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# **NORTH ASIA STRATEGIC HOLDINGS LIMITED** **(北亞策略控股有限公司)\***

*(Formerly known as iSteelAsia Holdings Limited (亞鋼集團有限公司)\*)*

*(Incorporated in Bermuda with limited liability)*

*(Stock Code: 8080)*

## **PROGRESS ON FUND RAISING EXERCISE AND DESPATCH OF CIRCULAR IN RELATION TO THE ACQUISITION**

On 16th September, 2005, the Company entered into six conditional subscription agreements and two further conditional subscription agreements on 19th September, 2005 with eight institutional investors for the placement of non-redeemable convertible preference shares by the Company. It is expected that the Placement, if completed successfully, will raise approximately HK\$845.8 million for the Group before expenses. Discussions with other investors are still ongoing which may lead to the issue of further non-redeemable convertible preference shares.

A circular containing, among other things, further details of the Acquisition, an accountants' report relating to Best Quality Limited, the financial information on the enlarged Group and a notice to convene the special general meeting of the Company will be despatched to the shareholders of the Company on 23rd September, 2005.

At the request of the Company, trading in the Shares has been suspended from 9:30 a.m. on Tuesday, 20th September, 2005 pending the release of the announcement in relation to the Placement. Trading in the Shares will remain suspended until further notice.

Reference is made to (i) the announcements of North Asia Strategic Holdings Limited (the "Company", together with its subsidiaries, the "Group") dated 2nd, 5th, 6th, 7th and 8th September, 2005 in relation to certain possible fund raising exercise being contemplated by the Company; and (ii) the announcement of the Company dated 1st September, 2005 in relation to the proposed acquisition by the Group of a 70% interest in Best Quality Limited (the "Acquisition") which is engaged in the distribution of and provision of after sale services including technical support and maintenance services for sophisticated computerised knitting machines in Hong Kong, the People's Republic of China and Macau.

\* For identification purpose only

## **PROGRESS ON FUND RAISING EXERCISE**

The directors of the Company (the “Directors”) wish to announce that on 16th September, 2005, the Company entered into six conditional subscription agreements and two further conditional subscription agreements on 19th September, 2005 with eight institutional investors for the placement (the “Placement”) of non-redeemable convertible preference shares by the Company. It is expected that the Placement, if completed successfully, will raise approximately HK\$845.8 million for the Group before expenses. It is expected that out of the net proceeds (after deducting placement fee and other related expenses) of approximately HK\$833.3 million received from the Placement, approximately HK\$509.6 million will be used to repay the borrowings to be obtained from independent financial institutions for the purpose of financing the Acquisition. The Acquisition is not conditional on the Placement. Discussions with other investors are still ongoing which may lead to the issue of further non-redeemable convertible preference shares.

A further announcement on the Placement will be made by the Company in due course.

## **DESPATCH OF CIRCULAR IN RELATION TO THE ACQUISITION**

The Directors announce that a circular containing, among other things, further details of the Acquisition, an accountants’ report relating to Best Quality Limited, the financial information on the enlarged Group and a notice to convene the special general meeting of the Company will be despatched to the shareholders of the Company on 23rd September, 2005.

## **SUSPENSION OF TRADING**

At the request of the Company, trading in the shares of the Company (the “Shares”) has been suspended from 9:30 a.m. on Tuesday, 20th September, 2005 pending the release of the announcement in relation to the Placement. Trading in the Shares will remain suspended until further notice.

By Order of the Board  
**North Asia Strategic Holdings Limited**  
**Chow Savio Sing Nam**  
*Executive Director and Chief Executive Officer*

Hong Kong, 22nd September, 2005

*As at the date of this announcement, the board of Directors comprises Mr. Göran Sture Malm (Chairman), Mr. Chow Savio Sing Nam (Chief Executive Officer), Mr. Andrew Cho Fai Yao, Mr. Desmond Hay Ching Fu, Mr. Cho Henry Kim (executive Directors), Mr. Philip King Huen Ma, Mr. Kwan Chi Ping Edgar and Mr. Kenny King Ching Tam (independent non-executive Directors).*

*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 that:— (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

*This announcement will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcement” page for at least seven days from the date of its posting.*