



CHINA STEEL AUSTRALIA LIMITED

ABN 97 128 988 732
C/- Level 28, Waterfront Place, Brisbane, QLD 4000 Australia
GPO Box 1142 Brisbane QLD 4001
Tel: +617 3123 4472
Email: info@cnsteel.com.au
www.cnsteel.com.au

China Steel Australia (ASX:CNH)

August 28, 2009

China Steel Australia Limited – Consolidated			
(AUD'000)	2009	2008	Movement %
Revenue	7,162	22,480	(68%)
(Loss)/profit after tax attributable to members	(3,051)	13,076	(123%)
Net (loss)/profit for the period attributable to members	(3,051)	13,076	(123%)
(Loss)/earnings per share – basic (cents per share)	(0.99)	4.45	(122%)
(Loss)/earnings per share – diluted (cents per share)	(0.99)	4.45	(122%)

China Steel Announces Loss of \$3.051M

China Steel Australia Limited (ASX:CNH) today announced a net loss of \$3.051 million for the 2008-09 financial year.

The Company said a major factor in the result – which compared with a \$13.076 million net profit in 2008 - was the conversion of its nickel pig iron plant near the city of Linyi in China's Shandong Province to produce merchant pig iron MPI.

China Steel CEO Chen Lidong said production at the converted plant started in August following delays and had been very successful.

“Our net loss of \$3.051 million for 2009 is mainly due to amortisation of fair value adjustment of an interest free loan and non capitalisation of \$1.096 million of interest expense on construction in progress,” he said.

Mr Chen said the revenue of \$7.162 million for the full year was lower than the 2008 revenue of \$22.480 million due to the plant expansion being delayed during the financial year.

“The revenue stream was significantly affected due to conversion of the plant from producing nickel pig iron to merchant pig iron,” he said.

“The conversion of the plant was completed on April 30, 2009, with production commencing in August, 2009.”

For personal use only

Mr Chen said China Steel expects to continue profitable trading with the new MPI product in the future.

MPI is made into steel using electric arc furnace or to cast articles in foundries such as stoves, radiators, lamp-posts and rails.

Mr Chen said China Steel could potentially become one of the larger and more efficient producers of MPI in China.

China Steel Australia, which listed on the ASX in February, last year, is an enterprise with a licence to manufacture steel in China.

ENDS

For further information:

Chen Lidong
Chief Executive Officer
China Steel Australia Limited
Ph: +61 (0) 7 3123 4472
Ph: +65 6266 5967

Andrew Crook
Crook Publicity
0419 788 431

For personal use only