



**Australian Government**  
**Australian Customs and**  
**Border Protection Service**

**International Trade Remedies Branch**

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**05 NOV 2012**

**EXPORTER QUESTIONNAIRE - CHINA**

**PRODUCT CONCERNED:**            **ZINC COATED (GALVANISED) STEEL  
AND ALUMINIUM ZINC COATED  
STEEL FROM THE PEOPLE'S  
REPUBLIC OF CHINA, THE REPUBLIC  
OF KOREA AND TAIWAN**

**Investigation period:**            **1 JULY 2011 to 30 JUNE 2012**

**RESPONSE DUE BY:**            **27 OCTOBER 2012**

**ADDRESS FOR RESPONSE:**       **International Trade Remedies Branch  
Australian Customs and Border Protection  
Service  
5 Constitution Avenue  
Canberra act 2601  
Australia  
Attention: Director Operations 2**

**CASE MANAGER:**            **Ms Christie Sawczuk**  
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**Please note that a non-confidential version of the reply to this questionnaire must also be provided.**

**NON-CONFIDENTIAL VERSION**

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**SECTION A - COMPANY STRUCTURE AND OPERATIONS**

*This section requests information relating to company details and financial reports.*

**A-1 IDENTITY AND COMMUNICATION**

Please nominate a person within your company who can be contacted for the purposes of this investigation:

**Head office: ANSC-TKS Galvanizing Co., Ltd. (“TAGAL”)**

Name: **Wei Kewei**  
Position in the company: **Director Sales & Marketing**  
Address: **No. 68 Guangtie Road, Dalian Development Zone, 116600, China**  
Telephone: **(86 411) 8751 8888**  
Facsimile number: **(86 411) 8751 6007**  
E-mail address of contact person: [weikewei@tagal.com.cn](mailto:weikewei@tagal.com.cn)

**Factory:**

Address: **No. 68 Guangtie Road, Dalian Development Zone, 116600, China**  
Telephone: **(86 411) 8751 8888**  
Facsimile number: **(86 411) 8751 6007**  
E-mail address of contact person: [weikewei@tagal.com.cn](mailto:weikewei@tagal.com.cn)

**This questionnaire response is submitted by TAGAL in a complete and independent form. TAGAL is an exporting producer of the subject merchandise to Australia during the POI and affiliated with Angang Steel Company Limited (“ANSTEEL”).**

**A-2 REPRESENTATIVE OF THE COMPANY FOR THE PURPOSE OF INVESTIGATION**

If you wish to appoint a representative to assist you in this investigation, provide the following details:

Name: **Hu Fumao (Marco Hu)**  
Organisation: **Beijing Dacheng Law Offices**  
Position: **Attorney-at-law**  
Address: **5/F, Guohua Plaza, Dongzhimennan Avenue, Beijing, China 100007**  
Telephone: **(86 10) 5813 7694**  
Facsimile/Telex number: **(86 10) 5813 7778**  
E-mail address of contact person: [fumao.hu@dachenglaw.com](mailto:fumao.hu@dachenglaw.com)

*Note that in nominating a representative, Customs and Border Protection will assume that confidential material relating to your company in this investigation may be freely released to, or discussed with, that representative.*

**A-3 COMPANY INFORMATION**

1. What is the legal name of your business? What kind of entity is it (e.g. company, partnership, sole trader)? Please provide details of any other business names that you use to export and/or sell goods.

**Response:** The legal name of our company is ANSC-TKS Galvanizing Co., Ltd. It is a limited liability joint venture company. Please refer to Exhibit 1: Business License of TAGAL. There is no any other business names that used to export and/or sell goods.

2. Who are the owners and/or principal shareholders? Provide details of shareholding percentages for joint owners and/or principal shareholders. (List all shareholders able to cast, or control the casting of, 5% or more of the maximum amount of votes that could be cast at a general meeting of your company).

**Response:** The shareholders of TAGAL are: [CONFIDNETIAL, SHAREHOLDER OF TAGAL].

3. If your company is a subsidiary of another company list the principal shareholders of that company.

**Response:** The shareholders of [CONFIDNETIAL, SHAREHOLDER OF TAGAL] are:

[CONFIDNETIAL, SHAREHOLDER OF TAGAL],

While that of [CONFIDNETIAL, SHAREHOLDER OF TAGAL] is: [CONFIDNETIAL, SHAREHOLDER OF TAGAL].

4. If your parent company is a subsidiary of another company, list the principal shareholders of that company.

**Response:**

[CONFIDENTIAL, SHAREHOLDING INFOMATION]

[CONFIDENTIAL, SHAREHOLDING INFOMATION].

5. Provide a diagram showing all associated or affiliated companies and your company's place within that corporate structure.

**Response:** Please refer to Exhibit 2: External affiliation structure.

[Information contained in the above exhibit 2 cannot be susceptible to a meaningful non-confidential summary. Since these information are related to the Company's commercial activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]



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6. Are any management fees/corporate allocations charged to your company by your parent or related company?

**Response:** No management fees/corporate allocations charged to my business by parent or related companies.

7. Describe the nature of your company's business. Explain whether you are a producer or manufacturer, distributor, trading company, etc.

**Response:** TAGAL is a producer of GUC, and also sells the goods in both domestic and export markets including Australia by itself.

8. If your business does not perform all of the following functions in relation to GUC, then please provide names and addresses of the companies which perform each function:

- produce or manufacture
- sell in the domestic market
- export to Australia, and
- export to countries other than Australia.

**Response:** TAGAL performs all the above functions in relation to GUC..

9. Provide your company's internal organisation chart. Describe the functions performed by each group within the organisation.

**Response:** Please refer to Exhibit 3: Internal organization chart.

10. Provide a list of your business' Board of Directors, Managing Director (or CEO) and Senior Executives.

**Response:** List of board of directors and senior executives of TAGAL is as follows:

**[CONFIDENTIAL, List of board of directors]**

11. Provide a copy of your most recent annual report together with any relevant brochures or pamphlets on your business activities.

**Response:** Please refer to Exhibit 4: Annual report of 2011 and Exhibit 5: Company brochure.

**[Information contained in the above exhibit 4 cannot be susceptible to a meaningful non-confidential summary. Since these information are related to the Company's commercial activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]**

12. Are any of your company's operations in a Special Economic Area, Economic and Technical Development Zone, Bonded Zone, Export Processing Zone, High Technology Industrial Development Zone, the Western Regions, or any other similarly designated area?

**Response:** TAGAL's operations are in the Dalian Economic and Technical Development Zone.

13. If your answer to question A-3.12 above is 'yes':

- advise if any benefits (e.g. grants, reduced liabilities on commercial interest rates, etc) from the GOC (including central, provincial, municipal, county or any other level of government) accrue to your company because of being located in such an area;

**Response:** No such benefits from the GOC accrue to TAGAL because of being located in this area.

- please explain the nature of the operations, identify the specific zone(s) [or other area(s)] and provide a brief overview of all of the benefits of operating within the specified zone(s) or area(s).

**Response:** As answered above, no benefits from the GOC accrue to TAGAL, thus, this question is not applicable.

14. Provide details of all transactions between your company and all related parties. For example:

- Supplying/selling completed or partially completed products.
- Supplying/selling raw materials.
- Performing management functions (including any financial functions).
- Processing (including toll processing) of any raw materials, intermediary or completed products.
- Trading in products/materials supplied by related parties.

**Response:** Please refer to Exhibit 6: Transactions between related parties.

#### **A-4 GENERAL ACCOUNTING/ADMINISTRATION INFORMATION**

1. Indicate your accounting period.

**Response:** The accounting period is from January 1 to December 31.

2. Indicate the address where the financial records are held.

**Response:** The financial records of TAGAL are held at the company's address.

3. Provide the following financial documents for the two most recently completed financial years plus all subsequent monthly, quarterly or half yearly statements:

- chart of accounts;

- audited consolidated and unconsolidated financial statements (including all footnotes and the auditor's opinion);
- internal financial statements, income statements (profit and loss reports), or management accounts, that are prepared and maintained in the normal course of business for the goods under investigation.

These documents should relate to:

- the division or section/s of your business responsible for the production and sale of the goods under investigation, and
- the company overall.

**Response:** Please refer to **Exhibit 7**: Annual report of 2010 and Financial Statements covering the subsequent investigation period and **Exhibit 8**: Chart of accounts.

**[Information contained in the above exhibit 7 cannot be susceptible to a meaningful non-confidential summary. Since these information are related to the Company's commercial activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]**

**The Annual Report of 2011 has been provided above as Exhibit 4.**

4. If you are not required to have the accounts audited, provide the unaudited financial statements for the two most recently completed financial years, together with your relevant taxation returns. Any subsequent monthly, quarterly or half yearly statements should also be provided.

**Response:** Not applicable. The audited accounts are provided as requested.

5. Do your accounting practices differ in any way from the generally accepted accounting principles in your country? If so, provide details.

**Response:** There's no difference between the accounting practices of TAGAL and the generally accepted accounting principles in China.

6. Describe:

The significant accounting policies that govern your system of accounting, in particular:

- the method of valuation for raw material, work-in-process, and finished goods inventories (e.g. last in first out –LIFO, first in first out- FIFO, weighted average);
- costing methods, including the method (e.g. by tonnes, units, revenue, direct costs etc) of allocating costs shared with other goods or processes (such as front office cost, infrastructure cost etc);
- valuation methods for damaged or sub-standard goods generated at the various stages of production;
- valuation methods for scrap, by products, or joint products;
- valuation and revaluation methods for fixed assets;

- average useful life for each class of production equipment and depreciation method and rate used for each;
- treatment of foreign exchange gains and losses arising from transactions;
- treatment of foreign exchange gains/losses arising from the translation of balance sheet items;
- inclusion of general expenses and/or interest;
- provisions for bad or doubtful debts, and treatment thereof in your accounts;
- expenses for idle equipment and/or plant shut-downs;
- costs of plant closure;
- restructuring costs;
- by-products and scrap materials resulting from your company's production process; and
- effects of inflation on financial statement information.

**Response:** Please refer to the accounting policy in the annual report as provided in Exhibit 4 above.

7. In the event that any of the accounting methods used by your company have changed over the last two years provide an explanation of the changes, the date of change, and the reasons for it.

**Response:** There has been no material changes to accounting policies in the last 2 years.

## **A-5 INCOME STATEMENT**

Complete the spreadsheet entitled '**Income statement**' within the Exporter questionnaire - *Galvanised Steel and Aluminium Zinc Coated Steel– CHINA – accompanying spreadsheet* provided alongside this questionnaire.

Provide the completed spreadsheet in electronic format on CD-ROM (or via email) with your response. If formulas are used to calculate the field within this sheet, please ensure they remain included in the submitted version.

Explain how costs have been allocated between all products and the GUC within these calculations.

This information will be used to verify the completeness of cost data that you provide in Section G. If, because of your company's structure, the allocations would not be helpful in this process, please explain why this is the case.

*Note: if your financial information does not permit you to present information in accordance with this table please present the information in a form that closely matches the table.*

**Response:** Please refer to **Exhibit 9: Income Statement**.

**[This confidential information is provided to the subject authority for investigation; as such data is classified as highly sensitive commercial information. Please refer to a summary of the information in an indexed form.]**

#### **A-6 SALES**

Complete the spreadsheet entitled '**Turnover**' within the *Galvanised steel and aluminium zinc coated steel Exporter Questionnaire – CHINA – accompanying spreadsheet* provided alongside this questionnaire.

Provide the completed spreadsheet in electronic format on CD-ROM (or via email) with your response. If formulas are used to calculate the field within this sheet, please ensure they remain included in the submitted version.

In completing the sheet, use the currency in which your accounts are kept.

This information will be used to verify the cost allocations to the GUC in Section G.

Also, you should be prepared to demonstrate that sales data shown for the goods is a complete record by linking total sales of these goods to relevant financial statements.

**Response:** Please refer to **Exhibit 10: Turnover**.

**[This confidential information is provided to the subject authority for investigation; as such data is classified as highly sensitive commercial information. Please refer to a summary of the information in an indexed form.]**

**SECTION B - SALES TO AUSTRALIA (EXPORT PRICE)**

*This section requests information concerning your export practices and prices to Australia. You should include costs incurred beyond ex-factory.*

*Export prices are usually assessed at FOB point, but Customs and Border Protection may also compare prices at another level (e.g. ex factory).*

*You should report prices of all GUC shipped to Australia during the investigation period.*

*The invoice date will normally be taken to be the date of sale. If you consider:*

- the sale date is not the invoice date (see 'date of sale' column explanation in question B4 below) and;*
- an alternative date should be used when comparing export and domestic prices*

*you **must** provide information in section D on domestic selling prices for a matching period - even if doing so means that such domestic sales data predates the commencement of the investigation period.*

**B-1** For each customer in Australia to whom you shipped goods in the investigation period list:

- name;
- address;
- contact name and phone/fax number where known; and
- trade level (for example: distributor, wholesaler, retailer, end user, original equipment).

**Response:** Please refer to **Exhibit 11: Australian Customers.**

**B-2** For each customer identified in B1 please provide the following information.

- (a) Describe how the goods are sent to each customer in Australia, including a diagram if required.

**Response:** For all the Australian sales, TAGAL directly delivers the goods to Australian ports designated by the customers.

- (b) Identify each party in the distribution chain and describe the functions performed by them. Where commissions are paid indicate whether it is a pre or post exportation expense having regard to the date of sale.

**Response:** Please refer to the answer to the question above. Generally speaking, TAGAL signs contracts or makes order confirmation in relation to Australian sales; and then arranges the production of the goods and delivers directly to its Australian customers. TAGAL doesn't pay commissions to any third parties.

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- (c) Explain who retains ownership of the goods at each stage of the distribution chain. In the case of delivered duty paid (DDP) sales, explain who retains ownership when the goods enter Australia.

**Response:** The party who holds the original bill of lading possesses the ownership of the goods. There are no DDP sales for Australian sales.

- (d) Describe any agency or distributor agreements or other contracts entered into in relation to the Australian market (supply copy of the agreement if possible).

**Response:** No agency or distributor agreements exist in relation to the Australian market.

- (e) Explain in detail the process by which you negotiate price, receive orders, deliver, invoice and receive payment. If export prices are based on price lists supply copies of those lists.

**Response:** TAGAL negotiates price and receives purchase order with Australian customers on a transaction basis, and further issues the invoice after shipment. The delivery and collection of payment will be made according to the terms of sales and payment.

- (f) State whether your firm is related to any of its Australian customers. Give details of any financial or other arrangements (e.g. free goods, rebates, or promotional subsidies) with the customers in Australia (including parties representing either your firm or the customers).

**Response:** TAGAL is not related to and has no financial or other arrangements with any of its Australian customers.

- (g) Details of the forward orders of the GUC (include quantities, values and scheduled shipping dates).

**Response:** There are no such forward orders of the goods under consideration.

**B-3** Do your export selling prices vary according to the distribution channel identified? If so, provide details. Real differences in trade levels are characterised by consistent and distinct differences in functions and prices.

**Response:** TAGAL sells the good to its Australian Customers directly and the distribution channel is the same for all the Australian customers, no matter whether it is a wholesaler or end user. Prices are negotiated according to the market situation.

**B-4** Complete the spreadsheet entitled ‘**Australian sales**’ within the *Galvanised steel and aluminium zinc coated steel Exporter Questionnaire – CHINA – accompanying spreadsheet* provided alongside this questionnaire.

This spreadsheet is to list **all** shipments (i.e. transaction by transaction) to Australia **of the GUC** (do not include non-GUC items) in the investigation period.



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Provide the completed spreadsheet in electronic format on CD-ROM (or via email) with your response. If formulas are used to calculate the field within this sheet, please ensure they remain included in the submitted version.

The below table provides information as to what is meant by each column heading within the spreadsheet.

Column heading	Explanation
Customer name	names of your customers
Level of trade	the level of trade of your customers in Australia
Model/grade/type	commercial model/grade or type
Product code	code used in your records for the model/grade/type identified. Explain the product codes in your submission.
Product type	identify the finish product of the Galvanised steel and aluminium zinc coated steel sold
Invoice number	invoice number
Invoice date	invoice date
Date of sale	refer to the explanation at the beginning of this section. If you consider that a date <i>other than</i> the invoice date best establishes the material terms of sale, report that date. For example, order confirmation, contract, or purchase order date.
Order number	if applicable, show order confirmation, contract or purchase order number if you have shown a date other than invoice date as being the date of sale.
Shipping terms	Delivery terms e.g. CIF, C&F, FOB, DDP (in accordance with Incoterms)
Payment terms	agreed payment terms e.g. 60 days=60 etc
Quantity	Quantity in units shown on the invoice. Show basis e.g. kg.
Gross invoice value	gross invoice value shown on invoice <i>in the currency of sale, excluding taxes.</i>
Discounts	if applicable, the amount of any discount deducted on the invoice on each transaction. If a % discount applies show that % discount applying in another column.
Rebates	The amount of any deferred rebates or allowances paid to the importer in the currency of sale.
Other charges	any other charges, or price reductions, that affects the net invoice value. Insert additional columns and provide a description.
Invoice currency	the currency used on the invoice
Exchange rate	Indicate the exchange rate used to convert the currency of the sale to the currency used in your accounting system

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Net invoice value	the net invoice value expressed in your domestic currency as it is entered in your accounting system
Other discounts	The actual amount of discounts not deducted from the invoice. Show a separate column for each type of discount.
Ocean freight**	the actual amount of ocean freight incurred on each export shipment listed.
Marine insurance	Amount of marine insurance
FOB export price**	the free on board price at the port of shipment.
Packing*	Packing expenses
Inland transportation costs*	inland transportation costs included in the selling price. For export sales this is the inland freight from factory to port in the country of export.
Handling, loading & ancillary expenses*	handling, loading & ancillary expenses. For example, terminal handling, export inspection, wharfage & other port charges, container tax, document fees & customs brokers fees, clearance fees, bank charges, letter of credit fees, & other ancillary charges incurred in the exporting country.
Warranty & guarantee expenses*	warranty & guarantee expenses
Technical assistance & other services*	expenses for after sale services, such as technical assistance or installation costs.
Commissions*	Commissions paid. If more than one type is paid insert additional columns of data. Indicate in your response to question B2 whether the commission is a pre or post exportation expense having regard to the date of sale.
Other factors*	<b>any other</b> costs, charges or expenses incurred in relation to the exports to Australia (include additional columns as required). See question B5.

Notes

\*\* FOB export price and Ocean Freight:

FOB export price: An FOB export price must be calculated for each shipment - regardless of the shipping terms. FOB price includes inland transportation to the port of exportation, inland insurance, handling, and loading charges. It excludes post exportation expenses such as ocean freight and insurance. Use a formula to show the method of the calculation on each line of the export sales spreadsheet.

Ocean freight: as ocean freight is a significant cost it is important that the actual amount of ocean freight incurred on each exportation be reported. If estimates must be made you must explain the reasons and set out the basis - estimates must reflect changes in freight rates over the investigation period.

Freight allocations must be checked for consistency.

All of these costs are further explained in section E-1.

**Response:** Please refer to **Exhibit 12:** Australian sales.

**[Information contained in the above exhibit 12 cannot be susceptible to a meaningful non-confidential summary. Since these information are related to the Company's commercial activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]**

**B-5** If there are any other costs, charges or expenses incurred in respect of the exports listed above which have not been identified in the table above, add a column within the 'Australian sales' spreadsheet (see "other factors" in question B-4) for each item, and provide a description of each item. For example, other selling expenses (direct or indirect) incurred in relation to the export sales to Australia.

**Response:** All of any other costs, charges or expenses incurred in relation to the export sales to Australia have been identified in the above **Exhibit 12: Australian sales.**

**[Information contained in the above exhibit 12 cannot be susceptible to a meaningful non-confidential summary. Since these information are related to the Company's commercial activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]**

**B-6** For each type of discount, rebate, or allowance offered on export sales to Australia:

- provide a description; and
- explain the terms and conditions that must be met by the importer to obtain the discount.

Where the amounts of these discounts, rebates etc are not identified on the sales invoice, explain how you calculated the amount shown in your response to question B4. If they vary by customer or level provide an explanation.

**Response:**     **There are no discount, rebate, allowance offered on export sales to Australia.**

**B-7**     If you have issued credit notes (directly or indirectly) to the customers in Australia, in relation to the invoices listed in the detailed transaction by transaction listing in response to question B4, provide details of each credit note if the credited amount has **not** been reported as a discount or rebate.

**Response:**     **TAGAL did not issue credit notes to the customers in Australia.**

**B-8**     If the delivery terms make you responsible for arrival of the goods at an agreed point within Australia (e.g. delivered duty paid), insert additional columns in the spreadsheet for all other costs incurred. For example:

Import duties	Amount of import duty paid in Australia
Inland transport	Amount of inland transportation expenses within Australia included in the selling price
Other costs	Customs and Border Protection brokers, port and other costs incurred (itemise)

**Response:**     **TAGAL is not responsible for arrival of the goods within Australia.**

**B-9**     Select two shipments of each product (*galvanised steel and aluminium zinc coated steel*), in different quarters of the investigation period, and provide a complete set of all of the documentation related to the export sale. For example:

- the importer's purchase order, order confirmation, and contract of sale;
- commercial invoice;
- bill of lading, export permit;
- freight invoices in relation to movement of the goods from factory to Australia, including inland freight contract;
- marine insurance expenses; and
- letter of credit, and bank documentation, proving payment.

Customs and Border Protection will select additional shipments for payment verification at the time of the visit.

**Response:**     **[TAGAL only produced and exported galvanized steel during the investigation period.] Please refer to Exhibit 13: Australian Sales Documents.**

**[Information contained in the above exhibit 13 cannot be susceptible to a meaningful non-confidential summary. Since these information are related to the Company's commercial activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]**

**SECTION C – EXPORTED GOODS & LIKE GOODS**

**C-1** Fully describe all of the goods you have exported to Australia during the investigation period. Include specification details and any technical and illustrative material that may be helpful in identifying, or classifying, the exported goods.

**Response:** The company only produces galvanized steel and exported to Australia during the POI. Please refer to Exhibit 5: Company brochure for the detailed illustration of specifications and technical aspects.

**C-2** List each model/type of the good exported to Australia (these models should cover all models listed in spreadsheet “Australian Sales” – See section B of this questionnaire).

**Response:** There are 3 types of galvanized steel exported to Australia during the POI (classified by Application): (1) Construction; (2) Automotive; and (3) Appliance (others).

**C-3** If you sell like goods on the domestic market, for each model/type that your company has exported to Australia during the investigation period, list the most comparable model(s) sold domestically and provide a detailed explanation of the differences where those goods sold domestically (i.e. the like goods – see explanation in glossary) are not identical to the goods exported to Australia. This should be done by completing the spreadsheet entitled ‘Like goods’ within the *Galvanised steel and aluminium zinc coated steel Exporter Questionnaire – CHINA – accompanying spreadsheet* provided alongside this questionnaire, detailing as follows:

EXPORTED MODEL	DOMESTIC MODEL	IDENTICAL?	DIFFERENCES
Product code of each model of the goods exported to Australia	Product code of comparable model sold on the domestic market of the country of export	If goods are identical indicate “YES”. Otherwise “NO”	Where the good exported to Australia is not identical to the like goods, describe the specification differences. If it is impractical to detail specification differences in this table refer to documents which outline differences

**Response:** As we replied in question C-1, those goods exported to Australia are generally comparable to domestic ones. The minor difference between the proposed identical products are negligible.

**C-4** Please provide any technical and illustrative material that may be helpful in identifying or classifying the goods that your company sells on the domestic market.

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**Response:** Please refer to Exhibit 5: Company brochure for the detailed illustration of specifications and technical aspects.



**SECTION D - DOMESTIC SALES**

*This section seeks information about the sales arrangements and prices in the domestic market of the country of export.*

*All domestic sales **of like goods to the GUC** made during the investigation period must be listed transaction by transaction. If there is an extraordinarily large volume of sales data and you are unable to provide the complete listing electronically you **must** contact the Case Manager **before** completing the questionnaire.*

*If the Case Manager agrees that it is not possible to obtain a complete listing he or she will consider a method for sampling that meets Customs and Border Protection requirements. If agreement cannot be reached as to the appropriate method Customs and Border Protection may not visit your company.*

*Customs and Border Protection will normally take the invoice date as being the date of sale in order to determine which sales fall within the investigation period.*

*If, in response to question B4 (Sales to Australia, Export Price), you have reported that the date of sale is not the invoice date and you consider that this alternative date should be used when comparing domestic and export prices you **must** provide information on domestic selling prices for a matching period - even if doing so means that such domestic sales data predates the commencement of the investigation period.*

*If you do not have any domestic sales of like goods you must contact the Case Manager who will explain the information Customs and Border Protection requires for determining a normal value using alternative methods.*

**D-1 Provide:**

- a detailed description of your distribution channels to domestic customers, including a diagram if appropriate;

**Response:** The domestic customers of TAGAL include trading companies and end users. The distribution channels are relatively simple since only TAGAL and those purchasers involved in the sales process.

- information concerning the functions/activities performed by each party in the distribution chain; and

**Response:** Please refer to the answer to the question above. Generally speaking, TAGAL signs contracts or makes order confirmation in relation to domestic sales, and TAGAL then engages in the production of the goods and delivered the goods to its customers.

- a copy of any agency or distributor agreements, or contracts entered into.

If any of the customers listed are associated with your business, provide details of that association. Describe the effect, if any, that association has upon the price.

**Response:** No agency or distributor agreements exist.



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- D-2** Do your domestic selling prices vary according to the distribution channel identified? If so, provide details. Real differences in trade levels are characterised by consistent and distinct differences in functions and prices.

**Response:** TAGAL directly sells the good to its domestic customers and the domestic selling price is basically at the same level for all the domestic customers, no matter whether it is a trader or end user. Prices are negotiated according to the market situation.

- D-3** Explain in detail the sales process, including:

- the way in which you set the price, receive orders, make delivery, invoice and finally receive payment; and the terms of the sales; and
- whether price includes the cost of delivery to customer.

If sales are in accordance with price lists, provide copies of the price lists.

**Response:** TAGAL negotiates the price with its customers on the basis of the cost of production. The domestic customer lays purchase orders directly to TAGAL. Upon the sales term is agreed, the company will arrange for production. Some of the transactions are made on EXW while others are delivered to the customers. That is to say, some of the prices include the freight. The sales are not in accordance with price lists.

- D-4** Complete the spreadsheet entitled '**Domestic sales**' *within the Galvanised steel and aluminium zinc coated steel Exporter Questionnaire – CHINA – accompanying spreadsheet* provided alongside this questionnaire.

This spreadsheet is to list **all domestic sales of like goods** (i.e. transaction by transaction) in the investigation period (do not include non-GUC items).

Provide the completed spreadsheet in electronic format on CD-ROM (or via email) with your response. If formulas are used to calculate the field within this sheet, please ensure they remain included in the submitted version.

The below table provides information as to what is meant by each column heading within the spreadsheet.

Column Heading	Explanation
Customer name	names of your customers. If an English version of the name is not easily produced from your automated systems show a customer code number and in a separate table list each code and name.
Level of trade	the level of trade of your domestic customer
Model/grade/type	commercial model/grade or type
Product code	code used in your records for the model/grade/type identified. Explain the product codes in your submission.
Product Type	identify the finish product of the Galvanised steel and aluminium zinc coated steel sold

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Invoice number	invoice number
Invoice date	invoice date
Date of sale	refer to the explanation at the beginning of this section. If you consider that a date <i>other than</i> the invoice date best establishes the material terms of sale and should be used, report that date. For example, order confirmation, contract, or purchase order date.
Order number	show order confirmation, contract or purchase order number if you have shown a date other than invoice date as being the date of sale.
Delivery terms	e.g. ex factory, free on truck, delivered into store
Payment terms	payment terms agreed with the customer e.g. 60 days=60 etc
Quantity	quantity in units shown on the invoice e.g. kg.
Gross Invoice value	gross value shown on invoice <i>in the currency of sale</i> , net of taxes.
Discounts	the amount of any discount deducted on the invoice on each transaction. If a % discount applies show that % discount applying in another column.
Rebates	The amount of any deferred rebates or allowances paid to the importer in the currency of sale.
Net invoice value	the net invoice value expressed in your domestic currency as recorded in your accounting system
Other discounts	The actual amount of discounts not deducted from the invoice. Show a separate column for each type of discount.
Packing*	packing expenses
Inland transportation Costs*	amount of inland transportation costs included in the selling price.
Handling, loading And ancillary Expenses*	handling, loading & ancillary expenses.
Warranty & Guarantee expenses*	warranty & guarantee expenses
Technical assistance & other services*	expenses for after sale services such as technical assistance or installation costs.
Commissions*	commissions paid. If more than one type is paid insert additional columns of data.
Other factors*	<b>any other</b> costs, charges or expenses incurred in relation to the domestic sales (include additional columns as required). See question D5.

Notes

Costs marked with \* are explained in section E-2.

**Response:**     **Please refer to Exhibit 14: Domestic sales.**

**[Information contained in the above exhibit 14 cannot be susceptible to a meaningful non-confidential summary. Since these information are related to the Company's commercial activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]**

**D-5** If there are any other costs, charges or expenses incurred in respect of the sales listed which have not been identified in the table in question D-4 above add a column for each item (see "other factors"). For example, certain other selling expenses incurred.

**Response:** All of any other costs, charges or expenses incurred in relation to the domestic sales have been identified in the above Exhibit 14: Domestic sales.

**[Information contained in the above exhibit 14 cannot be susceptible to a meaningful non-confidential summary. Since these information are related to the Company's commercial activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]**

**D-6** For each type of commission, discount, rebate, allowance offered on domestic sales of like goods:

- provide a description; and
- explain the terms and conditions that must be met by the customer to qualify for payment.

Where the amounts of these discounts, rebates etc are not identified on the sales invoice, explain how you calculated the amounts shown in your response to question D4.

If you have issued credit notes, directly or indirectly to the customers, provide details if the credited amount has **not** been reported as a discount or rebate.

**Response:** There are no discount, rebate, allowance offered on domestic sales. No credit notes were issued directly or indirectly to the customers.

**D-7** Select two domestic sales, in different quarters of the investigation period, that are at the same level of trade as the export sales.

Provide a complete set of documentation for those two sales. Include, for example:

- purchase order
- order acceptance
- commercial invoice
- discounts or rebates applicable
- credit/debit notes
- long or short term contract of sale
- inland freight contract
- bank documentation showing proof of payment

Customs and Border Protection will select additional sales for verification at the time of our visit.

**PUBLIC RECORD VERSION**

**Response:** Please refer to **Exhibit 15:** Domestic Sales Documents.

**[Information contained in the above exhibit 15 cannot be susceptible to a meaningful non-confidential summary. Since these information are related to the Company's commercial activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]**

## SECTION E - FAIR COMPARISON

*Section B sought information about the export prices to Australia and Section D sought information about prices on your domestic market for like goods (i.e. the normal value).*

*Where the normal value and the export price are not comparable adjustments may be made. This section informs you of the fair comparison principle and asks you to quantify the amount of any adjustment.*

*As prices are being compared, the purpose of the adjustments is to eliminate factors that have unequally modified the prices to be compared.*

*To be able to quantify the level of any adjustment it will usually be necessary to examine cost differences between sales in different markets. Customs and Border Protection must be satisfied that those costs are likely to have influenced price. In practice, this means that the expense item for which an adjustment is claimed should have a close nexus to the sale. For example, the cost is incurred because of the sale, or because the cost is related to the sale terms and conditions.*

*Conversely, where there is not a direct relationship between the expense item and the sale a greater burden is placed upon the claimant to demonstrate that prices have been affected, or are likely to have been affected, by the expense item. In the absence of such evidence Customs and Border Protection may disallow the adjustment.*

*Where possible, the adjustment should be based upon actual costs incurred when making the relevant sales. However, if such specific expense information is unavailable cost allocations may be considered. In this case, the party making the adjustment claim must demonstrate that the allocation method reasonably estimates costs incurred.*

*A party seeking an adjustment has the obligation to substantiate the claim by relevant evidence that would allow a full analysis of the circumstances, and the accounting data, relating to the claim.*

*The investigation must be completed within strict time limits therefore you must supply information concerning claims for adjustments in a timely manner. Where an exporter has knowledge of the material substantiating an adjustment claim that material is to be available at the time of the verification visit. Customs and Border Protection will not consider new claims made after the verification visit.*

### E-1 COSTS ASSOCIATED WITH EXPORT SALES

(These cost adjustments will relate to your responses made at question B-4, ‘**Australian Sales**’)

#### 1. Transportation

Explain how you have quantified the amount of inland transportation associated with the export sale (“**Inland transportation costs**”). Identify the general ledger account where the expense is located. If the amount has been determined from contractual arrangements, not from an account item, provide details and evidence of payment.

**Response:** The inland transportation costs as reported in the Australian Sales is actually an “All-in” charge including all the handling, loading and ancillary expenses from the factory gate to the export port which is collected by the logistic company as a whole, and quantified by multiplying the unit rate and the weight on the commercial invoice. Such expense is recorded in the general ledger account - “Sales Expense”.

**2. Handling, loading and ancillary expenses**

List all charges that are included in the export price and explain how they have been quantified (“**Handling, loading & ancillary expenses**”). Identify the general ledger account where the expenses are located. If the amounts have been determined using actual observations, not from a relevant account item, provide details.

The various export related ancillary costs are identified in the table at question B4, for example:

- terminal handling;
- wharfage and other port charges;
- container taxes;
- document fees and customs brokers fees;
- clearance fees;
- bank charges, letter of credit fees
- other ancillary charges.

**Response:** Please refer to the answer to question E-1.1, all the handling, loading and ancillary expenses have been included in the “All-in” charge as reported in Inland Transportation Costs above.

**3. Credit**

The cost of extending credit on export sales is not included in the amounts quantified at question B4. However, Customs and Border Protection will examine whether a credit adjustment is warranted and determine the amount. Provide applicable interest rates over each month of the investigation period. Explain the nature of the interest rates most applicable to these export sales e.g., short term borrowing in the currency concerned.

If your accounts receivable shows that the average number of collection days differs from the payment terms shown in the sales listing, *and if* export prices are influenced by this longer or shorter period, calculate the average number of collection days. See also item 4 in section E-2 below.

**Response:** The export prices are fixed by the commercial invoice and not influenced by the collection days, thus, there is no credit cost applicable to the company.

**4. Packing costs**

List material and labour costs associated with packing the export product. Describe how the packing method differs from sales on the domestic market, for each model. Report the amount in the listing in the column headed ‘**Packing**’.

**Response:** The GUC has no significant difference on the packaging in the domestic and export markets, and it will not specially packed for those export products, thus, the packing costs is not applicable to the company.

**5. Commissions**

For any commissions paid in relation to the export sales to Australia:

- provide a description; and
- explain the terms and conditions that must be met.

Report the amount in the sales listing in question B-4 under the column headed “**Commissions**”. Identify the general ledger account where the expense is located.

**Response:** No commission is paid to any third parties for all the transactions of the company.

**6. Warranties, guarantees, and after sales services**

List the costs incurred. Show relevant sales contracts. Show how you calculated the expenses (“**Warranty & guarantee expenses**” and “**Technical assistance & other services**”), including the basis of any allocations. Include a record of expenses incurred. Technical services include costs for the service, repair, or consultation. Where these expenses are closely related to the sales in question, an adjustment will be considered. Identify the ledger account where the expense is located.

**Response:** No expenses of warranties, guarantees, and after sales services are paid to any third parties for all the transactions of the company.

**7. Other factors**

There may be other factors for which an adjustment is required if the costs affect price comparability – these are identified in the column headed “**Other factors**”. For example, other variable or fixed selling expenses, including salesmen’s salaries, salesmen’s travel expenses, advertising and promotion, samples and entertainment expenses. Your consideration of questions asked at Section G, concerning domestic and export costs, would have alerted you to such other factors.

**Response:** No other factors that affect the price comparability exist and require an adjustment.

**8. Currency conversions**

In comparing export and domestic prices a currency conversion is required. Fluctuations in exchange rates can only be taken into account when there has been a ‘sustained’ movement during the investigation period (see article 2.4.1 of the WTO Agreement). The purpose is to allow exporters 60 days to adjust export prices to reflect ‘sustained’ movements. Such a claim requires detailed information on exchange movements in your country over a long period that includes the investigation period.



**Response:** The currency conversion between Australia and China is relatively stable, this adjustment concerning foreign currency translation is not applicable to the subject investigation.

## **E-2 COSTS ASSOCIATED WITH DOMESTIC SALES**

(These cost adjustments will relate to your responses made at question D-4, “domestic sales”)

*The following items are not separately identified in the amounts quantified at question D-4. However you should consider whether any are applicable.*

### **1. Physical characteristics**

The adjustment recognises that differences such as quality, chemical composition, structure or design, mean that goods are not identical and the differences can be quantified in order to ensure fair comparison.

The amount of the adjustment shall be based upon the market value of the difference, but where this is not possible the adjustment shall be based upon the difference in cost plus the gross profit mark-up (i.e. an amount for selling general and administrative costs (S G & A) plus profit).

The adjustment is based upon actual physical differences in the goods being compared and upon the manufacturing cost data. Identify the physical differences between each model. State the source of your data.

**Response:** No significant differences exist on the physical characteristics and manufacturing cost for those domestic and export goods, thus, this question is not applicable in the subject investigation.

### **2. Import charges and indirect taxes**

If exports to Australia:

- are partially or fully exempt from internal taxes and duties that are borne by the like goods in domestic sales (or on the materials and components physically incorporated in the goods), or
- if such internal taxes and duties have been paid and are later remitted upon exportation to Australia;

the price of like goods must be adjusted downwards by the amount of the taxes and duties.

The taxes and duties include sales, excise, turnover, value added, franchise, stamp, transfer, border, and excise taxes. Direct taxes such as corporate income tax are not included as such taxes do not apply to the transactions.

Adjustment for drawback is not made in every situation where drawback has been received. Where an adjustment for drawback is appropriate you must provide information showing the import duty borne by the domestic sales. (That is, it is not sufficient to show the drawback amount and the export sales quantity to Australia. For example, you may calculate the duty borne on domestic sales by quantifying the total amount of import duty paid and subtracting the duty refunded on exports to all countries. The difference, when divided by the domestic sales volume, is the amount of the adjustment).

In substantiating the drawback claim the following information is required:

- a copy of the relevant statutes/regulations authorising duty exemption or remission, translated into English;
- the amount of the duties and taxes refunded upon *exportation* and an explanation how the amounts were calculated and apportioned to the exported goods;
- an explanation as to how you calculated the amount of duty payable on imported materials is borne by the goods sold *domestically* but is not borne by the exports to Australia;

#### Substitution drawback systems

Annex 3 of the WTO Agreement on Subsidies provides: “*Drawback systems can allow for the refund or drawback of import duties on inputs which are consumed in the production process of another product and where the export of this latter product contains domestic inputs having the same quality and characteristics as those substituted for the imported inputs*”

If such a scheme operates in the country of export please provide **full** details about the operation of the scheme as well as providing the information requested above.

**Response: No such import charges and indirect taxes claimed by the company.**

### **3. Level of trade**

Question D-4 asks you to indicate the level of trade to the domestic customer. To claim an adjustment for level of trade differences you will need to quantify the amount by which level of trade influences price.

Trade level is the level a company occupies in the distribution chain. The trade level to which that company in turn sells the goods and the functions carried out distinguish a level of trade. Examples are producer, national distributor, regional distributor, wholesaler, retailer, end user, and original equipment manufacturer.

It may not be possible to compare export prices and domestic prices at the same level of trade. Where relevant sales of like goods at the next level of trade must be used to determine normal values an adjustment for the difference in level of trade may be required where it is shown that the difference affects price comparability.

## PUBLIC RECORD VERSION

The information needs to establish that there are real trade level differences, not merely nominal differences. Real trade level differences are characterised by a consistent pattern of price differences between the levels and by a difference in functions performed. If there is no real trade level differences all sales are treated as being at the same level of trade.

A real difference in level of trade (may be adjusted for using either of the following methods:

- (a) *costs arising from different functions*: the amount of the costs, expenses etc incurred by the seller in domestic sales of the like goods resulting from activities that would not be performed were the domestic sales made at the same level as that of the importer.

This requires the following information:

- a detailed description of each sales activity performed in selling to your domestic customers (for example sales personnel, travel, advertising, entertainment etc);
- the cost of carrying out these activities in respect of like goods;
- for each activity, whether your firm carries out the same activity when selling to importers in Australia;
- an explanation as to why you consider that you are entitled to a level of trade adjustment.

or

- (b) *level discount*: the amount of the discount granted to purchasers who are at the same level of trade as the importer in Australia. This is determined by an examination of price differences between the two levels of trade in the exporter's domestic market, for example sales of like goods by other vendors or sales of the same general category of goods by the exporter. For this method to be used it is important that a clear pattern of pricing be established for the differing trade levels. Such pattern is demonstrated by a general availability of the discounts to the level - isolated instances would not establish a pattern of availability.

**Response: No difference on the level of trade is claimed for adjustment.**

#### 4. Credit

The cost of extending credit on domestic sales is not included in the amounts quantified at question D-4. However, Customs and Border Protection will examine whether a credit adjustment is warranted and determine the amount. An adjustment for credit is to be made even if funds are not borrowed to finance the accounts receivable.

The interest rate on domestic sales in order of preference is:

- the rate, or average of rates, applying on actual short term borrowing's by the company; or
- the prime interest rate prevailing for commercial loans in the country for credit terms that most closely approximate the credit terms on which the sales were made; or
- such other rate considered appropriate in the circumstances.

Provide the applicable interest rate over each month of the investigation period.

If your accounts receivable shows that the average number of collection days differs from the payment terms shown in the sales listing, and if domestic prices are influenced by this longer or shorter period, calculate the average number of collection days.

Where there is no fixed credit period agreed at the time of sale the period of credit is determined on the facts available. For example, where payment is made using an open account system,<sup>1</sup> the average credit period may be determined as follows:

*1. Calculate an accounts receivable turnover ratio*

This ratio equals the total credit sales divided by average accounts receivable. (It is a measure of how many times the average receivables balance is converted into cash during the year).

In calculating the accounts receivable turnover ratio, credit sales should be used in the numerator whenever the amount is available from the financial statements. Otherwise net sales revenue may be used in the numerator.

An average accounts receivable over the year is used in the denominator. This may be calculated by:

- using opening accounts receivable at beginning of period plus closing accounts receivable at end of period divided by 2, or
- total monthly receivables divided by 12.

*2. Calculate the average credit period*

The average credit period equals 365 divided by the accounts receivable turnover ratio determined above at 1.

The resulting average credit period should be tested against randomly selected transactions to support the approximation.

**Response: No difference on the credit cost is claimed for adjustment.**

**5. Transportation**

Explain how you have quantified the amount of inland transportation associated with the domestic sales (“**Inland transportation Costs**”). Identify the general ledger account where the expense is located. If the amount has been determined from contractual arrangements, not from an account item, provide details and evidence of payment.

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<sup>1</sup> Under an open account system, following payment the balance of the amount owing is carried into the next period. Payment amounts may vary from one period to the next, with the result that the amount owing varies.

**Response:** TAGAL classified the transaction by destination. Each destination has a unit freight, and the company further calculates the inland transportation costs on such basis. As stated above, such expenses is recorded in the general ledger account - “sales expenses”. The inland transportation costs reported in Domestic Sales is also an “All-in” charge with handling, loading and ancillary expenses included.

**6. Handling, loading and ancillary expenses**

List all charges that are included in the domestic price and explain how they have been quantified (“**Handling, loading and ancillary Expenses**”). Identify the general ledger account where the expense is located. If the amounts have been determined using actual observations, not from a relevant account item, provide details.

**Response:** Please refer to the answer to question E-2.5 as above.

**7. Packing**

List material and labour costs associated with packing the domestically sold product. Describe how the packing method differs from sales on the domestic market, for each model. Report the amount in the listing in the column headed “**Packing**”.

**Response:** No difference on packing is claimed for adjustment.

**8. Commissions**

For any commissions paid in relation to the domestic sales:

- provide a description
- explain the terms and conditions that must be met.

Report the amount in the sales listing under the column headed “**Commissions**”. Identify the general ledger account where the expense is located.

**Response:** No commission is paid to any third parties for all the transactions of the company.

**9. Warranties, guarantees, and after sales services**

List the costs incurred. Show relevant sales contracts. Show how you calculated the expenses (“**Warranty & Guarantee expenses**” and “**Technical assistance & other services**”), including the basis of any allocations. Include a record of expenses incurred. Technical services include costs for the service, repair, or consultation. Where these expenses are closely related to the sales in question, an adjustment will be considered. Identify the ledger account where the expense is located.

**Response:** No expenses of warranties, guarantees, and after sales services are paid to any third parties for all the transactions of the company.

**10. Other factors**

There may be other factors for which an adjustment is required if the costs affect price comparability – these are identified in the column headed “**Other factors**”. List the factors and show how each has been quantified in per unit terms. For example:

- *inventory carrying cost*: describe how the products are stored prior to sale and show data relating to the average length of time in inventory. Indicate the interest rate used;
- *warehousing expense*: an expense incurred at the distribution point;
- *royalty and patent fees*: describe each payment as a result of production or sale, including the key terms of the agreement;
- *advertising*; and
- *bad debt*.

**Response:** No other factors that affect the price comparability exist and require an adjustment.

**E-3 DUPLICATION**

In calculating the amount of the adjustments you must ensure that there is no duplication.

For example:

- adjustments for level of trade, quantity or other discounts may overlap, or
- calculation of the amount of the difference for level of trade may be based upon selling expenses such as salesperson’s salaries, promotion expenses, commissions, and travel expenses.

Separate adjustment items must avoid duplication.

An adjustment for quantities may not be granted unless the effect on prices for quantity differences is identified and separated from the effect on prices for level of trade differences.

**Response:** No such duplication exist in all the items of adjustment.

<b>SECTION F - EXPORT SALES TO COUNTRIES OTHER THAN AUSTRALIA</b>
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*Your response to this part of the questionnaire may be used by Customs and Border Protection to select sales to a third country that may be suitable for comparison with exports to Australia.*

*Sales to third countries may be used as the basis for normal value in certain circumstances. Customs and Border Protection may seek more detailed information on particular third country sales where such sales are likely to be used as the basis for determining normal value.*

**F-1** Complete the spreadsheet entitled '**Third country sales**' within the *Galvanised steel and aluminium zinc coated steel Exporter Questionnaire – CHINA – accompanying spreadsheet* provided alongside this questionnaire.

This spreadsheet is to list **all export sales of like goods** (i.e. transaction by transaction) to countries other than Australia in the investigation period (do not include non-GUC items).

Provide the completed spreadsheet in electronic format on CD-ROM (or via email) with your response. If formulas are used to calculate the field within this sheet, please ensure they remain included in the submitted version.

The below table provides information as to what is meant by each column heading within the spreadsheet.

Column heading	Explanation
Country	Name of the country that you exported like goods to over the investigation period.
Number of customers	The number of different customers that your company has sold like goods to in the third country over the investigation period.
Level of trade	The level of trade that you export like goods to in the third country.
Product Type	Identify Galvanised Steel and Aluminium Zinc Coated Steel
Quantity	Indicate quantity, in units, exported to the third country over the investigation period.
Unit of quantity	Show unit of quantity e.g. kg
Value of sales	Show net sales value to all customers in third country over the investigation period
Currency	Currency in which you have expressed data in column SALES
Payment terms	Typical payment terms with customer(s) in the country e.g. 60 days=60 etc
Shipment terms	Typical shipment terms to customers in the third country e.g. CIF, FOB, ex-factory, DDP etc.

**Response:** Please refer to **Exhibit 16: Third Country sales.**



**PUBLIC RECORD VERSION**

**[This confidential information is provided to the subject authority for investigation; as such data is classified as highly sensitive commercial information. Please refer to a summary of the information in an indexed form.]**

**F-2** Please identify any differences in sales to third countries which may affect their comparison to export sales to Australia.

**Response:** There are no differences in sales to third countries that may affect the comparison to sales to Australia.

**SECTION G - COSTING INFORMATION AND CONSTRUCTED VALUE**

*The information that you supply in response to this section of the questionnaire will be used for various purposes including:*

- *testing the profitability of sales of like goods on the domestic market;*
- *determining a constructed normal value of the GUC - i.e. of the goods exported to Australia; and*
- *making certain adjustments to the normal value.*

*You will need to provide the cost of production of both the exported goods (GUC) and for the like goods sold on the domestic market. You will also need to provide the selling, general, and administration costs relating to goods sold on the domestic market; the finance expenses; and any other expenses (e.g. non-operating expenses not included elsewhere) associated with the goods.*

*In your response please include a worksheet showing how the selling, general, and administration expenses; the finance expenses; and any other expenses have been calculated.*

*If, in response to question B4 (Sales to Australia, Export Price) you:*

- *reported that the date of sale is not the invoice date and consider that this alternative date should be used when comparing domestic and export prices, and*
- *provided information on domestic selling prices for a matching period as required in the introduction to Section D (Domestic Sales)*

*you must provide cost data over the same period as these sales even if doing so means that such cost data predates the commencement of the investigation period.*

*At any verification meeting you must be prepared to reconcile the costs shown to the accounting records used to prepare the financial statements.*

**G-1 PRODUCTION PROCESS AND CAPACITY**

1. Describe the production process for the GUC. Provide a flowchart of the process. Include details of all products manufactured using the same production facilities as those used for the GUC. Also specify all scrap or by-products that result from producing the GUC.

**Response:** Please refer to Exhibit 5: Company brochure for the description and flowchart of production process of the GUC. The company only produces galvanized steel, thus, only the GUC uses the production facilities. No by-products resulted from producing the GUC.

2. Complete the spreadsheet entitled ‘**Production**’ within the *Galvanised steel and aluminium zinc coated steel Exporter Questionnaire – CHINA – accompanying spreadsheet* provided alongside this questionnaire.

Provide the completed spreadsheet in electronic format on CD-ROM (or via email) with your response. If formulas are used to calculate the field within this sheet, please ensure they remain included in the submitted version.

**Response:** Please refer to Exhibit 17: Production.

**[This confidential information is provided to the subject authority for investigation; as such data is classified as highly sensitive commercial information. Please refer to a summary of the information in an indexed form.]**

## **G-2. COST ACCOUNTING PRACTICES**

1. Outline the management accounting system that you maintain and explain how that cost accounting information is reconciled to your audited financial statements.

**Response:** The management accounting system and cost accounting of TAGAL is the same. In addition, TAGAL adopts actual cost system which is in accordance with the generally accepted accounting principles in China and the audited financial statements can be worked out directly based on the cost accounting information.

2. Is your company's cost accounting system based on standard (budgeted) costs? State whether standard costs were used in your responses to this questionnaire. If they were state whether all variances (i.e. differences between standard and actual production costs) have been allocated to the goods - and describe how those variances have been allocated.

**Response:** TAGAL does not use standard cost accounting system.

3. Provide details of any significant or unusual cost variances that occurred during the investigation period.

**Response:** TAGAL does not use standard cost accounting system.

4. Describe the profit/cost centres in your company's cost accounting system.

**Response:** We regard the entire factory as one profit/cost center in our business cost accounting system.

5. For each profit/cost centre describe in detail the methods that your company normally uses to allocate costs to the GUC. In particular specify how, and over what period, expenses are amortised or depreciated, and how allowances are made for capital expenditures and other development costs.

**Response:** Since the company only produces the galvanized steel, all the costs of direct materials, direct labor and manufacture overhead are recorded on actual basis and no allocation is applied. All the costs are accounted on a monthly basis. There are no capital expenditures.

6. Describe the level of product specificity (models, grades etc) that your company's cost accounting system records production costs.

**Response:** Since the company only produces galvanized steel, it is not necessary to record the costs by product specificity. All the costs are accounted in one cost center on actual basis.

7. List and explain all production costs incurred by your company which are valued differently for cost accounting purposes than for financial accounting purposes.

**Response:** There are no production costs incurred by the company which are valued differently for cost accounting purposes than for financial accounting purposes.

8. State whether your company engaged in any start-up operations in relation to the GUC. Describe in detail the start-up operation giving dates (actual or projected) of each stage of the start-up operation.

**Response:** The company doesn't engage in any start-up operations in relation to the goods under consideration.

9. State the total cost of the start-up operation and the way that your company has treated the costs of the start-up operation in its accounting records.

**Response:** Please refer to the answer to the previous question.

### G-3 COST TO MAKE AND SELL ON DOMESTIC MARKET

*This information is relevant to testing whether domestic sales are in the ordinary course of trade.<sup>2</sup>*

1. Complete the spreadsheet entitled '**Domestic CTMS**' within *the Galvanised steel and aluminium zinc coated steel Exporter Questionnaire – CHINA – accompanying spreadsheet* provided alongside this questionnaire.

Provide the completed spreadsheet in electronic format on CD-ROM (or via email) with your response. If formulas are used to calculate the field within this sheet, please ensure they remain included in the submitted version.

In doing so, provide the actual unit cost to make and sell each model/type (identified in Section C) of the like goods sold on the domestic market.

Provide this cost data for each quarter over the investigation period. If your company calculates costs monthly, provide monthly costs.

Indicate the source of cost information (account numbers etc) and/or methods used to allocate cost to the goods. Provide documentation and worksheets supporting your calculations.

If you are unable to supply this information in this format, please contact the Case Manager for this investigation at the address shown on the cover of this questionnaire.

Please specify unit of currency.

<sup>2</sup> Customs and Border Protection applies the tests set out in s.269TAAD of the *Customs Act 1901* to determine whether goods are in ordinary course of trade. These provisions reflect the WTO Anti-Dumping Agreement – see Article 2.2.1.

**Response:** Please refer to **Exhibit 18: Domestic CTMS**.

**[Information contained in the above exhibit 18 cannot be susceptible to a meaningful non-confidential summary. Since these information are related to the Company's commercial activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]**

**G-4 COST TO MAKE AND SELL GOODS UNDER CONSIDERATION  
(GOODS EXPORTED TO AUSTRALIA)**

Complete the spreadsheet entitled '**Australian CTMS**' within the *Galvanised steel and aluminium zinc coated steel Exporter Questionnaire – CHINA – accompanying spreadsheet* provided alongside this questionnaire.

Provide the completed spreadsheet in electronic format on CD-ROM (or via email) with your response. If formulas are used to calculate the field within this sheet, please ensure they remain included in the submitted version.

In doing so, provide the actual unit cost to make and sell each model/type (identified in Section C) of the like goods sold on the domestic market.

Provide this cost data for each quarter over the investigation period. If your company calculates costs monthly, provide monthly costs.

Indicate the source of cost information (account numbers etc) and/or methods used to allocate cost to the goods. Provide documentation and worksheets supporting your calculations.

If you are unable to supply this information in this format, please contact the Case Manager for this investigation at the address shown on the cover of this questionnaire.

Please specify unit of currency.

*The information is relevant to calculating the normal values based on costs. It is also relevant to calculating certain adjustments to the normal value.*

**Response:** Please refer to **Exhibit 19: Australian CTMS**.

**[Information contained in the above exhibit 19 cannot be susceptible to a meaningful non-confidential summary. Since these information are related to the Company's commercial activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]**

**G-5** Where there are cost differences between goods sold to the domestic market and those sold for export, give reasons and supporting evidence for these differences.

**Response:**     **There is no cost difference between goods exported to Australia and that of goods sold in domestic market.**

**G-6**     Give details and an explanation of any significant differences between the costs shown, and the costs as normally determined in accordance with your general accounting system. Reference should be made to any differences arising from movements in inventory levels and variances arising under standard costing methods.

**Response:**     **There are no such differences.**

**G-7**     In calculating the unit cost to make and sell, provide an explanation if the allocation method used (e.g. number, or weight etc) to determine the unit cost differs from the prior practice of your company.

**Response:**     **There are no such differences.**

**G-8**     List major raw material costs, which individually account for 10% or more of the total production cost.

For these major inputs:

- identify materials sourced in-house and from associated entities;
- identify the supplier; and
- show the basis of valuing the major raw materials in the costs of production you have shown for the goods (e.g. market prices, transfer prices, or actual cost of production).

Where the major input is produced by an associate of your company Customs and Border Protection will compare your purchase price to a normal market price. If the associate provides information on the cost of production for that input such cost data may also be considered.

Normal market price is taken to be the price normally available in the market (having regard to market size, whether the input is normally purchased at 'spot prices' or under long term contracts etc).

The term associate is defined in section 269TAA of the Act. Included in that definition are companies controlled by the same parent company (a company that controls 5% or more of the shares of another is taken to be an associated company); companies controlled by the other company; and companies having the same person in the board of directors.

If the major input is purchased or supplied from an integrated production process you should provide detailed information on the full costs of production of that input.

**Response:** The major raw material is cold rolled sheets and zinc ingot. The cost of major raw materials are accounted on actual basis. All the zinc ingots are purchased from independent suppliers while all the cold rolled sheets are from affiliated ones, namely from [ANSTEEL and TKSE]. In order to justify the related purchase price is at arm's length level, we specially provide a comparison table between the sales price to affiliated and unaffiliated parties by these suppliers. Please refer to Exhibit 20: Arm's length purchase. From this exhibit, it is well established that all the related purchase price are at a normal market price level, and therefore, the cost of this input shall be accepted in the calculation.

**[Information contained in the above exhibit 20 cannot be susceptible to a meaningful non-confidential summary. Since these information are related to the Company's commercial activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]**



**SECTION H – EXPORTER/PRODUCER'S DECLARATION**

I hereby declare that ANSC-TKS Galvanizing Co., Ltd. did, during the investigation period produce and export the GUC and have completed the attached questionnaire and, having made due inquiry, certify that the information contained in this submission is complete and correct to the best of my knowledge and belief.

Name: Wei Kewei

Signature: .....

Position in Company: Director Sales & Marketing

Date: .....2012-11-5.....

**SECTION I - CHECKLIST**

*This section is an aid to ensure that you have completed all sections of this questionnaire.*

Section	Please tick if you have responded to all questions
Section A – general information	<input checked="" type="checkbox"/>
Section B – export price	<input checked="" type="checkbox"/>
Section C – like goods	<input checked="" type="checkbox"/>
Section D – domestic price	<input checked="" type="checkbox"/>
Section E – fair comparison	<input checked="" type="checkbox"/>
Section F – exports to third countries	<input checked="" type="checkbox"/>
Section G – costing information	<input checked="" type="checkbox"/>
Section H – declaration	<input checked="" type="checkbox"/>

Electronic Data	Please tick if you have provided spreadsheet
<b>INCOME STATEMENT</b>	<input checked="" type="checkbox"/>
<b>TURNOVER</b> – sales summary	<input checked="" type="checkbox"/>
<b>AUSTRALIAN SALES</b> – list of sales to Australia	<input checked="" type="checkbox"/>
<b>DOMESTIC SALES</b> – list of all domestic sales of like goods	<input checked="" type="checkbox"/>
<b>THIRD COUNTRY</b> – third country sales	<input checked="" type="checkbox"/>
<b>PRODUCTION</b> – production figures	<input checked="" type="checkbox"/>
<b>DOMESTIC COSTS</b> – costs of goods sold domestically	<input checked="" type="checkbox"/>
<b>AUSTRALIAN COSTS</b> – costs of goods sold to Australia	<input checked="" type="checkbox"/>
<b>HRS PURCHASES</b> – purchase cost of HRS during the investigation period	<input checked="" type="checkbox"/>

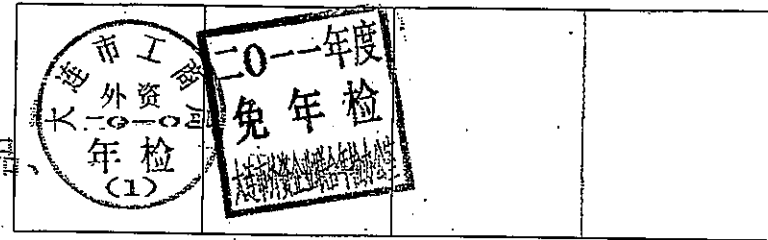
## 企业法人营业执照

编号: N9 1140484

须知

1. 《企业法人营业执照》是企业法人资格和合法经营的凭证。
2. 《企业法人营业执照》分为正本和副本，正本和副本具有同等法律效力。
3. 《企业法人营业执照》正本应当置于住所的醒目位置。
4. 《企业法人营业执照》不得伪造、涂改、出租、出借、转让。
5. 登记事项发生变化，应当向公司登记机关申请变更登记，换领《企业法人营业执照》。
6. 每年三月一日至六月三十日，应当参加年度检验。
7. 《企业法人营业执照》被吊销后，不得开展与清算无关的经营活动。
8. 办理注销登记，应当交回《企业法人营业执照》正本和副本。
9. 《企业法人营业执照》遗失或者毁坏的，应当在公司登记机关指定的报刊上声明作废，申请补领。

年度检验情况



(副本)  
证照编号 企合辽大总字第 009401  
注册号 210200400041941

名称 鞍钢新轧—蒂森克虏伯镀锌钢板有限公司  
住所 大连经济技术开发区钢铁路68号  
法定代表人 艾其乐 (Edwin Eichler)  
注册资本 13200万美元  
实收资本 13200万美元  
公司类型 有限责任公司(中外合资)  
经营范围 生产成卷的热镀锌及合金化钢板材和带材产品、销售自产产品并提供售后服务。

股东(发起人) 蒂森克虏伯钢铁欧洲股份公司、鞍钢股份有限公司

登记机关

营业期限自 二〇〇二年二月八至 二〇五二年二月七日

成立日期 二〇〇二年二月八日

执照有效期至: 二〇五二年二月七日



**Business License for Enterprise Legal Person****( Duplicate )****License No:** 009401**Registration No:** 201200400041941 (1/1)**Name:** ANSK-TKS Galvanizing Co., Ltd.**Address:** 68, Gangtie Road, Dalian Economic Tech Development Zone**Legal Representative:** Edwin Eichler**Registered Capital:** USD 13,200,000.00**Paid-in Capital:** USD 13,200,000.00**Type of Enterprise:** Limited Liability Company (Sino-foreign joint venture)**Scope of Business:** Producing rolled hot galvanizing and alloying flat steel and strip steel, sale self-produced products, providing after-sale services.**Shareholder (Promoter):** Angang Steel Company Limited, TKSE**Date of Establishment:** February 8<sup>th</sup>, 2002**Operation Period:** From February 8<sup>th</sup>, 2002 To February 7<sup>th</sup>, 2052**License Period:** until 7<sup>th</sup> February, 2052**Notes**

1. Enterprise legal person's business license is the proof that the enterprise has obtained the status of an enterprise legal person and to operate legally.
2. Enterprise legal person's business license has one original copy and one duplicate copy. Both copies have equally legal effect.
3. The original copy has to be placed at a significant place in the address of the enterprise.
4. The business license may not be forged, leased, lent or transferred.
5. If any items registered with the authority incurred any changes, they must be registered with the original authority.
6. The annual examination takes place from 1 March to 30 June each year.
7. If the business has been withdrawn by the registration authority, enterprise legal persons shall not carry out business except liquidation .
8. When applying for cancellation, the original and duplicate copies have to be returned.
9. When the enterprise has deregistered or cancelled of its business, it has to hand in the copies of its business license.

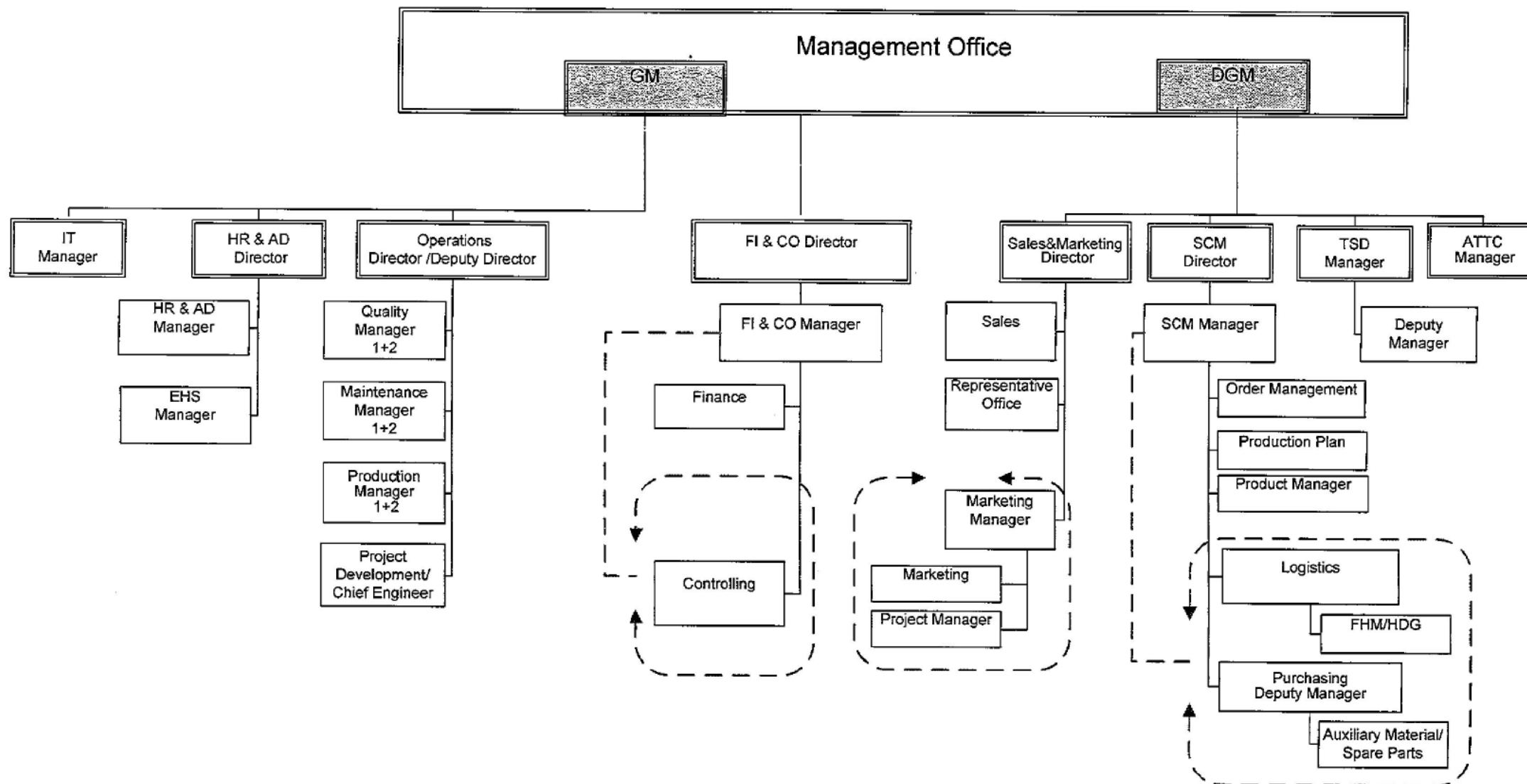
**Records of the annual checking**

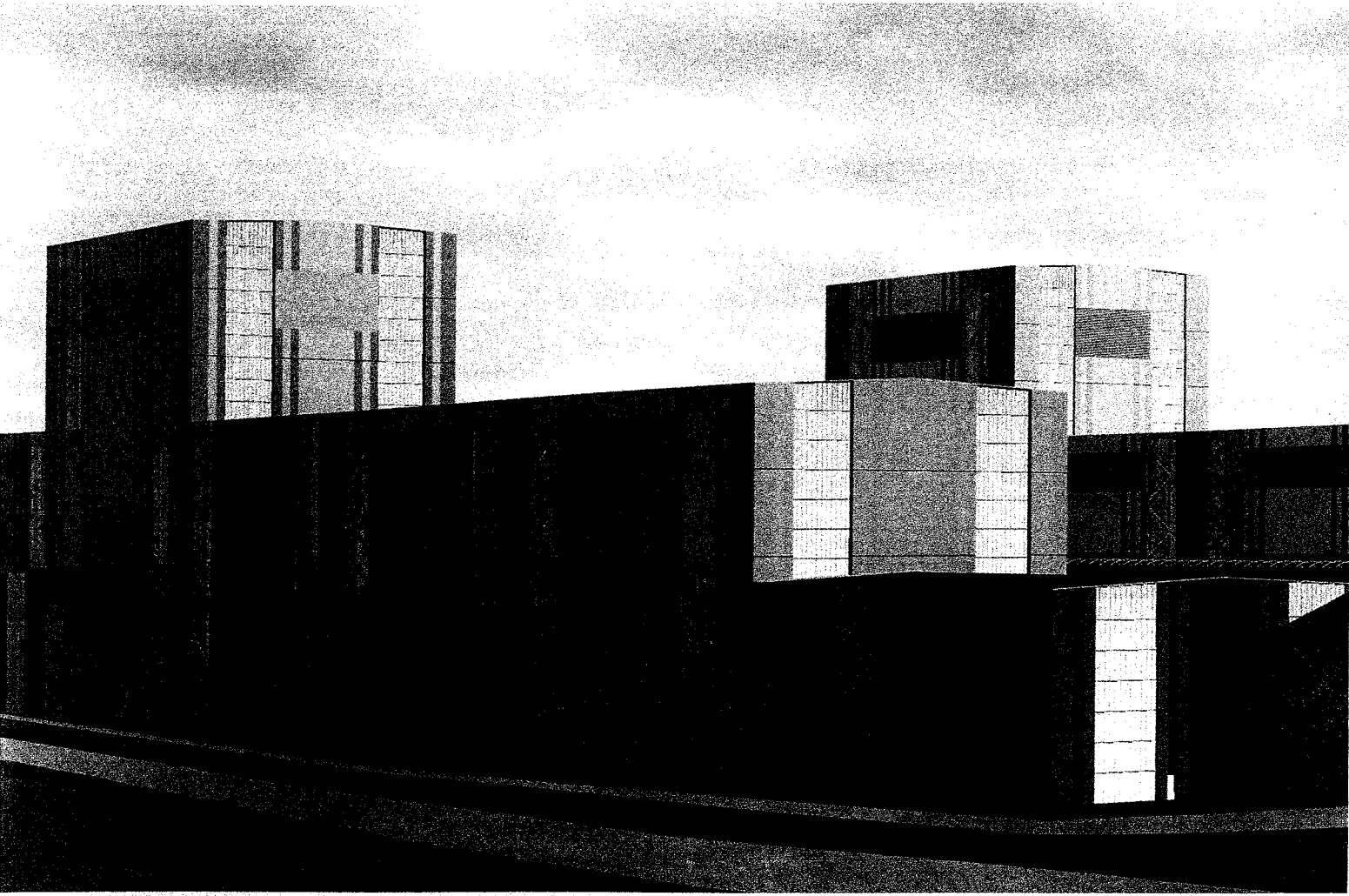
Reviewed	2010	2011	
	(Seal)	(Seal)	

Registration Authority: Bureau of Commercial and Industrial Administration  
of Dalian City (seal)

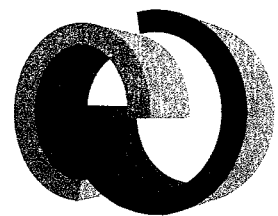
June 9<sup>th</sup>, 2011

# Organization Chart





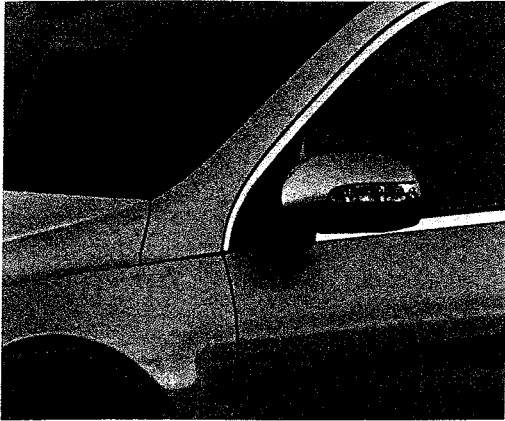
**Excellent Surface Quality Steel Sheets**



**TAGAL**

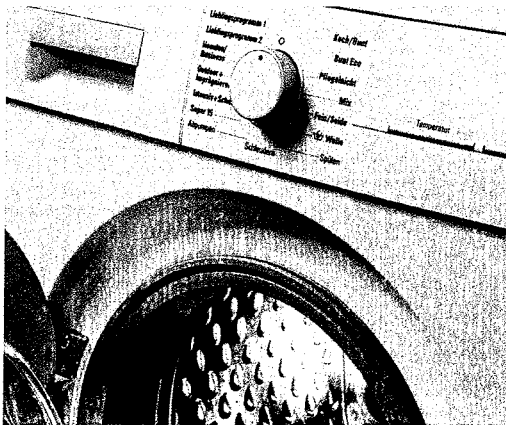
A Joint Venture of ThyssenKrupp Steel and AnSteel

# TAGAL – Excellent Surface Quality Steel Sheets



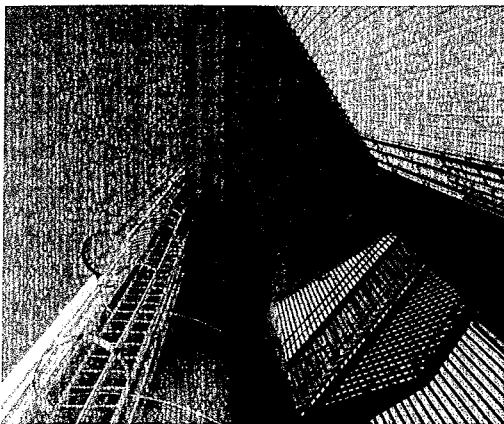
## Automotive

TAGAL products for the automotive industry meet the requirements of the most sophisticated applications in the manufacturing of car bodies. Our HSS steels for internal structural parts provide excellent properties in terms of outstanding performance and crash safety. Our exposed parts for deep drawing will satisfy the highest surface requirements for auto body outer panels and feature excellent forming characteristics to allow the manufacturing of complex parts.



## Household Appliances

TAGAL products will satisfy the highest surface requirements for outer panels of appliances such as refrigerators, air-conditioners, microwave ovens, computer casings and other electronic equipment together with excellent forming characteristics to allow the manufacturing of complex parts.



## Industry Appliances

HDG materials are used for numerous applications in the fields of industry, such as furniture, shelf and rack constructions, casings for machines and installations, color-coated wall and roof elements, doors and many more.



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## A Chinese-German Joint Venture For High-Quality Products



Dr. Karl-Ulrich Köhler (CEO ThyssenKrupp Steel) and Liu Jie (former CEO Angang Group) celebrate the business licence for TAGAL on February 8th, 2002.

On September 13th, 1996, ThyssenKrupp and Angang Group evaluated the prospects of HDG products and the ways of working together in the expanding Chinese steel market. Both companies therefore agreed to found a joint venture to set up a state-of-the-art hot-dip galvanizing line which focused mainly on the supply of highest-quality products. A key aspect in this joint venture is the continuous transfer of know-how from ThyssenKrupp Steel for the hot-dip galvanizing process to TAGAL.

The joint venture contract was signed in February 2001 and the total investment was 180 million USD. The total capacity for the line was estimated at 400,000 tons per year.

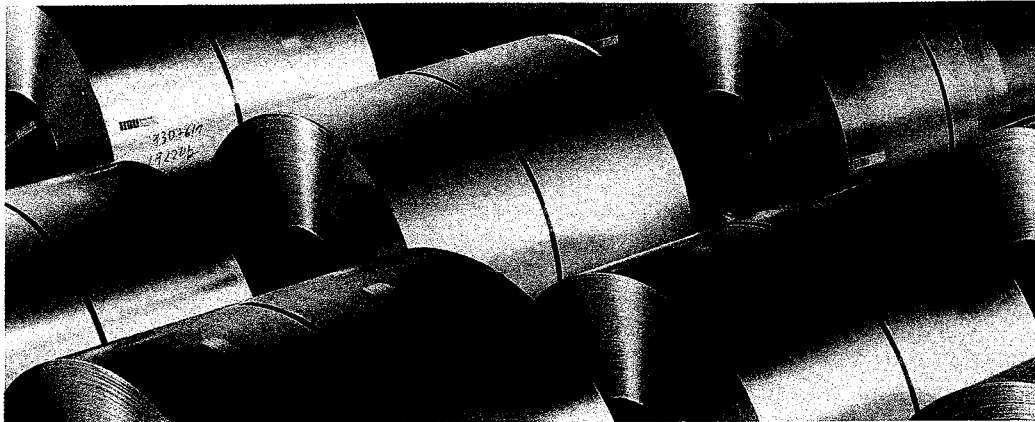
It was decided to build the line in the city of Dalian as the environment for business is one of the best in north-east China. Dalian is also an excellent location for the logistics of raw material from AnSteel and ThyssenKrupp Steel as well as the finished products to major customers both at home and abroad.

In February 2002 the business license was issued to TAGAL and an official foundation ceremony was held in May 2002. The first coil was produced on December 4th, 2003, followed by a grand opening ceremony on June 4th, 2004.

Due to the great success of TAGAL, ThyssenKrupp Steel and AnSteel decided to extend the capacity on the existing site in Dalian. The new high-tech line will cost 150 million USD, equally invested by both shareholders; the start of operation is scheduled for 2008.

TAGAL will produce more than 800,000 tons of hot-dip galvanized steel sheets for the automotive and appliance industry with a staff of 258 employees by the end of 2008.

The attractive and unique colour design of both plant buildings was inspired by industrial designer Friedrich-Ernst v. Garnier and received the Chinese award for the best industry building in 2004.



#### Angang Steel Company Limited

As a proprietary subsidiary of the Angang Group, Angang New Steel Co., Ltd. (ANSC) was listed on the Hang Seng and Shenzhen Stock Exchange respectively on July 24th and December 25th, 1997 after the foundation on May 8th, 1997.

At the end of 2005, ANSC owned total assets of 1.77 billion USD, a net production value of 1.38 billion USD. In 2005, it recorded 3.380 million tons of steel production, 6.047 million tons of rolled steel production, which witnessed 3.23 billion USD revenue from main operation and 0.25 billion USD net profits.

In January 2006, ANSC issued stock to Angang Group for the purchase of Angang New Iron & Steel Company (ANISC). At the end of this year the purchase was finished and ANSC changed its name to Angang Steel Company Limited (AnSteel). At the end of this year the purchase was finished and ANSC changed its name to Angang Steel Company Limited (AnSteel). So far AnSteel has been equipped with complete sets of modern technical processes, such as coking, sinter, iron-making, steel-making and steel-rolling. Meanwhile, it owns an energy-power system, which achieved the all-in-one management in its main business of steel production. The spectrum of AnSteel ranges from hot-rolled steel, heavy flat sheets, medium plate, high-speed wires, heavy rails, weldless pipes, heavy section, cold-rolled silicon steel, cold-rolled sheet, hot-dip galvanizing sheet to color coated sheets.

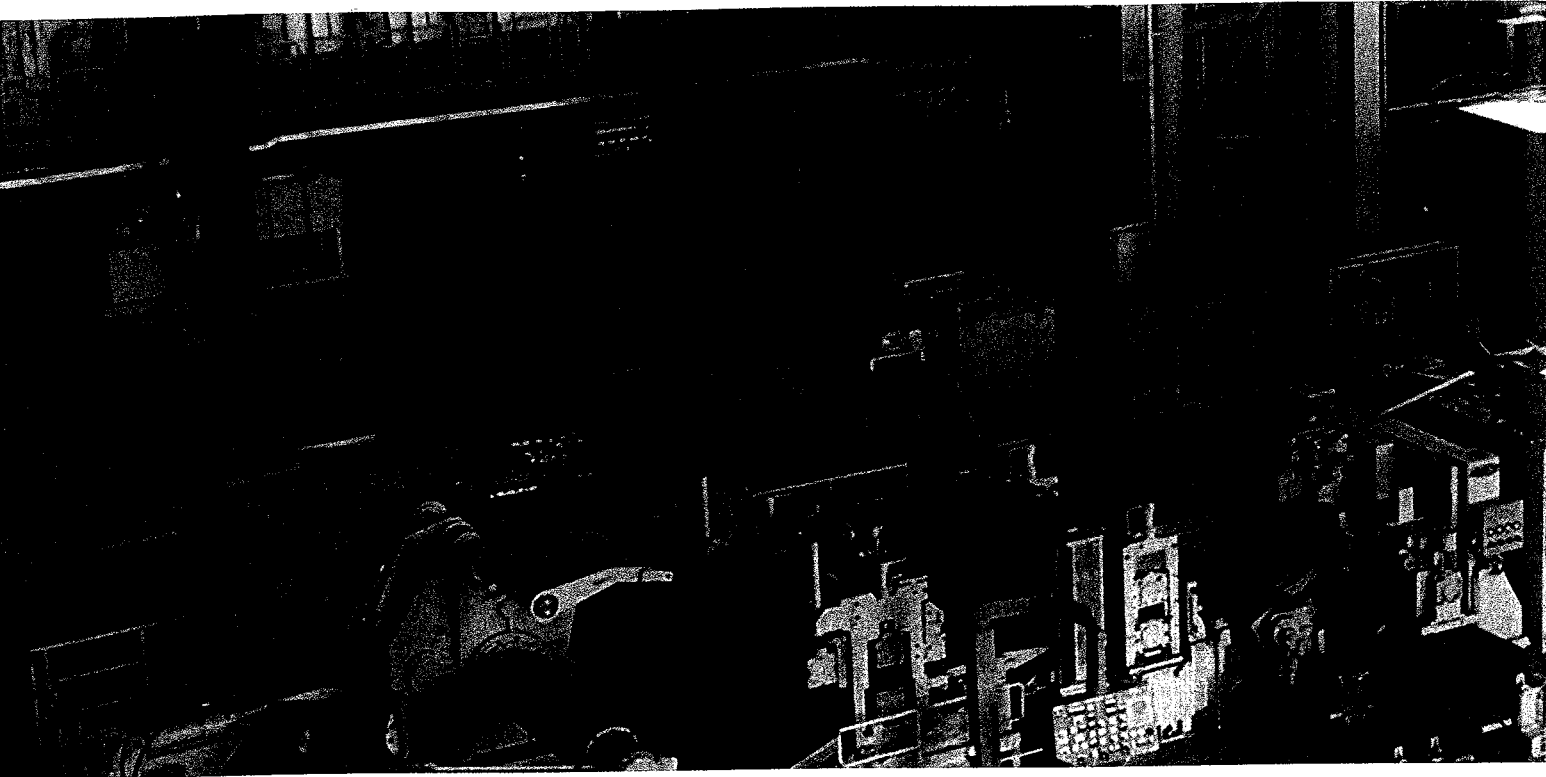
**ThyssenKrupp  
Steel**



#### ThyssenKrupp Steel AG

ThyssenKrupp is a global concern with business activities focused on the areas of steel, capital goods, services. At the beginning of fiscal year 2005/2006, the steel activities of ThyssenKrupp were realigned. After completion of the portfolio consolidation, two separate segments were formed for carbon and stainless steel. The new steel segment is led by the operating holding company ThyssenKrupp Steel AG in Duisburg. With sales of 10.7 billion euros per year the company now is the second largest producer of carbon steel products in Europe with 30,650 employees and a total output of 15,1 million tons of flat rolled steel per year, offering a wide product range which fully satisfies the latest materials concepts.

The spectrum ranges from both hot and cold-rolled strip and uncoated sheet, to electrogalvanized and hot-dip galvanized sheet as well as the production of organically coated flat rolled products and tailored products. ThyssenKrupp Steel is an important supplier of steel products to the international automotive industry. The company's strategy is to supply its customers in all major markets of the world by setting up local production for downstream products. The lines in Dalian are the latest of its 11 HDG lines built around the world.



## Zinc Coatings For Superior Surface Quality

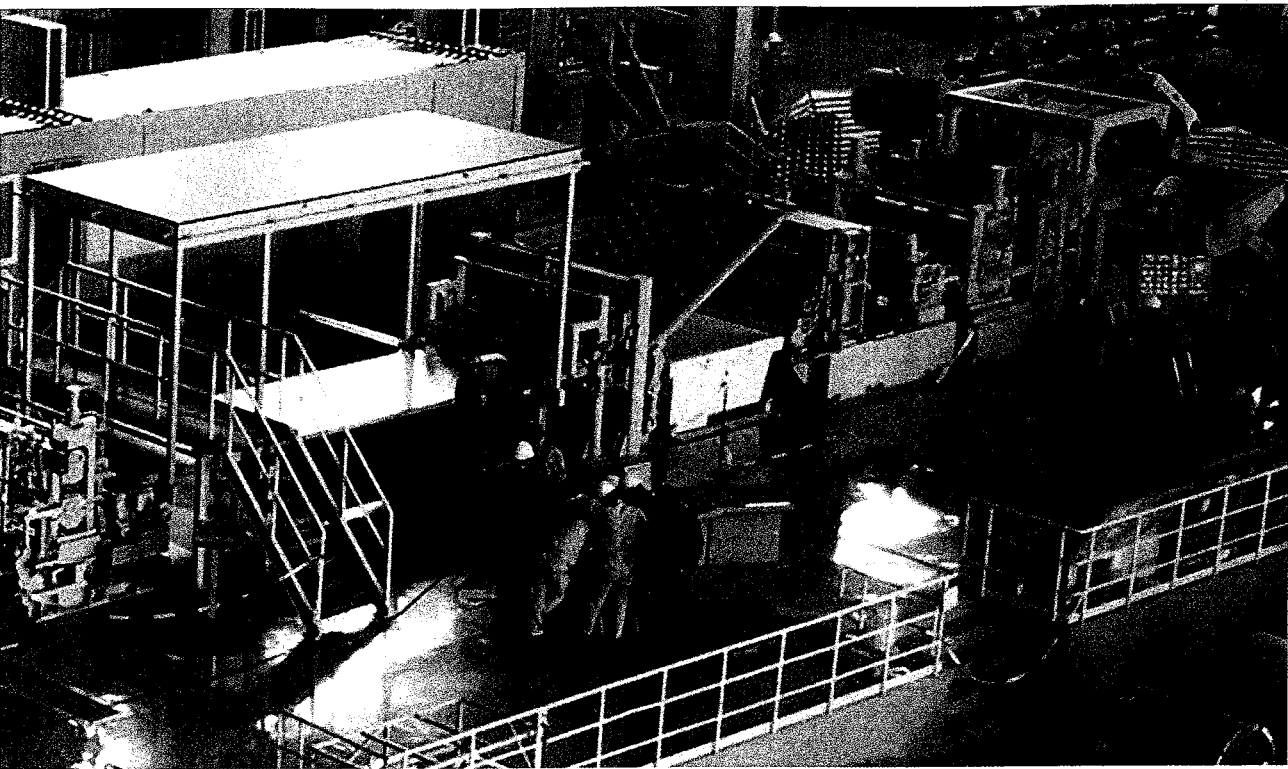
Zinc has long been used as the ideal form of corrosion protection for steel. Today hot-dip galvanized sheet is produced with a surface quality and formability comparable to cold-rolled sheet, such that we cannot imagine life without it in many fields of application (car manufacturing, plant engineering, mechanical engineering). Hot-dip galvanized sheet is also an ideal base material for coil-coating for the production of roof and wall elements in the building industry or of casings for household appliances and the hi-fi sector with high aesthetic demands.

### Customer-Oriented Quality Service

TAGAL assigns quality service engineers in the areas of automotive and household appliance industries, providing a series of quality services ranging from material selection to after-sales quality follow-up, guaranteeing all customers the most perfect, continuous technical service and support.

Due to the great success of TAGAL, ThyssenKrupp Steel and AnSteel are to build a second hot-dip galvanizing line to double the annual production to 800,000 tons in 2008.





	TAGAL I	TAGAL II
Capacity:	400,000 tons/year	400,000 tons/year
Fields of Application:	50% for automotive industry, 50% for appliances	50% for automotive industry, 45% for appliances, 5% for others
Products:	galvanized and galvanized steel	galvanized and galvanized steel
Steel Grades:	CQ-DQ-EDDQ, HSS, BH, DP	CQ-DQ-EDDQ, HSS, BH, DP
Width:	800–1880 mm	800–1880 mm
Thickness:	0.4–2.5 mm	0.4–2.5 mm
Coating Weight:	60–350 g/m <sup>2</sup> zinc (both sides)	60–350 g/m <sup>2</sup> zinc (both sides)
Coil Weight:	5–34 tons/coil	5–34 tons/coil
Surface Treatment:	oiling, phosphating, chemical passivation, anti-fingerprint	improvement of SKP and chemical coater



# State Of The Art Production Process

The process for the production of hot-dip galvanized strip directly follows the cold-rolling. This process combines in one line the cleaning, annealing, galvanizing (galvannealing), temper-rolling and surface treatment.

In order to keep production continuous, the strip, which has been welded to ensure continuous production, goes through such cleaning procedures as alkaline cleaning, brush cleaning and electrolytic cleaning to get rid of the emulsion residue and iron abrasion left on the surface during the cold-rolling, before it finally enters the furnace with a defined surface cleanness.

In the furnace the strip undergoes a continuous annealing process, where it is recrystallized in a controlled atmosphere between 700 and 850°C depending on the steel grade. Here the strip obtains the desired mechanical properties.

Still in a controlled atmosphere, the strip is cooled down in the subsequent heat equalizing and rapid cooling section of the furnace to a temperature of about 20°C above the bath temperature of the molten zinc of 450°C. The strip only exits the controlled protection atmosphere after the zinc bath.

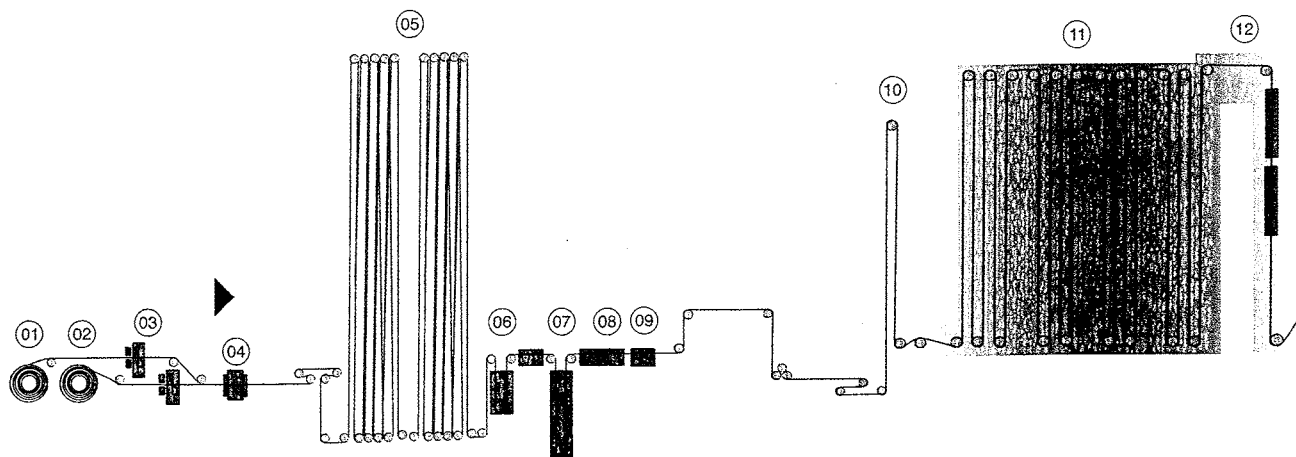
The thickness of the zinc layer is controlled by an air knife with compressed air or nitrogen. The closed-loop control is achieved by adjusting the set values and actual measured values of the

zinc layer, which makes it possible to adjust to specific requirements for identical thickness or differential thickness of coated layers on both sides. After galvanizing, the galvannealing furnace can be used alternatively with the aim of heating the strip by means of high-frequency inductors. In this process, iron atoms diffuse out of the base material into the zinc layer, which will thus be transformed into an alloy of zinc-iron layer. After the galvannealing procedure, the surface of the zinc-iron layer with a Fe percentage of 8-11% appears uniformly light grey.

The roughness and flatness degree of the finished galvanized strips are achieved by skin pass mill and tension leveller.

Before being packaged for shipping, a series of alternative treatments can be carried out, such as chemical passivating, oiling, chromating, phosphating, and anti-fingerprint treatment, so as to protect it against temporary corrosion and friction oxidization as well as to meet customers' requirements for further processing.

All surface treatment, especially chemical passivation and sealing, is CrVI-free to comply with EU legislation.



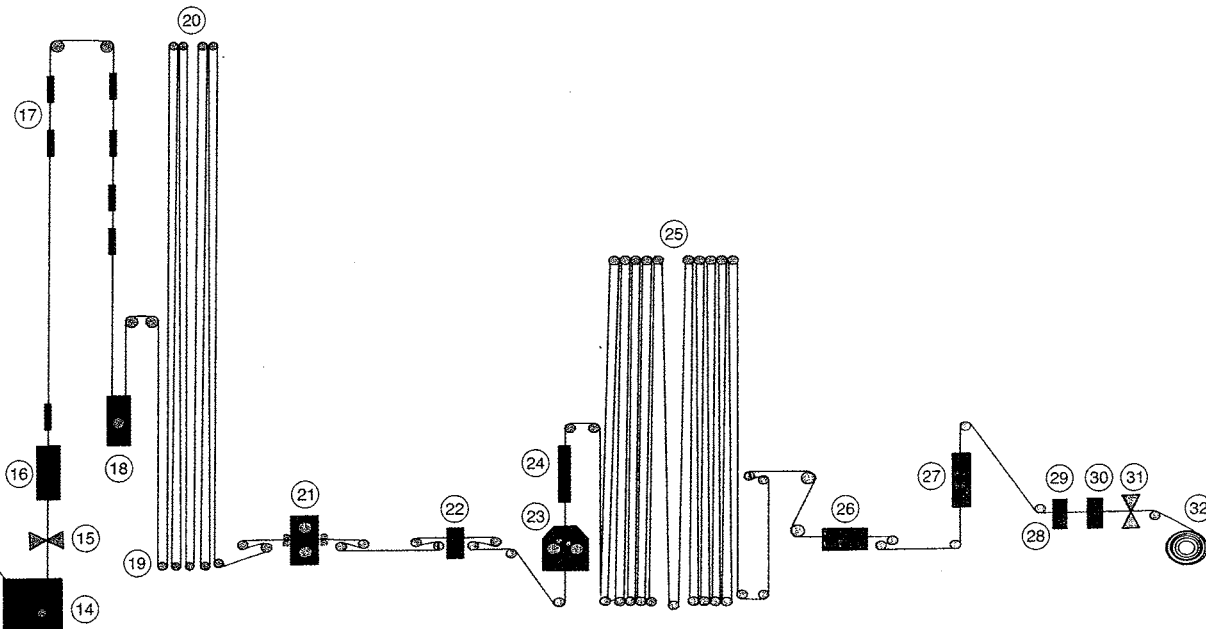
- 1 Uncoiler # 1
- 2 Uncoiler # 2
- 3 Cropping shear
- 4 Welding machine
- 5 Entry looper
- 6 Alkaline spray and brush cleaning

- 7 Electrolytic spray cleaning section
- 8 Brush and spray rinsing
- 9 Strip dryer
- 10 Pre-heating furnace
- 11 Radiant tube furnace with soaking zone
- 12 Cooling section

International Equipment Suppliers:

**Emi** METALLURGY**ALSTOM**

Power Conversion

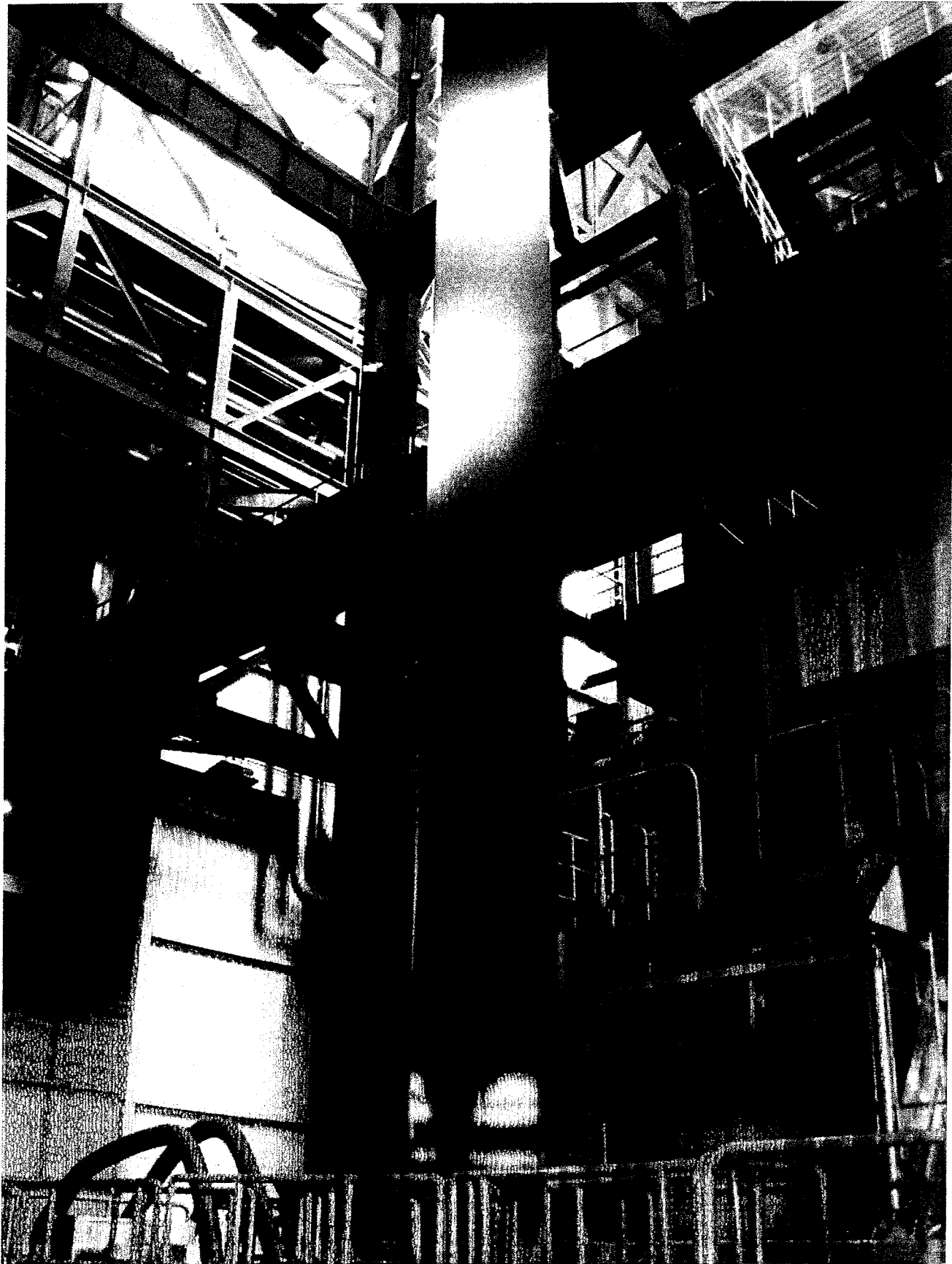
**DREVER**  
International  
Member of the LOI Group**Miebach****V A I**  
CLECIM**EMC****DUMA****Ajax Tocco**  
Engineering**dms**  
CHOTTE FIVE STEEL**GEORG****SIEMENS****hp**  
invent**SAP**

- 13 Hot bridge
- 14 Zinc pot
- 15 Air knife
- 16 Galvannealing furnace
- 17 Air cooling
- 18 Water cooling
- 19 Zinc thickness measurement

- 20 Intermediate loop
- 21 Skin pass mill
- 22 Tension leveller
- 23 Chemcoater: chromating/  
phosphating/anti-fingerprint
- 24 Strip dryer
- 25 Exit loop

- 26 Side trimmer
- 27 Inspection area
- 28 Width measurement
- 29 Stamp marking
- 30 Oiler
- 31 Rotating shear
- 32 Coiler





# State Of The Art Manufacturing Equipment

## Technical Highlights

- Radiant tube furnace with strip pre-heating section and multi-purpose heating section.
- Rapid cooling section with a cooling rate of approximately 60°C/sec. for BH and DP materials. The following equalising section delivers a strip with uniform transverse temperature.
- 325 t inductor-type zinc pot to ensure a uniform bath temperature, less dross deposit and high product quality.
- Modern vertical induction galvannealing furnace to produce a total iron-zinc alloy layer, online iron content measurement system.
- 4-high skin pass mill to create a definite surface roughness; two different work-roll diameters to achieve the special requirements for soft and harder material. The skin pass mill has a Dressier HP Roll cleaning system.
- Chemical passivation/phosphate no-rinse surface treatment section (roll coater) with significant reduction of polluted waste water.
- Side trimmer to adjust the strip width according to customers' specification.
- Modern in-line quality inspection area with integrated Parsytec surface inspection system for in-time quality control.

Left: 325 t inductor type zinc pot for uniform bath temperature, low zinc dross deposit, high-tech air knife.

Below: Radiant tube annealing furnace with 172 tubes, pre-heating and multi-purpose section. Rapid cooling section for bakhardening and dual phase products. Equalizing section for uniform transverse temperature of the strip.



# High-End Inspection Technology To Ensure Best Quality

RECORD VERSION

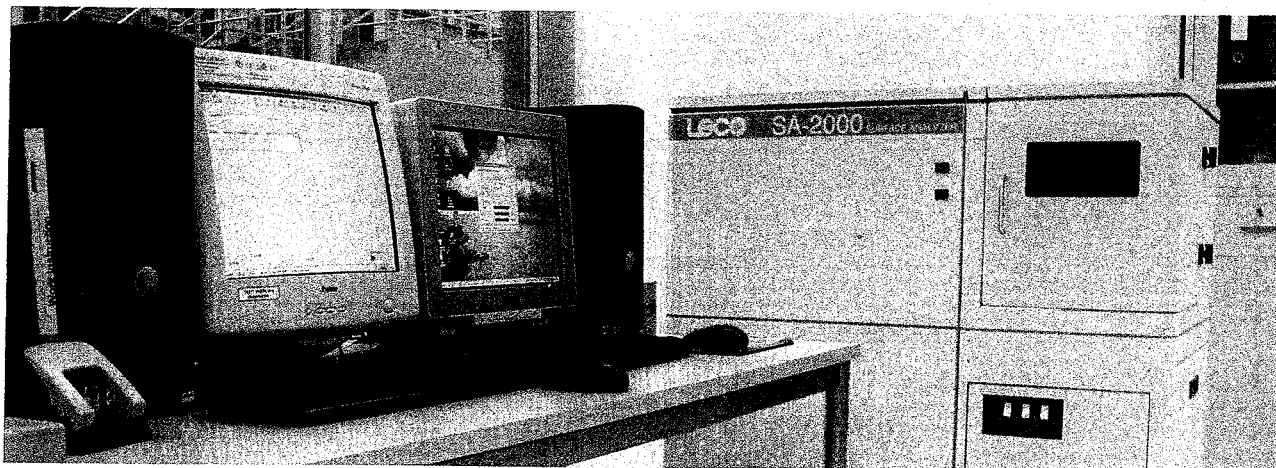
## Quality Assurance

- Surface roughness and coating adhesion are controlled and measured for each coil.
- A special laboratory and inspection station equipped with state-of-the-art testing machines guarantee continuous quality control.
- An inspection room in the line, which is equipped with a special worldwide most-developed lighting system, is used for surface control.
- A surface inspection system from Parsytec is used as an online inspection system which consists of CCD-cameras scanning the surface, combined with highly sophisticated software processing. The system is able to inspect HDG coils at high speed and to detect defects of a size of 1 mm<sup>2</sup>. Details of the defects are displayed and stored digitally as pictures, thus supporting the quality inspector and resulting in high-quality accuracy.
- Customized quality certificates provide elaborate information about the products, chemical analysis and mechanical properties.
- Product data and quality-relevant process parameters are recorded for each metre of strip and saved in an internal database, providing the basis for all material reports required by customers.
- All important order specifications, set point values and incoming material data can be visualized at all operating stations.
- The internal information system, including quality management data, quantity and time reports can be viewed at any time at all relevant points in the facility.



TAGAL implemented an integrated quality management system certified by TÜV Rheinland, consisting of the following elements:

- ISO 9001:2000
- ISO/TS 16949
- ISO 14001
- OHSAS 18001
- GB/T 24001-2004



### Control of Quality Parameters for the Complete Line

#### Entry Section:

- Thickness and width of feedstock
- Welding parameters

#### Cleaning Section:

- Density and temperature of cleaning solution
- Purifying degree of strip after cleaning
- Continuous annealing furnace strip dimension
- Furnace, radiant tubes, burners and strip temperature
- Atmospheric pressure inside furnace
- Annealing period/recrystallization

#### Air Knife and Zinc Pot:

- Temperature
- Chemical composition
- Air knife parameters
- Coating thickness (cold measuring)
- Coating structure
- Adhesion
- Spangle formation

#### Galvannealing Furnace:

- Temperature
- Zinc-iron alloying reaction
- Fe content

#### Skin pass/Tension leveller:

- Degree of skin passing/levelling
- Surface quality
- Coil shape
- Roughness

#### Chemical Coater:

- Thickness of passivation, phosphating and anti-fingerprint

#### Strip Inspection Stand:

- Surface quality and roughness of strip

#### Oiling Section:

- Thickness of oil

#### Exit Section:

- Thickness and width of strip

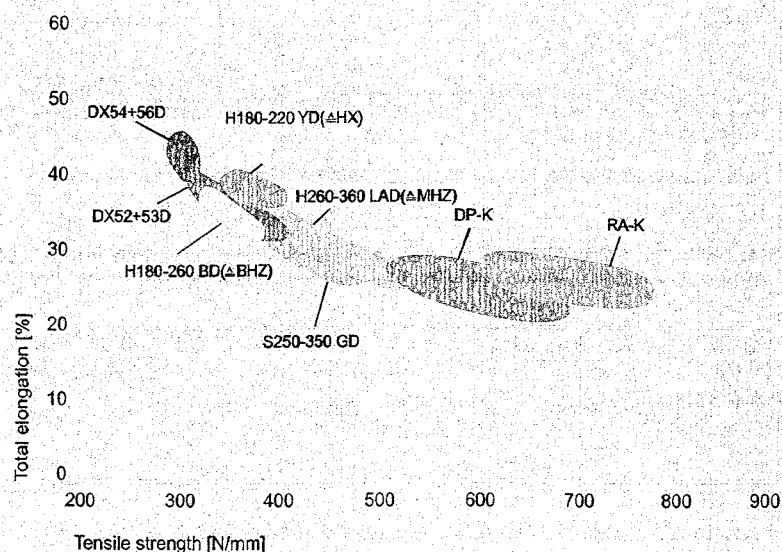
# Wide Quality Range Satisfies All Customer Requirements

## Quality Range

All variants of hot-dip galvanized sheet meet the standards of the mild steels and structural steels listed in the product mix. Most variants can also be produced in high-strength grades.

The mild steel product range extends from basic quality for simple forming through drawing quality to excellent stretch and deep-drawing qualities. Research and application technology have recently developed, or rather further developed, high-strength steels and built them into an extensive product range, specially for the automotive sector. The use of these steels allows an improvement in component behaviour and, due to the reduction in sheet thickness, the lowering of weight and so a saving in fuel while the strength level is maintained. Various strengthening methods are included in the product range. High-strength qualities suitable for deep-drawing in accordance with DIN EN 10292 with graduated minimum yield strength and greater elongation:

- Phosphorus alloyed steel (works designation PHZ...) has good drawability thanks to a comparatively high r-value. The strength is achieved through small additions of phosphorus and manganese (solid-solution hardening).
- The high-strength special deep-drawing qualities (works designation HX...) are even more deep-drawable and stretch-formable. The basis is the IF character (Interstitial Free), i.e. the carbon and nitrogen released in the lattice are bound by titanium or titanium and niobium. Small additions of phosphorus and manganese produce a solid-solution hardening.
- With bake-hardening steel (works designation BHZ...) the diffusion of free carbon atoms during heat treatment after painting is used, e.g. bake-hardening for external sheets. This steel is excellently suited to outer auto body applications thanks to its good dent resistance.
- With the micro alloyed steel (works designation MHZ...) a higher strength is achieved due to the fine grain and the carbonitride precipitation of Ti and Nb to the grain boundaries. The steel is well suited for structural components.
- With the dual-phase steel (works designation DP-K®) the development to multiple-phase steels is achieved. Martensite islands have a strengthening effect in the ferritic microstructure. Besides good iso-tropic forming properties and a bake-hardening potential, it has a high strengthening capacity and thus a high energy absorption capacity. Its obvious use is in crash-relevant parts.



### Corrosion Protection

A zinc coating applied to steel in an immersion process has for a long time been ideal in corrosion protection. The zinc actually protects the steel underneath in two ways:

First the zinc layer forms an adhering protective jacket, which protects the steel when subjected to weathering (barrier effect).

On the cut edges and in those places where this jacket sustains damage through to the steel base, the base zinc first dissolves in a conducting medium (dirt, drops of water), i.e. "is consumed", before the steel is attacked.

This is termed the "cathode protective effect" of zinc.

The corrosion protection can be significantly enhanced by a paint coating.

If the hot-dip galvanized products are arranged according to the most important corrosion criteria and compared to cold-rolled steel, the results are:

Criterion	Hot-dip galvanized	Galvannealed	Cold-rolled sheet
Corrosion resistance unpainted	good	—	—
Corrosion resistance painted (KTL)	good	excellent	acceptable
Paintability (KTL)	good	satisfactory	excellent
Phosphateability	good	excellent	excellent
Fuel stability	satisfactory	—	inadequate

# Formability And Welding Of Zinc Coated Sheets

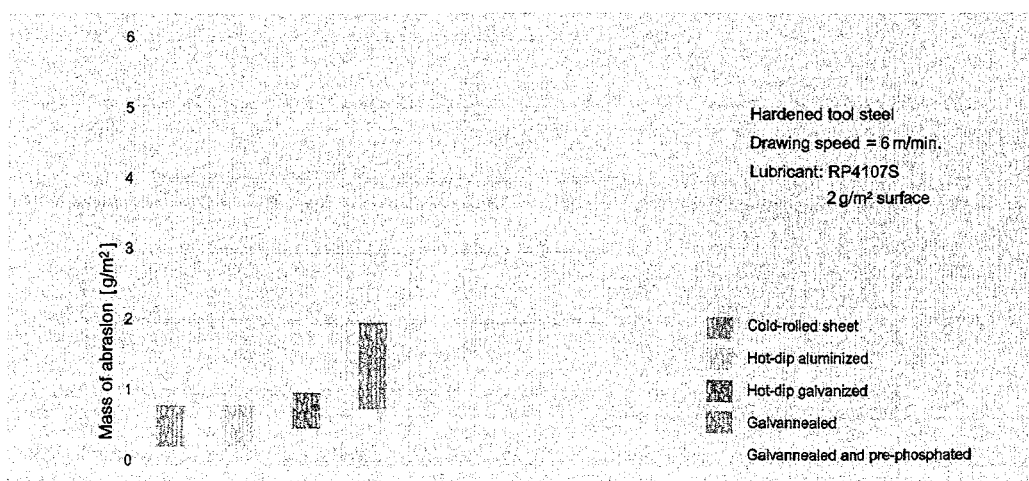
## Formability

All forming processes for the cold-rolled steel can be used for hot-dip galvanized sheets, if tool surface and geometry suit these materials. The last finishing operation of the tool surface must take place in the direction of the sheet metal flow. This also applies to the drawing beads and draw radii.

The tool surface must be absolutely scratch-free to avoid abrasion from the coating which commonly occurs at high forming unit cycle times. The abrasion can be minimized by using a suitable drawing aid or a phosphate-treated strip surface. If possible a thin metallic coating should always be chosen, as far as the corrosion protection requirements allow. The resulting friction forces are significantly lower than with cold-rolled sheet of comparable roughness because of the metallic coating. Thus the forming efficiency is increased, which often results in a higher limiting drawing ratio or in a greater depth of draw. Due to the lower friction, higher blank holder forces are required when deep-drawing than with cold-rolled sheet, with the result that, although the applicable working range shifts in terms of level, it is not restrictive.

Just as for cold-rolled sheet, a certain roughness of the hot-dip galvanized sheet surface permits optimal production conditions and safe transportation of parts through suction cups. This roughness is adjusted during temper-rolling.

Hot-dip galvanized sheet is just as suitable for all deep-drawing processes as normal hot-dip galvanized sheet. Due to the iron content in the zinc layer, the frictional behaviour is more similar to that of cold-rolled sheet. Because of the higher frictional values, smaller blank dimensions can be chosen with stretch-forming parts. The fact that the zinc-iron layer is somewhat less ductile than the pure zinc layer has to be borne in mind when lubricating, maintaining tools and designing the radii.





## Welding

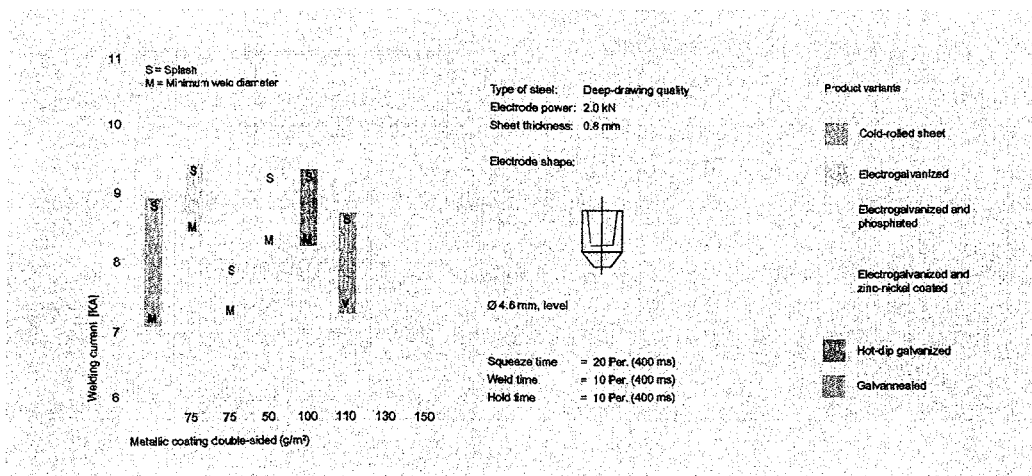
Welding is the most commonly used joining technique. Hot-dip galvanized sheet can be easily resistance-spot welded. However, a higher welding current and greater electrode force have to be used compared with cold-rolled sheet because the coating has less transitional resistance. As a result of this, the normal copper electrodes become alloyed and the electrode life, i.e. the number of spot welds is lower than with cold-rolled sheet.

This can be counteracted by using suitable electrode material, e.g. CuCr1Zr or CuC1 and adapted electrode geometry as well as sufficient cooling. A staggered control, for example, raises the welding current in stages and thereby increases the electrode life significantly. Hot-dip galvanized sheet can be welded more economically, as the copper electrode alloys up to a lesser degree because of the zinc-iron layer. The figure in the table compares the welding current range of hot-dip galvanized materials with cold-rolled sheet and its electrolytically coated variants. It shows that the welding-current range of the galvanized variant is almost identical to that of cold-rolled sheet. Seam-welding can also be used. The electrodes have to be continuously cleaned using scrapers or brushes or with a knurled drive, which smoothes the contact area of the electrodes.

Projection-welding and stud-welding can also be used, even if, compared to cold-rolled sheet, the welding current and electrode force are increased or the stud is pressed with somewhat greater force into the melt.

The familiar, conventional methods, such as GMA and TIG welding are also suitable for joining hot-dip galvanized sheet. Other possibilities are soldering and brazing, whereby the inert gas technique is advantageous for the latter. Because the coating metal burns in the melt of the welding seam, a welding method should be chosen which introduces little heat into the welding area in order to reduce the corrosion protection by as little as possible. A welding speed, less than that used for cold-rolled sheet allows the melt to degas and prevents pore formation as far as possible. The welding fumes must be drawn off.

Plasma-welding and laser-welding are recommended welding methods. The heat-affected area is comparatively small, the seam is almost free of pores and only slightly overfilled.



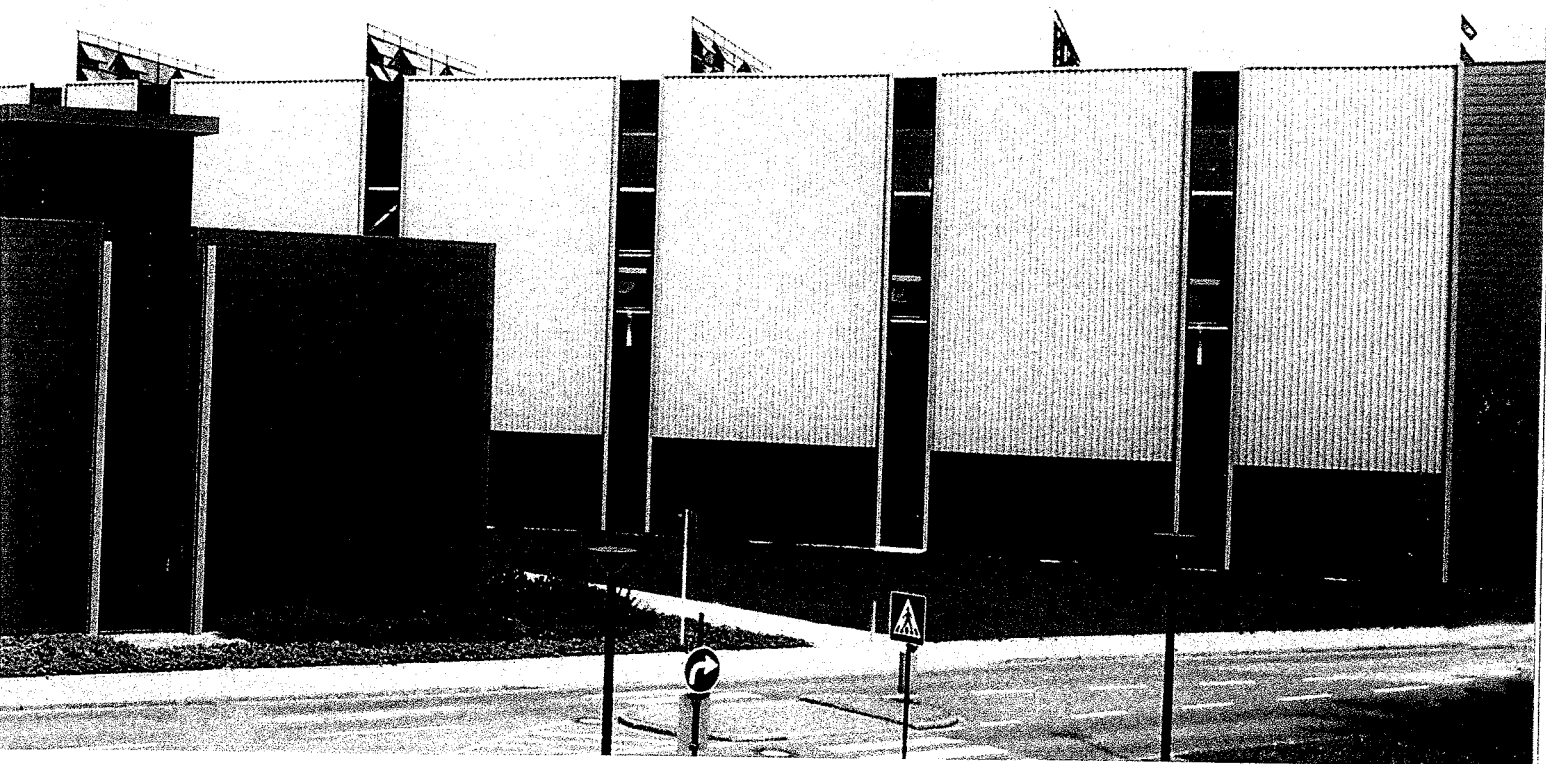


## Breaking The Limits By Advanced Research & Development

### Further development of products and hot-dip galvanizing technology

Smelting, hot and cold-rolling and annealing can be tested in different processes in the laboratory by pilot facilities for industrial production. A more recent method is material-modeling. From the analysis and microstructure formation as well as the given process conditions, important material parameters can be estimated and indications given about required production parameters by means of universal numeric simulation.



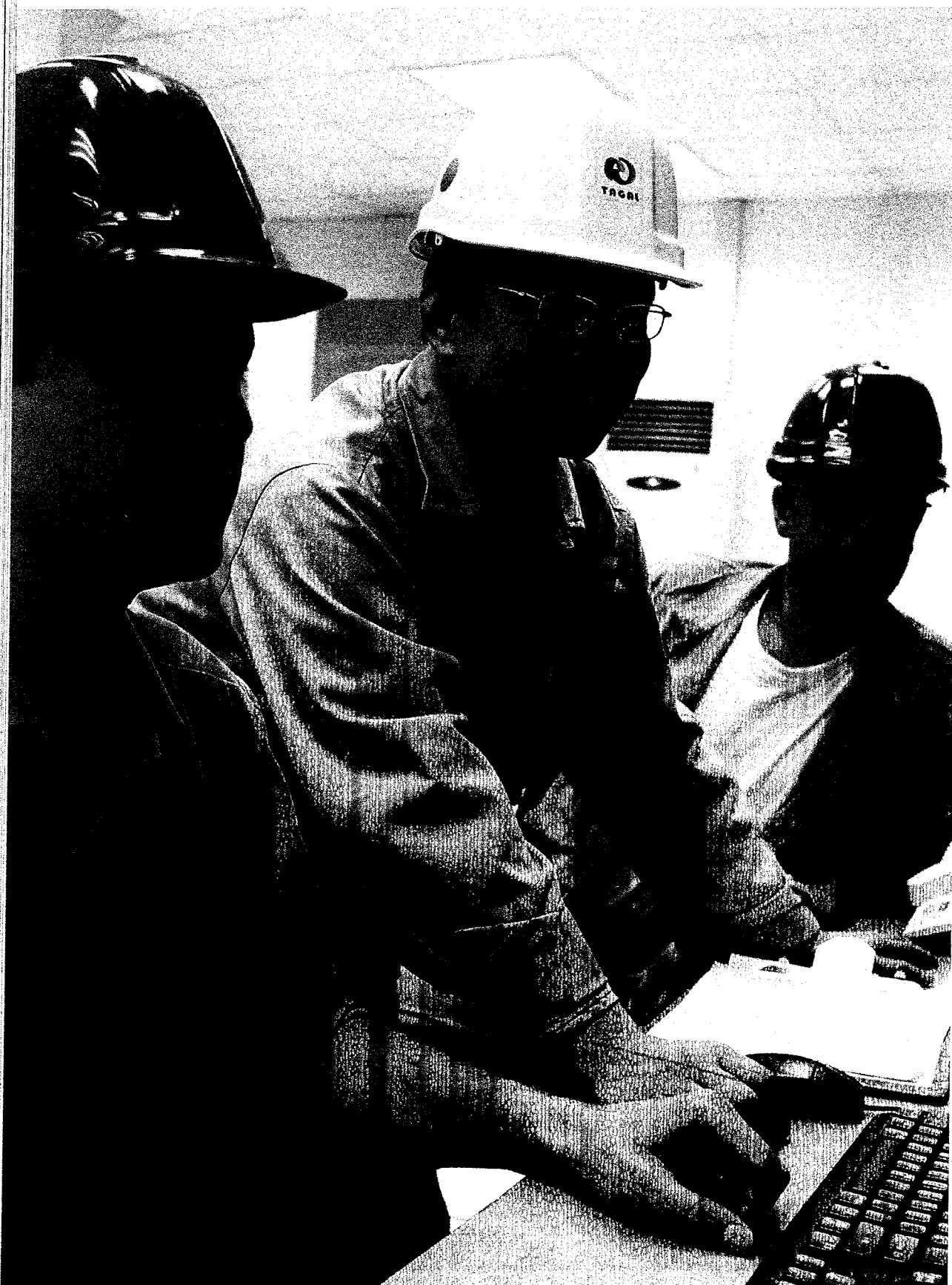


In order to be able to successfully use newly developed steels, e.g. high-strength steels, important process variables (inert gas, temperature, bath composition) have to be varied and their effects on the galvanizability have to be tested. Investigation into the scale of influence the zinc-iron layer has serves to improve abrasion behavior. In the case of the galvanized variant, which is produced by "in-line reannealing", the influencing variables are investigated which effect to the structure of the zinc-iron layer in such a way that the abrasion is further minimized in the forming process.

Coating and surface finishing are becoming increasingly important steps in steel production. ThyssenKrupp Steel possesses a unique surface-engineering facility in the Dortmunder OberflächenCentrum (DOC®), which it runs in collaboration with SMS Demag and Fraunhofer Gesellschaft.

The aim is to drive forward the development of completely new concepts offering superior surface properties.





# Continuous Technical Support From ThyssenKrupp Steel



TAGAL and ThyssenKrupp Steel will communicate and exchange information by means of the Internet, audio-visual conference calls and spot direction so as to guarantee the technology synchronization, which will in turn contribute to the improvement of quality and processing.

ThyssenKrupp Steel will provide continuous-technical support to TAGAL to ensure that TAGAL keeps up the same pace as ThyssenKrupp Steel in the development of galvanizing technology, and stands out on the most advanced level worldwide.

In addition, the application technology experts from ThyssenKrupp Steel also offer comprehensive services for our customers, from consulting for the forming and joining processes to material concepts, to feasibility studies and efficiency audits to ensure optimal results.

# Comprehensive Product Range To Meet International Standards

### Hot-dip galvanized sheet (Z)

Within the group of surface-treated sheets, hot-dip galvanized sheet leads with regard to both output and to fields of use. Work-hardened cold-rolled strip is continuously recrystallized in a furnace, drawn through a zinc bath, and in the process, given a zinc coating (hot-dip process). TAGAL supplies hot-dip galvanized steel coils in accordance with DIN EN 10142, DIN EN 10147 and DIN EN 10292.

### Zinc coatings

60, 100, 140, 200, 275, 350 g/m<sup>2</sup> depending on grade, strip cross-section and surface finish<sup>1)</sup>. Further coating masses and different coatings on each side by arrangement.

### Surface finish

Minimized spangle (M) is obtained when the solidification is controlled. In general, the crystallite boundaries are no longer visible to the naked eye.

### Surface qualities

A, B, C in accordance with DIN EN 10142 depending on coating and grade. B and C are achieved by skin passing.

### Surface treatment/protection<sup>2)</sup>

Anti-fingerprint (AFP), chemically passivated (C), oiled (O), chemically passivated and oiled (CO), phosphate-treated (P), phosphate-treated and oiled (PO).

### Tolerances

Tolerances on dimensions and shape in accordance with DIN EN 10143.

### Grades

Please see the following:

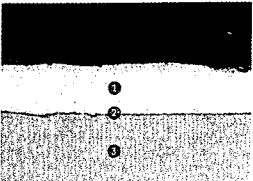
Product forms	Dimensions	
Strip	Thickness 0.40–2.50 mm	Width <sup>4)</sup> 800–1880 mm

1) The figures represent mass per unit area on both sides (minimum values) of the standardized triple spot test.

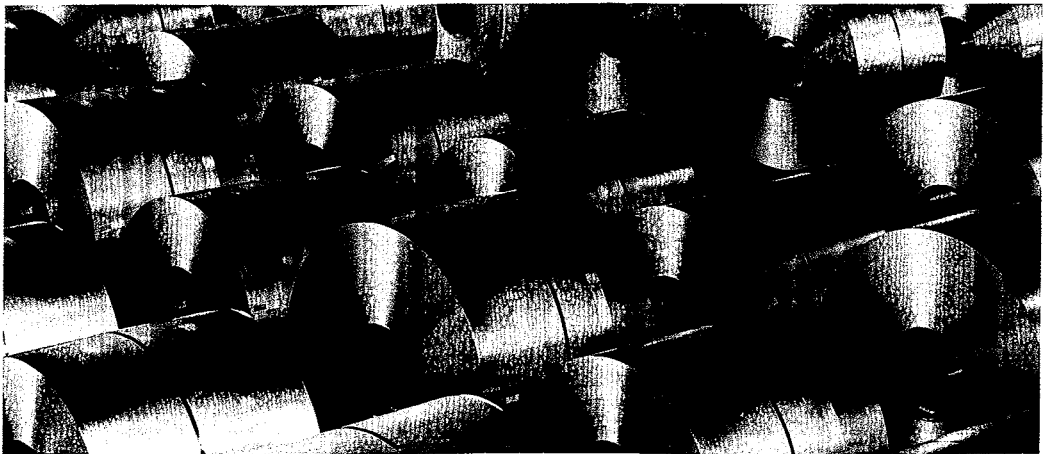
2) CrVI-free in accordance with EU standards.

3) Other dimensions by arrangement.

4) Depending on steel grade and thickness.



① Zinc layer  
② Iron-aluminium interlayer  
③ Steel



**Hot-dip galvanized sheet (ZF)**

This variant is produced by a process in which the hot-dip galvanized strip passes immediately after the zinc bath and air knives through a heat treatment which, via a diffusion process with the steel base, converts the zinc layer to a zinc-iron layer. The iron proportion in the layer is 8–11%. The layer is an ideal base for painting. Hot-dip galvanized sheet has excellent welding and adhesion properties. It is supplied in accordance with DIN EN 10142, DIN EN 10147 and DIN EN 10292.

**Zinc-iron coatings**

60, 120 g/m<sup>2</sup> depending on grade, strip cross-section and surface finish<sup>1)</sup>.  
Further coatings by arrangement.

**Surface finish**

Zinc-iron alloyed (R). The surface appears uniformly dull grey.

**Surface qualities**

A, B, C in accordance with DIN EN 10142. B and C are achieved by temper-rolling.

**Surface treatment/protection<sup>2)</sup>**

Oiled (O), phosphate-treated (P), phosphate-treated and oiled (PO), chemically passivated (C), anti-fingerprint (AFP).

**Tolerances**

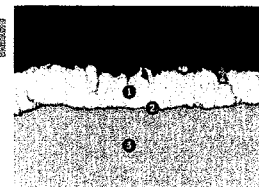
Tolerances on dimensions and shape in accordance with DIN EN 10143.

**Grades**

Please see the following:

Product forms	Dimensions	
Strip	Thickness	Width <sup>4)</sup>
	0.40–2.50 mm	800–1880 mm

- 1) The figures represent mass per unit area on both sides (minimum values) of the standardized triple spot test.
- 2) CrVI-free in accordance with EU standards.
- 3) Other dimensions by arrangement.
- 4) Depending on steel grade and thickness.



- ① Zinc layer
- ② Intermetallic interlayer
- ③ Steel

**Hot-dip galvanized sheet – comparison of standards: EN, ASTM, JIS**

		Europe	USA	Japan
Hot-dip galvanized sheet (Z) Galvanized (ZF)	Mild steels for cold-forming	EN 10142	ASTM A653	JIS 3302
	Structural steels	EN 10147		
All coatings	Steels with higher yield strength for cold-forming	EN 10292		
Dimensional and shape tolerances		EN 10143	ASTM A924	JIS 3302
				JIS 3314



# Steel Grades – Name And Standard Designation

Steel grades, name and standard designation	Yield strength <sup>1)</sup> R <sub>p0.2</sub> N/mm <sup>2</sup>	Tensile strength R <sub>m</sub> N/mm <sup>2</sup>	Characterization
Mild steels for cold-forming			
Hot-dip galvanized sheet (Z) and hot-dip galvanized sheet (ZF) in accordance with DIN EN 10142			Beginning with the lock-forming (basic) quality for simple forming, through drawing and deep-drawing quality to the extra and special deep-drawing qualities. Each grade is defined by graduated maximum values of yield strength and by minimum values of elongation. The properties are determined by the melt analyses which vary within narrow ranges. The steel for the extra deep-drawing and special deep-drawing qualities is decarburized by vacuum treatment and stabilized with microalloy elements (Ti, Nb, V). These grades are resistant to ageing.
DX51D+Z; +ZF		max. 500	
DX52D+Z; +ZF	max. 300 <sup>2)</sup>	max. 420	
DX53D+Z; +ZF	max. 260	max. 380	
DX54D+Z; +ZF	max. 220	max. 350	
DX56D+Z; +ZF	max. 180	max. 350	
Mild steels for cold-forming			
Hot-dip galvanized sheet (Z) and hot-dip galvanized sheet (ZF) in accordance with DIN EN 10147			Graduated minimum values for yield strength, tensile strength and elongation. The main field of use is the building industry.
S220GD+Z; +ZF	min. 220	min. 300	
S250GD+Z; +ZF	min. 250	min. 330	
S280GD+Z; +ZF	min. 280	min. 360	
S320GD+Z; +ZF	min. 320	min. 390	
S350GD+Z; +ZF	min. 350	min. 420	

1) The values apply to the 0.2% proof strength ( $R_{p0.2}$ ), if the yield strength is not pronounced. If the yield strength is pronounced, they apply in the case of general-purpose structural steels to the lower yield strength  $R_{eL}$ .

2) This value applies only to temper-rolled products (surface types B and C).



Steel grades, name and standard designation	Yield strength <sup>1)</sup> R <sub>p0.2</sub> N/mm <sup>2</sup>	Tensile strength R <sub>m</sub> N/mm <sup>2</sup>	Characterization
High-strength steels			
Hot-dip galvanized sheet (Z) and hot-dip galvanized sheet (ZF) in accordance with DIN EN 10142			IF steel; very good deep-drawing and stretch-forming ability in lower strength range; high r- and n-values; suitable for difficult deep-drawing components.
HX180YD+Z; +ZF	180–230	340–400	
HX220YD+Z; +ZF	220–280	350–420	
HX260YD+Z; +ZF	260–320	380–440	
Hot-dip galvanized sheet (Z) and hot-dip galvanized sheet (ZF) in accordance with DIN EN 10142; work designation MHZ ...			A high component strength level can be achieved by the ability to meet accurate specifications in alloying technology.
HX260LAD+Z; +ZF	260–330	350–430	
HX300LAD+Z; +ZF	300–380	380–480	
HX340LAD+Z; +ZF	340–420	410–510	
HX380LAD+Z; +ZF	380–480	440–580	
Hot-dip galvanized sheet (Z) from phosphorus-alloyed steel in accordance with DIN EN 10292; work designation PHZ ...			Good deep drawability through comparatively high r-value; suitable for deep-drawing components in intermediate strength range.
HX220PD+Z	220–280	340–400	
HX260PD+Z	260–320	380–440	
HX300PD+Z	300–360	400–480	
Hot-dip galvanized sheet (Z) and hot-dip galvanized sheet (ZF) in accordance with DIN EN 10142, from bake-hardening steel; work designation BHZ ...			Increase in strength only after forming and subsequent heat treatment (e.g. paint-baking); suitable for flat stretch-drawing components, which require high dent resistance. Both types of the H220BD and H260BD grades have isotropic properties.
HX180BD+Z; +ZF	180–230	300–360	
HX220BD+Z; +ZF	220–270	320–400	
HX260BD+Z; +ZF	260–310	360–420	
HX300BD+Z; +ZF	300–360	400–480	
Hot-dip galvanized sheet (Z) and hot-dip galvanized sheet (ZF) from dual phase steel; work designation DP-K® ...			High strength level due to martensite islands in ferritic basis microstructure; good isotropic forming properties in upper strength range with favourable elasticity; high BH potential, high capacity for hardening and energy absorption; suitable for stretch-forming components (outer and inner) of auto body, above all for crash-relevant components.
DP-K30/50+Z; +ZF	min. 300	min. 500	
DP-K34/60+Z; +ZF	min. 340	min. 600	
Other grades also in accordance with foreign standards or customer specifications by arrangement.			

1) The values apply to the 0.2% proof strength ( $R_{p0.2}$ ), if the yield strength is not pronounced. If the yield strength is pronounced, they apply to the upper yield strength  $R_{eL}$ .

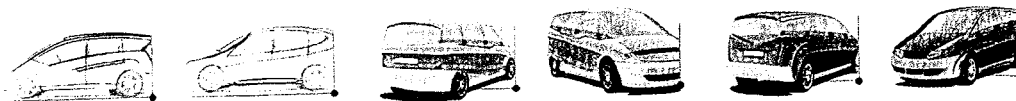
# Thickness Tolerance And Surface Classification

Minimum yield strength < 280 MPa

Nominal thickness	Thickness tolerance for the following widths					
	< 1200	> 1200 – 1500	> 1500	< 1200	> 1200 – 1500	> 1500
	Normal tolerance			Special tolerance		
< 0.40	± 0.05	± 0.06	—	± 0.03	± 0.04	—
> 0.40 – 0.60	± 0.06	± 0.07	± 0.08	± 0.04	± 0.05	± 0.06
> 0.60 – 0.80	± 0.07	± 0.08	± 0.09	± 0.05	± 0.06	± 0.06
> 0.80 – 1.00	± 0.08	± 0.09	± 0.10	± 0.06	± 0.07	± 0.07
> 1.00 – 1.20	± 0.09	± 0.10	± 0.11	± 0.07	± 0.08	± 0.08
> 1.20 – 1.60	± 0.11	± 0.12	± 0.12	± 0.08	± 0.09	± 0.09
> 1.60 – 2.00	± 0.13	± 0.14	± 0.14	± 0.09	± 0.10	± 0.10

Minimum yield strength > 280 MPa

Nominal thickness	Thickness tolerance for the following widths					
	< 1200	> 1200 – 1500	> 1500	< 1200	> 1200 – 1500	> 1500
	Normal tolerance			Special tolerance		
< 0.40	± 0.06	± 0.07	—	± 0.04	± 0.05	—
> 0.40 – 0.60	± 0.07	± 0.08	± 0.09	± 0.05	± 0.06	± 0.07
> 0.60 – 0.80	± 0.08	± 0.09	± 0.11	± 0.06	± 0.07	± 0.07
> 0.80 – 1.00	± 0.09	± 0.11	± 0.12	± 0.07	± 0.08	± 0.08
> 1.00 – 1.20	± 0.11	± 0.12	± 0.13	± 0.08	± 0.09	± 0.09
> 1.20 – 1.60	± 0.13	± 0.14	± 0.14	± 0.09	± 0.11	± 0.11
> 1.60 – 2.00	± 0.15	± 0.16	± 0.17	± 0.11	± 0.12	± 0.12



**Coating surface finish and feature**

Surface finish	Coating type	Feature
Minimized spangle M	Z	No visible spangle on the coating surface
Zinc-iron alloy R	ZF	Coating is zinc-iron alloy without zinc spangle and normally no shine

**Coating surface mass**

Coating up/ bottom surface mass	Coating type	
	Zinc coating (g/m <sup>2</sup> )	Zinc-iron alloy coating (g/m <sup>2</sup> )
Equal coating mass	30/30 to 175/175	30/30 to 60/60
Different coating mass	30 to 175 (each surface)	30 to 60 (each surface)

**Suggested standard coating weight**

Coating	Coating type	
	Zinc coating	Alloy coating
Equal coating mass	30/30 40/40 50/50 60/60 70/70 80/80 90/90 100/100 125/125 175/175	30/30 40/40 45/45 50/50 60/60
Different coating mass	Each surface: 30, 40, 50, 60, 70, 80, 90, 100, 125, 150, 175	Each surface: 30, 40, 45, 50, 60


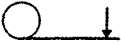

Note: steel sheet in coil with other coating weight can be supplied upon agreement between user and supplier.

# Comprehensive Information For Seamless Business Processes

## Labeling

### TAGAL identification

Every coil is marked with several labels which show data regarding the customer's order and the identification of the product. TAGAL labels are in compliance with the B-16 Global Transport Label Standard for the Automotive Industry version 2.00 (see sample below).

<b>From:</b> <b>TAGAL</b> ANSC-TKS Galvanizing Co.,LTD CN-116600 Dalian Development Zone sales@tagal.com.cn Made in CHINA		<b>To:</b> Name Street-Address, City Country	
Customer PO / Item:	Port:  Name	Markings:	
Customer Part No.:			
Supplier Batch No.:  999999-9		Gross (kg): 99999 Size (mm): 999 x 9999 Production Date: dd.mm.yyyy	Net (kg): 99999 Length (m): 9999
Grade: XXXXX Quality: K-XXXXXXX TAGAL SO: 9999	SG:      Inspection Side:  Net Weight Barcode: 	Packaging: XX	

### EDI – electronic data interface

TAGAL provides a wide range of data and messages from its SAP system to customers through professional service providers. Data and message format as well as means of exchange have to be discussed and agreed on an individual basis. Standard messages which are based on EDIFACT can be expected to be implemented within a short time.





# Careful Packaging To Protect Product Quality

## Packaging

Coil weight 34 t max.

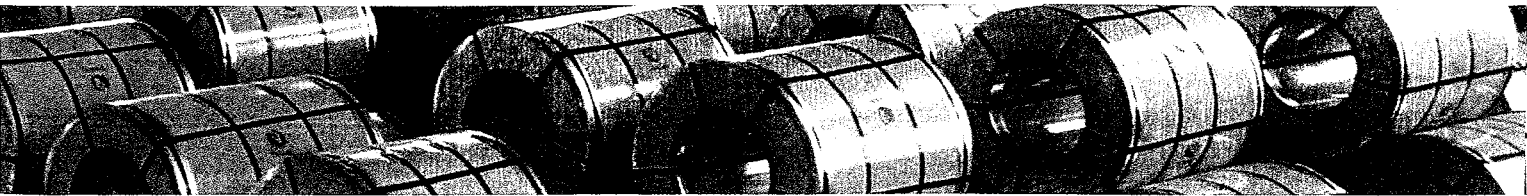
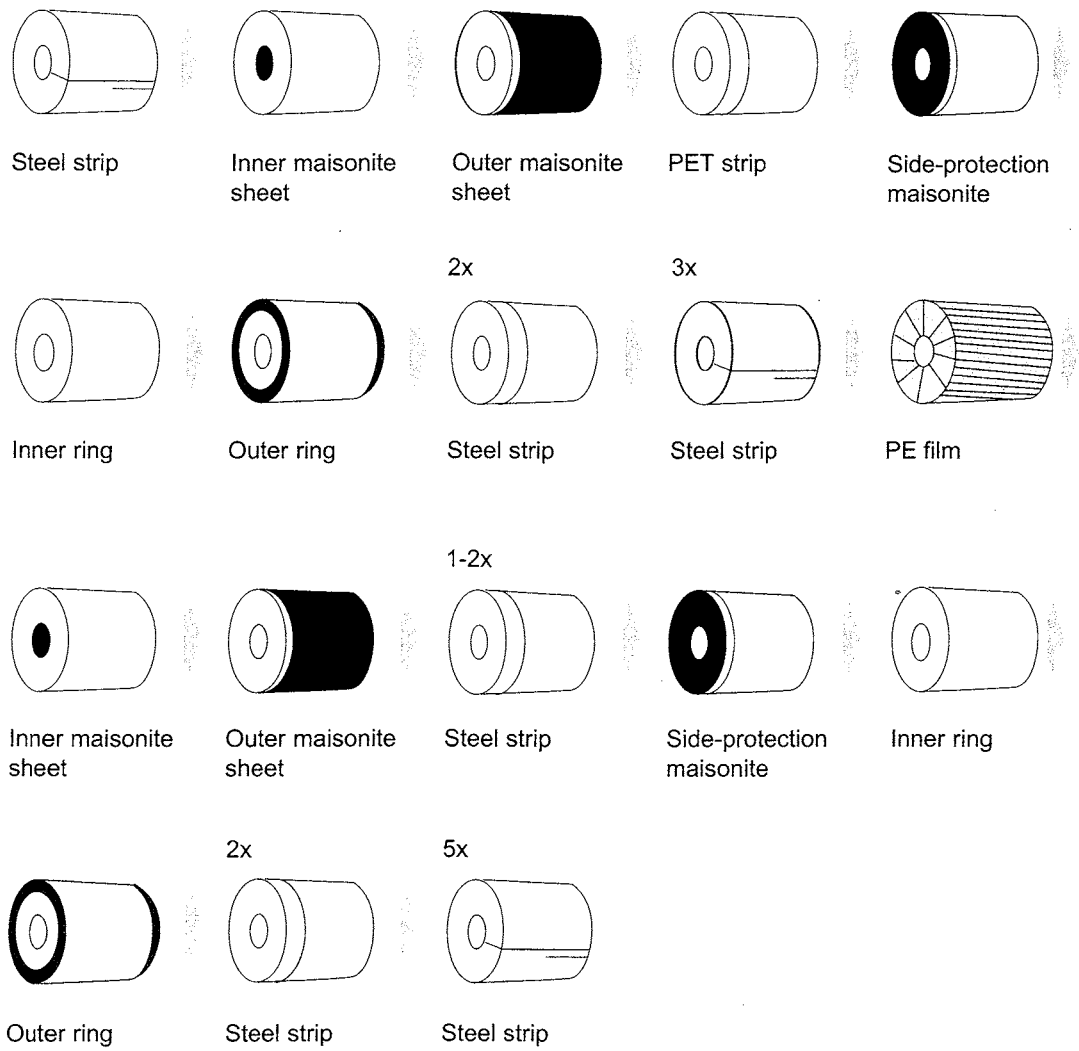
Coil weights depend on strip dimensions and mandrel diameter (508 or 610 mm). Only full coils are supplied without a weld seam. Shipment safety regulations require a coil width to coil outer diameter ratio of min. 0.7.

The type of packaging depends upon the route of shipment, the frequency of transshipments, the method of storage, the lifting equipment of the customer and the sensitivity of the material. It is therefore a matter of agreement between the customer and the supplier.

## TAGAL uses

- Maisonite fibreboards for inner and outer protection against mechanical damage
- PE film (single or double layer depending on means of transportation) for protection against corrosion
- Steel protection rings for edge protection
- PET and/or steel strips

One example of OM – Packaging coat – Seaworthy packages

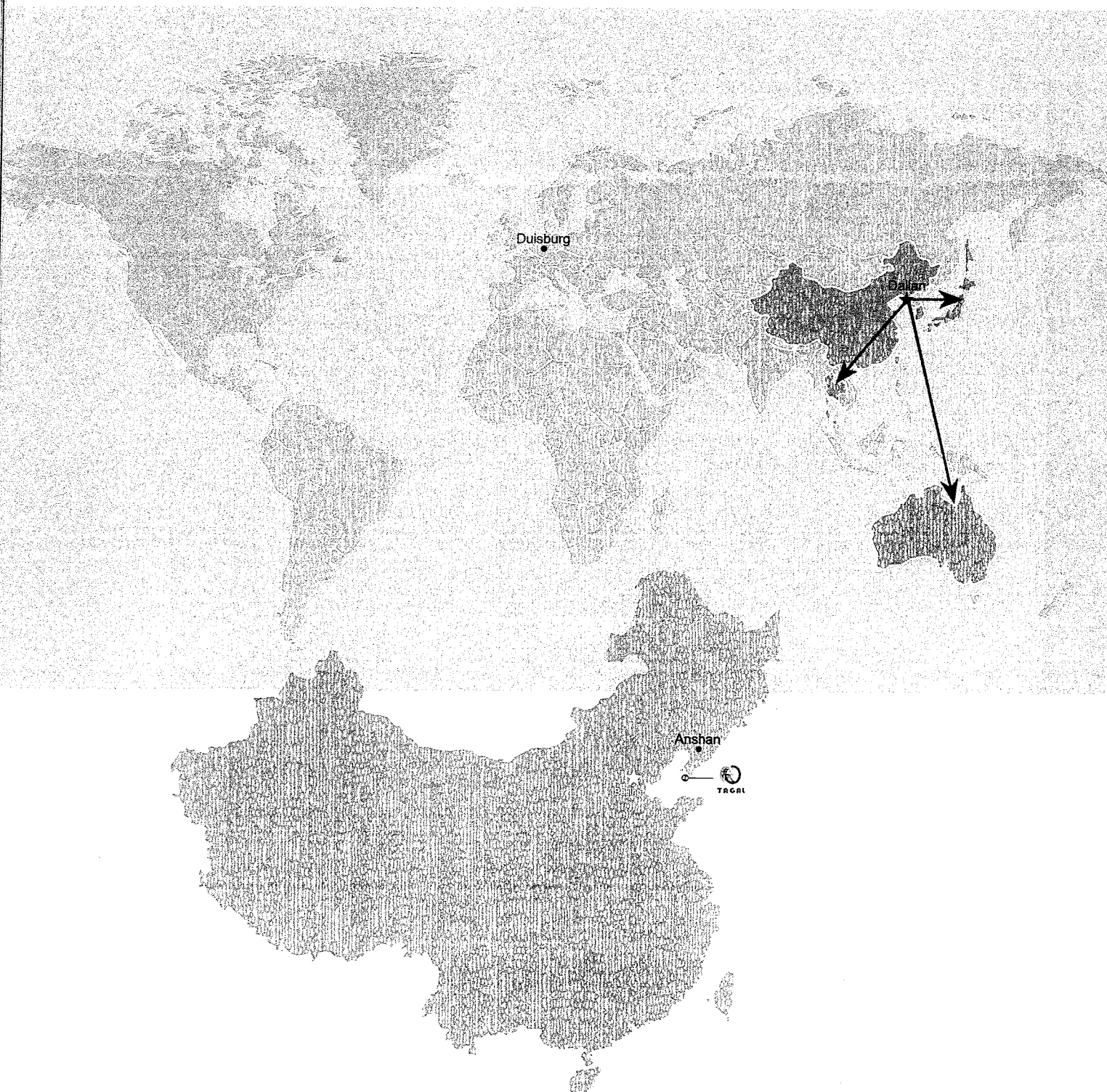


## Where We Are In North-East China

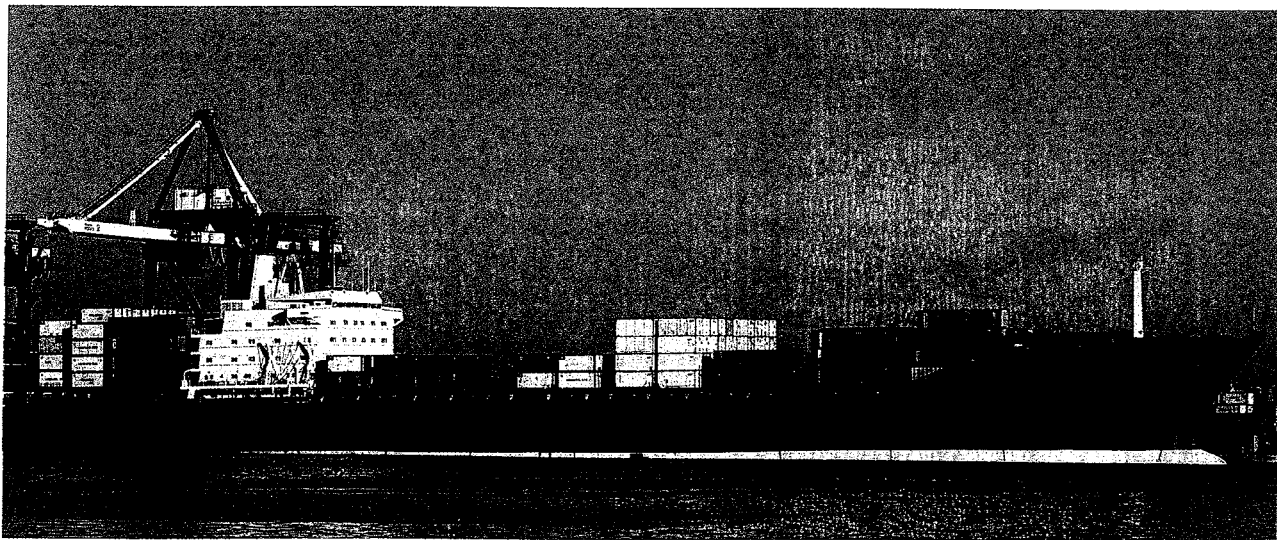
10 km from TAGAL to Dalian Bay and Dayao Bay respectively.

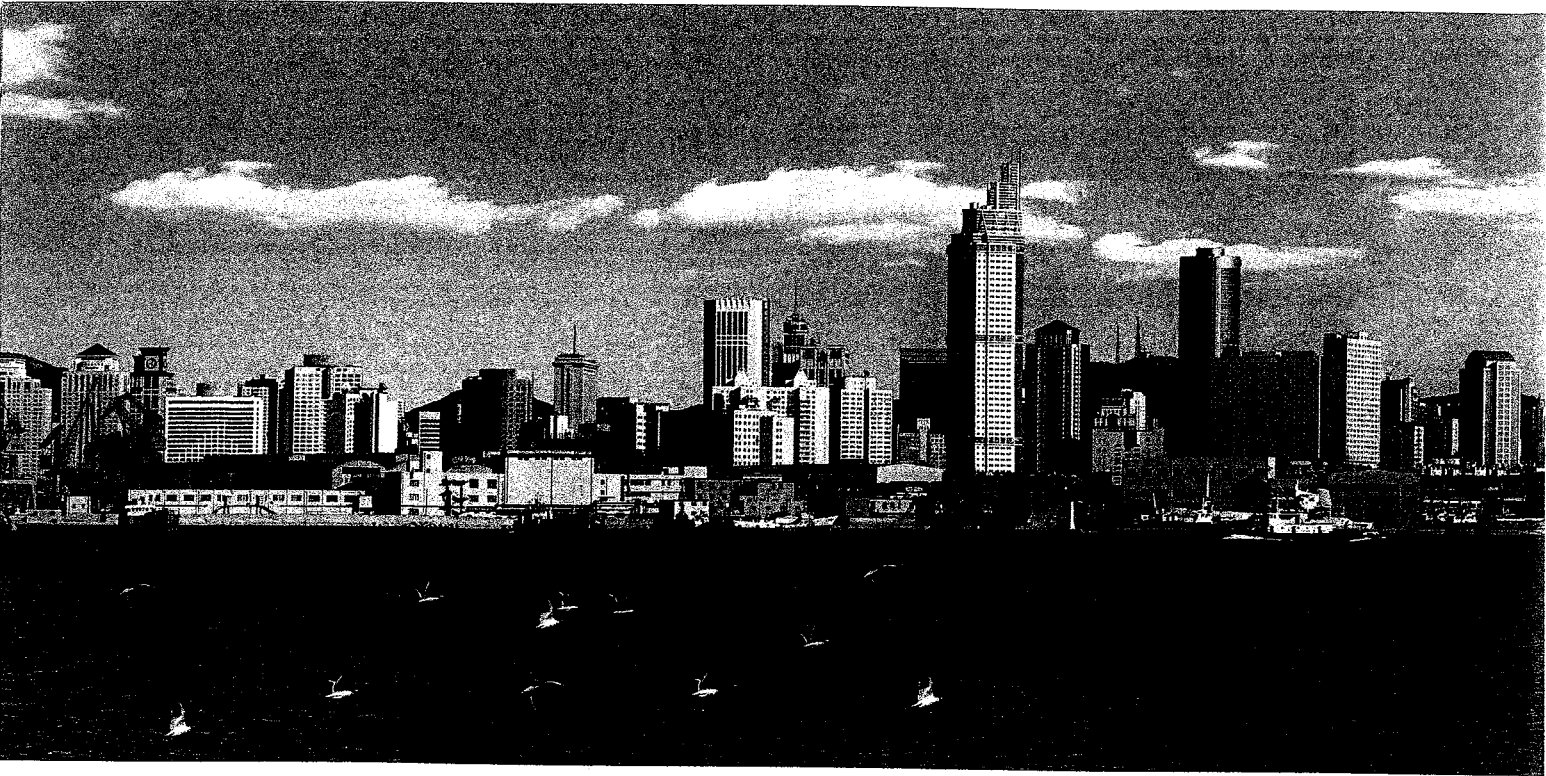
280 km from TAGAL Special Railway Line to Angang Group.

15 km from TAGAL to Shenda Thruway.



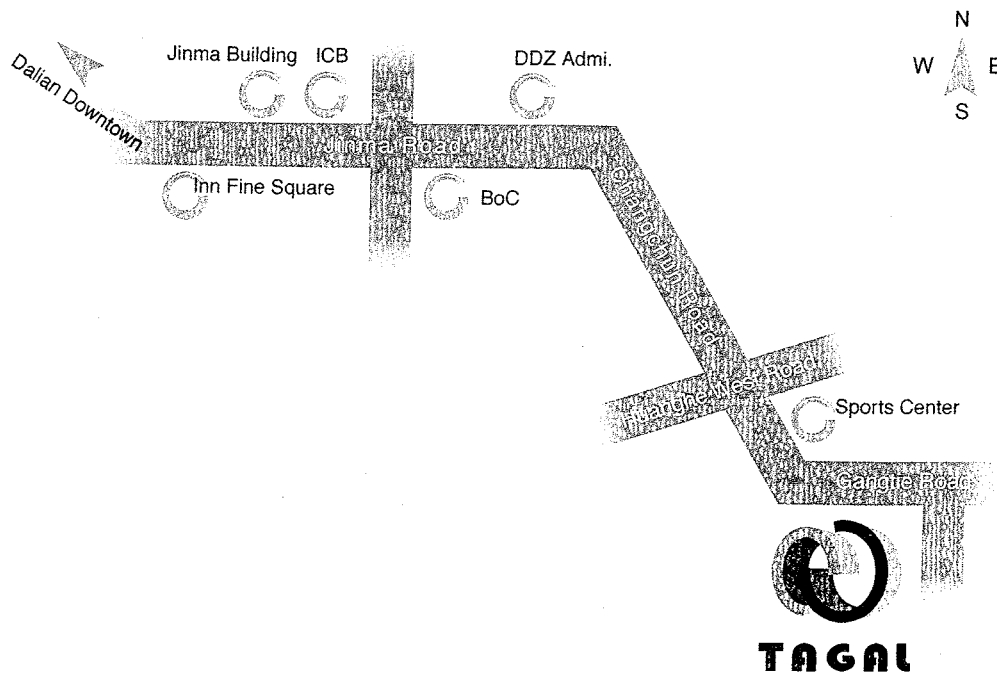




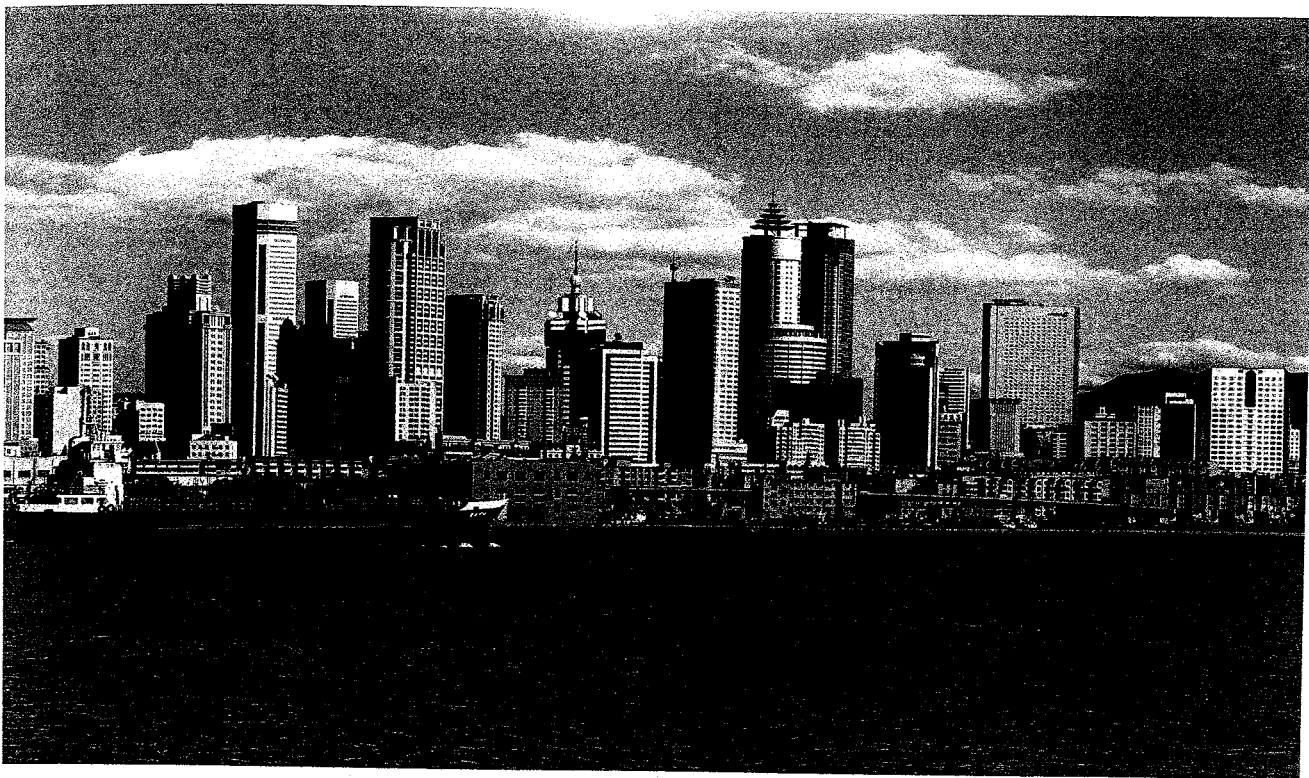


## TAGAL Welcomes You To Dalian

How to find us:



For further information, please visit our website at  
<http://www.tagal.cn>



**General note:**

All statements as to the properties or utilization of the materials and products mentioned in this brochure are for the purpose of description only.

Guarantees in respect of the existence of certain properties or utilization of the material mentioned are only valid if agreed upon in writing. All contents are subject to changes without notice. Reprints, even extracts, only with permission of TAGAL in writing.



# TAGAL

## Product Overview

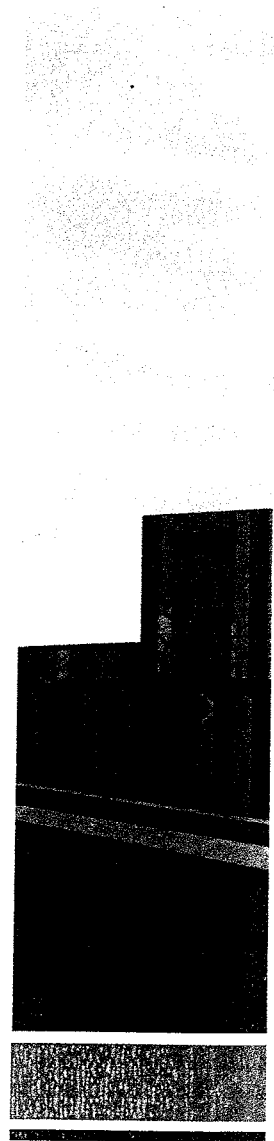
Product quality	Grades	Chinese Standard	EN standard	USA standard	Japan standard	Range
Structural steel (S)	S220GD					
	S250GD					
	S280GD	GB 2518	DIN EN 10147	ASTM A653	JIS G 3302	Construction
	S320GD					
	S350GD					
Commercial quality (CQ)	DX51D	GB 2518	DIN EN 10142	ASTM A653	JIS G 3302	For simple bending and
Drawing quality (DQ)	DX52D	GB 2518	DIN EN 10142	ASTM A653	JIS G 3302	For drawing and stamping
Deep drawing quality (DDQ) (IF)	DX53D	GB 2518	DIN EN 10142	ASTM A653	JIS G 3302	Unexposed parts for the medium forming requirements
Extra DDQ (IF)	DX54D	GB 2518	DIN EN 10142	ASTM A653	JIS G 3302	Unexposed and exposed forming requirements
Super EDDQ (IF)	DX56D	GB 2518	DIN EN 10142	ASTM A653	JIS G 3302	Unexposed parts and exposed forming requirements
High strength-IF	H180YD	-	DIN EN 10292	ASTM A653	JIS G 3302	Beams, door frames
High strength-IF	H220YD	-	DIN EN 10292	ASTM A653	JIS G 3302	Beams, door frames
Bake-hardening (BH)	H180BD	-	DIN EN 10292	ASTM A653	JIS G 3302	Car body parts
Bake-hardening (BH)	H220BD	-	DIN EN 10292	ASTM A653	JIS G 3302	Car body parts
Bake-hardening (BH)	H260BD	-	DIN EN 10292	ASTM A653	JIS G 3302	Car body parts
Phosphor-alloyed (P)	H220PD	-	DIN EN 10292	ASTM A653	JIS G 3302	Car body parts
Phosphor-alloyed (P)	H260PD	-	DIN EN 10292	ASTM A653	JIS G 3302	Car body parts
High strength, low alloyed (HSLA)	H260LAD	-	DIN EN 10292	ASTM A653	JIS G 3302	Structural parts
High strength, low alloyed (HSLA)	H300LAD	-	DIN EN 10292	ASTM A653	JIS G 3302	Structural parts
High strength, low alloyed (HSLA)	H340LAD	-	DIN EN 10292	ASTM A653	JIS G 3302	Structural parts
High strength, low alloyed (HSLA)	H380LAD	-	DIN EN 10292	ASTM A653	JIS G 3302	Structural parts
Dual-phase (DP)	DP-K 30/50	-	SEW 097-2	-	-	Crash-relevant structural
Dual-phase (DP)	DP-K 34/60	-	SEW 097-2	-	-	Crash-relevant structural

The X\* marked data are related to galvanized strip.

For galvanized strip the above mentioned parameters can deviate. See standards.

Application	Rp <sub>0.2</sub> [N/mm <sup>2</sup> ]	Rm [N/mm <sup>2</sup> ]	BH <sub>2</sub> [N/mm <sup>2</sup> ]	A <sub>80</sub> min	r <sub>90</sub> min	n <sub>90</sub> min
	220 min	300 min	-	20	-	-
	250 min	330 min	-	19	-	-
	280 min	360 min	-	18	-	-
	320 min	390 min	-	17	-	-
	350 min	420 min	-	16	-	-
General purpose	-	270-500	-	22	-	-
General purposes	140-300	270-400	-	28	-	-
Automotive industry with high strength	140-240	270-360	-	32	1.3	0.16
Exposed parts with high strength	140-200	270-350	-	36/36*	1.6/1.6	0.18/0.18*
Exposed parts with very high strength	140-180	270-350	-	39/38*	1.9/1.7*	0.21/0.20*
	180-230	340-400	-	34	1.8	0.19
	220-280	350-420	-	32	1.5	0.18
	180-230	300-360	35	34	1.6	0.16
	220-270	320-400	40	32	1.2	0.15
	260-310	360-420	35	29	-	0.13
	220-270	320-420	-	32	1.3	0.16
	260-330	350-430	-	26	-	-
	260-330	350-430	-	26	-	-
	300-380	380-480	-	24	-	-
	340-420	410-510	-	22	-	-
	380-480	440-580	-	19	-	-
	300-370	500 min	-	24	-	0.15
	340-410	600 min	-	20	-	0.14





**ANSC-TKS Galvanizing Co., Ltd.**

A Joint Venture of ThyssenKrupp Steel and AnSteel

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**ANSC-TKS Galvanizing Co., Ltd.****RELATED TRANSACTIONS**

Name of seller	Name of purchaser	Finish type (Completed or partially completed products)	Name of raw materials	Whether or not performing management functions	Whether or not processing (including toll processing) of any raw materials, intermediary or completed products	Whether or not trading in products/materials supplied by related parties
[NAME of SELLER]	[NAME of PURCHASER]	Completed	Hot rolled steel	No	No	No
[NAME of SELLER]	[NAME of PURCHASER]	Completed	Hot rolled steel	No	No	No



**Exhibit 8: Chart of accounts**

<b>G/L Acct</b>	<b>Long Text</b>
11410101	Account Receivable - domestic
21210202	Accounts payable - related companies Angang Group
21210201	Accounts payable - related companies ANSC
21210102	Accounts payable - related companies TK
21210101	Accounts payable - related companies TKS
21210301	Accounts payable - Third Party
11310202	Accounts receivable - AnGang group
11310201	Accounts receivable - ANSC
11410199	Accounts Receivable - domestic adjustment Account
11410201	Accounts Receivable - foreign
11410299	Accounts Receivable - foreign Adjustment Account
11310301	Accounts receivable - third party
11310102	Accounts receivable - TK
11310101	Accounts receivable - TKS
11410190	Accounts Receivable (domestic, long-term)
11410290	Accounts Receivable (long-term, foreign)
21910101	Accrued liabilities
21910201	Accrued-ANSC transportation
21910203	Accrued-Third parties transportation
21910301	Accrued-TKS customs duty
21910202	Accrued-TKS transportation
18020301	Accumulated amortization - Software
18020201	Accumulated amortization - know how
81502501	Accumulated amortization - Land Use Right(IFRS GAAP)
15020301	Accumulated depreciation - electr. equipment
15020201	Accumulated depreciation - mech. equipment
15020202	Accumulated depreciation - operational tools
15020203	Accumulated depreciation - Special euipment
15020101	Accumulated depreciation -office and other equipme
15020204	Accumulated depreciation -Transportation equipment
81502301	Accumulated depreciation- elect. equip. (US GAAP)
81502201	Accumulated depreciation- mechn. equip. (US GAAP)
81502202	Accumulated depreciation- mechn. equip. (US GAAP)
15020401	Accumulated depreciation-building
81502401	Accumulated depreciation-building (US GAAP)
15020501	Accumulated depreciation-Land use right
81502101	Accumulated depreciation-office euipment (US GAAP)
55020101	Administration expense
81500102	Advance for fixed Assets (US GAAP)
81210101	Advance for Inventory (US GAAP)
21310302	advance from customer-3rd party long-term
21310201	Advance from customers-ANSC
21310202	Advance from customers-ANSC Group
21310301	Advance from customers-third party
21310102	Advance from customers-TK
21310101	Advance from customers-TKS
11510102	Advance payment - TK
11510101	Advance payment - TKS
11510202	Advance to supplier - related AnGang group
11510201	Advance to supplier - related companies ANSC
11510301	Advance to supplier- 3rd parties
11710101	Advances to Suppliers
59030303	Advertising
52030101	Allowance income
59030111	Amortization of Know How
59010106	Amortization of Land Use Right
85903112	Amortization of long-term exp.(US GAAP)

59030112	Amortization of long-term expenses
59030113	Amortization of Software
59000308	Annuity
16030101	Assets under construction
16030301	Assets under constructure-advance to vendor for PJ
16030201	Assets under construcutre - other
16030401	AUC-Project Material
59030102	Audit Fee
59030502	Auxiliary - acid and Chemical Medicine
59030501	Auxiliary - AFP detergent
59030507	Auxiliary - Chromating
59030506	Auxiliary - Cleaner
59030504	Auxiliary - corrosion-proof oil
59030503	Auxiliary - hydraulic oil
59030505	Auxiliary - lubricant
59030508	Auxiliary - phosphating
12120101	Auxiliary materials
59030305	Bad debt loss
59030201	Bank commission charge
11110203	Bank of China - Check Clearing Account
11110204	Bank of China - Check Payable
11110205	Bank of China - Check Received
11110208	Bank of China - Collection Bills of Exchange
59030117	block Audit fee
59030119	block design expenses
59030703	Block Electricity expense
59030109	Block Entertainment expenses
59000413	Block Expenses of staff and worker training
59030118	block maintance charge of river way
59031001	Block other expenses
59000305	Block Voluntary Medical Insurance
59000201	block Welfare fund
59030107	Board of directors expenses
11110206	BOC Bills of exchange Discount Liabilities
59000105	Bonus
85901102	Building depreciation (US-GAAP)
54070101	Business tax
21710201	Business tax payable
31110101	Capital surplus - Capital Premium
59030716	car fee
10020101	Cash in bank - BoC - CNY
10020401	Cash in bank - BoC - Credit Card
10020201	Cash in bank - BoC - USD Capital
10020202	Cash in bank - BoC - USD settlement account
10020302	Cash in Bank - BoC-EUR capital account
10020301	Cash in Bank - BoC-EUR settlement account
10020304	Cash in Bank - CMB-EUR settlement account
10020303	Cash in Bank -CITIC-EUR settlement account
11110201	Cash in Bank of China - RMB
10020104	Cash in bank-CIB-CNY
10020102	Cash in bank-CITIC-CNY
10020203	Cash in bank-CITIC-USD settlement account
10020103	Cash in bank-CMB-CNY
11110101	cash in Industrial and Commercial Bank - RMB
11110102	Cash in industrial and Commercial Bank - USD
10010101	Cash on hand - CNY
11010101	Cash on Hand - RMB
10010201	Cash on hand - USD
11010102	Cash on Hand - USD
10010501	Cash on hand- CAD
10010301	Cash on hand- EUR
59030403	CC. Spare parts consumption

59030115	Certificate Fee
59030707	charge of sewage levy
59030401	Chemical examination
59010103	Cleaning of building
59888888	Clearing account for Organizati. Expense
59999998	CO-FI reconsoliation account
41019999	COGS-Difference
59030302	Commissioned selling charge
57010101	Company income tax
59030808	Compensation
12710101	Consignment from supplier
59030106	Consultation fee
54050101	Cost of Goods Sold – Scrap, Slag
77777776	Cost of Goods Sold Adjustment-Opening Period
54010401	Cost of goods sold-2nd Choice
54010501	Cost of goods sold-3rd Choice
54010201	Cost of goods sold-Appliance
54010302	Cost of goods sold-Automotive Galvanealed
54010301	Cost of goods sold-Automotive Galvanized
54010101	Cost of goods sold-Construction
14310101	Cost Variances of Materials - Raw Materials
19110101	Current asset net loss in supense
88888882	Customes Duty Clearing Account- Fixed Asset
88888884	Customes Duty Clearing Account- Material
59030807	default money
13010101	Deferred charge
18110101	Deferred tax asset
29010101	Deferred tax liabilities
85902105	Dep.diff.-Other equipment,factory&Office Equ.US-GA
85902102	Depre. - elect. mach. & equ. US-GAAP
59020105	Depreciat.- Special Equipment
59020106	Depreciat.- Transportation Equipment
59020104	Depreciat.-operational tools
59020103	Depreciat.-Other equipment,factory&Office Equipt
59020102	Depreciation - electrical machinery & equipment
59020101	Depreciation - mechanical machinery & equipment
85902104	Depreciation diff.-machine&equip.Tool(US GAAP)
59010102	Depreciation of building
85902101	Depreciation of mach. & equip. (US GAPP)
85902103	Depreciation- other equip. (US GAAP)
59030103	Design Expenses
17010101	Disposal of fixed assets
88888886	down payment clearing account for AUC
21830101	Education expenses payable
54070103	Education supplementary tax
21710701	Education supplementary tax payable
59030602	Energy - electricity
59030604	Energy - fresh water
59030601	Energy - fuel gas
59030607	Energy - hydrogen
59030608	Energy - Medium water
59030609	Energy - N2 Liquid
59030606	Energy - nitrogen
59030603	Energy - steam
59030605	Energy - water treatment fee
59030719	Entertainment Expenses
59030806	Exceed quota charge of water pollution
59030717	expats renting expenses
59030718	ExpatsTravell Expenses
54060101	Expenditure from other Operations
41010104	Export VAT transfer out
41040101	Export VAT transfer out

59030405	external maintenance of rolls and other tools
59030407	external maintenance service
59030406	external Processing/service Expenses
59030804	Extraordinary loss
55030101	Financial expense
59030809	Fine
12150401	Finished goods-2nd Choice
12150601	Finished goods-3rd choice
12150201	Finished goods-Appliance quality
12150301	Finished goods-Automotive GI
12150302	Finished goods-Automotive Quality Galvanealed
12150101	Finished goods-Construction quality
12159999	Finished goods-difference
12150501	Finished goods-Scrap
12410101	Finished goods-unfinished production order
15010204	Fixed Asset-Transportation Equipment
15010101	Fixed assets - buildings
15010301	Fixed assets - electrical machinery & equipment
15010201	Fixed assets - mechanical machinery & equipment
15010202	Fixed assets -operational tools
15010203	Fixed assets -Special Equipment
81152201	Fixed Assets advance (US GAAP)
15010401	Fixed assets-factory office & other quip
22110101	Forecasted liability
31110301	Foreign capital exchange gain & loss
23020101	Foreign exchange loan
59030203	Foreign exchange loss and profit(realized)
59030204	Foreign exchange loss and profit(unrealized)
10010401	Foreign exchange settlement difference
59000104	foreign insurance allowance
59010107	Gardening Expenses
14810101	Good in the Warehouse
14710101	Goods on Instalment Sales
13010102	Goods Received / No Invoice
13010199	Goods/Invoice received - Adjustment
88888888	GR/IR Clearing - Material
88888881	GR/IR Clearing-Asset
59000403	Heating Expenses of Housing
59010105	Heating expenses office building
59030402	Heavy repair and annual repair
59010104	House property tax
59000205	Housing accumulation fund
11110103	I&C - Check Clearing Account
11110106	I&C Bank - Bills of Exchange Discount Liabilities
11110108	i&C Bank Collection Bills of Exchange
52010101	Income from investment
21710501	Income Tax Payable
21710401	Individual Income Tax Payable
11110104	Industrial and Commercial Bank - Check Payable
11110105	Industrial and Commercial Bank - Check Received
99999999	initial account
11610001	Input Tax
21220101	instead payment(for change vendor)
59030101	Insurance expense
81801201	Intangible asset - know how (US GAAP)
81801301	Intangible asset - software (US GAAP)
81801399	Intangible asset - software adjustment (US GAAP)
81801101	Intangible asset-land right (US GAAP)
18010201	Intangible assets - know how transfer
18010101	Intangible assets - land use right
18010301	Intangible assets - Software
18010399	Intangible assets - Software adjustment

18020000	Intangible assets -Accumulated amortisation
18020001	Intangible assets -Accumulated amortisation
11810101	Intercompany Accounts Receivable - (company 1)
11810102	Intercompany Accounts Receivable - company 2
11810202	Intercompany Adjustment Account - Company 2
11810201	Intercompany Adjustment Account - company 1
59030202	Interest
59030205	Interest from customer
22310101	Interest payable
81152101	Inventory advance (US GAAP)
59030810	Inventory Loss and Damage
13010103	Invoice/goods received - Goods not yet delivered
85903111	Know How amorization (US GAAP)
59000402	Labour protection expenses
59000202	Labour union duties
85901106	Land right amorization (IFRS GAAP)
59010108	Land use tax
59030108	Legal service fare
54070104	Local education supplementary tax
21710801	Local education supplementary tax payable
59030308	Logistics In/out bound
23210201	Long-term A/P-fixed asset financing rent
23210101	Long-term accounts payable
19010101	Long-term deferred charge/Organization Expenses
15010101	Long-term investments - securities
15010190	Long-term ivestments (securities) < one year
23220101	Long-term liability with one year due
23010101	Long-term loan - BoC
23010102	Long-term loan - CITIC
22120101	Long-term loan transferred
59030901	Loss of inventory devaluation
59030802	Loss on retirement of fixed assets
59030803	Loss on work stoppage
14210101	Low Value and Short Lived Articles
11210101	Marketable securities - Shares
11210201	marketable securities - treasury bonds
14410101	Materials in Outside Processing
12510101	Materials on consignment for further processing
13010101	Materials Purchased
59000204	Maternity insurance
59000207	Medicare insurance
59030712	Meeting fee
12610101	Merchandise of sale on trust
21410101	Merchandise on consignment
59000405	Misc.(transporation,sunstroke,prevention fee,etc)
59030715	Mobil phone expenses
59000101	Monthly fix Salary
59030711	Newspaper and magazine expenses
56010102	Non-operating expenses-Long-term asset disposal
56010101	Non-operating expenses-others
53010101	Non-operating income
51010302	not used
51010401	not used
51010501	not used
51010301	Not used
21110101	Notes payable
11110101	Notes receivable
11310101	Notes Receivable - Bills of Exchange
11310201	Notes Receivable - non central-bank accepted
59030704	office material
59000203	on-job insurance
59000307	One time payment IIT free

59030409	Operational tools
85999999	Organization expense clear(1901 US GAPP)
21810202	Other Acc.payable-Housing accumulating fund
21810201	Other Acc.payable-Maternity insurance
21810203	Other Acc.payable-Pension insurance
21810104	Other Acc.payable-Project Accrued expenses
21810105	Other Acc.payable-withholding tax of vendors
21810501	Other accounts payable - An Gang Group
21810401	Other accounts payable - ANSC
21810101	Other accounts payable - Insurance of goods in/out
21810103	Other accounts payable - staff
21810301	Other accounts payable - the third party
21810601	Other accounts payable - TKS
21810602	Other accounts payable - TKS insurance
21810302	Other accounts payable -Riverway charge -employer
21810206	Other accounts payable-injury insurance payable
21810204	Other Accounts Payable-Medical Insurance
21810207	Other accounts payable-Riverway Charge - employee
21810102	Other accounts payable-Transportation expen. AITC
21810106	Other accounts payable-Transportation-China shippi
21810205	Other Accounts Payable-Unemployment Insurance
21810209	Other accounts payable-Union Fee
21810208	Other accounts payable-Voluntary Medical Insurance
11910000	Other Accounts Receivable
11910501	Other Accounts Receivable - Interest
11910090	Other Accounts Receivable - Long Term
10090201	Other deposit - Letter of Credit - EUR
10090301	Other deposit - Letter of Credit - JPY
10090101	Other deposit - Letter of Credit - USD
59030720	Other Expenses
23210301	Other long-term payable expenses
59000209	other mandatory allowance
51030101	Other operation revenue-domestic
21820101	Other payable
11330201	Other receivable - advance to employee
11330101	Other receivable -3rd party
11330401	Other receivable -Angang Group
11330402	Other receivable -ANSC
11330301	Other receivable -TK
11330302	Other receivable -TKS
77777773	Other Revenues Adjustment -Opening Period
59000304	other voluntary allowance
59030805	Overdue payment
59000103	Overtime salary
14110101	Packaging Materials
59030304	Packing
31010210	Paid-in capital ANSC
83101210	Paid-in capital difference ANSC (US GAAP)
83101101	Paid-in-capital difference TKS (US GAAP)
31010101	Paid-in-capital-TKS
59000208	Pension insurance
59030408	PMO Spare parts consumption
12010101	Prepaid Rent
59030710	Printing expenses
58010101	Prior year adjustments
41060101	Prod. cost-Pending Production Cost Difference
77777774	Product Devalu Diff. Adjustment-Opening Period
41010103	Production cost differences
41010105	Production cost differences-quantity
41050101	Production cost-Finished Goods Receipt
41010201	Production cost-HDG
41010101	Production cost-Raw Material

41010202	Production Devalue differences
77777775	Production Difference Adjustment-Opening Period
12140101	Production tools
59030404	Production Tools Consumptions
31410401	Profit distribution - employee and welfare fund
31410301	Profit distribution - enterprise development fund
31410501	Profit distribution - from other transfer
31410201	Profit distribution - repertory fund
31410101	Profit distribution - undistributed
85988888	Profit distribution-undistributed profit USGAAP
16010101	Project materials - advance payts for fixed asset
16010301	Project materials - special equipment
16010201	Project materials - special material
16010401	Project materials - tools prepared for production
85900000	Project related capitalized(US GAAP)
21710301	Property Tax payable
16050101	Provision against devaluation of AuC
12810101	Provision against market loss of value of inventory
18050201	Provision agst. deval. in inta.asset- land right
18050101	Provision agst. devalutaion in inta.asset-know how
18050301	Provision agst. devalutaion in inta.asset-software
11410101	Provision for Bad Debt
11510101	Provision for bad Debts (domestic)
11510001	Provision for Bad Debts (notes receivable)
14910101	provision for loss - Raw Materials
14910201	Provision for Loss - Supplies
15050101	Provisions against devaluation of fixed assets
15050301	Provisions against devaluation of fixed assets
15050201	Provisions against devaluation of fixed assets-man
41010102	Purchase cost differences
12010101	purchase in transit
59030307	Railway transportation expenses
14010901	Raw Material - Imported
12210101	Raw Material - Packing materials
14010101	Raw Materials
14010201	Raw Materials
12119999	Raw materials-difference
12110201	Raw materials-full hard coil
12110101	Raw materials-zinc
59000306	Rellocation payment expats
59030709	Renting expense
59010101	Repair and maintenance of building
59030114	Research and development
51030201	Rev - other- export
51010121	Rev. - Auto - GI
51020101	Revenue - Scrap, Slag-domestic
51020201	Revenue - Scrap, Slag-export
51010141	Revenues - 2nd Choice Material
51010143	Revenues - 2nd Choice Material - Interest Adjust
51010151	Revenues - 3rd Choice Material
51010153	Revenues - 3rd Choice Material - Interest Adjust
51010111	Revenues - Appliance
51010112	Revenues - Appliance - Discount
51010113	Revenues - Appliance - Interest Adjustment
51010131	Revenues - Automotive - GA
51010132	Revenues - Automotive - GA - Discount
51010133	Revenues - Automotive - GA - Interest Adjustment
51010122	Revenues - Automotive - GI - Discount
51010123	Revenues - Automotive - GI - Interest Adjustment
51010101	Revenues - Construction
51010102	Revenues - Construction - Discount
51010103	Revenues - Construction - Interest Adjustment

51010201	Revenues - Export
51010202	Revenues - Export - Discount
51010142	Revenues -2nd- Discount
77777777	Revenus Adjustment-Opening Period
59030708	river maintenance expenses
59030306	Road/sea transportation expenses
59030105	Safe and fire prevention fee
21510101	Salaries payable
21510102	Salaries payable-foreigners
59000102	Salary not deduc.
59030301	Sales commission
55010101	Selling expense
14510101	Semi-finished Goods
59999999	Settlement account for internal order
59666666	Settlement account for investement
59000302	Settlement fee-in aid of ANSC
59000301	Shift Allowance
21010101	Short-term loan-Bank of China
21010102	Short-term loan-CITIC
59030801	Shortage of fixed assets
85903113	Software amorization (US GAAP)
59030116	Software and Licenses
12130101	Spare parts
88888885	spare parts adjustments
12130201	Spare parts-dismantle
21520101	Staff and workers' bonus & welfare fund
59030104	Stamp tax
21610201	Stock interests payable – ANSC
21610101	Stock interests payable – TKS
31110201	Stock investment reserve
14010301	Supplies
59030701	Supplies consumed
31210201	Surplus from profit - expansion fund of enterprise
31210301	Surplus from profit - others
31210101	Surplus from profit - reserve fund
59030713	Taxi expenses
59030110	Technic know-how transfer cost
59030706	Telephone expenses
66666666	temp account
66667777	temp account
77776666	temp account
10030101	Trading financial assets
14610101	Trading Goods
59000401	Traning expenses for Staff and worker
88888887	Trans. Insu. Pack. Oth. Expenses Clear - Material
88888883	Trans. Insu. Pack. Oth. Expenses Clearing - Asset
11340101	Transportation Expenses for Customer
59030705	Travelling
22010101	Unamortized assets value
27020101	Unconfirmed financing expense(lease)
59000206	Unemployment insurance
81134201	Unpaid paid-in capital ANSC (US GAAP)
81134101	Unpaid paid-in capital TKS (US GAAP)
19110201	Unrealised gain & loss of assets – fixed assets
18150101	Unrealised obligation for AUC under financ lease
54070102	Urban maintenance and construction tax
21710601	Urban maintenance and construction tax payable
11599999	Valuation adjustment clearing account
21710102	VAT - output tax
21710104	VAT-export refund
21710105	VAT-Fixed asset input
21710101	VAT-Input tax



21710103	VAT-Input transfer out
21710106	VAT-Paid
21710107	VAT-payable
59030714	Vehicle & vessel tax
59000303	Voluntary Medical Insurance
59030702	Waste material treatment expenses
59000404	Welfare Fund (Lunch, Water,physical Exam,etc)
21530101	Welfares payable

## ANSC-TKS Galvanizing Co., Ltd.

## INCOME STATEMENT

	2011			Investigation period: 1 July 2011 - 30 June 2012		
	All products	The Aluminium Zinc Coated Steel	The Galvanized Steel	All products	The Aluminium Zinc Coated Steel	The Galvanized Steel
<b>Operating revenue</b>	<b>100</b>	-	<b>100</b>	<b>100</b>	-	<b>100</b>
there of: Revenue from main operations	97	-	97	96	-	96
Revenue from other operations	3	-	3	4	-	4
<b>Operating cost</b>	<b>81</b>	-	<b>81</b>	<b>81</b>	-	<b>81</b>
there of: Cost of main operations	81	-	81	81	-	81
Expenditure from other operations	-	-	-	-	-	-
Taxes and surcharge for main operations	0	-	0	0	-	0
Less: Operating expenses	1	-	1	1	-	1
General and administrative expenses	5	-	5	6	-	6
Financial expenses	1	-	1	1	-	1
Loss from asset devalued	0	-	0	0	-	0
Add: income from fair value change	-	-	-	-	-	-
Add: Investment income/losses	-	-	-	-	-	-
there of: income from corporation company	-	-	-	-	-	-
<b>Operating profit</b>	<b>12</b>	-	<b>12</b>	<b>12</b>	-	<b>12</b>
Add: Non-operating revenue	0	-	0	0	-	0
Less: Non-operating expenditures	0	-	0	0	-	0
there of: loss from disposal of long-term asset	-	-	-	-	-	-
<b>Income/Loss before tax</b>	<b>12</b>	-	<b>12</b>	<b>12</b>	-	<b>12</b>
Less: Income tax	1	-	1	2	-	2
<b>Net income/(loss)</b>	<b>11</b>	-	<b>11</b>	<b>10</b>	-	<b>10</b>

Exhibit 11 Australian Customers

Customer name	Address	Name of contact person	Phone	Fax	Trade level
[NAME OF AUSTRALIAN CUSTOMERS]	[ADDRESS]	[CONTACT]	[PHONE NO.]	[FAX]	Trader
[NAME OF AUSTRALIAN CUSTOMERS]	[ADDRESS]	[CONTACT]	[PHONE NO.]	[FAX]	Trader
[NAME OF AUSTRALIAN CUSTOMERS]	[ADDRESS]	[CONTACT]	[PHONE NO.]	[FAX]	Trader

SALES TO THIRD COUNTRIES

Country	Customers	Product type	Level of trade	Quantity	Unit of quantity	Value of sales	Currency	Payment terms	Shipping terms
[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]
[COUNTRY [CUSTOMERS]		Galvanized Steel	trader	100	Kg	100	usd	[PAYMENT]	FOB
[COUNTRY [CUSTOMERS]		Galvanized Steel	end user	3	Kg	3	usd	[PAYMENT]	CIF
[COUNTRY [CUSTOMERS]		Galvanized Steel	trader	0	Kg	0	usd	[PAYMENT]	CIF
[COUNTRY [CUSTOMERS]		Galvanized Steel	end user	1	Kg	1	usd	[PAYMENT]	CFR
[COUNTRY [CUSTOMERS]		Galvanized Steel	end user	1	Kg	1	usd	[PAYMENT]	CIF
[COUNTRY [CUSTOMERS]		Galvanized Steel	end user	0	Kg	1	usd	[PAYMENT]	DDP
[COUNTRY [CUSTOMERS]		Galvanized Steel	end user	0	Kg	0	usd	[PAYMENT]	CIF
[COUNTRY [CUSTOMERS]		Galvanized Steel	trader	1	Kg	1	usd	[PAYMENT]	CFR
[COUNTRY [CUSTOMERS]		Galvanized Steel	trader	15	Kg	12	usd	[PAYMENT]	FOB
[COUNTRY [CUSTOMERS]		Galvanized Steel	end user	3	Kg	3	usd	[PAYMENT]	CIF
[COUNTRY [CUSTOMERS]		Galvanized Steel	trader	0	Kg	0	usd	[PAYMENT]	CFR & DDU
[COUNTRY [CUSTOMERS]		Galvanized Steel	trader	6	Kg	5	usd	[PAYMENT]	FOB
				130		127			

**PRODUCTION**

	Previous financial year (AlZn Coated Steel)	Previous financial year Galvanised Steel)	Most recent financial year (AlZn Coated Steel)	Most recent financial year (Galvanised Steel)	Investigation period (AlZn Coated Steel): 1 July 2011 -30 June 2012	Investigation period (Galvanized Steel): 1 July 2011 -30 June 2012
Production capacity* (eg. units, kg, tonnes) [A]	-	100	-	100	-	100
Actual production in volume (eg. units, kg, tonnes) [B]	-	93	-	90	-	89
Capacity utilisation (%) (B/A x 100)	-	0%	-	0%	-	0%

\* Rather than showing a 'name-plate' optimal capacity it is more meaningful to show the maximum level of production that may reasonably be attained under normal operating conditions. For example assuming: normal levels of maintenance and repair; a number of shifts and hours of operation that is not abnormally high; and a typical production mix.