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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)

ANNOUNCEMENT

iSteelAsia is pleased to announce that all the conditions of the Proposals, which were set out in the Circular, have been fulfilled and completion of the Proposals has taken place on 8 August 2005.

The Board hereby announces that Mr. Kennedy Ying Ho Wong and Mr. David Michael Faktor have resigned as independent non-executive Director and non-executive Director of iSteelAsia respectively, with effect from 9 August 2005.

The Board announces that Mr. Ng Pan has resigned as qualified accountant of iSteelAsia with effect from 9 August 2005.

The Board announces that Mr. Desmond Hay Ching Fu has resigned as chief executive officer, compliance officer and authorised representative of iSteelAsia and Mr. Andrew Cho Fai Yao has resigned as chairman and authorised representative of iSteelAsia with effect from 9 August 2005. Mr. Desmond Hay Ching Fu and Mr. Andrew Cho Fai Yao will remain as executive directors of iSteelAsia.

The Board is pleased to announce that Mr. Chow Savio Sing Nam, Mr. Cho Henry Kim, Mr. Göran Sture Malm have been appointed as executive Directors of iSteelAsia and Mr. Göran Sture Malm has been appointed as chairman of iSteelAsia with effect from 9 August 2005. Mr. Chow Savio Sing Nam has been appointed as chief executive officer and compliance officer of iSteelAsia with effect from 9 August 2005. Mr. Kwan Chi Ping Edgar has been appointed as independent non-executive Director of iSteelAsia with effect from 9 August 2005. Ms. Luk Pui Yin Grace has been appointed as qualified accountant of iSteelAsia with effect from 9 August 2005. Mr. Chow Savio Sing Nam and Mr. Cho Henry Kim have been appointed authorised representatives of iSteelAsia with effect from 9 August 2005. With effect from 9 August 2005, the head office and the principal place of business of iSteelAsia has been changed to 78th Floor, The Center, 99 Queen's Road Central, Hong Kong.

* For identification purpose only

References are made to the joint announcement (the “Announcement”) dated 19 May 2005, the circular (the “Circular”) dated 20 June 2005 issued by iSteelAsia and the Ajia Parties in relation to, among other things, 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 of iSteelAsia dated 21 July 2005 (the “Prospectus”). Terms used herein shall have the same meanings ascribed to them in the Circular and the Prospectus, unless otherwise defined.

COMPLETION OF THE PROPOSALS

iSteelAsia is pleased to announce that all the conditions of the Proposals, which were set out in the Circular, have been fulfilled and completion of the Proposals has taken place on 8 August 2005.

EFFECTS OF THE PROPOSALS

Shareholding structure

The following table sets out the shareholding structure of iSteelAsia upon completion of the Proposals:

Shareholders	Upon completion of the Proposals but before exercise of the conversion rights of the Convertible Bonds	
	New Shares	%
VSC BVI	6,336,309	6.6
TN	1,633,676	1.7
Huge Top	1,598,113	1.7
Right Action Offshore Inc.	1,024,000	1.1
The Ajia Parties:		
NASAC	44,163,474	46.1
Mr. Tsang	20,202,886	21.1
Sub-total	64,366,360	67.2
Public	20,836,258	21.7
Total	<u>95,794,716</u>	<u>100.0</u>

RESIGNATION OF INDEPENDENT NON-EXECUTIVE DIRECTOR AND NON- EXECUTIVE DIRECTOR

The Board hereby announces that Mr. Kennedy Ying Ho Wong and Mr. David Michael Faktor have resigned as independent non-executive director and non-executive director of iSteelAsia respectively, with effect from 9 August 2005. As stated in the Circular, Mr. David Michael Faktor and Mr. Kennedy Ying Ho Wong have indicated that they intend to resign on completion of the Proposals. Mr. Kennedy Ying Ho Wong, Mr. David Michael Faktor and the Board confirmed there were no disagreements with each other and were not aware of any matter in relation to their resignation that should be brought to the

attention of the securities holders of iSteelAsia. The Board would like to take this opportunity to express its appreciation for their contribution made to iSteelAsia during their term of services.

RESIGNATION OF QUALIFIED ACCOUNTANT

The Board announces that Mr. Ng Pan has resigned as qualified accountant of iSteelAsia with effect from 9 August 2005 as a result of completion of the Proposals. To the best knowledge and belief of the Board, there is no matter in relation to Mr. Ng's resignation that needs to be brought to the attention of the securities holders of iSteelAsia. The Board would like to take this opportunity to thank Mr. Ng for his valuable contribution to iSteelAsia during his term of service.

RESIGNATION OF CHIEF EXECUTIVE OFFICER, COMPLIANCE OFFICER, CHAIRMAN AND AUTHORISED REPRESENTATIVES OF ISTEELASIA

The Board announces that Mr. Desmond Hay Ching Fu has resigned as chief executive officer, compliance officer and authorised representative of iSteelAsia and Mr. Andrew Cho Fai Yao has resigned as chairman and authorised representative of iSteelAsia with effect from 9 August 2005. To the best knowledge and belief of the Board, there is no matter in relation to Mr. Desmond Hay Ching Fu's and Mr. Andrew Cho Fai Yao's resignation that needs to be brought to the attention of the securities holders of iSteelAsia. Mr. Desmond Hay Ching Fu and Mr. Andrew Cho Fai Yao will remain as executive Directors.

APPOINTMENT OF EXECUTIVE DIRECTORS, CHAIRMAN, CHIEF EXECUTIVE OFFICER, COMPLIANCE OFFICER OF ISTEELASIA

The Board is pleased to announce that, with effect from 9 August 2005, Mr. Chow Savio Sing Nam, Mr. Cho Henry Kim, Mr. Göran Sture Malm have been appointed as executive Directors. Mr. Göran Sture Malm has been appointed as chairman of iSteelAsia. Mr. Chow Sing Nam Savio has been appointed as chief executive officer and compliance officer of iSteelAsia with effect from 9 August 2005.

Mr. Göran Sture Malm, aged 58, is the Chairman of an investment company Boathouse Limited and of Project HOPE Hong Kong Foundation, a US originated charity. He also holds various board seats of companies in Hong Kong, Shanghai, Singapore and Sweden, including Samsung Electronics in Korea. Prior to joining Boathouse in 2000, Mr. Malm held positions as President of Dell Asia Pacific, Senior Vice President of Dell Computer Corporation, Senior Vice President of General Electric (GE) Company, President of General Electric Asia Pacific, President and Chief Executive Officer of GE Medical Systems Asia Ltd. and Vice President of General Electric (GE) Company. Mr. Malm holds a Master of Science degree in Economics and Business Administration from the University College of Economics and Business Administration in Göteborg, Sweden.

Mr. Chow Savio Sing Nam, aged 48, is the lead partner for the Ajia Group's special situations group. Prior to joining the Ajia Group, Mr. Chow served as a Consultant at E.M. Warburg Pincus & Co. Asia Ltd. He has had about 20 years experience in the IT industry both in the US and Asia Pacific. He was the Managing Director of Yahoo! Inc. responsible for Asia. Prior to joining Yahoo, Mr. Chow held various senior management positions at Netscape Communications Corporation, Lotus Development Corporation and International Business Machines Corporation. He holds Master of Science degree in Engineering and Master of Business Administration degree from the University of California at Berkeley. Mr. Chow was

an executive director of MediaNation Inc., a company listed on GEM (stock code: 8160), during July 2002 to February 2003.

Mr. Cho Henry Kim, aged 40, is a co-founder and Managing Partner of API. He focuses primarily on investor/partner relations and activities for the Ajia Group's real estate and special situations groups. Prior to founding the firm, he was a Principal at Bank of America, N.A. Prior to Bank of America, N.A., Mr. Cho was with HSBC Markets (Asia) Limited in Hong Kong. Mr. Cho received his Bachelor degree in Economics and International Relations from Brown University and Master of Business Administration degree from the Wharton School, University of Pennsylvania.

Save as disclosed above, none of the proposed iSteelAsia Directors held any directorships in listed companies in Hong Kong in the last 3 years. Apart from their interests in the New Shares and Convertible Bonds by virtue of their being non-voting participating shareholders of NASAC, none of the above proposed iSteelAsia Directors hold any interests in the shares or other securities of iSteelAsia within the meaning of Part XV of the Securities and Futures Ordinance as at the date of this announcement, nor do they have any relationships with any directors, senior management, management shareholders, substantial shareholders, or controlling shareholders of iSteelAsia. There is neither any service contract between iSteelAsia and any of the proposed executive iSteelAsia Directors nor any proposed length of service with iSteelAsia in respect of their directorship. The amount of directors' emoluments of the proposed iSteelAsia Directors will be determined by the iSteelAsia Board with reference to their relevant duties and responsibilities within iSteelAsia and prevailing market conditions. Further announcement will be made once the amount of directors' emoluments of the proposed iSteelAsia Directors have been determined.

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR

The Board is pleased to announce that, with effect from 9 August 2005, Mr. Kwan Chi Ping Edgar has been appointed as independent non-executive Director. Mr. Kwan is also appointed as a member of the audit committee of iSteelAsia in place of Mr. Wong Ying Ho Kennedy on the same day.

Mr. Kwan Chi Ping Edgar, aged 56, a civil engineer, has over 30 years of international experience in engineering, construction and project management. He currently holds a senior management position at a leading construction group in Hong Kong, responsible for overall management of a building division which primarily focuses on construction of building and project management. He holds Bachelor and Master degrees in Civil Engineering from the University of Hong Kong and a Master degree in Business Administration from the Chinese University of Hong Kong. His current major public services include acting as the Chairman of the Construction Industry Training Authority, Vice President of the Hong Kong Construction Association, member of the Independent Police Complaints Council, member of the Broadcasting Authority Complaints Committee, member of the Engineers Registration Board and member of the Appeal Tribunal (Building).

Mr. Kwan did not hold any directorships in listed public companies in Hong Kong in the last 3 years. He does not hold any interests in the shares or other securities of iSteelAsia within the meaning of Part XV of the Securities and Futures Ordinance as at the date of this announcement, nor does he have any relationships with any directors, senior management, management shareholders, substantial shareholders, or controlling shareholders of iSteelAsia. There is neither any service contract between iSteelAsia and Mr. Kwan nor any proposed length of service with iSteelAsia in respect of his directorship. The amount

of director's emolument of Mr. Kwan will be determined by the iSteelAsia Board with reference to their relevant duties and responsibilities within iSteelAsia and prevailing market conditions. Further announcement will be made once the amount of directors' emoluments of the proposed iSteelAsia Directors have been determined.

APPOINTMENT OF QUALIFIED ACCOUNTANT

The Board announces that, with effect from 9 August 2005, Ms. Luk Pui Yin Grace has been appointed as qualified accountant of iSteelAsia.

APPOINTMENT OF AUTHORISED REPRESENTATIVES

The Board announces that, with effect from 9 August 2005, Mr. Chow Savio Sing Nam and Mr. Cho Henry Kim have been appointed as authorised representatives of iSteelAsia.

CHANGE OF HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

The Board announces that, with effect from 9 August 2005, the head office and principal place of business of iSteelAsia has been relocated to 78th Floor, The Center, 99 Queen's Road Central, Hong Kong .

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

Hong Kong, 9 August 2005

As at the date of this announcement, the iSteelAsia Board comprises Mr. Göran Sture Malm (Chairman), Mr. Chow Savio Sing Nam (Chief Executive Officer), Mr. Andrew Cho Fai Yao, Mr. Desmond Hay Ching Fu, Mr. Cho Henry Kim (being the executive directors), Mr. Philip King Huen Ma, Mr. Kwan Chi Ping Edgar 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 form its date of publication.