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iSteelAsia

iSteelAsia Holdings Limited

(亞鋼集團有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 8080)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting of iSteelAsia Holdings Limited (the “Company”) will be held at Rooms 4902-8, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong on Thursday, 14 July 2005 at 3:00 p.m. (or immediate after the conclusion or adjournment of the annual general meeting of the Company) for the purpose of considering and, if thought fit, passing (with or without modifications) the following resolutions:

1. SPECIAL RESOLUTION

“**THAT**, subject to the passing of Ordinary Resolutions numbered 2, 3 and 4 set out in the notice convening this Meeting and the fulfilment of the other conditions in respect of the Capital Reorganisation (as defined below) as set out in the circular of the Company dated 20 June 2005 (the “Circular”), a copy of which is produced to the Meeting marked “A” and signed by the chairman of the Meeting for identification and with effect from the business day immediately following the date on which this resolution is passed (the “Effective Date”):

- (a) every one hundred (100) issued and unissued shares of HK\$0.10 each in the capital of the Company be consolidated into one (1) share of HK\$10.00 (the “Consolidated Share”) in the capital of the Company (the “Share Consolidation”) and any fractional entitlements to the then issued Consolidated Shares resulting from the Share Consolidation shall be aggregated and sold in the form of Consolidated Shares for the benefit of the Company in such manner and on such terms as the directors of the Company (the “Directors”) may think fit;

* *for identification only*

- (b) subject to and forthwith upon the Share Consolidation taking effect, the issued capital of the Company be reduced by cancelling paid up capital to the extent of HK\$9.99 on each issued Consolidated Share on the Effective Date such that the nominal value of all the issued Consolidated Shares will be reduced from HK\$10.00 to HK\$0.01 each (the “New Shares”) (the “Capital Reduction”);
- (c) subject to and forthwith upon the Capital Reduction taking effect, all of the authorised but unissued share capital of the Company (including the authorised but unissued share capital arising from the Capital Reduction) be cancelled (the “Diminution”) and, forthwith upon the Diminution taking place, the authorised share capital of the Company be increased back to its original amount of HK\$400,000,000 by the creation of the requisite number of New Shares of HK\$0.01 each (the “Share Restoration”);
- (d) the entire amount standing to the credit of the share premium account of the Company as at 31 March 2005 be cancelled (the “Share Premium Reduction”);
- (e) the credits arising from the Capital Reduction and the Share Premium Reduction be transferred to the contributed surplus account of the Company which will be utilised by the Directors in accordance with the bye-laws of the Company and all applicable laws, including towards application against the accumulated losses of the Company as at 31 March 2005 (the “Credit Application”); and
- (f) the Directors be and are hereby authorised to do all things and acts and sign all documents which they consider necessary, desirable, or expedient in connection with the implementation of the Share Consolidation, the Capital Reduction, the Diminution, the Share Restoration and the Share Premium Reduction (collectively, the “Capital Reorganisation”) and the Credit Application.”

2. ORDINARY RESOLUTION

“**THAT**, subject to the passing of Special Resolution numbered 1 set out in the notice convening this Meeting and Ordinary Resolutions numbered 3 and 4 and the fulfilment of the other conditions in the underwriting agreement dated 19 May 2005 entered into between the Company and Van Shung Chong (B.V.I.) Limited in relation to the underwriting of the Open Offer (as defined below) (the “Underwriting Agreement”), a copy of which is produced to the Meeting marked “B” and signed by the chairman of the Meeting for identification:

- (a) the offer (the “Open Offer”) of New Shares (the “Offer Shares”) to the shareholders of the Company whose names appear on the register of members of the Company at the close of business on a date to be fixed by the Directors on an assured basis of provisional allotments of one (1) Offer Share for every one (1) New Share then held at the subscription price of HK\$0.1566 per Offer Share according to the terms of the Open Offer as set out in the Circular be and is hereby approved, and the Directors be and are hereby authorised to allot and issue the Offer Shares upon acceptance by the shareholders of the Company pursuant to and in accordance with the Open Offer;

- (b) the Underwriting Agreement be and is hereby approved, confirmed and ratified and the Directors be and are hereby authorised to do all acts and things and execute such other documents which may be necessary, desirable or expedient in their opinion to carry into effect or to give effect to the terms of the Underwriting Agreement; and
- (c) the Directors be and are hereby authorised to do all acts and things and execute all documents which they consider necessary, desirable or expedient in connection with the implementation of the Open Offer.”

3. ORDINARY RESOLUTION

“**THAT**, subject to the passing of Special Resolution numbered 1 and Ordinary Resolutions numbered 2 and 4 set out in the notice convening this Meeting and the fulfilment of the other conditions in the subscription agreement (the “Subscription Agreement”) dated 19 May 2005 entered into between the Company, North Asia Strategic Acquisition Corp., Mr. Moses Kwok Tai Tsang (together the “Ajia Parties”) and Huge Top Industrial Ltd. in relation to the subscription by the Ajia Parties of an aggregate of 63,856,960 New Shares (the “Subscription Shares”) and convertible bonds (the “Convertible Bonds”) for an aggregate principal amount of HK\$20,000,000 to be issued by the Company, a copy of which is produced to the Meeting marked “C” and signed by the chairman of the Meeting for the purpose of identification:

- (a) the Subscription Agreement and the transactions contemplated under or incidental to the Subscription Agreement be and are hereby approved, confirmed and ratified; and
- (b) the Directors be and are hereby authorised to take all steps necessary, desirable or expedient in their opinion to implement and/or give effect to the terms of the Subscription Agreement including but not limited to the issue of the Subscription Shares and the Convertible Bonds and the New Shares pursuant to conversion of the Convertible Bonds.”

4. ORDINARY RESOLUTION

“**THAT** subject to the passing of the Special Resolution numbered 1 and the Ordinary Resolutions numbered 2 and 3 set out in the notice convening this Meeting, the whitewash waiver (the “Whitewash Waiver”) to be applied by the Ajia Parties to the executive director of the corporate finance division of the Securities and Futures Commission for waiving the obligation of the Ajia Parties and parties acting in concert with any one of them to extend a general offer to acquire the issued New Shares (excluding the New Shares which are owned or the Subscription Shares to be acquired by the Ajia Parties and parties acting in concert with any of them) under Rule 26 of the Hong Kong Code on Takeovers and Mergers arising from acquisition of the Subscription Shares be and is hereby approved and that the Directors be and are hereby authorised to do all acts and things and execute all documents which they consider necessary, desirable or expedient to implement and/or give effect to any matters relating to or in connection with the Whitewash Waiver.”

5. ORDINARY RESOLUTION

“**THAT** subject to the passing of Special Resolution numbered 1 and Ordinary Resolutions numbered 2, 3 and 4, the 52,750,000 outstanding options granted by the Company pursuant to the share option scheme adopted on 13 April 2000 be cancelled.”

6. SPECIAL RESOLUTION

“**THAT** subject to the approval by the Registrar of Companies in Bermuda and the completion of the transactions under the Subscription Agreement, the name of the Company be changed to “North Asia Strategic Holdings Limited” and that a new Chinese name of “北亞策略控股有限公司” be adopted for identification purposes only to replace the existing Chinese name of “亞鋼集團有限公司” and the Directors be and are hereby authorised to do all acts and things and execute all documents they consider necessary, desirable or expedient to effect the change of name and the adoption of the new Chinese name for identification purposes only on behalf of the Company.”

For and on behalf of the Board of Directors of
iSteelAsia Holdings Limited
Andrew Cho Fai Yao
Chairman

Hong Kong, 20 June 2005

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Clarendon House
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Bermuda

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of business:*
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Hopewell Centre
183 Queen’s Road East
Wanchai, Hong Kong

As at the date of this notice, the board of Directors comprised Andrew Cho Fai Yao (Chairman), Desmond Hay Ching Fu (being the executive Directors), David Michael Faktor (being the non-executive Director), Philip King Huen Ma, Kennedy Ying Ho Wong, Kenny King Ching Tam (being the independent non-executive Directors).

Notes:

1. A member entitled to attend and vote at the Meeting convened by the above notice is entitled to appoint one or, if he holds two or more shares, more proxies to attend and, subject to the provisions of the bye-laws of the Company, vote in his stead. A proxy need not be a member of the Company.
2. A form of proxy for use at the Meeting is enclosed. In order to be valid, the form of proxy must be duly completed and signed in accordance with the instructions printed thereon and returned together with a power of attorney or other authority (if any) under which it is signed or a certified copy of that power or authority to the Company’s branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible but in any event not later than 48 hours before the time of the Meeting or adjourned meeting.

3. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the Meeting or any adjournment thereof, should he so wish.
4. In the case of joint registered holders of any Shares, any one of such persons may vote at the Meeting or the adjourned meeting, either personally or by proxy, in respect of such Shares as if he/she were solely entitled thereto, but if more than one of such joint registered holders be present at the Meeting or the adjourned meeting, either personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such Shares shall be accepted to the exclusion of the votes of the other joint registered holders.
5. All the above Resolutions except Ordinary Resolution numbered 5 and Special Resolution numbered 6 will be put to the independent shareholders of the Company by poll.
6. All the holders of Options who are also Shareholders must abstain from voting in respect of Ordinary Resolution numbered 5 in accordance with the rules of the share option scheme of the Company dated 13 April 2000.

This announcement will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for 7 days from the date of its posting.