



# CHINA STEEL AUSTRALIA LIMITED

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## China Steel Australia (ASX:CNH)

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### Demand Boosts China Steel Production to 100%

China Steel Australia Limited (ASX:CNH) is pleased to report that increased demand from Chinese customers has resulted in the company achieving 100 per cent production capacity.

The company produces both nickel pig iron and merchant pig iron at its plant near the city of Linyi in China's Shandong Province.

China Steel last week announced that it had increased its capacity to 85 per cent.

China Steel CEO Mr Chen Lidong said the company had ramped up production as a result of stronger demand from Chinese domestic construction and consumer appliance industries, along with a gradual recovery in nickel steel prices.

Recent trading had further vindicated the company's decision to add a new product line to include merchant pig iron as well as nickel pig iron, said Mr Chen.

"The company is now able to capitalise on changing market demands by being able to produce both nickel pig iron and merchant pig iron," he said.

"Even though the market has been patchy, the increased production levels highlight the growing confidence of the company and our products."

China Steel Australia, which listed on the ASX in February, 2008, is an enterprise with a licence to manufacture steel and iron in China.

**ENDS**

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