

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 (“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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This circular is for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company.



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)

PROPOSED CAPITAL REORGANISATION AND NOTICE OF SPECIAL GENERAL MEETING

A notice convening the special general meeting of the Company to be held at 11:00 a.m. on Thursday, 17 July 2014 at 3/F, Nexxus Building, 77 Des Voeux Road Central, Central, Hong Kong is set out on pages 12 to 14 of this circular. A form of proxy for use by the shareholders at the special 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 special 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 special 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 at <http://www.mdreaminworld.com.hk>.

* 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 of Hong Kong Limited. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

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

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DEFINITIONS

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

“Acquisition Agreement”	the sale and purchase agreement dated 15 November 2012 signed by the Company in relation to the acquisition of 50.5% of the equity interest in Apperience Corporation (as supplemented and amended by the supplemental agreement dated 11 December 2012)
“Board”	the board of Directors
“Capital Reduction”	the proposed reduction of the issued share capital of the Company through a cancellation of the paid-up capital of the Company to the extent of HK\$0.39 on each of the issued Consolidated Shares such that the nominal value of each issued Consolidated Share will be reduced from HK\$0.40 to HK\$0.01
“Capital Reorganisation”	the proposed reorganisation of the share capital of the Company involving the Share Consolidation, the Capital Reduction and the Share Subdivision
“CCASS”	Central Clearing and Settlement System established and operated by HKSCC
“Companies Act”	the Companies Act 1981 of Bermuda
“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
“Consolidated Share(s)”	ordinary share(s) of HK\$0.40 each in the share capital of the Company immediately after the Share Consolidation becoming effective
“Convertible Notes”	zero coupon convertible notes in an aggregate principal amount of HK\$16,646,024.625 convertible into Existing Shares at the conversion price of HK\$0.108 per conversion share (subject to adjustments)
“Director(s)”	the director(s) of the Company
“Existing Share(s)”	ordinary share(s) of HK0.10 each in the existing share capital of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM

DEFINITIONS

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	19 June 2014, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“New Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company immediately after the Capital Reorganisation becoming effective
“SGM”	the special general meeting of the Company convened to be held at 11:00 a.m. on Thursday, 17 July 2014 at 3/F, Nexxus Building, 77 Des Voeux Road Central, Central, Hong Kong for the Shareholders to consider and, if thought fit, approve, the Capital Reorganisation, the notice of which is set out on pages 12 to 14 of this circular
“Share Consolidation”	the proposed consolidation of every four (4) issued and unissued Existing Shares into one (1) Consolidated Share
“Shareholder(s)”	holder(s) of the Existing Share(s), the Consolidated Share(s), and/or the New Share(s) as the case may be
“Share Subdivision”	the proposed sub-division of each of the authorised but unissued Consolidated Shares of HK\$0.40 each into forty (40) New Shares of HK\$0.01 each
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tranche II Performance Shares”	up to 726,171,294 Existing Shares (subject to adjustments) which may be allotted and issued by the Company in accordance with the Acquisition Agreement
“%”	per cent.

EXPECTED TIMETABLE

The expected timetable for implementation of the Capital Reorganisation is set out below.

Latest time for lodging the form of proxy 11:00 a.m., Tuesday, 15 July 2014

SGM 11:00 a.m., Thursday, 17 July 2014

Publication of announcement of results of the SGM Thursday, 17 July 2014

The following events are conditional on the fulfilment of the conditions for the implementation of the Capital Reorganisation:

Expected effective date of the Capital Reorganisation Friday, 18 July 2014

First day for free exchange of existing share certificates
for new share certificates Friday, 18 July 2014

Commencement of dealing in New Shares 9:00 a.m., Friday, 18 July 2014

Original counter for trading in Existing Shares
in board lots of 20,000 Existing Shares
(in the form of existing share certificates)
temporarily closes. 9:00 a.m., Friday, 18 July 2014

Temporary counter for trading in New Shares
in board lots of 5,000 New Shares (in the form of
existing share certificates) opens. 9:00 a.m., Friday, 18 July 2014

Original counter for trading in New Shares
in board lots of 20,000 New Shares (in the form of
new share certificates) re-opens 9:00 a.m., Friday, 1 August 2014

Parallel trading in New Shares (in the form of
new share certificates and existing
share certificates) commences. 9:00 a.m., Friday, 1 August 2014

Designated broker starts to provide matching services
for odd lots of New Shares Friday, 1 August 2014

Temporary counter for trading in New Shares
in board lots of 5,000 New Shares (in the form of
existing share certificates) closes 4:00 p.m., Thursday,
21 August 2014

Parallel trading in New Shares (in the form of
new share certificates and existing
share certificates) ends 4:00 p.m., Thursday,
21 August 2014

EXPECTED TIMETABLE

Designated broker ceases to provide matching services
for odd lots of New SharesThursday, 21 August 2014

Last day for free exchange of existing share
certificates for new share certificates Monday, 25 August 2014

This timetable is indicative only and any subsequent changes to the expected timetable will be announced by the Company.

LETTER FROM THE BOARD



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. Kuang Hao Kun Giovanni (*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

24 June 2014

To the Shareholders

Dear Sir or Madam,

PROPOSED CAPITAL REORGANISATION

INTRODUCTION

As announced by the Company in its announcement dated 3 June 2014, the Company proposed to implement the Capital Reorganisation. The purpose of this circular is to provide you with information regarding the Capital Reorganisation and to give you notice of the SGM.

PROPOSED CAPITAL REORGANISATION

As the Latest Practicable Date, the authorised share capital of the Company was HK\$800,000,000 comprising 8,000,000,000 Existing Shares of HK\$0.10 each, of which 5,641,143,653 Existing Shares were issued and fully paid or credited as fully paid.

* *For identification purpose only*

LETTER FROM THE BOARD

The Company has proposed to implement the Capital Reorganisation which involves the following:

(1) Proposed Share Consolidation

The Board proposes to effect the Share Consolidation pursuant to which every four (4) issued and unissued Existing Shares will be consolidated into one (1) Consolidated Share and the total number of Consolidated Shares in the issued share capital of the Company immediately following the Share Consolidation will be rounded down to a whole number by cancelling any fraction in the issued share capital of the Company arising from the Share Consolidation.

(2) Proposed Capital Reduction and Share Subdivision

- (a) the issued share capital of the Company will be reduced through a cancellation of the paid-up capital of the Company to the extent of HK\$0.39 on each of the issued Consolidated Shares such that the nominal value of each issued Consolidated Share will be reduced from HK\$0.40 to HK\$0.01;
- (b) immediately following the Capital Reduction, each of the authorised but unissued Consolidated Shares of HK\$0.40 each will be sub-divided into forty (40) New Shares of HK\$0.01 each; and
- (c) the credits arising in the books of the Company from (i) the cancellation of any fraction in the issued share capital of the Company arising from the Share Consolidation; and (ii) the reduction of the paid-up capital of the Company of HK\$550,011,506.07 will be credited to the contributed surplus account of the Company within the meaning of the Companies Act.

Assuming that there are no other changes in the issued share capital of the Company from the Latest Practicable Date until the effective date of the Capital Reorganisation, immediately following the Capital Reorganisation, the authorised share capital of the Company will be HK\$800,000,000 divided into 80,000,000,000 New Shares of HK\$0.01 each, of which 1,410,285,913 New Shares will be in issue and the aggregate nominal value of the issued share capital of the Company will be HK\$14,102,859.13.

A credit of HK\$550,011,506.07 will arise as a result of the Capital Reduction. Such credit, together with any credit arising as a result of the cancellation of any fraction in the issued share capital of the Company arising from the Share Consolidation, will be transferred to the contributed surplus account of the Company which will then be applied by the Board to set off against the accumulated losses of the Company in full on the date of the Capital Reorganisation becoming effective. The total unaudited accumulated losses of the Company were approximately HK\$401,561,000 as shown in the unaudited consolidated financial statements of the Company as at 31 May 2014.

LETTER FROM THE BOARD

Assuming that there are no changes in the issued share capital of the Company from the Latest Practicable Date until the effective date of the Capital Reorganisation, the share capital structure of the Company will be as follows:

	As at the Latest Practicable Date	Immediately after the Share Consolidation becoming effective	Immediately after the Capital Reorganisation becoming effective
Authorised share capital	HK\$800,000,000	HK\$800,000,000	HK\$800,000,000
Par value	HK\$0.10 per Existing Share	HK\$0.40 per Consolidated Share	HK\$0.01 per New Share
Number of authorised shares	8,000,000,000 Existing Shares	2,000,000,000 Consolidated Shares	80,000,000,000 New Shares
Amount of issued share capital	HK\$564,114,365.30	HK\$564,114,365.20	HK\$14,102,859.13
Number of issued shares	5,641,143,653 Existing Shares	1,410,285,913 Consolidated Shares	1,410,285,913 New Shares
Amount of unissued share capital	HK\$235,885,634.70	HK\$235,885,634.80	HK\$785,897,140.87
Number of unissued shares	2,358,856,347 Existing Shares	589,714,087 Consolidated Shares	78,589,714,087 New Shares

All New Shares will rank pari passu in all respects with each other.

Under the laws of Bermuda, the Directors may apply the contributed surplus in any manner permitted by the laws of Bermuda and the bye-laws of the Company.

Fractional entitlement to the New Shares

Fractions of the New Shares, if any, arising from the Capital Reorganisation will be aggregated and sold (if a premium, net of expenses, can be obtained) for the benefit of the Company.

Conditions of the Capital Reorganisation

The Capital Reorganisation is conditional upon:

- (a) the passing of the necessary special resolutions by the Shareholders approving the Capital Reorganisation at the SGM;

LETTER FROM THE BOARD

- (b) the Stock Exchange granting the listing of, and permission to deal in, the New Shares arising from the Capital Reorganisation and the New Shares which may fall to be allotted and issued (i) upon exercise of the share options to be granted under the share option scheme of the Company, (ii) upon conversion of the Convertible Notes, and (iii) as Tranche II Performance Shares;
- (c) the compliance with the relevant procedures and requirements under the laws of Bermuda and the GEM Listing Rules to effect the Capital Reorganisation; and
- (d) the obtaining of all necessary approvals from the regulatory authorities or otherwise as may be required in respect of the Capital Reorganisation.

Reasons for the Capital Reorganisation

The Board is of the opinion that the Capital Reorganisation will provide the Company with greater flexibility in possible fund raisings in the future. Further, the credits in the contributed surplus account arising from the Capital Reduction will enable the Company to set off its accumulated losses and may be applied in the future for distribution to the Shareholders or in any manner permitted by the laws of Bermuda and the bye-laws of the Company.

The Board considers that the Capital Reorganisation is beneficial to and in the interests of the Company and the Shareholders as a whole.

Effects of the Capital Reorganisation

Implementation of the Capital Reorganisation will not, of itself, alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests of the Shareholders, except for the payment of the related expenses. The Board believes that the Capital Reorganisation will not have any material adverse effect on the financial position of the Group and that on the date the Capital Reorganisation is to be effected, there are no reasonable grounds for believing that the Company is, or after the Capital Reorganisation would be, unable to pay its liabilities as they become due. No capital will be lost as a result of the Capital Reorganisation and, except for the expenses involved in relation to the Capital Reorganisation which are expected to be insignificant in the context of the net asset value of the Company, the net asset value of the Company will remain unchanged before and after the Capital Reorganisation becoming effective. The Capital Reorganisation does not involve any diminution of any liability in respect of any unpaid capital of the Company or the repayment to the Shareholders of any paid-up capital of the Company nor will it result in any change in the relative rights of the Shareholders.

Listing and dealings

Application will be made to the Stock Exchange for the granting of the listing of, and permission to deal in, the New Shares arising from the Capital Reorganisation and the New Shares which may fall to be allotted and issued (i) upon exercise of the share options to be granted under the share option scheme of the Company, (ii) upon conversion of the Convertible

LETTER FROM THE BOARD

Notes, and (iii) as Tranche II Performance Shares. No listing of or permission to deal in any part of the equity capital of the Company on any other stock exchange is being or is proposed to be sought.

Subject to the granting of the listing of, and permission to deal in, the New Shares on GEM, the New Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the New Shares on GEM or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

The New Shares will be identical in all respects and rank *pari passu* in all respects with each other as to all future dividends and distributions which are declared, made or paid. All necessary arrangements will be made for the New Shares to be admitted into CCASS.

Free exchange of share certificates

Subject to the Capital Reorganisation becoming effective, Shareholders may during the prescribed period submit share certificates for Existing Shares to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, in exchange, at the expense of the Company, for new share certificates for New Shares with new nominal value of HK\$0.01. Thereafter, certificates for Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may be allowed by the Stock Exchange from time to time) for each share certificate for Existing Shares cancelled or each new share certificate issued for New Shares, whichever number of certificates cancelled/issued is higher. Nevertheless, share certificates for Existing Shares will continue to be good evidence of legal title and may be exchanged for share certificates for New Shares at any time.

Board lot size

After the completion of the Capital Reorganisation, the board lot size will remain unchanged and the New Shares will be traded in the board lots of 20,000 New Shares.

Arrangement on odd lot trading

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company has appointed Trinity Finance Investment Limited (利宏金融投資有限公司), as an agent to provide matching service, on a best effort basis, for the sale and purchase of odd lots of Consolidated Shares arising from the Share Consolidation. Shareholders who wish to take advantage of this facility should contact Kwok Ka Yiu (郭家耀) of Trinity Finance Investment Limited (利宏金融投資有限公司) at 3/F, Central 88, 88-98 Des Voeux Road Central, Central, Hong Kong or at telephone number 2106 3113 during office hours. Shareholders should note that successful matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Please refer to the section headed "EXPECTED TIMETABLE" set out on pages 3 to 4 of this circular for the period during which the Company will provide matching service for the sale and purchase of odd lots of the Consolidated Shares.

LETTER FROM THE BOARD

Adjustment in relation to other securities

As at the Latest Practicable Date, there were (i) Convertible Notes in an aggregate principal amount of HK\$16,646,024.625 which would be convertible into 154,129,857 Existing Shares at a prevailing conversion price of HK\$0.108 per conversion share; and (ii) Tranche II Performance Shares (i.e. up to 726,171,294 Existing Shares) which may be allotted and issued by the Company. The Directors will determine any adjustments required to be made in respect of the above as a result of the Capital Reorganisation. The Company will make further announcement about the adjustments in due course.

Save as aforesaid, the Company has no other outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into shares of the Company as at the Latest Practicable Date.

WARNING

Shareholders should take note that the Capital Reorganisation is conditional upon satisfaction of conditions set out in the paragraph headed “Conditions of the Capital Reorganisation”. Therefore, the Capital Reorganisation may or may not proceed.

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

SGM

The SGM will be held at 11:00 a.m. on Thursday, 17 July 2014 at 3/F, Nexxus Building, 77 Des Voeux Road Central, Central, Hong Kong, the notice of which is set out on pages 12 to 14 of this circular, for the Shareholders to consider and, if thought fit, approve the Capital Reorganisation. In compliance with the GEM Listing Rules, the resolution will be voted on by way of a poll at the SGM. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders are required to abstain from voting on the resolution to be proposed at the SGM.

You will find enclosed a form of proxy for use at the SGM. Whether or not you are able to attend the SGM, 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 SGM 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 SGM or any adjournment thereof should you so wish, and in such case, the form of proxy previously submitted shall be deemed to be revoked.

LETTER FROM THE BOARD

COMPETING INTERESTS

As at the Latest Practicable Date, so far as the Directors are aware, none of the Directors or controlling Shareholders or their respective associates had any business or interest which competes or may compete with the business of the Group or had or may have any other conflict of interests with the Group.

FUND RAISING ACTIVITIES

As at the Latest Practicable Date, the Company had not entered into any negotiation or arrangement in relation to any proposed equity fund raising activities for the Company.

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.

RECOMMENDATION

The Directors consider that the Capital Reorganisation is in the interests of the Company and the Shareholders as a whole and recommend the Shareholders to vote in favour of the resolution set out in the notice of the SGM.

Yours faithfully
On behalf of the Board of
M Dream Inworld Limited
Kuang Hao Kun Giovanni
Chairman

NOTICE OF SGM



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 IS HEREBY GIVEN that a special general meeting (“SGM”) of M Dream Inworld Limited (“Company”) will be held at 11:00 a.m. on Thursday, 17 July 2014 at 3/F, Nexxus Building, 77 Des Voeux Road Central, Central, Hong Kong for the purpose of considering and, if thought fit, passing the following resolution as a special resolution of the Company:

SPECIAL RESOLUTION

“**THAT** subject to The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the New Shares (as defined below) arising from the Capital Reorganisation (as defined below), with effect from the first business day immediately following the date on which this resolution is passed:

- (a) every four (4) issued and unissued shares of HK\$0.10 each in the existing share capital of the Company be consolidated (“**Share Consolidation**”) into one (1) share of HK\$0.40 each (“**Consolidated Shares**”);
- (b) the total number of Consolidated Shares in the issued share capital of the Company immediately following the Share Consolidation will be rounded down to a whole number by cancelling any fraction in the issued share capital of the Company arising from the Share Consolidation;
- (c) the par value of each of the then issued Consolidated Shares of the Company be and is hereby reduced from HK\$0.40 each to HK\$0.01 each (“**New Shares**”) by cancelling the capital paid-up thereon to the extent of HK\$0.39 on each of the then issued Consolidated Shares, such that the issued share capital of an amount between HK\$564,114,365.20 and HK\$628,783,560.00 (assuming (i) the full conversion of the convertible notes in an aggregate principal amount of HK\$16,646,024.625 and (ii) full exercise of all share options which may be granted by the Company) will be reduced by an amount between HK\$550,011,506.07 and HK\$613,063,971 to an amount between HK\$14,102,859.13 and HK\$15,719,589 comprising a maximum of 1,410,285,913 or 1,571,958,900 New Shares of HK\$0.01 each (together with subparagraph (b) above are hereinafter referred to as “**Capital Reduction**”);

* For identification purpose only

NOTICE OF SGM

- (d) each of the then authorised but unissued Consolidated Shares of HK\$0.40 each be and is hereby sub-divided into forty (40) New Shares of HK\$0.01 each (“**Share Subdivision**”, together with the Share Consolidation and the Capital Reduction, “**Capital Reorganisation**”);
- (e) the credits arising from the Capital Reduction be transferred to the contributed surplus account of the Company within the meaning of the Companies Act 1981 of Bermuda (“**Contributed Surplus Account**”) and the directors of the Company (“**Directors**”) be and are hereby authorised to use the amount then standing to the credit of the Contributed Surplus Account in any manner as may be permitted under the bye-laws of the Company and all applicable laws including, without limitation, eliminating or setting off the accumulated losses of the Company from time to time and/or paying dividend or making any other distribution out of the Contributed Surplus Account from time to time without further authorisation from the shareholders of the Company and all such actions in relation thereto be approved, ratified and confirmed; and
- (f) 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 Capital Reorganisation involving the Share Consolidation, the Capital Reduction and the Share Subdivision and to aggregate all fractional New Shares and sell them for the benefits of the Company.”

On behalf of the Board of Directors of
M Dream Inworld Limited
Kuang Hao Kun Giovanni
Chairman

Hong Kong, 24 June 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

NOTICE OF SGM

Notes:

1. The resolution to be proposed at the SGM will be taken by poll pursuant to the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (“**GEM Listing Rules**”) and the results of the poll will be published on the websites of the Growth Enterprise Market (“**GEM**”) and the Company in accordance with the GEM Listing Rules.
2. Any member of the Company entitled to attend and vote at the SGM 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 SGM. 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 of Directors (“**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 SGM or any adjournment thereof.
5. Where there are joint holders of any shares, any one of such joint holders may vote at the SGM, 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 SGM, 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.
6. Completion and delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the SGM 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 consists of two executive Directors, namely Mr. Kuang Hao Kun Giovanni and Mr. Xue Qiushi, and 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 GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its publication and on the website of the Company at <http://www.mdreaminworld.com.hk>.