EXPORTER QUESTIONNAIRE

GRINDING BALLS EXPORTED FROM THE PEOPLE’S REPUBLIC OF CHINA

Period of Investigation: 1 OCTOBER 2014 – 30 SEPTEMBER 2015

Response due by: 24 DECEMBER 2015

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

CASE CONTACT

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Phone: +61 3 8539 2437
E-mail: operations3@adcommission.gov.au

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

RETURN OF QUESTIONNAIRE DETAILS

Preferably by email to: operations3@adcommission.gov.au

Or by mail (CD-ROM or USB): Attention: Director Operations 3 Anti-Dumping Commission GPO Box 1632 Melbourne VIC 3001 Australia
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</tr>
</tbody>
</table>
THE GOODS UNDER CONSIDERATION

Goods Description

The goods under consideration ("the goods") i.e. the goods exported to Australia at allegedly at dumped prices and in receipt of subsidies, are:

Ferrous grinding balls, whether or not containing alloys, cast or forged, with diameters in the range 22mm to 170mm (inclusive).

The applicants provide the following additional information:

The goods covered by this application include all ferrous grinding balls, typically used for the comminution of metalliferous ores, meeting the above description of the goods regardless of the particular grade or alloy content.

Goods excluded from this application include stainless steel balls, precision balls that have been machined and/or polished, and ball bearings.

Tariff classification

The goods are currently classified to tariff subheadings 7325.91.00 (statistical code 26) and 7326.11.00 (statistical code 29) of Schedule 3 to the Customs Tariff Act 1995.

These goods are subject to 4 per cent customs duty.
SECTION A - COMPANY STRUCTURE AND OPERATIONS

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

A-1 Identity and communication

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

*Head Office:*

<table>
<thead>
<tr>
<th>Name:</th>
<th>Ms. Chen Jie</th>
</tr>
</thead>
<tbody>
<tr>
<td>Position in the company:</td>
<td>Export Manager</td>
</tr>
<tr>
<td>Address:</td>
<td>No.118 Hualian Rd., Tonggang Industry, Meili Town, Changshu City, Jiangsu Province, China</td>
</tr>
<tr>
<td>Telephone:</td>
<td>+86 139-1561-6528</td>
</tr>
<tr>
<td>Facsimile number:</td>
<td>+86-512-52061039</td>
</tr>
<tr>
<td>E-mail address of contact person:</td>
<td><a href="mailto:Crystal_Chen@lttg.cn">Crystal_Chen@lttg.cn</a></td>
</tr>
</tbody>
</table>

*Factory:*

<table>
<thead>
<tr>
<th>Name:</th>
<th>Ms. Chen Jie</th>
</tr>
</thead>
<tbody>
<tr>
<td>Position in the company:</td>
<td>Export Manager</td>
</tr>
<tr>
<td>Address:</td>
<td>No.118 Hualian Rd., Tonggang Industry, Meili Town, Changshu City, Jiangsu Province, China</td>
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<tr>
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<td>+86 139-1561-6528</td>
</tr>
<tr>
<td>Facsimile number:</td>
<td>+86-512-52061039</td>
</tr>
<tr>
<td>E-mail address of contact person:</td>
<td><a href="mailto:Crystal_Chen@lttg.cn">Crystal_Chen@lttg.cn</a></td>
</tr>
</tbody>
</table>
A-2  Representative of the company for the purpose of investigation

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

| Name                  | Charles Zhan  
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Senior Lawyer</td>
</tr>
<tr>
<td></td>
<td>Moulis Legal</td>
</tr>
</tbody>
</table>
| Address               | 6/2 Brindabella Circuit  
|                       | Brindabella Business Park  
|                       | Canberra International Airport  
|                       | Australian Capital Territory  
|                       | Australia 2609  |
| Telephone             | +61 2 6163 1000  |
| Facsimile number      | +61 2 6162 0606  |
| Email address of contact person | daniel.moulis@moulislegal.com |

All communications in relation to this matter should be directed to Moulis Legal in the first instance. Moulis Legal is being assisted in this matter by Dentons LLP (Beijing Office).

Note that in nominating a representative, the Commission will assume that confidential material relating to your company in this investigation 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.

The legal name of the company is Changshu Longte Grinding Ball Co., Ltd. (“Longte”). It is a limited liability company. No other business names are used by Longte to export or sell the goods.

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

The owners of Longte are [CONFIDENTIAL TEXT DELETED – shareholder]
3. If your company is a subsidiary of another company, list the principal shareholders of that company.

Longte is a subsidiary of another company, namely Longteng. Shareholders of the parent company are [CONFIDENTIAL TEXT DELETED – shareholder details of private company].

For clarity, we also wish to explain that from April 2015 some of Longte’s grinding bar was supplied to it by Longteng. This grinding bar was manufactured by Longteng, ie both the grinding bar and the steel billet from which the grinding bar is made was manufactured by Longteng.

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

Not applicable.

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

Please refer to Exhibit A-3.5: Corporate structure and affiliation. [CONFIDENTIAL ATTACHMENT]

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

[CONFIDENTIAL TEXT DELETED – commercial details] are charged to Longte by Longteng.

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

Longte is a manufacturer of grinding balls, which it then sells into the domestic and export markets.

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

- produce or manufacture
- sell in the domestic market
- export to Australia, and
- export to countries other than Australia.
Longte performs all of the above functions in relation to the goods under consideration.

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

Please refer to Exhibit A-3.9: Internal organisation chart. [CONFIDENTIAL ATTACHMENT]

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

Please refer to Exhibit A-3.10: Brochure.

A-4 General accounting/administration information

1. Indicate your accounting period.

The accounting period used by Longte is the calendar year, from January 1 to December 31.

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

Longte’s financial records are held at the address as set out in the answer to A-1, i.e. No.118 Hualian Rd., Tonggang Industry, Meili Town, Changshu City, Jiangsu Province, China.

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

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

These documents should relate to:

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

- **Exhibit A-4.3.1**: Chart of accounts; [CONFIDENTIAL ATTACHMENT]
- **Exhibit A-4.3.2**: Audit report of 2014 and 2013; [CONFIDENTIAL ATTACHMENT] and
- **Exhibit A-4.3.3**: Financial statements for the nine months ended 30 September 2015. [CONFIDENTIAL ATTACHMENT]

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

**Longte’s accounts are fully audited.**

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

**Longte’s accounting practices are in accordance with the generally accepted accounting principles of China.**

6. Describe:

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

   - the method of valuation for raw material, work-in-process, and finished goods inventories (eg last in first out –LIFO, first in first out- FIFO, weighted average);

   **Raw materials and finished goods inventory are accounted for at cost when purchased. The cost of inventories issued is determined on the weighted average basis. Work-in-process is not separately accounted for.**

   - 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);

   **Longte accounts for the cost on actual basis and allocates into goods [CONFIDENTIAL TEXT DELETED – internal accounting methodology].**

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

   **The value for damaged or sub-standard goods generated at the various stages of**
production is accounted for by [CONFIDENTIAL TEXT DELETED – internal accounting methodology].

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

There are no by-products or joint products generated from the production process. The scraps are also valued on actual basis.

- valuation and revaluation methods for fixed assets;

Fixed assets are recorded at cost when acquired.

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

Depreciation is calculated using the straight-line method. For the respective estimated useful lives and residual values of fixed assets, please refer to the notes to the audit report.

<table>
<thead>
<tr>
<th>Category</th>
<th>Average useful life (yrs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building and constructions</td>
<td>[CONFIDENTIAL TEXT DELETED – depreciation periods]</td>
</tr>
<tr>
<td>Machines and equipment</td>
<td></td>
</tr>
<tr>
<td>Transportation vehicles</td>
<td></td>
</tr>
<tr>
<td>Electronics and other facilities</td>
<td></td>
</tr>
</tbody>
</table>

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

Transactions in currencies other than the reporting currency are translated into the reporting currency at the exchange rates quoted by the People’s Bank of China (“the reference rates”) prevailing on the first day of the month in which the transactions take place.

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

Monetary assets and liabilities denominated in foreign currencies are re-stated into the reporting currency using the rates of exchange (reference rates) ruling at the balance sheet date. The exchange gains or losses are dealt with in the income statement for the year.

- inclusion of general expenses and/or interest;

General and administrative expenses are those incurred by an enterprise in organizing and managing its activities. Such expenses should be directly recorded as income or losses of the current period and listed separately in the income statement.
The interest expenses of the product inventories should be recorded as financial expenses and that of the fixed assets should be capitalized as the cost of fixed assets.

- provisions for bad or doubtful debts;

The enterprise examines the long-term investment, fixes assets, intangible assets, and accounts receivable item by item at the end of the accounting period. If the book value of those assets is lower than their recoverable amounts as a result of continuous decline in their market value, deterioration in the operational conditions of the invested entity, or technological obsolescence, spoilage and idleness over a long time, a provision for impairment of assets should be set up for these items separately.

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

Not applicable.

- costs of plant closure;

Not applicable.

- restructuring costs;

Not applicable.

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

As stated above, there are no by-products resulting from the production process. The scrap materials are accounted for at actual cost.

- effects of inflation on financial statement information.

Not applicable.

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

Not applicable. The accounting methods used by Longte have not changed over the last two years.
A-5 Income statement

Complete the spreadsheet ‘Income statement’ in the Exporter Questionnaire spreadsheets – grinding balls workbook.

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

You will note that the spreadsheet requires information concerning all products produced and for the goods under consideration (‘goods under consideration’ (the goods) is defined in the Glossary of Terms in the appendix to this form). You should explain how costs have been allocated.

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.

Please refer to the spreadsheet Exhibit A-5: Income statement. [CONFIDENTIAL ATTACHMENT]

A-6 Sales

Complete the spreadsheet ‘Turnover’ in the Exporter Questionnaire spreadsheets – grinding balls workbook.

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

This requires you to state your company's net turnover (after returns and all discounts), and free of duties and taxes. Use the currency in which your accounts are kept.

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

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

Please refer to Exhibit A-6: Turnover. [CONFIDENTIAL ATTACHMENT]
SECTION B - SALES TO AUSTRALIA (EXPORT PRICE)

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

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

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

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

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

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

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

Longte’s Australian export customers in the investigation period were as follows:

<table>
<thead>
<tr>
<th>Name</th>
<th>Address</th>
<th>Contact</th>
<th>Tel/Fax</th>
<th>Trade level</th>
</tr>
</thead>
<tbody>
<tr>
<td>[CONFIDENTIAL TEXT DELETED – confidential customer details]</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

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

All Australian sales are produced to order. Once production has been completed the goods are transported to Shanghai port or Taicang port by truck several days before the estimated time of departure of the ship. The goods are then loaded on board and directly shipped to the designated Australian ports.
(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.

Longte has one distribution channel:

[CONFIDENTIAL TEXT DELETED – details of export distribution of goods]

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

There are three types of sales shown in the Australian sales spreadsheet –
[CONFIDENTIAL TEXT DELETED – details of export sales terms]

(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).

[CONFIDENTIAL TEXT DELETED – details of agency or distribution agreements] in relation to Longte’s sales to the Australian market.

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

Longte openly negotiates the price with the customers for export to Australia directly. [CONFIDENTIAL TEXT DELETED – details of price negotiation] Once the terms and conditions are agreed, it receives the order and arranges production. The goods are directly delivered to the customer according to the Incoterms.

(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).

Longte has no financial or other arrangements in place with its export customers. The price payable under the contract with its customers is the only consideration involved.

[CONFIDENTIAL TEXT DELETED – details of price negotiation]

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

Forward orders for export sales of the GUC to Australia are shown in Exhibit B-
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.

[CONFIDENTIAL TEXT DELETED – details of distribution channels and types of customers]

**B-4 Australian sales data**

Complete the ‘Australian sales’ spreadsheet in the Exporter Questionnaire spreadsheets – grinding balls workbook.

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

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

<table>
<thead>
<tr>
<th>Column heading</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer name</td>
<td>Names of your customers</td>
</tr>
<tr>
<td>Level of trade</td>
<td>The level of trade of your customers in Australia</td>
</tr>
<tr>
<td>Model</td>
<td>Commercial model name</td>
</tr>
<tr>
<td>Product code</td>
<td>Code used in your records for the model/grade/type identified. Explain the product codes in your submission.</td>
</tr>
<tr>
<td>Dimension</td>
<td>Specify ball diameter (mm)</td>
</tr>
<tr>
<td>Grade</td>
<td>Specify grade</td>
</tr>
<tr>
<td>Cr Alloy content</td>
<td>Specify chromium %</td>
</tr>
<tr>
<td>Production Method</td>
<td>Specify if the grinding balls are produced by forging or casting</td>
</tr>
<tr>
<td>Invoice number</td>
<td>Invoice number</td>
</tr>
<tr>
<td>Invoice date</td>
<td>Invoice date</td>
</tr>
<tr>
<td>Date of sale</td>
<td>Refer to the explanation at the beginning of this section. If you consider that a date other than the invoice date best establishes the material terms of sale, report that date. For example, order confirmation, contract, or purchase order date.</td>
</tr>
<tr>
<td>Order number</td>
<td>If applicable, show order confirmation, contract or purchase order number if you have shown a date other than invoice date as being the</td>
</tr>
<tr>
<td><strong>PUBLIC RECORD</strong></td>
<td></td>
</tr>
<tr>
<td>-------------------</td>
<td></td>
</tr>
<tr>
<td><strong>date of sale.</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Shipping terms</strong></td>
<td>Delivery terms eg. CIF, C&amp;F, FOB, DDP (in accordance with Incoterms)</td>
</tr>
<tr>
<td><strong>Payment terms</strong></td>
<td>Agreed payment terms eg. 60 days=60 etc</td>
</tr>
<tr>
<td><strong>Actual weight</strong></td>
<td>Actual weight (specify units e.g. Tonnes)</td>
</tr>
<tr>
<td><strong>Gross invoice value</strong></td>
<td>Gross invoice value shown on invoice <em>in the currency of sale, excluding taxes.</em></td>
</tr>
<tr>
<td><strong>Discounts on the invoice</strong></td>
<td>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.</td>
</tr>
<tr>
<td><strong>Rebates or other allowances</strong></td>
<td>The amount of any deferred rebates or allowances paid to the importer in the currency of sale.</td>
</tr>
<tr>
<td><strong>Other charges</strong></td>
<td>Any other charges, or price reductions, that affect the net invoice value. Insert additional columns and provide a description.</td>
</tr>
<tr>
<td><strong>Invoice currency</strong></td>
<td>The currency used on the invoice</td>
</tr>
<tr>
<td><strong>Exchange rate</strong></td>
<td>Indicate the exchange rate used to convert the currency of the sale to the currency used in your accounting system</td>
</tr>
<tr>
<td><strong>Net invoice value in the currency of the exporting country</strong></td>
<td>The net invoice value expressed in your domestic currency as it is entered in your accounting system</td>
</tr>
<tr>
<td><strong>Other discounts</strong></td>
<td>The actual amount of other discounts (e.g. quantity discounts) not deducted from the invoice. Show a separate column for each type of quantity discount.</td>
</tr>
<tr>
<td><strong>Ocean freight</strong></td>
<td>The actual amount of ocean freight incurred on each export shipment listed.</td>
</tr>
<tr>
<td><strong>Marine insurance</strong></td>
<td>Amount of marine insurance</td>
</tr>
<tr>
<td><strong>FOB export price</strong></td>
<td>The free on board price at the port of shipment.</td>
</tr>
<tr>
<td><strong>Packing method</strong></td>
<td>Method of packaging (in drums, on pallets etc.)</td>
</tr>
<tr>
<td><strong>Packing expenses</strong></td>
<td>Packing expenses</td>
</tr>
<tr>
<td><strong>Inland transportation costs</strong></td>
<td>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.</td>
</tr>
</tbody>
</table>
Handling, loading and ancillary expenses* | Handling, loading and ancillary expenses. For example, terminal handling, export inspection, wharfage and other port charges, container tax, document fees and customs brokers fees, clearance fees, bank charges, letter of credit fees, & other ancillary charges incurred in the exporting country.

Warranty and guarantee expenses* | Warranty and guarantee expenses

Technical assistance and other services* | Expenses for after sale services, such as technical assistance

Commission | Commissions paid. If more than one type is paid insert additional columns of data.

Other Costs | Any other costs, charges or expenses incurred in relation to the exports to Australia (include additional columns as required). See question B.5.

** 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 investigation period.

Freight allocations must be checked for consistency.

* All of these costs are further explained in section E-1.

Please refer to Exhibit B-4: Australian Sales. [CONFIDENTIAL ATTACHMENT]

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

Longte reported bank charges incurred in the sales process separately, in the column “Bank charge”.

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

• 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.

[CONFIDENTIAL TEXT DELETED – details of discounts, rebates and allowances] export sales to Australia during the investigation period.

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

[CONFIDENTIAL TEXT DELETED – details of credit notes] in Australia during the investigation period.

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

<table>
<thead>
<tr>
<th>Import duties</th>
<th>Amount of import duty paid in Australia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inland transport</td>
<td>Amount of inland transportation expenses within Australia included in the selling price</td>
</tr>
<tr>
<td>Other costs</td>
<td>Customs brokers, port and other costs incurred (itemise)</td>
</tr>
</tbody>
</table>

[CONFIDENTIAL TEXT DELETED – sales terms]

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

• the importer’s purchase order, order confirmation, and contract of sale;

• commercial invoice;

• bill of lading, export permit;

• freight invoices in relation to movement of the goods from factory to Australia, including inland freight contract;
• marine insurance expenses; and

• letter of credit, and bank documentation, proving payment.

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

Please refer to Exhibit B-9: Australian sample sales-1 [CONFIDENTIAL ATTACHMENT] and Exhibit B-9: Australian sample sales-2. [CONFIDENTIAL ATTACHMENT]
SECTION C - EXPORTED GOODS & LIKE GOODS

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

Longte exported goods to Australia during the investigation period with the following product specifications:

<table>
<thead>
<tr>
<th>Internal product code</th>
<th>Diameter (mm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>[CONFIDENTIAL TEXT DELETED – details of goods exported by Longte]</td>
<td></td>
</tr>
</tbody>
</table>

All the goods exported to Australia were ferrous grinding ball, containing alloy, forged, with diameters in the range of [CONFIDENTIAL TEXT DELETED – details of goods exported by Longte]. The GUC is used for the comminution of metalliferous ores. The GUC is currently classified to tariff subheadings [CONFIDENTIAL TEXT DELETED – details of goods exported by Longte].

Please note that Exhibit A-3.10 - Brochure provided with this EQ refers [CONFIDENTIAL TEXT DELETED – details of goods exported by Longte]

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

Please refer to the answer to the previous question.

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

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

<table>
<thead>
<tr>
<th>EXPORTED TYPE</th>
<th>DOMESTIC TYPE</th>
<th>IDENTICAL?</th>
<th>DIFFERENCES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product code of each model of the goods exported to Australia</td>
<td>Product code of comparable model sold on the domestic market of the country of export</td>
<td>If goods are identical indicate “YES”. Otherwise “NO”</td>
<td>Where the good exported to Australia is not identical to the like goods, describe the specification differences. If it is impractical to detail specification differences in this table refer to documents which outline differences</td>
</tr>
</tbody>
</table>
The GUC sold on the domestic market [CONFIDENTIAL TEXT DELETED – details of goods exported by Longte] the GUC exported to Australia are considered to be “like goods”.

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

Please refer to Exhibit C-4 – Chemical composition of grinding ball steel, [CONFIDENTIAL ATTACHMENT] and Exhibit A-3.10 - Brochure.
SECTION D - DOMESTIC SALES

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

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

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

If, in response to question B4 (Sales to Australia, Export Price), you have reported that the date of sale is not the invoice date and you consider that this alternative date should be used when comparing domestic and export prices –

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

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

D-1 Provide:

- a detailed description of your distribution channels to domestic customers, including a diagram if appropriate;

- information concerning the functions/activities performed by each party in the distribution chain; and

- a copy of any agency or distributor agreements, or contracts entered into.

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

Longte sells the goods [CONFIDENTIAL TEXT DELETED – details of domestic customers] in the domestic market. It directly issues the invoice to the customers and collects payments accordingly. [CONFIDENTIAL TEXT DELETED – details of agency or distribution agreements, and price negotiation].

D-2 Do your domestic selling prices vary according to the distribution channel identified? If so, provide details. Real differences in trade levels are characterised by consistent and distinct differences in functions and prices.
D-3 Explain in detail the sales process, including:

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

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

Longte negotiates the price with its customers on the basis of the cost of production and market situation. The domestic customer will then place its purchase orders directly to Longte. Once the sales terms are agreed, Longte will arrange for production. Delivery terms are [CONFIDENTIAL TEXT DELETED – details of price negotiation and sales terms].

D-4 Domestic sales data

Complete the ‘Domestic sales’ spreadsheet in the Exporter Questionnaire spreadsheets – grinding balls workbook.

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

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

<table>
<thead>
<tr>
<th>Column heading</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer name</td>
<td>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.</td>
</tr>
<tr>
<td>Level of trade</td>
<td>The level of trade of your domestic customer</td>
</tr>
<tr>
<td>Model</td>
<td>Commercial model name</td>
</tr>
<tr>
<td>Dimension</td>
<td>Specify ball diameter (mm)</td>
</tr>
<tr>
<td>Product code</td>
<td>Code used in your records for the model/grade/type of the goods identified. Explain the product codes in your submission.</td>
</tr>
<tr>
<td>Cr Alloy content</td>
<td>Specify chromium %</td>
</tr>
<tr>
<td>Production method</td>
<td>Specify if the grinding balls are produced by forging or casting</td>
</tr>
<tr>
<td>Invoice number</td>
<td>Invoice number</td>
</tr>
<tr>
<td>Invoice date</td>
<td>Invoice date</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td><strong>Date of sale</strong></td>
<td>Refer to the explanation at the beginning of this section. If you consider that a date other than the invoice date best establishes the material terms of sale and should be used, report that date. For example, order confirmation, contract, or purchase order date.</td>
</tr>
<tr>
<td><strong>Order number</strong></td>
<td>Show order confirmation, contract or purchase order number if you have shown a date other than invoice date as being the date of sale.</td>
</tr>
<tr>
<td><strong>Delivery terms</strong></td>
<td>Eg ex factory, free on truck, delivered into store</td>
</tr>
<tr>
<td><strong>Payment terms</strong></td>
<td>Payment terms agreed with the customer eg. 60 days=60 etc</td>
</tr>
<tr>
<td><strong>Quantity</strong></td>
<td>Quantity in units shown on the invoice eg kg.</td>
</tr>
<tr>
<td><strong>Gross Invoice value</strong></td>
<td>Gross value shown on invoice in the currency of sale, net of taxes.</td>
</tr>
<tr>
<td><strong>Discounts on the Invoice</strong></td>
<td>The amount of any discount deducted on the invoice on each transaction. If a % discount applies show that % discount applying in another column.</td>
</tr>
<tr>
<td><strong>Other charges</strong></td>
<td>Any other charges, or price reductions, that affect the net invoice value. Insert additional columns and provide description.</td>
</tr>
<tr>
<td><strong>Net invoice value in the currency of the exporting country</strong></td>
<td>The net invoice value expressed in your domestic currency as recorded in your accounting system</td>
</tr>
<tr>
<td><strong>Rebates or other Allowances</strong></td>
<td>The actual amount of any deferred rebates or allowances in the currency of sale</td>
</tr>
<tr>
<td><strong>Quantity discounts</strong></td>
<td>The actual amount of quantity discounts not deducted from the invoice. Show a separate column for each type of quantity discount.</td>
</tr>
<tr>
<td><strong>Packing method</strong></td>
<td>Method of packaging (in drums, on pallets etc)</td>
</tr>
<tr>
<td><strong>Packing expense</strong>*</td>
<td>Packing expenses</td>
</tr>
<tr>
<td><strong>Inland transportation Costs</strong>*</td>
<td>Amount of inland transportation costs included in the selling price.</td>
</tr>
<tr>
<td><strong>Handling, loading and ancillary expenses</strong>*</td>
<td>Handling, loading and ancillary expenses.</td>
</tr>
<tr>
<td><strong>Warranty and guarantee expenses</strong>*</td>
<td>Warranty and guarantee expenses</td>
</tr>
<tr>
<td><strong>Technical assistance</strong></td>
<td>Expenses for after sale services such as technical assistance</td>
</tr>
</tbody>
</table>
and other services*

<table>
<thead>
<tr>
<th>Commissions*</th>
<th>Commissions paid. If more than one type is paid insert additional columns of data.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other factors*</td>
<td>Any other costs, charges or expenses incurred in relation to the domestic sales (include additional columns as required). See question D5.</td>
</tr>
</tbody>
</table>

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

**Please refer to Exhibit D-4: Domestic Sales. [CONFIDENTIAL ATTACHMENT]**

**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.

Longte has not identified any other costs, charges or expenses incurred in relation to its domestic sales at this time, but reserves the right to explain and demonstrate any such costs in supplementary information and/or at any verification should they be later identified.

**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.

[CONFIDENTIAL TEXT DELETED – details of discounts, rebates allowances and credit notes] during the investigation period.

**D-7**
Select two domestic sales, in different quarters of the investigation period, that are at the same level of trade as the export sales. Provide a complete set of documentation for those two sales. (Include, for example, purchase order, order acceptance, commercial invoice, discounts or rebates applicable, credit/debit notes, long or short term contract of sale, inland freight contract, bank documentation showing proof of payment.) The Commission will select additional sales for verification at the time of our visit.
Please refer to Exhibit D-7: Domestic sample sales-1 [CONFIDENTIAL ATTACHMENT] and Exhibit D-7: Domestic sample sales-2, [CONFIDENTIAL ATTACHMENT]
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.

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

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

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

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

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

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

E-1 Costs associated with export sales

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

1. Transportation

Explain how you have quantified the amount of inland transportation associated with the export sale ("Inland transportation costs"). Identify the general ledger account where the expense is located. If the amount has been determined from contractual arrangements, not from an account item,
The inland transportation costs [CONFIDENTIAL TEXT DELETED – sales terms] are reported in the column “Inland transportation” in the spreadsheet Australian Sales. These costs were charged to Longte by independent logistic companies. Such expenses are recorded in the general ledger account “selling expense”.

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.

All charges, including all the handling, loading and ancillary expenses, are reported in the column “Handling & other” in the spreadsheet Australian Sales. Such expenses are recorded in the general ledger account “selling expense”.

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.

As we stated above, the various export related ancillary costs are reported in “Handling & other”. Bank charges incurred by Longte are reported in the column “Bank charge” in the spreadsheet Australian Sales.

3. Credit

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

[CONFIDENTIAL TEXT DELETED – details of credit practice] Longte has reported the actual collection days of payment as per the requirements of the spreadsheet issued by the Commission.

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'.

The packing of goods under consideration [CONFIDENTIAL TEXT DELETED – details of types of packing]. There is no special packing involved simply by reason of the destination market.

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.

[CONFIDENTIAL TEXT DELETED – details of sales commissions] in relation to the export sales to Australia.

6. Warranties, guarantees, and after sales services

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

[CONFIDENTIAL TEXT DELETED – details of warranty, guarantee and after sales expenses]

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.

No other factors have been identified that affect export price comparability as would require an adjustment.

8. Currency conversions

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

Longte has not identified any sustained movement in the comparison of its USD denominated export sales to Australia and its RMB home currency in the investigation period such as would constitute a “sustained movement”.

E-2 Costs associated with domestic sales

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

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

1. Physical characteristics

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

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

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

[CONFIDENTIAL TEXT DELETED – details of specifications and diameter and
2. **Import charges and indirect taxes**

If exports to Australia:

- are partially or fully exempt from internal taxes and duties that are borne by the like goods in domestic sales (or on the materials and components physically incorporated in the goods), or

- if such internal taxes and duties have been paid and are later remitted upon exportation to Australia;

the price of like goods must be adjusted downwards by the amount of the taxes and duties.

The taxes and duties include sales, excise, turnover, value added, franchise, stamp, transfer, border, and excise taxes. Direct taxes such as corporate income tax are not included as such taxes do not apply to the transactions.

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

In substantiating the drawback claim the following information is required:

- a copy of the relevant statutes/regulations authorising duty exemption or remission, translated into English;

- the amount of the duties and taxes refunded upon exportation and an explanation how the amounts were calculated and apportioned to the exported goods;

- an explanation as to how you calculated the amount of duty payable on imported materials is borne by the goods sold domestically but is not borne by the exports to Australia;

**Substitution drawback systems**

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

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

No import charges are exempted or drawn back nor are any indirect taxes refunded on exportation of the subject goods.

3. Level of trade

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

Trade level is the level a company occupies in the distribution chain. The trade level to which that company in turn sells the goods and the functions carried out distinguish a level of trade. Examples are producer, national distributor, regional distributor, wholesaler, retailer, end user, and original equipment.

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

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

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

(a) 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.

[CONFIDENTIAL TEXT DELETED – details of types of customers and price difference]

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 borrowings by the company; or

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

- such other rate considered appropriate in the circumstances.

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

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

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

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\(^1\) Under an open account system, following payment the balance of the amount owing is carried into the next period. Payment amounts may vary from one period to the next, with the result that the amount owing varies.
1. **Calculate an accounts receivable turnover ratio**

This ratio equals the total credit sales divided by average accounts receivable.

(It is a measure of how many times the average receivables balance is converted into cash during the year).

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

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

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

2. **Calculate the average credit period**

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

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

Please refer to our answer to E-2.3, which is repeated here in the context of domestic sales also.

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

5. **Transportation**

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

[CONFIDENTIAL TEXT DELETED – details of domestic transportation] These costs were charged to Longte by independent logistic companies. Such expenses are recorded in the general ledger account “selling expense”.

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
Longte has reported the handling, loading and ancillary expenses actually incurred for each transaction. Such expenses are recorded in the general ledger account “selling expenses”.

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”.

As explained in E-1.4, [CONFIDENTIAL TEXT DELETED – details of packing types]

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.

[CONFIDENTIAL TEXT DELETED – details of sales commissions] in relation to its 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.

[CONFIDENTIAL TEXT DELETED – details of warranties, guarantees, and after sales service]

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

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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**.

Longte has not identified any other costs, charges or expenses incurred in relation to its domestic sales at this time, but reserves the right to explain and demonstrate any such costs in supplementary information and/or at any verification should they be later identified.

E-3 Duplication

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

For example:

- adjustments for level of trade, quantity or other discounts may overlap, or

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

Separate adjustment items must avoid duplication.

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

No duplication in the adjustments has been identified, should this change Longte will seek to discuss with the Commission.
SECTION F - EXPORT SALES TO COUNTRIES OTHER THAN AUSTRALIA (THIRD COUNTRY SALES)

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

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

F-1 Third country sales data

Complete the ‘Third country’ spreadsheet in the Exporter Questionnaire spreadsheets – grinding balls workbook.

This data should be provided on a summary basis.

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

<table>
<thead>
<tr>
<th>Column heading</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country</td>
<td>Name of the country that you exported like goods to over the investigation period.</td>
</tr>
<tr>
<td>Number of customers</td>
<td>The number of different customers that your company has sold like goods to in the third country over the investigation period.</td>
</tr>
<tr>
<td>Level of trade</td>
<td>The level of trade that you export like goods to in the third country.</td>
</tr>
<tr>
<td>Quantity</td>
<td>Indicate quantity, in units, exported to the third country over the investigation period.</td>
</tr>
<tr>
<td>Unit of quantity</td>
<td>Show unit of quantity eg kg</td>
</tr>
<tr>
<td>Value of sales</td>
<td>Show net sales value to all customers in third country over the investigation period</td>
</tr>
<tr>
<td>Currency</td>
<td>Currency in which you have expressed data in column SALES</td>
</tr>
<tr>
<td>Payment terms</td>
<td>Typical payment terms with customer(s) in the country eg. 60 days=60 etc</td>
</tr>
<tr>
<td>Shipment terms</td>
<td>Typical shipment terms to customers in the third country eg CIF, FOB, ex-factory, DDP etc.</td>
</tr>
</tbody>
</table>
Please refer to Exhibit F-1: Third Country. [CONFIDENTIAL ATTACHMENT]

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

The prices of goods sold into different markets are differently impacted by the conditions of competition in the markets concerned.
SECTION G - COSTING INFORMATION AND CONSTRUCTED VALUE

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

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

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

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

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

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

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

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

G-1 Production process and capacity

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

For the production process, please refer to Exhibit A-3.10: Brochure.

Longte purchased round bar as the major raw material for producing the goods under consideration. The production facilities are only used to manufacture the grinding balls. All scraps generated from the production process are sold to its parent company for recycling purpose. No by-products result from the production
of the goods.

G-2 Production capacity data

Complete the ‘Production’ spreadsheet in the Exporter Questionnaire spreadsheets – grinding balls workbook.

Please refer to Exhibit G-2: Production. [CONFIDENTIAL ATTACHMENT]

G-3 Cost accounting practices

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

Longte uses an ERP system which processes Longte’s financial data in accordance with the generally accepted accounting principles in China. The audited financial statements are directly based on Longte’s cost accounting information.

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

Longte’s cost accounting system is based on actual costs.

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

No significant or unusual cost variances occurred during the investigation period.

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

[CONFIDENTIAL TEXT DELETED – internal accounting method]

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

Longte applies actual cost method to allocate material costs to the goods, CONFIDENTIAL TEXT DELETED – internal accounting method.

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

The level of cost accounting in Longte’s cost accounting records is CONFIDENTIAL TEXT DELETED – internal accounting method).

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

There are no production costs incurred by Longte which are valued differently for cost accounting purposes than for financial accounting purposes.

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

Longte did not engage in any start-up operations in relation to the goods under consideration. [CONFIDENTIAL TEXT DELETED – related party cost details]

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

Not applicable, [CONFIDENTIAL TEXT DELETED – related party cost details].

G-4 Cost to make and sell on domestic market

This information is relevant to testing whether domestic sales are in the ordinary course of trade.2

Complete the ‘Domestic CTMS’ spreadsheet in the Exporter Questionnaire spreadsheets – grinding balls workbook.

- Please provide the actual unit cost to make and sell separately for each model/type (identified in section C) of the like goods sold on the domestic market.

- Provide this cost data for each quarter over the investigation period. If your company calculates costs monthly, provide monthly costs.

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

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

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.

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

• Please specify unit of currency.

• Give details and an explanation of any significant differences between the costs shown, and the costs as normally determined in accordance with your general accounting system. Reference should be made to any differences arising from movements in inventory levels and variances arising under standard costing methods.

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

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

Please refer to Exhibit G-4: Domestic CTMS. [CONFIDENTIAL ATTACHMENT]

[CONFIDENTIAL TEXT DELETED – related party cost details]

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

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

Complete the ‘Australian CTMS’ spreadsheet in the Exporter Questionnaire spreadsheets – grinding balls workbook.

• Please provide the actual unit cost to make and sell separately for each model/type (identified in section C) of the goods sold to Australia.

• Provide this cost data for each quarter over the investigation period. If your company calculates costs monthly, provide monthly costs.

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

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

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

• Please specify unit of currency.

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• Where there are cost differences between goods sold to the domestic market and those sold for export, give reasons and supporting evidence for these differences.

• Give details and an explanation of any significant differences between the costs shown, and the costs as normally determined in accordance with your general accounting system. Reference should be made to any differences arising from movements in inventory levels and variances arising under standard costing methods.

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

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

G-6  Major raw material costs

List major raw material costs, which individually account for 10% or more of the total production cost.

Longte’s major raw material cost that individually accounts for 10% or more of the total production cost is steel grinding bar.

For these major inputs:

• identify materials sourced in-house and from associated entities;

• identify the supplier; and

• show the basis of valuing the major raw materials in the costs of production you have shown for the goods (e.g., market prices, transfer prices, or actual cost of production).

Where the major input is produced by an associate of your company the Commission will compare your purchase price to a normal market price. If the associate provides information on the cost of production for that input such cost data may also be considered.
Longt purchased part of its steel grinding bar requirements from its parent company, namely Longteng. Please refer to Exhibit G-6.2: CTM grinding bar.

Normal market price is taken to be the price normally available in the market (having regard to market size, whether the input is normally purchased at ‘spot prices’ or under long term contracts etc).

The term associate is defined in section 269TAA of the *Customs Act*. Included in that definition are companies controlled by the same parent company (a company that controls 5% or more of the shares of another is taken to be an associated company); companies controlled by the other company; and companies having the same person in the board of directors.

**Important note:** If the major input is sourced as part of an integrated production process you should provide detailed information on the full costs of production of that input.
SECTION H – PARTICULAR MARKET SITUATION

The applicants claim that a ‘market situation’ exists in respect of grinding balls from China due to government influence on both the prices of the goods and the major raw material inputs used in the manufacture of the goods.

The existence of a ‘market situation’ could affect the Commission’s approach to calculating normal value within its dumping assessment.

In broad terms, it is generally the case that the normal value of the goods is the price paid for like goods sold for home consumption in the country of export. One of the exceptions to using domestic selling prices for this purpose provides that the domestic selling prices are not an appropriate basis for normal value if the Minister is satisfied that a situation in the market has rendered domestic selling prices unsuitable for establishing normal values (i.e. a ‘particular market situation’ exists).

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

Through this questionnaire, the Commission is providing producers/exporters of the subject goods in China the opportunity to supply evidence that the sector under investigation is operating under market conditions. In examining the matter, the Commission will also send questionnaires to the Government of China and continue to examine information available from third-party sources.

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

There are three parts to this section:

PART H-1 - Requests information concerning the organisation of your company and the Government of China’s involvement in the business of your company.

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

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

PART H-1  General information

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

1. Specific questions are asked throughout this questionnaire in relation to the Government of China’s interaction with your businesses.

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

a) reporting requirements;

Longte is not required to report to the GOC in relation to its normal business operations. Longte is a private company and all its business decisions are made by the senior management of the company.

b) payment of taxes;

Longte pays taxes in accordance with the relevant laws of China. These are paid on a regular monthly or quarterly basis. Final tax liabilities are reconciled and paid at the end of each year as per Chinese legal requirements.

c) senior management representation within your business;

Longte is a wholly private-owned company. The GOC has no “senior management representation within [our] business”. Senior management within the business are recruited from the employment market and are hired according to Chinese law and the company’s operational procedures.

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

As stated above, Longte is a private company wholly in control and command of its operations. It is not supervised by SASAC or by any other body under the control of SASAC or the GOC.

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

The GOC has nothing to do with Longte’s business decisions. All Longte’s business decisions are made and resolved by its board, senior management and/or general manager of Longte.

f) licensing;

Longte’s only interaction with the GOC in this regard is the issuance of its business license. No other licensing is needed in the operational activities of the company.

g) restrictions on land use;

Longte faces no direction or restrictions from the GOC in its land usage apart from land zoning and development laws.
h) provision of loans; or

Longte’s loans are provided by commercial banks. The terms and conditions of Longte’s borrowings are decided by commercial negotiation with its lenders.

i) provision of grants, awards or other funds.

Please refer to Part I-2 of Section I below for information concerning grants, awards or other funds received by the company. These are minor in nature and in 2014 for example constituted [CONFIDENTIAL TEXT DELETED – number]% of revenue.

2. Business structure, ownership and management

a) Indicate whether your company is a state-owned or state-invested enterprise (SIE) (refer to the Glossary of Terms for definition).

Longte is not a state-owned (SOE) or state-invested enterprise (SIE).

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

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

Article 50 of the Company Law of China provides as follows:

A **limited liability company with comparatively few shareholders or comparatively small in scale** may have one executive director instead of a board of directors. The executive director may concurrently serve as the manager of the company.

Longte is such a company, having only three shareholders, and therefore has elected not to have a full board structure. The executive director of Longte is [CONFIDENTIAL TEXT DELETED – shareholder details of private company].

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

If so, identify the individuals, their role on that Board and their affiliation with the Government of China.

Longte’s executive director and shareholders are not representatives, employees, or otherwise affiliated with the Government of China.
d) Does your business’ (and/or all other entities your business is related to) Board of Directors or Board of Shareholders have a representative from the Chinese Communist Party (CCP)? If so, identify their name and title and indicate their position at the board level.

Longte’s executive director and shareholders are not representatives from the Chinese Communist Party (CCP). The same is true of its related companies.

e) Are any members of your business’ (and/or all other entities your business is related to) Board of Directors or Board of Shareholders appointed, managed or recommended by the Government of China? If so, identify any relevant government department(s) they are affiliated with.

Longte’s executive director and shareholders are not appointed, managed or recommended by the GOC. The same is true of its related companies.

f) Indicate who owns what percentage of all shares in your business and identify whether they are:

- an affiliate, representative, agency or otherwise representative of the Government of China;
- employees of your business;
- foreign investors; or
- other (please specify).

Please refer to the answer to question A-3.2 as above for the list of shareholders of Longte. None of them are affiliates, representatives, agents or representatives of the GOC. All of them are domestic investors. [CONFIDENTIAL TEXT DELETED – shareholder details of private company] as shareholders are employees of the company.

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

No changes in the ownership structure of Longte occurred during the investigation period.

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

No persons appointed to positions within Longte are appointments by GOC authorities or designated to act on behalf of GOC authorities.

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

There are no requirements of law or practice to have government representation at any level of Longte’s business.

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

Longte is not a publicly-traded company.

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

Not applicable.

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

Longte’s executive director and general manager have the ability to reward, fire or discipline the senior managers at different levels.

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

Longte’s senior managers do not hold positions in any GOC departments or organisations, associations or Chambers of Commerce.

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

Longte does not have a “pricing committee”. Selling prices are negotiated taking into account costs of production and all relevant market factors.

3. Licensing

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

Please refer to Exhibit H-1.3(a): Business license. [CONFIDENTIAL ATTACHMENT]

b) Identify the Government of China departments or offices responsible for issuing the license(s).

Longte’s business license was issued by the Suzhou Changshu Administration for...
Industry and Commerce.

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

The procedures involved for any company to apply for a business license are as follows:

(1) the first, apply to reserve the proposed company name;

(2) second, a representative or agent of the shareholders applies to the registration authority for registration of the incorporation of the company; and

(3) third, all relevant documents as requested by laws and regulations, such as application form of registration of incorporation, articles of association, capital verification report, identity of each shareholder, and certificate of company residence etc., will be checked by the authority.

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

Longte is a limited liability company. The requirements or conditions for incorporation of a limited liability company are as follows:

(1) application for registration of establishment signed by the chairman of the board of directors or executive of the company;

(2) certificate of representation by jointly entrusted agent by all the shareholders;

(3) articles of association;

(4) capital verification report issued by a qualified capital verification institution;

(5) legal person qualification certificates of the shareholders or identity certificates of natural persons;

(6) documents indicating the names and residence of the company's directors, supervisors and managers, and the certificates relating to their appointments, elections or engagements;

(7) documents of tenure of office and identity certificate of the company's legal representative;

(8) notification of pre-approval of the company's name; and

(9) domicile certificate of the company.

e) Describe and explain any restrictions imposed on your business by the business license(s).
There are no restrictions imposed on Longte by its business license. In relation to business scope, Article 12 of the Company Law provides as follows:

*The scope of business of a company shall be specified in the articles of association of the company and shall be registered according to the law. A company may amend its articles of association and change the scope of business, provided that it shall carry out change registration.*

Thus, companies in China apply for registration to carry out their requested business scope, and may change that business scope.

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

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

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

Obtaining a business license is a standard aspect of company registration in China. A business license establishes that the company concerned is a legal person. In that capacity the company is able to operate legally and freely carry out its business.

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

The relevant Administration for Industry and Commerce which issued the business license to the company would be the competent authority to revoke it. Types of circumstances that could cause a business license to be revoked include:

1. dissolution after liquidation;
2. having acquired the business license by falsification of the registered capital, and the circumstance is serious;
3. having acquired the business license by false submissions or other fraudulent means, and the circumstance is serious;
4. failure to commence business more than six months after incorporation without good reason, or ceasing business operations for more than six months consecutively after opening business;
5. where the business scope of a company changes such that it exceeds the originally registered scope and the change to the scope has not been registered, and the circumstance is serious;
(7) failure to annually renew registration according to legal provisions and after the competent authority give a prescribed time limit, the company still fails to renew within the prescribed time limit;

(8) fraudulent behaviour relating to the licence, or allowing it to be used by unauthorised third parties, and the circumstance is serious; and

(9) engaging in serious illegal activities in the name of the company, such as might compromise the public interest.

4. Decision-making, planning and reporting

a) Provide a description of your business’ decision-making structure in general and in respect of steel products. This should identify the persons or bodies primarily responsible for deciding:

   (i) what goods are produced;
   
   (ii) how the goods are produced;
   
   (iii) how levels of inputs such as raw materials, labour and energy are set and secured;
   
   (iv) how the use of your outputs, such as how your product mix is determined; and
   
   (v) how your business’ profit is distributed, etc., is determined.

According to the Articles of Association of Longte, significant business decisions are proposed by the executive director and further approved by the board of shareholders. The general manager shall decide other decisions in the normal business operations in a commercial manner.

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

There is no GOC input, guidance or interference in the decision-making process regarding manufacturing, marketing and sale of steel products of either Longte or Longteng.

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

No government departments/offices are involved, either directly or indirectly, in the manufacture, sale or purchase of steel products of Longte or Longteng.

d) List and describe all reports that must be submitted to the Government of China periodically by your company, and identify the government...
No reports must be submitted to the GOC periodically by Longte apart from the required tax reporting to State Administration of Taxation and annual renewal of registration and financial reporting to State Administration of Industry and Commerce.

e) Provide a copy of the last two Provincial/City Five Year Plans (including the appendices) for the province/city in which your business is located, whichever is applicable. The copies should be fully translated including the appendices, along with the original Chinese version.

Longte has no awareness nor interest in any such Provincial or City Five Year Plans in Jiangsu or Changshu. Searches on the internet indicate some references to “Five Year Plans” in conjunction with “Changshu” and “Jiangsu” but we could not locate copies of documents.

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

Longte does not develop any five-year plans or similar planning documents. Longte does not have to submit any business planning documents to GOC authorities.

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

As stated above, Longte has an executive manager in place rather than a board of directors. Please refer to Exhibit H-1.4(g): Resolution of board of shareholders. [CONFIDENTIAL ATTACHMENT]

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

Longte does not have such notes of “company meetings where pricing decisions on steel products have been made”. Longte’s general and senior managers will consider costs of production and market conditions for the purposes of obtaining the best price in negotiations with customers.

5. Financial and investment activities

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

Longte’s business debt is funded via commercial loans from banks. The company
and the bank mutually determine the terms and conditions of loans. For the major lenders, please refer to Exhibit H-1.5(a): List of all major lenders. [CONFIDENTIAL ATTACHMENT]

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

The interest rates applicable to Longte’s commercial loans are negotiated with the relevant banks. The interest rates have varied over the past 5 years within the range of [CONFIDENTIAL TEXT DELETED – number]% to [CONFIDENTIAL TEXT DELETED – number]%. 

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

Longte has not benefited from any concessional interest rates for loans/debts in the last 5 years.

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

i. explain what instruments were used;

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

iii. explain the reasons for raising the capital.

Longte has not raised any capital using issuance of shares, preferential shares, rights issue, bonds, warrants, debentures, sub-ordinate loans or any other debt and/or equity instruments in the last 5 years.

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

Longte has no such policies.

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

Longte has not invested in government or non-government debt securities.
PART H-2  Government of China measures in the iron and steel sector

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

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

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

Longte has no awareness of such GOC opinions, directives, decrees, promulgations, measures, etc. concerning the iron and steel industry/sector that were put in place or operating during the investigation period.

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

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

- industrial policy and guidance on the steel industry sector;

<table>
<thead>
<tr>
<th>Department:</th>
<th>National Development and Reform Commission (&quot;NDRC&quot;)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address:</td>
<td>38 South Yuetan Street, Xicheng District, Beijing 100824</td>
</tr>
<tr>
<td>Phone number:</td>
<td>+86-10-6850 1428</td>
</tr>
<tr>
<td>Fax number:</td>
<td>+86-10-6850 2999</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Department:</th>
<th>Ministry of Industry and Information Technology (&quot;MIIT&quot;)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address:</td>
<td>13 West Changan Street, Xicheng District, Beijing 100804</td>
</tr>
<tr>
<td>Phone number:</td>
<td>+86-10-6601 1228</td>
</tr>
<tr>
<td>Fax number:</td>
<td>+86-10-6601 1228</td>
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- market entry criteria for the steel industry sector;

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<th>NDRC</th>
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</tr>
<tr>
<td>Phone number:</td>
<td>+86-10-6850 1428</td>
</tr>
</tbody>
</table>
environmental enforcement for the steel industry sector;

management of land utilization;

the China Banking Regulatory Commission for the steel industry sector;

investigation and inspection of new steel expansion facilities;

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

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

As a local private company, Longte is not aware whether there is a functional division or section of the National Development and Reform Commission that is responsible for the steel industry, or how to contact any such division.

import licensing for iron ore, steel and other steel raw materials.
3. National Steel Policy

The Commission is aware of the 2005 National Steel Policy (also referred to as the Steel and Iron Industry Development Policy, as well as by several other titles). The following questions relate to that policy.

a) Explain in detail how the policy and any updates regarding the policy were communicated to your company.

Such policy and any updates are not communicated to Longte. So far as Longte is aware, the relevant authority would be likely to publish any such policies in a publicly accessible manner.

b) Identify the government department, association, or company official that communicated this policy or any related measures, to your company as well as the government office or association and the names of the officials who are responsible for the administration of this policy.

Not applicable. Please refer to the answer to question a) above.

c) Explain in detail the information that has been provided to you from official and unofficial channels concerning action to be taken by your company in relation to the policy.

So far as Longte is aware, Longte does not have to take any action in relation to any such policies. Policies do not have compulsory or binding force.

d) Do you have designated officials that have provided direction to your company regarding the Government of China’s measures and how to proceed with your current project or future plans within the scope of the policy?

Longte is not provided with direction by any designated officials regarding any GOC measures.

e) Explain in detail if there are additional directives or measures from the Government of China that have been communicated to your company, since the inception of the policy.

Not applicable. Please refer to the answer to question a) above.

f) Explain in detail whether the policy has ever impacted your company’s investment plans. This may include reference to specific measures.
considered or taken by your company to address issues and/or objectives raised by the policy. Such items may include but are not limited to items such as project approval process, credit and loans (including discounted interest payments), the environment, the scale of production, energy use, raw material inputs etc.

<table>
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<tr>
<th>Longte’s investment plans are dictated by its own commercial situation in the Chinese market. Longte is not specifically impacted in making any of its decisions by any such policies.</th>
</tr>
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</table>

g) Explain the ongoing mechanism used by the Government of China to measure your company’s compliance with the policy directives and/or guidelines.

<table>
<thead>
<tr>
<th>There are no ongoing mechanisms to measure Longte’s compliance with any such policies. Longte has no awareness of such policies.</th>
</tr>
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</table>

h) The policy includes directives and/or guidelines that permit authorities to limit the supply of water, power, land and bank loans etc. to steel producers, which do not meet the objectives of the policy.

- Explain in detail whether your company’s expansion or investment plans have ever been or may be impacted by these criteria.
- Explain the procedure to be followed by a steel company in making a request for approval of a steel investment for an existing steel enterprise or new steel enterprise.
- Identify any Government of China bodies at the regional or provincial level that have the responsibility to grant the approval, or refuse approval regarding an investment in the steel sector.
- Are review and approval decisions regarding investments in the steel sector made by the central government or are they delegated to the regional or provincial level?

<table>
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<tr>
<th>Longte has not had any expansion or investment plans in recent years. It has no experience of such policies and is incapable of responding the above questions.</th>
</tr>
</thead>
</table>

i) Describe the role of the National Development and Reform Commission in terms of communicating, implementing and overseeing policies governing the steel sector, including but not limited to, China’s National Steel Policy.

<table>
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<tr>
<th>As stated above, Longte does not communicate with NDRC, and has no knowledge on how the NDRC communicates, implements or oversees such policies.</th>
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</thead>
</table>

4. Other government approvals

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

a) Explain whether your company has undertaken an approval process through the Government of China for any steel investments in the last 10 years.

Longte has not undertaken any approval process through the GOC for any iron and steel or iron and steel related investments in the last 10 years.

b) Explain whether any applicable investments received the necessary approval and if so, provide documentation confirming this approval.

Not applicable. Please refer to our answer to question a) above.

c) If your investment was not approved, provide the reasons given for the refusal.

Not applicable. Please refer to our answer to question a) above.

d) Describe the process your company has to follow to obtain these approvals.

Not applicable. Please refer to our answer to question a) above.

e) Provide a translated copy of the application form along with the original Chinese version.

Not applicable. Please refer to our answer to question a) above.

f) Identify the office that sent communication of these requirements to your company along with the office address, contact names, phone numbers and fax numbers.

Not applicable. Please refer to our answer to question a) above.

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

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

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

Longte has not had any communications with the GOC concerning any such
b) Identify the Government department, association or company official that communicated these guidelines or any related measures to your business.

**Not applicable. Please refer to our answer to question a) above.**

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

**Not applicable. Please refer to our answer to question a) above.**

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

**Not applicable. Please refer to our answer to question a) above.**

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

**Not applicable. Please refer to our answer to question a) above.**

**PART H-3 The grinding balls sector**

The information requested in this part will assist in providing a better understanding of the Government of China measures and your business’ sales and production of grinding balls.

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

1. **Export quotas and licensing**

   a) Are grinding balls sold by your company subject to any export quotas?

   If so, explain why grinding balls are subject to quotas and the method by which the quotas are allocated.

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

   **Grinding balls sold by Longte are not subject to any export quotas.**
b) If grinding balls are not presently subject to export quotas, indicate if quotas existed during the investigation period and when and why they were removed.

Grinding balls sold by Longte are not subject to any export quotas.

c) Identify which Government of China agency legislates and monitors any such quotas.

Grinding balls sold by Longte are not subject to any export quotas.

d) Has the Government of China set any targets or limits regarding the quantity of grinding balls that you may sell on the domestic or export markets? If so, provide details.

There are no targets or limits regarding the quantity of grinding balls sold on the domestic and export markets.

e) Are there any export licence requirements for grinding balls? If so, provide details.

There are no export licence requirements for grinding balls.

2. Taxation

a) Were there any export taxes on the exports of grinding balls during the investigation period?

There were no export taxes on exports of grinding balls during the investigation period.

b) What was the VAT rebate applicable to grinding balls exports during the investigation period?

The VAT rebate applicable to grinding balls exports during the investigation period was 5%.

c) Have there been any changes to the value-added tax rebate applicable to steel exports in the last 5 years? If yes, provide:

i. a detailed chronological history of the value-added tax rebate rates;

ii. products affected;

iii. the effective dates of the rate changes;

iv. fully translated copies of any Government of China notices regarding these changes, including the relevant appendices.
The VAT rebate for steel products varied during the last 5 years. However, such rebates are related to a huge number of specific steel products. It is not practicable nor suitable for Longte to explain the details of all such changes. For grinding ball exports there has been no change to the VAT rebate over the past 5 years.

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

Longte is not involved in the international trade of coking coal, coke and scrap steel and is not aware of the taxes and tariff relating to these materials.

The relevant details for iron ore, which is purchased by Longteng, are presently (1) import tariff: 0%; (2) VAT: 17%; and (3) export rebate: 0%.

e) Are you aware of any tax changes being planned that would impact the grinding balls sector?

Longte is not aware of planned tax changes by the GOC.

3. Sales terms

a) Identify the person who authorises the sales terms, prices and other contract provisions for the sale of grinding balls by your business.

Longte’s sales terms, prices and other contract provisions are decided by negotiation with customers and authorised by Longte’s sales manager.

b) Explain how the selling prices of grinding balls by your business are determined, including any Government of China involvement in your business’ pricing decisions, and indicate if the goods are subject to Government of China direct or indirect pricing or government guidance pricing.

Longte’s selling prices of grinding balls are determined by negotiation with customers with regard to the cost level of the company and market conditions. The GOC is not involved in the setting of selling process nor does it have any guidance role of any sort.

c) Does your business coordinate the selling prices or supply of grinding balls with other domestic steel and steel product producers, any Government of China departments, or the China Iron and Steel Association? If so, provide details.

Longte does not coordinate its selling prices or supply of grinding balls with other domestic iron and steel producers, with any GOC departments, or with the China Iron and Steel Association. Longte is in vigorous competition with other producers in both its domestic and export markets.
d) Explain whether your business provides grinding balls price information/data to the Government of China, the China Iron and Steel Association (CISA), other government officials or commercial/industry organisations, including those outside of China, which report on the steel sector.

Longte does not provide grinding balls price information/data to the GOC, to other government officials or to commercial/industry organisations.

e) Explain whether your business provides grinding balls price data to any other person at the provincial, regional or special economic zone level of government.

Longte does not provide grinding balls price data to any persons at the provincial, regional or special economic zone level of government.

4. Industry associations

a) Is your business a member of CISA or regional Iron & Steel Associations? If so, explain your business’ relationship with the association and the involvement of the Government of China with the associations.

Longte is not a member of CISA or of any regional iron and steel associations.

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

Not applicable. Please refer to our answer to question a) above.

5. Other industry associations

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

Longte is not a member of any other industry associations.

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

Not applicable. Please refer to our answer to question a) above.
6. Statistics submission/recording

a) Indicate if your business makes submissions\(^3\) to the Chinese Bureau of Statistics and/or any other government organisation. If yes, explain the purpose of these submissions and the type of information submitted.

Longte does not make submissions to the Chinese Bureau of Statistics or any other government organisation.

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

Not applicable. Please refer to our answer to question a) above.

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

Not applicable. Please refer to our answer to question a) above.

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

Not applicable. Please refer to our answer to question a) above.

7. Manufacturing inputs

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

The purchase price for raw materials between our suppliers must have certain difference since the transaction prices are decided by individual negotiations with them.

b) Is there a price difference between purchase price of raw materials from SIEs/SOEs and non-SIEs/SOEs? Provide explanation.

All SIEs and non-SIEs are equal market participants. Longte negotiates with them under the same conditions.

c) If your supplier is based outside China, what import duty rate is applied on the raw materials (i.e. iron and steel or other raw material)?

\(^3\) For example, monthly data relating to sales, production and costs.
d) Does your business benefit from any concession on the purchase of any utility services (e.g. electricity, gas, etc.)? If so explain the nature and the amount of the concession?

Longte does not benefit from any concession on the purchase of any utility services.

8. Regional differences

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

Longte does not have production facilities in more than one region. Nonetheless, Longte cannot imagine that the laws and regulations would be different in any region and has not encountered any such differences. There are no pricing restrictions or limitations on sales of grinding balls in China so far as Longte is aware.

9. Grinding balls production/output during the investigation period

a) Is any part of your production of grinding balls subject to any national/regional industrial policy or guidance? If so, provide details including a background of the policy/guidance and explain any restriction imposed by the policy/guidance.

Longte’s production of grinding balls is not subject to any national/regional industrial policy or guidance.

b) To what extent are any of the policies/guidelines identified in a) applicable to your business?

Not applicable. Please refer to our answer to question a) above.

c) Where applicable, how did your business respond to the policies/guidelines?

Not applicable. Please refer to our answer to question a) above.

d) Provide details regarding any other restrictions (e.g., geographic/regional, downstream, use, etc.) to the sale of grinding balls that may be imposed by the Government of China.

There are no restrictions on the sale of grinding balls imposed by the GOC.
e) Provide a list of all your domestic customers of the goods, include the location (city and province) of the customer and indicate whether each customer is an SIE.

Please refer to Exhibit H-3.9(e): List of domestic customers. [CONFIDENTIAL ATTACHMENT] Longte has no information source to identify whether or not the customer is an SIE.

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

There are no restrictions and/or conditions in relation to the quality or quantity of the production of the goods placed upon Longte.

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

Longte does not require an export license.

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

Grinding balls sold by Longte have not been subject to any export restrictions and/or limits during the previous 5 year.

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

There are no restrictions placed upon Longte in relation to the sale of the goods.

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

Longte’s production capacity in relation to the goods has not changed over the last 5 years.

10. Sales price during the investigation period

a) Explain whether your business has been subjected to any direct or indirect price guidance or controls by the GOC during the investigation period, with respect to domestic iron and steel prices.

Longte has not been subject to any direct or indirect price guidance or controls by the GOC during the investigation period with respect to domestic iron and steel prices.
b) Explain whether your business has been subjected to any direct or indirect price guidance or controls by the GOC during the investigation period, with respect to raw material inputs (i.e. iron and steel, etc.).

Longte has not been subject to any direct or indirect price guidance or controls by the GOC during the investigation period with respect to raw material inputs.

c) Explain whether your business has encountered any price guidance or controls established by regional, provincial or special economic zone officials and/or organisations.

Longte has not encountered any price guidance or controls established by regional, provincial or special economic zone officials and/or organisations.

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

The selling price of the goods is determined by negotiation with the customers with reference to market conditions, including costs, supply, demand, customer preference, service provision and profitability requirements. There are no restrictions, limitations, or other considerations imposed on Longte in forming its selling prices.

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

Market competition is vigorous. In this circumstance no individual manufacturer or seller is in a position to exercise price leadership in relation to sales of the goods in the market.

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

Longte does not have a pricing committee in respect of the goods.

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

Not applicable. Please refer to the answer to question f) above.

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

Longte’s sales manager is responsible for the sales terms, prices and other
contract provisions for the sale of the goods.

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

Longte is not aware of the laws and regulations in different regions of China being any different with respect to pricing of the goods.

11. Adding capacity and/or joint ventures

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

Longte has no plan to add capacity or establish a joint venture, and no knowledge of the approval processes that might be involved.

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

Not applicable. Please refer to our answer to question a) above.

12. Steel billet or grinding bar (Purchased)

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

a) Provide a detailed listing of your steel billet (or grinding bar) purchases by completing the ‘Steel Billet/Grinding Bar Purchases’ tab of the attached spreadsheet.

Please refer to Exhibit G-6.1: Grinding bar purchase. [CONFIDENTIAL ATTACHMENT]

b) Do you have more than one supplier of steel billet or grinding bar? If so, provide an explanation of the reasons of price differences between these suppliers?

Yes, Longte has more than one supplier of grinding bar. Price differences come about by reason of separate negotiations being carried out by Longte with different suppliers. Price differences will be wider, or narrower, depending on the positions of the two parties (Longte and its supplier) in any individual negotiation.

c) Describe in detail your business’ purchase procedures of steel billet (or grinding bar) and the considerations in selecting a supplier. If it is by
Longte provides its requirements concerning the quality of grinding bar to potential suppliers and seeks quotations. Longte will then carry out a comprehensive evaluation of price, quality and other factors before choosing the supplier who will receive an order. [CONFIDENTIAL TEXT DELETED – commercial negotiation method]

d) If steel billet or grinding bar is imported by your business, or related businesses:

i. Provide details including a description of the steel billet or grinding bar imported, the chromium range (%), the supplier and country of origin.

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

iii. Provide details of any conditions to importing the steel billet or grinding bar (e.g. customs and/or quarantine).

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

13. Steel billet (Sales)

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

Longteng, the parent company of Longte, is a manufacturer of steel billet and sells steel billet. Thus, the following answers have been provided by Longteng.

a) Sales and production

i. Provide a list of all your domestic customers of steel billet and indicate whether each customer is an SIE.

Please refer to Exhibit H-3.13.a): List of domestic customers of steel billet. [CONFIDENTIAL ATTACHMENT]

ii. Are you required to obtain approval or a licence to sell steel billet? If so, provide details.

Longteng is not required to obtain any approval or license to sell steel billet.
iii. Are there any restrictions and/or conditions in relation to the quality or quantity of the production of steel billet placed upon your business? If so, provide details.

**There are no restrictions and/or conditions placed upon Longteng in relation to quality or quantity of the production of steel billet.**

iv. Do you have an export licence for exports of steel billet? If so, provide details.

**Longteng does not export steel billet. Nonetheless Longteng is not aware of any requirement for an exporter of steel billet from China to obtain such a license.**

v. Is steel billet sold by your business subject to any export restrictions and/or limits during the previous 5 year? If so, provide details.

**Longteng does not export steel billet. Nonetheless, Longteng is not aware of any restrictions placed upon any exporters of steel billet from China.**

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

**There are no restrictions placed upon Longteng on its sales of steel billet.**

vii. Have there been any changes to your production capacity of steel billet over the last 5 years? If so, provide details.

**[CONFIDENTIAL TEXT DELETED – details of Longteng production of steel billet]**

b) Selling price

i. Describe in detail how the selling price of steel billet is determined. In particular, provide details of any restrictions, limitations, or other considerations faced by your business.

**Longteng’s selling prices for steel billet are determined by negotiation with the customers with reference to the market conditions. Longteng does not face any restrictions, limitations, or other considerations in determining its selling prices.**

ii. Which organisation/business entities do you consider as the price leader of steel billet?

**Market competition is vigorous. In this circumstance no individual manufacturer or seller is in a position to exercise price leadership in relation to sales of the**
iii. Does your business have a pricing committee in respect of steel billet? If so provide the names and positions of all members of the Committee.

Longteng has no such pricing committee in respect of steel billet.

iv. How often does the pricing committee meet to discuss selling prices of steel billet? Provide the minutes or any other relevant documents of all meetings of the pricing committee during the investigation period.

Not applicable. Please refer to the answer to question iii. above.

v. Identify the person who authorises the sales terms, prices and other contract provisions for the sale of steel billet by your business.

Longteng’s sales manager is responsible for authorising the sales terms, prices and other contract provisions for the sale of the steel billet.

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

Longteng does not have production facilities elsewhere in China. Nonetheless Longteng expects that there are no specific laws and regulations in different regions that are different with respect to pricing of steel billet and has not itself encountered any differences in such laws and regulations.

vii. If you have customers of steel billet located in more than one region and/or province, are the selling prices of these products different? If so, explain the reasons on the differences.

Longteng’s selling prices of steel billet are negotiated and determined mutually by the seller and buyer. Other than in the case of freight costs and any different market conditions in other locations, the location of the customer itself is not a factor impacting the selling prices.

14. Raw material purchases

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

As stated above, Longteng, the parent company of Longte, is a manufacturer of steel billet and sells steel billet. Thus, the following answers have been provided by
**PUBLIC RECORD**

Longteng.

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

Please refer to Exhibit H-3.14(a): Raw material purchases. [CONFIDENTIAL ATTACHMENT]

b) Do you have more than one supplier of the raw materials? If so, provide an explanation of the reasons of price differences between these suppliers?

As can be seen in Exhibit H-3.14(a), there are multiple suppliers of the raw materials. Longteng purchased different raw materials from different suppliers. The purchase prices for raw materials between suppliers differ based on the commercial negotiations that took place in relation to the transaction concerned.

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

Longteng selected suppliers from the open market. Sales terms are decided by way of negotiation.

d) If any of your raw materials for the production of steel billet or grinding bar or grinding balls are imported by your business, or related businesses:

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

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

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

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

[CONFIDENTIAL TEXT DELETED – details of raw material purchases]
SECTION I - COUNTERVAILING (SUBSIDISATION)

The applicant alleges that producers in China of grinding balls have benefited from a number of subsidies granted by the Government of China (meaning any level of government – refer to the Glossary of Terms for further information), and that these subsidies are countervailable.

INVESTIGATED PROGRAMS

The following are programs that the Commission is currently investigating:

<table>
<thead>
<tr>
<th>Program Number</th>
<th>Program Name</th>
<th>Program Type</th>
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<tbody>
<tr>
<td>1</td>
<td>Raw Materials (Steel billet) Provided by the Government at Less than Fair Market Value</td>
<td>Provision of goods</td>
</tr>
<tr>
<td>2</td>
<td>Raw Materials (Electricity) Provided by the Government at Less than Fair Market Value</td>
<td>Provision of goods</td>
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<tr>
<td>3</td>
<td>Preferential Tax Policies in the Western Regions</td>
<td>Income Tax</td>
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<tr>
<td>4</td>
<td>Land Use Tax deduction</td>
<td>Income Tax</td>
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<tr>
<td>5</td>
<td>Preferential Tax Policies for High and New Technology Enterprises</td>
<td>Income Tax</td>
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<tr>
<td>6</td>
<td>Tariff and VAT Exemptions on Imported Materials and Equipment</td>
<td>Tariff &amp; VAT</td>
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<tr>
<td>7</td>
<td>One-Time Awards to Enterprises Whose Products Qualify for “Well-Known Trademarks of China” and “Famous Brands of China”</td>
<td>Grant</td>
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<td>8</td>
<td>Matching Funds for International Market Development for Small and Medium Enterprises</td>
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<td>9</td>
<td>Superstar Enterprise Grant</td>
<td>Grant</td>
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<tr>
<td>10</td>
<td>Research &amp; Development (&quot;R&amp;D&quot;) Grant</td>
<td>Grant</td>
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<td>11</td>
<td>Innovative Experimental Enterprise Grant</td>
<td>Grant</td>
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<td>12</td>
<td>Special Support Fund for Non-State Owned Enterprises</td>
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<td>13</td>
<td>Venture Investment Fund of Hi-Tech Industry</td>
<td>Grant</td>
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<td>14</td>
<td>Grants for Encouraging the Establishment of Headquarters and Regional Headquarters with Foreign Investment</td>
<td>Grant</td>
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<tr>
<td>Program Number</td>
<td>Program Name</td>
<td>Program Type</td>
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<tr>
<td>15</td>
<td>Grant for key enterprises in equipment manufacturing industry of Zhongshan</td>
<td>Grant</td>
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<tr>
<td>16</td>
<td>Water Conservancy Fund Deduction</td>
<td>Grant</td>
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<tr>
<td>17</td>
<td>Anti-Dumping Respondent assistance</td>
<td>Grant</td>
</tr>
<tr>
<td>18</td>
<td>Technology Project assistance</td>
<td>Grant</td>
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<td>19</td>
<td>Capital Injections</td>
<td>Grant</td>
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<td>20</td>
<td>Environmental Protection Grant</td>
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<tr>
<td>21</td>
<td>High and New Technology Grant</td>
<td>Grant</td>
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<td>22</td>
<td>Independent Innovation and High-Tech Industrialisation Program</td>
<td>Grant</td>
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<tr>
<td>23</td>
<td>Environmental Prize</td>
<td>Grant</td>
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<tr>
<td>24</td>
<td>Provincial emerging industry and key industry development special fund</td>
<td>Grant</td>
</tr>
<tr>
<td>25</td>
<td>Environmental Protection Fund</td>
<td>Grant</td>
</tr>
<tr>
<td>26</td>
<td>Intellectual Property licensing</td>
<td>Grant</td>
</tr>
<tr>
<td>27</td>
<td>Financial resources construction special fund</td>
<td>Grant</td>
</tr>
<tr>
<td>28</td>
<td>Reducing pollution discharging and environmental improvement assessment award</td>
<td>Grant</td>
</tr>
<tr>
<td>29</td>
<td>Comprehensive utilisation of resources – VAT refund upon collection</td>
<td>Tariff &amp; VAT</td>
</tr>
<tr>
<td>30</td>
<td>Grant of elimination of out dated capacity</td>
<td>Grant</td>
</tr>
<tr>
<td>31</td>
<td>Grant from Technology Bureau</td>
<td>Grant</td>
</tr>
</tbody>
</table>

Please answer the questions within parts I-1 to I-4 in relation to these programs.

**PART I-1 Preferential income tax programs**

1. Did your business or any company/entity related to your business receive any benefit⁴ under the following income tax programs identified above during the investigation period (1 October 2014 to 30 September 2015).

   - **Program 3: Preferential Tax Policies in the Western Regions**

   ⁴ Refer to the Glossary of Terms for a definition of benefit in this context.
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- **Program 4**: Land Use Tax Deduction

- **Program 5**: Preferential Tax Policies for High and New Technology Enterprises

No, Longte did not receive any such benefits.

- Longte is located at Changshu in Jiangsu, the east part of China, thus, Program 3 concerning preferential tax policies in the western regions is not applicable.

- Longte did not receive any land use tax deduction during the investigation period. Thus, Program 4 concerning land use tax deduction is not applicable.

- The corporate income tax rate applicable to Longte is 25%, which is consistent to the general tax rate for enterprises in China. Thus, Program 5 concerning preferential tax policies for high and new technology enterprises is not applicable.

2. It is our understanding that the general tax rate for enterprises in China from 1 July 2010 was 25%. Confirm whether this is correct and if not, please identify the general tax rate for enterprises in China from 1 July 2010, indicating any changes in the taxation rate over the period July 2010 – October 2015.

Longte confirms that the general corporate income tax rate is 25%. There were no changes to this rate over the period July 2010 - October 2015. Accordingly, please go to questions 17 and 18 below for answers to the two remaining relevant questions.

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

4. 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 I-1 above in relation to the income tax rate reduction.

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

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

6. 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).

7. Describe the application and approval procedures for obtaining a benefit.
8. Where applicable, provide copies of the application form or other documentation used to apply for the program, all attachments and all contractual agreements entered into between your business and the Government of China in relation to the program.

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

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

11. 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.

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

13. 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.

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

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

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

   If the program terminated has been substituted for by another program, identify the program and answer all the questions in Part I-1 in relation to this programme.

17. For each taxation year from 2012 to 2015, complete the "Income Tax" spreadsheet in the Exporter Questionnaire spreadsheets – grinding balls workbook.

   Please refer to Exhibit I-1.17: Income Tax. [CONFIDENTIAL ATTACHMENT]

18. Provide a copy, bearing the official stamp of the appropriate level of the Government of China of all

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

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

Please refer to Exhibit I-1.18: Income tax return.

Note: If your company did not file an income tax return in any of the tax years indicated, provide an explanation stating the reasons why you were exempt from filing such a return and the applicable section[s] of the Income Tax Act under which you were exempt from doing so.

PART I-2 Grants

It is the Commission’s understanding that the Government of China may be providing grants to enterprises in China including the following programs identified above:

- **Program 7**: One-time Awards to Enterprises Whose Products Qualify for ‘Well-Known Trademarks of China’ and ‘Famous Brands of China’

- **Program 8**: Matching Funds for International Market Development for Small and Medium Enterprises

- **Program 9**: Superstar Enterprise Grant

- **Program 10**: Research & Development (R&D) Assistance Grant

- **Program 11**: Innovative Experimental Enterprise Grant

- **Program 12**: Special Support Fund for Non State-Owned Enterprises

- **Program 13**: Venture Investment Fund of Hi-Tech Industry

- **Program 14**: Grants for Encouraging the Establishment of Headquarters and Regional Headquarters with Foreign Investment.

- **Program 15**: Grant for key enterprises in equipment manufacturing industry of Zhongshan

- **Program 16**: Water Conservancy Fund Deduction

- **Program 17**: Anti-dumping Respondent Assistance

- **Program 18**: Technology Project Assistance

- **Program 19**: Capital injections

- **Program 20**: Environmental Protection Grant
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- Program 21: High and New Technology Enterprise Grant
- Program 22: Independent Innovation and High-Tech Industrialization Program
- Program 23: Environmental Prize
- Program 24: Provincial emerging industry and key industry development special fund
- Program 25: Environmental protection fund
- Program 26: Intellectual property licensing
- Program 27: Financial resources construction special fund
- Program 28: Reducing pollution discharging and environment improvement assessment award
- Program 30: Grant of elimination of outdated capacity
- Program 31: Grant from Technology Bureau

1. Did your business or any company/entity related to your business receive any benefit under the above programs during the period 1 January 2012 to 30 September 2015?

Please refer to Exhibit I-2.1: Grants list [CONFIDENTIAL ATTACHMENT] for all the grants received for Longte and its related companies.

2. Did your business receive benefits under any other grant (including awards, prizes, funds) program during the period 1 October 2012 to 30 September 2015?

Please refer to the answer to the previous question.

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

Longte has provided details of each program in Exhibit I-2.1. It does not have complete records or knowledge of all application forms, procedures or regulations applicable to the programs concerned. Longte has gathered together such documents as it has been able to access from its corporate records.

Please refer to Exhibit I-2.2: Approval or policy documents of grants. [CONFIDENTIAL ATTACHMENT]

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

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

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

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

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

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

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

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

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

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

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

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

   If the program terminated has been substituted for by another program, identify the program and answer all the questions in Part I-1 in relation to this programme.

15. Identify the body responsible for administering the grant.

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

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

PART I-3 Tariff and VAT Exemptions on Imported Materials and Equipment

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, for example.

- **Program 6**: Tariff and VAT Exemptions on Imported Materials and Equipment
- **Program 29**: Comprehensive utilisation of resources – VAT refund upon collection

If your business or any company/entity related to your business received benefits under any such program during the period 1 January 2005 to 30 September 2015, please answer the following questions.

<table>
<thead>
<tr>
<th>Neither Longte nor its related companies received any benefits under any above programs during the period 1 January 2005 to 30 September 2015. Thus, the below questions are not applicable.</th>
</tr>
</thead>
</table>

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

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

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

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

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

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

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

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

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

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

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

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

13. Were the materials and/or equipment that were entitled to a refund of VAT used in the production of the goods during the investigation period? If yes, provide the following information:

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

14. Has your company received exemption from payment of or refunds of import duty and import VAT for imported material inputs at any time that were used in the production of the goods during the investigation period? If yes, provide the following information:

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

15. 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).

16. 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.

17. 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.

18. In addition to the import entry documents, 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.

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

PART I-4 Provision of raw material at less than adequate remuneration:

STEEL BILLET (PROGRAM 1)

The applicant claims that public bodies (in the form of state-owned or invested enterprises (SIEs)) are supplying steel billet, directly or indirectly, to manufacturers of grinding balls at less than fair value:
The term SIE is defined in the glossary of this questionnaire.

In relation to this program, provide the following information.

[CONFIDENTIAL TEXT DELETED – details of raw material purchases]
Longte’s manufacturing process originates from grinding bar and not from steel billets. Thus, this alleged program concerning the provision of steel billets at less than fair value is not applicable to Longte.

1. Did your business or any company/entity related to your business receive any benefit under the above program during the period 1 October 2014 to 30 September 2015?

2. Does your business purchase any goods/services from SIEs, e.g., raw materials, energy, water, other utilities, etc?

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


Provide this data on a transaction-by-transaction basis, for all purchases of steel billet and bar during the period 1 July 2014 to 30 September 2015. This data should be provided for all purchases, not only those of Chinese origin (i.e. include imported materials as well).

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

5. Did your business receive any reduction/reduced price for the purchase of these goods/services during the investigation period? If so, describe the eligibility criteria that your business had to meet in order to qualify for any reduction in the price paid for the goods/services.

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

7. If your business purchased imported steel billet or bar, explain the reason/s for your business’ decision to purchase imported over domestic raw materials, including the key factors affecting the decision such as price, availability etc.

ELECTRICITY (PROGRAM 2)

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

Please answer the following questions in relation to your purchases of electricity from 1 October 2014 to 30 September 2015.
1. Does your business or related business purchase electricity to manufacture grinding balls? If not, what alternative power source is used in the production of grinding balls?

Longte and Longteng purchase electricity to manufacture their respective products.

2. Provide a list, including a contact name and address, of all your suppliers of electricity, including those purchased through related businesses. Indicate whether the supplier is a SIE and provide evidence supporting this.

Longteng purchases its electricity requirements from its parent company Longteng. Longteng purchases the electricity from [CONFIDENTIAL TEXT DELETED – electricity supplier], which is an SIE utility. [CONFIDENTIAL TEXT DELETED – details of electricity cost].

The contact name and address is as below:

Contact name: [CONFIDENTIAL TEXT DELETED – electricity supplier]
Address: [CONFIDENTIAL TEXT DELETED – electricity supplier]

3. Did your business receive any reduction/reduced price for the purchase of electricity during the investigation period? If so, provide details of the reduction/reduced price and describe the eligibility criteria that your business had to meet in order to qualify for any reduction in the price paid for the electricity.

Longteng did not receive any reduction or reduced price for the purchase of electricity during the investigation period. The price paid by Longteng is the same as the price to all other industrial electricity consumers. [CONFIDENTIAL TEXT DELETED – details of electricity cost]

4. Please provide a summary of all payments your company made for electricity during the investigation period in the attached spreadsheet labelled “Electricity” and provide copies of invoices and evidence of payment for each.

Please refer to Exhibit I-4.4.1: Electricity [CONFIDENTIAL ATTACHMENT] for a summary of all payments the company made for electricity during the investigation period.

Please also refer to Exhibit I-4.4.2: Electricity purchase invoices. [CONFIDENTIAL ATTACHMENT]

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

As stated above, neither Longteng nor Longte receive any assistance or benefits from the purchase of electricity. There are no specific contractual agreements.
between Longteng and the electricity supplier.

6. It is understood that the GOC determines the price for electricity in China (refer China’s Accession to the WTO document where prices for utilities are confirmed as subject to governmental control). How does the price of electricity in your province differ to the price established by the GOC?

The company, as a common consumer, has no idea about the comparative prices of electricity or about the government’s role in the provision of utility services.

PART I-5  Any other programs

If the Government of China, any of its agencies or any other authorised body has provided any other benefit\(^5\) 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.

No benefits or assistance have been provided other than those that have been disclosed. Accordingly, the questions under this part have been addressed and are not further applicable.

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).

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 Government of China in relation to the program.

\(^5\) Refer to the Glossary of Terms for a definition of benefit in this context.
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 I-1 in relation to this programme.
SECTION J - EXPORTER'S DECLARATION

☑️ I hereby declare that Changshu Longte Grinding Ball Co., Ltd. did, during the period of investigation export the goods under consideration 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.

☐ I hereby declare that.............................................................(company) did not, during the period of investigation, export the goods under consideration and therefore have not completed the attached questionnaire.

Name: Chen Jie
Signature: [Signature]
Position in Company: Export Manager
Date: 2015.12.27
### SECTION K - CHECKLIST

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

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<tr>
<th>Section</th>
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<tr>
<td>Section A – general information</td>
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<tr>
<td>Section B – export price</td>
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<td>Section C – like goods</td>
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<td>Section D – domestic price</td>
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<td>Section E – fair comparison</td>
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<td>Section F – exports to third countries</td>
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<td>Section G – costing information</td>
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<tr>
<td>Section H – particular market situation</td>
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<tr>
<td>Section I – countervailing (subsidisation)</td>
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<td>Section J - declaration</td>
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<td>AUSTRALIAN SALES – list of sales to Australia</td>
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<tr>
<td>DOMESTIC SALES – list of all domestic sales of like goods</td>
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<td>THIRD COUNTRY – third country sales</td>
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<td>PRODUCTION – production figures</td>
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<td>DOMESTIC CTMS – costs of goods sold domestically</td>
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<td>AUSTRALIAN CTMS – costs of goods sold to Australia</td>
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<td><strong>INCOME TAX</strong></td>
<td>tax paid by your business for tax years 2011 to 2013</td>
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<td><strong>STEEL BILLET PURCHASES</strong></td>
<td>data for all steel billet or bar purchased during the investigation period</td>
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<td><strong>RAW MATERIAL PURCHASES</strong></td>
<td>data for integrated manufacturers - all raw materials purchased during the investigation</td>
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<tr>
<td><strong>ELECTRICITY</strong></td>
<td>data for all electricity purchased during the investigation period</td>
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<td><strong>VAT AND TARIFF</strong></td>
<td>data for VAT and Tariff exemptions</td>
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