



PUBLIC RECORD - NON CONFIDENTIAL VERSION

EXPORTER QUESTIONNAIRE

CERTAIN HOLLOW STRUCTURAL SECTIONS EXPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA TIANJIN YOUFA STEEL PIPE GROUP CO., LTD.

REVIEW PERIOD: 1 JULY 2013 TO 30 JUNE 2014

RESPONSE DUE BY: **17 NOVEMBER 2014**

CASE CONTACT:

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SECTION A – COMPANY STRUCTURE AND OPERATIONS

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

A-1 Identity and communication

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

Head office:

Name: Mr. Shang
Position in the company: Chief Financial Officer
Address: No 33, Baiyidao, Daqiuzhuang Town, Jinghai County, Tianjin, China, PC 301606.
Telephone: 86-13802109398
Facsimile number: 86-22-5833 8808
E-mail address of contact person: stevenshangxl@yeah.net

Factory:

Answer: TIANJIN YOUFA STEEL PIPE GROUP CO., LTD (hereinafter referred to “the Group”) owns two (2) branches and six (6) subsidiaries which produces and sells products concerned, please refer to the following entity:

1. Tianjin Youfa Steel Pipe Group Co., Ltd-NO.1 Branch Company (hereinafter referred to “Branch No.1”):

Address: Youfa industrial park, Daqiuzhuang, Jinghai, Tianjin, China
Telephone: 022-28899777
Facsimile number: 022-68589710
E-mail address of contact person: 374626571@qq.com

2. Tianjin Youfa Steel Pipe Group Co., Ltd-NO.2 Branch Company (hereinafter referred to “Branch No.2”):

Address: No. 33 Baiyi Street, Daqiuzhuang, Jinghai, Tianjin, China
Telephone: 022-28899619
Facsimile number: 022-28899619
E-mail of contact person: zhangzhenlong@yfqg.com

3. Tianjin Shiyou Steel Pipe Manufacture Co., Ltd. (hereinafter referred to “Shiyou”):

Address: Youfa Industrial park. Manjingzi, Daqiuzhuang, Jinghai, Tianjin
Telephone: 0086-022-68581737
Facsimile number: 0086-022-68581736
E-mail address of contact person: 76131208@qq.com

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4. Tianjin YouFa Dezhong Steel Pipe Co., Ltd. (hereinafter referred to “Dezhong”):

Address: Caigongzhuang Industrial park, Jinghai, Tianjin,
Telephone: 022-68568321
E-mail address of contact person: bl7033@126.com

5. Tangshan Fengnan Xinlida Steel Pipe Co., Ltd. (hereinafter referred to “Xinlida”):

Address: Sanjiaodi of Daodi town, Fengnan, Tangshan
Telephone: 0086-0315-8356659
Facsimile number: 0086-0315-8356712
E-mail address of contact person: 649523585@qq.com

6. Tangshan Youfa Steel Pipe Manufacture Co., Ltd. (hereinafter referred to “Tangshan Youfa”):

Address: Chaoyang Street, Fengnan Development Zone, Tangshan City
Telephone: 0315-8159977
Facsimile number: 0315-8155997
E-mail address of contact person: 1016773390@qq.com

7. Tangshan Zhengyuan Steel Pipe Co., Ltd (hereinafter referred to “Zhengyuan”):

Address: Coastal Industrial Park, Fengnan District, Tangshan
Telephone: 0315-8535111
Facsimile number: 0086-0315-8532555
E-mail address of contact person: 610374250@qq.com

8. Handan Youfa Steel Pipe Co., Ltd (hereinafter referred to “Handan Youfa”):

Address: Shangcheng Industrial park, Chengan, Handan city, Hebei Province
Telephone: 0310-5236888
Facsimile number: 0310-5236777
E-mail address of contact person: yy123456yyl@163.com

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

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

Name: Wang Tao
Organisation: Beijing Rayyin & Partners P.R.C. Lawyers.
Position: Senior Partner
Address: Room 501, 05/F, OfficeTower 2, Kunsha Center, No.16 Xinyuanli, Chaoyang District, Beijing 100027, P.R.China.
Telephone: 86-13501092768
Facsimile/Telex number: 86-10-84683689
E-mail address of contact person: wangtao@rayyinlawyer.com

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Note that in nominating a representative, the Commission will assume that confidential material relating to your company in this review 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: The legal name of the Group is TIANJIN YOUFA STEEL PIPE GROUP CO., LTD which is a stock limited company, as mentioned above, the Group owns two (2) branches and six (6) subsidiaries which produces and sells products concerned, each entity sell goods on their own names.

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: The Group is a privately-owned corporation, and most of its main shareholders are natural person, please refer to the following table, which lists the principal shareholders who own over five percent (5%) shareholding:

Name	Shareholding
	<u>21.88%</u>
	<u>10.80%</u>
	<u>8.08%</u>
	<u>5.80%</u>
	<u>5.67%</u>
	<u>5.08%</u>
	<u>42.69%</u>

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

Answer: Not applicable, the Group is not a subsidiary of another company.

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

Answer: Not applicable, the Group is not a subsidiary of another company.

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

Answer: Please refer to Annex A-3.5 Corporate Structure and Affiliation Chart.

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

Answer: Not applicable, there are no management fees/corporate allocations charged to your company by your parent or related companies.

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

Answer: The Group owns two (2) branches and six (6) subsidiaries each of which could produce and sell hollow structural sections concerned, besides the Group also produces other types of steel pipes which are not under review.

8. If your business does not perform all of the following functions in relation to GUC, then please provide names and addresses of the companies which perform each function:

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

Answer: Two (2) branches and six (6) subsidiaries under the Group, as mentioned above, perform the production and sales of products under consideration, and all of them sell products domestically.

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

Answer: Refer to Conf Annex A-3.5 Corporate Structure and Affiliation Chart.

10. Provide a list of your business' Board of Directors.

Answer: Board of Directors includes Li Maojin, Yin Jiuxiang, Chen Guangling, Xu Guangyou, and Liu Zhendong.

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

Answer: Please refer to Conf. Annex A-3.11 Brochure of the Group.

12. Provide details of all transactions between your company and all related parties. For example:

- Suppling/selling completed or partially completed products.
- Suppling/selling raw materials.
- Performing management functions (including any financial functions).
- Processing (including toll processing) of any raw materials, intermediary or completed products.
- Trading in products/materials supplied by related parties.

Answer: Transactions between related entities under the Group are provision of black HSS, the detailed related sales are as following:

1. Branch No.2 sells black HSS to Branch No.1;

2. Shiyou sells black HSS to Branch No.1;

3. Tangshan Youfa sells black HSS to Branch No.1, Zhengyuan, and Xinlida.

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Purchase of black HSS is for the galvanization processing which are only operated by Handan Youfa, Branch No.1 and Zhengyuan in the Group.

A-4 General accounting/administration information

1. Indicate your accounting period.

Answer: The accounting period of the company is from 1st January to 31st, December.

2. Indicate the address where the financial records are held.

Answer: Each entity involved in this case keeps their financial records themselves in their own factory address mentioned in the answer to "A-1 Identity and communication" and financial records of the Group are kept in the address of No 33, Baiyidao, Daqiuzhuang Town, Jinghai County, Tianjin, China, PC 301606.

3. Provide the following financial documents for the two most recently completed financial years plus all subsequent monthly, quarterly or half yearly statements:

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

These documents should relate to:

- the division or section/s of your business responsible for the production and sale of the GUC, and
- the company overall.

Answer: Please refer to following Confidential Annexes:

Annex A-4.3-1 Chart of Account

Annex A-4.3-2-1.1 Auditors Report of Year 2012

Annex A-4.3-2-1.2 Translation for Auditors Report of Year 2012

Annex A-4.3-2-2.1 Consolidated Auditors Report of Year 2012

Annex A-4.3-2-2.2 Translation for Consolidated Auditors Report of Year 2012

Annex A-4.3-2-3.1 Auditors Report of Year 2013

Annex A-4.3-2-3.2 Translation for Auditors Report of Year 2013

Annex A-4.3-2-4.1 Consolidated Auditors Report of Year 2013

Annex A-4.3-3-4.2 Translation for Consolidated Auditors Report of Year 2013

Annex A-4.3-4 Monthly Financial Statements for First Half Year 2014

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 relevant taxation returns. Any subsequent monthly, quarterly or half yearly statements should also be provided.

Answer: Not applicable, the Group are required to have the accounts audited as provided above.

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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, the accounting practices adopted by the Group and the entities under it are in line with PRC GAAP.

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);

Answer: The Group and entities under it adopt weighted method for inventories.

- 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);

Answer: For the cost of raw material, work-in-process, and finished goods inventories is determined by the actual purchased or entered cost. The cost of delivered inventories uses the weighted average price method. For direct labour expense and manufacturing expense, the company will allocate the expenses according to monthly production quantity.

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

Answer:

Sub-standard goods like “downgraded pipes” generated at the stage of HSS production are to be valued using weighted average method as prime goods.

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

Answer: The Group and entities under it uses market scrap value method, and sales revenue of scraps, by products, or joint products are to be recorded in the Non-operating income.

- valuation and revaluation methods for fixed assets;

Answer: “Fixed assets” refer to tangible assets hold for the purpose of production, referring service, renting or operation. The "fixed assets" was recognized based on the cost and the residual value deducted before. “Fixed assets” shall start to be depreciated on the basis of composite life depreciation method.

- average useful life for each class of production equipment and depreciation method and rate used for each;

Answer: please refer to the following table:

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Categories	Useful Life	Residual Rate(%)	Annual Depreciation Rate(%)
buildings			
Machinery equipment			
Transport equipment			
office equipment and others			

(details on above provided confidentially)

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

Answer: The manufacturing entities have no exports, and there are no foreign exchange gains and losses generated.

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

Answer: The manufacturing entities have no exports, and there are no foreign exchange gains and losses generated.

- inclusion of general expenses and/or interest;

Answer: Interest gain and losses arising from the translation of balance sheet items are accounted in financial expenses.

- provisions for bad or doubtful debts;

Answer: At the end of the year the Company needs to account Receivables provision for bad debts.

At the end of the year if there is objective evidence shows that account receivable occurs impairment, the book value shall be reduced to recoverable amount, the written down amount shall be recognized as assets impairment loss and accounted into current profit and loss.

- expenses for idle equipment and/or plant shut-downs;

Answer: Not applicable, because there is no idle equipment or plant shut-down in the Group

- costs of plant closure;

Answer: Not applicable, because there are no costs of plant closure in the Group.

- restructuring costs;

Answer: Not applicable, because there are restructuring costs in the Group.

- by-products and scrap materials resulting from your company's production process; and

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Answer: There are no by-products resulting from the company's production process. For the scrap materials, the Group and entities under it will sell them and record the sale in the Other Operation Income account.

- effects of inflation on financial statement information.

Answer: Not applicable, there is no effect of inflation on financial statement information of the Company.

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: Not applicable, none of the accounting methods used by the Group have been changed over the last two years.

A-5 Income statement

Complete the spreadsheet entitled '**Income statement**' within the *HSS Exporter Questionnaire – CHINA– 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.

Explain how costs have been allocated between all products and the GUC within these calculations.

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.

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

Answer: Please refer to the following Confidential annexes:

Annex A5-Income Statement-The Group

Annex A5-Income Statement-Branch No.1

Annex A5-Income Statement-Branch No.2

Annex A5-Income Statement-Dezhong

Annex A5-Income Statement-Handan Youfa

Annex A5-Income Statement-Xinlida

Annex A5-Income Statement-Zhengyuan

Annex A5-Income Statement-Tangshan Youfa

Annex A5-Income Statement-Shiyou

Note:

- 1. The Group and each of its entities all submit their own income statement.**
- 2. Considering actual situation of the Group, all above income statements have been presented in a form while not identical with the form provided but could display the actual operation and also closely match the original form, therefore, five (5) columns highlighted have been added to the original form.**

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3. Figures for the column of “GUC” have been allocated according to the proportion of GUC revenues to the total revenue of the company.

A-6 Sales

Complete the spreadsheet entitled 'Turnover' within the *HSS Exporter Questionnaire – CHINA– 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.

In completing the sheet, use the currency in which your accounts are kept.

This information will be used to verify the cost allocations to the GUC in Section G.

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

Answer: Please refer to the following confidential annexes:

Annex A6-Turnover-Branch No.1

Annex A6-Turnover-Branch No.2

Annex A6-Turnover-Dezhong

Annex A6-Turnover-Handan Youfa

Annex A6-Turnover-Xinlida

Annex A6-Turnover-Zhengyuan

Annex A6-Turnover-Tangshan Youfa

Annex A6-Turnover-Shiyou

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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 another level (e.g. ex factory).

*You should report prices of **all GUC shipped to Australia during the review 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 explanation 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 review period.*

Note:

(Confidential detail on export transactions to Australia during the importation period)

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

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

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

- (a) Describe how the GUC are sent to each customer in Australia, including a diagram if required.
- (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.
- (c) Explain who retains ownership of the GUC at each stage of the distribution chain. In the case of delivered duty paid (DDP) sales, explain who retains ownership when the GUC enter Australia.

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

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.

B-4 Complete the spreadsheet entitled '**Australian sales**' within the *HSS Exporter Questionnaire –CHINA– accompanying spreadsheet* provided alongside this questionnaire.

This spreadsheet is to list **all** shipments (i.e. transaction by transaction) to Australia **of the GUC** (do not include non-GUC items) in the review period.

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.

The below table provides information as to what is meant by each column heading within the 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 submission.
Type (CHS / RHS)	Indicate whether it is a circular or rectangular (including square) type HSS
Standard	Production standard of the HSS (TIS 107, 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

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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
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.

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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 review period.

Freight allocations must be checked for consistency.

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 within the 'Australian sales' spreadsheet (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.

B-6 For each type of discount, rebate, or 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.

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.

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B-8 If the delivery terms make you responsible for arrival of the GUC 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	Custom brokers, port and other costs incurred (itemise)

B-9 Select two shipments, in different quarters of the review 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 GUC from factory to Australia, including inland freight contract;
- marine insurance expenses; and
- letter of credit, and bank documentation, proving payment.

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

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SECTION C – EXPORTED GOODS AND LIKE GOODS

Note: [REDACTED] (reasons for response to section C)

- C-1** Fully describe all of the GUC you have exported to Australia during the review period. Include specification details and any technical and illustrative material that may be helpful in identifying, or classifying, the exported goods.
- C-2** List each model/type of the good exported to Australia (these models should cover all models listed in spreadsheet “**Australian Sales**” – See section B of this questionnaire).
- C-3** If you sell like goods on the domestic market, for each model/type that your company has exported to Australia during the review period, list the most comparable model(s) sold domestically and provide a detailed explanation of the differences where those goods sold domestically (ie. the like goods – see explanation in glossary) are not identical to the GUC exported to Australia.

This should be done by completing the spreadsheet entitled ‘**Like goods**’ within the *HSS Exporter Questionnaire – CHINA– accompanying spreadsheet* provided alongside this questionnaire, detailing as follows:

EXPORTED MODEL	DOMESTIC MODEL	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 documents which outline differences

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

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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 **of like goods to the GUC** made during the review period by **your company and through your related companies** 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 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 review 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 review 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.

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.

Answer: The distribution channel is from entities under the Group to the customers, and entities under the Group don't employ any intermediaries or distributors.

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.

Answer: Not applicable, the selling prices don't vary according to the distribution channel.

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

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- whether price includes the cost of delivery to customer.

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

Answer: In most cases, entities under the Group sells the products directly to customers, prices may be reached through phones, emails, fax, short messaging service (SMS) and walk-in customers as well as the prices are fixed based on free negotiation between the two sides.

After the prices settled down, the Company will check the inventory first, if the inventory is not enough for the sales, it will arrange production based on orders. After the products are ready, the customers will arrange carriers to the company to pick the goods sold, before that payments normally shall be paid in advance, and VAT invoices are to be issued before the carriers leave the factories.

D-4 Complete the spreadsheet entitled ‘**Domestic sales**’ within the *HSS Exporter Questionnaire – CHINA– accompanying spreadsheet* provided alongside this questionnaire.

This spreadsheet is to list **all domestic sales of like goods** (i.e. transaction by transaction) in the review period (do not include non-GUC items) **sold by your company and through your related companies.**

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.

The below table provides information as to what is meant by each column heading within the 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 submission.
Type (CHS / RHS)	Indicate whether it is a circular or rectangular (including square) type HSS
Standard	Production standard of the HSS (TIS 107, AS/NZ 1163 etc.)
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

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	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. 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.

Notes

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

**Answer: Please refer to the following Confidential annexes:
Annex D4-Domestic Sales-Branch No.1;**

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Annex D4-Domestic Sales-Branch No.2;

Annex D4-Domestic Sales-Dezhong;

Annex D4-Domestic Sales-Handan Youfa;

Annex D4-Domestic Sales-Shiyou;

Annex D4-Domestic Sales-Tangshan Youfa;

Annex D4-Domestic Sales-Xinlida;

Annex D4-Domestic Sales-Zhengyuan;

Note: The Group sell GUC both in Inches and Millimeters, please refer to the matching table for these two units.

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.

Answer: Not applicable, there are no other costs, charges or expenses incurred in respect of the sales

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.

Answer: Normally, entities under the Group will grant discounts or rebates to long-cooperation customers through friendly negotiations, when such amount occurs, the sales department make sales stock-out lists to write-off the amount from the value of goods sold, and financial departments will issue VAT invoices according to the balance value.

When Reporting domestic sales in D4, rebates or discounts which correspond directly to specifications required by Goods Under Investigation have been reported on the basis of the actual figures, while other rebates or discount have been allocated using averaged weighted method to Goods Under Investigation.

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

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- 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.

Answer: Please refer to Conf Annex D-7-1 Sampling Sales Documents and Conf. Annex D-7-2 Sampling Sales Documents.

Note: As mentioned above, in most cases, entities under the Group make sales through telephone, emails, or walk-in customers, therefore, sales documents don't include contracts.

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SECTION E – FAIR COMPARISON

Section B sought information about the export prices to Australia and Section D sought information about prices on your domestic market for like goods (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 review must be completed within strict time limits therefore you must supply information concerning claims for adjustments in a timely manner. Where an exporter has knowledge of the material substantiating an adjustment claim that material is to be available at the time of the verification visit. The Commission will not consider new claims made after the verification visit.

E-1 Costs associated with export sales

Answer: Part E-1 is not applicable to the Group, since the Group don't exports.
(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.

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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.

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 review 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.

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**'.

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.

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(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS' POINT 6)

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.

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.

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 review (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 review period.

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 (ie. an amount for selling general and administrative costs (S G & A) plus profit).

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

Answer: Not applicable, there are no such adjustments.

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(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS' POINT 6)

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 GUC), 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 GUC 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 please provide **full** details about the operation of the scheme as well as providing the information requested above.

Answer: Not applicable, no such adjustments have been claimed for domestic sales.

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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 GUC and the functions carried out distinguish a level of trade. Examples are producer, national distributor, regional distributor, wholesaler, retailer, end user, and original equipment manufacturer.

It may not be possible to compare export prices and domestic prices at the same level of trade. Where relevant sales of like goods at the next level of trade must be used to determine normal values an adjustment for the difference in level of trade may be required where it is shown that the difference affects price comparability.

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

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

- (a) *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.

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Answer: Not applicable. The Group does not vary its prices based on different level of trade. So that the level of trade is not requested to be adjusted

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 review period.

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

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

1. *Calculate an accounts receivable turnover ratio*

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

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

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

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

2. *Calculate the average credit period*

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.

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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. The Group always got payment from domestic customers before transfer the products. No credit shall be adjusted.

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, no such costs have been claimed since the Group normally is not responsible for the delivery of the goods.

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. There is no handling, loading or ancillary expense incurred in domestic sales.

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. For each model, packing methods are the same. The cost of material and labour associated with packing for domestic sales in the company have been recorded in the Production Cost Account and allocated based on the quantity.

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.

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(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS' POINT 6)

Answer: Not applicable, the Group does not pay any commission in relation to domestic sales.

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, the Group does not burden any warrant, guarantee or after sales service in relation to domestic sales.

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. There is no other factor need to be adjusted.

E-3 Other Possible Adjustment Factors

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

Please list all of your hot rolled coil (HRC) purchases starting from 01/01/2013 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 review period.

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(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS' POINT 6)

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 1/1/2013
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 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	The currency of the invoice
Price per Tonne	Purchase price per tonne
Total Price	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.

And the 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

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(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS' POINT 6)

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: Please refer to the following Conf. annexes:

Annex HRC Purchases-Branch No.2

Annex HRC Purchases-Dezhong

Annex HRC Purchases-Handan Youfa

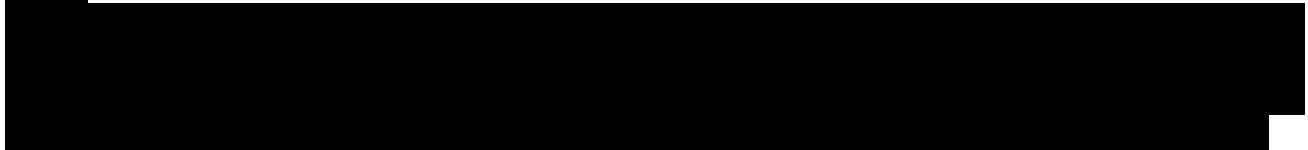
Annex HRC Purchases-Shiyou

Annex HRC Purchases-Tangshan Youfa

Annex HRC Purchases-Xinlida

Annex HRC Purchases-Zhengyuan

Note:



(confidential detail on steel product requirements)

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
- 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.

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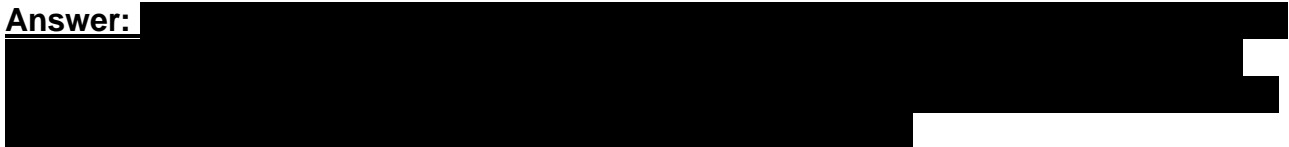
(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS' POINT 6)

SECTION F – THIRD COUNTRY EXPORTS

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.

Answer:



(Commercially sensitive response on third country sales data)

F-1 Complete the spreadsheet entitled '**Third country sales**' within the *HSS Exporter Questionnaire – CHINA– accompanying spreadsheet* provided alongside this questionnaire.

This spreadsheet is to list **all export sales of like goods** (i.e. transaction by transaction) to countries other than Australia in the review period (do not include non-GUC items).

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.

The below table provides information as to what is meant by each column heading within the spreadsheet.

Column heading	Explanation
Country	Name of the country that you exported like goods to over the review period.
Number of customers	The number of different customers that your company has sold like goods to in the third country over the review 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 review 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 review 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.

PUBLIC RECORD VERSION

(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS' POINT 6)

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

PUBLIC RECORD VERSION

(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS' POINT 6)

SECTION G – COSTS AND CONSTRUCTED NORMAL 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 GUC - i.e. of the GUC 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 (GUC) 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 GUC.

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

Answer: Entities under the Group produce three main types of goods under consideration (CHS, RHS, and HDG), please refer to production process as following:

Conf Annex G-1.1-1 Production Process Flowchart for CHS;

Conf Annex G-1.1-2 Production Process Flowchart for RHS;

Conf Annex G-1.1-3 Production Process Flowchart for HDG;

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

PUBLIC RECORD VERSION

(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS' POINT 6)

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: Please refer to the following Confidential annexes:

Annex G-1.2 Production-Branch No.1

Annex G-1.2 Production-Branch No.2

Annex G-1.2 Production-Dezhong

Annex G-1.2 Production-Handan Youfa

Annex G-1.2 Production-Shiyou

Annex G-1.2 Production-Tangshan Youfa

Annex G-1.2 Production-Xinlida

Annex G-1.2 Production-Zhengyuan

G-2. 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: The cost accounting flow in the entities under the Group is raw material purchase – raw material stock in – raw material input into production – work-in-process product stock in – work-in-process product input into production – finished product stock in – product sales – cost of product carried forward.

For the flowchart of cost accounting flow, please refer to Conf.Annex G-2.1 Management Accounting System.

To reconcile to audited financial statements, the companies makes the financial vouchers according to the original documents, and the financial vouchers will automatically generate sub-ledger. Then monthly the sub-ledgers will generate a general ledger. At the end of the year, all the general ledgers in this year will generate the financial statements.

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 GUC - and describe how those variances have been allocated.

Answer: Not applicable, cost accounting system is based on actual cost, and standard costs were not used in the response to this questionnaire.

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

Answer: Not applicable, there are no such variances that occurred during the review period.

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

Answer: Not applicable, entities under the Group don't employ profit/cost centre in the cost accounting system.

5. For each profit/cost centre describe in detail the methods that your company normally uses to allocate costs to the GUC. 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.

PUBLIC RECORD VERSION

(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS' POINT 6)

Answer: The Costs for entities under the Group includes raw material expense, director labour expense and the manufacturing expense. The cost is transferred for one time per month and allocated to different types of HSS based on the monthly production quantity.

For the cost of raw material, work-in-process, and finished goods inventories are determined by the actual purchased or entered cost. The costs inventories are accounted by weighted average price method. For direct labour cost and manufacturing cost, the Company allocates the actual cost according to the monthly production quantity.

There are no allowances made for [REDACTED] and other [REDACTED] costs in IP.(commercially sensitive detail on expenditure items)

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

Answer: Not applicable, all level of products, notwithstanding the specifications, the unit production cost is the same.

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, there are no such costs.

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

Answer: Not applicable, no such start-up operation happens.

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, no such start-up operation happens.

G-3 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

1. Complete the spreadsheet entitled '**Domestic CTMS**' within the *HSS Exporter Questionnaire – CHINA*– 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.

In doing so, provide the **actual unit cost** to make and sell **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 review period. If your company calculates costs monthly, provide monthly costs.

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

PUBLIC RECORD VERSION

(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS' POINT 6)

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

If you are unable to supply this information in this format, please contact the Case Manager for this review at the address shown on the cover of this questionnaire.

Please specify unit of currency.

Answer: Please refer to the following Confidential annexes:

Annex G3-Domestic CTMS-Branch No.1

Annex G3-Domestic CTMS-Branch No.2

Annex G3-Domestic CTMS-Dezhong

Annex G3-Domestic CTMS-Handan Youfa

Annex G3-Domestic CTMS-Shiyou

Annex G3-Domestic CTMS-Tangshan Youfa

Annex G3-Domestic CTMS-Xinlida

Annex G3-Domestic CTMS-Zhengyuan

Note:

1. Considering actual operation model and costing method of the entities under the Group, another column named “Total costs for goods sold” have been added to these tables to report actual costs of the GUC.

2. Difference for costs of same type product with different specifications is negligible, and entities under the Group normally account cost according to types of products, namely, CHS, RHS, and HDG, therefore, these tables have been reported according to types of the products.

3. Unit of currency is Yuan.

G-4 Cost to make and sell GUC (Australian exports)

Complete the spreadsheet entitled 'Australian CTMS' within the *HSS Exporter Questionnaire – CHINA– 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.

In doing so, provide the **actual unit cost** to make and sell **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 review 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 GUC. Provide documentation and worksheets supporting your calculations.

If you are unable to supply this information in this format, please contact the Case Manager for this review at the address shown on the cover of this questionnaire.

PUBLIC RECORD VERSION

(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS' POINT 6)

Please specify unit of currency.

Answer:

[REDACTED]

(commercially sensitive information on export activity)

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

G-5 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.

Answer: Not applicable, [REDACTED]

(commercially sensitive information on export activity)

G-6 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.

Answer: Not applicable, there are no such differences.

G-7 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.

Answer: The allocation method of the company hasn't changed over the past three years.

G-8 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 GUC (eg market prices, transfer prices, or actual cost of production).

Answer: Major raw material for the production of HSS is hot rolled strip, and major raw materials for the production of HDG are hot rolled strip and Zinc, which have been provided by unrelated companies.

Value of major materials has been determined by transfer prices.

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.

PUBLIC RECORD VERSION

(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS' POINT 6)

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 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.

If the major input is purchased or supplied from an integrated production process you should provide detailed information on the full costs of production of that input.

SECTION H – COUNTERVAILING

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

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

PUBLIC RECORD VERSION

(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS' POINT 6)

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 H-1 to H-3 in relation to these programs.

PART H-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 benefit³ under the following seven programs during the period 1 July 2013 to 30 June 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 2013 was 25%. Confirm whether this is correct and if not, please identify the general tax rate for enterprises in China from 1 July 2013.

Answer: It is confirmed that general tax rate for enterprises in China is ■%, which also apply to the Group.

³ Refer to the Glossary of Terms for a definition of benefit in this context.

PUBLIC RECORD VERSION

(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS' POINT 6)

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.

Answer: Not applicable, corporate income tax of the Group is █%.

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.

Answer: Not applicable, corporate income tax of the Group is █%.

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

Answer: Of all entities in the Group, █ is the only program which have been received during review period only by █

(details on program received by group)

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

Answer: The amount █ for █ has been paid in total.

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).

Answer: █ received by █ has benefited all production of █.

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

Answer: █ is granted by █, this grant is based on tax contribution of companies to the local government. █ is entitled to determine the amount granted and which company will be granted.

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.

Answer: Not applicable, there are no such documents.

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

Answer: Not applicable, there are no such fees.

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

Answer: █ is responsible for determine the eligibility criteria, which may contain company size, employments, and tax contributions to the local government.

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

PUBLIC RECORD VERSION

(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS' POINT 6)

- 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.

Answer: [REDACTED] only grant [REDACTED] to companies located in the region of [REDACTED].

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.

Answer: Not applicable, [REDACTED] was not provided in relation to a specific activity or project.

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.

Answer: [REDACTED] will be accounted in the non-business income of the accounting system.
Please refer to the accounting voucher and corresponding translation in Annex H-1.12 Accounting Voucher for [REDACTED].

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

Answer: [REDACTED] will be accounted in the non-business income of the accounting system.

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

Answer: The program still operates.

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.

Answer: Not applicable, since the program still operates.

16. For each taxation year and the 2013 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.

Answer: Please refer to the following Confidential annexes:

Annex H-1.16 Income Tax-The Group

Annex H-1.16 Income Tax-Dezhong

Annex H-1.16 Income Tax-Shiyou

Annex H-1.16 Income Tax-Tangshan Youfa

Annex H-1.16 Income Tax-Handan Youfa

Annex H-1.16 Income Tax-Zhengyuan

Annex H-1.16 Income Tax-Xinlida

PUBLIC RECORD VERSION

(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS' POINT 6)

Note: As branch companies in China, income tax are not required to report and pay on their own, in the other hand, Group is required to report and pay the income tax for branches it controls, therefore, Branch No.1 and Branch No.2 don't report the above tables.

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 2013 tax year; and
 - income tax instalment payment receipts, and all applicable income tax forms and schedules for the 2012, 2013, and 2014 (to date) tax years.

Answer: Please refer to the following Confidential annexes:

Annex H-1.17-1-1 Corporate tax acknowledgement form-The Group

Annex H-1.17-1-1 Corporate tax acknowledgement form-Dezhong

Annex H-1.17-1-1 Corporate tax acknowledgement form-Shiyou

Annex H-1.17-1-1 Corporate tax acknowledgement form-Tangshan Youfa

Annex H-1.17-1-1 Corporate tax acknowledgement form-Zhengyuan

Annex H-1.17-1-1 Corporate tax acknowledgement form-Xinlida

Annex H-1.17-1-1 Corporate tax acknowledgement form-Handan Youfa

Annex H-1.17-2-1 Income tax payments receipts and income tax forms-The Group

Annex H-1.17-2-1 Income tax payments receipts and income tax forms- Dezhong

Annex H-1.17-2-1 Income tax payments receipts and income tax forms- Shiyou

Annex H-1.17-2-1 Income tax payments receipts and income tax forms- Tangshan Youfa

Annex H-1.17-2-1 Income tax payments receipts and income tax forms- Zhengyuan

Annex H-1.17-2-1 Income tax payments receipts and income tax forms- Xinlida

Annex H-1.17-2-1 Income tax payments receipts and income tax forms- Zhengyuan

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 H-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

PUBLIC RECORD VERSION

(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS' POINT 6)

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 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 2013 to 30 June 2014**?

Answer: Please refer to the following table:

Entities Receiving the above program	Program	Amount (Currency: Rmb)	Payments	Date of approval	Date Receiving the payments
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

2. Did your business receive benefits under any other grant (including awards, prizes, funds) program during the period **1 July 2013 to 30 June 2014**?

Answer: Not applicable, there are no other grant programs during the period of review.

For each program identified in your answer to H-2.1 and H-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.

Answer: Please refer to the table in the answer to the question H-2.1.

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).

Answer: The programs have benefited all production.

PUBLIC RECORD VERSION

(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS' POINT 6)

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

Answer: The programs are grant by [REDACTED]

which are responsible for granting the assistance fund, these funds are allocated by the local authorities, and there is no special application process. (confidential detail on grant provider)

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.

Answer: Please refer to the following Confidential annexes:

[REDACTED]
(confidential detail on grant programs)

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

Answer: Not applicable, there are no such fees or expenses.

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

Answer: Local authorities are responsible for determining the eligibility criteria, which may contain company size, employments, and tax contributions to the local government.

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.

Answer: Among above eligibility, the Technology Project Assistance can only be granted to those located locally.

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.

- [REDACTED]
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.

PUBLIC RECORD VERSION

(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS' POINT 6)

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

Answer: Please refer to the answer to the question H-2.11.

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

Answer: To the Group' knowledge, the programs have 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 H-1 in relation to this programme.

Answer: These programs are one-time grant, and local authorities are responsible to determine data and amount to grant, and there are no substitution programs.

15. Identify the body responsible for administering the grant.

Answer: As mentioned, body responsible for administering the grant are Jinghai Daguzhuang Town Industrial Economy Committee and Tangshan Fengnan Bureau of Finance.

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

Answer: Please refer to the table in the answer to the question H-2.1.

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

Answer: The grant was accounted for non-business income in the financial statements.

**PART H-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 2013 to 30 June 2014**, please answer the following questions.

Answer: Not applicable, none of the entities under the Group received benefits under such program during period 1 July 2013 to 30 June 2014.

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.

PUBLIC RECORD VERSION

(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS' POINT 6)

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:
 - () type of inputs;
 - (a) cost of inputs;
 - (b) quantity of inputs; and
 - (c) 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:
 - (d) description of imported product;
 - (e) country of origin;
 - (f) quantity of imported product;

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- (g) purchase price;
- (h) terms of purchase (FOB, CIF etc.);
- (i) ocean freight;
- (j) value for duty of imported product;
- (k) regular rate of taxes and duties;
- (l) concessionary rate of taxes and duties;
- (m) amount of duties and taxes normally applicable;
- (n) amount of duties and taxes paid;
- (o) amount of duties and taxes exempt;
- (p) date of importation;
- (q) tariff classification number;
- (r) customs entry number; and
- (s) 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 H-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.

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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 2013 to 30 June 2014**?

Answer: Considered Not applicable; as mentioned, the Group is a privately-owned company, and received no benefit under the above program during the period 1 July 2013 to 30 June 2014.

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

Answer: Yes, the Group purchased energy, water from SOEs.

Note: In China, most industrial water, energy, or other utilities are provided by SOEs.

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

Answer: Please refer to Conf. Annex H-4.3 Suppliers Lists.

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.

Answer: please refer to the following Conf.annexes:

Annex HRC Purchases-Branch No.2

Annex HRC Purchases-Dezhong

Annex HRC Purchases-Shiyou

Annex HRC Purchases-Tangshan Youfa

Annex HRC Purchases-Xinlida

Annex HRC Purchases-Zhengyuan

Annex HRC Purchases-Handan Youfa

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.

Answer: Entities under the Group could get reduction through normal business negotiation, and there are no common eligibility criteria.

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.

Answer: Not applicable, there are no such agreements existed.

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.

Answer: Not applicable, the Group didn't import raw materials.

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(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS' POINT 6)

- 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.

Answer: Not applicable, the Group didn't import raw materials.

PART H-5 Any other programs

If the GOC, any of its agencies or any other authorised body has provided any other benefit⁴ 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.

Answer: [REDACTED] (commercially sensitive detail on assistance received)

- 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).

Answer: The program is grant for the project of plastic composite steel pipe production line developed by Handan Youfa.

Entities Receiving the above program	Program	Amount (Currency: Rmb)	Payments	Date of approval	Date Receiving the payments
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

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

Answer: The program is granted by local government of Handan City, and there are no special application and approval procedures involved.

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

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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.

Answer: Please refer to Conf. Annex H-5.3 Assistance for [REDACTED] on [REDACTED] Handan Youfa.

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

Answer: Not applicable, there are no such fees or expenses.

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

Answer: For VAT refund, Local authorities are responsible for determining the eligibility criteria, which may contain company size, employments, and tax contributions to the local government, and assistance interests for bank loans is grant for the production line of plastic composite steel pipe.

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.

Answer: Among above eligibility, these programs can only be granted to those located locally.

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.

Answer: [REDACTED]

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.

Answer: These programs have been accounted into the non-business income in the accounting system, please refer to Conf. Annex H-5.8-1 Accounting voucher for interests for bank loans and VAT refund.

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

Answer: Please refer to the answer H-5.8 above.

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

Answer: To the Group's knowledge, VAT refund still operates, while Assistance of interests for bank loans for has 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?

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Answer: Assistance of interests for bank loans is one-time grant, and the program has been terminated [REDACTED].

12. 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 program.

Answer: Not applicable, there are no substitution programs.

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SECTION I – EXPORTER/PRODUCER'S DECLARATION

I hereby declare that.....(company)
did, during the period of review export the GUC and have completed the attached
questionnaire and, having made due inquiry, certify that the information contained in
this submission is complete and correct to the best of my knowledge and belief.

or

I hereby declare that.....(company)
did, during the period of review, produce the GUC which were exported to Australia
by another company and have completed the attached questionnaire and, having
made due inquiry, certify that the information contained in this submission is
complete and correct to the best of my knowledge and belief.

Name :.....

Signature :.....

**Position in
Company** :.....

Date :.....

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SECTION J - CHECKLIST

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

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

Electronic Data	Please tick if you have provided spreadsheet
INCOME STATEMENT	<input type="checkbox"/>
TURNOVER – sales summary	<input type="checkbox"/>
AUSTRALIAN SALES – list of sales to Australia	<input 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 1/1/2013	<input type="checkbox"/>
THEORETICAL to ACTUAL – theoretical weight to actual weight conversion table	<input type="checkbox"/>
THIRD COUNTRY – sales to other countries	<input type="checkbox"/>
PRODUCTION – production summary	<input type="checkbox"/>
DOMESTIC COSTS – costs of goods sold domestically	<input type="checkbox"/>
DOMESTIC COSTS – costs of goods sold domestically	<input type="checkbox"/>
AUSTRALIAN COSTS – costs of goods sold to Australia	<input type="checkbox"/>
INCOME TAX – income tax summary	<input type="checkbox"/>