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This announcement, for which the directors of iSteelAsia.com Limited (“the Directors”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (“the GEM Listing Rules”) for the purpose of giving information with regard to iSteelAsia.com Limited. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) 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.

iSteelAsia.com

iSteelAsia.com Limited

(Incorporated in Bermuda with limited liability)

ANNOUNCEMENT DISCLOSURE OF ADVANCE TO AN ENTITY

The Directors would like to announce that the Group recorded amounts due from an independent third party, Shunde of approximately HK\$29.48 million as at 28th February, 2002, representing approximately 142% of the Group’s NTA as at 31st March, 2001 (within the meaning of note 2 to Rule 17.14 of the GEM Listing Rules). The Shunde’s balance increased by more than 10% of the Group’s NTA since 31st December, 2001. The amount due from Shunde is regarded as an advance by the Company to an entity under Rule 17.15 of the GEM Listing Rules. Such amount represented the outstanding balance of certain sales transactions entered into by the Group in its ordinary course of business and on normal commercial terms.

The Directors would like to announce that iSteelAsia.com Limited (“the Company”) and its subsidiaries (together “the Group”) recorded amounts due from an independent third party, Shunde City Dengfeng Steel Trade Co., Ltd. (“Shunde”) of approximately HK\$29.48 million as at 28th February, 2002, representing approximately 142% of the Group’s audited net tangible assets as at 31st March, 2001 (“NTA”) (within the meaning of note 2 to Rule 17.14 of the GEM Listing Rules). The Shunde’s balance increased by more than 10% of the Group’s NTA since 31st December, 2001. The amount due from Shunde is regarded as an advance by the Company to an entity under Rule 17.15 of the GEM Listing Rules. Such amount represented the outstanding balance of certain sales transactions entered into by the Group in its ordinary course of business and on normal commercial terms.

Shunde is a customer of the Group and a third party independent of any of the Directors, the chief executive of the Group, the substantial shareholders (within the meaning of the GEM Listing Rules) of the Company and their respective associates (within the meaning of the GEM Listing Rules).

Sales transactions with Shunde was conducted in the ordinary course of business of the Group and settlements of the accounts receivable were made in accordance with the credit terms entered into between Shunde and the Group. No interest was charged on the trading balance as it is still within the credit terms agreed with Shunde. Shunde gave no collateral under the sales transaction.

Pursuant to Rules 17.15, 17.16 and 17.17 of the GEM Listing Rules, particulars of such trading balance is required to be disclosed by way of announcement.

By Order of the Board
Drina C. Yue
Director

Hong Kong, 6 March, 2002

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