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Comments on Model Control Code from KAE

Tai Shan City Kam Kiu Aluminium Extrusion Co., Ltd. ("KAE") noted that the SURVEY GOODS SUBJECT TO ANTI-DUMPING MEASURES section of the investigation questionnaire contains Model Control Code ("MCC"). Considering KAE's actual product classification, and in order to achieve a fair comparison, KAE suggests that:

1. Add two items to the first section "Finish" of MCC:

- (1) Add WP (wet paint) item: The reason to add this item is that the finishing of WP is significantly different from the finishing methods of represented by the existing four codes in terms of process, materials used, cost and product price. It is inappropriate to classify such products into the existing four types of finish. Adding this item of finishing can classify the finishing methods more accurately.
- (2) Add CD (cold drawn) item: This kind of product refers to the products that pass-through tubes and rods of extrusion, and then pass through cold drawing process to get more precise dimensions, better mechanical property and surface quality. The above-mentioned procedure will lead to a substantial increase in production costs (labor, energy and manufacture overheads), and will increase the value of the product. Hence, it is necessary to single out this item.

Please refer to <u>Annex1</u>, the worksheet "KAE Proposed Revisions on Model Control Code (MCC)" in attached Excel document for details.

- 2. Add three items to the second section "Alloy Code" of MCC: [Limited], and add some alloy types in the existing items of 6B, 6C and 6D:
 - (1) Add code [Limited]: including [Limited] a series of 6000 series alloy. All kinds of alloys classified in code [Limited] are similar in production parameter, cost and usage, but are significantly different in production parameter and costs from other alloys classified in codes 6A, 6B, 6C and 6D. Due to the existence of the above-mentioned difference, the alloy products under code [Limited] cannot be classified into any of the existing alloy codes. Hence, in order to enhance fair comparison, we suggest adding this code.

- (2) Add code [Limited]: including [Limited] a series of 6000 series alloy. All kinds of alloys classified in code [Limited] are similar in production parameter, cost and usage, but are significantly different in production parameter and costs from other alloys classified in codes 6A, 6B, 6C and 6D. Due to the existence of the above-mentioned difference, the alloy products under code [Limited] cannot be classified into any of the existing alloy codes. Hence, in order to enhance fair comparison, we suggest adding this code.
- (3) Add code [Limited]: including [Limited] a series of 7000 series alloy. All kinds of alloys classified in code [Limited] are similar in production parameter, cost and usage, but are significantly different in production parameter and costs from other alloys classified in codes 6A, 6B, 6C and 6D. Due to the existence of the above-mentioned difference, the alloy products under code [Limited] cannot be classified into any of the existing alloy codes. Hence, in order to enhance fair comparison, we suggest adding this code.

In order to illustrate the substantial differences between the above three types of products (collectively referred to as high-end products) and other products (normal products), KAE provides two detailed comparison tables to compare products under alloy code of [Limited] and [Limited] with ordinary products (represented by products under alloy code of 6A). The comparison is made from two aspects, one is from the aspects of raw materials and production process, please refer to <u>Annex 2</u>, the worksheet "products" in the attached excel document, another one is from the aspect of the products' characteristics, please refer to <u>Annex 3</u>, the worksheet "mechanical properties" in the attached excel document.

- (4) Existing code 6B: Only 6106 is classified into code 6B in the original MCC. We suggest that [Limited] should also be classified into this code.
- (5) Existing code 6C: Only 6101, 1350, 6082, 6351 and 6061 are classified into code 6C in the original MCC. We suggest that [Limited] and [Limited] should also be classified into this code.
- (6) Existing code 6D: Only 6005A is classified into code 6D in the original MCC. We suggest that [Limited] should also be classified into this code.

Please refer to <u>Annex 1</u>, the worksheet "KAE Proposed Revisions on Model Control Code (MCC)" in attached Excel document for details.

3. Add a code to the third section "Temper Code" of MCC, and add some temper types in the existing codes of T1 and T50:

(1) Add code T60: including T61, T64, T651 and a series of temper treatments. Due to the differences between these temper treatments and other temper treatments represented by the existing temper codes in terms of technical requirements and processing time, these temper treatments cannot be classified into any category of the existing temper codes.

- (2) Existing code T1: Add T3 and T7 temper treatments to the existing T1, T4, T5 and T6 temper treatments in this existing code.
- (3) Existing code T50: Add T55 and T57 temper treatments to the existing T591, T595 and T52 temper treatments in this existing code.

Please refer to <u>Annex 1</u>, the worksheet "KAE Proposed Revisions on Model Control Code (MCC)" in attached Excel document for details.

4. The fourth section of MCC remains unchanged:

The above suggestions are submitted according to the instruction/guideline in the GOODS SUBJECT TO ANTI-DUMPING MEASURES section of the investigation questionnaire.

KAE is currently preparing the answer of the investigation questionnaire according to the Proposed Revisions on Model Control Code (MCC).

*Note:

[Information contained in the above answer 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 such information could harm the Company's market and competitive position.]