

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

iSteelAsia

iSteelAsia Holdings Limited

(亞鋼集團有限公司)*

(incorporated in Bermuda with limited liability)

(Stock code: 8080)

**OPEN OFFER OF 15,968,878 NEW SHARES AT HK\$0.1566 PER
NEW SHARE ON THE BASIS OF ONE OFFER SHARE
FOR EACH NEW SHARE HELD BY QUALIFYING SHAREHOLDERS
ON THE RECORD DATE**

RESULTS OF OPEN OFFER

The Directors announce that as at 4:00 p.m. on Thursday, 4 August 2005, being the latest time for acceptance and payment for the Offer Shares, 92 valid applications for assured allotment have been received for an aggregate of 5,468,733 Offer Shares (representing approximately 34.3% of the total number of 15,968,878 Offer Shares, which included 3,010,260 Offer Shares taken up by VSC BVI in respect of the Open Offer) and 730 valid Excess Application Forms have been received for an aggregate of 112,424,201 excess Offer Shares (representing approximately 704.0% of the total number of 15,968,878 Offer Shares). An aggregate of 117,892,934 Offer Shares and excess Offer Shares were accepted/applied for, representing approximately 738.3% of the total number of 15,968,878 Offer Shares offered under the Open Offer. Accordingly, the Open Offer had been over-subscribed by 638.3%.

The Open Offer, which was underwritten by VSC BVI, became unconditional on Friday, 5 August 2005. Based on the results above, the Open Offer was over-subscribed by 638.3% (including the 3,010,260 Offer Shares applied by VSC BVI under the Open Offer) or 619.4% (excluding the 3,010,260 Offer Shares applied by VSC BVI under the Open Offer). VSC BVI is not required to underwrite any Offer Shares.

Share certificates of the Offer Shares and refund cheques for partially unsuccessful application for excess Offer Shares will be despatched by ordinary post to those Qualifying Shareholders who have validly applied and paid for the Offer Shares, at their own risks, on or before Monday, 8 August 2005. Dealings in the Offer Shares will commence on Wednesday, 10 August 2005.

References are made to the joint announcement (the “Announcement”) dated 19 May 2005, the circular dated 20 June 2005 issued by iSteelAsia and the Ajia Parties regarding the Capital Reorganisation, the Open Offer, the Subscription of New Shares and Convertible Bonds, application for Whitewash Waiver and change of company name and the prospectus dated 21 July 2005 issued by iSteelAsia in respect of the Open Offer (the “Prospectus”). Terms used herein shall have the same meanings ascribed to them in the Prospectus, unless otherwise defined.

* *For identification purpose only*

RESULTS OF THE OPEN OFFER

The Directors announce that as at 4:00 p.m. on Thursday, 4 August 2005, being the latest time for acceptance and payment of the Offer Shares, 92 valid applications for assured allotment have been received for an aggregate of 5,468,733 Offer Shares (representing approximately 34.3% of the total number of 15,968,878 Offer Shares, which included 3,010,260 Offer Shares taken up by VSC BVI in respect of the Open Offer and 730 valid Excess Application Forms have been received for an aggregate of 112,424,201 excess Offer Shares (representing approximately 704.0% of the total number of 15,968,878 Offer Shares). An aggregate of 117,892,934 Offer Shares and excess Offer Shares were accepted/applied for, representing approximately 738.3% of the total number of 15,968,878 Offer Shares offered under the Open Offer. Accordingly, the Open Offer had been over-subscribed by 638.3%.

The Open Offer, which was underwritten by VSC BVI, became unconditional on Friday, 5 August 2005. Based on the results above, the Open Offer was over-subscribed by 638.3% (including the 3,010,260 Offer Shares applied by VSC BVI under the Open Offer) or 619.4% (excluding the 3,010,260 Offer Shares applied by VSC BVI under the Open Offer). VSC BVI is not required to underwrite any Offer Shares.

The Directors have determined that the 10,500,145 Offer Shares available for excess applications have been allotted on the following basis:

No. of excess Offer Shares applied for	No. of valid applications	Approximate allotment percentage
1 — 4,000	467	100%
4,001 — 100,000	215	9.98% — 66.56%
100,001 — 1,000,000	30	7.56% — 10.00%
1,000,001 — 10,000,000	14	7.41% — 7.59%
Over 10,000,000	4	7.38% — 7.40%
Total:	730	

The Directors believe that the allocation of the excess Offer Shares has been made on a fair and equitable basis.

All subscription monies for the Offer Shares have been received by the Company as at the date of this announcement.

SHAREHOLDING STRUCTURE

The following is the shareholding structure of the Company before and immediately after the completion of the Open Offer:

Shareholders	Before completion of the Open Offer		Upon completion of the Open Offer but before completion of the Subscription*		Upon completion of the Open Offer and Subscription but before exercising of the conversion rights of the Convertible Bonds	
	New Shares	%	New Shares	%	New Shares	%
VSC BVI	3,010,260	18.9	6,336,309	19.8	6,336,309	6.6
TN	1,633,676	10.2	1,633,676	5.1	1,633,676	1.7
Huge Top	1,598,113	10.0	1,598,113	5.0	1,598,113	1.7
Right Action Offshore Inc.	1,024,000	6.4	1,024,000	3.2	1,024,000	1.1
The Ajia Parties:						
NASAC	—	—	—	—	44,163,474	46.1
Mr. Tsang	509,400	3.2	509,400	1.6	20,202,886	21.1
Sub-total	509,400	3.2	509,400	1.6	64,366,360	67.2
Public	8,193,429	51.3	20,836,258	65.3	20,836,258	21.7
Total:	15,968,878	100.0	31,937,756	100.0	95,794,716	100.0

* It should be noted that the shareholding information regarding completion of the Open Offer is shown for illustrative purposes only. The Open Offer is expected to be completed simultaneously with the Subscription. Further announcement will be made upon completion of the Subscription, which is expected to take place on 8 August 2005.

SHARE CERTIFICATES AND REFUND CHEQUES

Share certificates of the Offer Shares and refund cheques for partially unsuccessful applications for excess Offer Shares will be despatched by ordinary post to those Qualifying Shareholders who have validly applied and paid for the Offer Shares, at their own risks, on or before Monday, 8 August 2005. Dealings in the Offer Shares will commence on Wednesday, 10 August 2005.

By Order of the Board
iSteelAsia Holdings Limited
Andrew Cho Fai Yao
Chairman

Hong Kong, 5 August 2005

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

This announcement will remain on the "Latest Company Announcements" page of the GEM website for at least 7 days from its date of publication.