Li Wo Hing Form 4 May 21, 2007

FORM 4

OMB APPROVAL

UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

OMB 3235-0287 Number:

Check this box if no longer subject to Section 16.

January 31, Expires: 2005

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES**

response...

Form 4 or Form 5 obligations may continue. See Instruction

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * Li Wo Hing

2. Issuer Name and Ticker or Trading

5. Relationship of Reporting Person(s) to Issuer

Symbol

China Precision Steel, Inc. [CPSL]

(Check all applicable)

(Last) (First) (Middle) 3. Date of Earliest Transaction

(Month/Day/Year)

05/18/2007

_X__ Director _X__ 10% Owner X_ Officer (give title __Other (specify

123 LAODONG ROAD, XUHANG

(Street)

TOWN

Chairman and President 6. Individual or Joint/Group Filing(Check

4. If Amendment, Date Original

Applicable Line)

Filed(Month/Day/Year)

X Form filed by One Reporting Person Form filed by More than One Reporting

Person

below)

JIADING DISTRICT, **SHANGHAI, F4 201809**

(City)	(State)	(Zip) Tabl	le I - Non-l	Derivative Sec	urities	Acqui	red, Disposed of	or Beneficiall	y Owned
1.Title of Security	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if	3. Transactio	4. Securities a		ed (A)	5. Amount of Securities	6. Ownership	7. Nature of Indirect
(Instr. 3)	(Wionar Bay, Tear)	any	Code	(Instr. 3, 4 an	` ′		Beneficially	Form:	Beneficial
		(Month/Day/Year)	(Instr. 8)				Owned Following	Direct (D) or Indirect	Ownership (Instr. 4)
					(A)		Reported Transaction(s)	(I) (Instr. 4)	
			Code V	Amount	or (D)	Price	(Instr. 3 and 4)	(
Common Stock	05/18/2007		M	2,053,265	A	\$ 3.3 (1)	22,180,775	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of SEC 1474 information contained in this form are not (9-02)required to respond unless the form displays a currently valid OMB control number.

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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1. Title of	2.	3. Transaction Date	3A. Deemed	4.	5.	6. Date Exer	cisable and	7. Title	and	8. Price of	9. Nu
Derivative	Conversion	(Month/Day/Year)	Execution Date, if	Transaction	orNumber	Expiration D	ate	Amour	nt of	Derivative	Deriv
Security	or Exercise		any	Code	of	(Month/Day/	Year)	Underl	ying	Security	Secui
(Instr. 3)	Price of		(Month/Day/Year)	(Instr. 8)	Derivative	e		Securit	ies	(Instr. 5)	Bene
	Derivative				Securities			(Instr.	3 and 4)		Own
	Security				Acquired						Follo
	·				(A) or						Repo
					Disposed						Trans
					of (D)						(Instr
					(Instr. 3,						
					4, and 5)						
									A		
									Amount		
						Date	Expiration		or		
						Exercisable	Date		Number		
				~					of		
				Code V	(A) (D)				Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships						
	Director	10% Owner	Officer	Other			
Li Wo Hing							
123 LAODONG ROAD	X	X	Chairman				
XUHANG TOWN	Λ	Λ	and President				
JIADING DISTRICT, SHANGHAI, F4 201809							

Signatures

/s/ Wo Hing Li 05/21/2007

**Signature of Date
Reporting Person

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Shares issued to Reporting Person pursuant to the Debt Reduction Agreement, dated February 13, 2007, as amended, incorporated herein by reference to the Issuer's Current Reports on Form 8-K, dated February 13, 2007 and February 16, 2007, in exchange for an aggregate debt of \$6,775,776 owed to him by the Issuer. The number of Shares issued to the Reporting Person was calculated based upon the closing bid price of the Issuer's Common Stock on The NASDAQ Capital Market on May 17, 2007 of \$3.30.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

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