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¹ Identify each cost separately. Include indirect material costs as a separate item only if not included in manufacturing overheads.

² Relating to costs of production only; identify each cost separately.

³ Identify each cost separately. Please ensure non-operating expenses **that relate to the goods under consideration** are included. Where gains/losses due to foreign currency exchange are incurred, please provide detail of the amounts separately for transaction and translation gains/losses.

Provide this information for each quarter (or month if your company calculates costs on a monthly basis) over the period of the investigation.

Provide the information broken down into fixed and variable costs, and indicate the % total cost represented by fixed costs.

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

Please specify unit of currency.

Response: Please refer to the response to the question G-3.1.

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G-5 Cost to make and sell goods under consideration (goods exported to Australia)

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

	Quarter X	Quarter X	Quarter X	Quarter X
Model/Type exported to Australia – from spreadsheet LIKEGOOD				
Material Costs ¹				
Direct Labour				
Manufacturing Overheads				
Other Costs ²				
Total Cost to Make				
Selling Costs				
Administration Costs				
Financial Costs				
Delivery Expenses ³				
Other Costs ³				
Unit Cost to Make and Sell				

Prepare this information in a spreadsheet named "**Australian CTMS**".

¹ Identify each cost separately. Include indirect material costs as a separate item only if not included in manufacturing overheads.

² Relating to costs of production only; identify each cost separately.

³ Identify each cost separately. Please ensure non-operating expenses **that relate to the goods** are included. Where gains/losses due to foreign currency exchange are incurred, please provide detail of the amounts separately for transaction and translation gains/losses.

Provide this information for each quarter (or month if your company calculates costs on a monthly basis) over the period of the investigation.

Provide the information broken down into fixed and variable costs, and indicate the % total cost represented by fixed costs.

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

Please specify unit of currency.

Response: Valin provides the required Australian CTMS at Exhibit 22.

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- 1 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: Please refer to the response to the question C-3.

- 2 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: Not applicable, there is no significant difference between the costs shown, and the costs as normally determined in accordance with your general accounting system.

- 3 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: No, the allocation method used to determine the unit cost does not differ from the prior practice of the company.

G-6 Major raw material costs

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 the Commission 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 i.e.).

The term associate is defined in section 269TAA of the *Customs 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.

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Important note: If the major input is sourced as part of an integrated production process you should provide detailed information on the full costs of production of that input.

Response: Valin provides at Exhibit 23 the purchase list of raw materials, including iron ore, coking coal and coal, with the identification of whether the suppliers are associated with the company.

SECTION H – PARTICULAR MARKET SITUATION

The Commission seeks to confirm whether a ‘market situation’ exists in respect of iron and steel from China due to government influence on both the prices of the goods and the major raw material inputs (coking coal, coke, iron ore and scrap steel) used in the manufacture of the goods.

The existence of a ‘market situation’ could affect the Commission’s approach to calculating 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 provides that the domestic selling prices are not an appropriate basis for normal value 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).

One of these situations may be where the domestic selling prices in the country of export have been materially affected by government influence rendering those prices unsuitable for use in establishing normal values.

Through this questionnaire, the Commission is providing producers/exporters of the subject goods in China the opportunity to supply evidence that the sector under investigation is operating under competitive market conditions.

It may be necessary for the Commission to request additional information following receipt and review of your response.

There are three parts to this section:

- PART H-1 - Requests information concerning the organisation of your company and the Government of China’s (GOC)’s involvement in the business of your company.
- PART H-2 - Requests information concerning the GOC’s measures with respect to the iron and steel industry in China.
- PART H-3 - Requests information concerning the iron and steel sector in the region where your company is located.

H-1 General information

The information requested in this part will provide an overview of your corporate organisation and the GOC's involvement in your business. In addition to your response to each of the questions, all necessary supporting documentation is requested.

1. Specific questions are asked throughout this questionnaire in relation to the GOC's interaction with your businesses.

However, please generally describe all interaction that your business has with the GOC at all levels, including (but not limited to):

- a) reporting requirements;

Response: There is no reporting requirement by the GOC for Valin's normal business operation.

- b) payment of taxes;

Response: Valin pays taxes according to taxation laws.

- c) senior management representation within your business;

Response: Valin's senior management are selected by our shareholders without any GOC involvement.

- d) supervision by the State-owned Assets Supervision and Administration Commission (SASAC) or a body under the control of SASAC;

Response: SASAC does not supervise Valin's business operation. Valin has [number] shareholders, the majority shareholder is [Parent company] which is a public-traded company listed in Shenzhen Stock-Exchange, it is not under any control of SASAC.

- e) approval/negotiation of business decisions (e.g. investment decisions, management decisions, pricing decisions, production decisions, sales decisions);

Response: There is no GOC involvement in our business decisions including business negotiation, investment decision, management decision, pricing decision, sales decision and production decision, etc.

- f) licensing;

Response: We are doing business within the scope of business license issued by GOC, please refer to our business license attached in Exhibit 1.

- g) restrictions on land use;

Response: There is no restriction on land use in our business operation.

- h) provision of loans; or

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Response: All the bank loan agreements were negotiated between Valin and the banks, there is no GOC involvement in our bank loans.

- i) provision of grants, awards or other funds.

Response: We received some [grants] in the period of investigation.

2. Business structure, ownership and management

- a) Indicate whether your company is, or has been at any time in the previous 5 years, a state-owned (SOE) or state-invested enterprise (SIE) (refer to the Glossary of Terms for definition).

Response: As we reported above that we have [number] shareholders, [description of the ownership structure of valin].

- b) List the Board of Directors and Board of Shareholders of your business and all other entities/businesses your business is related to.

Indicate the names of common directors and officers between your business and related businesses, where applicable.

Response: According to the Articles of Association, Valin does not have [description on the management of valin] to implement the decisions made by the Board of Shareholders. The member of Board of Shareholders are [number] entities, they are our [number] shareholders, [the parent companies of valin]

- c) Are any members of your business' (and/or all other entities your business is related to) Board of Directors or Board of Shareholders representatives, employees, or otherwise affiliated with the GOC (at any level, from any agency, party, or otherwise associated entity, including SASAC)?

If so, identify the individuals, their role on that Board and their affiliation with the GOC.

Response: No.

- d) Does your business' (and/or all other entities your business is related to) Board of Directors or Board of Shareholders have a representative from the Chinese Communist Party (CCP)? If so, identify their name and title and indicate their position at the board level.

Response: As answered above that we don't have [management entity], we have [company official] who is not a representative from the CCP, who is appointed by the Board of Shareholders to implement the decisions made by the Board of Shareholders.

- e) Are any members of your business' (and/or all other entities your business is related to) Board of Directors or Board of Shareholders appointed, managed or recommended by the GOC? If so, identify the government department(s) they represent.

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Response: No.

- f) Indicate who owns what percentage of all shares in your business and identify whether they are:
- an affiliate, representative, agency or otherwise representative of the GOC;
 - employees of your business;
 - foreign investors; or
 - other (please specify).

Response: Please refer to the answer to Question 2 a).

- g) Provide the details of any significant changes in the ownership structure of your business during the investigation period.

Response: There was no ownership change in our company during the investigation period.

- h) Identify any positions within your business that are appointments or designated to act on behalf of GOC authorities.

Response: Not applicable because we don't have such positions.

- i) Explain whether there are requirements in law and in practice to have government representation at any level of your business. If there is such a requirement, explain the role of government representatives appointed to any level of your business.

Response: Not applicable.

- j) If your business is a publicly-traded company, what are the rules regarding the issuance of shares by your business? Identify any stock exchanges on which your business is listed.

Response: We are a subsidiary of a publicly-traded company, our parent company is [description on the listing status of Valin's parent company].

- k) Provide the monthly trading volume and average monthly trading price of your listed security between 1 July 2014 and 30 June 2015.

Response: Not applicable because we are only a subsidiary of a publicly-traded company.

- l) Who has the ability to reward, fire or discipline your business' senior managers?

Response: According to our Articles of Association, the Executive Director has the ability to reward, fire or discipline our business senior managers.

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- m) Do any of your company's senior managers hold positions in any GOC departments or organisations, associations or Chambers of Commerce? If so describe the nature of these positions.

Response: No.

- n) Provide the names and positions of your company's pricing committee.

Response: Not applicable because we don't have pricing committee.

3. Licencing

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

Response: A copy of business license of our company is provided in Exhibit 1.

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

Response: The business license is issued by Xiangtan City Administration Bureau of Industry and Commerce.

- c) Describe the procedures involved in applying for the licence(s).

Response: Firstly, we need to obtain a pre-approval of the company name; secondly, we need to submit a completed application form, articles of association and capital verification report to the authority. The authority will examine whether the documents are complete to decide whether to issue the license.

- d) Describe any requirements or conditions that must be met in order to obtain the licence(s).

Response: According to Article 23 and 26 of Company Law of the P.R.C, the following conditions shall be fulfilled for the incorporation of a limited liability company: (1) the number of shareholders shall conform to the statutory number; (2) the capital contributions of the shareholders shall reach the statutory minimum amount of capital, that is RMB 30,000; (3) the shareholders shall have jointly formulated the articles of association of the company; (4) the company shall have a name and an organizational structure established in compliance with the requirements for a limited liability company; and (5) the company shall have a domicile.

- e) Describe and explain any restrictions imposed on your business by the business licence(s).

Response: We can only do business within the business scope defined in the business license.

- f) Describe any sanctions imposed on your business if you act outside the scope of your business licence(s).

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Response: In accordance with Regulations of the People's Republic of China for Controlling the Registration of Enterprises as Legal Persons, company may be penalized by warning, fine, confiscation of illegal earnings, suspension of business for consideration or withholding or revoking the Business License for Enterprise as a Legal Person.

- g) Describe and explain any rights or benefits conferred to your business under the licence(s).

Response: Under the business, the rights and benefits are what we can fully operate within the business scope.

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

Response: In accordance with Article 30 of Regulations of the People's Republic of China for Controlling the Registration of Enterprises as Legal Persons, the registration authority may revoke the license: (1) concealing the true situation and resorting to deception in the course of registration or starting operations before the approval of its registration; (2) altering major items in the registration without permission or engaging in business operations beyond the scope of business as approved in registration; (3) failing to cancel registration according to the rules or failing to submit the annual check-up report or receive the annual check-up; (4) forging, altering, leasing, lending, transferring, selling or reproducing the Business License for Enterprise as a Legal Person or its duplicates without permission; (5) withdrawing or transferring capital, concealing assets or dodging liabilities; (6) engaging in illegal business operations.

4. Decision-making, planning and reporting

- a) Provide a description of your business' decision-making structure in general and in respect of iron and steel products. This should identify the persons or bodies primarily responsible for deciding:
- (i) what goods are produced;
 - (ii) how the goods are produced;
 - (iii) how levels of inputs such as raw materials, labour and energy are set and secured;
 - (iv) how the use of your outputs, such as how your product mix is determined; and
 - (v) how your business' profit is distributed

Response: In our company, the production department, market department and sales department are the internal bodies to jointly decide what and how the goods are produced, including outputs and product mix; The production department is the key internal body to decide the matters of raw materials purchase, etc.

In terms of profit distribution, the Articles of Association authorizes the [company official] to draft the proposal of profit distribution and then submit the proposal to the Board of Shareholders for approval.

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The following senior managers are the persons primarily responsible for deciding:

[List of management of the company with official name and the position]

- b) Provide a description of any GOC input into the decision-making process about your manufacture, marketing and sale of steel products.

Response: There is no GOC involvement in our decision-making process about our manufacture, marketing and sale of steel products.

- 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: Not applicable because there is no GOC involvement in our decision-making.

- d) List and describe all reports that must be submitted to the GOC periodically by your company, and identify the government department/office where each report is filed.

Response: Not applicable because there is no need for us to report to the GOC about our business decisions.

- e) If not previously provided, provide a copy of the last two Provincial/City Five Year Plans (including the appendices) for the province/city in which your business is located, whichever is applicable. The copies should be fully translated including the appendices, along with the original Chinese version.

Response: We don't have such Plans and have no idea about the Plans.

- f) Does your business develop any National and regional five-year plans or similar planning documents? If so, provide copies of these plans and advise whether these plans have been submitted, reviewed or approved by the GOC (including the National Development and Reform Commission).

Response: We don't have such plans.

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

Response: Valin has no [management entity], but we have Board of Shareholders. A sample resolution by Board of Shareholders in the investigation period is attached at Exhibit 23.

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

Response: We don't have meeting notes for pricing decision, our pricing decision is made based on several key factors, such as cost of goods, operating expenses, profit margin according to the current market situation, of course the final sales price for a transaction is agreed through our negotiation with our customers

5. Financial and investment activities

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

Response: Valin funds business by the income from the business. Please refer to **Exhibit 5: Annual Reports** for the list of major lenders.

b) What is the rate of interest paid by your business on all debt instruments over the last 5 years?

Response: All of the interest rate paid by Valin is negotiated with the lender and finally determined in the loan contract.

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

Response: No.

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;
- ii. identify the type (e.g government guarantee) and provider of the security; and
- iii. explain the reasons for raising the capital.

Response: Valin did not raise its 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

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

Response: No.

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: No.

H-2 Government of China measures in the iron and steel sector

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The information requested in this part will allow for a better understanding of the GOC's measures in respect of the iron and steel industry in China. In addition to your response to each of the questions, all necessary supporting documentation is requested.

1. Were there any GOC opinions, directives, decrees, promulgations, measures, etc. concerning the iron and steel industry/sector that were put in place or operating during the investigation period; for example but not limited to, the National Steel Policy (NSP), the Blueprint for the Steel Industry Adjustment and Revitalization and the Directory Catalogue on Readjustment of Industrial structure?

If yes, please provide a copy of that documentation and a translation as well. Also provide documentation concerning the GOC or any association of the GOC's notification of the measures concerning iron and steel to your company over the investigation period.

Response: We are not aware of such GOC opinions, directives, decrees, etc.

2. Provide information concerning the name of any GOC departments, bureaus or agencies responsible for the administration of all GOC measures concerning the iron and steel industry in the regions, provinces or special economic zones where your company is located.

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

- industrial policy and guidance for the iron and steel industry sector, including the 12th Five-Year Plan: Iron and Steel (2011-2015 Development Plan for the Steel Industry);
- measures to eliminate out dated production capacity and to encourage technical and environmental improvement;
- measures to curb 'production capacity redundancy';
- market entry criteria for the iron and steel industry sector and industry operating conditions;
- environmental enforcement for the iron and steel industry sector;
- management of land utilisation;
- the China Banking Regulatory Commission for the iron and steel industry sector;
- investigation and inspection of new iron and steel expansion facilities;
- guiding industry mergers and acquisitions;
- subsidies provided to producers in the iron and steel industry;
- import and export measures on upstream raw materials; and
- other implementation measures, including impact of SIEs..

Response: It is beyond our capacity to provide the information above.

3. **National Steel Policy**

The Commission is aware of the 2011 *National Steel Policy* (also referred to as the Twelfth Five-Plan: Iron and Steel, as well as by several other titles). The following questions relate to that policy.

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Response: We are providing a general answer here under this Question 3 “National Steel Policy” instead to answer “not applicable” to each of the questions from a) to i) below. The National Steel Policy is a kind of general summary of steel industry in China, we don't have any specific communication with GOC regarding the policy, but the policy encourages technology innovation and energy-saving for the steel enterprises. Therefore, as we answered above that we received some [grants.]

- a) explain in detail how the policy and any updates regarding the policy were communicated to your company.
- b) Identify the government department, association, or company official that communicated this policy or any related measures, to your company as well as the government office or association and the names of the officials who are responsible for the administration of this policy.
- c) Explain in detail the information that has been provided to you from official and unofficial channels concerning action to be taken by your company in relation to the policy.
- d) Do you have designated officials that have provided direction to your company regarding the GOC's measures and how to proceed with your current project or future plans within the scope of the policy?
- e) Explain in detail if there are additional directives or measures from the GOC that have been communicated to your company, since the inception of the policy.
- f) Explain in detail whether the policy has ever impacted your company's investment plans. This may include reference to specific measures considered or taken by your company to address issues and/or objectives raised by the policy. Such items may include but are not limited to items such as project approval process, credit and loans (including discounted interest payments), the environment, the scale of production, energy use, raw material inputs etc.
- g) Explain the ongoing mechanism used by the GOC to measure your company's compliance with the policy directives and/or guidelines.
- h) The policy includes directives and/or guidelines that permit authorities to limit the supply of water, power, land and bank loans etc. to steel producers, which do not meet the objectives of the policy.
 - Explain in detail whether your company's expansion or investment plans have ever been or may be impacted by these criteria.
 - Explain the procedure to be followed by a steel company in making a request for approval of a steel investment for an existing steel enterprise or new steel enterprise.
 - Identify any GOC bodies at the regional or provincial level that have the responsibility to grant the approval, or refuse approval regarding an investment in the steel sector.

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- Are review and approval decisions regarding investments in the steel sector made by the central government or are they delegated to the regional or provincial level?
- i) Describe the role of the National Development and Reform Commission in terms of communicating, implementing and overseeing policies governing the steel sector, including but not limited to, China's National Steel Policy.

4. Other government approvals

Response: We are providing a general answer here under this Question 4 "Other government approval". We don't have any iron and steel related investment in the investigation period, we did have some investments before, but that kind of investments were all within our company such as upgrading of equipment and devices, transformation of industrial boilers, etc. Such kind of investments just need the approval by the Board of Shareholders.

The following questions address the approvals that are necessary from various GOC agencies, including the National Development and Reform Commission, in order to continue or initiate iron and steel investments.

- a) Explain whether your company has undertaken an approval process through the GOC for any iron and steel or iron and steel related investments in the last 10 years.
- b) Explain whether any applicable investments received the necessary approval and if so, provide documentation confirming this approval.
- c) If your investment was not approved, provide the reasons given for the refusal.
- d) Describe the process your company has to follow to obtain these approvals.
- e) Provide a translated copy of the application form along with the original Chinese version.
- f) Identify the office that sent communication of these requirements to your company along with the office address, contact names, phone numbers and fax numbers.

5. The restructure of the iron and steel industry in China

The Commission is aware of the GOC's *Guidelines on tackling severe overcapacity problem*. The following questions relate to these guidelines:

- a) Explain in detail if there were any directives or measures from the GOC that have been communicated to your business since the inception of these guidelines?

Response: No.

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- b) Identify the Government department, association or company official that communicated these guidelines or any related measures to your business.

Response: Not applicable.

- c) Identify the Government department, association or company and names of officials who are responsible for the administration of these guidelines.

Response: Not applicable.

- d) Explain in detail how these guidelines have or might impact on your business. This may include reference to specific measures considered or taken by your business. Such items may include but are not limited to items such as project approval process, credit and loans terms (including any preferential interest rates), the environmental issues, discounted rate of energy and raw materials (iron and steel, pre-alloyed product etc).

Response: Not applicable.

- e) Explain any on-going mechanism used by the GOC to measure your business compliance with the policy directives and/or guidelines.

Response: Not applicable.

H-3 The iron and steel sector

The information requested in this part will assist in providing a better understanding of the GOC measures and your business' sales and production of the iron and steel sector.

In addition to your narrative response to each of the questions, all necessary supporting documentation is requested.

1. Export quotas and licensing

- a) Are iron and steel products sold by your company subject to any export quotas?

If so, explain why iron and steel products are subject to quotas and the method by which the quotas are allocated.

Does this process involve any GOC participation in determining the selling prices of the goods? If so, explain.

Response: The goods we sold to Australia are not subject to any export quotas.

- b) If iron and steel products are not presently subject to export quotas, indicate if quotas existed during the investigation period and when and why they were removed.

Response: To our knowledge, there is no export quotas for steel products.

- c) Identify the GOC agency which legislates and monitors any such quotas.

Response: Not applicable.

- d) Has the GOC set any targets or limits regarding the quantity of iron and steel products that you may sell on the domestic or export markets? If so, provide details.

Response: To our knowledge, there are no such targets or limits.

- e) Are there any export licence requirements for iron and steel products? If so, provide details.

Response: To our knowledge, there were export licences on certain steel products in 2007 in China, but all the export licences on steel products were cancelled since 2009.

2. Taxation

- a) Were there any export taxes on the exports of iron and steel products during the investigation period?

Response: There was no any export tax on the exports of iron and steel products during the investigation period.

- b) What was the value-added tax (VAT) rebate applicable to iron and steel products exports during the investigation period?

Response: The VAT rebate rates applicable to the goods under consideration are as follows:

[the specific rates for the GUC exported to Australia during the POI]

- c) Have there been any changes to the VAT rebate applicable to iron and steel exports in the last 5 years? If yes, provide:
- i. a detailed chronological history of the VAT rebate rates;
 - ii. products affected;
 - iii. the effective dates of the rate changes; and
 - iv. fully translated copies of any GOC notices regarding these changes, including the relevant appendices.

Response: To our knowledge, the VAT rebate policy for steel products changed several times in the last 5 years. However, such policy covers huge numbers of different steel products. It is beyond our capacity to illustrate this policy change in details.

- d) Please provide details of any taxes and tariff (rates and rebates) applicable to coking coal and coke as well as iron ore and scrap steel.

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- a) Is your business a member of CISA or regional iron and steel industry associations? If so, explain your business' relationship with the association/s and the involvement of the GOC with the association/s.

Response: We are not a member of CISA. Our parent company Valin Iron & Steel Group Co., Ltd. is a member of CISA. We are not aware of any GOC involvement with the association.

- b) If your business is a member of an industry association, indicate whether this membership is voluntary or compulsory. Explain the functions that the association provides for your business. Explain in detail the role of the association with respect to the directives as provided by the GOC concerning the iron and steel industry.

Response: Not applicable to us. However, as far as we know that the membership of CISA is voluntary.

5. Statistics submission/recording

- a) Indicate if your business makes submissions³ to the Chinese Bureau of Statistics and/or any other government organisation. If yes, explain the purpose of these submissions and the type of information submitted.

Response: Not applicable. Valin doesn't make direct submissions to the Chinese Bureau of Statistics.

- b) Provide a recent example of a submission that has been made to the Chinese Bureau of Statistics and/or any other government organisation. For example, monthly data relating to sales, production and costs.

Response: Not applicable.

- c) Do the organisations approve or assess your submission? If yes, provide a detailed explanation.

Response: Not applicable.

- d) Do the organisations provide feedback on your submission? If yes, provide a detailed explanation.

Response: Not applicable.

6. Manufacturing inputs

- a) Is there a price difference in purchase price for raw materials (i.e. coking coal, coke, iron ore and scrap steel or other raw material) between your suppliers?

Response: Yes.

³For example, monthly data relating to sales, production and costs.

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- i) 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: Not applicable.

10. Adding capacity and/or joint ventures

- a) Provide a detailed explanation with respect to the government approval process for adding capacity and/or joint ventures in relation to your business.

Response: Not applicable because we did not add capacity and/or joint ventures of the goods.

- b) Does the government have the right to request modifications in the terms of adding capacity and/or joint ventures? If yes, provide a detailed explanation.

Response: Not applicable.

11. Steel billet (Purchased)

Only answer the following questions if your business, or related businesses, purchase steel billet

Response: Question 11 is not applicable to us because we are a vertical and integrated producer, our production starts from iron ores, the majority of iron ores we used are imported from overseas market.

- a) Provide a detailed listing of your steel billet purchases by completing the ‘Steel Billet Purchases’ tab of the attached spreadsheet.
- b) Do you have more than one supplier of steel billet? If so, provide an explanation of the reasons of price differences between these suppliers?
- c) Describe in detail your business’ purchase procedures of steel billet and the considerations in selecting a supplier. If it is by tenders, provide details of the criteria/conditions.
- d) If steel billet is imported by your business, or related businesses:
- i. Provide details including a description of the steel billet imported, the supplier and country of origin.
 - ii. Explain the process required to steel billet (e.g. obtaining an import licence, import declarations).
 - iii. Provide details of any conditions to importing the steel billet (e.g. customs and/or quarantine).
 - iv. Is your business eligible for a duty drawback? If so, provide details.
- e) 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?

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- f) Describe in detail your business' purchase procedures of the raw materials and the considerations in selecting a supplier. If it is by tenders, provide details of the criterions/conditions.
- g) If any of your raw materials for the production of steel slab or HRC are imported by your business, or related businesses:
 - i. Provide details including a description of the raw material imported, the supplier and country of origin.
 - ii. Explain the process required to import the raw materials (e.g. obtaining an import licence, import declarations).
 - iii. Provide details of any conditions to importing the raw materials (e.g. customs and/or quarantine).
 - iv. Are you eligible for a duty drawback? If so, provide details.

12. Steel billet (Sales)

Only answer the following questions if your business, or related businesses, sell steel billet

Response: Question 12 is not applicable to us because we are a vertical and integrated producer, our production starts from iron ores, the steel billet produced by Valin is mainly consumed in the production of final products, rather than sell out.

- a) Sales and production
 - i. Provide a list of all your domestic customers of steel billet and indicate whether each customer is an SIE.
 - ii. Are you required to obtain approval or a licence to sell steel billet? If so, provide details.
 - iii. Are there any restrictions and/or conditions in relation to the quality or quantity of the production of steel billet placed upon your business? If so, provide details.
 - iv. Do you have an export licence for exports of steel billet? If so, provide details.
 - v. Is steel billet sold by your business subject to any export restrictions and/or limits during the previous 5 year? If so, provide details.
 - vi. Provide details regarding any other restrictions (e.g., geographic/regional, downstream, end use) placed upon your business on the sale of steel billet.
 - vii. Have there been any changes to your production capacity of steel billet over the last 5 years? If so, provide details.
- b) Selling price

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- i. Describe in detail how the selling price of steel billet is determined. In particular, provide details of any restrictions, limitations, or other considerations faced by your business.
- ii. Which organisation/business entities do you consider as the price leader of steel billet?
- iii. Does your business have a pricing committee in respect of steel billet? If so provide the names and positions of all members of the Committee.
- iv. How often does the pricing committee meet to discuss selling prices of steel billet? Provide the minutes or any other relevant documents of all meetings of the pricing committee during the investigation period.
- v. Identify the person who authorises the sales terms, prices and other contract provisions for the sale of steel billet by your business.
- vi. If you have production facilities of steel billet in more than one region and/or province, are the laws and regulations in each region the same with respect to pricing of steel billet? If not, provide details on the differences.
- vii. If you have customers of steel billet located in more than one region and/or province, are the selling prices of these products different? If so, explain the reasons on the differences.

13. Raw material purchases

Only answer the following questions if your business, or related businesses, manufacture steel billet

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

Response: Valin provides at Exhibit 22 the purchase list of raw materials.

- 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: Valin has more than one supplier of the raw materials, as other business operators did in China and other countries. The price difference between the suppliers is mainly due to the cost differences and market situation at the time of purchasing.

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

Response: Valin purchases raw materials according the production needs, and select the supplier based on the quality and price of the materials supplied.

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

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- i. Provide details including a description of the raw material imported, the supplier and country of origin.
- ii. Explain the process required to import the raw materials (e.g. obtaining an import licence, import declarations).
- iii. Provide details of any conditions to importing the raw materials (e.g. customs and/or quarantine).
- iv. Are you eligible for a duty drawback? If so, provide details.

Response: Valin imported iron ore for the production of wire rod; please refer to the Exhibit 22 the purchase list of raw materials.

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**SECTION J
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	✓
Section B – export price	✓
Section C – like goods	✓
Section D – domestic price	✓
Section E – fair comparison	✓
Section F – exports to third countries	✓
Section G – costing information	✓
Section H – declaration	✓

Electronic Data	Please tick if you have provided spreadsheet
INCOME STATEMENT	✓
TURNOVER – sales summary	✓
AUSTRALIAN SALES – list of sales to Australia	✓
DOMESTIC SALES – list of all domestic sales of like goods	✓
THIRD COUNTRY – third country sales	✓
PRODUCTION – production figures	✓
DOMESTIC COSTS – costs of goods sold domestically	✓
AUSTRALIAN COSTS – costs of goods sold to Australia	✓