

Financial Highlights

RESULT SUMMARY

(Unaudited)	For the six months ended 30 June		
	2006 RMB'000	2005 RMB'000	Change %
Turnover	374,870	424,416	-12%
Gross Profit	86,516	86,000	1%
Profit before income tax	53,193	63,363	-16%
Profit Attributable to Shareholders	45,091	63,356	-29%
Gross Profit Margin	23%	20%	3%
Profit Before Tax Margin	14%	15%	-1%
Net Profit Margin	12%	15%	-3%

The board of directors ("the Board") of China Special Steel Holdings Company Limited ("the Company") is pleased to announce that the unaudited consolidated turnover of the Company and its subsidiaries (hereinafter collectively referred as "the Group") for the first half of 2006 was RMB374.9 million, representing a decrease of 12% as compared to that of the corresponding period in 2005. Unaudited profit attributable to shareholders of the Company was RMB45.1 million, representing a decrease of 29% when compared to that of the corresponding period in 2005. Unaudited basic earnings per share for the first half of 2006 decreased to RMB0.086 when compared to that of the corresponding period in 2005. Earnings per share was based on the weighted average of 525.6 million shares in issue in first half of 2006, as compared to the weighted average of 360 million shares in first half of 2005. The Board are pleased to declare interim dividend of HK\$0.02 per share, totalling HK\$11.6 million. The unaudited consolidated interim financial statements for the six months ended 30 June 2006 have been reviewed by the Company's Audit Committee.