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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)

POLL RESULTS OF THE SPECIAL GENERAL MEETING HELD ON 17 JULY 2014; FREE EXCHANGE OF SHARE CERTIFICATES; AND ADJUSTMENTS TO OTHER SECURITIES

The Board is pleased to announce that the Resolution was duly passed as a special resolution of the Company by the Shareholders by way of poll at the SGM held on 17 July 2014.

All the conditions precedent to the Capital Reorganisation have been fulfilled and the Capital Reorganisation will become effective on 18 July 2014.

As a result of the Capital Reorganisation, adjustments will be made upon the effective date of the Capital Reorganisation to (i) the total number of shares of the Company which may be allotted and issued upon exercise of all share options to be granted under the Refreshed 10% Limit; (ii) the conversion price of the Convertible Notes and the number of shares of the Company which may be allotted and issued upon exercise of the conversion rights; and (iii) the maximum number of the Tranche II Performance Shares and the Shortfall Performance Shares which may be allotted and issued by the Company and the issue price thereof.

Reference is made to (i) the circular (“**Circular**”) of M Dream Inworld Limited (“**Company**”) dated 24 June 2014 in respect of the Capital Reorganisation; and (ii) the notice (“**Notice**”) of the special general meeting of the Company (“**SGM**”) dated 24 June 2014. Unless otherwise specified herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Circular.

* For identification purposes only

The Board is pleased to announce that the resolution (“**Resolution**”) as set out in the Notice was duly passed as a special resolution of the Company by the Shareholders by way of poll at the SGM held on 17 July 2014.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, no Shareholder had a material interest in the Resolution and was required to abstain from voting at the SGM in accordance with the GEM Listing Rules and there was no share entitling the Shareholders to attend and abstain from voting in favour of the Resolution as set out in Rule 17.47A of the GEM Listing Rules. No Shareholder had stated in the Circular that he/she/it intended to vote against or would abstain from voting in respect of the Resolution. As at the date of the SGM, the total number of shares of the Company in issue was 5,641,143,653 shares, representing 100% of the issued share capital of the Company, which entitled the holders thereof to vote for or against the Resolution at the SGM. There was no share entitling the Shareholders to attend and vote only against the Resolution at the SGM.

Tricor Tengis Limited, the branch share registrar and transfer office of the Company in Hong Kong, was appointed as the scrutineer for the purpose of vote-taking at the SGM.

POLL RESULTS

The poll results of the Resolution are as follows:

Special resolution	Number of votes cast (Percentage of total number of votes cast)	
	FOR	AGAINST
To approve the Capital Reorganisation comprising Share Consolidation, Capital Reduction and Share Subdivision as described in the Circular.	847,489,043 shares (98.50%)	12,900,000 shares (1.50%)

Note: The number of votes and percentage of the voting as stated above are based on the total number of shares held by the Shareholders who attended and voted at the SGM in person, by authorised corporate representative or by proxy.

As not less than 75% of the votes were cast in favour of the Resolution, the Resolution was duly passed without modification at the SGM.

EFFECTIVE DATE OF THE CAPITAL REORGANISATION

All the conditions precedent to the Capital Reorganisation have been fulfilled and the Capital Reorganisation will become effective on 18 July 2014.

TRADING ARRANGEMENT AND FREE EXCHANGE OF SHARE CERTIFICATES

Please refer to the timetable as set out in the Circular for the dates relating to the trading arrangement, arrangement of free exchange of share certificates and matching services for odd lots in connection with the Capital Reorganisation.

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. The new share certificates will be issued in green colour in order to distinguish them from the existing share certificates which are in gold colour. Thereafter, share 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 share 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.

ADJUSTMENTS IN RELATION TO OTHER SECURITIES

As approved at the annual general meeting ("AGM") of the Company held on 4 June 2014, a total of 492,562,093 Existing Shares (equivalent to 123,140,523 New Shares) (being 10% of the total issued share capital of the Company as at the date of the AGM) ("**Refreshed 10% Limit**") may be allotted and issued upon exercise of all share options which may be granted under the share option scheme of the Company adopted on 24 December 2007 ("**Share Option Scheme**"). No share option had been granted by the Company under the Refreshed 10% Limit and there were no outstanding share options as at the date of this announcement.

As a result of the Capital Reorganisation and pursuant to the terms of the Share Option Scheme and the supplementary guidance issued by the Stock Exchange on 5 September 2005 regarding adjustment of share options under Rule 23.03(13) of the GEM Listing Rules, the total number of shares of the Company which may be allotted and issued upon exercise of all share options to be granted under the Refreshed 10% Limit will be adjusted from 492,562,093 Existing Shares to 123,140,523 New Shares with effect from the Capital Reorganisation becoming effective.

As at the date of this announcement, 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 (subject to adjustment); and
- (ii) Tranche II Performance Shares (i.e. up to 726,171,294 Existing Shares) plus a total of 10,648,576 Existing Shares (being the Shortfall Performance Shares as defined in the Acquisition Agreement and the announcement of the Company dated 5 December 2012) which may be allotted and issued by the Company.

As a result of the Capital Reorganisation and:

- (a) pursuant to the terms and conditions of the Convertible Notes, the conversion price of the Convertible Notes will be adjusted to HK\$0.432 per conversion share (subject to further adjustment) and the number of shares of the Company which may be allotted and issued upon exercise of the conversion rights will be adjusted to 38,532,464 New Shares (subject to further adjustment); and
- (b) pursuant to the Acquisition Agreement, the maximum number of the Tranche II Performance Shares and the Shortfall Performance Shares which may be allotted and issued by the Company will be adjusted to 184,204,967 New Shares (subject to further adjustment), and the issue price at which the Tranche II Performance Shares and the Shortfall Performance Shares shall be allotted and issued will be adjusted to HK\$0.432 per New Share (subject to further adjustment).

The aforesaid adjustments have been reviewed and confirmed by an independent financial advisor and will take effect upon the effective date of the Capital Reorganisation.

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

Hong Kong, 17 July 2014

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

This announcement will remain on the GEM website at 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>.