

China Precision Steel, Inc.
Form 8-K/A
November 29, 2007

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

**FORM 8-K/A
(Amendment No. 1)
CURRENT REPORT**

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

October 17, 2007
Date of Report
(Date of earliest
event reported):

**CHINA
PRECISION
STEEL, INC.**
(Exact name of
registrant as
specified in
charter)

Delaware

000-23039

14-1623047

(State or other jurisdiction
of incorporation)

(Commission File Number)

(IRS Employer
Identification No.)

8th Floor, Teda
Building, 87
Wing Lok Street
Sheung Wan
Hong Kong, The
People's Republic
of China
(Address of
principal
executive offices)

+852-2543-8223
Registrant's
telephone
number,
including area
code:

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 4.01.

Changes in Registrant's Certifying Accountant.

The Registrant hereby amends and restates in its entirety its Current Report on Form 8-K filed with the Securities and Exchange Commission (the "Commission") on October 19, 2007 (the "Initial Form 8-K") in order to supplement the information disclosed therein under Item 4.01.

(a) On October 17, 2007, China Precision Steel, Inc. ("CPSL") received a letter from Murrell, Hall, McIntosh & Co. PLLP ("MHM") informing CPSL that, effective subsequent to the filing of CPSL's Form 10-Q for the quarter ended September 30, 2007, MHM will resign as the independent auditor for CPSL. A copy of such letter was filed as Exhibit 16.1 to the Registrant's Initial Form 8-K and is incorporated herein by reference. MHM advised CPSL that its resignation arises out of MHM's decision to discontinue its representation of companies whose principal operations are based in China and that such resignation was not due to any disagreement between MHM and CPSL and its management. CPSL's Audit Committee has discussed this subject matter with MHM and has authorized MHM to respond fully to related inquiries of CPSL's successor auditor as and when appointed.

On November 27, 2007, CPSL received a letter from MHM stating that, in light of the filing on November 19, 2007 with the Commission of CPSL's Form 10-Q for the quarter ended September 30, 2007, MHM's resignation is effective as of November 27, 2007. A copy of such letter is attached to this Form 8-K/A as Exhibit 16.2 and is filed herewith.

CPSL's management represents as follows:

(a) Any reports of MHM on CPSL's financial statements for the past two fiscal years did not contain an adverse opinion or a disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope, or accounting principles.

(b) During CPSL's two most recent fiscal years and any subsequent interim period through the date hereof, there were no disagreements with MHM on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure.

(c) MHM expressed no disagreement or difference of opinion regarding any "reportable event" as that term is defined in Item 304(a)(1)(v) of Regulation S-K, including, but not limited to, the following:

(i) MHM has not advised CPSL that the internal controls necessary for CPSL to develop reliable financial statements do not exist;

(ii) MHM has not advised CPSL that information has come to MHM's attention that has led it to no longer be able to rely on management's representations, or that has made it unwilling to be associated with the financial statements prepared by management;

(iii) MHM has not advised the registrant of the need to expand significantly the scope of its audit, or notified CPSL that information has come to MHM's attention that if further investigated may (A) materially impact the fairness or reliability of either: a previously issued audit report or the underlying financial statements, or the financial statements issued or to be issued covering the fiscal period(s) subsequent to the date of the most recent financial statements covered by an audit report (including information that may prevent it from rendering an unqualified audit report on those financial statements), or (B) cause it to be unwilling to rely on management's representations or be associated with CPSL's financial statements, and due to MHM's resignation (due to audit scope limitations or otherwise) or dismissal, or for any other reason, MHM did not so expand the scope of its audit or conduct such further investigation;

(iv) MHM has not advised CPSL that information has come to MHM's attention that it has concluded materially impacts the fairness or reliability of either (A) a previously issued audit report or the underlying financial statements, or (B) the financial statements issued or to be issued covering the fiscal period(s) subsequent to the date of the most recent financial statements covered by an audit report (including information that, unless resolved to MHM's satisfaction, would prevent it from rendering an unqualified audit report on those financial statements), and due to MHM's resignation, or for any other reason, the issue has not been resolved to MHM's satisfaction prior to its resignation.

CPSL has provided MHM with a copy of the disclosures it is making in response to Item 304(a) of Regulation S-K and has requested that MHM furnish CPSL with a letter addressed to the Commission stating whether it agrees with the statements made by CPSL. A copy of such letter, dated November 27, 2007, is attached to this Form 8-K/A as Exhibit 16.3 and is filed herewith.

(b) On November 29, 2007 and effective on even date therewith, CPSL, upon the recommendation of the Audit Committee of the Board of Directors, engaged Moore Stephens (“Moore Stephens”) as the Company’s new independent registered public accounting firm for the fiscal year ending June 30, 2008, and to perform procedures related to the financial statements included in the Company’s annual report on Form 10-K and quarterly reports on Form 10-Q, beginning with, and including, the quarter ending December 31, 2007. The Company has not consulted with Moore Stephens during its fiscal years ended June 30, 2006 and 2007 nor during subsequent interim period through November 28, 2007 regarding either (i) the application of accounting principles to a specified transaction, either completed or proposed; or the type of audit opinion that might be rendered on CPSL’s consolidated financial statements, and neither a written report was provided to CPSL nor oral advice was provided that Moore Stephens concluded was an important factor considered by CPSL in reaching a decision as to the accounting, auditing or financial reporting issue; or (ii) any matter that was either the subject of disagreement (as defined in Item 304(a)(1)(iv) of Regulation S-K and the related instructions) or a reportable event (within the meaning of Item 304(a)(1)(v) of Regulation S-K).

Item 9.01.

Financial Statement and Exhibits

(d)

Exhibits

16.1 Resignation Letter from Murrell, Hall, McIntosh & Co. PLLP, dated October 17, 2007 (incorporated by reference to Exhibit 16.1 to the Registrant’s Current Report on Form 8-K, filed October 19, 2007).

16.2 Letter from Murrell, Hall, McIntosh & Co. PLLP, dated November 27, 2007, regarding effective date of resignation.

16.3

Letter from Murrell, Hall, McIntosh & Co. PLLP, dated November 27, 2007.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: November 29, 2007

CHINA PRECISION STEEL, INC.

By: /s/ Leada Tak Tai Li

Leada Tak Tai Li, Chief Financial Officer

EXHIBIT INDEX

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