the issued shares of that class.

**(e) Special resolution-majority required**

*Summary*

A special resolution of the Company must be passed by a majority of not less than three-fourths of the votes cast by such members as, being entitled so to do, vote in person or, in the case of such members as are corporations, by their respective duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice of not less than twenty-one (21) clear days has been duly given. Provided that if permitted by the Designated Stock Exchange (as defined in the Bye-laws), except in the case of an annual general meeting, if it is so agreed by a majority in number of the members having a right to attend and vote at such meeting, being a majority together holding not less than ninety-five per cent. (95%) in nominal value of the shares giving that right and, in the case of an annual general meeting, if so agreed by all members entitled to attend and vote thereat, a resolution may be proposed and passed as a special resolution at a meeting of which notice of less than twenty-one (21) clear days has been given.

*Material differences*

The definition of special resolution under the Articles is the same. In the case of a meeting convened for the purpose of passing a special resolution, 21 days' notice in writing at the least must be given to all the members for the time being of the Company specifying the intention to propose the relevant resolution as a special resolution.



**(f) Voting rights***Summary*

Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with the Bye-laws, at any general meeting on a poll every member present in person or by proxy or (being a corporation) by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or installments is treated for the foregoing purposes as paid up on the share.

At any general meeting, a resolution put to the vote of the meeting is to be decided by way of a poll save that the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

If a recognised clearing house (or its nominee(s)) is a member of the Company it may authorise such persons as it thinks fit to act as its representative(s) at any meeting of the Company or at any meeting of any class of members of the Company provided that the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person authorised pursuant to this provision shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same powers on behalf of the recognised clearing house (or its nominee(s)) as if such person was the registered holder of the shares held by that clearing house (or its nominee(s)) in respect of the number and class of shares specified in the relevant authorisation.

Where the Company has any knowledge that any shareholder is, under the rules of the Designated Stock Exchange (as defined in the Bye-laws), required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

*Material differences*

The Articles provided that voting shall be by way of a show of hands except where a poll is demanded or required under applicable laws and regulations.



**(g) Requirements for annual general meetings***Summary*

An annual general meeting of the Company must be held in each year other than the year in which its statutory meeting is convened at such time (within a period of not more than 15 months after the holding of the last preceding annual general meeting unless a longer period would not infringe the rules of any Designated Stock Exchange (as defined in the Bye-laws)) and place as may be determined by the Board.

*Material differences*

Similarly, the Company must hold a general meeting as its annual general meeting and not more than 15 months shall elapse between the date of one annual general meeting and the next.

**(h) Accounts and audit***Summary*

The Board shall cause true accounts to be kept of the sums of money received and expended by the Company, and the matters in respect of which such receipt and expenditure take place, and of the property, assets, credits and liabilities of the Company and of all other matters required by the provisions of the Companies Act or necessary to give a true and fair view of the Company's affairs and to explain its transactions.

The accounting records shall be kept at the registered office or, subject to the Companies Act, at such other place or places as the Board decides and shall always be open to inspection by any Director. No member (other than a Director) shall have any right of inspecting any accounting record or book or document of the Company except as conferred by law or authorised by the Board or the Company in general meeting.

Subject to the Companies Act and the Bye-laws, a printed copy of the Directors' report, accompanied by the balance sheet and profit and loss account, including every document required by law to be annexed thereto, made up to the end of the applicable financial year and containing a summary of the assets and liabilities of the Company under convenient heads and a statement of income and expenditure, together with a copy of the auditors' report, shall be sent to each person entitled thereto at least twenty-one (21) days before the date of the general meeting and at the same time as the notice of annual general meeting and laid before the Company in general meeting in accordance with the requirements of the Companies Act provided that this provision shall not require a copy of those documents to be sent to any person whose address the Company is not aware or to more than one of the joint

holders of any shares or debentures; however, to the extent permitted by and subject to compliance with all applicable laws, including the rules of the Designated Stock Exchange (as defined in the Bye-laws), the Company may send to such persons summarised financial statements derived from the Company's annual accounts and the Directors' report instead provided that any such person may by notice in writing served on the Company, demand that the Company sends to him, in addition to summarised financial statements, a complete printed copy of the Company's annual financial statement and the Directors' report thereon.

Subject to the Companies Act, at the annual general meeting or at a subsequent special general meeting in each year, the members shall appoint an auditor to audit the accounts of the Company and such auditor shall hold office until the members appoint another auditor. Such auditor may be a member but no Director or officer or employee of the Company shall, during his continuance in office, be eligible to act as an auditor of the Company. The remuneration of the auditor shall be fixed by the Company in general meeting or in such manner as the members may determine. The members may, at any general meeting, by special resolution remove the auditor at any time before the expiration of his term of office and shall by ordinary resolution at that meeting appoint another auditor in his stead for the remainder of his term in accordance with the requirements under the Bye-laws.

The financial statements of the Company shall be audited by the auditor in accordance with generally accepted auditing standards. The auditor shall make a written report thereon in accordance with generally accepted auditing standards and the report of the auditor shall be submitted to the members in general meeting. The generally accepted auditing standards referred to herein may be those of a country or jurisdiction other than Bermuda. If the auditing standards of a country or jurisdiction other than Bermuda are used, the financial statements and the report of the auditor should disclose this fact and name such country and jurisdiction.

#### *Material differences*

The Articles contain substantially similar provisions save and except that the auditors of the Company shall hold office until the next annual general meeting and there is no provision regulating the removal of auditors before the expiration of his term of office. The Articles provide that no person may be appointed as the auditor unless he is independent of the Company.

#### **(i) Notices of meetings and business to be conducted thereat**

##### *Summary*

An annual general meeting shall be called by notice of not less than twenty-one (21) clear days and any special general meeting at which it is proposed to pass a special resolution shall (save as set out in sub-paragraph (e) above) be called by notice of not less than twenty-one (21) clear days in writing, and any other special

general meeting shall be called by notice of not less than fourteen (14) clear days (in each case exclusive of the day on which the notice is given or deemed to be given and of the day for which it is given or on which it is to take effect). The notice must specify the time and place of the meeting and, in the case of special business, the general nature of that business. The notice convening an annual general meeting shall specify the meeting as such.

*Material differences*

The Articles contain substantially similar provisions. A notice convening a meeting to pass a special resolution shall specify the intention to propose the relevant resolution as a special resolution.

**(j) Transfer of shares**

*Summary*

All transfers of shares may be effected by an instrument of transfer in the usual or common form or in a form prescribed by the Designated Stock Exchange (as defined in the Bye-laws) or in such other form as the Board may approve and which may be under hand or, if the transferor or transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the Board may approve from time to time. The instrument of transfer shall be executed by or on behalf of the transferor and the transferee provided that the Board may dispense with the execution of the instrument of transfer by the transferee in any case in which it thinks fit, in its discretion, to do so and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect thereof. The Board may also resolve either generally or in any particular case, upon request by either the transferor or the transferee, to accept mechanically executed transfers.

The Board in so far as permitted by any applicable law may, in its absolute discretion, at any time and from time to time transfer any share upon the principal register to any branch register or any share on any branch register to the principal register or any other branch register.

Unless the Board otherwise agrees, no shares on the principal register shall be transferred to any branch register nor may shares on any branch register be transferred to the principal register or any other branch register. All transfers and other documents of title shall be lodged for registration and registered, in the case of shares on a branch register, at the relevant registration office and, in the case of shares on the principal register, at the registered office in Bermuda or such other place in Bermuda at which the principal register is kept in accordance with the Companies Act.

The Board may, in its absolute discretion, and without assigning any reason, refuse to register a transfer of any share (not being a fully paid up share) to a person of whom it does not approve or any share issued under any share incentive scheme for employees upon which a restriction on transfer imposed thereby still subsists, and it may also refuse to register any transfer of any share to more than four joint holders or any transfer of any share (not being a fully paid up share) on which the Company has a lien.

The Board may decline to recognise any instrument of transfer unless a fee of such maximum sum as any Designated Stock Exchange (as defined in the Bye-laws) may determine to be payable or such lesser sum as the Directors may from time to time require is paid to the Company in respect thereof, the instrument of transfer, if applicable, is duly and properly stamped, is in respect of only one class of share and is lodged at the relevant registration office or registered office or such other place at which the principal register is kept accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do).

The registration of transfers may be suspended after notice has been given by advertisement in any newspapers in accordance with the requirements of any Designated Stock Exchange (as defined in the Bye-laws), at such times and for such periods as the Board may determine and either generally or in respect of any class of shares. The registration of transfers of shares shall not be suspended for periods exceeding in the whole thirty (30) days in any year.

*Material differences*

The Articles contain substantially similar provisions save and except that there is no provision in the Articles permitting the Board to refuse to register a transfer of share on ground that restriction on transfer is imposed under share incentive scheme.

**(k) Power for the Company to purchase its own shares**

*Summary*

The Bye-laws supplement the Company's New Memorandum (which gives the Company the power to purchase its own shares) by providing that the power is exercisable by the Board upon such terms and conditions as it thinks fit.

*Material differences*

The Articles provide that subject to the provisions of the Companies Law and subject to any rights conferred on the holders of any class of shares, the Company may repurchase its own shares.

**(l) Power for any subsidiary of the Company to own shares in the Company***Summary*

There are no provisions in the Bye-laws relating to ownership of shares in the Company by a subsidiary.

*Material differences*

Similarly, the Articles do not contain any a provision.

**(m) Dividends and other methods of distribution***Summary*

Subject to the Companies Act, the Company in general meeting may declare dividends in any currency to be paid to the members but no dividend shall be declared in excess of the amount recommended by the Board. The Company in general meeting may also make a distribution to its members out of contributed surplus (as ascertained in accordance with the Companies Act). No dividend shall be paid or distribution made out of contributed surplus if to do so would render the Company unable to pay its liabilities as they become due or the realisable value of its assets would thereby become less than its liabilities.

Except in so far as the rights attaching to, or the terms of issue of, any share may otherwise provide, (i) all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividend is paid but no amount paid up on a share in advance of calls shall for this purpose be treated as paid up on the share and (ii) all dividends shall be apportioned and paid pro rata according to the amount paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. The Directors may deduct from any dividend or other monies payable to a member by the Company on or in respect of any shares all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.

Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared on the share capital of the Company, the Board may further resolve either (a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the shareholders entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment, or (b) that shareholders entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Board may think fit. The Company may also upon the recommendation of the Board by an ordinary resolution resolve in respect of any one particular dividend of the Company that it may be satisfied

wholly in the form of an allotment of shares credited as fully paid up without offering any right to shareholders to elect to receive such dividend in cash in lieu of such allotment.

Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared the Board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind.

All dividends or bonuses unclaimed for one year after having been declared may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends or bonuses unclaimed for six years after having been declared may be forfeited by the Board and shall revert to the Company.

*Material differences*

The Articles contain substantially similar provisions save that dividend must be paid out of profits and reserves lawfully available for distribution including share premium and there is no reference to contributed surplus which is distributable under Bermuda law only.

**(n) Proxies**

*Summary*

Any member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member of the Company. In addition, a proxy or proxies representing either a member who is an individual or a member which is a corporation shall be entitled to exercise the same powers on behalf of the member which he or they represent as such member could exercise.

*Material differences*

The Articles contain substantially similar provisions.

**(o) Call on shares and forfeiture of shares**

*Summary*

Subject to the Bye-laws and to the terms of allotment, the Board may from time to time make such calls upon the members in respect of any monies unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium). A call may be made payable either in one lump sum

or by installments. If the sum payable in respect of any call is not paid on or before the day appointed for payment thereof, the person or persons from whom the sum is due shall pay interest on the same at such rate not exceeding twenty per cent. (20%) per annum as the Board may determine from the day appointed for the payment thereof to the time of actual payment, but the Board may waive payment of such interest wholly or in part. The Board may, if it thinks fit, receive from any member willing to advance the same, either in money or money's worth, all or any part of the monies uncalled and unpaid or installments payable upon any shares held by him, and upon all or any of the monies so advanced the Company may pay interest at such rate (if any) as the Board may decide.

If a member fails to pay any call on the day appointed for payment thereof, the Board may serve not less than fourteen (14) clear days' notice on him requiring payment of so much of the call as is unpaid, together with any interest which may have accrued and which may still accrue up to the date of actual payment and stating that, in the event of non-payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited.

If the requirements of any such notice are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

Such forfeiture will include all dividends and bonuses declared in respect of the forfeited share and not actually paid before the forfeiture.

A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding, remain liable to pay to the Company all monies which, at the date of forfeiture, were payable by him to the Company in respect of the shares, together with (if the Board shall in its discretion so require) interest thereon from the date of forfeiture until the date of actual payment at such rate not exceeding twenty per cent. (20%) per annum as the Board determines.

#### *Material differences*

The Articles contain substantially similar provisions to the Bye-laws except that the interest rate shall not exceed 15% per annum.



**(p) Inspection of register of members***Summary*

The register and branch register of members shall be open to inspection between 10:00 a.m. and 12:00 noon during business hours by members of the public without charge at the registered office or such other place in Bermuda at which the register is kept in accordance with the Companies Act, unless the register is closed in accordance with the Bye-laws and the Companies Act.

*Material differences*

Under the Articles any register of members held in Hong Kong shall during normal office hours, be open to inspection by members of the Company without charge.

**(q) Quorum for meetings and separate class meetings***Summary*

For all purposes the quorum for a general meeting shall be two members present in person or (in the case of a member being a corporation) by its duly authorised representative or by proxy and entitled to vote. In respect of a separate class meeting (other than an adjourned meeting) convened to sanction the modification of class rights the necessary quorum shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class.

*Material differences*

The Articles contain similar provisions save and except that the necessary quorum of any such separate meeting and of any adjournment thereof shall be a person or persons together holding not less than one-third in nominal value of the issued shares of that class.

**(r) Rights of the minorities in relation to fraud or oppression***Summary*

There are no provisions in the Bye-laws relating to rights of minority shareholders in relation to fraud or oppression. However, certain remedies are available to shareholders of the Company under Bermuda law.

*Material differences*

The Articles contain no provisions specifically dealing with such rights of minority shareholders.



**(s) Procedures on liquidation***Summary*

A resolution that the Company be wound up by the court or be wound up voluntarily shall be a special resolution.

If the Company shall be wound up (whether the liquidation is voluntary or by the court) the liquidator may, with the authority of a special resolution and any other sanction required by the Companies Act, divide among the members in specie or kind the whole or any part of the assets of the Company whether the assets shall consist of property of one kind or shall consist of properties of different kinds and the liquidator may, for such purpose, set such value as he deems fair upon any one or more class or classes of property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator, with the like authority, shall think fit, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

*Material differences*

The Articles contain substantially similar provisions to the Bye-laws.

**(t) Untraceable members***Summary*

The Company may sell any of the shares of a member who is untraceable if (i) all cheques or warrants (being not less than three in total number) for any sum payable in cash to the holder of such shares have remained uncashed for a period of 12 years; (ii) upon the expiry of the 12 year period, the Company has not during that time received any indication of the existence of the member; and (iii) the Company has caused an advertisement to be published in accordance with the rules of the Designated Stock Exchange (as defined in the Bye-laws) giving notice of its intention to sell such shares and a period of three months, or such shorter period as may be permitted by the Designated Stock Exchange (as defined in the Bye-laws), has elapsed since such advertisement and the Designated Stock Exchange (as defined in the Bye-laws) has been notified of such intention. The net proceeds of any such sale shall belong to the Company and upon receipt by the Company of such net proceeds, it shall become indebted to the former member of the Company for an amount equal to such net proceeds.

*Material differences*

The Articles contain similar provisions.

## NOTICE OF THE EGM



### M DREAM INWORLD LIMITED

### 聯夢活力世界有限公司\*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8100)

#### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the extraordinary general meeting of M Dream Inworld Limited (“**Company**”) will be held at 10:30 a.m. on Thursday, 19 December 2013 at 3/F., Nexxus Building, 77 Des Voeux Road Central, Hong Kong to consider and, if thought fit, pass the following resolutions as special resolutions of the Company:

#### SPECIAL RESOLUTIONS

1. “**THAT:**

- (a) subject to obtaining all necessary governmental and regulatory consents, the change of the domicile of the Company (“**Change of Domicile**”) from the Cayman Islands to Bermuda by way of de-registration as a company under the laws of the Cayman Islands and continuation of the Company as an exempted company under the laws of Bermuda be and is hereby approved;
- (b) the memorandum of continuance, a copy of which has been produced to the meeting marked “A” and initialled by the Chairman for the purpose of identification, be and is hereby adopted in substitution for the memorandum of association of the Company, effective from the date that the memorandum of continuance is approved and registered by the Registrar of Companies in Bermuda;
- (c) conditional upon the continuance of the Company into Bermuda as an exempted company under the laws of Bermuda, the bye-laws of the Company, a copy of which has been produced to the meeting marked “B” and initialled by the Chairman for the purpose of identification, be and is hereby adopted in substitution for the articles of association of the Company, effective from the date that the memorandum of continuance is registered by the Registrar of Companies in Bermuda;
- (d) conditional upon the continuance of the Company into Bermuda as an exempted company under the laws of Bermuda, the maximum number of Directors shall, for the time being, be fixed at twenty (20) and the Directors be and are hereby authorised to fill any vacancies on the board of Directors and to appoint additional Directors up to the maximum number determined herein or such other

\* For identification purpose only

## NOTICE OF THE EGM

maximum number as may be determined from time to time by members of the Company in general meeting and to appoint alternate Directors at their discretion; and

- (e) the Directors be and are hereby authorised to undertake all such acts and things and execute all such documents on behalf of the Company, including under seal where applicable, as they may consider necessary or expedient to give effect to the Change of Domicile.”

2. **“THAT** subject to the passing of special resolution numbered 1 above:

- (a) the entire amounts standing to the credit of the share premium account of the Company as at the day of passing this resolution be cancelled and transferred to an account of the Company designated as the contributed surplus account of the Company (**“Cancellation of Share Premium Account”**);
- (b) the account designated as the contributed surplus account of the Company shall be the contributed surplus account of the Company within the meaning of the Companies Act 1981 of Bermuda (**“Contributed Surplus Account”**) effective upon the Change of Domicile (as defined in special resolution numbered 1) and the amounts standing to the credit of such designated account shall continue to stand to the credit of the Contributed Surplus Account effective upon the Change of Domicile; and
- (c) the Directors be and are hereby authorised to do all such acts and things and execute all such documents on behalf of the Company, including under seal where applicable, as they may consider necessary or expedient to give effect to the Cancellation of Share Premium Account.”

On behalf of the Board  
**M Dream Inworld Limited**  
**Chi Chi Hung, Kenneth**  
*Chairman*

Hong Kong, 26 November 2013

*Registered office:*  
Cricket Square  
Hutchins Drive, P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*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 THE EGM

*Notes:*

- (1) A member of the Company entitled to attend and vote at the extraordinary general meeting convened by the above notice (“**Meeting**”) is entitled to appoint one or more proxies to attend the Meeting and, subject to the provisions of the articles of association of the Company, to vote on his/her behalf. A proxy need not be a member of the Company but must be present in person at the Meeting to represent the member of the Company. If more than one proxies are 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 (if required by the board of Directors) 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 Company’s branch share registrar and transfer office 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 not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude a member of the Company from attending in person and voting at the Meeting or any adjournment thereof should he so wish. In that event, his/her form of proxy will be deemed to have been revoked.
- (3) In the case of joint holders of a share of the Company, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she/it was solely entitled thereto; but if more than one of such joint holders are present at the Meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
- (4) As required under the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (“**GEM Listing Rules**”), the above resolution will be decided by way of poll.

*As at the date hereof, 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 notice, 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 notice 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 notice misleading.*

*This notice will remain on the “Latest Company Announcements” page of the GEM website at <http://www.hkgem.com> for at least seven (7) days from the date of its publication and is available for reference on the website of the Company at <http://www.mdreaminworld.com.hk>.*