

The Stock Exchange of Hong Kong Limited ("Stock Exchange") takes no responsibility for the contents of this announcement, 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 announcement.

VAN SHUNG CHONG HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

ANNOUNCEMENT

Summary

The Board announces that it has decided not to proceed with the Possible Offer for the securities of the Target Company, and the Possible Offer will not be made.

Trading in the securities of the Company was suspended at 9:30 a.m. on 16 August 2002 at the request of the Company pending issue of an announcement relating to the Possible Offer. 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 23 August 2002.

Reference is made to the announcement made by Van Shung Chong Holdings Limited ("Company") on 8 August 2002. Terms used in this announcement shall have the same meanings as those defined in the said announcement made on 8 August 2002, unless otherwise stated.

On 15 August 2002, the Company formally informed the Target Company, iSteelAsia.com Limited, of the Company's intention to make the Possible Offer, being a possible voluntary conditional share exchange offer for all issued shares in, and outstanding warrants and options of the Target Company, therefore trading in the securities of the Company was suspended at 9:30 a.m. on 16 August 2002 at the request of the Company pending issue of an announcement relating to the Possible Offer. Subsequently, taking into account the concerns of certain minority shareholders of the Company raised since 16 August 2002, the probable reactions of such minority shareholders of the Company to the Possible Offer and the general unfavourable market sentiment, the Board considers that it is not the best timing to proceed with the Possible Offer. The Board therefore announces that it has decided not to proceed with the Possible Offer, and the Possible Offer will not be made.

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 23 August 2002.

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

Hong Kong, 22 August 2002

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