## Exporter Questionnaire

**Product:** Aluminium zinc coated steel  
**From:** The People’s Republic of China and the Republic of Korea  
**Period of Investigation:** 1 October 2016 to 30 September 2017  
**Response due by:** 17 December 2017  
**Important note:** The timeliness of your response is important. Please refer below for more information.

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**Return completed questionnaire to:**  
Operations1@adcommission.gov.au  
OR  
Anti-Dumping Commission  
GPO Box 2013  
Canberra ACT 2601  
Australia
GOODS UNDER CONSIDERATION

The goods subject to anti-dumping measures, in the form of a dumping duty notice and a countervailing duty notice, are:

“flat rolled products of iron and non-alloy steel of a width equal to or greater than 600mm, plated or coated with aluminium-zinc alloys, not painted whether or not including resin coating.”

Additional information in relation to the goods
The amount of aluminium zinc coating on the steel is described as its coating mass and is nominated in grams per square metre with the prefix being AZ (aluminium zinc). Common coating masses used are: AZ200, AZ150, AZ100, and AZ70.

Product treatment
The goods include aluminium zinc coated steel whether or not including any (combination of) surface treatment, for instance; whether passivated or not passivated (often referred to as chromated or unchromated), resin coated or not resin coated (often referred to as Anti Finger Print (AFP) or not AFP), oiled or not oiled, skin passed or not skin passed.

Excluded goods
Painted aluminium zinc coated steel, pre-painted aluminium zinc coated steel and corrugated aluminium zinc coated steel are not covered by the dumping duty and countervailing duty notices.

Tariff classification of the goods
Goods identified as aluminium zinc coated steel, as per the description above, are classified to tariff subheading 7210.61.00 (statistical codes 60, 61 and 62) in Schedule 3 to the Customs Tariff Act 1995.
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SECTION A
COMPANY STRUCTURE AND OPERATIONS

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

A-1 Identity and communication

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

**Head Office:**

Name: Mr Allen Chou
Position in the company: Assistant General Manager
Address: No. 568 Wuxing Road, Jiangyin, Jiangsu, China
Telephone: +86 510 68171171
Facsimile number: +86 510 8160 1000
E-mail address of contact person: chouyungyao@hotmail.com

**Factory:**

Address: No. 568 Wuxing Road, Jiangyin, China
Telephone: +86 510 68171171
Facsimile number: +86 510 8160 1000
E-mail address of contact person: chouyungyao@hotmail.com

A-2 Representative of the company for the purpose of investigation

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

Name: Mr John Bracic
Organisation: J.Bracic & Associates Pty Ltd
Address: PO Box 3026, Manuka, ACT 2603
Telephone: +61 (0)499 056 729
E-mail address of contact person: john@jbracic.com.au
A-3  Company information

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

Jiangyin Zongcheng Steel Co., Ltd. (Zongcheng) is the legal name of our business. Zongcheng was originally established on 2nd March 2004 as a wholly foreign owned enterprise. Zongcheng uses no other business name to export or sell its goods.

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

Refer to Confidential Exhibit A-3.2 - Shareholder details.

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

Zongcheng is a subsidiary of [Redacted].

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

Refer to Confidential Exhibit A-3.4 - Corporate structure.

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

Refer to Confidential Exhibit A-3.4 - Corporate structure.

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

No management fees or corporate allocations are charged to Zongcheng by its parent company.

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

Zongcheng is a manufacturer and exporter of the subject merchandise. The scope of its business is the production of galvanized and high anti-corrosive aluminium zinc alloy plate, coated steel. Zongcheng also acts as a wholesaler, importer and exporter of hot-rolled coil, pickling coil and cold-rolled coil.
8. If your business does not perform all of the following functions in relation to the goods under consideration, then please provide names and addresses of the companies which perform each function:

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

Zongcheng performs all of the functions listed above.

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

Refer to Confidential Exhibit A-3.9 - Organizational chart.

The functions performed in the main departments can be described as follows:
1) Production -
2) Administration -
3) Operation Division -

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

Zongcheng does not publish an annual report since it is not a public listed company in China. Refer to Confidential Exhibit A-3.11 - Product brochure.

A-4 General accounting/administration information

1. Indicate your accounting period.

Zongcheng’s accounting period is from January 1st to December 31th of the calendar year.

2. Indicate the address where the company’s financial records are held.

Zongcheng’s financial records are held at No. 568 Wuxing Road, Jiangyin City, Jiangsu Province, China.
3. Please provide the following financial documents for the two most recently completed financial years plus all subsequent monthly, quarterly or half yearly statements:

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

These documents should relate to:

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

Refer to Confidential Exhibit A-4-3.1 - Chart of Accounts and Confidential Exhibit A-4.3.2 – Audited financial statements 2015 and 2016.

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

Not applicable.

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

Zongcheng’s financial accounting practices are in accordance with “GAAP” practice in China.

6. Describe:

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

- the method of valuation for raw material, work-in-process, and finished goods inventories (eg last in first out –LIFO, first in first out- FIFO, weighted average);
costing methods, including the method (eg by tonnes, units, revenue, direct costs etc) of allocating costs shared with other goods or processes (such as front office cost, infrastructure cost etc);

The cost calculation method is briefly described as below:

1. 

2.  

3. 

4. 

- valuation methods for damaged or sub-standard goods generated at the various stages of production;

- valuation methods for scrap, by products, or joint products;

Wastage, scrap and sub-standard goods. Damaged or sub-standard goods are.

- valuation and revaluation methods for fixed assets;

Fixed assets and tangible assets are assets:

- that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes;
- that have a useful life more than one year; and
- that have a relatively high unit price.

Fixed assets are recorded at. Depreciation is
- average useful life for each class of production equipment and depreciation method and rate used for each;

The estimated residual value, useful life and annual depreciation rate of each category of fixed assets are as follows:

<table>
<thead>
<tr>
<th>Category of Fixed Assets</th>
<th>Useful Life</th>
<th>Annual Depreciation Rate</th>
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</table>

- treatment of foreign exchange gains and losses arising from transactions;

Zongcheng adopts Renminbi (RMB) as its reporting currency. All transactions in currencies other than RMB,

- treatment of foreign exchange gains/losses arising from the translation of balance sheet items;

At the balance sheet date, foreign-currency monetary assets and liabilities are

At the balance sheet date, foreign-currency nonmonetary assets (such as equity instruments) and liabilities

- inclusion of general expenses and/or interest;

General and administrative expenses and/or interest expense are booked according to actual cost and accrual basis.

- provisions for bad or doubtful debts;

Bad debt is accounted for using

- expenses for idle equipment and/or plant shut-downs;
Not applicable as there were no idle equipment and/or plant shut-downs expenses incurred during review period.

- costs of plant closure;
  Not applicable.
- restructuring costs;
  Not applicable.
- by-products and scrap materials resulting from your company’s production process; and
  Refer to explanation above regarding valuation methods for scrap, by products, or joint products.
- effects of inflation on financial statement information.
  Not applicable.

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

Zongcheng’s accounting methods have not change over the last two financial years.

A-5 Income statement

Please fill in the following table. It requires information concerning all products produced and for the goods under consideration (‘goods under consideration’ (the goods) is defined in the Glossary of Terms in the appendix to this form). You should explain how costs have been allocated.

Prepare this information on a spreadsheet named "Income statement".

Refer to Confidential Exhibit A-5 – Income statement.

A-6 Sales

State your company's net turnover (after returns and all discounts), and free of duties and taxes. Use the currency in which your accounts are kept, in the following format:
Prepare this information in a spreadsheet named "TURNOVER".
Refer to Confidential Exhibit A-6 - Turnover.
SECTION B
SALES TO AUSTRALIA (EXPORT PRICE)

This section requests information concerning your export practices and prices to Australia. You should include costs incurred beyond ex-factory. Export prices are usually assessed at FOB point, but the Commission may also compare prices at the ex-factory level.

You should report prices of all goods under consideration (the goods) **shipped** to Australia during the investigation period.

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

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

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

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

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

Tel: 
Fax: n/a
Email: 

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

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

For export sales to Australia, Zoncheng directly delivers the goods
(b) Identify each party in the distribution chain and describe the functions performed by them. Where commissions are paid indicate whether it is a pre or post exportation expense having regard to the date of sale.

Zongcheng and its customer, [redacted], are the only parties involved in the distribution chain as per the delivery method outlined above.

[Confidential export sale details]

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

Zongcheng retains title of the goods up to the point of [redacted].

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

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

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

Zongcheng negotiates the price with Australian customers on [redacted]. Upon agreement of terms and conditions, orders are received and goods produced to order. The goods are delivered to [redacted]. Zongcheng issues the invoice directly [redacted] and payment is by [redacted].

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

Not applicable.

(g) Details of the forward orders of the goods under consideration (include quantities, values and scheduled shipping dates).

No forward orders.

Do your export selling prices vary according to the distribution channel identified? If so, provide details. Real differences in trade levels are characterised by consistent and distinct differences in functions and prices.
Not applicable as Zongcheng only exported to a single customer and one
distribution channel.

B-4 Prepare a spreadsheet named “Australian sales” listing all shipments (i.e.
transaction by transaction) to Australia of the goods under consideration in
the investigation period. You must provide this list in electronic format.
Include the following export related information:

Refer to Confidential Exhibit B-4 - Australian sales.

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

All relevant expenses have been included in the Australian sales listing.

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

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

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

Not applicable.

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

Not applicable.

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

Not applicable as exports were on basis.

B-9 Select two shipments, in different quarters of the investigation period, and provide a
complete set of all of the documentation related to the export sale. For example:

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

The Commission will select additional shipments for payment verification at the time of the visit.

Refer to Confidential Exhibit B-9 - Sample Export Sales for requested documentation relating to selected domestic sales.
SECTION C
EXPORTED GOODS & LIKE GOODS

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

Please refer to Confidential Exhibit A-3.11 - Product brochure for technical specifications.

C-2 List each type of goods exported to Australia (these types should cover all types listed in spreadsheet “Australian sales” – see section B of this questionnaire).

During the review period, Zongcheng exported aluzinc steel to Australia of the following coating mass and grades.

C-3 If you sell like goods on the domestic market, for each type that your company has exported to Australia during the investigation period, list the most comparable model(s) sold domestically;

- and provide a detailed explanation of the differences where those goods sold domestically (ie. the like goods – see explanation in glossary) are not identical to goods exported to Australia.

Aluzinc steel of the same zinc coating mass is identical whether exported to Australia or sold domestically.

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

Please refer to Confidential Exhibit A-3.11 - Product brochure
SECTION D
DOMESTIC SALES

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

All domestic sales made during the investigation period must be listed transaction by transaction. If there is an extraordinarily large volume of sales data and you are unable to provide the complete listing electronically you must contact the case officer before completing the questionnaire. If the case officer agrees that it is not possible to obtain a complete listing he or she will consider a method for sampling that meets the Commission requirements. If agreement cannot be reached as to the appropriate method the Commission may not visit your company.

The Commission will normally take the invoice date as being the date of sale in order to determine which sales fall within the investigation period.

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

If you do not have any domestic sales of like goods you must contact the case officer who will explain the information the Commission requires for determining a normal value using alternative methods.

D-1 Provide:

- a detailed description of your distribution channels to domestic customers, including a diagram if appropriate;
- information concerning the functions/activities performed by each party in the distribution chain; and
- a copy of any agency or distributor agreements, or contracts entered into.

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

Aluzinc steel is sold on the domestic market in China via the following three channels:

1) 
2) 
3)
Do your domestic selling prices vary according to the distribution channel identified? If so, provide details. Real differences in trade levels are characterised by consistent and distinct differences in functions and prices.

Domestic selling prices do not vary according to the distribution channels outlined above. Apart from physical differences, the only factor that affects selling prices are

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

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

Generally, the sales process involves the following steps:
1) Price setting
2) Receive orders – upon acceptance by the domestic customer, Zongcheng prepares sales contract and faxesto customer for their confirmation.
3) Goods delivery – Zongcheng notifies the domestic customer by phone upon completion of production. The sales department prepares a\“shipping notice\” to relevant truck companies assigned by the domestic customer.
4) Issued of VAT invoice - Zongcheng issues VAT invoice to customers on monthly basis.
5) Payment Receiving - Zongcheng receives payment prior to loading of the goods onto assigned truck.

Prepare a spreadsheet named \“domestic sales\” listing all sales of like goods made during the investigation period. The listing must be provided on a CD-ROM. Include all of the following information.

Refer to Confidential Exhibit D-4 - Domestic sales.

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

Not applicable.

For each type of commission, discount, rebate, allowance offered on domestic sales of like goods:
- provide a description; and
explain the terms and conditions that must be met by the customer to qualify for payment.

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

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

Not applicable.

D-7 Select two domestic sales, in different quarters of the investigation period, that are at the same level of trade as the export sales. Provide a complete set of documentation for those two sales. (Include, for example, purchase order, order acceptance, commercial invoice, discounts or rebates applicable, credit/debit notes, long or short term contract of sale, inland freight contract, bank documentation showing proof of payment.)

The Commission will select additional sales for verification at the time of our visit.

Refer to Confidential Exhibit D-7 - Sample Domestic Sales for requested documentation relating to selected domestic sales.
SECTION E
FAIR COMPARISON

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

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

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

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

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

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

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

The investigation must be completed within strict time limits therefore you must supply information concerning claims for adjustments in a timely manner. Where an exporter has knowledge of the material substantiating an adjustment claim that material is to be available at the time of the verification visit. The Commission will not consider new claims made after the verification visit.
E-1 Costs associated with export sales

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

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

Zongcheng has identified the transportation expenses incurred exporting the goods exported to Australia. Refer to the Australian sales listing. The inland freight expenses reported for exports to Australia are based on xxxxxxxxxxxxxxx. This amount reflects the xxxxxxxxxxxxxxxxxxx xxxxxxxxxxxxxx.

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

The various export related ancillary costs are identified in the table at question B4, for example:
- terminal handling;
- wharfage and other port charges;
- container taxes;
- document fees and customs brokers fees;
- clearance fees;
- bank charges, letter of credit fees
- other ancillary charges.

Zongcheng has identified the handling & wharfage expenses incurred exporting the goods exported to Australia. Refer to the Australian sales listing.

3. Credit
The cost of extending credit on export sales is not included in the amounts quantified at question B4. However, the Commission will examine whether a credit adjustment is warranted and determine the amount. Provide applicable interest rates over each month of the investigation period. Explain the nature of the interest rates most applicable to these export sales eg, short term borrowing in the currency concerned.
If your accounts receivable shows that the average number of collection days differs from the payment terms shown in the sales listing, and if export prices are influenced by this longer or shorter period, calculate the average number of collection days. See also item 4 in section E-2 below.

Export sales are by ____________________.

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

Zongcheng has identified the relevant packing expenses specific to the goods exported to Australia. Refer to the Australian sales listing.

5. **Commissions**
For any commissions paid in relation to the export sales to Australia:
- provide a description; and
- explain the terms and conditions that must be met.

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

Zongcheng has ____________________.

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

Not applicable

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

Not applicable
8. **Currency conversions**

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

Not applicable

E-2 **Costs associated with domestic sales**

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

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

1. **Physical characteristics**

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

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

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

No adjustment is required where product of the same coating mass and grade are compared.

2. **Import charges and indirect taxes**

If exports to Australia:

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

the price of like goods must be adjusted downwards by the amount of the taxes and duties.
The taxes and duties include sales, excise, turnover, value added, franchise, stamp, transfer, border, and excise taxes. Direct taxes such as corporate income tax are not included as such taxes do not apply to the transactions.

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

In substantiating the drawback claim the following information is required:

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

Substitution drawback systems

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

If such a scheme operates in the country of export adjustments can also be made for the drawback payable on the substituted domestic materials, provided the total amount of the drawback does not exceed the total duty paid.

Not applicable

3. Level of trade

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

Trade level is the level a company occupies in the distribution chain. The trade level to which that company in turn sells the goods and the functions carried out distinguish a level of trade. Examples are producer, national distributor, regional distributor, wholesaler, retailer, end user, and original equipment.
It may not be possible to compare export prices and domestic prices at the same level of trade. Where relevant sales of like goods at the next level of trade must be used to determine normal values an adjustment for the difference in level of trade may be required where it is shown that the difference affects price comparability.

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

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

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

This requires the following information:

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

or

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

Not applicable

4. Credit

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

- the rate, or average of rates, applying on actual short term borrowing’s by
  the company; or

- the prime interest rate prevailing for commercial loans in the country for credit
  terms that most closely approximate the credit terms on which the sales were
  made; or

- such other rate considered appropriate in the circumstances.

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

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

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

1. **Calculate an accounts receivable turnover ratio**

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

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

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

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

2. **Calculate the average credit period**

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

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\(^1\) Under an open account system, following payment the balance of the amount owing is
carried into the next period. Payment amounts may vary from one period to the next, with
the result that the amount owing varies.
The resulting average credit period should be tested against randomly selected transactions to support the approximation.

Not applicable

The following items are identified in the amounts quantified at question D-4:

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

Not applicable

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

Not applicable

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

Not applicable

8. **Commissions**
   For any commissions paid in relation to the domestic sales:
   - provide a description
   - explain the terms and conditions that must be met.

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

Not applicable

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

Not applicable

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

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

Not applicable

E-3 Duplication

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

For example:

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

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

Not applicable
SECTION F
EXPORT SALES TO COUNTRIES OTHER THAN AUSTRALIA (THIRD COUNTRY SALES)

Your response to this part of the questionnaire may be used by the Commission to select sales to a third country that may be suitable for comparison with exports to Australia.

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

F-1 Using the column names and column descriptions below provide a summary of your export sales to countries other than Australia.

<table>
<thead>
<tr>
<th>Column heading</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country</td>
<td>Name of the country that you exported like goods to over the investigation period.</td>
</tr>
<tr>
<td>Number of customers</td>
<td>The number of different customers that your company has sold like goods to in the third country over the investigation period.</td>
</tr>
<tr>
<td>Level of trade</td>
<td>The level of trade that you export like goods to in the third country.</td>
</tr>
<tr>
<td>Quantity</td>
<td>Indicate quantity, in units, exported to the third country over the investigation period.</td>
</tr>
<tr>
<td>Unit of quantity</td>
<td>Show unit of quantity eg kg</td>
</tr>
<tr>
<td>Value of sales</td>
<td>Show net sales value to all customers in third country over the investigation period</td>
</tr>
<tr>
<td>Currency</td>
<td>Currency in which you have expressed data in column SALES</td>
</tr>
<tr>
<td>Payment terms</td>
<td>Typical payment terms with customer(s) in the country eg. 60 days=60 etc</td>
</tr>
<tr>
<td>Shipment terms</td>
<td>Typical shipment terms to customers in the third country eg CIF, FOB, ex-factory, DDP etc.</td>
</tr>
</tbody>
</table>

Supply this information in spreadsheet file named “Third country”

Refer to Confidential Exhibit F-1 – Third country exports.

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

Not applicable
SECTION G
COSTING INFORMATION AND CONSTRUCTED VALUE

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

- testing the profitability of sales of like goods on the domestic market;
- determining a constructed normal value of the goods under consideration (the goods) - ie of the goods exported to Australia; and
- making certain adjustments to the normal value.

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

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

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

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

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

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

G-1. Production process and capacity

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

   The production of aluzinc steel is undertaken by passing hot-rolled coil through a cold-rolling process involving a series of rollers to generate the required thickness of steel. The steel then enters the coating line where a thin layer of zinc is applied to enhance the corrosion resistance of the final product.

   Refer to Confidential Exhibit G-1 – Production flowchart.
G-2. Provide information about your company’s total production in the following table:

Refer to Confidential Exhibit G-2 – Production.

G-3. Cost accounting practices

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

   Zongcheng utilises an actual cost accounting system which includes, but not limit to raw materials, direct labour and manufacturing overhead. The cost accounting is an integral part of Zongcheng’s financial accounting system. The independent auditor will conduct an annual audit on the basis of self-prepared financial statement and its trial balance. After the works have been done, the auditor will issue the audited report to the management of Zongcheng.

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

   The cost accounting system of Zongcheng is based on actual cost. There are no cost variances in accounting records.

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

   Not applicable as costs are based on actual costs.

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

   Zongcheng’s [Confidential financial accounting information]

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

   All materials, labour and manufacturing costs relating to Zongcheng’s coating lines are 

6. Describe the level of product specificity (models, grades etc) that your company’s cost accounting system records production costs.
Zongcheng’s production costs are recorded against [redacted].

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

Not applicable as there are no differences between cost accounting purposes and financial accounting purposes.

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

Not applicable.

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

Not applicable.

G-4 Cost to make and sell on domestic market

*This information is relevant to testing whether domestic sales are in the ordinary course of trade.*

1 Prepare this information in a spreadsheet named "Domestic CTMS".

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

Refer to Confidential Exhibit G-3 and G-4 – CTMS.

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.*

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

Refer to Confidential Exhibit G-3 and G-4 – CTMS.

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2 The Commission applies the tests set out in s.269TAAD of the Customs Act 1901 to determine whether goods are in ordinary course of trade. These provisions reflect the WTO anti-dumping agreement – see Article 2.2.1.
2 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.

Not applicable as goods exported to Australia are identical. Only cost differences that arise are due to direct selling expenses incurred on exports which are not incurred on domestic sales, being

3 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.

As explained earlier, Zongcheng

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

Not applicable.

Please refer to Exhibit G-5 – Zinc cost allocation for detailed methodology used to allocate total monthly zinc costs consumed in production, to each of the zinc coating masses manufactured in the corresponding month. This is used to calculate a separate cost for each coating mass.

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 (eg 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 etc).

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.

**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.

The major raw material used in the production of aluzinc steel is hot-rolled coil which is not sourced from associated parties and are purchased at market prices. Refer to Confidential Exhibit G-6 – HRC purchases.

**G-7  Cost to make and sell goods under consideration (goods exported to third countries)**

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

1 Prepare this information in a spreadsheet named "**THIRD COUNTRY CTMS**".

Refer to Confidential Exhibit G-3 and G-4 – CTMS.

2 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.

> Not applicable as goods exported to Australia are identical. Only cost differences that arise are due to direct selling expenses incurred on exports which are not incurred on domestic sales, being 2,735.

3 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.

> As explained earlier, Zongcheng
4 In calculating the unit cost to make and sell, provide an explanation if the allocation method used (eg number, or weight etc) to determine the unit cost differs from the prior practice of your company.

Not applicable.

Please refer to Exhibit G-5 – Zinc cost allocation for detailed methodology used to allocate total monthly zinc costs consumed in production, to each of the zinc coating masses manufactured in the corresponding month. This is used to calculate a separate cost for each coating mass.
SECTION H - SUBSIDIES

As per ADN 2017/156, Zongcheng is exempt from the countervailing duty notice applying to aluzinc steel, and as such, this section is not applicable.

The countervailing duty notice applying to aluminium zinc coated steel and zinc coated (galvanised) steel covers subsidies under the following subsidy programs:

<table>
<thead>
<tr>
<th>Program No.</th>
<th>Program name</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Hot rolled steel provided by government at less than adequate remuneration</td>
</tr>
<tr>
<td>2</td>
<td>Coking coal provided by government at less than adequate remuneration</td>
</tr>
<tr>
<td>3</td>
<td>Coke provided by government at less than adequate remuneration</td>
</tr>
<tr>
<td>4</td>
<td>Preferential Tax Policies for Enterprises with Foreign Investment Established in the Coastal Economic Open Areas and Economic and Technological Development Zones</td>
</tr>
<tr>
<td>5</td>
<td>Preferential Tax Policies for Foreign Invested Enterprises—Reduced Tax Rate for Productive Foreign Invested Enterprises scheduled to operate for a period of not less than 10 years</td>
</tr>
<tr>
<td>6</td>
<td>Preferential Tax Policies for Enterprises with Foreign Investment Established in Special Economic Zones (excluding Shanghai Pudong area)</td>
</tr>
<tr>
<td>7</td>
<td>Preferential Tax Policies for Enterprises with Foreign Investment Established in Pudong area of Shanghai</td>
</tr>
<tr>
<td>8</td>
<td>Preferential Tax Policies in the Western Regions</td>
</tr>
<tr>
<td>9</td>
<td>Land Use Tax Deduction</td>
</tr>
<tr>
<td>10</td>
<td>Preferential Tax Policies for High and New Technology Enterprises</td>
</tr>
<tr>
<td>11</td>
<td>Tariff and value-added tax (VAT) Exemptions on Imported Materials and Equipment</td>
</tr>
<tr>
<td>12</td>
<td>One-time Awards to Enterprises Whose Products Qualify for ‘Well-Known Trademarks of China’ and ‘Famous Brands of China’</td>
</tr>
<tr>
<td>13</td>
<td>Matching Funds for International Market Development for Small and Medium Enterprises</td>
</tr>
<tr>
<td>14</td>
<td>Superstar Enterprise Grant</td>
</tr>
<tr>
<td>15</td>
<td>Research &amp; Development (R&amp;D) Assistance Grant</td>
</tr>
<tr>
<td>16</td>
<td>Patent Award of Guangdong Province</td>
</tr>
<tr>
<td>17</td>
<td>Innovative Experimental Enterprise Grant</td>
</tr>
<tr>
<td>18</td>
<td>Special Support Fund for Non State-Owned Enterprises</td>
</tr>
<tr>
<td>19</td>
<td>Venture Investment Fund of Hi-Tech Industry</td>
</tr>
<tr>
<td>20</td>
<td>Grants for Encouraging the Establishment of Headquarters and Regional Headquarters with Foreign Investment</td>
</tr>
<tr>
<td>21</td>
<td>Grant for key enterprises in equipment manufacturing industry of Zhongshan</td>
</tr>
<tr>
<td>22</td>
<td>Water Conservancy Fund Deduction</td>
</tr>
<tr>
<td>23</td>
<td>Wuxing District Freight Assistance</td>
</tr>
</tbody>
</table>
H-1  Preferential income tax programs (Programs 4-10, 34)

Please complete questions 1 to 6 below and fill the “Income Tax Programs” and “Income Tax” spreadsheets in the “Exporter Questionnaire – Attachment” Excel workbook.

1. Did your business or any company/entity related to your business receive any benefit\(^3\) under the following income tax programs during the review period (1 October 2016 to 30 September 2017):

   **Program 4:** Preferential Tax Policies for Enterprises with Foreign Investment Established in the Coastal Economic Open Areas and in Economic and Technological Development Zones

   **Program 5:** Preferential Tax Policies for Foreign Invested Enterprises - Reduced Tax Rate for Productive Foreign Invested Enterprises scheduled to operate for a period not less than 10 years

   **Program 6:** Preferential Tax Policies for Enterprises with Foreign Investment Established in Special Economic Zones (excluding Shanghai Pudong area)

   **Program 7:** Preferential Tax Policies for Enterprises with Foreign Investment Established in Pudong area of Shanghai

   **Program 8:** Preferential Tax Policies in the Western Regions

   **Program 9:** Land Use Tax Deduction

   **Program 10:** Preferential Tax Policies for High and New Technology Enterprises

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\(^3\) Refer to the Glossary of Terms for a definition of benefit in this context.
2. For each program that you have identified above as conferring a benefit on your entity, answer the following:

   i. Provide complete details of the amount of the benefit received, including whether it was received in total or in instalments.

   ii. Indicate which goods you produced that benefited from the program (e.g. the program may have benefited all production or only certain products that have undergone research and development).

   iii. Describe the application and approval procedures for obtaining a benefit under the program.

   iv. Where applicable, provide copies of the application form or other documentation used to apply for the program, all attachments and all contractual agreements entered into between your business and the Government of China (GOC) in relation to the program.

   v. Outline the fees charged to or expenses incurred by your business in receiving the program.

   vi. Outline the eligibility criteria your business had to meet in order to receive benefits under this program.

   vii. State whether your eligibility for the program was conditional on one or more of the following criteria:

      a) whether or not your business exports or has increased its exports;
      b) the use of domestic rather than imported inputs;
      c) the industry to which your business belongs; or
      d) the region in which your business is located.

   viii. If the benefit was provided in relation to a specific activity or project of your entity, please identify the activity and provide supporting documentation.

   ix. What records does your business keep regarding each of the benefits received under this program? Provide copies of any records kept in relation to the program.
x. Indicate where benefits under this program can be found in your accounting system (i.e. specify the ledgers or journals) and financial statements.

xi. To your knowledge, does the program still operate or has it been terminated?

If the program has been terminated, please provide details (including when and why). When is the last date that your business could apply for or claim benefits under the program? When is the last date that your business could receive benefits under the program?

If the program terminated has been substituted for by another program, identify the program and answer all the questions in Part H-5 in relation to this program.

3. It is our understanding that the current general tax rate for enterprises in China is 25%. Confirm whether this is correct and if not, please identify the general tax rate for enterprises in China from 1 October 2016, indicating any changes in the taxation rate over the period 1 October 2016 to 30 September 2017.

4. If your business currently pays corporate income tax at a rate less than 25% (or whatever the rate of general tax is as discussed above), or paid at a rate less than that during the investigation period, please indicate whether the reduced rate relates to any of the preferential income tax programs identified in question 1 above.

5. If the income tax rate of less than the general rate does not relate to any of the programs identified above, please provide an explanation for the reduced income tax rate and answer the questions at 2 above in relation to the income tax rate reduction.

6. For each taxation year from 2012 to 2016, complete the “Income Tax” tab in the “Exporter Questionnaire – Attachment” Excel workbook.

Provide a copy (bearing the official stamp of the appropriate level of the GOC) of all:

- corporate income tax acknowledgement form(s) and the income tax return(s) that your company filed for the 2012, 2013, 2014, 2015 and 2016 tax years; and

- income tax instalment payment receipts, and all applicable income tax forms and schedules, for the 2012, 2013, 2014, 2015 and 2016 tax years.

Note: If your company did not file an income tax return in any of the tax years indicated, provide an explanation stating the reasons why you were exempt
from filing such a return and the applicable section[s] of the Income Tax Act under which you were exempt from doing so.
H-2  Tariff and VAT exemptions on imported materials and equipment (Program 11)

It is our understanding that certain enterprises in China are eligible for exemption from the payment of import duty and import VAT on imported inputs, technologies and machinery.

If your business or any company/entity related to your business received benefits under any such program during the period 1 October 2016 to 30 September 2017, please answer the following questions.

1. Provide complete details involving the amount of the VAT refund received, including whether the refund was received in a lump sum or multiple instalments.

2. Describe the application and approval procedures for obtaining a benefit under the program.

3. Where applicable, provide copies of the application form or other documentation used to apply for the program, all attachments and all contractual agreements entered into between your business and the GOC in relation to the program.

4. Outline the fees charged to or expenses incurred by your business in receiving the program.

5. Outline the eligibility criteria your business had to meet in order to receive benefits under this program.

6. State whether your eligibility for the program was conditional on one or more of the following criteria:

   a) whether or not your business exports or has increased its exports;
   b) the use of domestic rather than imported inputs;
   c) the industry to which your business belongs; or
   d) the region in which your business is located.

7. If the benefit was provided in relation to a specific activity or project of your entity, please identify the activity and provide supporting documentation.

8. What records does your business keep regarding each of the benefits received under this program? Provide copies of any records kept in relation to the program.

9. Indicate where benefits under this program can be found in your accounting system (i.e., specify the ledgers or journals) and financial statements.
10. Were the materials and/or equipment that were entitled to a refund of VAT used in the production of the goods during the investigation period? If yes, provide the following information:

(a) type of inputs;
(b) cost of inputs;
(c) quantity of inputs; and
(d) amount of VAT refunded.

11. Has your company received exemption from payment of or refunds of import duty and import VAT for imported material inputs (e.g. hot rolled coil, coking coal and coke) at any time that were used in the production of the goods during the investigation period? If yes, provide the following information:

(a) description of imported product;
(b) country of origin;
(c) quantity of imported product;
(d) purchase price;
(e) terms of purchase (e.g. FOB, CIF);
(f) ocean freight;
(g) value for duty of imported product;
(h) regular rate of taxes and duties;
(i) concessionary rate of taxes and duties;
(j) amount of duties and taxes normally applicable;
(k) amount of duties and taxes paid;
(l) amount of duties and taxes exempt;
(m) date of importation;
(n) tariff classification number;
(o) customs entry number; and
(p) application fee.

12. Explain if (and how) the GOC determines which imported inputs are consumed by your business in the production of the subject goods and in what amounts, and the amount of duty paid or payable on the inputs (including any allowance for waste).

13. Explain how the GOC determined the percentage rate of duty exemption.

Please note that goods consumed in the production of exported goods (inputs) include:

(a) goods incorporated into the exported goods; and
(b) energy, fuel, oil and catalysts that are used or consumed in the production of the exported goods.

14. Provide a representative sample of copies of import entry documents (for example: bill of entry, invoice from supplier, etc.) for each type of importation covering duty-exempt inputs and duty-paid inputs imported for use in the manufacturing of the subject goods.
15. In addition to the import entry documents, you must also provide copies, if applicable, of any applications submitted to and/or approval document received from the GOC relating to the exemption from the payment of import duty and import VAT on imported inputs and in relation to the VAT that is refunded on the exportation of the subject goods.

16. Provide copies of reports and audits by the GOC authority responsible for administering the duty rebate or duty drawback scheme with respect to the verification of the importation and use of inputs and the remittance or drawback of the related duty paid or payable.

17. To your knowledge, does the program still operate or has it been terminated?

   If the program has been terminated, please provide details (when, why). When is the last date that your business could apply for or claim benefits under the program? When is the last date that your business could receive benefits under the program?

   If the program terminated has been substituted for by another program, identify the program.

H-3 Grants (Programs 12-33, 35 and 36)

In the original countervailing investigation (REP 193), it was determined that subsidy benefits under the following countervailable subsidy programs have been received by Chinese exporters of the goods.

   Program 12: One-time Awards to Enterprises Whose Products Qualify for ‘Well-Known Trademarks of China’ and ‘Famous Brands of China’

   Program 13: Matching Funds for International Market Development for small and medium size enterprises (SMEs)

   Program 14: Superstar Enterprise Grant

   Program 15: R&D Assistance Grant

   Program 16: Patent Award of Guangdong Province

   Program 17: Innovative Experimental Enterprise Grant

   Program 18: Special Support Fund for Non-State-Owned Enterprises

   Program 19: Venture Investment Fund of Hi-Tech Industry

   Program 20: Grants for Encouraging the Establishment of Headquarters and Regional Headquarters with Foreign Investment

   Program 21: Grant for Key Enterprises in Equipment Manufacturing Industry of Zhongshan
Program 22: Water Conservancy Fund Deduction
Program 23: Wuxing District Freight Assistance
Program 24: Huzhou City Public Listing Grant
Program 25: Huzhou City Quality Award
Program 26: Huzhou Industry Enterprise Transformation & Upgrade Development Fund
Program 27: Wuxing District Public List Grant
Program 28: Anti-dumping Respondent Assistance
Program 29: Technology Project Assistance
Program 30: Capital injection
Program 31: Environmental protection grant
Program 32: High and New Technology Enterprise Grant
Program 33: Independent Innovation and High-Tech Industrialisation Program
Program 35: Environmental Prize
Program 36: Jinzhou District Research and Development Assistance Program

For the following questions, please provide responses to questions in the “Grants” spreadsheet in the “Exporter Questionnaire – Attachment” Excel workbook.

1. Did your business or any company/entity related to your business receive any benefit under the above programs during the period 1 October 2016 to 30 September 2017?

2. Did your business receive benefits under any other grant (including awards, prizes, funds) program during the period 1 October 2016 to 30 September 2017?

3. For each program identified in your answer to questions 1 and 2 above, answer the following questions:
   
i. Provide complete details involving the amount of the grant received, including whether the grant was received in a lump sum or multiple instalments.
ii. Identify the date of approval of the grant and the date the grant was received.

iii. Identify the body responsible for administering the grant.

iv. Indicate which goods you produced that benefited from the program (e.g., the program may have benefited all production, or only certain products that have undergone research and development).

v. Describe the application and approval procedures for obtaining a benefit under the program.

vi. Where applicable, provide copies of the application form or other documentation used to apply for the program, all attachments and all contractual agreements entered into between your business and the GOC in relation to the program.

vii. Outline the fees charged to or expenses incurred by your business in receiving the program.

viii. Outline the eligibility criteria your business had to meet in order to receive benefits under this program.

ix. State whether your eligibility for the program was conditional on one or more of the following criteria:
   a) whether or not your business exports or has increased its exports;
   b) the use of domestic rather than imported inputs;
   c) the industry to which your business belongs; or
   d) the region in which your business is located.

x. If the benefit was provided in relation to a specific activity or project of your entity, please identify the activity and provide supporting documentation.

xi. If the benefit was provided in relation to a specific activity or project of your entity, please identify the activity and provide supporting documentation.

xii. What records does your business keep regarding each of the benefits received under this program? Provide copies of any records kept in relation to the program.

xiii. Indicate where benefits under this program can be found in your accounting system (i.e., specify the ledgers or journals) and financial statements.

xiv. To your knowledge, does the program still operate or has it been terminated?
If the program has been terminated, please provide details (including when and why). When is the last date that your business could apply for or claim benefits under the program? When is the last date that your business could receive benefits under the program?

If the program terminated has been substituted for by another program, identify the program and answer all the questions in Part H-5 in relation to this program.

**H-4** Hot rolled steel provided by Government at less than adequate remuneration (Program 1)
Coking coal provided by Government at less than adequate remuneration (Program 2)
Coke provided by Government at less than adequate remuneration (Program 3)

The countervailing investigation, as outlined in *International Trade Remedies Branch Report No. 193 (REP 193)*, considered claims that public bodies (in the form of SOEs/ SIEs) were supplying HRC, coking coal and coke, directly or indirectly, to manufacturers of zinc coated (galvanised) steel at less than fair value.

The term SOE or SIE is defined in the glossary of this questionnaire (Appendix 1).

In relation to this program, provide the following information.

1. Did your business or any company/entity related to your business receive any benefit under the above program during the inquiry period **1 October 2016 to 30 September 2017**?

2. Does your business purchase coking coal, coal or HRC from SOE/SIEs?

3. Provide a list, including a contact name and address, of all your suppliers of aluminium. Indicate whether the supplier is a SOE/SIE and whether they supply HRC, coking coal or coal.

4. Provide a listing showing the purchase price of raw material from each supplier during each month of the inquiry period.

Prepare this information in the attached spreadsheet named “Raw Material Purchases” included as part of the *Exporter Questionnaire accompanying spreadsheet* provided alongside this questionnaire (as per Section G-6).

Please add more space for additional suppliers and categories as required.

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*REP 193 investigated galvanised steel and aluminium zinc coated steel exported from China, Korea and Taiwan. Due to the close nature of these products and common interested parties, findings from both countervailing investigations were detailed in the one report.*
5. Did your business receive any reduction/reduced price for the purchase of these goods/services during the inquiry period? If so, describe the eligibility criteria that your business had to meet in order to qualify for any reduction in the price paid for the goods/services.

6. Provide copies of all contractual agreements that detail the obligations of the SOE/SIE and your business with reference to the granting and receipt of the assistance/benefits.

7. Did your business import any raw material during the inquiry period? If yes, please provide details of all such imports, including date, source, type, amount and price. Explain the reason/s for your business’ decision to purchase imported over domestic raw materials, including the key factors affecting the decision such as price, availability etc.

8. Explain the factors that determine the price of HRC, coking coal and coal.

H-5  Any other programs

Provide answers to the following questions in the “Other programs” spreadsheet in the “Exporter Questionnaire – Attachment” Excel workbook.

1. Provide a list of all the provinces in which you have business operations (including locations of factories, sales offices, or other places of business).

2. Are you aware of any programs of the GOC, any of its agencies or any other authorised body, that benefits manufacturers of aluminium zinc coated steel and galvanised steel that have not been accounted for in this questionnaire? Provide the name of those programs you are aware of (even if your company is not eligible to receive benefit under the program).

3. Indicate the location of the program by region, province or municipal level.

4. Indicate the type of program, for example:
   a) the provision of grants, awards or prizes;
   b) the provision of goods or services at a reduced price (e.g. electricity, gas, raw materials (including, for example, zinc), transport);
   c) the reduction of tax payable including income tax and VAT;
   d) reduction in land use fees;
   e) loans from Policy Banks at below-market rates; or
   f) any other form of assistance.

5. For each program that you have identified, answer the following.

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5 Refer to the Glossary of Terms for a definition of benefit in this context.
i. Indicate whether your company benefited from any of the identified programs.

ii. Indicate which goods you produced that benefited from the program (e.g. the program may have benefited all production or only certain products that have undergone research and development).

iii. Describe the application and approval procedures for obtaining a benefit under the program.

iv. Where applicable, provide copies of the application form or other documentation used to apply for the program, all attachments and all contractual agreements entered into between your business and the GOC in relation to the program.

v. Outline the fees charged to or expenses incurred by your business in receiving the program.

vi. Outline the eligibility criteria your business had to meet in order to receive benefits under this program.

vii. State whether your eligibility for the program was conditional on one or more of the following criteria:

   a) whether or not your business exports or has increased its exports;
   b) the use of domestic rather than imported inputs;
   c) the industry to which your business belongs; or
   d) the region in which your business is located.

viii. If the benefit was provided in relation to a specific activity or project of your entity, please identify the activity and provide supporting documentation.

ix. What records does your business keep regarding each of the benefits received under this program? Provide copies of any records kept in relation to the program.

x. Indicate where benefits under this program can be found in your accounting system (i.e. specify the ledgers or journals) and financial statements.

xi. To your knowledge, does the program still operate or has it been terminated?

xii. If the program has been terminated, please provide details (including when and why). When is the last date that your business could apply for or claim benefits under the program? When is the last date that your business could receive benefits under the program?
If the program terminated has been substituted for by another program, identify the program and answer all the Questions in Part H-4 in relation to this program.

SECTION I
EXPORTER'S DECLARATION

I hereby declare that Jiangyin Zongcheng Steel Co. Ltd have completed the attached questionnaire and, having made due inquiry, certify that the information contained in this submission is complete and correct to the best of my knowledge and belief.

Name : Mr Liu Jizong

Signature :

Position in
Company : Executive Vice President

Date : 15 December 2017