

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

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M DREAM INWORLD LIMITED

聯夢活力世界有限公司*

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 8100)

**(1) GRANT OF GENERAL MANDATES TO
REPURCHASE SHARES AND TO ISSUE NEW SHARES;
(2) REFRESHMENT OF THE 10% GENERAL LIMIT
UNDER THE SHARE OPTION SCHEME;
(3) RE-ELECTION OF DIRECTORS;
AND
(4) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of the Company to be held at 3/F, Nexxus Building, 77 Des Voeux Road Central, Central, Hong Kong at 11:00 a.m. on Wednesday, 4 June 2014 is set out on pages 17 to 22 of this circular. A form of proxy for use by the shareholders at the annual general meeting is enclosed herein.

Whether or not you are able to attend such 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 annual general meeting or any adjournment thereof to the office of the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong. 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, and in such case, the form of proxy previously submitted shall be deemed to be revoked.

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

* For identification purpose only

CHARACTERISTICS OF GEM

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	4
Appendix I — Explanatory Statement on the Repurchase Mandate	9
Appendix II — Details of Directors proposed to be re-elected at the AGM	12
Notice of AGM	17

DEFINITIONS

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

“10% General Limit”	the limit imposed under the rules of the Share Option Scheme on the total number of Shares which may be issued upon the exercise of all options to be granted under the Share Option Scheme, being 10% of the Company’s issued share capital as at the date of adoption of the Share Option Scheme and thereafter, if refreshed, shall not exceed 10% of the Shares in issue as at the date of approval of the Proposed Refreshment by the Shareholders
“AGM”	the annual general meeting of the Company to be held at 3/F, Nexxus Building, 77 Des Voeux Road Central, Central, Hong Kong at 11:00 a.m. on Wednesday, 4 June 2014, the notice of which is set out on pages 17 to 22 of this circular
“associate(s)”	has the same meaning as ascribed in the GEM Listing Rules
“Board”	the board of Directors
“Bye-Laws”	the bye-laws of the Company, as amended from time to time
“Companies Act”	the Companies Act 1981 of Bermuda (as amended)
“Company”	M Dream Inworld Limited, a company incorporated in the Cayman Islands and continued in Bermuda 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
“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors to the effect that any Shares repurchased under the Repurchase Mandate will be added to the total number of Shares which may be allotted and issued under the General Mandate
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM

DEFINITIONS

“General Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to allot, issue or otherwise deal with Shares up to a maximum of 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing the relevant resolution as set out in resolution numbered 5 in the notice convening the AGM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Latest Practicable Date”	28 April 2014, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“PRC”	the People’s Republic of China, and for the purpose of this circular, excludes Hong Kong, Macau Special Administrative Region and Taiwan
“Proposed Refreshment”	the proposed refreshment of the 10% General Limit under the Share Option Scheme at the AGM
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to repurchase Shares, the aggregate nominal amount of which shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing the relevant resolution as set out in resolution numbered 4 in the notice convening the AGM
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Share Option Scheme”	the share option scheme of the Company adopted by the Company on 24 December 2007
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Takeovers Code”	the Code on Takeovers and Mergers issued by the Securities and Future Commission
“%”	per cent.



M DREAM INWORLD LIMITED

聯夢活力世界有限公司*

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 8100)

Executive Directors:

Mr. Chi Chi Hung, Kenneth (*Chairman*)
Mr. Xue Qiushi (*Chief Executive Officer*)

Independent Non-executive Directors:

Mr. Lam Kit Sun
Mr. Yip Chi Fai Stevens
Ms. Xiao Yiming

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*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

30 April 2014

To the Shareholders

Dear Sir or Madam,

**(1) GRANT OF GENERAL MANDATES TO
REPURCHASE SHARES AND TO ISSUE NEW SHARES;
(2) REFRESHMENT OF THE 10% GENERAL LIMIT
UNDER THE SHARE OPTION SCHEME;
AND
(3) RE-ELECTION OF DIRECTORS**

INTRODUCTION

The purpose of this circular is to give you notice of the AGM and to provide you with information regarding (i) the grant of the Repurchase Mandate, the General Mandate and the Extension Mandate; (ii) the Proposed Refreshment; and (iii) the proposed re-election of Directors.

* For identification purpose only

LETTER FROM THE BOARD

GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES

The general mandates previously granted to the Directors to repurchase and issue Shares by the Shareholders at the annual general meeting of the Company held on 24 May 2013 will expire at the conclusion of the AGM. In order to give the Company the flexibility to repurchase and issue Shares if and when appropriate, the following ordinary resolutions will be proposed at the AGM to approve the grant of new general mandates to the Directors:

- (a) to purchase Shares on the Stock Exchange of an aggregate nominal amount of up to 10% of the total nominal amount of the issued share capital of the Company on the date of passing such resolution (i.e. an aggregate nominal amount of Shares up to HK\$49,256,209.30 (equivalent to 492,562,093 Shares)) assuming that the total number of Shares in issue remains the same at 4,925,620,935 Shares from the Latest Practicable Date up to the date of passing such resolution);
- (b) to allot, issue or deal with Shares of an aggregate nominal amount of up to 20% of the total nominal amount of the issued share capital of the Company on the date of passing such resolution (i.e. an aggregate nominal amount of Shares up to HK\$98,512,418.70 (equivalent to 985,124,187 Shares)) assuming that the total number of Shares in issue remains the same at 4,925,620,935 Shares from the Latest Practicable Date up to the date of passing such resolution); and
- (c) to extend the General Mandate by an amount representing the aggregate nominal amount of Shares repurchased by the Company pursuant to and in accordance with the Repurchase Mandate.

The Repurchase Mandate and the General Mandate will continue in force until the conclusion of the next annual general meeting of the Company held after the AGM or any earlier date as referred to in the proposed ordinary resolutions contained in items 4 and 5 of the notice of the AGM as set out on pages 17 to 22 of this circular. With reference to the Repurchase Mandate and the General Mandate, the Directors wish to state that they have no immediate plan to repurchase any Shares or issue any Shares pursuant thereto.

In accordance with the requirements of the GEM Listing Rules, the Company is required to send to the Shareholders an explanatory statement containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the grant of the Repurchase Mandate. The explanatory statement for such purpose is set out in Appendix I to this circular.

REFRESHMENT OF THE 10% GENERAL LIMIT UNDER THE SHARE OPTION SCHEME

Under the rules of the Share Option Scheme:

- (1) the maximum number of Shares which may be issued upon the exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Group is subject to the 10% General Limit; and

LETTER FROM THE BOARD

- (2) the maximum number of Shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Group must not in aggregate exceed 30% of the Shares in issue from time to time (“**30% Overall Limit**”).

The Company may seek approval from the Shareholders in general meeting for refreshing the 10% General Limit so that the maximum number of Shares which may be issued upon the exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Group shall be re-set at 10% of the Shares in issue as at the date of approval of the limit as “refreshed”. In this connection, options previously granted under the Share Option Scheme and any other share option schemes of the Group (including options outstanding, cancelled, lapsed or exercised) will not be counted for the purpose of calculating the 10% General Limit as “refreshed”.

The existing 10% General Limit is 204,148,691 Shares, being 10% of the Shares in issue as at 24 May 2013, being the date of last annual general meeting of the Company and the existing 10% General Limit was approved by the Shareholders thereat. Up to the Latest Practicable Date, no share option was granted under the existing 10% General Limit. Share options entitling the holders thereof to subscribe for up to 6,200,000 Shares, representing approximately 0.13% of the existing issued share capital of the Company, have been granted since the adoption of the Share Option Scheme. All such share options remained outstanding as at the Latest Practicable Date.

Given the issued share capital of the Company has been substantially enlarged since the last annual general meeting of the Company on 24 May 2013 from 2,041,486,915 Shares to 4,925,620,935 Shares as at the Latest Practicable Date as a result of the allotment and issue of Shares in relation to the exercise of the conversion rights attached to the convertible notes issued by the Company on 31 March 2013. The Directors consider that it is in the interests of the Company and the Shareholders as a whole to refresh the 10% General Limit so as to provide the Company with greater flexibility in granting share options to eligible participants under the Share Option Scheme, who, at the sole discretion of the Board, have made or may make contribution to the Group as well as to provide incentives to those persons and help the Group in retaining its existing employees and recruiting additional employees and to provide them with a direct interest in attaining the long term business objectives of the Group. For these reasons, the Directors will propose the passing of an ordinary resolution at the AGM for “refreshing” the 10% General Limit.

On the basis of 4,925,620,935 Shares being in issue as at the Latest Practicable Date and assuming that the issued share capital of the Company will not change prior to the AGM, the maximum number of Shares which may be issued upon exercise of all share options that may be granted under the 10% General Limit so refreshed is 492,562,093.

The refreshment of the 10% General Limit is conditional upon:

- (a) the passing of an ordinary resolution by the Shareholders at the AGM to approve the Proposed Refreshment; and

LETTER FROM THE BOARD

- (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, such number of Shares, representing 10% of the issued Shares as at the date of the AGM, which may fall to be allotted and issued pursuant to the exercise of the options to be granted under the Share Option Scheme within the 10% General Limit so refreshed.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, such number of Shares, representing 10% of the issued Shares as at the date of the AGM, which may fall to be issued pursuant to the exercise of the options to be granted under the Share Option Scheme within the 10% General Limit so refreshed.

RE-ELECTION OF DIRECTORS

Pursuant to Bye-Law 84 of the Bye-Laws, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years. The retiring Directors shall be eligible for re-election.

Further, pursuant to Bye-Law 83(2) of the Bye-Laws, 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.

Mr. Xue Qiushi, Mr. Lam Kit Sun, Mr. Yip Chi Fai Stevens and Ms. Xiao Yiming were all appointed by the Board and shall retire at the AGM and each of them, being eligible, will offer himself/herself for re-election at the AGM. Mr. Chi Chi Hung, Kenneth will retire at the AGM and not offer himself for re-election at the AGM in order to devote more time in his other business.

Further particulars of Mr. Xue Qiushi, Mr. Lam Kit Sun, Mr. Yip Chi Fai Stevens and Ms. Xiao Yiming 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.

LETTER FROM THE BOARD

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

The notice of the AGM is set out on pages 17 to 22 of this circular. At the AGM, resolutions will be proposed to approve, inter alia, the grant of the Repurchase Mandate and the General Mandate, the Extension Mandate, the Proposed Refreshment and the re-election of Directors. All resolutions at the AGM will be taken by poll in accordance with the requirements of the GEM Listing Rules.

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 return it to the office of the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. 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, and in such case, the form of proxy previously submitted shall be deemed to be revoked.

RECOMMENDATION

The Directors consider that the grant of the Repurchase Mandate, the General Mandate and the Extension Mandate, the Proposed Refreshment, and the re-election of Directors are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM.

GENERAL INFORMATION

Your attention is drawn to the additional information set out in Appendix I (Explanatory Statement on the Repurchase Mandate) and Appendix II (Details of the Directors proposed to be re-elected at the AGM) to this circular.

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.

Your faithfully
On behalf 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 4,925,620,935 Shares in issue as at the Latest Practicable Date and assuming that the issued share capital of the Company will not change prior to the AGM, would result in 492,562,093 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 REPURCHASES

The Directors believe that it is in the interests of the Company and the Shareholders as a whole 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 asset value of the Company and/or its earnings per Share and will only be made when the Directors believe such repurchases will benefit the Company and the Shareholders as a whole.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum of continuance and the Bye-Laws, the Companies Act, the laws of Bermuda and/or other applicable laws, as the case may be.

The Companies Act provides that a company may only repurchase its own shares out of capital paid up on its shares to be repurchased, or out of funds of the company which would otherwise be available for dividend or distribution or out of the proceeds of a fresh issue of shares made by the company for the purpose of the repurchase. Any amount of premium payable on a repurchase over the par value of the shares may only be effected out of either funds of the company that would otherwise be available for dividend or distribution, or out of the company's share premium account. Further, such repurchase may not be made if, on the date on which the repurchase is to be effected, there are reasonable grounds for believing that the company is, or after the repurchase would be, unable to pay its liabilities as they become due.

4. IMPACT OF REPURCHASES

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 consolidated financial statements contained in the annual report of the Company for the year ended 31 December 2013) in the event that the Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period.

However, the Directors do not intend 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. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates have any present intention to sell any Shares to the Company or its subsidiaries under the Repurchase Mandate, in the event that the Repurchase Mandate is approved at the AGM by the Shareholders.

No connected person (as defined in the GEM Listing Rules) of the Company has notified the Company that he/she/it has a present intention to sell any Shares to the Company and no such person has undertaken not to sell any Shares held by him/her/it to the Company, in the event that the Repurchase Mandate is approved at the AGM by the Shareholders.

6. UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to make repurchases of the Shares pursuant to the Repurchase Mandate in accordance with the GEM Listing Rules, the applicable laws of Bermuda, and the memorandum of continuance of the Company and the Bye-Laws.

7. TAKEOVERS CODE IMPLICATIONS

If as a result of a share repurchase a shareholder's proportionate interest in the voting rights of the repurchasing company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. As a result, a shareholder or a group of shareholders acting in concert could obtain or consolidate control of a repurchasing company and thereby become obliged to make a mandatory offer in accordance with Rule 26 or Rule 32 of the Takeovers Code. As at the Latest Practicable Date, Wise Action Limited and Access Magic Limited were the substantial Shareholders (as defined in the GEM Listing Rules) holding 539,607,915 Shares and 519,116,908 Shares, representing approximately 10.96% and 10.54% of the issued share capital of the Company respectively.

To the best of the Directors' knowledge and belief having made all reasonable enquiries, they are not aware of any consequence which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate.

The Directors have no intention to exercise the Repurchase Mandate to such extent that will result in the number of Shares in the hands of the public falling below the prescribed minimum percentage of 25%.

8. GENERAL

In the six months preceding the Latest Practicable Date, the Company had not repurchased any Share on the Stock Exchange or otherwise.

9. SHARE PRICES

In each of the previous 12 months and up to the Latest Practicable Date, the highest and lowest prices at which the Shares were traded on GEM are as follows:

Month	Highest HK\$	Lowest HK\$
2013		
April	0.149	0.112
May	0.147	0.106
June	0.126	0.100
July	0.125	0.080
August	0.150	0.100
September	0.133	0.086
October	0.104	0.078
November	0.096	0.075
December	0.106	0.061
2014		
January	0.077	0.028
February	0.058	0.034
March	0.097	0.038
April (up to the Latest Practicable Date)	0.078	0.054

The following are the particulars of Mr. Xue Qiushi, Mr. Lam Kit Sun, Mr. Yip Chi Fai Stevens and Ms. Xiao Yiming, all of whom will retire by rotation at the AGM and being eligible, will offer themselves for re-election.

EXECUTIVE DIRECTOR

(1) Mr. Xue Qiushi (“Mr. Xue”)

Mr. Xue, aged 29, has been appointed as an Executive Director and the Chief Executive Officer of the Company since July 2013. Mr. Xue is a co-founder and a director of Apperience Corporation (a non-wholly owned subsidiary of the Company) and has served as its director and president since March 2011. Prior to the founding of Apperience Corporation and its subsidiaries in 2011, Mr. Xue served as the president of 成都奧畢信息技術有限公司 (Chengdu AOBI Information Technology Co., Ltd.) from November 2008 to March 2011, where he was responsible for its business operations and research and development. Mr. Xue received his bachelor’s degree in computer science and technology from the University of Electronic Science and Technology of China (電子科技大學) in July 2007.

In accordance with the letter of appointment made between Mr. Xue and the Company, Mr. Xue has been appointed for a term of three years commencing from 5 July 2013 to 4 July 2016 and is subject to retirement by rotation and re-election and other related provisions as stipulated in the constitutional documents of the Company. Mr. Xue’s remuneration is HK\$360,000 per annum which was determined by the Board with reference to his duties and responsibilities within the Group, the Group’s performance and the prevailing market condition.

As at the Latest Practicable Date, save as disclosed above, Mr. Xue did not hold any other major appointment and qualifications or directorship in other listed company in the last three years, nor does he have any relationship with any Director, senior management, substantial or controlling Shareholders (having the meaning ascribed to it in the GEM Listing Rules) of the Company. Other than being the Director and the Chief Executive Officer as disclosed above and the directors of Apperience Corporation, Imidea Limited, Both Talent International Limited and IObit Limited, all being subsidiaries of the Company, Mr. Xue does not hold other positions with the Company or other members of the Company.

As at the Latest Practicable Date, Mr. Xue was deemed to be interested in 2,776,671,893 Shares/underlying Shares in the capacity as interest in his controlled corporation and interests deemed under sections 317 and 318 of the SFO. Among these 2,776,671,893 Shares/underlying Shares, 1,606,472,451 of which were underlying Shares. Mr. Xue was also deemed to be interested in 3,882,391 shares in Apperience Corporation through his controlled corporation. He was also deemed to be interested in a debenture of the Company in the principal amount of HK\$16,646,025 through his controlled corporation. Save as disclosed above, Mr. Xue was not interested in any other Shares of the Company within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Save as disclosed above, there is no further information to be disclosed pursuant to the requirements of Rule 17.50(2)(h) to (v) of the GEM Listing Rules and there are no other matters relating to the re-election of Mr. Xue that need to be brought to the attention of the Shareholders of the Company.

INDEPENDENT NON-EXECUTIVE DIRECTORS

(2) Mr. Lam Kit Sun (“Mr. Lam”)

Mr. Lam, aged 36, has been appointed as an Independent Non-executive Director since October 2013. He graduated from The Hong Kong University of Science and Technology with a bachelor’s degree in Business Administration in Accounting. Mr. Lam has over 10 years’ experience in the field of financial reporting, financial management and audit experience in China and Hong Kong. Mr. Lam is a fellow and practicing member of the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), a fellow of the Association of Chartered Certified Accountants (“**ACCA**”), an associate of The Hong Kong Institute of Chartered Secretaries and a non-practicing member of the Chinese Institute of Certified Public Accountants. He is the Chairman of the Remuneration Committee of the Board and a member of the Audit Committee and Nomination Committee of the Board.

From August 2008 to July 2011, Mr. Lam was appointed as a non-executive director of Ruifeng Petroleum Chemical Holdings Limited (stock code: 8096, formerly known as Thinsoft (Holdings) Inc), a company whose shares are listed on GEM. Mr. Lam was an executive director of Kiu Hung Energy Holdings Limited (“**Kiu Hung**”) (stock code: 381), a company whose shares are listed on the Main Board of the Stock Exchange, from October 2009 to July 2013 and he was redesignated as a non-executive director of Kiu Hung on 1 August 2013. Currently, Mr. Lam is an executive director, company secretary and chief financial officer of Universe International Holdings Limited (stock code: 1046), a company whose shares are listed on the Main Board of the Stock Exchange. Mr. Lam is an independent non-executive director of DX.com Holdings Limited (“**DX.com**”) (stock code: 8086), a company whose shares are listed on GEM of the Stock Exchange. Mr. Lam is also the chief financial officer and company secretary of Finsoft Corporation (stock code: 8018), a company whose shares are listed on GEM of the Stock Exchange. As at the Latest Practicable Date, the Company held 248,976,000 shares of DX.com, representing approximately 4.89% of the total issued share capital of DX.com.

In accordance with the letter of appointment entered into between the Company and Mr. Lam, Mr. Lam would serve as an independent non-executive Director for a term of 2 years commencing from 2 October 2013 to 1 October 2015 and is subject to retirement from office and re-election in accordance with the constitutional documents of the Company. Mr. Lam is entitled to a director’s fee of HK\$25,000 per quarter which was determined by the Board with reference to his background, experience, duties and responsibilities with the Group and the prevailing market conditions.

As at the Latest Practicable Date, save as disclosed above, Mr. Lam did not hold any other major appointment and professional qualifications or directorship in other listed company in the last three years, nor does he have any relationship with any Director, senior

management, substantial Shareholders or controlling Shareholders (having the meaning ascribed to it in the GEM Listing Rules) of the Company. Save as mentioned above, Mr. Lam does not hold other positions with the Company or other members of the Group.

As at the Latest Practicable Date, Mr. Lam was not interested in any shares of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, there is no further information to be disclosed pursuant to the requirements of Rule 17.50(2)(h) to (v) of the GEM Listing Rules and there are no other matters relating to the re-election of Mr. Lam that need to be brought to the attention of the Shareholders of the Company.

(3) Mr. Yip Chi Fai Stevens (“Mr. Yip”)

Mr. Yip, aged 44, has been appointed as an Independent Non-executive Director since January 2014. He obtained the degree of Master of Business Administration from The Bernard M. Baruch College of The City University of New York in 1995 and a degree of Bachelor of Science with highest honours from The College of Staten Island of The City University of New York in 1992. Mr. Yip is proficient in investments in information technology and software related industries and has extensive experience in corporate finance, specialising in capital strategy planning. In 2007, Mr. Yip founded an investment company which is principally engaged in the investments in both listed and non-listed companies in the Asia-Pacific region. Mr. Yip is also the director and a shareholder of a private company principally engaged in trading of electronic components and products. He is the Chairman of the Audit Committee of the Board and a member of the Remuneration Committee and the Nomination Committee of the Board.

Mr. Yip has been a committee member of the 6th Committee of Meizhou City of Guangdong Province of The Chinese People’s Political Consultative Conference since his appointment in January 2012 and is the vice chairman of the 2nd Session of Board of Wanchai and Central & Western District Industries and Commerce Association. Mr. Yip is also a director of Phoenix Charitable Foundation Limited and the adviser to the North District, New Territories East Region of the Auxiliary Medical Service, Hong Kong Special Administrative Region Government of the People’s Republic of China.

In accordance with the letter of appointment entered into between the Company and Mr. Yip, Mr. Yip would serve as an independent non-executive Director for a term of two years commencing on 2 January 2014 and is subject to retirement from office and re-election in accordance with the constitutional documents of the Company. Mr. Yip is entitled to a director’s fee of HK\$25,000 per quarter which is determined by the Board with reference to his background, experience, duties and responsibilities with the Group and the prevailing market conditions.

As at the Latest Practicable Date, save as disclosed above, Mr. Yip (i) did not hold other positions with the Company or other members of the Group; (ii) did not hold any other major appointment and professional qualification; (iii) did not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas

in the last three years. Mr. Yip does not have any relationship with any Director, senior management, substantial Shareholders or controlling Shareholders (having the meaning ascribed to it in the GEM Listing Rules) of the Company.

As at the Latest Practicable Date, Mr. Yip did not have any interests in the shares of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, there is no further information to be disclosed pursuant to the requirements of Rule 17.50(2)(h) to (v) of the GEM Listing Rules and there are no other matters relating to the re-election of Mr. Yip that need to be brought to the attention of the Shareholders of the Company.

(4) Ms. Xiao Yiming (“Ms. Xiao”)

Ms. Xiao, aged 33, has been appointed as an Independent Non-executive Director since January 2014. She graduated from the Harbin Institute of Technology with a bachelor’s degree in Business Administration in Management. Ms. Xiao has over 10 years’ experience in the field of public relations. Ms. Xiao was a senior manager of investor relations of a hotel chain in China. She was a consultant of corporate communications and investor relations of a subsidiary (“PR Company”) of a company whose shares are listed on GEM and whose subsidiaries are principally engaged in, among others, the provision of advertising and public relations services. Ms. Xiao is currently the chief representative of the Beijing Representative Office of the PR Company and is responsible for offering consulting services in corporate communications and investor relations to companies listed in Hong Kong as well as to clients in initial public offering projects. The PR Company has been providing consulting services in corporate communications and investor relations to the Group since 2012. Nevertheless, Ms. Xiao is not a director, partner or principal of the PR Company and Ms. Xiao is not or has not been involved in providing such consulting services to the Group. She is the Chairman of the Nomination Committee of the Board and a member of the Audit Committee and the Remuneration Committee of the Board.

In accordance with the letter of appointment entered into between the Company and Ms. Xiao, Ms. Xiao would serve as an independent non-executive Director for a term of two years commencing on 17 January 2014 and is subject to retirement from office and re-election in accordance with the constitutional documents of the Company. Ms. Xiao is entitled to a director’s fee of HK\$25,000 per quarter which was determined by the Board with reference to her background, experience, duties and responsibilities with the Group and the prevailing market conditions.

As at the Latest Practicable Date, save as disclosed above, Ms. Xiao (i) did not hold other positions with the Company or other members of the Group; (ii) did not hold any other major appointment and professional qualification; (iii) did not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years. Ms. Xiao does not have any relationship with any Director, senior management, substantial Shareholders or controlling Shareholders (having the meaning ascribed to it in the GEM Listing Rules) of the Company.

As at the Latest Practicable Date, Ms. Xiao did not have any interests in the shares of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, there is no further information to be disclosed pursuant to the requirements of Rule 17.50(2)(h) to (v) of the GEM Listing Rules and there are no other matters relating to the appointment of Ms. Xiao that need to be brought to the attention of the Shareholders of the Company.

NOTICE OF AGM



M DREAM INWORLD LIMITED

聯夢活力世界有限公司*

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 8100)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (“AGM”) of M Dream Inworld Limited (the “Company”) will be held at 3/F, Nexxus Building, 77 Des Voeux Road Central, Central, Hong Kong at 11:00 a.m. on Wednesday, 4 June 2014 for the following purposes:

1. To receive and approve the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors and the auditors of the Company for the year ended 31 December 2013.
2. (a) to re-elect Mr. Xue Qiushi as an Executive Director and the Chairman of the Board;
(b) to re-elect Mr. Lam Kit Sun as an Independent Non-executive Director;
(c) to re-elect Mr. Yip Chi Fai Stevens as an Independent Non-executive Director;
(d) to re-elect Ms. Xiao Yiming as an Independent Non-executive Director; and
(e) to authorise the board of directors of the Company (“Board”) to fix the directors’ remuneration.
3. To re-appoint RSM Nelson Wheeler as the auditors of the Company and to authorise the Board to fix their remuneration.
4. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (b) below, the exercise by the directors of the Company (“Directors”) during the Relevant Period (as defined below) of all powers of the Company to purchase (or agree to purchase) its shares in the share capital of the Company (each a “Share”) on The Stock Exchange of Hong Kong Limited (“Stock Exchange”), or any other stock exchange on which the Shares may be

* For identification purpose only

NOTICE OF AGM

listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for such purpose, be and the same is hereby generally and unconditionally approved;

- (b) the aggregate nominal amount of Shares which may be repurchased or agreed to be repurchased 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 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 bye-laws of the Company, the Companies Act 1981 of Bermuda (as amended) or any other applicable laws of Bermuda to be held; or
 - (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 under this resolution.”

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

“THAT:

- (a) subject to paragraph (c) below, the exercise by the directors of the Company (“**Directors**”) during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with authorised and unissued shares in the capital of the Company (each a “**Share**”) and to make or grant offers, agreements or options, including warrants to subscribe for Shares, which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers after the expiration of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to or in consequence of: (i) a Rights Issue (as defined below); or (ii) the exercise of any option

NOTICE OF AGM

granted under any share option scheme or similar arrangements adopted by 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 bye-laws 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, convertible bonds, debentures, notes or any securities issued by the Company 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 as at 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 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
- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from 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 bye-laws of the Company, the Companies Act 1981 of Bermuda (as amended) or any other applicable law of Bermuda 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;

“**Rights Issue**” means an offer of Shares, or an offer of warrants, options or other securities giving rights to subscribe for Shares, open for a period fixed by the Directors to holders of Shares whose names appear on the Company’s register of members on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the Directors 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 any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).”

NOTICE OF AGM

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

“**THAT** conditional upon the passing of resolutions nos. 4 and 5 above, the general mandate granted to the Directors pursuant to resolution no. 5 above be and is hereby extended by the addition to the aggregate nominal amount of shares in the share capital of the Company which may be allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with by the Directors pursuant to or in accordance with such general mandate of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company pursuant to or in accordance with the authority granted under resolution no. 4 above.”

7. To consider 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 of Hong Kong Limited (“**Stock Exchange**”) granting the listing of, and permission to deal in, such number of shares of the Company which may fall to be allotted and issued pursuant to the exercise of the options which may be granted under the share option scheme adopted by the Company pursuant to an ordinary resolution of the Shareholders passed on 24 December 2007 (the “**Share Option Scheme**”), representing 10 per cent. of the issued share capital of the Company as at the date on which this resolution is passed, pursuant to the rules of the Share Option Scheme:

- (a) approval be and is hereby granted for refreshing the 10 per cent. mandate under the Share Option Scheme (“**Refreshed Scheme Mandate**”) provided that the total number of shares of the Company which may be allotted and issued upon the exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Group under the limit as refreshed hereby shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date on which this resolution is passed (options previously granted under the Share Option Scheme and any other share option schemes of the Group (including options outstanding, cancelled, lapsed or exercised in accordance with the terms of the Share Option Scheme or any other share option schemes of the Group) shall not be counted for the purpose of calculating the Refreshed Scheme Mandate); and

NOTICE OF AGM

- (b) the directors of the Company or a duly authorised committee thereof be and is/ are hereby authorised: (i) at its/their absolute discretion, to grant options to subscribe for shares of the Company within the Refreshed Scheme Mandate in accordance with the rules of the Share Option Scheme, and (ii) to allot, issue and deal with shares of the Company pursuant to the exercise of options granted under the Share Option Scheme within the Refreshed Scheme Mandate.”

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

30 April 2014

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*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

Notes:

1. All resolutions at the AGM will be taken by poll pursuant to the GEM Listing Rules and the results of the poll will be published on the websites of GEM and the Company in accordance with the GEM Listing Rules.
2. Any member of the Company entitled to attend and vote at the AGM shall be entitled to appoint another person as his/her 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/her and vote on his/her behalf at the AGM. A proxy need not be a member of the Company. On a poll, votes may be given either personally or by proxy.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointer is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.
4. To be valid, the instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to the office of the branch share registrar and transfer office of the Company in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof.
5. Where there are joint holders of any shares, any one of such joint holders may vote at the AGM, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders be present at the AGM, 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, and 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.

NOTICE OF AGM

6. Completion and delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the AGM or any adjournment thereof if the member so wish and in such event, the instrument appointing a proxy should be deemed to be revoked.

As at the date of this notice, the Board comprises (i) two executive Directors, namely Mr. Chi Chi Hung, Kenneth and Mr. Xue Qiushi and (ii) three independent non-executive Directors, namely Mr. Lam Kit Sun, Mr. Yip Chi Fai Stevens and Ms. Xiao Yiming.

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 a minimum period of seven days from the date of its publication and on the website of the Company at <http://www.mdreaminworld.com.hk>.