
IMPORTANT

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

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

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

iSteelAsia
iSteelAsia Holdings Limited
(亞鋼集團有限公司) #
(Incorporated in Bermuda with limited liability)
(Stock Code: 8080)

**NOTICE OF EXPIRY OF SUBSCRIPTION RIGHTS ATTACHING TO
THE 2005 WARRANTS (STOCK CODE: 8356)**

This circular, for which the directors of iSteelAsia Holdings Limited (the “Directors”) collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this circular is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this circular 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 its date of publication and on the website of the Company at www.isteelasia.com.

For identification purpose only

17 May 2005

CHARACTERISTICS OF GEM

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the Internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website at www.hkgem.com in order to obtain up-to-date information on GEM-listed issuers.

iSteelAsia

iSteelAsia Holdings Limited

(亞鋼集團有限公司) #

(Incorporated in Bermuda with limited liability)

(Stock Code: 8080)

Board of Directors:

Andrew Cho Fai Yao (Chairman)
Desmond Hay Ching Fu (Chief Executive Officer)
David Michael Faktor*
Philip King Huen Ma**
Kennedy Ying Ho Wong**
Kenny King Ching Tam**

* *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

17 May 2005

To the warrant holders of the Company (and, for information only, to the shareholders of the Company)

Dear Sir and Madam,

NOTICE OF EXPIRY OF SUBSCRIPTION RIGHTS ATTACHING TO THE 2005 WARRANTS (STOCK CODE: 8356)

The board of Directors (the "Board") of iSteelAsia Holdings Limited (the "Company") wishes to remind holders of the Company's 2005 warrants with stock code 8356 (the "Warrants") carrying the rights to subscribe for shares of HK\$0.10 each (the "Shares") in the Company from 18 June 2002 to 17 June 2005 (both dates inclusive) at a subscription price of HK\$0.10 per Share (subject to adjustment) that according to the terms and conditions of the Warrants (the "Conditions"), the subscription rights attaching to the Warrants (the "Subscription Rights") will expire at 4:00 p.m. (Hong Kong SAR time) on Friday, 17 June 2005 and **THEREAFTER ANY SUBSCRIPTION RIGHTS ATTACHING TO THE WARRANTS WHICH HAVE NOT BEEN EXERCISED WILL LAPSE AND THE WARRANT CERTIFICATES WILL CEASE TO BE VALID FOR ANY PURPOSE.** The subscription price payable on the exercise of the Subscription Rights is currently HK\$0.10 per Share. The last business day during the subscription period pursuant to the Conditions is Friday, 17 June 2005.

The Company has made the following arrangements regarding dealings, transfers and exercise of the Warrants:

- 1. trading in the Warrants on the GEM of the Stock Exchange will cease after 4:00 p.m. (Hong Kong SAR time) on Tuesday, 14 June 2005 and the listing of the Warrants will be withdrawn from the GEM of the Stock Exchange with effect from 4:00 p.m. (Hong Kong SAR time) on Friday, 17 June, 2005;**

For identification purpose only

2. registered holders of the Warrants who wish to exercise in whole or in part the Subscription Rights must lodge with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited (the "Share Registrar") at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, the following documents on or before **4:00 p.m. (Hong Kong SAR time) on Friday, 17 June 2005**:
 - (i) the relevant Warrant certificate(s);
 - (ii) the duly completed and signed subscription form(s) prescribed to the Warrants; and
 - (iii) the relevant subscription moneys;
3. holders of the Warrants who have not registered the Warrants in their names and wish to exercise in whole or in part the Subscription Rights must lodge with the Share Registrar at the above-mentioned address, the following documents on or before **4:00 p.m. (Hong Kong SAR time) on Friday, 17 June 2005**:
 - (i) the duly completed, signed and stamped instrument(s) of transfer or other documents of title;
 - (ii) the relevant Warrant certificate(s);
 - (iii) the duly completed and signed subscription form(s) prescribed to the Warrants; and
 - (iv) the relevant subscription moneys;
4. new Shares issued on the exercise of the Subscription Rights will rank pari passu in all respects with the Shares in issue on the relevant subscription date. Certificates for Shares arising on the exercise of the Subscription Rights will be issued to the relevant warrant holders within ten business days after the relevant subscription date;
5. subscription forms and relevant accompanying documentation lodged with the Share Registrar after 4:00 p.m. (Hong Kong SAR time) on Friday, 17 June 2005 will not be regarded as valid and will therefore not be accepted; and
6. application has been made to the GEM of the Stock Exchange for the withdrawal of the listing of the Warrants with effect from 4:00 p.m. (Hong Kong SAR time) on Friday, 17 June 2005.

The closing prices of the Shares and the Warrants as quoted on the GEM of the Stock Exchange on 19 April 2005, being the last day on which the Shares were traded immediately preceding the printing of this circular, were HK\$0.073 per Share and HK\$0.013 per Warrant, respectively. As at 12 May 2005, the Company had outstanding Warrants entitling the holders thereof to subscribe in cash for up to the aggregate amount of HK\$31,193,308.10 at the subscription price of HK\$0.10 per Share.

Holders of the Warrants who are in doubt as to their position should consult their stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

Trading in the Shares and Warrants on GEM was suspended with effect from 9:30 a.m. on Wednesday, 20 April 2005 at the request of the Company pending the issue of a price-sensitive announcement.

By Order of the Board
Andrew Cho Fai Yao
Chairman