



**International Trade Remedies Branch**

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**05 NOV 2012**

**SUPPLEMENTARY EXPORTER QUESTIONNAIRE**  
**PARTICULAR MARKET SITUATION – 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:** 5 NOVEMBER 2012

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

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Please note that a public record version of the reply to this questionnaire must also be provided.

## **PARTICULAR MARKET SITUATION**

*The applicant claims that a 'particular market situation' exists in respect of galvanised steel and aluminium zinc coated steel (the goods) from China due to government influence on both the prices of the goods and the major raw material inputs including hot rolled coil (HRC), iron ore, coal, and cold-rolled steel used in the manufacture of the goods.*

*The existence of a 'particular market situation' could affect Customs and Border Protection's approach to calculating the normal value within its dumping assessment.*

*In broad terms, it is generally the case that the normal value of the goods is the price paid for like goods sold for home consumption in the country of export. One of the exceptions to using domestic selling prices for this purpose is if the Minister is satisfied that a situation in the market has rendered domestic selling prices unsuitable for establishing normal values (i.e. a 'particular market situation' exists).*

*These situations may be where the domestic selling prices in the country of export have been materially influenced by the government rendering those prices unsuitable for use in establishing normal values.*

*Through this supplementary questionnaire, Customs and Border Protection is seeking information from your business, supported by evidence, in assessing the market situation claims made by the applicant. All document provided must be accompanied with a translated English version as well as the original version.*

*It may be necessary for Customs and Border Protection to request additional information following receipt and review of your responses.*

***This supplementary exporter questionnaire concerning particular market situation is jointly replied by Angang Steel Company Limited ("ANSTEEL") and its affiliated ANSC-TKS Galvanizing Co., Ltd. ("TAGAL") as exporting producers of the goods under consideration ("GUC") to Australia during the POI.***

### **PART 1 GENERAL INFORMATION**

#### **1. Ownership and management**

- a) Has the Government of China (GOC)<sup>1</sup> anytime in the previous 5 years been a shareholder (or invested either directly or indirectly) in your business? If so, provide details of shareholding and/or investments.

**Response:** The GOC hasn't been a shareholder in ANSTEEL and TAGAL in the previous 5 years. ANSTEEL is a public listed company in both Shenzhen Stock Exchange and Hong Kong Stock Exchange. Both ANSTEEL and TAGAL are sino-foreign joint venture limited liability companies.

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<sup>1</sup> References to the GOC include any government authorities at any level (e.g. National, Provincial, Regional, Local), agency, party, or otherwise associated entity, including the State-owned Assets Supervision and Administration Commission of the State Council (SASAC).

## PUBLIC RECORD VERSION

- b) List all the directors and major shareholders of your business and identify any common directors and executive officers between your business and related businesses.

**Response:** The shareholders of ANSTEEL are: (1) Anshan Iron and Steel Group Complex, 67.29%; (2) Hong Kong Securities Clearing Company (Nominees) Limited (“HKSCC”), 14.73%; and (3) Other 194,284 public investors from the security market, 17.98%.

As we stated above, ANSTEEL is a public listed company and its shareholding structure is changing due to the trade in the security market. Thus, we provide the above shareholding structure at the end of the period of investigation (“POI”).

The shareholders of TAGAL are: [CONFIDENTIAL, NAME OF SHAREHOLDERS].

The list of directors of ANSTEEL is: Zhang Xiaogang, Yang Hua, Chen Ming, Yu Wanyuan, Fu Jihui, Ma Guoqiang, Li Shijun, and Kwong Chi Kit.

The list of directors of TAGAL is: [CONFIDENTIAL, NAME OF BOARD MEMBER]

[CONFIDENTIAL, NAME OF COMMON BOARD MEMBERS]

- c) Are any directors or major shareholders, employees, or otherwise affiliated with the GOC? If so, identify the individuals, their role and their affiliation with the GOC.

**Response:** No directors and major shareholders, employees is affiliated with the GOC.

- d) Are any directors or employees of your business appointed, managed or recommended by the GOC? If so, identify the government department(s) they were recommended by.

**Response:** From the *Company Law* of PRC, the Articles of Association (“AOA”) shall be binding on the Company and its shareholders, directors, supervisors, general manager and other senior officers. The shareholders’ general meeting is the authority of power of the Company. It exercises its duties and powers according to law. (*Article 67 of AOA of ANSTEEL*) The shareholders’ general meeting shall exercise the following duties and powers: ...; (2) To elect and replace directors and to decide on matters relating to remuneration of directors; (*Article 68 of AOA of ANSTEEL*) The board of directors shall be accountable to the shareholders’ general meeting and shall exercise the following functions and powers: ...; (10) To appoint or remove the manager and secretary of the board of the Company, and to appoint or remove senior officers such as the deputy managers and person-in-charge of financial affairs of the Company based on the recommendations of the manager, and to decide on their remunerations, rewards and punishments; (*Article 164 of AOA of ANSTEEL*)

[The Board shall consist of six (6) Directors: three (3) appointed by ANSC, three (3) appointed by TKS. The Company shall have one Chairman of the Board and one Vice Chairman of the Board. For the first seven (7) years from the date of establishment of the Company, the Chairman shall be appointed upon the recommendation of ANSC and the Vice Chairman shall be appointed upon the recommendation of TKS. Thereafter, the power to recommend the Chairman and Vice Chairman shall rotate between the Parties every four (4) years. (*Para. b*) & *e*) *Article 5.01 of AOA of TAGAL*]

From the above citation from the AOA of each company, it is obvious that no directors or employees of both companies is appointed, managed or recommended by the GOC.

## PUBLIC RECORD VERSION

- e) Provide details of any significant changes in the ownership structure of your business over the last 5 years.

**Response:** No significant changes in the ownership structure of both companies over the last 5 years.

- f) Identify all positions within your business that are appointed or designated to act on behalf of GOC authorities.

**Response:** No position within both companies is appointed or designated to act on behalf of GOC authorities. All the positions are elected by due procedure according AOA or recruited publicly.

- g) Explain whether there are any GOC requirements by law and/or any internal business policy to have GOC representation in your business. If so explain their role.

**Response:** No GOC requirements by law and/or any internal business policy require having GOC representation in both 2 companies.

- h) Does the GOC representative(s) or the person(s) appointed by the GOC have any VETO rights for any decisions made by the Board and/or the senior executives of your business? If so explain how and when such powers are exercised.

**Response:** As stated in the answer to question 1.g) of Part A above, no GOC representative(s) exists and also no such person(s) is appointed by the GOC in the company, thus, this question is not applicable.

**Additionally, shareholders (including proxies) who vote at the shareholders' general meeting shall exercise their voting rights in relation to the amount of voting shares they represent. Each share shall carry the right to one vote. (Article 105 of AOA of ANSTEEL)**

**The Chairman of the Board shall be the legal representative of TAGAL, but neither the Chairman nor any Director may by himself bind the Board or TAGAL and can only act on the authority of resolutions of the Board. Neither the Chairman nor the Vice Chairman of the Board shall be entitled to any additional vote or casting vote in any circumstances. (Para. d) Article 5.01 of AOA of TAGAL)**

- i) Who has the ability to reward, hire, fire or discipline your business' senior managers and executives?

**Response:** The shareholders' general meeting or the board of directors has the authority of power to reward, hire, fire or discipline the senior managers and executives of the company. Please refer to the answer to question 1.d) of Part A above for details.

- j) Do any of your business' senior managers hold positions in any GOC departments or organisations, associations or Chambers of Commerce? If so describe the nature of their positions.

**Response:** No senior managers of both companies hold any positions in any GOC departments or organisations, associations or Chambers of Commerce.

- k) Is your business publicly listed and traded on a securities exchange?

## **PUBLIC RECORD VERSION**

**Response:** ANSTEEL is publicly listed and traded in Shenzhen Stock Exchange and Hong Kong Stock Exchange.

TAGAL is not publicly listed, however, [CONFIDENTIAL, INFORMATION CONCERNING TAGAL'S SHAREHOLDER]

- l) If so, identify all types of securities listed and name all securities exchange's on which they are traded.

**Response:** The type of security listed of ANSTEEL is common share, and it is traded in Shenzhen Stock Exchange and Hong Kong Stock Exchange.

- m) Are there any restrictions to trade these securities (e.g. restricted only to Chinese nationals etc.)?

**Response:** All these common shares of ANSTEEL are traded according to the laws and regulations of PRC, and no restriction is existed in trading the security.

## **2. Business planning**

- a) Explain your business' decision-making process in general and in respect of steel products in relation to:
- i. what goods are produced;

**Response:** ANSTEEL's principal activities include production and sale of steel products such as hot rolled sheets, cold rolled sheets, galvanized steel sheets, colour coating plates, silicon steel, medium and thick plates, wire rods, heavy section and seamless steel pipes. TAGAL only produces galvanized steel.

- ii. how the goods are produced;

**Response:** ANSTEEL has an integrated production process to manufacture these steel products from iron ore, while TAGAL produces the galvanized steel from hot rolled steel.

- iii. how much is produced;

**Response:** During 2011, ANSTEEL produced 20,442,600 tonnes of iron, 19,782,800 tonnes of steel and 19,169,600 tonnes of steel products. In the same period, TAGAL produced [CONFIDENTIAL, INDEXED 700,000] tonnes of galvanized steel.

- iv. the quantity of inputs (such as raw materials and energy) purchased and how it is allocated to the manufacture of different products;

**Response:** During the POI, ANSTEEL purchased [CONFIDENTIAL, INDEXED 21,000,000] tonnes of iron ores as principle raw material. The company applies Continuous Process Cost method, and the cost of iron ores as consumed are first recorded into steel billets, then transfer to other products in an integrated production process. The costs in all these steps are accounted on actual basis without allocation.

In the same period, TAGAL purchased [CONFIDENTIAL, INDEXED 700,000] tonnes of hot rolled steels. Also, it is accounted on actual basis.

- v. the location of your production facility;

## **PUBLIC RECORD VERSION**

**Response:** The production facility of ANSTEEL is located at: 1 Qianshan Road West, Qianshan District, Anshan City, Liaoning Province, the PRC.

That of TAGAL is located at: No. 68, Gang Tie Road, Dalian Development Zone, Liaoning Province, the PRC.

- vi. how your business' profit is distributed (e.g. dividends, share buyback etc); and

**Response:** Profit distribution plans of ANSTEEL shall be resolved by way of ordinary resolution of a shareholders' general meeting and further distributed by ways of dividends, or allotment of shares etc.

The profit distribution plan of TAGAL must be unanimously agreed by the Directors attending the meeting of the Board of Directors in person or by proxy, and be distributed amongst the Parties in proportion to the Parties' respective shares in the registered capital. It is distributed by way of dividends.

- vii. how you make decisions regarding your companies' growth target and other strategic decisions (e.g. expansions, mergers, acquisitions, restructures).

**Response:** The strategic issues, such as division, merger, dissolution, liquidation of the company and material acquisition or sales, shall be resolved by way of special resolutions of a shareholders' general meeting of ANSTEEL. (*Article 111 of AOA of ANSTEEL*) A special resolution of the shareholders' general meeting shall be passed by an affirmative vote of more than two-thirds of the Company's total voting shares being held by the shareholders who are present at the meeting (including proxies).

The board of directors of TAGAL is the highest authority of the company. It shall discuss and determine all major policy issues regarding the Company. Decisions made by the board of directors are valid only if they are agreed upon by the majority of those directors participating in the meeting of the board of directors in person or by proxy. The board of directors shall reach decisions on major policy issues through friendly consultation on the basis of mutual benefit. Some of the major policy issues, such as merger and division of the company, must be unanimously agreed by the directors attending the meeting of the board of directors in person or by proxy. (*Article 5.03 of AOA of TAGAL*)

- b) Provide a description of any GOC input/guidance into the decision-making process regarding your manufacturing, marketing and sale of steel products.

**Response:** No GOC input/guidance is interfered into the decision-making process regarding manufacturing, marketing and sale of steel products of both companies.

- c) Provide a list of all government departments/offices that are involved, either directly or indirectly, in your manufacture, sale or purchase of steel products.

**Response:** No government departments/offices are involved, either directly or indirectly, in manufacture, sale or purchase of steel products of both companies.

- d) Provide copies of the minutes of your Board of Directors and Board of Shareholders meetings over the investigation period.

**Response:** Please refer to **Exhibit 1: minute of annual general meeting** and **Exhibit 2: resolution of the board of directors of ANSTEEL during the POI.**

## **PUBLIC RECORD VERSION**

The board of directors of TAGAL is the supreme power of the company and the company doesn't have shareholders' meeting. Please refer to Exhibit 3: resolution of board of directors of TAGAL during the POI.

**[Information contained in the above exhibit 3 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.]**

- e) Provide copies of the notes to business meetings where pricing decisions on steel products have been made over the investigation period.

**Response: The price is generally decided by negotiation on a transaction basis with reference to the market situation. Thus, no such notes to business meeting concerning pricing exist.**

- f) Provide the copies of your Business and/or Corporate Plan that were effective during the Investigation period.

**Response: No such business and/or corporate plan exist for both companies.**

- g) Has your business been involved in any mergers and/or acquisitions in the last 5 years? If so, provide details.

**Response: Both companies haven't involved in any mergers and/or acquisitions in the last 5 years.**

- h) Has your business undergone any major restructuring in the last 5 years? If so, provide details.

**Response: Both companies haven't undergone any major restructuring in the last 5 years.**

- i) Is your business currently, or in the last 5 years, been involved in a joint venture? If so, provide details.

**Response: Both companies are sino-foreign joint venture. ANSTEEL became a joint venture since its listing in Hong Kong Stock Exchange, and TAGAL is a joint venture since its incorporation.**

### **3. Licensing**

- a) Provide a copy of your business license(s).

**Response: Please refer to Exhibit 4: business license of ANSTEEL, and Exhibit 5: business license of TAGAL.**

- b) Identify the GOC departments or offices responsible for issuing the license(s).

**Response: The business license of ANSTEEL is issued by Liaoning Administration for Industry and Commerce.**

**The business license of TAGAL is issued by Dalian Administration for Industry and Commerce.**

## **PUBLIC RECORD VERSION**

c) Describe the procedures involved in applying for your business license(s).

**Response:** The procedures involved in applying for business license are as following:

(1) to form a company, an application shall be filed for the pre-approval of the company name;  
(2) a representative designated or an agent jointly authorized by all the shareholders shall apply for registration of incorporation to the company registration authority; and  
(3) to submit relevant documents as requested by laws and regulations, such as application form of registration of incorporation, articles of association, capital verification report, identity of each shareholder, and certificate of company residence etc.

d) Describe all requirements and/or conditions that must be met in order to obtain the license(s).

**Response:** As both companies are joint stock limited company, we describe all the requirements in application of business license of such company as following:

To incorporate a joint stock limited company, the board of directors of the company shall apply for registration of incorporation to the company registration authority. For a joint stock limited company which is incorporated by stock floatation, the board of directors of the company shall apply for registration of incorporation to the company registration authority within 30 days after the end of the meeting of foundation.

To apply for incorporating a joint stock limited company, an applicant shall submit the following documents to the company registration authority:

(1) a written application for registration of incorporation, which is signed by the legal representative of the company;  
(2) a certificate of designation of a representative or joint authorization of an agent by the board of directors;  
(3) articles of association of the company;  
(4) a capital verification report issued by a legally formed capital verification institution;  
(5) a certificate of transfer of title, which shall be submitted at the time of registration of incorporation, where the initial contribution made by a shareholder is non-monetary property;  
(6) a certificate of capacity of each promoter which is an entity or certificate of identification of each promoter which is a natural person;  
(7) documents stating the names and residences of the directors, supervisors and managers and certificates of the relevant appointment, election or employment;  
(8) an appointment document and a certificate of identification of the legal representative of the company;  
(9) a notice of pre-approval of enterprise;  
(10) a certificate of residence of the company; and  
(11) any other document as required.

e) Describe any sanctions and/or restrictions imposed on your business if you act outside the scope of your business license(s).

**Response:** The registration authority may, depending on the circumstances, issue a warning, impose a fine, confiscate illegal income, order the suspension of business operations until the matter is rectified, or confiscate or revoke the business licence if the company acts outside the scope of the business license.

f) Describe and explain any rights or benefits conferred to your business under the license(s).



## **PUBLIC RECORD VERSION**

**Response:** Any company intends to conduct business operations in China shall first acquire the business license. Enterprise legal person's business license is the proof that the enterprise has obtained the qualification of an enterprise legal person and to operate legally, and those companies who get such qualification can freely decide its operations.

- g) Describe the circumstances under which your business license(s) can be revoked, and who has the authority to revoke the license(s).

**Response:** The relevant Administration for Industry and Commerce, which issued the business license to the company, is the competent authority to revoke the business license. The types of legal requirements that would cause the license to be revoked mainly include:

- (1) dissolution after liquidation;
- (2) bankruptcy;
- (3) acquired the business license by falsification of the registered capital and the circumstance is serious;
- (4) acquired the business license by false submissions or other fraudulent means and the circumstance is serious;
- (5) a company fails to open business more than six months after its incorporation without good reasons, or ceases business operation for more than six months consecutively after opening business;
- (6) where the business scope of a company to be modified includes any item which must be subject to approval according to a law, administrative regulation or decision of the State Council and such an approval is not acquired, if the company engages in the relevant business operation without the approval and the circumstance is serious;
- (7) where a company fails to accept the annual inspection according to legal provisions and after the competent authority give a prescribed time limit, the company still fails to accept the annual inspection within the prescribed time limit;
- (8) where a company forges, alters, leases, lends or transfers its business license and the circumstance is serious; and
- (9) where a company engages in serious illegal activities in the name of the company, which compromises the national security or public interest.

- h) What are the on-going conditions and/or requirements of your business license? Name the authority that manages the compliance of these conditions and/or requirements?

**Response:** The company who gets the business license shall be in compliance of the following requirements:

- (1) the original copy has to be placed at a significant place in the residence of the enterprise;
- (2) the business license may not be forged, leased, lent or transferred;
- (3) if any items registered with the authority incurred any changes, they must be registered with the original authority;
- (4) the business license shall be annually reviewed;
- (5) if the business has been withdrawn by the registration authority, enterprise legal persons shall not carry out business except liquidation;
- (6) when applying for cancellation, the original and duplicate copies have to be returned; and
- (7) when the enterprise has deregistered or cancelled of its business, it has to hand in the copies of its business license.

The local Administration for Industry and Commerce manages the compliance of these conditions and/or requirements.

## **PUBLIC RECORD VERSION**

### **4. Capital investment activities**

- a) List all capital investment activities (e.g. new production line, upgrades) your business has undertaken in the last 5 years and provide details of the approval process and any conditions placed upon the approval. Provide all relevant documentation, including copies of application forms and approval letters.

**Response:** No significant capital investment activities of both companies that need to be approved by any GOC authorities have undertaken in the last 5 years.

- b) If an application for your capital investment activity was not approved, provide details and documentation for the refusal.

**Response:** Please refer to the answer to the previous question, this question is not applicable.

- c) Identify all relevant authorities responsible for approving capital investments including the office address, phone and fax numbers. Also provide a brief description of the role of the authority in the approval process.

**Response:** Please refer to the answer to the previous question, this question is not applicable.

### **5. Financing and investment activities**

- a) How is your business debt funded? Provide a list of all major lenders.

**Response:** The business debts are mainly funded by banks. Please refer to Exhibit 6: major lenders and interest rates thereof.

**[Information contained in the above exhibit 6 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) What is the rate of interest paid by your business on all debt instruments over the last 5 years?

**Response:** Please refer to Exhibit 6: major lenders and interest rates thereof.

- c) Has your business benefited from any concessional interest rates for your loans/debts in the last 5 years? If so, provide details.

**Response:** Both companies haven't benefited from any concessional interest rates for the loans/debts in the last 5 years.

- d) Has your business raised any capital using issuance of shares, preferential shares, rights issue, bonds, warrants, debentures, sub-ordinate loans or any other debt and/or equity instruments in the last 5 years? If so:

- i. explain what instruments were used;

## **PUBLIC RECORD VERSION**

**Response:** ANSTEEL has raised capital using issuance of short-term financing bonds and medium-term notes within the last 5 years.

TAGAL hasn't raised any capital using issuance of any above instruments in the last 5 years.

- ii. identify the type (e.g government guarantee) and provider of the security; and

**Response:** ANSTEEL had issued these 2 types of financing instruments in the institutional investors in the PRC inter-bank debenture market. ANSTEEL itself, by using its own properties, provide guarantee to these bonds and notes.

- iii. explain the reasons for raising the capital.

**Response:** The proceeds from the issue of the short-term financing bonds and medium-term notes are used by ANSTEEL to repay its bank loans, adjust its financing structure and lower its financing cost.

- e) Does your business have policies on how cash reserves are to be invested? If so, provide details.

**Response:** No specific policies existed on how cash reserves are to be invested. It is the senior managements' own discretion to decide the use of cash reserve as demanded by its business operations and market situation.

- f) Has your business invested in either government or non-government debt securities (such as bonds, quasi-government bonds)? If so provide details (e.g. type of instrument, amount invested and the expected rate of return).

**Response:** Both companies haven't invested in either government or non-government debt securities.

### **6. Industry associations**

- a) Are you a member of any industry association (either governmental or non-governmental)? If so, for each association provide details including:
  - i. The name of the association.

**Response:** ANSTEEL is a member of China Iron and Steel Association ("CISA").

TAGAL is not a member of any industry association.

- ii. When your business joined the association.

**Response:** ANSTEEL joined CISA since 1999.

- iii. Whether there are any membership fees.

**Response:** There are membership fees.

- iv. The purpose of the association.

**Response:** The purpose of CISA is to represent the interests and to protect the legitimate rights of its members, to serve for enterprises, industry and society, and to coordinate and

## **PUBLIC RECORD VERSION**

establish self-disciplinary system in the steel industry.

- v. The benefits of the association.

**Response:** CISA establishes a self-disciplinary system so as to regulate the operation in the steel industry, conducts industry surveys and researches so as to provide effective guidance or advice to its members, promotes the communication of management and technological information, and organizes training programs etc.

- vi. Any restrictions or conditions placed on your business by being a member of the association.

**Response:** No restrictions or conditions placed on the business of ANSTEEL by being a member of CISA.

- vii. Any other on-going requirements for the association.

**Response:** No other on-going requirements exist for the association.

### **7. Interaction with the GOC**

- a) Provide details of all interactions that your business has with the GOC including reporting requirements to the GOC.

**Response:** [CONFIDENTIAL, INTERACTIONS WITH GOC]

**Except for regular taxation purpose and business license annual review, TAGAL doesn't have any interactions with the GOC in its business operation.**

- b) Provide contact details of any GOC departments, bureaus or agencies that your business has had any dealings with that are responsible for the administration of measures in the steel industry.

Ensure that your response includes contact information regarding the following areas:

- i. industrial policy and guidance on the steel industry sector;

**Response:** Department: National Development and Reform Commission ("NDRC")  
Address: 38 South Yuetan Street, Xicheng District, Beijing 100824  
Phone number: 86-10-6850 1428  
Fax number: 86-10-6850 2999

Department: Ministry of Industry and Information Technology ("MIIT")  
Address: 13 West Changan Street, Xicheng District, Beijing 100804  
Phone number: 86-10-6601 1228  
Fax number: 86-10-6601 1228

- ii. market entry criteria for the steel industry sector;

**Response:** Department: NDRC  
Address: 38 South Yuetan Street, Xicheng District, Beijing 100824  
Phone number: 86-10-6850 1428  
Fax number: 86-10-6850 2999

**PUBLIC RECORD VERSION**

**Department: MIIT**  
**Address: 13 West Changan Street, Xicheng District, Beijing 100804**  
**Phone number: 86-10-6601 1228**  
**Fax number: 86-10-6601 1228**

- iii. environmental enforcement for the steel industry sector;

**Response:** **Department: Ministry of Environmental Protection (“MEP”)**  
**Address: 115 Nanxiao Street, Xizhimen Nei, Beijing 100035**  
**Phone number: 86-10-6655 6163**  
**Fax number: 86-10-6655 6165**

- iv. management of land utilization;

**Response:** **Department: Ministry of Land and Resources**  
**Address: 64 Funei Avenue, Xicheng District, Beijing 100812**  
**Phone number: 86-10-6655 8424**  
**Fax number: 86-10-6655 8004**

- v. the China Banking Regulatory Commission for the steel industry sector;

**Response:** **Agency: China Banking Regulatory Commission (“CBRC”)**  
**Address: 15 Financial Avenue, Xicheng District, Beijing 100800**  
**Phone number: 86-10-6627 9378**  
**Fax number: 86-10-6629 9144**

- vi. investigation and inspection of new steel expansion facilities;

**Response:** It is submitted by ANSTEEL that many administrative departments can be involved in the investigation and expansion of new steel facilities. It is difficult to know how to list these, and their relevance to this investigation would have to be quite remote. The subject matter dealt with by agencies involved in the investigation and inspection of facilities will include such things as construction certification; construction safety; land surveying; and environmental compliance.

- vii. the section in the National Development and Reform Commission that is responsible for the steel industry sector; and

**Response:** **Department: NDRC**  
**Address: 38 South Yuetan Street, Xicheng District, Beijing 100824**  
**Phone number: 86-10-6850 1428**  
**Fax number: 86-10-6850 2999**

**Department: MIIT**  
**Address: 13 West Changan Street, Xicheng District, Beijing 100804**  
**Phone number: 86-10-6601 1228**  
**Fax number: 86-10-6601 1228**

- viii. import licensing for iron ore, steel and other steel raw materials.

**Response:** **Department: Department of Foreign Trade of the Ministry of Commerce (“MOFCOM”)**  
**Address: 2 Dongchang’an Road, Beijing, 100731**  
**Phone number: 86-10-6519 7107**  
**Fax number: 86-10-6519 7447**

## PUBLIC RECORD VERSION

Please noted that iron ore is automatically licensed for entry.

- c) How has the *GOC's National Steel Policy*<sup>2</sup> impacted on your business and how do you ensure compliance with this policy?

**Response:** The GOC's National Steel Policy has no binding force to the companies. It is just a guide in macro-economic level. With regard to the normal business operations, it has little impact and these companies are mainly operated and competed according the market situation.

- d) Have you had dealings or communications with the National Development and Reform Commission (NDRC) and/or the Ministry of Industry and Information Technology (MIIT) in the last 5 years? If so, provide details.

**Response:** Both companies didn't have dealings or communications with NDRC and/or MIIT in the last 5 years.

- g) Provide details of all the taxes paid by your business in the last 5 years (e.g company tax, sales tax, levies, royalties). Ensure that you include the tax rate, whether it is a reduced rate and the name of the authority that it is paid to.

**Response:** The taxes paid by ANSTEEL and TAGAL in the last 5 years are:

- (1) VAT: 17% of output VAT and output VAT less input VAT;
- (2) Business tax: Taxable income: 3%-5%;
- (3) City construction and maintenance tax, Education surcharge and local education surcharge: Paid circulating tax: 7%, 3% , 1%;
- (4) Corporate income tax: Taxable income: 25%; and
- (5) Custom duty: FOB: 5%-15%.

All these taxes are not a reduced rate and they are paid to state and local tax bureau of Liaoning province.

- h) List and describe all reports that are required to be submitted to the GOC? How often such reports are required? Identify the government department/office where each report is filed.

**Response:** Both companies don't have to report to GOC with regard to its normal business operations except the annual financial statements and tax application form submitted to tax bureau quarterly.

- i) Does your business provide selling price information or participate in surveys to an external agency? If so, provide details.

**Response:** Both companies don't provide selling price information or participate in surveys to an external agency.

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<sup>2</sup> also referred to as the Steel and Iron Industry Development Policy, as well as by several other titles

## PUBLIC RECORD VERSION

### PART 2 THE GALVANISED STEEL AND ALUMINIUM ZINC COATED STEEL

#### 1. Sales and production

- a) Provide a list of all your domestic customers of the goods, include the location (city and province) of the customer and indicate whether each customer is an SIE.

**Response:** Please refer to Exhibit 7: List of domestic customers of ANSTEEL.

Please refer to Exhibit 8: List of domestic customers of TAGAL.

**[Information contained in the above exhibit 7 & 8 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) Does your business need to obtain approval or a licence to manufacture and sell the goods? If so, provide details.

**Response:** Both companies don't need to obtain approval or a licence to manufacture and sell the goods.

- c) Are there any restrictions and/or conditions in relation to the quality or quantity of the production of the goods placed upon your business? If so, provide details.

**Response:** There are no restrictions and/or conditions in relation to the quality or quantity of the production of the goods. Both companies' productions are subject to purchase order, and all the condition concerning quality and quantity are decided via negotiation.

- d) Does your business require an export licence? If so, provide details.

**Response:** Both companies don't require an export license.

- e) Are the goods sold by your business subject to any export restrictions and/or limits during the previous 5 year? If so, provide details.

**Response:** The goods sold by both companies aren't subject to any export restrictions and/or limits during the previous 5 year.

- f) Provide details regarding any other restrictions (e.g., geographic/regional, downstream, end use) placed upon your business on the sale of the goods.

**Response:** There are no other restrictions placed upon both companies on the sale of the goods

- g) Have there been any changes to your production capacity of the goods over the last 5 years? If so, provide details.

**Response:** There have been no changes to the production capacity of the goods over the last 5 years.

#### 2. Selling price

## PUBLIC RECORD VERSION

- a) Describe in detail how the selling price of the goods is determined. In particular, provide details of any restrictions, limitations, or other considerations imposed on your business.

**Response:** As we stated above, the selling price of the goods is determined by negotiation between the companies and their customers with a reference to the market price. There are no restrictions, limitations, or other considerations imposed on the business.

- b) Which organisation/business entity do you consider as the price leader of the goods?

**Response:** Both companies don't consider any entities as the price leader of the goods.

- c) Does your business have a pricing committee in respect of the goods? If so provide the names and positions of all members of the Committee.

**Response:** Both companies don't have a pricing committee in respect of the goods. As we stated above, the sale price of the goods are subject to negotiation on a transaction basis.

- d) How often does the pricing committee meet to discuss selling prices of the goods? Provide the minutes or any other relevant documents of all meetings of the pricing committee during the investigation period.

**Response:** Please refer to the answer to the previous question, thus, this question is not applicable.

- e) Identify the person who authorises the sales terms, prices and other contract provisions for the sale of the goods by your business.

**Response:** As the sales terms are negotiated between the sales staff of the company and the customers, the sales manager will have a final confirmation to the sales conditions. If all the sales terms are acceptable, the contract will then concluded and the purchase order will be confirmed.

- f) If you have production facilities of the goods in more than one region and/or province, are the laws and regulations in each region the same with respect to pricing of the goods? If not, provide details on the differences.

**Response:** ANSTEEL and TAGAL are located both producers of the goods and thus have production facilities of the goods in different region. As far as we know, the laws and regulations in each region are the same with respect to pricing of the goods.

### 3. HRC purchases

***Only answer the following questions if your business, or related businesses, purchase HRC***

***Only TAGAL purchased HRC as raw materials for the production of the goods, while ANSTEEL produces HRC itself. The goods are produced by ANSTEEL in an integrated production process. Thus, the following questions in this section are replied by TAGAL.***

- a) Provide a detailed listing of you HRC purchases by completing the *HRC Purchases* tab of the attached spreadsheet).

**Response:** Please refer to **Exhibit 9: HRC purchase of TAGAL.**



**PUBLIC RECORD VERSION**

**[Information contained in the above exhibit 9 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) Do you have more than one supplier of HRC? If so, provide an explanation of the reasons of price differences between these suppliers?

**Response: TAGAL has [CONFIDENTIAL, NUMBER OF SUPPLIERS] suppliers of HRC. The price differences are due to each supplier's own pricing policy and cost structure with regard to the market competitive situation.**

- c) Describe in detail your business' purchase procedures of HRC and the considerations in selecting a supplier. If it is by tenders, provide details of the criterions/conditions.

**Response: According to the production demands of HRC, the supply department will contact and negotiate with the suppliers concerning the detailed purchase terms. On the basis of market situation, if the quality, quantity and price of the HRC are agreed, TAGAL will conclude the contract or lay the purchase order to these suppliers. TAGAL doesn't purchase HRC by tenders.**

- d) If HRC is imported by your business, or related businesses:

**Response: [CONFIDENTIAL, HRC PURCHASE CHANNEL]**

- i. Provide details including a description of the HRC imported, the supplier and country of origin.

**Response: [CONFIDENTIAL, SUPPLIER OF HRC]**

- ii. Explain the process required to import HRC (e.g. obtaining an import licence, import declarations).

**Response: The import of HRC follows normal Customs procedure, such as import declaration and payment of tariff and other relevant taxes. The import license isn't needed for importation of HRC.**

- iii. Provide details of any conditions to importing the HRC (e.g. customs and/or quarantine).

**Response: As we stated above, the import of HRC follows normal Customs procedure, and no special conditions, such as quarantine, are requested.**

- iv. Is your business eligible for a duty drawback? If so, provide details.

**Response: The import of HRC isn't eligible for a duty drawback.**

## PUBLIC RECORD VERSION

### PART 3      HOT ROLLED COIL STEEL (HRC)

#### 1.      Sales and production

***Only answer the following questions if your business, or related businesses, sell HRC.***

***Only ANSTEEL sells HRC as finished product, while TAGAL purchases HRC and puts into the production of galvanized steel. Thus, the following questions in this section are replied by ANSTEEL.***

- a) Provide a list of all your domestic customers of HRC and indicate whether each customer is an SIE.

**Response:**      Please refer **Exhibit 10**: Domestic customers of HRC.

**[Information contained in the above exhibit 10 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) Are you required to obtain approval or a licence to sell HRC? If so, provide details.

**Response:**      ANSTEEL is not required to obtain approval or a licence to sell HRC.

- c) Are there any restrictions and/or conditions in relation to the quality or quantity of the production of HRC placed upon your business? If so, provide details.

**Response:**      There aren't any restrictions and/or conditions in relation to the quality or quantity of the production of HRC. All such quality or quantity is decided by the demands of purchaser via negotiation.

- d) Do you have an export licence for exports of HRC? If so, provide details.

**Response:**      ANSTEEL doesn't need an export license for exports of HRC.

- e) Is HRC sold by your business subject to any export restrictions and/or limits during the previous 5 year? If so, provide details.

**Response:**      The HRC sold by ANSTEEL isn't subject to any export restrictions and/or limits during the previous 5 year.

- f) Provide details regarding any other restrictions (e.g., geographic/regional, downstream, end use) placed upon your business on the sale of HRC.

**Response:**      No other restrictions placed upon ANSTEEL on the sale of HRC.

- g) Have there been any changes to your production capacity of HRC over the last 5 years? If so, provide details.

**Response:**      There haven't been any changes to the production capacity of HRC over the last 5 years.

## **PUBLIC RECORD VERSION**

### **2. Selling price**

***Only answer the following questions if your business, or related businesses, sell HRC***

- a) Describe in detail how the selling price of HRC is determined. In particular, provide details of any restrictions, limitations, or other considerations faced by your business.

**Response:**     **The selling price of HRC is determined by negotiation on a transaction basis. No such restrictions, limitations, or other considerations are faced by the company. The market situation is the decisive factor for the selling price.**

- b) Which organisation/business entity do you consider as the price leader of HRC?

**Response:**     **No organisation or business entity will be considered as the price leader of HRC.**

- c) Does your business have a pricing committee in respect of HRC? If so provide the names and positions of all members of the Committee.

**Response:**     **The company doesn't have a pricing committee in respect of HRC.**

- d) How often does the pricing committee meet to discuss selling prices of HRC? Provide the minutes or any other relevant documents of all meetings of the pricing committee during the investigation period.

**Response:**     **Please refer to the answer to the above question, this question is not applicable.**

- e) Identify the person who authorises the sales terms, prices and other contract provisions for the sale of HRC by your business.

**Response:**     **The sales manager finally authorises the sales terms, prices and other contract provisions for the sale of HRC according to the cost structure and market situation.**

- f) If you have production facilities of HRC in more than one region and/or province, are the laws and regulations in each region the same with respect to pricing of HRC? If not, provide details on the differences.

**Response:**     **ANSTEEL has production facility of HRC only in one region and/or province, thus, this question is not applicable.**

- g) If you have customers of HRC located in more than one region and/or province, are the selling prices of HRC different? If so, explain the reasons on the differences.

**Response:**     **ANSTEEL has customers of HRC located in more than one region and/or province. However, the selling prices of HRC don't vary by regions. The price difference is mainly due to the distance of delivery, physical characteristics of the goods, and negotiation etc.**

## PUBLIC RECORD VERSION

### 3. Raw material purchases

**Only answer the following questions if your business, or related businesses, manufacture HRC**

**Only ANSTEEL manufactures HRC, thus, the following questions are replied by ANSTEEL.**

- a) Provide a detailed listing of you raw material purchases (e.g. iron ore, coking coal) by completing the *Raw Material Purchases* tab of the attached spreadsheet).

**Response:** The main raw material as purchased is the iron ores, and the coking coal is produced by ANSTEEL itself. Please refer to Exhibit 11: Listing of raw material purchases.

**[Information contained in the above exhibit 11 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) Do you have more than one supplier of the raw materials? If so, provide an explanation of the reasons of price differences between these suppliers?

**Response:** ANSTEEL has more than one supplier of the raw materials. The price difference is mainly due to the quality of the goods and the distance of delivery.

- c) Describe in detail your business's purchase procedures of the raw materials and the considerations in selecting a supplier. If it is by tenders, provide details of the criterions/conditions.

**Response:** According to the production schedule of the company, the supply department will arrange the purchase of raw materials. [CONFIDENTIAL, PRICING POLICY] The raw materials purchase is not by tenders.

- d) If any of your raw materials for the production of HRC are imported by your business, or related businesses:

**Response:** Part of the iron ores as the raw material for the production of HRC are imported.

- i. Provide details including a description of the raw material imported, the supplier and country of origin.

**Response:** The iron ores imported are lump ore and fine ore from Australia and Brazil. Please refer to Exhibit 11 as provided above for the suppliers and country of origin.

- ii. Explain the process required to import the raw materials (e.g. obtaining an import licence, import declarations).

**Response:** The import of iron ore follows normal Customs procedure, such as import declaration and payment of tariff and other relevant taxes. The import of iron ore is automatically licensed for entry.

- iii. Provide details of any conditions to importing the raw materials (e.g. customs and/or quarantine).

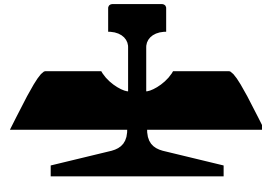
**PUBLIC RECORD VERSION**

**Response:** Please refer to the answer to the previous question of the import condition. No quarantine is placed on the import of iron ore.

iv. Are you eligible for a duty drawback? If so, provide details.

**Response:** The import of iron ores is not eligible for a duty drawback.

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**鞍鋼股份有限公司**

**ANGANG STEEL COMPANY LIMITED\***

*(a joint stock limited company incorporated in the People's Republic of China with limited liability)*

(Stock Code: 347)

## **VOTING RESULTS OF THE ANNUAL GENERAL MEETING**

The AGM of the Company was held on 29 May 2012. The Company is pleased to announce that, all proposed resolutions as set out in the AGM Notice have been duly approved by way of poll.

Reference is made to the notice of annual general meeting for the year 2011 (the “**AGM**”) of Angang Steel Company Limited\* (鞍鋼股份有限公司) (the “**Company**”) dated 13 April 2012 (the “**AGM Notice**”).

The AGM was held at the Conference Room of Dongshan Hotel, 108 Dong Feng Street, Tie Dong District, Anshan City, Liaoning Province, the People's Republic of China (the “**PRC**”) at 9:00 a.m. on 29 May 2012. The AGM was convened and held pursuant to the applicable laws and regulations the People's Republic of China, including the Company Law, and the articles of association of the Company (the “**Articles of Association**”). The AGM was chaired by Mr. Yang Hua, the vice chairman of the board of directors (the “**Board**”) of the Company.

**ATTENDANCE AT THE AGM**

A total of 6 shareholders of the Company (the “**Shareholders**”) were present (in person or by proxy) at the AGM. Such an aggregate of 5,111,009,427 shares of the Company (the “**Shares**”), representing approximately 70.64% of the total number of Shares carrying voting rights. Of such Shareholders present at the AGM, (i) five were holders (or proxies of holders) of the domestic shares of the Company who held an aggregate of 4,870,177,006 Shares, representing approximately 67.31% of the total number of Shares carrying voting rights and (ii) one was a holder (or proxy of a holder) of the H shares of the Company who held an aggregate of 240,832,421 Shares, representing approximately 3.33% of the total number of Shares carrying voting rights. No Shareholder was entitled to vote only against any of the proposed resolutions, or was required (or had stated in the relevant Shareholders’ circular an intention) to abstain from attending and voting at the AGM.

**RESULTS OF THE AGM**

The Company is pleased to announce that, all proposed resolutions as set out in the AGM Notice have been duly approved by way of poll. The poll results in respect of each of the resolutions proposed at the AGM are set out below:

**ORDINARY RESOLUTIONS**

1. To consider and approve the report of the Board for the year 2011.

<b>For</b>		<b>Against</b>		<b>Abstain</b>	
<b>Number of Shares</b>	<b>% of Total Valid Voting Shares</b>	<b>Number of Shares</b>	<b>% of Total Valid Voting Shares</b>	<b>Number of Shares</b>	<b>% of Total Valid Voting Shares</b>
5,110,974,427	99.999%	35,000	0.001%	0	0%

2. To consider and approve the report of the supervisory committee of the Company for the year 2011.

<b>For</b>		<b>Against</b>		<b>Abstain</b>	
<b>Number of Shares</b>	<b>% of Total Valid Voting Shares</b>	<b>Number of Shares</b>	<b>% of Total Valid Voting Shares</b>	<b>Number of Shares</b>	<b>% of Total Valid Voting Shares</b>
5,110,970,427	99.999%	35,000	0.001%	4,000	0.000%

3. To consider and approve the audited financial statements of the Company for the year 2011.

<b>For</b>		<b>Against</b>		<b>Abstain</b>	
<b>Number of Shares</b>	<b>% of Total Valid Voting Shares</b>	<b>Number of Shares</b>	<b>% of Total Valid Voting Shares</b>	<b>Number of Shares</b>	<b>% of Total Valid Voting Shares</b>
5,110,970,427	99.999%	35,000	0.001%	4,000	0.000%

4. To consider and approve the proposal for distribution of the profits of the Company for the year 2011.

<b>For</b>		<b>Against</b>		<b>Abstain</b>	
<b>Number of Shares</b>	<b>% of Total Valid Voting Shares</b>	<b>Number of Shares</b>	<b>% of Total Valid Voting Shares</b>	<b>Number of Shares</b>	<b>% of Total Valid Voting Shares</b>
5,110,970,427	99.999%	35,000	0.001%	4,000	0.000%



**PUBLIC RECORD VERSION**

5. To consider and approve the proposed remunerations of the directors and supervisors of the Company for the year 2011.

<b>For</b>		<b>Against</b>		<b>Abstain</b>	
<b>Number of Shares</b>	<b>% of Total Valid Voting Shares</b>	<b>Number of Shares</b>	<b>% of Total Valid Voting Shares</b>	<b>Number of Shares</b>	<b>% of Total Valid Voting Shares</b>
5,108,204,427	99.945%	35,000	0.001%	2,770,000	0.054%

6. To consider and approve the appointment of RSM China Certified Public Accountants (special general partnership) as the auditor of the Company for the year 2012 and to authorise the Board to determine their remunerations.

<b>For</b>		<b>Against</b>		<b>Abstain</b>	
<b>Number of Shares</b>	<b>% of Total Valid Voting Shares</b>	<b>Number of Shares</b>	<b>% of Total Valid Voting Shares</b>	<b>Number of Shares</b>	<b>% of Total Valid Voting Shares</b>
5,099,300,612	99.771%	539,200	0.011%	11,169,615	0.218%

7. To consider and approve the proposal for election of Mr. Su Wensheng as a supervisor of the fifth session of the supervisory committee.

<b>For</b>		<b>Against</b>		<b>Abstain</b>	
<b>Number of Shares</b>	<b>% of Total Valid Voting Shares</b>	<b>Number of Shares</b>	<b>% of Total Valid Voting Shares</b>	<b>Number of Shares</b>	<b>% of Total Valid Voting Shares</b>
5,110,970,427	99.999%	35,000	0.001%	4,000	0.000%

8. To consider and approve the proposal for continuing connected transactions in January and February 2012.

<b>For</b>		<b>Against</b>		<b>Abstain</b>	
<b>Number of Shares</b>	<b>% of Total Valid Voting Shares</b>	<b>Number of Shares</b>	<b>% of Total Valid Voting Shares</b>	<b>Number of Shares</b>	<b>% of Total Valid Voting Shares</b>
242,423,097	99.984%	35,000	0.014%	4,000	0.002%

### **SPECIAL RESOLUTION**

9. To consider and approve the proposed amendments to the articles of association of the Company and to authorise any director of the Company to deal with the relevant matters or to execute any documents in relation to such amendments.

<b>For</b>		<b>Against</b>		<b>Abstain</b>	
<b>Number of Shares</b>	<b>% of Total Valid Voting Shares</b>	<b>Number of Shares</b>	<b>% of Total Valid Voting Shares</b>	<b>Number of Shares</b>	<b>% of Total Valid Voting Shares</b>
5,089,528,943	99.580%	17,004,484	0.333%	4,476,000	0.087%

**PUBLIC RECORD VERSION**  
**SCRUTINY OF VOTE-COUNTING AND LEGAL OPINIONS**

In accordance with the requirements of the Listing Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, RSM Nelson Wheeler Certified Public Accountants acted as the scrutineer of the AGM and reviewed the counting of the votes at the meeting.

King & Wood, the legal advisers to the Company on the PRC laws, attended the AGM and issued legal opinions that (i) the convening and holding of, and the voting procedures adopted at the AGM are in compliance with the applicable laws and regulations of the PRC and the Articles of Association; (ii) the Shareholders present at the AGM (in person or by proxy) have fulfilled the relevant requirements under the applicable laws and regulations of the PRC and the Articles of Association and they are entitled to attend the meeting; and (iii) the resolutions passed at the AGM are in compliance with the applicable laws and regulations of the PRC and valid.

By Order of the Board  
**ANGANG STEEL COMPANY LIMITED\***  
**Fu Jihui**  
*Executive Director and Secretary to the Board*

Anshan City, Liaoning Province, the PRC  
29 May 2012

As at the date of this announcement, the Board comprises the following directors:

*Executive Directors:*

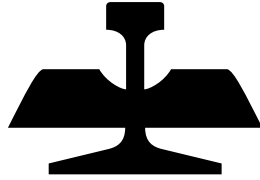
Zhang Xiaogang  
Yang Hua  
Chen Ming  
Yu Wanyuan  
Fu Jihui

*Independent Non-Executive Directors:*

Li Shijun  
Ma Guoqiang  
Kwong Chi Kit, Victor

\* *For identification purposes only*

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**鞍鋼股份有限公司**

**ANGANG STEEL COMPANY LIMITED\***

*(a joint stock limited company incorporated in the People's Republic of China with limited liability)*

(Stock Code: 347)

## **RESOLUTIONS PASSED AT THE THIRTY-THIRD MEETING OF THE FIFTH SESSION OF THE BOARD OF DIRECTORS**

The Company and its directors confirm the truthfulness, accuracy and completeness of the information disclosed and that there are no misrepresentations or misleading statements in, or material omissions from, this announcement.

Notice of the thirty-third meeting of the fifth session of the board of directors (the “**Board**”) of Angang Steel Company Limited\* (鞍鋼股份有限公司) (the “**Company**”) was given in writing and by fax on 12 March 2012. The meeting was held at the conference room of Angang Dongshan Hotel on 27 March 2012. All eight directors of the Company attended the meeting in person or by proxy. Mr. Kwong Chi Kit, Victor, an independent non-executive director, was unable to attend the meeting in person due to other work commitments. Mr. Kwong appointed Mr. Ma Guoqiang, an independent non-executive director, to exercise the voting right on his behalf. The supervisors of the Company also attended the meeting as non-voting participants. The Meeting was convened in compliance with the relevant provisions of the Company Law of the PRC and the articles of association of the Company. At the meeting, the following resolutions were passed by unanimous affirmative votes upon discussions:

**I. The report of the board of directors for 2011 was approved.**

The report will be submitted for consideration and approval at the annual general meeting for the year of 2011 of the Company (the “2011 AGM”).

**II. The 2011 annual report and its summary were approved.**

**III. The audited financial report for 2011 was approved.**

The report will be submitted for consideration and approval at the 2011 AGM.

**IV. The proposed plan in relation to the distribution of profits for 2011 was approved.**

As audited and confirmed by RSM China Certified Public Accountants (Special General Partnership), the Company recorded a net loss of RMB2,146 million attributable to shareholders of the Company for the year 2011 in accordance with the PRC Accounting Standards. As the Company recorded a loss, pursuant to the PRC laws and regulations and the articles of association of the Company, the Company would not make allocation to surplus reserve nor recommend any profit distribution or transfer of reserve to share capital for 2011.

This distribution proposal will be submitted for the shareholders’ consideration and approval at the 2011 AGM.

**V. The proposal in relation to the remunerations of the directors and senior management for 2011 was approved.**

The independent non-executive directors of the Company are of the opinions that the Proposal in relation to the Remunerations of the Directors and Senior Management of the Company for 2011 prepared by the Board is consistent with the performance of the Company and the level of remuneration offered by other similar enterprises in the PRC, and have approved such proposal.

Details of the Proposal in relation to the Remunerations of the Directors and Senior Management of the Company for 2011 will be set out in the 2011 annual report of the Company.

The proposal will be submitted for the shareholders' consideration and approval at the 2011 AGM.

**VI. The proposal in relation to the continuing connected transactions for 2011 was approved. Zhang Xiaogang and Yu Wanyuan, being the directors associated with the relevant connected persons, abstained from voting on this proposal.**

The Company's continuing connected transactions of the year 2011 were carried out in accordance with the terms of Supply of Materials and Services Agreement (2010-2011) which was approved by the shareholders of Company at the extraordinary general meeting held on 28 December 2009. The total amount of the continuing connected transactions carried out in 2011 did not exceed the related caps.

The independent non-executive directors have confirmed:

1. the continuing connected transactions of the Company in 2011 were carried out in the ordinary course of business of the Company;
2. the continuing connected transactions of the Company in 2011 were conducted (a) in accordance with the normal commercial terms (with reference to transactions of a similar nature made by similar entities in the PRC); (b) on terms no less favourable to the Group than the terms available to or offered by the third parties (if no comparable case is available); (c) on the terms which are fair and reasonable to shareholders of the Company (if no reference case is available);

3. the continuing connected transactions of the Company in 2011 were conducted in accordance with the terms set out in Supply of Materials and Services Agreement (2010-2011) between the Company and Anshan Iron & Steel Complex\* (鞍山鋼鐵集團公司) (“**Angang Holding**”) dated 27 October 2009, and on the terms which are fair and reasonable and in the interest of the Company and shareholders as a whole; and
4. the total amount of continuing connected transactions of the Company did not exceed the relevant applicable caps as specified under the Supply of Materials and Services Agreement (2010 to 2011).

**VII. The proposal in relation to the continuing connected transactions in January and February 2012 was approved. Zhang Xiaogang and Yu Wanyuan, the directors associated with the relevant connected persons, abstained from voting.**

As the Supply of Materials and Services Agreement (2012-2013) entered into between the Company and Angang Group Company\* (鞍鋼集團公司) on 11 October 2011 has not been approved at the extraordinary general meeting of the Company held on 19 December 2011, in order to ensure normal operation of the Company, the Board approved the amount of continuing connected transactions of the Company in January and February 2012 in accordance with the requirements of the Shenzhen Stock Exchange.

The total amount of the continuing connected transactions conducted between the Company and Angang Group Company in January and February 2012 was RMB5,673 million, representing 10.85% of the audited net assets of the Company for 2011 (being RMB52,305 million).

The proposal remains subject to the approval of the shareholders of Company at the general meeting. Connected persons who have an interest in such connected transactions will abstain from voting on the proposal at the general meeting.

The Company has been actively negotiating with Angang Group Company on the terms of the new Supply of Materials and Services Agreement (2012-2013). Upon the determination of such terms, the Company will fulfill its obligations regarding the approval of and disclosure such new Supply of Materials and Services Agreement (2012-2013) as soon as possible.

**PUBLIC RECORD VERSION**

Prior to obtaining shareholders' approval of the new Supply of Materials and Services Agreement (2012-2013), the Company will carry out the continuing connected transactions with Angang Group Company and its subsidiaries (“**Angang Group**”) pursuant to the pricing principles and other relevant terms as set out in the Supply of Materials and Services Agreement (2010-2011).

Subject to the execution of the new Supply of Materials and Services Agreement (2012-2013) between the Company and Angang Group Company and the obtaining of the approval from the independent shareholders of the Company, the Company will make retrospective adjustments to the terms of the relevant continuing connected transactions entered into during the period from 1 January 2012 to the date on which the new Supply of Materials and Services Agreement (2012-2013) becomes effective pursuant to the terms of the new Supply of Materials and Services Agreement (2012-2013).

Details of the continuing connected transactions carried out by the Company and Angang Group in January and February 2012 are set out below:

Category of connected transactions	Sub-category by products or services	Amount		% in the amount of the same type of transactions
		January to February 2012 (RMB' million)	2011 (RMB' million)	
Purchase or acceptance of services	Principal raw materials	3,115	18,152	50.35
	Ancillary materials	232	1,595	14.02
	Energy and power	208	1,772	30.60
	Support services	772	6,290	52.94
	Total	4,327	27,809	—
Sales or provision of services	Products	1,248	8,452	9.55
	Minus Sieve powder, scrap steel and abandoned materials	37	211	95.18
	Comprehensive services	61	573.4	37.24
	Total	1,346	9,236.4	—



Such connected transactions have been reviewed and approved by independent non-executive directors of the Company. They have also approved to submit the above proposal to the Board for its consideration. Upon due and careful review, the independent non-executive directors expressed their independent opinions in respect of such transactions as follows:

1. the directors associated with the relevant connected persons abstained from voting in respect of the proposal at the Board meeting. The voting procedures are in compliance with relevant laws, regulations and requirements of the Articles of Association, while the connected transactions are entered into on the basis of the principle of fairness and justice and in compliance with statutory procedures.
2. The continuing connected transactions of the Company from January to February 2012 were carried out (a) in the ordinary course of business of the Company; (b) on normal commercial terms or terms no less favourable than the terms offered by an independent third party or (if no comparable is available) on terms which are fair and reasonable to shareholders of the Company; (c) on terms which are fair and reasonable to and in the interest of the shareholders of the Company as a whole, without prejudice to the interests of independent shareholders and minority shareholders; (d) in line with the actual conditions of the Company in terms of the amount of continuing connected transactions from January to February 2012 and beneficial to the normal operation of the Company.

The proposal will be submitted for the shareholders' consideration and approval at the 2011 AGM. Connected persons who are interested in the connected transactions will abstain from voting on the proposal at the general meeting.

Further details are set out in the announcement of the Company regarding the continuing connected transactions from January to February 2012 which will be published as an overseas regulatory announcement on the websites of the Company and The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") respectively.

**VIII. The proposal in relation to the appointment of RSM China Certified Public Accountants (Special General Partnership) as the auditor of the Company for 2012, and the authorization to the Board to determine its remuneration were approved.**

The proposal in relation to the re-appointment of RSM China Certified Public Accountants (Special General Partnership) as the auditor of the Company for 2012, will be submitted by the Board for the Shareholders' consideration and approval at the 2011 AGM.

The total auditing fees payable by the Company to RSM China Certified Public Accountants (Special General Partnership) and RSM Nelson Wheeler Certified Public Accountants for 2011 amounted to RMB6.1 million.

**IX. The proposal in relation to self-assessment report on internal control for 2011 was approved.**

**Opinions of independent non-executive directors:**

Pursuant to the relevant domestic and overseas regulations, the Company has carefully reviewed the efficiency of its internal control systems in 2011. Upon review, the Board has issued the self-assessment report on internal control. Upon careful review of the report and the relevant information, we are of the view that, the self-assessment on internal control of the Company has objectively and truly reflected the conditions of internal control of the Company. It has also disclosed the information on the important activities in respect of the establishment of internal control systems and the measures taken on key areas in 2011.

The self-assessment report on internal control for 2011 will be published as an overseas regulatory announcement on the websites of the Company and the Hong Kong Stock Exchange respectively.

- X. The proposal in relation to the corporate social responsibility report for 2011 was approved.**

The Corporate Social Responsibility Report for 2011 of the Company will be published as an overseas regulatory announcement on the websites of the Company and the Hong Kong Stock Exchange respectively.

- XI. The proposal in relation to amendments to the articles of association of the Company was approved.**

The Board has proposed to delete the relevant articles relating to the preparation of financial statements under the International Accounting Standards from the articles of association of the Company. Details of the proposed amendments are as follows:

**Original Article 232:**

“The financial statements of the Company shall be prepared not only in accordance with the PRC accounting standards, laws and regulations but also in accordance with the international accounting standards or the accounting standards of the jurisdiction outside the PRC where the Company’s shares are listed. If there are major discrepancies between the financial statements prepared in accordance with these two types of accounting standards, such discrepancies shall be indicated in the notes to the financial statements. When distributing the after-tax profit for the related accounting year, the Company shall adopt whichever is the lower of the after-tax profit in financial statements (i) prepared under the PRC accounting standards and rules and regulations of the PRC or (ii) prepared under the international accountings standards or the accounting standards of the jurisdiction outside the PRC where the Company’s shares are listed.”

**Amended as:**

“The Company’s financial statements shall be prepared under the Accounting Standards for Business Enterprises in the PRC.”

**Original Article 233:**

“Any interim results or financial information published or disclosed by the Company shall not only be prepared in accordance with the PRC accounting standards, laws and regulations of the PRC, but also in accordance with the international accountings standards or the accounting standards of the jurisdiction outside the PRC where the Company’s shares are listed.”

**Amended as:**

“Any interim results or financial information published or disclosed by the Company shall be prepared in accordance with the Accounting Standards for Business Enterprises in the PRC. The proposal will be submitted for the shareholder’s consideration and approval at the 2011 AGM.”

**XII. The proposal in relation to the administrative system for registration of persons with inside information was approved.**

Pursuant to the Requirements for the Establishment of Administrative System for Registration of Persons with Inside Information of Listed Companies\* (《内幕信息知情人登記管理制度》) stipulated by China Securities Regulatory Commission, the Company has formulated a new Administrative System for Registration of Persons with Inside Information which shall be implemented from the date on which it is considered and approved by the Board of the Company. The original Administrative System for Registration of Persons with Inside Information and the Administrative System for External Information Users\* (《外部信息使用人管理制度》) were repealed at the same time.

The new Administrative System for Registration of Persons with Inside Information will be published as an overseas regulatory announcement on the websites of the Company and the Hong Kong Stock Exchange respectively.

- XIII. The proposal in relation to the amendments to the terms of reference of each of the remuneration and appraisal committee, the nomination committee and the audit committee was approved.**

Pursuant to the revised Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”), the Board has approved to amend the terms of reference of each of the remuneration and appraisal committee, the nomination committee and the audit committee. The respective revised terms of reference shall be effective upon the approval of the Board.

The revised terms of reference of each of the remuneration and appraisal committee, the nomination committee and the audit committee will be published on the websites of the Company and the Hong Kong Stock Exchange respectively.

- XIV. The proposal in relation to the adoption of the revised code on corporate governance practices issued by the Hong Kong Stock Exchange was approved.**

The Board has approved to adopt revised Code on Corporate Governance Practices issued by the Hong Kong Stock Exchange as its new code of governance.

- XV. The proposal in relation to the changes in the members of the committees of the Board was approved.**

Pursuant to the revised Hong Kong Listing Rules, the members of the remuneration and appraisal committee, the nomination committee and the audit committee of the fifth session of the Board are changed as follows:

**(1) Remuneration and Appraisal Committee**

Chairman: Kwong Chi Kit, Victor

Members: Yang Hua, Li Shijun and Ma Guoqiang

**(2) Nomination Committee**

Chairman: Li Shijun

Members: Zhang Xiaogang, Ma Guoqiang and Kwong Chi Kit, Victor

**(3) Audit Committee**

Chairman: Ma Guoqiang

Members: Li Shijun and Kwong Chi Kit, Victor

**XVI. The Proposal in Relation to Convening of the 2011 AGM was approved.**

It is approved to convene the 2011 AGM on 29 May 2012.

The notice of 2011 AGM and the annual report of the Company will be published and delivered by the Company in due course.

By Order of the Board  
**ANGANG STEEL COMPANY LIMITED\***  
**Fu Jihui**  
*Executive Director and Secretary to the Board*

Anshan City, Liaoning Province, the PRC,  
27 March 2012

As at the date of this announcement, the Board comprises the following directors:

*Executive Directors:*

Zhang Xiaogang

Yang Hua

Chen Ming

Yu Wanyuan

Fu Jihui

*Independent Non-Executive Directors:*

Li Shijun

Ma Guoqiang

Kwong Chi Kit, Victor

\* For identification purposes only

# 企业法人营业执照

编号: N9 0398899

(副本)

注册号 210000400006026

(副本号 1-1)

### 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》遗失或损毁的，应当在公司登记机关指定的报刊上声明作废，申请补领。

6312270 150 121 112

名称 鞍钢股份有限公司  
 住所 中国辽宁省鞍山市铁西区鞍钢厂区  
 法定代表人 张晓刚  
 注册资本 柒拾贰亿叁仟肆佰捌拾万柒仟捌佰肆拾柒元人民币  
 实收资本 柒拾贰亿叁仟肆佰捌拾万柒仟捌佰肆拾柒元人民币  
 公司类型 股份有限公司(中外合资、上市)(外资比例小于25%)  
 经营范围 黑色金属冶炼及钢压延加工; 兼营: 炼焦及焦化产品、副产品, 化肥, 钢材轧制的副产品, 电力供应、输配电, 工业气体, 通用零配件, 计量仪器、仪表检定, 冶金原燃材料、铁合金加工, 金属材料(不含专营)批发、零售及佣金代理(不含拍卖), 仓储, 技术咨询、开发、转让、服务, 标准物资、小型设备研制, 理化性能检验, 检验试样加工, 化检验设备维修。 二

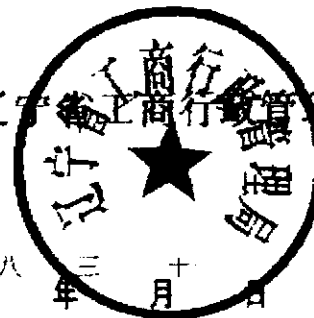
### 年度检验情况

2008.5.9	2009.5.11	2010.5.26
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股东(发起人) 鞍山钢铁集团公司。

营业期限 自 一九九八年九月十四日 至 长期  
 成立日期 一九九八年九月十四日

登记机关 辽宁省工商行政管理局



二〇〇八年三月十日

**Business License for Enterprise Legal Person**

**(Duplicate )**

**License No:** 0398899

**Registration No:** 210000400006026 (1-1)

**Name:** Angang Steel Company Limited

**Address:** Angang Factory Zone, Tiexi District, Anshan City, Liaoning

**Legal Representative:** Zhang Xiaogang

**Registered Capital:** RMB 7,234,807,847.00

**Paid-in Capital:** USD 7,234,807,847.00

**Type of Enterprise:** Limited Liability Company (Public, Sino-foreign joint venture, foreign capital less than 25%)

**Scope of Business:** Black metal smelt and process; also: coking and coke chemicals and side products, chemical fertilizer, electric and electric transport, industrial gas, measure instrument, metal alloy processing, metal materials (non-excluded), storage, tech-consult, develop and transfer, equipment repair.

**Shareholder (Promoter):** Anshan Iron and Steel Group Complex

**Date of Establishment:** September 14<sup>th</sup>, 1998

**Operation Period:** From September 14<sup>th</sup>, 1998 To long term.

**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	in			
2012		(Seal)		

Registration Authority: Bureau of Commercial and Industrial Administration of Liaoning Province (seal)

March 11<sup>th</sup>, 2008



# 企业法人营业执照

编号: N9 1140484

No. 3

(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

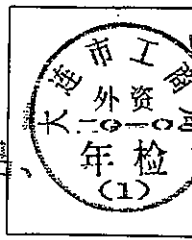

公司类型 有限责任公司(中外合资)

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。

### 须知

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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。
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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》。
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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

			
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### 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 二〇〇二年二月八日至 二〇五二年二月七日

成立日期 二〇〇二年二月八日

二〇一一年

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

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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 (Seal)	2011 (Seal)	
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Registration Authority: Bureau of Commercial and Industrial Administration of Dalian City (seal)

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