

**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)**

**PROPOSED REFRESHMENT OF  
GENERAL MANDATE TO ISSUE SHARES  
AND  
NOTICE OF SPECIAL GENERAL MEETING**

**Independent Financial Adviser to the Independent Board Committee  
and the Independent Shareholders**



A letter from the Independent Board Committee is set out on page 9 of this circular and a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 10 to 16 of this circular.

A notice convening the SGM to be held at 11:00 a.m. on Thursday, 11 September 2014 at 3/F, Nexus Building, 77 Des Voeux Road Central, Central, Hong Kong is set out on pages 17 to 19 of this circular. A form of proxy for use by the shareholders at the SGM is enclosed herein.

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.

*This circular will remain on the GEM website at [www.hkgem.com](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 [www.mdreaminworld.com.hk](http://www.mdreaminworld.com.hk).*

\* For identification purposes 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.**

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## DEFINITIONS

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

“AGM”	the annual general meeting of the Company held on 4 June 2014
“associate(s)”	has the meaning ascribed thereto in the GEM Listing Rules
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company as amended from time to time
“Capital Reorganisation”	the reorganisation of the share capital of the Company involving (i) the consolidation of every 4 issued and unissued Pre-consolidated Shares of HK\$0.10 each in the share capital of the Company into 1 consolidated share of HK\$0.40 (“ <b>Consolidated Share</b> ”) in the share capital of the Company; (ii) the 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 was reduced from HK\$0.40 to HK\$0.01; and (iii) the sub-division of each of the authorised but unissued Consolidated Shares of HK\$0.40 each into 40 Shares of HK\$0.01 each, which became effective on 18 July 2014
“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
“connected persons”	has the meaning ascribed to it in the GEM Listing Rules
“Current Issue Mandate”	the general mandate granted to the Directors at the AGM to allot, issue and 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 the AGM
“Director(s)”	the director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

## DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent board committee of the Board comprising all independent non-executive Directors, established for the purpose of advising the Independent Shareholders in relation to the proposed grant of the Refreshed General Mandate
“Independent Financial Adviser”	Aviate Beijing Capital Limited, a corporation licensed to carry on type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the proposed grant of the Refreshed General Mandate
“Independent Shareholders”	Shareholders other than any controlling Shareholders or their associates or, where there are no controlling Shareholders, any Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates who shall hold Shares as at the date of the SGM
“Latest Practicable Date”	18 August 2014, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Pre-consolidated Share(s)”	ordinary share(s) of par value of HK\$0.10 each in the share capital of the Company before the Capital Reorganisation became effective on 18 July 2014
“Refreshed General Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the SGM to exercise the power 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
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

## DEFINITIONS

“SGM”	the special general meeting of the Company convened to be held at 11:00 a.m. on Thursday, 11 September 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 proposed grant of the Refreshed General Mandate, the notice of which is set out on pages 17 to 19 of this circular
“Share(s)”	ordinary share(s) of HK\$0.01 in the share capital of the Company after the Capital Reorganisation becoming effective on 18 July 2014
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

**LETTER FROM THE BOARD**



**M DREAM INWORLD LIMITED**

**聯夢活力世界有限公司\***

*(Incorporated in the Cayman Islands 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

20 August 2014

*To the Shareholders*

Dear Sir or Madam,

**PROPOSED REFRESHMENT OF  
GENERAL MANDATE TO ISSUE SHARES**

**INTRODUCTION**

The purpose of this circular is to provide you with (i) information in respect of the resolution to be proposed at the SGM regarding the proposed grant of the Refreshed General Mandate; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the proposed grant of the Refreshed General Mandate; and (iv) notice of the SGM.

\* *For identification purposes only*

## LETTER FROM THE BOARD

### PROPOSED REFRESHMENT OF GENERAL MANDATE TO ISSUE SHARES

#### Background

Pursuant to an ordinary resolution passed by the Shareholders at the AGM, the Directors were granted the Current Issue Mandate to allot and issue up to 985,124,187 Pre-consolidated Shares, representing 20% of the issued share capital of the Company as at the date of the AGM. There had not been any refreshment of the Current Issue Mandate since the AGM up to the Latest Practicable Date.

#### Utilisation under the Current Issue Mandate

As disclosed in the announcement of the Company dated 10 June 2014, (i) Mission Win International Limited (“**Mission Win**”) (a direct wholly-owned subsidiary of the Company) as purchaser; (ii) the Company; and (iii) EPRO Systems Limited (“**Vendor**”) as vendor entered into a sale and purchase agreement on 10 June 2014 pursuant to which Mission Win agreed to acquire and the Vendor agreed to sell, the entire issued share capital of e-Perfect IT Limited at a consideration of HK\$48 million (“**Acquisition**”) which shall be settled by the allotment and issue of 186,046,500 Shares (i.e. 744,186,000 Pre-consolidated Shares) (“**Consideration Shares**”) by the Company. Completion of the Acquisition took place on 31 July 2014 and the Consideration Shares were issued to the Vendor’s nominee, DX.com Holdings Limited (“**DX.com**”), a company incorporated in the Cayman Islands and the shares of which are listed on GEM, on the same date.

Following the allotment and issue of such Consideration Shares on 31 July 2014 as described above, the Current Issue Mandate has been significantly utilised to the extent that only 60,234,546 Shares (i.e. 240,938,187 Pre-consolidated Shares) remain issuable under the Current Issue Mandate. Such number represents approximately 3.77% of the 1,596,332,413 Shares in issue as at the Latest Practicable Date.

The Company had not carried out any equity fund raising activities under the Current Issue Mandate since the AGM up to the Latest Practicable Date. In addition, the Company had not carried out any equity fund raising activities in the past 12 months prior to the Latest Practicable Date.

#### Reasons for the Proposed Grant of the Refreshed General Mandate

Having considered that (i) the Current Issue Mandate has been utilised as to approximately 75.5%; (ii) the Refreshed General Mandate would provide the Group with financial flexibility to raise capital expeditiously for its operations and expansion; (iii) the Refreshed General Mandate would strengthen the capital base and financial position of the Company; (iv) the Refreshed General Mandate would allow the Company to raise equity capital promptly rather than the more cost and time consuming process of applying for a specific mandate should the need for capital arise; (v) other financing alternatives such as debt financing may incur interest burden to the Group; and (vi) in the case of alternative pro-rata equity fund raising such as rights issue and open offer, lengthy discussion with potential commercial underwriters might result in failure of raising financing for business developments and/or acquisition of investment opportunities in a timely manner and additional expenses such



## LETTER FROM THE BOARD

as commission would be incurred, the Directors are of the view that the proposed grant of the Refreshed General Mandate is in the interests of the Company and the Shareholders as a whole. Having considered the above, the Company wishes to seek approval of the Independent Shareholders at the SGM to grant the Refreshed General Mandate to the Directors.

Based on the total number of issued Shares as at the Latest Practicable Date (i.e. 1,596,332,413 Shares) and assuming that the Company does not issue or repurchase any Shares prior to the SGM, the Refreshed General Mandate, if granted, will allow the Directors to issue and allot up to 319,266,482 Shares.

As disclosed in the announcement of the Company dated 5 February 2014, the Group entered into a sale and purchase agreement (“**S&P Agreement**”) with an independent third party in relation to the acquisition of 100% of the then issued share capital of a licensed corporation to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO for the cash consideration of HK\$6 million (subject to adjustments). As at the Latest Practicable Date, completion of the S&P Agreement has not taken place. In addition, as disclosed in the announcement of the Company dated 6 August 2014, the Company entered into a memorandum of understanding with an independent third party (“**Target**”) in relation to the proposed intention to acquire shares of Target and the proposed intention to jointly invest a total maximum amount of HK\$10,000,000 to cooperatively explore opportunities in (i) the development of a mobile phone application (“**Mobile Phone Application**”) used for financial planning, formulating retirement pension benefits and calculating retirement age and wealth index; and (ii) the development of the sales and marketing network for insurance investment linked products using the Mobile Phone Application. Save as disclosed above, the Company has not currently identified any other investments and/or business development opportunities and has no current intention nor plans for any new issue of Shares under the Refreshed General Mandate.

The Refreshed General Mandate, if granted, will expire at the earliest of: (a) the conclusion of the next annual general meeting of the Company; (b) the end of the period within which the Company is required by the Bye-laws or any applicable laws to hold its next annual general meeting; and (c) when revoked or varied by an ordinary resolution of the Shareholders in a general meeting prior to the next annual general meeting of the Company.

### **SGM**

The SGM will be held at 11:00 a.m. on Thursday, 11 September 2014 at 3/F, Nexxus Building, 77 Des Voeux Road Central, Central, Hong Kong for the Shareholders to consider and approve, if thought fit, the proposed grant of the Refreshed General Mandate. The notice of the SGM is set out on pages 17 to 19 of this circular.

In compliance with the GEM Listing Rules, the resolution will be voted on by way of a poll at the SGM.

## LETTER FROM THE BOARD

According to Rule 17.42A(1) of the GEM Listing Rules, any controlling Shareholders and their associates or, where there are no controlling Shareholders, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates (as defined in the GEM Listing Rules) shall abstain from voting in favour of the resolution proposed at the SGM.

As at the Latest Practicable Date, to the best knowledge, belief and information of the Directors, (i) the Company has no controlling Shareholder; and (ii) Mr. Xue Qiushi, an executive Director and the chief executive officer, was interested in 50,007,882 Shares (i.e. 200,031,531 Pre-consolidated Shares) held by Ace Source International Limited, a company wholly owned by him. Mr. Xue Qiushi's interest in the Company represented approximately 3.13% of the issued share capital of the Company as at the Latest Practicable Date. Save as disclosed above, no other Directors and associates of the Directors were interested in the shares of the Company as at the Latest Practicable Date. Mr. Xue Qiushi, together with other Directors (excluding independent non-executive Directors) and associates of the Directors (including but not limited to Ace Source International Limited) who at the date of the SGM shall hold Shares, are required to abstain from voting in favour of the resolution regarding the grant of the Refreshed General Mandate at the SGM.

The Independent Board Committee, comprising Mr. Lam Kit Sun, Mr. Yip Chi Fai Stevens and Ms. Xiao Yiming, all being independent non-executive Directors, has been established to advise the Independent Shareholders on the proposed grant of the Refreshed General Mandate. The Independent Financial Adviser has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the proposed grant of the Refreshed General Mandate.

A notice convening the SGM to be held at 11:00 a.m. on Thursday, 11 September 2014 at 3/F, Nexxus Building, 77 Des Voeux Road Central, Central, Hong Kong is set out on pages 17 to 19 of this circular. 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.

### RECOMMENDATION

Your attention is drawn to the letter of recommendation from the Independent Board Committee set out on page 9 of this circular and the letter of advice from the Independent Financial Adviser set out on pages 10 to 16 of this circular, which contains, among other matters, its advice to the Independent Board Committee and the Independent Shareholders in relation to the proposed grant of the Refreshed General Mandate and the principal factors considered by it in arriving at its recommendation.

## LETTER FROM THE BOARD

The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, is of the opinion that the proposed grant of the Refreshed General Mandate is fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole and recommend the Independent Shareholders to vote in favour of the resolution relating to the proposed grant of the Refreshed General Mandate to be proposed at the SGM.

Accordingly, the Directors (including the independent non-executive Directors) consider that the proposed grant of the Refreshed General Mandate is fair and reasonable and is in the interests of the Company and the Shareholders as a whole. Therefore, the Directors (including the independent non-executive Directors) recommend the Independent Shareholders to vote in favour of the relevant resolution to be proposed at the SGM.

### 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 Group. 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.

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

**LETTER FROM THE INDEPENDENT BOARD COMMITTEE**



**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)**

20 August 2014

*To the Independent Shareholders*

Dear Sir/Madam,

**PROPOSED REFRESHMENT OF  
GENERAL MANDATE TO ISSUE SHARES**

We have been appointed as the Independent Board Committee to advise the Independent Shareholders in connection with the proposed grant of the Refreshed General Mandate, details of which are set out in the circular of the Company to the Shareholders dated 20 August 2014 (“**Circular**”), of which this letter forms part. Terms defined in the Circular shall have the same meanings when used herein unless the context otherwise requires.

Having considered the letter of advice from the Independent Financial Adviser in relation thereto as set out in the Circular, we are of the view that the proposed grant of the Refreshed General Mandate is fair and reasonable so far as the Company and the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the SGM to approve the proposed grant of the Refreshed General Mandate.

Yours faithfully,  
**Independent Board Committee**

**Mr. Lam Kit Sun**  
*Independent non-executive  
Director*

**Mr. Yip Chi Fai Stevens**  
*Independent non-executive  
Director*

**Ms. Xiao Yiming**  
*Independent non-executive  
Director*

\* *For identification purposes only*

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

*The following is the full text of a letter of advice from Aviate Beijing Capital Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of incorporation into this circular, setting out its advice to the Independent Board Committee and the Independent Shareholders in respect of the proposed grant of the Refreshed General Mandate.*



19th Floor  
China Hong Kong Tower  
8 Hennessy Road  
Wanchai  
Hong Kong

20 August 2014

*To the Independent Board Committee and the Independent Shareholders*

M Dream Inworld Limited  
Room 515, 5th Floor  
Town Health Technology Centre  
10–12 Yuen Shun Circuit  
Siu Lek Yuen, Shatin  
New Territories  
Hong Kong

Dear Sir or Madam,

### **PROPOSED REFRESHMENT OF GENERAL MANDATE TO ISSUE SHARES**

#### **INTRODUCTION**

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the proposed grant of the Refreshed General Mandate, details of which are set out in the “Letter from the Board” contained in the circular issued by the Company to its Shareholders dated 20 August 2014 (the “Circular”), of which this letter forms part. Capitalised terms used in this letter shall have the same meaning as defined in the Circular unless the context otherwise requires.

The Board proposes to grant the Refreshed General Mandate for the Director to allot, issue or otherwise deal with the Shares up to a maximum of 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of the SGM. On the basis that no Share will be issued nor repurchased by the Company between the Latest Practicable Date and the date of the SGM, the Refreshed General Mandate, if granted, will allow the Directors to allot and issue up to a maximum of 319,266,482 Shares.

Pursuant to Rule 17.42A(1) of the GEM Listing Rules, any refreshment of the existing general mandate before the next annual general meeting shall be subject to Independent Shareholders’ approval by way of poll at a general meeting of the Company. Any controlling

## **LETTER FROM THE INDEPENDENT FINANCIAL ADVISER**

Shareholders and their respective associates, or where there are no controlling Shareholders, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates (as defined in the GEM Listing Rules), shall abstain from voting in favour of the resolution to approve the proposed grant of the Refreshed General Mandate at the SGM. As at the Latest Practicable Date, to the best knowledge, belief and information of the Directors, (i) the Company has no controlling Shareholder; and ii) Ace Source International Limited (“Ace Source”), a company wholly owned by Mr. Xue Qiushi (“Mr. Xue”), an executive Director and the chief executive officer of the Company, was interested in 50,007,882 Shares (i.e. 200,031,531 Pre-consolidated Shares), representing 3.13% of the issued share capital of the Company as at the Latest Practicable Date. Save as disclosed above, no other Directors and associates of the Directors were interested in the shares of the Company as at the Latest Practicable Date. Accordingly, Ace Source, and Mr. Xue, together with other Directors (excluding independent non-executive Directors) and associates of the Directors (including but not limited to Ace Source) who at the date of the SGM shall hold Shares, are required to abstain from voting in favour of the resolution regarding the proposed grant of the Refreshed General Mandate at the SGM.

### **THE INDEPENDENT BOARD COMMITTEE**

The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Lam Kit Sun, Mr. Yip Chi Fai Stevens and Ms. Xiao Yiming, has been formed to advise the Independent Shareholders as to whether the proposed grant of the Refreshed General Mandate, is fair and reasonable so far as the Company and the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote on the resolutions at the SGM. As the Independent Financial Adviser, our role is to give an independent opinion to the Independent Board Committee and the Independent Shareholders in such regard.

### **BASIS OF OUR ADVICE**

In formulating our recommendation, we have relied on (i) the information and facts contained or referred to in the Circular; (ii) the information supplied by the Company and its advisers; (iii) the opinions expressed by and the representations of the Directors and the management of the Group; and (iv) our review of the relevant public information. We have assumed that all the information provided and representations and opinions expressed to us or contained or referred to in the Circular were true, accurate and complete in all respects at the date thereof and may be relied upon. We have no reason to doubt the truth, accuracy and completeness of such information and representations provided to us by the management of the Group, the Directors and the advisers of the Company. We have also sought and received confirmation from the Directors that no material facts have been withheld or omitted from the information provided and referred to in the Circular and that all information or representations regarding the Company and the proposed Refreshed General Mandate provided to us by the Company and/or the Directors and the management of the Group are true, accurate, complete and not misleading in all respects at the time they were made and continued to be so until the date of the SGM.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We consider that we have reviewed sufficient information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Company or any of its subsidiaries and associates.

### PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our recommendation to the Independent Board Committee and the Independent Shareholders in respect of the proposed grant of the Refreshed General Mandate, we have taken into consideration the following factors and reasons:

#### 1. Background of and reasons for the refreshment of general mandate

According to the interim report of the Company for the six months ended 30 June 2014 (the “2014 Interim Report”), the principal activity of the Company is investment holding and the Group is principally engaged in (i) research, development and distribution of personal computer performance software, anti-virus software, mobile phone applications and toolbar advertisement (“Software Business”); (ii) website development, e-learning products and services; (iii) securities investment; (iv) money lending; and (v) provision of insurance and mandatory provident fund schemes brokerage services.

Pursuant to an ordinary resolution passed by the Shareholders on 4 June 2014, the Directors were granted the Current Issue Mandate to allot and issue up to 985,124,187 Pre-consolidated Shares, representing 20% of the issued share capital of the Company as at the date of the AGM. Since then, the Company has not refreshed the Current Issue Mandate up to the Latest Practicable Date.

On 31 July 2014, the Company has allotted and issued 186,046,500 Shares (i.e. 744,186,000 Pre-consolidated Shares) as Consideration Shares, pursuant to the sale and purchase agreement dated 10 June 2014 in relation to the Acquisition, details of which are disclosed in the Letter from the Board under the paragraph headed “Utilisation under the Current Issue Mandate” and in the Company’s announcements dated 10 June 2014 and 31 July 2014. The Consideration Shares were issued and allotted under the Current Issue Mandate and following the allotment and issue of such Consideration Shares, the Current Issue Mandate has been significantly utilised to the extent that only 60,234,546 Shares (i.e. 240,938,187 Pre-consolidated Shares) can be issued under the Current Issue Mandate, which represents approximately 3.77% of the 1,596,332,413 Shares in issue as at the Latest Practicable Date.

We were given to understand that on 5 February 2014, the Group has entered into the S&P Agreement to acquire 100% of the then issued share capital of a licensed corporation to carry on Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO, details of which were disclosed in the Company’s announcement dated 5 February 2014. As advised by the management of the Company, as at the Latest Practicable Date, the completion of the S&P Agreement has not taken place yet. Also, on 6 August 2014, the Company has entered into a memorandum of understanding with the Target in relation to the proposed intention to acquire shares of the Target and the proposed intention to jointly

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

invest in the development of the Mobile Phone Application and the development of the sales and marketing network for insurance investment linked products using the Mobile Phone Application (the “MOU”), details of the MOU were disclosed in the Company’s announcement dated 6 August 2014. As advised by the management of the Company, as at the Latest Practicable Date, no formal co-operation agreement has been entered into by the parties of the MOU. As disclosed in the 2014 Interim Report, the Group not only aims to further develop its Software Business by stepping into the Asia market, but will also continue to enhance its current products’ features, extend its business diversification and look for new potential investment opportunities to bring greater returns to the Shareholders. As advised by the management of the Company, in order to maintain the flexibility for any future allotment and issue of Shares by the Directors on behalf of the Company as and when necessary, the Directors consider that the proposed grant of the Refreshed General Mandate will enable the Company to respond to the market and the investment opportunities promptly, should funding needs arise or attractive terms for investment in the Shares become available from potential investors. As at the Latest Practicable Date, we are advised by the management of the Company that except for the S&P Agreement and the MOU mentioned above, the Company has not currently identified any other investments and/or business development opportunities and has no current intention or plans for any new issue of Shares under the Refreshed General Mandate if granted.

As advised by the management of the Company, the next annual general meeting will be held around May 2015, which is around 9 months away from the Latest Practicable Date. In order to provide the Company with more financial flexibility for the Group to issue new Shares before the next annual general meeting, the Board proposed to seek approval from the Independent Shareholders at the SGM in respect of the grant of the Refreshed General Mandate.

As at the Latest Practicable Date, the total number of issued Shares was 1,596,332,413 Shares and assuming that there is no change in the issued share capital of the Company between the Latest Practicable Date and the date of the SGM, the Refreshed General Mandate, if granted, will allow the Directors to allot and issue up to 319,266,482 new Shares, representing 20% of the issued share capital of the Company as at the date of the SGM.

Having considered that (i) the Current Issue Mandate has been utilised as to approximately 75.5%; (ii) the Refreshed General Mandate would provide the Group with financial flexibility to raise equity capital expeditiously for its operations or expansion; and (iii) the Refreshed General Mandate would strengthen the capital base and financial position of the Company, we are of the view that the proposed grant of the Refreshed General Mandate is in the interests of the Company and the Shareholders as a whole.

## **2. Equity fund raising activities of the Company in the past twelve months**

As confirmed by the management of the Company and also as disclosed in the Letter from the Board, the Company had not carried out any equity fund raising activities in the past twelve months prior to the Latest Practicable Date.



### **3. Other financing alternatives**

As advised by the management of the Company, apart from equity financing which includes pre-emptive share issuance such as rights issue and open offer, the Directors may also consider other financing alternatives such as debt financing and internal cash resources to fund future business development of the Company, depending on the Company's financial position and cost of funding as well as the prevailing market condition. We were given to understand that the Directors would exercise due and careful consideration in the selection of financing method which is in the best interest of the Company. As debt financing may incur interest burden to the Group, equity financing such as issuance of new Shares for cash or equity swaps may be an appropriate means to fund potential investments and/or acquisition, and provide additional working capital for the future development and expansion of the Group, given the Group's financial position, capital structure, cost of funding and the then financial market condition, especially under the situations in which the global financial market has remained uncertain and volatile. In addition, the grant of the Refreshed General Mandate allows the Company to raise equity capital within specified number of Shares promptly and when necessary rather than the more cost and time consuming process of applying for specific mandate when such need for capital may arise in the future. In the case of alternative pro-rata equity fund raising such as rights issue and open offer, lengthy discussion with potential commercial underwriters may be required, which may result in failure of financing in business development and/ or acquisition of investment opportunities in a timely manner and commission would probably be incurred. Given the aforementioned reasons, we concur with the view of the Directors and are of the view that equity financing through the use of the Refreshed General Mandate is more flexible and cost and time efficient than alternative equity financing methods such as by way of rights issue or open offer.

We consider that the Refreshed General Mandate will provide the Company with an additional financing alternative and it is reasonable for the Company to maintain its flexibility in the selection of the best financing method for its future business development, we are of the view that the proposed grant of the Refreshed General Mandate are in the interests of the Company and the Shareholders as a whole.

<b>LETTER FROM THE INDEPENDENT FINANCIAL ADVISER</b>
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#### 4. Potential dilution to the shareholding of the Shareholders

Set out below is the shareholding structure of the Company as at the Latest Practicable Date and for illustration purpose only, the potential dilution effect on the shareholdings upon full utilisation of the Refreshed General Mandate (assuming that no Shares will be issued nor repurchased by the Company between the Latest Practicable Date and the date of the SGM):

	<b>As at the Latest Practicable Date</b>		<b>Upon full utilisation of the Refreshed General Mandate (assuming that no Share will be issued nor repurchased by the Company between the Latest Practicable Date and the date of the SGM)</b>	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
DX.com	186,046,500	11.65	186,046,500	9.71
Ace Source ( <i>Note</i> )	50,007,882	3.13	50,007,882	2.61
Public Shareholders	1,360,278,031	85.22	1,360,278,031	71.01
Maximum number of new Shares to be issued under the Refreshed General Mandate	<u>—</u>	<u>—</u>	<u>319,266,482</u>	<u>16.67</u>
Total	<u>1,596,332,413</u>	<u>100.00</u>	<u>1,915,598,895</u>	<u>100.00</u>

*Note:* Ace Source is wholly and beneficially owned by Mr. Xue. As such, Mr. Xue which is an executive Director and the chief executive officer of the Company, is deemed to be interested in all the Shares held by Ace Source.

As illustrated in the table above, upon full utilisation of the Refreshed General Mandate, 319,266,482 new Shares can be allotted and issued, representing approximately 20% and 16.67% of the total issued share capital of the Company as at the Latest Practicable Date and the then enlarged issued share capital of the Company respectively. The shareholding of the existing public Shareholders upon full utilisation of the Refreshed General Mandate will, therefore, decrease from approximately 85.22% to approximately 71.01%.

Taking into account (i) the factors as set out under the paragraph headed “Background of and reasons for the refreshment of general mandate” in this letter and that the grant of the Refreshed General Mandate will provide an additional option to the Group to raise funds for improving its financial position and for its business development and/or investments; and (ii) the shareholding of all Shareholders will be diluted proportionately and the capital base of the

**LETTER FROM THE INDEPENDENT FINANCIAL ADVISER**

Company will be enlarged upon the utilisation of the Refreshed General Mandate, we concur with the Directors' view that the dilution effect on the shareholding interests of the existing public Shareholders to be acceptable.

**RECOMMENDATION**

Taking into account the above principal factors and reasons, we are of the opinion that the proposed grant of the Refreshed General Mandate is fair and reasonable so far as the Company and the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the resolutions to be proposed at the SGM to approve the proposed grant of the Refreshed General Mandate.

Yours faithfully,  
For and on behalf of  
**Aviate Beijing Capital Limited**

**Julie Sun**  
*Director*



**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 SPECIAL GENERAL MEETING**

**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, 11 September 2014 at 3/F, Nexxus Building, 77 Des Voeux Road Central, Central, Hong Kong to consider and, if thought fit, approve the following resolution as an ordinary resolution of the Company:

**ORDINARY RESOLUTION**

**“THAT:**

- (a) the general mandate granted to the directors of the Company (“**Directors**”) to allot, issue and deal with the unissued shares of the Company pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 4 June 2014 be and is hereby revoked (without prejudice to any valid exercise of such general mandate prior to the passing of this resolution);
- (b) subject to paragraph (d) below, pursuant to the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with the authorised and unissued shares in the capital of the Company (each a “**Share**”) and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
- (c) the approval in paragraph (b) 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 expiry of the Relevant Period;
- (d) the aggregate nominal amount of share capital of the Company allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (b) above, otherwise than pursuant to or in consequence of:
  - (i) a Rights Issue (as defined below);

\* *For identification purposes only*

## NOTICE OF SGM

- (ii) the exercise of any options granted under the share option scheme or similar arrangement adopted by the Company from time to time;
- (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 and other relevant regulations 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 of the Company which are convertible into Shares;

shall not exceed 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 the authority pursuant to paragraph (b) of this resolution shall be limited accordingly; and

- (e) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of 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 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 by this resolution;

“**Rights Issue**” means an offer of Shares, or offer or issue 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 outside Hong Kong).”

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

Hong Kong, 20 August 2014

## NOTICE OF SGM

*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. 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 (“GEM”) 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 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](http://www.hkgem.com) on the “Latest Company Announcements” page for at least 7 days from the date of its publication and on the website of the Company at [www.mdreaminworld.com.hk](http://www.mdreaminworld.com.hk).*