



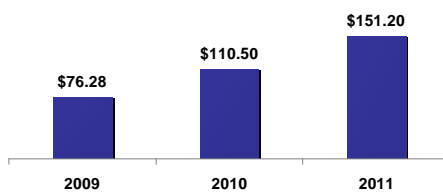
Listed on the NASDAQ
Price (10/31/2011)
Revenues(ttm)
Net Income (ttm)
Market Capitalization
52-Week High/Low
Diluted Shares Outstanding
Diluted EPS (ttm)
Fiscal Year
Corporate Headquarters
Website

CPSL
\$0.50
\$151.2 million
\$0.3 million
\$23.28 million
\$2.28 / \$0.38
46.6 million
\$0.01
June 30th
Shanghai, China
<http://www.chinaprecisionsteelinc.com>

China Precision Steel (CPS) is a niche market, high value-added, steel processing company engaged in processing commodity steel, creating a specialty premium steel. The Company manufactures and sells high precision ultra-thin (7.5 mm ~ 0.03 mm) cold rolled steel products and provides heat treatment, cutting and slitting for medium and high carbon steel strips. The term Specialty Precision Steel refers to the required precision of measurements and tolerances in thickness, shape, width, surface finish, and other special quality features of highly engineered end-use applications such as automobile components, saw blades, home appliances, packing and containers, and microelectronics. China Precision Steel is ramping up production capacity with the addition of its third mill, which went into production in January 2010. The new capacity supports the Company's record sales volume in the fiscal year 2011 of 175,328 tons, up 30.9% from 133,946 tons the fiscal year 2010.

Investment Highlights

Revenue (\$M)



Demand for Home Appliances Drives Rebound in Demand for Low Carbon Precision Steel – Demand for low carbon precision steel products has rebounded from the 2009 decline caused by the global economic crisis. In response to the crisis, the Chinese government launched several subsidy programs; two of which have been especially beneficial for CPS's sales: The Home Appliance to the Countryside and Home Appliance Trade-In program. Both programs have been huge success. As of September 2011, 189 million home appliances with total sales value of \$67.7 billion, have been sold.

Demand for High Carbon Specialty in line with Industry Demand – CPS has a strong market position in the production of high carbon precision steel products. In the fiscal year 2011, high carbon sales volume was 36,010 tons, up 11.9% from 32,182 tons from fiscal year 2010. About one-third of CPS's high carbon products are used to produce clutch discs for heavy trucks and about another one-third are used for small cars. The market is especially attractive for clutch discs used in heavy trucks in that there is a high replacement demand for clutch discs as they typically need to be replaced every two months.

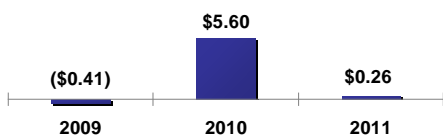
Gross Profit (\$M)



China's Macro Trends Support Long-Term Growth – CPS expects to benefit from important domestic macro trends. The IMF has stated that it expects China to overtake the United States as the world's largest economy by as early as 2016. Driving this rapid growth is China's shift in focus from the export-led sectors to increasing domestic consumer demand for economic growth. This shift is expected to result in continued demand for precision steel products. Additionally, foreign direct investment remains strong in China with expectations that it will exceed \$100 billion for the full year 2010. It has been foreign investment that has transformed regions such as Guangdong and Fujian into the world's largest suppliers for items such as microwaves and electronic goods and we expect growth in these manufacturing sectors to continue as China works to remain an attractive market for foreign investors.

Expanding Customer Base and Capacity – During 2009, CPS increased their customer base by over 60% to more than 340 customers. The increased customer base combined with the increase capacity from the addition of their third mill demonstrates a strengthening market position and lays the foundation for an increase in future revenue growth. With the addition of the new mill, CPS is increasing its production capacity by up to 80,000 tons per year bringing the total maximum annual capacity up to 260,000 tons, once fully operational (actual tonnage may vary depending on the product mix due to different processing time). The new mill increases CPS's product offering as it is a tandem mill which enables the Company to add an additional value-added process to improve the surface quality of end products.

Net Income (\$M)



Unique Niche Value-Added Steel Producer –CPS is committed to producing high value-added specialty steel products that are manufactured using an advance patented technology process and developed in close association with their customers. High carbon steel products specifically, require extended processing time and expertise which enhance their end value. China Precision Steel's ability to produce high quality, value-added high carbon steel has enabled the Company to become a leading manufacturer of cold rolled steel used in the production of clutch discs and seat belt buckles. The Company is looking to expand its high carbon steel product offering to include other automobile components such as steel sealing strips and electronic parts. Additionally, CPS is the only domestic company with the ability to produce sheets with width greater than 1450 mm and 2.5 mm in thickness.

Selected Financial Data

	Year Ended Jun 30,			
	2011	2010	2009	2008
Sales	\$151,199,711	\$110,453,947	\$76,281,621	\$87,739,326
Cost of goods sold	145,234,370	100,146,924	68,549,426	65,241,825
Gross Profit	5,965,341	10,307,023	7,732,195	22,497,501
Selling expenses	263,537	400,808	1,679,283	608,060
Administrative expenses	2,039,072	2,708,564	2,238,088	2,758,536
Allowance for bad debts and doubtful debts	19,992	218,235	3,831,478	686,955
Depreciation and amortization	224,350	169,081	196,793	64,253
Total expenses	2,546,951	3,496,688	7,945,642	4,117,804
Income from Operations	3,418,390	6,810,335	(213,447)	18,379,697
Other revenues	3,454	195,795	1,397,258	2,006,777
Interest and finance costs	(2,628,567)	(920,617)	(1,228,665)	(1,231,040)
Other expense	-	-	-	-
Total other income (expenses)	(2,625,113)	(724,822)	168,593	775,737
EBT	793,277	6,085,513	(44,854)	19,155,434
Provision for taxes	(536,327)	491,976	363,484	572,323
Net Income	256,950	5,593,537	(408,338)	18,583,111
Basic earnings per share	\$0.01	\$0.12	\$(0.01)	\$0.43
Basic weighted average shares outstanding	46,562,955	46,562,955	46,561,229	43,044,420
Diluted earnings per share	\$0.01	\$0.12	\$(0.01)	\$0.43
Diluted weighted average shares outstanding	46,562,955	46,562,955	46,561,229	43,256,434

Selected Balance Sheet Data

	30-Jun-11	30-Jun-10
	(Audited)	(Audited)
Cash and equivalents	2,707,754	29,036,706
Total current assets	121,410,293	117,781,872
Total assets	198,778,524	193,617,510
Total current liabilities	50,833,895	48,445,127
Working capital	70,576,398	69,336,745
Total stockholders' equity	133,544,629	127,096,469

For Further Information

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Business Risks and Forward-Looking Statements

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Readers are advised that this information is intended for the use of investment professionals. Anyone interested in obtaining information on the Company should contact China Precision Steel or Elite IR, as set forth above, to receive the Company's most recent financial reports. The Financial Profile of China precision Steel was developed by the Company and is intended solely for informational purposes and is not to be construed as an offer to sell or the solicitation of an offer to buy the Company's stock. This Profile is based upon information available to the public, as well as other information from sources which management believes to be reliable, but is not guaranteed by China Precision Steel as being accurate nor does it purport to be complete. Opinions expressed herein are those of management as of the date of publication and are subject to change without notice.