



EXPORTER QUESTIONNAIRE

CERTAIN HOLLOW STRUCTURAL SECTIONS EXPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA

Shanghai Minmetals Development Ltd.

Period of Inquiry: 1 JULY 2016 – 30 JUNE 2017

Response due by: 21 AUGUST 2017

Important note: The Commissioner will reject all requests for a longer period to provide a response to this exporter questionnaire received after this date. Extensions requested before this date will *only* be agreed to where necessary and reasonable.

CASE CONTACT

Case Manager: Mr Scott Gladman

Phone: +61 2 6213 6965

E-mail: investigations4@adcommission.gov.au

Anti-Dumping
Commission website: www.adcommission.gov.au

RETURN OF QUESTIONNAIRE DETAILS

By mail
(on CD-ROM or USB): Attn: Director Operations 4
Anti-Dumping Commission
GPO Box 1632
Melbourne VIC 3001

By email: investigations4@adcommission.gov.au

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 inquiry:

*Head Office: Shanghai Minmetals Development Ltd.
(Hereinafter referred to as "Shanghai MD")*

Name: **Mr. Cui Mingyao**

Position in the company: **Deputy Manager**
Address: **16/F., No.757, Guangfu Road, Shanghai, P.R. China 200070**
Telephone: **(86) 21-63815858**
Facsimile number: **(86) 21-63806600**
E-mail address of contact person: cui.mingyao@shminmetals.com

Producer

Factory: Huludao City Steel Pipe Industrial Co., Ltd. ("Huludao")
Address: **Cishan Village, Lianwan Town, Longgang District, Huludao City, Liaoning, China**
Telephone: **+86-429-2058666**
Facsimile number: **+86-429-2058333**
E-mail address of contact person: china_sevenstar@hldpipe.com

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

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

Name: **Mr. LAN Xiong, of Beijing B&H Associates**
Address: **RM.1205 Beiguang Plaza, No. 23 Huangsi Street, Beijing**
Telephone: **+86-10-82230597**
Facsimile/Telex number: **+86-10-82230598**
E-mail address of contact person: **lx@bohenglaw.com**

Note that in nominating a representative, the Commission will assume that confidential material relating to your company in this inquiry may be freely released to, or discussed with, that representative.

A-3 Company information

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

Answer: *Shanghai Minmetals Development Ltd. ("Shanghai MD") is a limited liability company, and Shanghai MD does not use any other business name to export and/or sell goods.*

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

Answer: *Shanghai MD is owned by two shareholders listed below:*

<i>Name of Shareholder</i>	<i>Shareholding (%)</i>
<i>I</i>	<i>1</i>
<i>I</i>	<i>1</i>

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

Answer: *I J. is a state-owned company.*

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

Answer: *Not applicable.*

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

Answer: *Please refer to Exhibit A-1 for corporate structure diagram.*

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

Answer: *Not applicable, as there are no management fees/corporate allocations charged to Shanghai MD by its related companies.*

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

Answer: *Shanghai MD is a trading company.*

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 that perform each function:

- produce or manufacture

Answer: *The GUC is produced by Huludao, whose address and contact details are provided in the answer to question A-1.1.*

- sell in the domestic market

Answer: *Shanghai MD does not sell the GUC in China. Huludao carries over its own domestic sales.*

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- export to Australia, and

-

Answer: *Shanghai MD exports the GUC to Australia.*

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- export to countries other than Australia.

Answer: *Shanghai MD exports GUC to countries other than Australia.*

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

Answer: *Please refer to Exhibit A-2 for Shanghai MD's internal organization chart.*

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

Answer: *Please refer to Exhibit A-3 for Shanghai MD's product brochure, and please note that Shanghai MD does not have annual reports.*

A-4 General accounting/administration information

1. Indicate your accounting period.

Answer: *January 1st to December 31st, per annum.*

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

Answer: *18/F., 2/Bl., No.757 Guangfu Road, Shanghai, 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;

Answer: *Please refer to Exhibit A-4 for Shanghai MD's chart of accounts.*

- audited consolidated and unconsolidated financial statements (including all footnotes and the auditor's opinion);

Answer: *Please refer to Exhibit A-5 for 2015 and 2016 audited reports.*

- 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.

Answer: ***Please refer to Exhibit A-6 for the monthly financial reports during the inquiry period.***

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.

Answer: ***Not applicable and please refer to Exhibit A-5 for audited reports.***

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

Answer: ***Not applicable, as Shanghai MD's accounting is in accordance with the generally accepted accounting principles in China.***

6. Describe:

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

- the method of valuation for raw material, work-in-process, and finished goods inventories (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);
- valuation methods for damaged or sub-standard goods generated at the various stages of production;
- valuation methods for scrap, by products, or joint products;
- valuation and revaluation methods for fixed assets;
- average useful life for each class of production equipment and depreciation method and rate used for each;
- treatment of foreign exchange gains and losses arising from transactions;
- treatment of foreign exchange gains/losses arising from the translation of balance sheet items;
- inclusion of general expenses and/or interest;
- provisions for bad or doubtful debts;
- expenses for idle equipment and/or plant shut-downs;
- costs of plant closure;

- restructuring costs;
- by-products and scrap materials resulting from your company's production process; and
- effects of inflation on financial statement information.

Answer: *Please refer to Exhibit A-7 for the summary of Shanghai MD's significant accounting policies.*

Please kindly note that Shanghai MD is a trading company, therefore, foregoing questions related to manufacturing accounting, plant shut-downs & closures, scrap & by-products, etc are 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.

Answer: *There has no material change to accounting policies over the last two years.*

A-5 Income statement

Complete the spreadsheet '**Income statement**' in the **Exporter Questionnaire spreadsheets – HSS** workbook.

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

You will note that the spreadsheet 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 between the goods and other products produced.

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

Answer: *Exhibit A-8 is the Income Statement completed in the prescribed format, and this spreadsheet is also provided in electronic format.*

A-6 Sales

Complete the spreadsheet '**Turnover**' in the **Exporter Questionnaire spreadsheets – HSS** workbook.

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

This requires you to 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.

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This information will be used to verify the cost allocations to the goods under consideration in Section G.

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

Answer: *Exhibit A-9 is the Turnover spreadsheet completed in the prescribed format, and this spreadsheet is also provided in electronic format.*

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, or another level if considered appropriate.

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

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

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

Answer: *Please refer to Exhibit B-1 for the list of Australian customers.*

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

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

Answer: *Shanghai MD purchase the GUC from Huludao, then provide notice to the Australian customers of estimated goods ready date. The Australian customers charter vessel space for loading. Upon the receipt of notice from appointed shipping liner of carrying vessel movement, Shanghai MD instructs the producer to transport goods to designed loading port (usually Shanghai). The goods are shipped to Australia, then Shanghai MD forward the original shipping documents including Bill of Lading to the Australian customer, then delivery is completed.*

- (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.

Answer: *Huludao is the producer of the GUC. Shanghai MD is the exporter. The Australian customers are distributors, selling to the distribution sector. No commissions are paid by Shanghai MD through this chain.*

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

Answer: *Shanghai MD sells to Australian customers on an FAS or FOBST basis, so ownership effectively immediately passes to those customers once the goods are on the ship.*

- (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).

Answer: *Not applicable, as Shanghai MD did not have agency or distributor agreements with Australian customers.*

- (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.

Answer: *The Australian customers collect the orders from Australian market, then forwards a summary "offer" to purchase certain goods from Shanghai MD.*

Shanghai MD then confirms acceptance of this offer and contact the producer to arrange production.

After delivery of the goods by the Huludao, Shanghai MD issues commercial invoice and prepares for shipping documents.

Upon the receipt of original shipping documents, the Australian customers release the payment to Shanghai MD's bank accounts.

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

Answer: *Shanghai MD is not related to any Australian customers in any way.*

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

Answer: *Not applicable, as Shanghai MD does not issue the forward order in the normal course of business.*

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

Answer: *Not applicable, as Shanghai MD's Australian customers are all in the same trade level, i.e. distributors.*

B-4 Australian sales data

Complete the 'Australian sales' spreadsheet in the **Exporter Questionnaire spreadsheets – HSS** workbook.

This data should be provided on a transaction by transaction basis.

The below table provides some explanation of the data requested in the Australian sales spreadsheet.

Column heading	Explanation
Customer name	names of your customers
Level of trade	the level of trade of your customers in Australia
Product code	Code used in your records for the model/grade/type identified. A product code must be a unique identifier of that product. Explain the product codes in your response.
Type (CHS / RHS)	Indicate whether it is a circular or rectangular (including square) type HSS
Standard	Production standard of the HSS (e.g AS/NZ 1163 etc.)
Width	Width of the tube (or insert radius if circular pipe)
Height	Height of the tube (leave blank if circular pipe)
Length	Length of the product
Nominal Thickness	Nominal (theoretical) thickness
Actual Thickness	Actual (or target) thickness
Grade	Grade of product i.e. 350CL0 or 250C etc.
Finish	identify the finish of the HSS sold
Invoice number	invoice number
Invoice date	invoice date
Date of sale	refer to the explanation at the beginning of this section. If you consider that a date <i>other than</i> the invoice date best establishes the material terms of sale, report that date. For example, order confirmation, contract, or purchase order date.
Order number	if applicable, show order confirmation, contract or purchase order number if you have shown a date other than invoice date as being the date of sale.
Shipping terms	Delivery terms eg. CIF, C&F, FOB, DDP (in accordance with Incoterms)
Payment terms	agreed payment terms eg. 60 days=60 etc
Quantity (pcs)	Number of pieces of HSS sold (if shown on the invoice).
Theoretical Weight	Weight of this product shown on the invoice.
Target Weight	Total target weight of this product in the shipment
Actual Weight	Total actual weight of this shipment (from scale readings)
HRC Code	The raw material code of the HRC used in production of this product (the code in your accounting and/or MRP systems for the type of HRC used in manufacturing of this product)
Gross invoice value	gross invoice value shown on invoice <i>in the currency of sale, excluding taxes</i> .
Discounts	if applicable, the amount of any discount deducted on the invoice on each transaction. If a % discount applies show that % discount applying in another column.
Rebates	The amount of any deferred rebates or allowances paid to the importer in the currency of sale.
Other charges	any other charges, or price reductions, that affect the net invoice value. Insert additional columns and provide a description.
Invoice currency	the currency used on the invoice

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

Notes

* These costs are further explained in section E-1.

** FOB export price and Ocean Freight:

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

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

Freight allocations must be checked for consistency

Answer: ***Exhibit B-2 is the spreadsheet of Australian Sales, and this spreadsheet is also provided electronically.***

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.

Answer: *During the investigation period, the VAT refund rate for GUC is 9% or 13%, therefore Shanghai MD incurs VAT cost for those Australia sales. We added a column named "other costs-unrefundable VAT" and applied 8% or 4%, i.e. the difference between VAT refund rate (9% or 13%) and the standard VAT rate (17%) to report this cost.*

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.

Answer: *Not applicable, as Shanghai MD did not offer any discount, rebate or allowance in Australian sales during the investigation period.*

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.

Answer: *Not applicable, as Shanghai MD did not issue credit notes to Australian customers.*

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:

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

Answer: *Not applicable, as all delivery terms were FAS or FOBST and Shanghai MD is not responsible for arrival of the goods at an agreed point within Australia.*

B-9 Select two shipments, in different quarters of the inquiry 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.

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

Answer: ***Please refer to Exhibit B-3 for two sets of Australian exporting sales documentations during the investigation period.***

SECTION C - EXPORTED GOODS & LIKE GOODS

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

Answer: *During the inquiry period, the goods under consideration Shanghai MD exported to Australia are black or galvanized circular or square pipes, of variety outside diameters, wall thicknesses and length, in accordance with AS 1074, AS 1163 or ASTM A135 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).

Answer: *Sales categories for goods exported to Australia are:
Black Square (“BS”)
Galvanised Circular (“GC”)*

C-3 If you sell like goods on the domestic market, for each type of the goods that your company has exported to Australia during the inquiry period, list the most comparable model(s) sold domestically; and provide a detailed explanation of the differences where the domestic goods (ie. the like goods – see explanation in glossary) are not identical to goods exported to Australia.

An example of how this information can be presented is provided in the below table.

EXPORTED TYPE	DOMESTIC TYPE	IDENTICAL?	DIFFERENCES
Product code of each model of the GUC exported to Australia	Product code of comparable model sold on the domestic market of the country of export	If goods are identical indicate “YES”. Otherwise “NO”	Where the good exported to Australia is not identical to the like goods in terms of: GRADE; SIZE; WALL THICKNESS; SHAPE; FINISH, describe the specification differences. If it is impractical to detail specification differences in this table refer to and provide documents which outline differences

Answer: *Not applicable, as Shanghai MD did not sell GUC in domestic market.*

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.

Answer: *Please refer to Exhibit A-3 for Shanghai MD’s 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 inquiry period must be listed transaction by transaction. If there is an extraordinarily large volume of sales data and you are unable to provide the complete listing electronically you **must** contact the Case Manager **before** completing the questionnaire. If the Case Manager agrees that it is not possible to obtain a complete listing he or she will consider a method for sampling that meets the Commission's 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 inquiry 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 inquiry period.*
- *If you do not have any domestic sales of like goods you must contact the Case Manager who will explain the information the Commission requires for determining a normal value using alternative methods.*

Answer: ***Questions in this section are not applicable as Shanghai MD did not sell the GUC in China during the investigation period.***

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.

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

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

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

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

D-4 Domestic sales data

Complete the '**Domestic sales**' spreadsheet in the **Exporter Questionnaire spreadsheets – HSS** workbook.

This data should be provided on a transaction by transaction basis.

The below table provides some explanation of the data requested in the Domestic sales spreadsheet.

Column Heading	Explanation
Customer name	names of your customers. If an English version of the name is not easily produced from your automated systems show a customer code number and in a separate table list each code and name.
Level of trade	the level of trade of your domestic customer
Product code	Code used in your records for the model/grade/type identified. A product code must be a unique identifier of that product. Explain the product codes in your response.
Type (CHS / RHS)	Indicate whether it is a circular or rectangular (including square) type HSS
Standard	Relevant production standard of the HSS
Height	Height of the tube (leave blank if circular pipe)
Length	Length of the product
Nominal Thickness	Nominal (theoretical) thickness
Actual Thickness	Actual (or target) thickness
Grade	Grade of product i.e. 350CL0 or 250C etc.
Finish	identify the finish of the HSS sold
Invoice number	invoice number
Invoice date	invoice date
Date of sale	refer to the explanation at the beginning of this section. If you consider that a date <i>other than</i> the invoice date best establishes the material terms of sale, report that date. For example, order confirmation, contract, or purchase order date.
Dispatch Date	Date of dispatch
Order number	if applicable, show order confirmation, contract or purchase order number if you have shown a date other than invoice date as being the date of sale.
Delivery terms	Delivery terms eg. CIF, C&F, FOB, DDP (in accordance with Incoterms)
Payment terms	agreed payment terms eg. 60 days=60 etc
Quantity (pcs)	Number of pieces of HSS sold (if shown on the invoice).
Theoretical Weight	Weight of this product shown on the invoice.
Target Weight	Total target weight of this product in the shipment
Actual Weight	Total actual weight of this shipment (from scale readings)
HRC Code	The raw material code of the HRC used in production of this product (the code in your accounting and/or MRP systems for the type of HRC used in manufacturing of this product)
Gross invoice value	gross invoice value shown on invoice <i>in the currency of sale, excluding taxes</i> .
Discounts	if applicable, the amount of any discount deducted on the invoice on each transaction. If a % discount applies show that % discount applying in another column.
Rebates	The amount of any deferred rebates or allowances paid to the importer in the currency of sale.
Other charges	any other charges, or price reductions, that affect the net invoice value.

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	Insert additional columns and provide a description.
Net invoice value	the net invoice value expressed in your domestic currency as it is entered in your accounting system
Other discounts	The actual amount of discounts not deducted from the invoice. Show a separate column for each type of discount.
Packing*	Packing expenses
Inland transportation costs*	inland transportation costs included in the selling price.
Handling, loading & ancillary expenses*	handling, loading & ancillary expenses.
Warranty & guarantee expenses*	warranty & guarantee expenses
Technical assistance & other services*	expenses for after sale services, such as technical assistance or installation costs.
Commissions*	Commissions paid. If more than one type is paid insert additional columns of data. Explain in your response to this question in detail in D-6.
Other factors*	any other costs, charges or expenses incurred in relation to the sale. (include additional columns as required). See question B5.

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

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

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

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

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

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

D-7 Select two domestic sales, in different quarters of the inquiry 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.

SECTION E - FAIR COMPARISON

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Section B sought information about the export prices to Australia and Section D sought information about prices on your domestic market for like goods (ie. 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 inquiry 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.

Answer: ***Shanghai MD buys on FOB basis and sells to Australia on FAS or FOBST basis, and has no domestic sales against which to compare. Therefore, certain following questions will be answered by the producer.***

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.

Answer: *Not applicable as Shanghai MD takes delivery at the port. Please refer to the submissions by the Huludao.*

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.

Answer: *Where applicable, these costs have been shown against specific sales on the Australian Sales spreadsheet.*

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 inquiry 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.

Answer: *Not applicable as no credit cost was incurred.*

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**'.

Answer: *Not applicable as Shanghai MD is not responsible for packing of the GUC and does not make domestic sales of the GUC. Please refer to the submissions by the Huludao.*

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.

Answer: *No commission was paid by Shanghai MD to any party in relation to sales to Australia.*

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.

Answer: *No warranty or guarantee is offered, and no technical or other services are provided. Claims for defective product, transport damage and the like are considered and resolved on a case by case basis.*

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.

Answer: *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 inquiry (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 inquiry period.

Answer: ***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 (SG&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.

Answer: ***Not applicable, Shanghai MD does not make domestic sales of the GUC.***

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.

Answer: ***It is Shanghai MD’s understanding that its producer makes steel pipe for domestic and export purposes from hot-rolled steel produced entirely within China, i.e. not from imported raw materials.***

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 producers, 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 are no real trade level differences all sales are treated as being at the same level of trade.

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

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

This requires the following information:

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

or

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

Answer: ***Not applicable, Shanghai MD does not make domestic sales of the GUC.***

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 inquiry 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 system¹, the average credit period may be determined as follows:

1. Calculate an accounts receivable turnover ratio

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

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

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

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

2. Calculate the average credit period

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

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

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

Answer: ***Not applicable, Shanghai MD does not make domestic sales of the GUC.***

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.

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.

Answer: *Not applicable, Shanghai MD does not make domestic sales of the GUC.*

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.

Answer: *Not applicable, Shanghai MD does not make domestic sales of the GUC.*

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**".

Answer: *Not applicable, Shanghai MD does not make domestic sales of the GUC.*

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.

Answer: *Not applicable, Shanghai MD does not make domestic sales of the GUC.*

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.

Answer: *Not applicable, Shanghai MD does not make domestic sales of the GUC.*

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*.

Answer: *Not applicable, Shanghai MD does not make domestic sales of the GUC.*

E-3 Other Possible Adjustment Factors

For the Commission to fully understand any other possible adjustment factors, please complete the spreadsheet entitled ‘HRC Purchases’ and ‘Theoretical to Actual Weight’ tabs within the hollow structural sections Exporter Questionnaire accompanying spreadsheet provided alongside this questionnaire.

Please list all of your hot rolled coil (HRC) purchases starting from 1 July 2016 in the format shown at ‘HRC Purchases’ tab.

Please also provide a table with the format shown at ‘Theoretical to Actual Weight’ tab listing the theoretical weights and actual weights of all the products sold both domestically and sold to Australia during the inquiry period.

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

The below table provides information as to what is meant by each column heading within the ‘HRC Purchases’ tab.

Column Heading	Explanation
HRC Material Code	The raw material code of the HRC in your accounting and/or MRP systems for this HRC thickness - grade combination
Date of purchase	Purchase date of HRC. Please start list all HRC purchases from 1 July 2016
Supplier name	Name of HRC supplier. If purchased from a distributor rather than the manufacturer, write the distributor's name.
Domestic Purchase or Import?	Indicate whether it was purchased locally or imported
Supplier's Invoice No	Indicate the supplier's invoice number. If your accounting

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	system do not keep track of the suppliers invoice number, put your order number or a similar unique identifier from your accounting system
Grade of HRC	Indicate the grade of the HRC purchased. If more than one grades are bought in one order, separate HRC's with respect to their grades and thicknesses.
Theoretical Weight of Quantity Purchased (tonnes)	The theoretical weight of HRC purchased
Actual Weight of Quantity Purchased (tonnes)	The actual weight of HRC purchased
Nominal Thickness (mm)	Nominal thickness of HRC purchased
Actual Thickness (mm)	Actual thickness of HRC purchased
Currency (USD or domestic currency)	The currency of the invoice
Price per Tonne (USD or domestic currency)	Purchase price per tonne
Total Price (USD or domestic currency)	Total invoice price for the grade and thickness of HRC
Delivery terms	Indicate the delivery terms i.e FIS, ex-Factory etc.
Additional purchase costs (e.g. Inland transport)	Indicate any additional costs incurred with this purchase like inland delivery costs. If the costs are incurred for a group of products purchased, distribute the cost per line in a meaningful way like according to their weight.

The below table provides information as to what is meant by each column heading within the 'Theoretical to Actual Weight' tab.

Column Heading	Explanation
Product Code	The code of product
Theoretical Weight	Theoretical weight of this product
Actual (Target) Weight	Actual weight of this product
Product Standard	The standard the product manufactured to. Insert "Commercial" for commercial (non-standard) products.

Answer: *Not applicable, as Shanghai MD is a trading company and does not have information related to HRC materials. Such information may be found in the producer's submissions.*

E-4 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

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- 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.

Answer: ***Noted.***

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 Third country sales data

Complete the 'Third country' spreadsheet in the **Exporter Questionnaire spreadsheets – hollow structural sections** workbook.

This data should be provided on a summary basis.

The below table provides some explanation of the data requested in the Third country spreadsheet.

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

Answer: *A list of sales of the GUC to countries other than Australia during the investigation period is included as Exhibit F-1.*

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

Answer: *Goods made to the BS1387, AS 1074, AS 1163, ASTM A135, ASTM A53 specifications and are considered like goods to those sold in Australia.*

SECTION G - COSTING INFORMATION AND CONSTRUCTED VALUE

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

- *testing the profitability of sales of like goods on the domestic market;*
- *determining a constructed normal value of the 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 inquiry 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.

Answer: ***Not applicable, as Shanghai MD does not produce the GUC.***

2. Complete the spreadsheet entitled 'Production' within the HSS Exporter Questionnaire – accompanying spreadsheet provided alongside this questionnaire.

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

Answer: *Not applicable, as Shanghai MD does not produce the GUC.*

G-2. Production capacity data

Complete the '**Production**' spreadsheet in the **Exporter Questionnaire spreadsheets** – *hollow structural sections* workbook.

Answer: *Not applicable, as Shanghai MD does not produce the GUC.*

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.

Answer: *As a trading company, Shanghai MD operates an actual costing system. The full cost of the goods exported to Australia is the invoice value for the goods purchased from the produce.*

- 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.

Answer: *Not applicable, Shanghai MD's cost accounting system is not based on standard costs.*

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

Answer: *There was no significant or unusual cost variances occurred during the investigation period.*

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

Answer: *Not applicable, as Shanghai MD does not use profit/cost centres.*

- 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.

Answer: *Not applicable, as Shanghai MD does not use profit/cost centres.*

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

Answer: *As a trading company, Shanghai MD does not capture revenue or cost by product or grade in the accounting system.*

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

Answer: *Not applicable, as Shanghai MD does not value costs differently for 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.

Answer: *Not applicable, as Shanghai MD did not engaged in any start-up operations in relation to the GUC during the investigation period.*

- 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.

Answer: *Not applicable, as Shanghai MD did not engaged in any start-up operations in relation to the GUC during the investigation period.*

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.²

Complete the 'Domestic CTMS' spreadsheet in the **Exporter Questionnaire spreadsheets – HSS** workbook.

- Please provide the actual unit cost to make and sell **separately for each model/type** (identified in section C) of the like goods sold on the domestic market.
- Provide this cost data for each quarter over the inquiry period. If your company calculates costs monthly, provide monthly costs.
- Indicate the source of cost information (account numbers etc) and/or methods used to allocate cost to the goods. Provide documentation and worksheets supporting your calculations.
- 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 Manager for this inquiry at the address shown on the cover of this questionnaire.
- Please specify unit of currency.
- 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.

² The Commission applies the tests set out in s.269TAA 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.

- 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.
- Supply your Bill of Materials **separately for each model/type** (identified in section C) of the like goods sold on the domestic market.

Answer: ***Not applicable, Shanghai MD does not produce the GUC and does not sell the GUC on domestic market.***

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.

Complete the 'Australian CTMS' spreadsheet in the ***Exporter Questionnaire spreadsheets – HSS*** workbook.

- Please provide the actual unit cost to make and sell **separately for each model/type** (identified in section C) of the goods sold to Australia.
- Provide this cost data for each quarter over the inquiry period. If your company calculates costs monthly, provide monthly costs.
- Indicate the source of cost information (account numbers etc) and/or methods used to allocate cost to the goods. Provide documentation and worksheets supporting your calculations.
- 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 Manager for this inquiry at the address shown on the cover of this questionnaire.
- Please specify unit of currency.
- 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.
- 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.
- 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.

- Supply your Bill of Materials **separately for each model/type** (identified in section C) of the like goods sold on the domestic market.

Answer: *Not applicable, Shanghai MD does not produce the GUC. Please refer to Huludao's submission for its CTMS.*

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.

Answer: *Shanghai MD is a trading company without any production of the GUC.*

SECTION H – PARTICULAR MARKET SITUATION

The applicants claim that a 'market situation' exists in respect of Hollow Structural Sections (HSS) from China due to government influence on both the prices of the goods and the major raw material inputs 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 such domestic selling prices for this purpose is 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 inquiry is operating under market conditions. In examining the matter, the Commission will also send questionnaires to the Government of China and continue to examine information available from third-party sources.

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 involvement in the business of your company.

PART H-2 - Requests information concerning the Government of China's measures with respect to the HSS industry in China.

PART H-3 - Requests information concerning the HSS sector in the region where your company is located.

Answer: *Shanghai MD is a trading company operates import and export sales of a wide range of products, and did not manufacture GUC and purchase related inputs as mentioned.*

Moreover, Shanghai MD is not a member of CISA (China Iron & Steel Association) or any other Chinese/international steel business associations, and is not a member/participator of Chinese steel industry. Therefore, this section is not applicable to Shanghai MD.

And Shanghai MD understands that there were no governmental influence in the export or domestic selling price setting of GUC and its related inputs in China.

PART H-1 GENERAL INFORMATION

The information requested in this part will provide an overview of your corporate organisation and the Government of China'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 Government of China's interaction with your businesses.

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

- a) reporting requirements;
- b) payment of taxes;
- c) senior management representation within your business;
- d) supervision by the State-owned Assets Supervision and Administration Commission (SASAC) or a body under the control of SASAC.
- e) approval/negotiation of business decisions (e.g. investment decisions, management decisions, pricing decisions, production decisions, sales decisions);
- f) licensing;
- g) restrictions on land use;
- h) provision of loans; or
- i) provision of grants, awards or other funds.

2. **Business structure, ownership and management**

- a) Indicate whether your company is a state-owned or state-invested enterprise (SIE) (refer to the Glossary of Terms for definition).
- 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 yours and related businesses, where applicable.

- 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 Government of China (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 Government of China.

- 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.
- 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 Government of China? If so, identify any relevant government department(s) they are affiliated with.

- 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 Government of China;
 - employees of your business;
 - foreign investors; or
 - other (please specify).
- g) Provide the details of any significant changes in the ownership structure of your business during the inquiry period.
- h) Identify any positions within your business that are appointments or designated to act on behalf of Government of China authorities.
- 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.
- 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.
- k) Provide the monthly trading volume and average monthly trading price of your listed security between 1 July 2016 and 30 June 2017.
- l) Who has the ability to reward, fire or discipline your business' senior managers?
- m) Do any of your company's senior managers hold positions in any Government of China departments or organisations, associations or Chambers of Commerce? If so describe the nature of these positions.
- n) Provide the names and positions of your company's pricing committee.

3. Licensing

- a) Provide a copy of your business license(s).
- b) Identify the Government of China departments or offices responsible for issuing the license(s).
- c) Describe the procedures involved in applying for the license(s).
- d) Describe any requirements or conditions that must be met in order to obtain the license(s).
- e) Describe and explain any restrictions imposed on your business by the business license(s).

- f) Describe any sanctions imposed on your business if you act outside the scope of your business license(s).
- g) Describe and explain any rights or benefits conferred to your business under the license(s).
- h) Describe the circumstances under which your business license(s) can be revoked, and who has the authority to revoke the license(s).

4. Decision-making, planning and reporting

- a) Provide a description of your business' decision-making structure in general and in respect of HSS 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, etc., is determined.
- b) Provide a description of any Government of China input into the decision-making process respecting your manufacture, marketing and sale of HSS.
- c) Provide a list of all government departments/offices that are involved, either directly or indirectly, in your manufacture, sale or purchase of HSS.
- d) List and describe all reports that must be submitted to the Government of China periodically by your company, and identify the government department/office where each report is filed.
- e) 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.
- f) Does your business develop any 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 Government of China (including the National Development and Reform Commission).
- g) Provide copies of the minutes of your Board of Directors and Board of Shareholders meetings over the inquiry period.
- h) Provide copies of the notes to company meetings where pricing decisions on HSS have been made over the inquiry period.

5. Financial and investment activities

- a) How is your business debt funded? Provide a list of all major lenders.
- b) What is the rate of interest paid by your business on all debt instruments over the last 5 years?
- c) Has your business benefited from any concessional interest rates for your loans/debts in the last 5 years? If so, provide details.
- 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.
- e) Does your business have policies on how cash reserves are to be invested? If so, provide details.
- 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).

PART H-2 GOVERNMENT OF CHINA MEASURES IN THE HSS SECTOR

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

1. Are there any other Government of China opinions, directives, decrees, promulgations, measures, etc. concerning the HSS industry/sector that were put in place or operating during the inquiry period; for example but not limited to, the *Twelfth Five-Year Plan of HSS Industry* of the National Development and Reform Commission, Ministry of Industry and Information Technology, and the State Forestry Administration?

If yes, please provide a copy of that documentation and a translation as well. Also provide documentation concerning the Government of China or any association of the Government of China's notification of the measures concerning HSS to your company over the inquiry period.

2. Provide information concerning the name of any Government of China departments, bureaus or agencies responsible for the administration of all Government of China measures concerning the HSS 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 on the HSS sector;
- market entry criteria for the HSS industry sector;

- environmental enforcement for the HSS industry sector;
 - management of land utilization;
 - the China Banking Regulatory Commission for the HSS industry sector;
 - investigation and inspection of new HSS expansion facilities;
 - the section in the National Development and Reform Commission that is responsible for the HSS industry sector; and
 - import licensing for raw materials relating to HSS manufacture.
3. Describe any role your company plays in the development of government's industrial plans and/or policies at all levels of government, including the *HSS making Industry Development 12th Five-Year Plan*. For example, does your company provide information for, or request inclusion in, any plans, policies, or measures?
4. Does your company provide information relating to assessments of the implementation of the plan, policy or measure?
5. Has the Government of China designated your company and/or industry as "pillar," "encouraged," "honorable," or any other designation? If so, please answer the following questions.
- (a) Explain the purpose of these designations, the criteria for receiving any such designation, and the benefits or obligations that arise from each such designation.
 - (b) Is there any connection between these designations and five-year plans or other industrial and/or economic policies or administrative measures?
 - (c) Please describe any instances in which your company cited Government of China plans, policies, or measures as support for receiving the financing that you report.
6. **Twelfth Five-Year Plan for HSS Industry**
- The Commission is aware of the State Forestry Administration's *HSS making Industry Development 12th Five-Year Plan* (2011 to 2015) which includes an overarching strategy for the Chinese HSS industry and designates that industry as 'strategic' (i.e. encouraged). The following questions relate to that policy.
- 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 Government of China'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 Government of China 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 Government of China to measure your company's compliance with the policy directives and/or guidelines.
- h) Are review and approval decisions regarding investments in the HSS 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 HSS sector, including but not limited to, China's *HSS making Industry Development 12th Five-Year Plan*.

7. Other government approvals

The below questions address the approvals that are necessary from various Government of China agencies, including the National Development and Reform Commission, in order to continue or initiate HSS investments.

- a) Explain whether your company has undertaken an approval process through the Government of China for any HSS 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.

8. The restructure of the HSS industry in China

The Commission is aware of the Government of China's key "Development Goals" relating to the HSS industry in China, including the elimination of *outdated capacity*. The following questions relate to these goals:

- a) Explain in detail if there were any directives, measures, or incentives from the Government of China that have been communicated to your business since the inception of these development goals? For example, closing certain plants or consolidating certain operations.
- b) Identify the Government department, association or company official that communicated these guidelines or any related measures to your business.
- c) Identify the Government department, association or company and names of officials who are responsible for the administration of these development goals.
- 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.
- e) Explain any on-going mechanism used by the Government of China to measure your business compliance with the policy directives and/or guidelines.

PART H-3 THE HOLLOW STRUCTURAL SECTION SECTOR

The information requested in this part will assist in providing a better understanding of the Government of China measures and your business' sales and production of A4 HSS.

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

1. Taxation

- a) Were there any export taxes on the exports of HSS during the inquiry period?
- b) What was the VAT rebate applicable to HSS exports during the inquiry period?
- c) Have there been any changes to the value-added tax rebate applicable to HSS exports in the last 5 years? If yes, provide:
 - i. a detailed chronological history of the value-added tax rebate rates;
 - ii. products affected;
 - iii. the effective dates of the rate changes;
 - iv. fully translated copies of any Government of China notices regarding these changes, including the relevant appendices.
- d) Are you aware of any tax changes being planned that would impact the HSS sector?

2. Sales terms

- a) Identify the person who authorises the sales terms, prices and other contract provisions for the sale of HSS by your business.
- b) Explain how the selling prices of HSS by your business are determined, including any Government of China involvement in your business' pricing decisions, and indicate if the goods are subject to Government of China direct or indirect pricing or government guidance pricing.
- c) Does your business coordinate the selling prices or supply of HSS with other domestic producers or any Government of China departments? If so, provide details.
- d) Explain whether your business provides information or data to the Government of China, other government officials or commercial/industry organisations, including those outside of China, which report on the HSS sector.
- e) Explain whether your business provides HSS price data to any other person at the provincial, regional or special economic zone level of government.

3. Industry associations

- a) Is your business a member of any business associations? If so, explain your business' relationship with the association and the involvement of the Government of China with the associations.
- 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 Government of China concerning the HSS industry.

4. Other industry associations

- a) Is your business a member of any other industry associations? If so, explain your business' relationship with the association and the involvement of the Government of China with the association.
- b) If your business is a member of another 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 Government of China concerning the HSS industry.

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.
- b) Provide a recent example of a submission that has been made to the Bureau of Statistics and/or any other government organisation. For example, monthly data relating to sales, production and costs.
- c) Do the organisations approve or assess your submission? If yes, provide a detailed explanation.
- d) Do the organisations provide feedback on your submission? If yes, provide a detailed explanation.

6. Manufacturing inputs

- a) Is there a price difference in purchase price for raw materials between your suppliers?
- b) Is there a price difference between purchase price of raw materials from SIEs/SOEs and non-SIEs/SOEs? Provide explanation.
- c) If your supplier is based outside China, what import duty rate is applied on the raw materials?

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

- d) Does your business benefit from any concession on the purchase of any utility services (e.g. electricity, gas, etc.)? If so explain the nature and the amount of the concession?

7. Regional differences

- a) If you have production facilities in more than one region/province, are the laws and regulations in each region the same with respect to pricing? Provide details on any regional differences.

8. HSS production/output during the inquiry period

- a) Is any part of your production of HSS subject to any national/regional industrial policy or guidance? If so, provide details including a background of the policy/guidance and explain any restriction imposed by the policy/guidance.
- b) To what extent are any of the policies/guidelines identified in a) applicable to your business?
- c) Where applicable, how did your business respond to the policies/guidelines?
- d) Provide details regarding any other restrictions (e.g., geographic/regional, downstream, use, etc.) to the sale of HSS that may be imposed by the Government of China.
- e) Provide a list of all your domestic customers of the goods, include the location (city and province) of the customer and indicate whether each customer is an SIE.
- f) Are there any restrictions and/or conditions in relation to the quality or quantity of the production of the goods placed upon your business? If so, provide details.
- g) Does your business require an export licence? If so, provide details.
- h) Are the goods sold by your business subject to any export restrictions and/or limits during the previous 5 year? If so, provide details.
- i) Provide details regarding any other restrictions (e.g., geographic/regional, downstream, end use) placed upon your business on the sale of the goods.
- j) Have there been any changes to your production capacity of the goods over the last 5 years? If so, provide details.

9. Sales price during the inquiry period

- a) Explain whether your business has been subjected to any direct or indirect price guidance or controls by the Government of China during the inquiry period.

- b) Explain whether your business has been subjected to any direct or indirect price guidance or controls by the Government of China during the inquiry period, with respect to raw material inputs.
- c) Explain whether your business has encountered any price guidance or controls established by regional, provincial or special economic zone officials and/or organisations.
- d) Describe in detail how the selling price of the goods is determined. In particular, provide details of any restrictions, limitations, or other considerations imposed on your business.
- e) Which organisation/business entity do you consider as the price leader of the goods?
- f) Does your business have a pricing committee in respect of the goods? If so provide the names and positions of all members of the Committee.
- g) How often does the pricing committee meet to discuss selling prices of the goods? Provide the minutes or any other relevant documents of all meetings of the pricing committee during the inquiry period.
- h) Identify the person who authorises the sales terms, prices and other contract provisions for the sale of the goods by your business.
- 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.

10. Adding capacity and/or joint ventures

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

11. Raw material purchases

- a) Provide a detailed listing of your raw material purchases (e.g. logs, woodchip or chemicals) by completing the Raw Material Purchases tab of the attached spreadsheet).
- 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? Are any of the suppliers related or affiliated with you? Are any of the suppliers SOEs (wholly or partially owned)?
- 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 criterions/conditions.

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- d) If any of your raw materials for the HSS 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.

SECTION I – COUNTERVAILING

The following subsidy programs are the subjects of a countervailing duty notice in respect of HSS exported to Australia:

Answer: *Shanghai MD is not a producer of the GUC or an upstream supplier, therefore this section is not applicable to Shanghai MD.*

And Shanghai MD did not receive any subsidies under these programs.

INVESTIGATED PROGRAMS

The following are programs that the Commission investigated:

Program 1: Preferential Tax Policies for Enterprises with Foreign Investment Established in the Coastal Economic Open Areas and Economic and Technological Development Zones

Program 2: One-time Awards to Enterprises Whose Products Qualify for ‘Well-Known Trademarks of China’ and ‘Famous Brands of China’

Program 5: Matching Funds for International Market Development for Small and Medium Enterprises

Program 6: Superstar Enterprise Grant

Program 7: Research & Development (R&D) Assistance Grant

Program 8: Patent Award of Guangdong Province

Program 10: 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

Program 11: Preferential Tax Policies for Enterprises with Foreign Investment Established in Special Economic Zones (excluding Shanghai Pudong area)

Program 12: Preferential Tax Policies for Enterprises with Foreign Investment Established in Pudong area of Shanghai

Program 13: Preferential Tax Policies in the Western Regions

Program 14: Tariff and VAT Exemptions on Imported Materials and Equipments

Program 15: Innovative Experimental Enterprise Grant

Program 16: Special Support Fund for Non State-Owned Enterprises

Program 17: Venture Investment Fund of Hi-Tech Industry

Program 18: Grants for Encouraging the Establishment of Headquarters and Regional Headquarters with Foreign Investment.

Program 19: Grant for key enterprises in equipment manufacturing industry of Zhongshan

Program 20: Hot rolled steel provided by government at less than fair market value

Program 21: Water Conservancy Fund Deduction

Program 22: Wuxing District Freight Assistance

Program 23: Huzhou City Public Listing Grant

Program 27: Huzhou City Quality Award

Program 28: Huzhou Industry Enterprise Transformation & Upgrade Development Fund

Program 29: Land Use Tax Deduction

Program 30: Wuxing District Public Listing Grant

Program 31: Anti-dumping Respondent Assistance

Program 32: Technology Project Assistance

Program 34: Balidian Town Public Listing Award

Program 35: Preferential Tax Policies for High and New Technology Enterprises

Please answer the questions within parts I-1 to I-3 in relation to these programs.

PART I-1 Preferential income tax programs (programs 1, 10, 11, 12, 13, 29 and 35)

Did your business or any company/entity related to your business receive any benefit⁴ under the following seven programs during the period 1 January 2014 31 December 2014:

Program 1: Preferential Tax Policies for Enterprises with Foreign Investment Established in the Coastal Economic Open Areas and in Economic and Technological Development Zones

Program 10: 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 11: Preferential Tax Policies for Enterprises with Foreign Investment Established in Special Economic Zones (excluding Shanghai Pudong area)

Program 12: Preferential Tax Policies for Enterprises with Foreign Investment Established in Pudong area of Shanghai

Program 13: Preferential Tax Policies in the Western Regions

Program 29: Land Use Tax Deduction

Program 35: Preferential Tax Policies for High and New Technology Enterprises

1. It is our understanding that the general tax rate for enterprises in China from 1 July 2016 was 25%. Confirm whether this is correct and if not, please identify the general tax rate for enterprises in China from 1 July 2016.

⁴ Refer to the Glossary of Terms for a definition of benefit in this context.

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2. 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 assessment period , please indicate whether the reduced rate relates to any of the preferential income tax programs identified above.

3. 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 in Part H-1 above in relation to the income tax rate reduction.

For **each program** that you have identified above as conferring benefit on your entity, please answer the following:

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

5. 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).

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

7. 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.

8. Outline the fees charged to, or expenses incurred by your business for purposes of receiving the program.

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

10. 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.

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

12. 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.

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

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

15. 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 and answer all the questions in Part H-1 in relation to this programme.

16. For each taxation year and the 2016 taxation year to date, complete the table below.

Prepare this information in the attached spreadsheet named "**Income Tax**" included as part of the *HSS Exporter Questionnaire – CHINA – accompanying spreadsheet* provided alongside this questionnaire.

17. 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 2015 tax year; and
 - income tax instalment payment receipts, and all applicable income tax forms and schedules for the 2014, 2015, and 2016 (to date) 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.

PART I-2 Grants (Programs 2, 5-8, 15-19, 21-23, 27, 28, 30-32 And 34)

The following is a list of grants identified as being provided by the GOC to enterprises in China:

Program 2: One-time Awards to Enterprises Whose Products Qualify for 'Well-Known Trademarks of China' and 'Famous Brands of China'

Program 5: Matching Funds for International Market Development for Small and Medium Enterprises

Program 6: Superstar Enterprise Grant

Program 7: Research & Development (R&D) Assistance Grant

Program 8: Patent Award of Guangdong Province

Program 15: Innovative Experimental Enterprise Grant

Program 16: Special Support Fund for Non State-Owned Enterprises

Program 17: Venture Investment Fund of Hi-Tech Industry

FOR PUBLIC RECORD

Program 18: Grants for Encouraging the Establishment of Headquarters and Regional Headquarters with Foreign Investment.

Program 19: Grant for key enterprises in equipment manufacturing industry of Zhongshan

Program 21: Water Conservancy Fund Deduction

Program 22: Wuxing District Freight Assistance

Program 23: Huzhou City Public Listing Grant

Program 27: Huzhou City Quality Award

Program 28: Huzhou Industry Enterprise Transformation & Upgrade Development Fund

Program 30: Wuxing District Public Listing Grant

Program 31: Anti-dumping Respondent Assistance

Program 32: Technology Project Assistance

Program 34: Balidian Town Public Listing Award

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

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

For each program identified in your answer to I-2.1 and I-2.2 above, answer the following.

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

4. 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).

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

6. 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.

7. Outline the fees charged to, or expenses incurred by your business for purposes of receiving the program.

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

9. 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.

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

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11. 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.

--

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

--

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

--

14. 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 and answer all the questions in Part I-1 in relation to this programme.

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15. Identify the body responsible for administering the grant.

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16. Identify the date of approval of the grant and the date the grant was received.

--

17. Indicate where the grant was accounted for on your business' financial statements.

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**PART I-3 Tariff and vat exemptions on imported materials and equipment
(Program 14)**

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 July 2016 to 30 June 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 for purposes of 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. To your knowledge, does the program still operate or has it been terminated?

11. 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 and answer all the questions in Part H-1 in relation to this programme.

12. Were the materials and/or equipment that were entitled to a refund of VAT used in the e production of the goods during the assessment 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.

13. Has your company received exemption from payment of or refunds of import duty and import VAT for imported material inputs (e.g. HRC, HRS, narrow strip, etc.) at any time that were used in the production of the goods during the assessment 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 (FOB, CIF etc.);
- (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.

14. 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).

Please 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.

15. 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.
16. 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.
17. 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.

PART I-4 Hot rolled coil steel provided by government at less than fair market value (program 20)

In this questionnaire, the term 'hot rolled steel' (HRS) refers to both hot rolled coil (HRC) and narrow strip.

The term SOE is defined in the glossary of this questionnaire.

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 period 1 July 2016 to 30 June 2017?

--

2. Does your business purchase any goods/services from SOEs, e.g., raw materials (including HRS), energy, water, other utilities, etc.?

--

3. Provide a list, including a contact name and address, of all your suppliers of HRS. Indicate whether the supplier is a SOE.

--

FOR PUBLIC RECORD

4. Provide a listing showing the purchase price of HRS from each supplier during each month of the assessment period.

Prepare this information in the attached spreadsheet named "**HRC Purchases**" included as part of the *HSS Exporter Questionnaire – CHINA – accompanying spreadsheet* provided alongside this questionnaire.

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

--

5. Did your business receive any reduction/reduced price for the purchase of these goods/services during the assessment 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 and your business with reference to the granting and receipt of the assistance/benefits.

--

7. Did your business import any raw material during the assessment period? If yes, please provide details of all such imports, including date, source, type, amount and price.

--

8. 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.

--

ELECTRICITY (PROGRAM 2)

The applicant claims that public bodies (in the form of state-owned or invested enterprises (SIEs)) are supplying electricity, directly or indirectly, to manufacturers of HSS at less than adequate remuneration.

Please answer the following questions in relation to your purchases of electricity from **1 July 2016 to 30 June 2017**.

1. Does your business or related business purchase electricity to manufacture HSS? If not, what alternative power source is used in the production of HSS?

2. Provide a list, including a contact name and address, of all your suppliers of electricity, including those purchased through related businesses. Indicate whether the supplier is a SIE and provide evidence supporting this.
3. Did your business receive any reduction/reduced price for the purchase of electricity during the investigation period? If so, provide details of the reduction/reduced price and describe the eligibility criteria that your business had to meet in order to qualify for any reduction in the price paid for the electricity.
4. Please provide a summary of all payments your company made for electricity during the investigation period in the attached spreadsheet labelled "Electricity" and provide copies of invoices and evidence of payment for each.
5. Provide copies of all contractual agreements that detail the obligations of the SIE and your business with reference to the granting and receipt of the assistance/benefits.
6. It is understood that the GOC determines the price for electricity in China (refer China's Accession to the WTO document where prices for utilities are confirmed as subject to governmental control). How does the price of electricity in your province differ to the price established by the GOC?

PART I-5 Any other programs

If the GOC, any of its agencies or any other authorised body has provided any other benefit⁵ under any other assistance programs to your entity not previously addressed, identify the program(s).

This may have included:

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

--

For **each program** that you have identified above as conferring benefit on your entity, answer the following.

1. 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).

⁵ Refer to the Glossary of Terms for a definition of benefit in this context.

FOR PUBLIC RECORD

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 for purposes of 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. To your knowledge, does the program still operate or has it been terminated?
11. 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?
12. If the program terminated has been substituted for by another program, identify the program and answer all the questions in Part I-1 in relation to this program.

上海五金矿产发展有限公司

SHANGHAI MINMETALS DEVELOPMENT LTD.

No. 757 Guang Fu Rd., Shanghai 200070 China

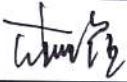
Fax: 0086-21-6380-3536, 6381-3873

Tel: 0086-21-6381-5858 ext.1613

Section J - Exporter's declaration

- ☒ I hereby declare that Shanghai Minmetals Development Co., Ltd did, during the period of inquiry export the goods under consideration and have completed the attached questionnaire and, having made due inquiry, certify that the information contained in this response is complete and correct to the best of my knowledge and belief.
- ☐ I hereby declare that.....(company) did not, during the period of investigation, export the goods under consideration and therefore have not completed the attached questionnaire.

Name : Cui Mingyao

Signature : 

Position in Company : Deputy Manager

Date : August 17, 2017

SECTION K - CHECKLIST

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

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

Electronic Data	Please tick if you have provided spreadsheet
INCOME STATEMENT	<input checked="" type="checkbox"/>
TURNOVER – sales summary	<input checked="" type="checkbox"/>
AUSTRALIAN SALES – list of sales to Australia	<input checked="" type="checkbox"/>
LIKE GOODS – comparison of goods sold domestically and exported to Australia	<input type="checkbox"/>
DOMESTIC SALES – list of all domestic sales of like goods	<input type="checkbox"/>
HRC PURCHASES – list of all HRC purchases from 1/7/15	<input type="checkbox"/>
THEORETICAL to ACTUAL – theoretical weight to actual weight conversion table	<input type="checkbox"/>
DOMESTIC COSTS – costs of goods sold domestically	<input type="checkbox"/>
AUSTRALIAN COSTS – costs of goods sold to Australia	<input type="checkbox"/>
PRODUCTION – production figures	<input type="checkbox"/>
THIRD COUNTRY – third country sales	<input checked="" type="checkbox"/>

LIST OF EXHIBITS
Shanghai MD

Exhibit A-1	Corporate Structure Diagram (CONFIDENTIAL)
Exhibit A-2	Internal Organization Chart (CONFIDENTIAL)
Exhibit A-3	Company Brochure (PUBLIC)
Exhibit A-4	Chart of Accounts (CONFIDENTIAL)
Exhibit A-5	2015 and 2016 Audited Reports (CONFIDENTIAL)
Exhibit A-6	Monthly Financial Reports during the Inquiry Period (CONFIDENTIAL)
Exhibit A-7	Significant Accounting Policy Summary (CONFIDENTIAL)
Exhibit A-8	Income Statement Spreadsheet (CONFIDENTIAL)
Exhibit A-9	Turnover Spreadsheet (CONFIDENTIAL)
Exhibit B-1	List of Australian Customers (CONFIDENTIAL)
Exhibit B-2	Australian Sales Spreadsheet (CONFIDENTIAL)
Exhibit B-3	Sample Australian Sales Documentation Package (CONFIDENTIAL)
Exhibit F-1	Third Country Spreadsheet (CONFIDENTIAL)

Exhibit A-1

Corporate Structure Diagram

Exhibit A-1 is Shanghai MD's corporate structure diagram in response of Question 5 in A-3 of Section A. This information includes Shanghai MD and its associated company's share structure information. This information is considered by Shanghai MD to be proprietary information and its release could compromise Shanghai MD's competitive position in the market place.

Exhibit A-2

Internal Organization Chart

Exhibit A-2 is Shanghai MD's internal organization chart in response of Question 9 in A-3 of Section A. This information includes Shanghai MD's internal organization information. This information is considered by Shanghai MD to be proprietary information and its release could compromise Shanghai MD's competitive position in the market place.

Exhibit A-3

Company Brochure

Professional Business
First Class Quality
Competitive Price
Fast Delivery

QUALIFICATION

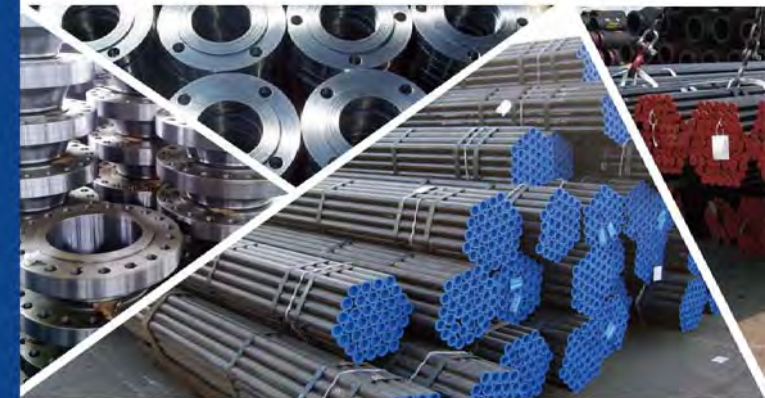


地址: 上海光复路757号五矿大厦
Add: Minmetals Building, No.757 Guangfu Road,
Shanghai, China
电话Tel: +86 21 863815858 转 1613.1616.1638
传真Fax: +86 21 63803536
网址Web: www.shminmetals.com
E-mail: cui.mingyao@shminmetals.com
red.sun@shminmetals.com
lauren.wang@shminmetals.com



Shanghai Minmetals
上海五金矿产发展有限公司

• ERW • SSAW • LSAW
• HOT DIPPED GAL • SEAMLESS STEELPIPE



ERW - ELECTRIC RESISTANCE WELDED ROUND&SQUARE CARBON STEEL PIPE

Grade: Q235,Q345,GR.B-X70, ST33-52, K55, J55
Standard: GB,API,ASTM,ASME,DIN,EN,BS
Size: 1/2"-24" (21.3-609.6mm)
Thickness: STD/SCH40/SCH80/XS
Packing: Standard seaworthy packing
Ends: Beveled, grooved, thread, coupling

HOT DIPPED GALVANIZED WELD&SEAMLESS CARBONSTEEL PIPE

Grade: GR.A-GR.C
Standard: GB,BS,ASTM,API
Size: 1/2"-24" (21.3MM-609.6MM)
Thickness: STD/SCH40/SCH80/XS
Packing: Standard seaworthy packing
Ends: Plain, beveled, grooved, thread, coupling

LSAW - LONGITUDINALLY SUBMERGED ARC WELDING

Grade: Q235-Q345, GR.A-X70, S275-S355
Standard: GB,API,ASTM,ASME,EN
Size: 14"- 56" (355.6-1422mm)
Thickness: 7-50mm
Packing: Standard seaworthy packing
Ends: Plain, beveled

SSAW - SPIRALLY SUBMERGED ARC WELDING

Grade: Q235-Q345, GR.A-X70, S275-S355
Standard: GB,API,ASTM,ASME,EN
Size: 8"-100" (219.1-2540mm)
Thickness: 5-25.4mm
Packing: Standard seaworthy packing
Ends: Plain, beveled

SEAMLESS STEEL PIPE

Grade: 10#-45#, GR.B-X70, GR.1-6, A179, A192,ST33-52, K55, J55, L80
Standard: GB,API,ASTM,ASME,DIN,EN,BS
Size: 1/2"-24" (21.3-609.6mm)
Thickness: SCH10-SCH160/XS/XXS
Packing: Standard seaworthy packing
Ends: Plain, beveled

FLANGES

Grade:Q235,A105,304,304L,316,316L
Standard:JIS,ASTM,BS,SABS,DN
Size:1/2"-40"
Packing:Standard seaworthy packing

Exhibit A-4

Chart of Accounts

Exhibit A-4 is Shanghai MD's chart of accounts in response of Question 3 in A-4 of Section A. This information includes Shanghai MD's accounting information. This information is considered by Shanghai MD to be proprietary information and its release could compromise Shanghai MD's competitive position in the market place.

Exhibit A-5

2015 and 2016 Audited Reports

Exhibit A-5 is Shanghai MD's 2015 and 2016 audited reports in response of Question 3 and 4 in A-4 of Section A. This information includes Shanghai MD's financial statements during 2015 and 2016. This information is considered by Shanghai MD to be proprietary information and its release could compromise Shanghai MD's competitive position in the market place.

Exhibit A-6

Monthly Financial Reports during the Inquiry Period

Exhibit A-6 is Shanghai MD's monthly financial reports during the inquiry period in response of Question 3 in A-4 of Section A. This information includes Shanghai MD's monthly financial statements from July 2016 to June 2017. This information is considered by Shanghai MD to be proprietary information and its release could compromise Shanghai MD's competitive position in the market place.

Exhibit A-7

Significant Accounting Policy Summary

Exhibit A-7 is Shanghai MD's significant accounting policy summary in response of Question 6 in A-4 of Section A. This information includes Shanghai MD's accounting policy information. This information is considered by Shanghai MD to be proprietary information and its release could compromise Shanghai MD's competitive position in the market place.

Exhibit A-8

Income Statement Spreadsheet

Exhibit A-8 is Shanghai MD's income statement spreadsheet in response of A-5 of Section A. This information includes the financial data of all the products and GUC during 2016 and the IP as requested. This information is considered by Shanghai MD to be proprietary information and its release could compromise Shanghai MD's competitive position in the market place.

Exhibit A-9

Turnover Spreadsheet

Exhibit A-9 is Shanghai MD's turnover spreadsheet in response of A-6 of Section A. This information includes the sales data of all the products and GUC during 2016 and the IP as requested. This information is considered by Shanghai MD to be proprietary information and its release could compromise Shanghai MD's competitive position in the market place.

Exhibit B-1

List of Australian Customers

Exhibit B-1 is Shanghai MD's list of Australian customers in response of B-1 of Section B. This information includes Shanghai MD's Australian customers' contact information. This information is considered by Shanghai MD to be proprietary information and its release could compromise Shanghai MD's competitive position in the market place.

Exhibit B-2

Australian Sales Spreadsheet

Exhibit B-2 is Shanghai MD's Australian sales spreadsheet in response of B-4 of Section B. This information includes Shanghai MD's Australian sales transactions information. This information is considered by Shanghai MD to be proprietary information and its release could compromise Shanghai MD's competitive position in the market place.

Exhibit B-3

Sample Australian Sales Documentation Package

Exhibit B-3 is Shanghai MD's sample Australian sales documentation package in response of B-9 of Section B. This information includes two packages of Shanghai MD's sample Australian Sales composed with contract, commercial invoice, packing list, bill of lading, payment and so on. This information is considered by Shanghai MD to be proprietary information and its release could compromise Shanghai MD's competitive position in the market place.

Exhibit F-1

Third Country Spreadsheet

Exhibit F-1 is Shanghai MD's third country spreadsheet in response of F-1 of Section F. This information includes Shanghai MD's sales data related to third country sales. This information is considered by Shanghai MD to be proprietary information and its release could compromise Shanghai MD's competitive position in the market place.