



內蒙發展(控股)有限公司

INNER MONGOLIA DEVELOPMENT (HOLDINGS) LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 279)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Inner Mongolia Development (Holdings) Limited will be held at Function Room, City Garden Hotel, 9 City Garden Road, North Point, Hong Kong on Monday, 6th March, 2006 at 9:30 a.m. for the following purposes of considering and, if thought fit, passing, with or without modification, the following resolutions:

ORDINARY RESOLUTIONS

1. **“THAT** the terms of the underwriting agreement dated 30th December, 2005 (the “Underwriting Agreement”) entered into between Inner Mongolia Development (Holdings) Limited (the “Company”) and Get Nice Investment Limited and Kingston Securities Limited (the “Underwriters”) (a copy of which has been produced to the meeting and marked “A” and signed for the purpose of identification by the Chairman of the meeting) in relation to the placing of 250,000,000 new shares of HK\$0.20 each (the “Underwritten Shares”), on a fully underwritten basis to independent investors at a price of HK\$0.20 per Underwritten Share be and is hereby approved and the issue and allotment of the Underwritten Shares be and is hereby approved and the Company be and are hereby authorised to issue the Underwritten Shares and to sign or execute such other documents or agreements or deeds on behalf of the Company and to do such other things and to take all such actions as they consider necessary or desirable for the purposes of giving effect to the Underwriting Agreement.”
2. **“THAT** the terms of the placing agreement dated 30th December, 2005 (the “Placing Agreement”) entered into between the Company and Kingston Securities Limited (the “Placing Agent”) (a copy of which has been produced to the meeting and marked “B” and signed for the purpose of identification by the Chairman of the meeting) in relation to the placing of up to 750,000,000 new shares of HK\$0.20 each (the “Placing Shares”) in up to five separate tranches with each tranche of Placing Shares to be not less than 150,000,000 Placing Shares, on a best efforts basis to independent investors at a price of HK\$0.20 per Placing Share be and is hereby approved and that the issue and allotment of the Placing Shares be and is hereby approved and the directors of the Company be and is hereby authorised to issue the Placing Shares and to sign or execute such other documents or agreements or deeds on behalf of the Company and to do such other things and to take all such actions as he or she considers necessary or desirable for the purposes of giving effect to the Placing Agreement.”

3. **“THAT:**

- (a) subject to paragraph (c) below, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with unissued shares in the capital of the Company and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the Directors be and are hereby authorised during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such powers during or after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or, otherwise) by the Directors pursuant to the approval in paragraphs (a) and (b) above, otherwise than pursuant to a Rights Issue (as hereinafter defined) or pursuant to the exercise of any options granted under the share option scheme adopted by the Company or an issue of shares upon the exercise of subscription rights attached to the warrants which might be issued by the Company or an issue of shares in lieu of the whole or part of a dividend on shares or any scrip dividend scheme or similar arrangement in accordance with the Articles of Association of the Company, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue at the time of passing this resolution; and
- (d) for the purposes of this resolution:
 - “Relevant Period” means the period from the time 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 Articles of Association of the Company or the applicable laws of the Cayman Islands to be held; or
 - (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting,

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares of the Company whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions 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 any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange).”

4. **“THAT:**

- (a) subject to paragraph (c) below, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase issued shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in

accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange, be and is hereby, generally and unconditionally approved;

- (b) the approval in paragraph (a) above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to repurchase its shares at a price determined by the Directors;
 - (c) the aggregate nominal amount of share capital of the Company repurchased or agreed conditionally or unconditionally to be repurchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the time of passing this resolution; and
 - (d) for the purposes of this resolution:
“Relevant Period” means the period from the time 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 Articles of Association of the Company or the applicable laws of the Cayman Islands to be held; or
 - (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.
 - (e) the general mandate to repurchase Shares granted to the Directors pursuant to resolution No. 4B as set out in the notice of the annual general meeting of the Company held on 29th September, 2005 be and is hereby revoked.”
5. “**THAT** conditional upon the passing of the ordinary resolutions numbered 3 and 4 in the notice convening the meeting of the Company dated 16th February, 2006, the aggregate nominal amount of the share capital of the Company repurchased by the Company pursuant to and in accordance with the said resolution numbered 4 shall be added to the aggregate nominal amount of the share capital of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to and in accordance with the said resolution numbered 3 set out in the notice of the meeting of the Company dated 16th February, 2006.”

By Order of the Board
Inner Mongolia Development (Holdings) Limited
Yau Shum Tek, Cindy
Chairman

Hong Kong, 16th February, 2006

Notes:

1. To be valid, the instrument appointing a proxy must be in writing under the hand of the appointor or of his attorney authorised in writing or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
2. Any member of the Company entitled to attend and vote at the meeting shall be entitled to appoint another person as his proxy to attend and vote instead of him. A proxy duly appointed pursuant to the articles of association of the Company is entitled to vote on a show of hands at the meeting. On a poll votes may be given either personally or by proxy. A proxy need not be a member of the Company. A member may appoint more than one proxy to attend on the same occasion.
3. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority must be deposited at the Company's share registrar in Hong Kong, Secretaries Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong not less than 48 hours before the time for holding the meeting or the adjourned meeting or poll (as the case may be) at which the person named in such instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.
4. Where there are joint registered holders of any share, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members in respect of such share shall alone be entitled to vote in respect thereof.

As at the date of this announcement, the directors of the Company are:–

Executive Directors

Ms. Yau Shum Tek, Cindy (*Chairman*)
Mr. Kwong Wai Tim, William (*Managing Director*)
Mr. Lai Ming Wai
Ms. Kwok Wai Ming

Independent Non-executive Directors

Mr. Lam Ping Cheung
Mr. Lo Ming Chi, Charles
Mr. Chiu Siu Po
Mr. Gary Drew Douglas
Ms. Hui Wai Man, Shirley