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## **VAN SHUNG CHONG HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

### **ANNOUNCEMENT**

#### **SUMMARY**

The Directors of the Company have noted the recent decrease in the price of the Shares and wish to state that they are not aware of any reason of such decrease.

The Directors advise that the Company is now considering the Possible Offer to acquire all issued shares of the Target Company. The Board is still in the process of assessing the possibility to proceed with the Possible Offer; hence **the Possible Offer may or may not proceed. Shareholders of the Company and investors should exercise caution when dealing in the securities of the Company.**

Trading in the securities of the Company was suspended at 2:30 p.m. on 8 August 2002 at the request of the Company pending the issue of this announcement. Application has been made to the Stock Exchange for resumption of trading in the securities of the Company with effect from 9:30 a.m. on 9 August 2002.

#### **RECENT DECREASE IN THE PRICE OF SHARES**

This statement is made at the request of the Stock Exchange.

The board ("Board") of directors ("Directors") of Van Shung Chong Holdings Limited ("Company") has noted the recent decrease in the price of the shares ("Shares") of the Company and wishes to state that the Directors are not aware of any reason of such decrease.

The Directors advise that the Company is now considering a possible voluntary conditional share exchange offer ("Possible Offer") for all issued shares of iSteelAsia.com Limited ("Target Company"), the securities of which are listed on the Growth Enterprise Market of the Stock Exchange. The Company is now holding a shareholding interest of about 19.24% in the Target Company. The consideration payable by the Company under the Possible Offer, if proceed, will be settled by issuing new shares of the Company but no share exchange ratio has been determined yet, and it may constitute a connected transaction and major transaction of the Company. The Directors wish to advise that the Board is still in the process of assessing the possibility to proceed with the Possible Offer and there has been no negotiations or agreements in relation thereto with the board of directors and any shareholders (other than those who are parties acting in concert with the Company) of the Target Company; hence **the Possible Offer may or may not proceed. Shareholders of the Company and investors should exercise caution when dealing in the securities of the Company.**

The Directors also confirm that save for the Possible Offer that may be proceeded with by the Company as mentioned in this announcement, there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under paragraph 3 of the Listing Agreement, neither is the Board aware of any matter discloseable under the general obligation imposed by paragraph 2 of the Listing Agreement, which is or may be of a price-sensitive nature.

#### **SUSPENSION AND RESUMPTION OF TRADING**

Trading in the securities of the Company was suspended at 2:30 p.m. on 8 August 2002 at the request of the Company pending the issue of this announcement. Application has been made to the Stock Exchange for resumption of trading in the securities of the Company with effect from 9:30 a.m. on 9 August 2002.

Made by the order of the board of directors of Van Shung Chong Holdings Limited, the directors of which individually and jointly accept responsibility for the accuracy of this announcement.

By order of the Board  
**Van Shung Chong Holdings Limited**  
**Andrew Yao Cho Fai**  
Chairman

Hong Kong, 8 August 2002

*The Directors jointly and severally accept full responsibility for the accuracy of the information in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, their opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any of their statements in this announcement misleading.*