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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, Boto of approximately HK\$8.93 million as at 31st October, 2002, representing approximately 113% of the Group’s NTA as at 31st March, 2002 (within the meaning of note 2 to Rule 17.14 of the GEM Listing Rules). The Boto’s balance increased by more than 10% of the Group’s NTA since 30th September, 2002. The amount due from Boto is regarded as an advance to an entity from the Group 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. As at the date of this announcement, approximately 97% of this Boto’s balance had been settled. Up to the date of this announcement, the Group experienced no bad debt nor any material collectibility problem from Boto.

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, Boto Company Limited (“Boto”) of approximately HK\$8.93 million as at 31st October, 2002, representing approximately 113% of the Group’s audited net tangible assets as at 31st March, 2002 (“NTA”) (within the meaning of note 2 to Rule 17.14 of the GEM Listing Rules). The Boto’s balance increased by more than 10% of the Group’s NTA since 30th September, 2002. The amount due from Boto is regarded as an advance to an entity from the Group 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. As at the date of this announcement, approximately 97% of this Boto's balance had been settled. Up to the date of this announcement, the Group experienced no bad debt nor any material collectibility problem from Boto.

Boto is a customer of the Group and a third party independent of any of the Directors, the chief executive of the Group, the management shareholders and 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 Boto was conducted in the ordinary course of business of the Group and settlements of the accounts receivables were made in accordance with the credit terms entered into between Boto and the Group. No interest was charged on the trading balance as it is still within the credit terms agreed with Boto. Boto 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 balances are required to be disclosed by way of announcement.

By Order of the Board
Drina C. Yue
Director and Chief Executive Officer

Hong Kong, 14th November, 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.