
IMPORTANT

The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) takes no responsibility for the contents of this circular, 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 circular.

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant, or other professional adviser.

If you have sold all your shares and/or warrants in iSteelAsia.com Limited, you should at once hand this circular to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

iSteelAsia.com
iSteelAsia.com Limited
(Incorporated in Bermuda with limited liability)

**PROPOSALS INVOLVING
CHANGE OF NAME,
GENERAL MANDATES TO ISSUE SHARES AND
TO REPURCHASE SHARES AND
NOTICE OF ANNUAL GENERAL MEETING**

This circular, for which the directors of iSteelAsia.com Limited (the “Company”) 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 for the purpose of giving information with regard to the Company. The directors of the Company (the “Directors”), having made all reasonable enquires, confirm that, to the best of their knowledge and belief, (i) the information contained in this circular is accurate and complete in all material aspects and not misleading; (ii) there are no other matters the omission of which would make any statement herein misleading; and (iii) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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

26th June, 2003

iSteelAsia.com
iSteelAsia.com Limited

(Incorporated in Bermuda with limited liability)

Board of Directors:

Andrew Cho Fai Yao (*Chairman*)
Miriam Che Li Yao (*Deputy Chairman*)
Drina C. Yue (*Chief Executive Officer*)
Lena Foo*
Daniel Takuen Shih*
Ralph David Oppenheimer*
Yeung Kwok Keung**
Philip King Huen Ma**

* *Non-executive Directors*

** *Independent Non-executive Directors*

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head office and

principal place of business:

Rooms 4902-8
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

26th June, 2003

*To the shareholders (and,
for information only, the holders of warrants
and holders of options)*

Dear Sir or Madam,

**PROPOSALS INVOLVING
CHANGE OF NAME,
GENERAL MANDATES TO ISSUE SHARES AND
TO REPURCHASE SHARES AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

At a meeting of the board of directors of the Company held on 16th June, 2003, the Directors announced the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31st March, 2003. It was also announced on the same day that at the annual general meeting to be held on 18th July, 2003 ("Annual General Meeting"), resolutions to change the name of the Company, to grant to the Directors general mandates to issue shares of the Company ("Shares") and to repurchase Shares ("Repurchase Mandate") will be proposed. The purpose of this circular is to provide shareholders of the Company (the "Shareholders") and warrant holders of the Company (the "Warrant holders") with details of the proposed change of name and general mandates to be dealt with at the Annual General Meeting.

LETTER FROM THE CHAIRMAN

CHANGE OF NAME

To better reflect the business composition of the Company, it is proposed, subject to the passing of the special resolution No. 7 of the notice of the Annual General Meeting, by the shareholders of the Company at the Annual General Meeting, that the name of the Company be changed from “iSteelAsia.com Limited (亞洲鋼鐵電子交易所有限公司)” to “iSteelAsia Holdings Limited (亞鋼集團有限公司)” (“**Name Change**”).

The proposed Name Change is subject to :

- (a) the passing of a special resolution by the shareholders at the Annual General Meeting and the adoption of Chinese name for the purpose of registration in Hong Kong; and
- (b) the approval of the Registrar of Companies in Bermuda being obtained.

The Board will also adopt the Chinese name of “亞鋼集團有限公司” for identification purposes upon the Name Change becoming effective and the same be registered in the Companies Registry of Hong Kong.

The Name Change will take effect from the date when the new English name is registered by the Registrar of Companies in Bermuda and a further announcement will be made by the Company in respect thereof. All necessary filing procedures with the Registrar of Companies in Bermuda and the Companies Registry of Hong Kong will be carried out by the Company.

The proposed Name Change and the adoption of Chinese name for the purpose of registration in Hong Kong will not affect any of the rights of the existing shareholders. The existing Share certificates bearing the current name of the Company will continue to be evidence of title to the Share under the new name upon the Name Change and the adoption of Chinese name being effective and will be valid for trading, settlement, registration and delivery purpose. All existing certificates representing the Shares in issue will, after the date when the Name Change and the adoption of Chinese name becomes effective, continue and be deemed to be certificates in respect of the same number of Shares in the new name of the Company. Upon the Name Change and the adoption of Chinese name becoming effective, any issue of Share certificates thereafter will be in the new name and the Shares will be traded on the Stock Exchange in the new name.

GENERAL MANDATES

At the Annual General Meeting, separate ordinary resolutions will be proposed to renew the general mandates given to the Directors (i) to allot, issue and otherwise deal with Shares not exceeding the aggregate of 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of such resolution and Shares representing the aggregate nominal amount (up to a maximum of 10% of the aggregate nominal amount of the

LETTER FROM THE CHAIRMAN

Company's then issued share capital as at the date of passing of such resolution) of any Shares repurchased by the Company subsequent to the passing of such resolution; and (ii) to repurchase Shares comprising the aggregate nominal amount of which does not exceed 10% of the aggregate nominal amount of the share capital in issue of the Company at the date of passing of such resolution.

Accordingly, on the basis of 1,564,503,000 Shares in issue as at 24th June, 2003, being the latest practicable date ("Latest Practicable Date") prior to the printing of this circular, and assuming that no Shares will be issued or repurchased prior to the Annual General Meeting, (i) exercise in full of the 20% general mandate will result in up to 312,900,600 Shares being issued by the Company during the Relevant Period (as defined in the Resolution); and (ii) exercise in full of the 10% Repurchase Mandate will result in up to 156,450,300 Shares being repurchased by the Company during the Relevant Period (as defined in the Resolution).

Under the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (the "GEM Listing Rules"), the general unconditional mandates granted on 9th August, 2002 will lapse at the conclusion of the coming Annual General Meeting, unless renewed at the Annual General Meeting. Resolutions Nos. 4 and 5 in the notice of Annual General Meeting will be proposed at the Annual General Meeting to renew these mandates. With reference to these resolutions, the Directors wish to state that they have no present intention to repurchase any Shares pursuant to the relevant mandates.

The explanatory statement, required by the GEM Listing Rules to be sent to Shareholders in connection with the proposed Repurchase Mandate is set out in the Appendix to this circular. This contains all the information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolutions.

ANNUAL GENERAL MEETING

A notice of the Annual General Meeting is set out on pages 8 to 11 of this circular. At the Annual General Meeting, in addition to the ordinary business of the meeting, Resolutions Nos. 4, 5 and 7 will be proposed to approve the general mandates for the issue of Shares, Repurchase Mandate and change of name of the Company as special businesses.

A copy of the 2002/2003 annual report of the Company incorporating copies of the audited accounts of the Group for the year ended 31st March, 2003 and the directors' and auditors' reports therein has been despatched to all the Shareholders and Warrantholders together with this circular.

A form of proxy for the Annual General Meeting is also enclosed. Whether or not you intend to be present at the Annual General Meeting, you are requested to complete the form of proxy and return it to the head office and principal place of business of the Company c/o the Company Secretary, Rooms 4902-8, Hopewell Centre, 183 Queen's Road Central, Wanchai, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time fixed for the meeting. The completion of a form of proxy will not preclude you from attending and voting at the meeting in person.

LETTER FROM THE CHAIRMAN

RECOMMENDATION

The Board of Directors is of the opinion that the proposals referred to above are in the best interests of the Company and therefore recommend you to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

Yours faithfully,
Andrew Cho Fai Yao
Chairman

This is an explanatory statement given to all the Shareholders relating to a resolution to be proposed at the forthcoming Annual General Meeting authorising the Repurchase Mandate.

This explanatory statement contains all the information required pursuant to Rule 13.08 of the GEM Listing Rules which is set out as follows:

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,564,503,000 Shares of HK\$0.10 each.

Subject to the passing of the resolution in relation to the Repurchase Mandate and on the basis that no Shares are issued or repurchased by the Company prior to the Annual General Meeting, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 156,450,300 Shares, representing 10% of the Shares in issue of HK\$0.10 each.

2. REASONS FOR REPURCHASES

Repurchases of Shares will only be made when the Directors believe that such a repurchase will benefit the Company and its members. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share of the Company and/or its earnings per Share.

3. FUNDING OF REPURCHASES

In repurchasing securities, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association and bye-laws, the GEM Listing Rules and the Companies Act 1981 of Bermuda (the “Companies Act”). The Company may not purchase securities on GEM for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time. Under the Companies Act, a company may only repurchase its shares out of capital paid up on the Shares to be repurchased or out of the funds of the company which would otherwise be available for dividend or distribution or out of the proceeds of a fresh issue of shares made for the purpose of the repurchase. Any amount of premium payable on a repurchase over the par value of the shares may only be effected out of funds of the company which would otherwise be available for dividend or distribution or out of the company’s share premium account.

4. GENERAL

There might be a material adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in its most recent published audited accounts for the year ended 31st March, 2003 in the event that the proposed purchase pursuant to the Repurchase Mandate were to be carried out in full at any time during the proposed purchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Group or on its gearing levels which in the opinion of the Directors are from time to time appropriate for the Group.

5. UNDERTAKING

The Directors have undertaken to the Stock Exchange that, they will exercise the power of the Company to make purchase pursuant to the Repurchase Mandate in accordance with the GEM Listing Rules, the memorandum of association and bye-laws of the Company and the applicable laws of Bermuda.

To the best of the knowledge of the Directors who have made all reasonable enquires, none of the Directors or their associates has a present intention to sell Shares to the Company, or has undertaken not to do so, if the Repurchase Mandate is approved by the Shareholders.

No connected person (as defined in the GEM Listing Rules) has notified the Company that he has a present intention to sell Shares to the Company, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

6. TAKEOVER CODE

If as a result of a repurchase of Shares, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Hong Kong Code on Takeovers and Mergers (the "Code"). As a result, a shareholder, or a group of shareholders acting in concert, depending on the level of increase in the shareholder's interests, could obtain or consolidate control of the Company and become(s) obliged to make a mandatory offer in accordance with Rule 26 of the Code.

As at the Latest Practicable Date, Huge Top Industrial Ltd. ("Huge Top") owns approximately 65.74% of the issued share capital of Van Shung Chong Holdings Limited ("VSC") and Van Shung Chong (B.V.I.) Limited ("VSC BVI") is a wholly-owned subsidiary of VSC. VSC BVI and Huge Top which are the substantial shareholders of the Company, held approximately 19.24% and 10.21% respectively of the issued Shares of the Company. In the event that the Directors exercised in full the power to repurchase

Shares of the Company in accordance with the terms of the ordinary resolution to be proposed at the Annual General Meeting, the total interests of VSC BVI and Huge Top in the Shares of the Company would be increased to approximately 21.38% and 11.35% respectively of the issued Shares of the Company. If so, the Directors will take necessary steps to comply with the GEM Listing Rules and the Takeover Code.

7. SHARE REPURCHASE MADE BY THE COMPANY

No repurchases of Shares have been made by the Company during the previous six months, whether on the Stock Exchange or otherwise.

8. SHARE PRICES

The highest and lowest prices at which the Shares have been traded on GEM in each of the previous twelve months were as follows:

	Shares	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2002		
June	0.168	0.126
July	0.151	0.120
August	0.130	0.120
September	0.100	0.089
October	0.063	0.060
November	0.055	0.025
December	0.045	0.027
2003		
January	0.050	0.022
February	0.088	0.040
March	0.055	0.032
April	0.037	0.020
May	0.100	0.012

NOTICE OF ANNUAL GENERAL MEETING

iSteelAsia.com **iSteelAsia.com Limited**

(Incorporated in Bermuda with limited liability)

NOTICE IS HEREBY GIVEN that the annual general meeting of iSteelAsia.com Limited (the “Company”) will be held at Rooms 4902-8, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong on 18th July, 2003 at 10:00 a.m. to transact the following ordinary business:

1. To receive and consider the audited accounts and reports of the directors and auditors for the year ended 31st March, 2003.
2. To re-elect directors and authorise the Directors to fix their remuneration and to appoint new Directors from time to time.
3. To re-appoint Company’s auditors and authorise the Board of Directors to fix their remuneration;

and, as special business, to consider and, if thought fit, passing the following resolutions as ordinary resolutions and special resolution respectively:

ORDINARY RESOLUTIONS

4. **THAT:**

- (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on the Growth Enterprise Market (“GEM”) on The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”), the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and deal with unissued shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined in this

NOTICE OF ANNUAL GENERAL MEETING

Resolution); or (ii) the exercise of subscription or conversion right under any warrants of the Company and under any securities which are convertible into shares in the capital of the Company; or (iii) the exercise of any option under the share option scheme of the Company; or (iv) any scrip dividend scheme or similar arrangements providing for the allotment of shares in lieu of the whole or a part of a dividend on shares of the Company in accordance with the bye-laws of the Company in force from time to time, shall not exceed the aggregate of:

- (i) 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this Resolution; and
- (ii) (if the Directors of the Company are so authorised by a separate ordinary resolution of the shareholders of the Company) the nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this Resolution (up to a maximum equivalent to 10% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this Resolution);

and the authority pursuant to paragraph (a) of this Resolution shall be limited accordingly; and

- (d) for the purposes of this Resolution:

“Relevant Period” means the period from the date of the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company, the Companies Act 1981 of Bermuda or any other applicable laws of Bermuda to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors of the Company by this Resolution;

“Rights Issue” means an offer of shares in the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for shares open for a period fixed by the Directors of the Company to holders of shares in the Company on the register on a fixed record date in proportion to their then holdings of shares (subject to such exclusion or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements,

NOTICE OF ANNUAL GENERAL MEETING

or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).

5. **THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period of all powers of the Company to purchase its shares on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission, the Stock Exchange, the Companies Act 1981 of Bermuda and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares which may be purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this Resolution and the authority pursuant to paragraph (a) of this Resolution shall be limited accordingly; and
- (c) for the purposes of this Resolution, “Relevant Period” means the period from the date of the passing of this Resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company, the Companies Act 1981 of Bermuda or any other applicable laws of Bermuda to be held; and
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors of the Company by this Resolution.

6. **THAT** the Directors of the Company be and they are hereby authorised to exercise the authority referred to in paragraph (a) of Resolution no. 4 set out in the notice convening this meeting in respect of the share capital of the Company referred to in sub-paragraph (ii) of paragraph (c) of such Resolution.

NOTICE OF ANNUAL GENERAL MEETING

SPECIAL RESOLUTION

7. “**THAT** subject to the approval of the Registrar of Companies in Bermuda, the Company’s name be changed from ‘iSteelAsia.com Limited (亞洲鋼鐵電子交易所有限公司)’ to ‘iSteelAsia Holdings Limited (亞鋼集團有限公司)’ and that the necessary documentation to effect the new name be filed with the Registrar of Companies in Bermuda and that the Chinese translation of the new name be registered in the Companies Registry in Hong Kong.”

By order of the Board
Andrew Cho Fai Yao
Chairman

Hong Kong, 16th June, 2003

Head office and principal place of business:

Rooms 4902-8, Hopewell Centre
183 Queen’s Road East
Wanchai, Hong Kong

Registered office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Notes:

1. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxy 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. In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, with the Company Secretary at the head office and principal place of business of the Company at Rooms 4902-8, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time for holding the meeting or adjourned meeting.
3. In relation to proposed Resolutions nos. 4 and 6 above, approval is being sought from the shareholders for the grant to the Directors of the Company of a general mandate to authorise the allotment and issue of shares under the GEM Listing Rules. The Directors have no immediate plans to issue any new shares of the Company other than shares which may fall to be issued under the share option scheme or the exercise of warrants of the Company or any scrip dividend scheme which may be approved by shareholders.
4. In relation to proposed Resolution no. 5 above, the Directors wish to state that they will exercise the powers conferred thereby to repurchase shares in circumstances which they deem appropriate for the benefit of the shareholders of the Company. An explanatory statement containing the information necessary to enable the shareholders of the Company to make an informed decision to vote on the proposed resolution as required by the GEM Listing Rules is included in the accompanying circular and will be despatched to shareholders and warrant holders together with the annual report for the year ended 31st March, 2003.