**PUBLIC RECORD**

**SUMMARY OF RESPONSES TO ADC SUPPLEMENTARY EQ ON GRANTS, BENEFITS, SUBSIDY**

**PUBLIC RECORD VERSION**

**EXPORTER/PRODUCERS OF GRINDING BALLS ex CHINA, ‘YUTE’ and ‘GOLDPRO’**

<table>
<thead>
<tr>
<th>GEOGRAPHIC RELEVANCE</th>
<th>‘YUTE’ RESPONSE-PROXIMITY</th>
<th>‘GOLDPRO’ RESPONSE</th>
<th>COMMENTS</th>
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</thead>
<tbody>
<tr>
<td>WUXING</td>
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<td>1100Km far away</td>
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<td>JINZHOU</td>
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<tr>
<th>PROGRAMS</th>
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<tr>
<td>32-COKING COAL</td>
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<td>33-COKE</td>
<td>RESPONSE based on factual Knowledge</td>
<td>RESPONSE based on factual knowledge</td>
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<tr>
<td>32-Coking Coal</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>33-Coke</td>
<td></td>
<td></td>
<td></td>
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</table>

| % Production Cost    | steel rod                | Steel rod gas      |          |
|                      | natural gas              | electricity        |          |
|                      | electricity              | depreciation of equipments |          |
|                      | depreciation of equipments | labour cost |          |
|                      | labour cost              | administrative cost |          |
|                      | administrative cost      | manufacturing cost |          |
|                      | Mould cost               |                    |          |
|                      | Cost of packing          |                    |          |

Our claim is that the Commission has to be satisfied with the reasonableness of both the costs and the recording of those costs.

Comment re exporter visits-confidential

<table>
<thead>
<tr>
<th>GRANTS-abbreviated description</th>
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<th>Goldpro does not receive any grant</th>
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<tr>
<td>-Technique</td>
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<td>No 40</td>
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<tr>
<td>-Electricity</td>
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<td>% of cost to make</td>
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<td>% of cost to make</td>
<td>% of cost to make</td>
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<td>Rolling</td>
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<td>---------</td>
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<tr>
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<tr>
<td>-Equity Infusion</td>
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<td>No such transaction</td>
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<tr>
<td>-Unpaid Dividends</td>
<td>No such arrangement</td>
<td>No such arrangement</td>
<td></td>
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<tr>
<td>-Preferential Loans</td>
<td>Privately Owned</td>
<td>Commercial terms</td>
<td></td>
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<tr>
<td>SUPPLIERS of Steel Bars</td>
<td>Details provided</td>
<td>Details provided</td>
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</table>

**Comment**

For there to be any assessment of a PMS the Commission needs to have positive evidence that the prices paid by ‘YUTE’ are artificially low and we totally reject the methodology applied for engineering a constructed Normal Value using surrogate Indian billet prices from some market reference service; arbitrary adjustments for alloy costs & conversion costs; and a wish list profit margin of 10%. We intend to respond to the issues paper which we welcome. We intend to demonstrate that the Indian market for steel... *(market assessment)*

On the issue of energy supplier costs being preferential or subsidised, we make the point that even if that were the case, any evidenced subsidy would hardly be actionable given the respective % on cost to make.

Comments noted under ‘YUTE’ also apply to ‘GOLDPRO’

In regard to any injury attribution, neither ‘YUTE’ or ‘GOLDPRO’ exports cannot be ‘cumulated’ with other Chinese exports as both exporters claim that their exports have been non injurious.

What needs to be understood is that the Australian consumer sector for grinding balls needs certainty, continuity on supply, and medium to long term supply contracts that are decided by contract tenders.

For any clarification of details expressed, outlined on this summary of the two exporters responses to the supplementary questionnaires, please contact **[Representative]**

Thank you for your consideration.

Representative.

27th January 2016.
SUPPLEMENTARY EXPORTER QUESTIONNAIRE

GRINDING BALLS EXPORTED FROM THE PEOPLE’S REPUBLIC OF CHINA

Period of Investigation: 1 OCTOBER 2014 – 30 SEPTEMBER 2015
Response due by: 27 JANUARY 2016

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

CASE CONTACT

Case Manager: MR REUBEN MCGOVERN
Phone: +61 3 8539 2437
E-mail: Error! Not a valid bookmark self-reference. 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
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>TABLE OF CONTENTS</td>
<td>2</td>
</tr>
<tr>
<td>BACKGROUND AND GENERAL INSTRUCTIONS</td>
<td>3</td>
</tr>
<tr>
<td>SECTION A - NEW PROGRAMS AND RELATED QUESTIONS</td>
<td>7</td>
</tr>
<tr>
<td>Programs 32 and 33</td>
<td>7</td>
</tr>
<tr>
<td>Programs 34 to 43</td>
<td>8</td>
</tr>
<tr>
<td>Program 43: Debt for equity swaps</td>
<td>10</td>
</tr>
<tr>
<td>Program 44: Equity infusions</td>
<td>12</td>
</tr>
<tr>
<td>Program 45: Unpaid dividends</td>
<td>13</td>
</tr>
<tr>
<td>SECTION B - EXPORTER'S DECLARATION</td>
<td>16</td>
</tr>
<tr>
<td>APPENDIX 1 - GLOSSARY OF TERMS</td>
<td>17</td>
</tr>
</tbody>
</table>
1. **Background**

On 17 November 2015, following an application by Commonwealth Steel Company Pty Ltd (Moly-Cop) and Donhad Pty Ltd (Donhad), the Commissioner of the Anti-Dumping Commission (the Commissioner) initiated a dumping and countervailing investigation in respect of grinding balls exported to Australia from the People’s Republic of China (China).

The applicants alleged that the Australian industry has suffered material injury caused by grinding balls exported to Australia from China at dumped and subsidised prices.

The dumping and subsidisation investigation involves allegations that there is a situation within the domestic Chinese grinding balls market that renders sales within this market unsuitable for determining normal values under s.269TAC(1) of the *Customs Act 1901* (the Act) (i.e. that a ‘particular market situation’ exists in this market).

Anti-Dumping Notice (ADN) 2015/132 outlining the details of the investigation and the procedures to be followed during the investigation was published on 17 November 2015 on the Commission’s website at [www.adcommission.gov.au](http://www.adcommission.gov.au).

2. **Goods under consideration**

The goods under consideration (the goods) i.e. the goods exported to Australia, allegedly at dumped and subsidised prices, are:

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

The applicants provided 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.*

3. **Tariff classification**

The goods are typically classified to the following tariff subheadings in Schedule 3 of the *Customs Tariff Act 1995*:

- Tariff subheading 7325.91.00 with statistical code 26; and
- Tariff subheading 7326.11.90 with statistical code 29.

The goods exported from China prior to 20 December 2015 were subject to a 4 per cent rate of general duty. On 20 December 2015 the China Australia Free Trade Agreement came into force at which time the goods became subject to a reduced 3.3 per cent rate of duty. From 1 January 2016 the rate will reduce to 1.7 per cent, and from 1 January 2017 the goods will be free of duty.

4. **Investigation period**
The existence and amount of any dumping and subsidisation in relation to grinding balls exported to Australia from China will be determined on the basis of an investigation period of 1 October 2014 to 30 September 2015 (the investigation period).

The Commission will examine details of the Australian market from 1 July 2011 for injury analysis purposes.

5. **Why you have been asked to fill out this questionnaire?**

New information has been received from the applicants regarding the possible existence and receipt of 16 new countervailable subsidy programs not included in the 31 alleged programs the Commission originally initiated investigations into.

The Commission has reviewed this submission and is satisfied that there appear to be reasonable grounds to further investigate the additional alleged subsidy schemes. These additional schemes are listed at Section A.f

The purpose of this questionnaire is to assist the Commission to obtain necessary information to determine whether these additional subsidy programs are countervailable and have been received by exporters of the goods. Further details of the new countervailable subsidy programs can be found in a submission by Moly-Cop available on the Commission’s website as record no. 005 on the electronic public record available at www.adcommission.gov.au.

6. **What happens if you do not respond to this questionnaire?**

You do not have to complete the questionnaire. However, if you do not respond, do not provide all of the information sought, do not provide information within a reasonable time period, or do not allow the Commission to verify the information, we may deem you uncooperative. In that case, the Commission may be required to rely on information supplied by other parties (possibly information supplied by the Australian industry), and it may assess subsidy margin for your company based upon subsidies that may be the highest determined in your country during the investigation period.

It is in your interest, therefore, to provide a complete and accurate submission, capable of verification.

7. **Due date for response**

Manufacturers and exporters are requested to respond to this questionnaire and return it to the Commission within the time specified on the cover page.

The Commissioner must consider the Direction from the Minister for Industry, Innovation and Science as set out in the *Customs (Extensions of Time and Non-cooperation) Direction 2015* (the Direction). This Direction sets out the particular considerations that the Commissioner must take into account when:

- deciding whether a longer period is reasonably required or practicable under subsections 269TC(6) and 269TC(9) of the *Customs Act 1901* (the Act), or considering whether to allow any interested party a longer period to give any response;
- considering an insufficient response from an interested party;
- determining whether to have regard to a late response;
- determining whether an exporter is an uncooperative exporter;
• determining whether or not an entity is a non-cooperative entity for the purposes of section 269TAACA; and
• determining whether an entity has significantly impeded a case.

The full text of the Direction and the accompanying explanatory statement is available on the Comlaw website at www.comlaw.gov.au. This and other reforms to Australia’s anti-dumping system are explained in Anti-Dumping Notice No. 2015/129, available on the Commission’s website at www.adcommission.gov.au.

If you cannot lodge your submission by the due date please advise the investigation Case Manager as soon as possible.

8. Confidential and non-confidential submissions

You are required to lodge one confidential version (for official use only) and one non-confidential version (for public record) of your submission by the due date.

Please ensure that each page of information you provide is clearly marked either “FOR OFFICIAL USE ONLY” or “PUBLIC RECORD”.

All information provided to the Commission in confidence will be treated accordingly. The public record version of your submission will be placed on the public record.

Please note, Australia’s anti-dumping and countervailing legislation requires that to the extent that information given to the Commission is claimed to be confidential or whose publication would adversely affect a business or commercial interest, the person giving the information must ensure that a summary of that information contains sufficient detail to allow a reasonable understanding of the substance of the information, but does not breach confidentiality nor adversely affect those interests.

The legislation allows that a person is not required to provide a summary for the public record if the Commission can be satisfied that no such summary can be given that would allow a reasonable understanding of the substance of the information. However, such a summary would add considerably to an interested party’s understanding of information contained in a document.

As provided for in Australia’s anti-dumping and countervailing legislation, all submissions are required to have a bracketed explanation of deleted or blacked out information for the non-confidential version of the submission. Note that if such an explanation is not provided, the Commission may disregard the information in the submission. An example of a statement to accompany deleted/blacked out text is:

[explanation of cost allocation through the divisions].

If, for some reason, you cannot produce a non-confidential summary, please contact the investigation Case Manager.

9. Exporter’s declaration

You are required to make a declaration that the information contained in your submission is complete and correct. Alternatively, if you did not export the goods during the period of investigation, you may make a declaration to that effect.

You must return a signed declaration with your response to the questionnaire.
10. **Lodgement**

Lodgement by email is preferred. The email address for lodgement is shown on the front cover of this questionnaire. If you lodge by email, you are still required to provide a “for official use only” and “public record” version of your submission by the due date.

You may also lodge your response by mailing it to the address shown on the front cover of this questionnaire. For questions requiring a response in a Microsoft Excel spreadsheet that cannot be emailed, please provide those spread sheets on a CD-ROM or on a USB device.

11. **Further information**

Before you respond to the questionnaire you should read all the key documentation related to this application including the applicant's non-confidential submission and the Anti-Dumping Notice notifying the initiation of the investigation. These documents are available on the Commission’s website, [www.adcommission.gov.au](http://www.adcommission.gov.au)

We also advise that you read the attached glossary of terms.

If you require further assistance, or you are having difficulties completing your submission, please contact the investigation Case Manager. The Commission will need to know the reasons.
NEW PROGRAMS BEING INVESTIGATED

The following programs will be further investigated by the Commission:

<table>
<thead>
<tr>
<th>Program Number</th>
<th>Program Name</th>
<th>Program Type</th>
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<tbody>
<tr>
<td>32</td>
<td>Raw Materials (Coking coal) Provided by the Government at Less than Adequate Remuneration</td>
<td>Provision of goods</td>
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<td>33</td>
<td>Raw Materials (Coke) Provided by the Government at Less than Adequate Remuneration</td>
<td>Provision of goods</td>
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<td>34</td>
<td>Patent Award of Guangdong Province</td>
<td>Grant</td>
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<td>Wuxing District Freight Assistance</td>
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<td>Huzhou City Public Listing Grant</td>
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<td>Huzhou City Quality Award</td>
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<td>38</td>
<td>Huzhou Industry Enterprise Transformation &amp; Upgrade Development Fund</td>
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<td>39</td>
<td>Wuxing District Public List Grant</td>
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<tr>
<td>40</td>
<td>Transformation technique grant for rolling machine</td>
<td>Grant</td>
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<tr>
<td>41</td>
<td>Grant for Industrial enterprise energy management - centre construction demonstration project Year 2009</td>
<td>Grant</td>
</tr>
<tr>
<td>42</td>
<td>Key industry revitalization infrastructure spending in 2010</td>
<td>Grant</td>
</tr>
<tr>
<td>43</td>
<td>Jinzhou District Research and Development Assistance Program</td>
<td>Grant</td>
</tr>
<tr>
<td>44</td>
<td>Debt for equity swaps</td>
<td>Equity Programs</td>
</tr>
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<td>45</td>
<td>Equity infusions</td>
<td>Equity Programs</td>
</tr>
<tr>
<td>46</td>
<td>Unpaid dividends</td>
<td>Equity Programs</td>
</tr>
<tr>
<td>47</td>
<td>Preferential loans and interest rates</td>
<td>Preferential Loans</td>
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</table>

Please answer the questions below in relation to the programs listed above.

A-1 Provision of raw materials at less than adequate remuneration

Programs 32 and 33

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

In relation to these programs, provide the following information.
1. Describe the nature of your production process for grinding balls, including an itemised list of all raw materials used by your company in the process.

<table>
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<tr>
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<th>3</th>
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<tbody>
<tr>
<td>5</td>
<td>Steel bars</td>
<td>Cutting</td>
<td>forgeing</td>
</tr>
<tr>
<td>6</td>
<td>Tempering</td>
<td>packing</td>
<td></td>
</tr>
</tbody>
</table>

2. Did your business or any company/entity related to your business receive any benefit under the above programs during the period 1 July 2011 to 30 September 2015? If yes, provide details.

Confidential responses provided.

3. Does your business purchase any raw materials (e.g. coking coal or coke) in the manufacture of grinding balls?

Confidential responses provided.

Provide responses to Question 4 and Questions 5 – 7 in the tables provided on the “Raw Materials Purchases” tab on the attached “Supplementary Exporter Questionnaire – Grinding Balls”.

4. Provide data on a transaction-by-transaction basis, for all purchases of raw materials 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). In the list, please be sure to provide a contact name and address, of all your suppliers of raw materials and indicate whether the supplier is a SIE.

Confidential responses provided:

Please add more space for additional suppliers and/or 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.

Confidential responses provided.

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.

Confidential responses provided

If your business purchased imported raw materials, 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.

All materials are domestic purchased.

A-2 Grants

Programs 34 to 43

The applicants allege that the Government of China may be providing grants to enterprises in China including the following programs identified above.

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?

For each program identified answer the following:

Confidential responses provided

1. Provide complete details involving the amount of the grant received, including whether the grant was received in a lump sum or multiple instalments.
2. 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).

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

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

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

7. 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.

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

9. 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.

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

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

12. 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 A-1 in relation to this programme.

13. Identify the body responsible for administering the grant.

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

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

PART A-3    EQUITY PROGRAMS
The Commission understands that the Government of China may be providing assistance in the form of equity programs that may constitute countervailable subsidies for Chinese suppliers of grinding balls. These programs are:

**Program 43: Debt for equity swaps**

According to the applicant, the debt for equity swap was a measure used in the financial restructuring of China’s State-owned steelmakers to State-owned commercial banks (SOCBs). Pursuant to the *Regulations on Financial Asset Management Companies (promulgated by decree on 20 November 2000)*, the State Council established four Asset Management Companies (AMCs) that were directed to purchase certain non-performing loans from SOCBs. The four AMCs were supervised and managed by the People’s Bank of China, China’s Ministry of Finance and the China Securities Regulatory Commission. One of the authorised business activities available for the management of non-performing loans purchased by the AMCs was the debt for equity swap. A debt for equity swap is a transaction in which a creditor, in this case an AMC, forgives some or all of a company’s debt in exchange for equity in the company.

Confidential responses provided.

Provide complete replies to the following questions with regard to debt-for-equity transactions concerning your company and any other related company from 1 July 2005 to 30 September 2015.

1. Describe in detail each transaction with all the steps leading to the debt cancellation in exchange for equity, including the role of all of the government and non-government entities involved in each transaction (e.g. AMCs, SOCBs, steel companies).

Provide answers to Questions 2 – 14 and Question 16 in the tab labelled “Debt-to-equity” in the attached file named “Supplementary Exporter Questionnaire – grinding balls”.

2. On a loan by loan basis, provide the following:
   a. The amount of the outstanding loans due by your company directly or indirectly to the GOC or to SOCBs cancelled and swapped for equity,
   b. the terms of the loans and the interest due on the loan,
   c. the duration and maturity of the loan,
   d. the amount of late interest payments or other arrears on the loan, and
   e. the amount of the interest saved.
   f. the amount of equity received in exchange by the GOC directly or through controlled corporations such as the AMCs,
   g. the number of shares issued,
   h. a description of the shares (e.g. common shares, preferred shares),
   i. the nominal value of the shares,
   j. the company’s debt-to-equity ratio before and after the swap, and
   k. the dates of the transactions.

Also, provide the following information for each “swapped” debt:

3. How did your company determine the amount of equity to be issued and the per share price to be paid?

4. Explain how the transaction was reflected in the financial statements and provide underlying evidence.
5. The source of funds to finance these transactions, including the percentage of public vs. private sources.

6. How the proceeds from the debt-for-equity swap were used by your company.

7. Provide the relevant original loan contracts between the steel company and the GOC or SOCBs and any contracts, legal documents, and other relevant correspondence containing details on the debt for equity transaction.

8. Provide documentation relevant to the decision concerning each debt for equity transaction, including in particular all the documents detailing the rationale for the transaction and the underlying financial details, e.g. the relevant rate of return sought by the lender and/or shareholders, the projections of sales and earnings relating to the company operations prior to the debt for equity conversion, etc.

9. Provide internal company documents relating to the debt-for-equity transactions, such as Board of Directors’ approval decisions and minutes, Board of Supervisors’ approval decisions and minutes, Shareholders’ meetings approval decisions and minutes etc.

10. Provide documentation relevant to the decision as to the source of funds to finance your operations, e.g., debt vs. equity financing and private vs. government sources.

11. Explain in detail how was the amount of equity to be issued in exchange for debt determined and the per share price to be paid. If the shares involved in the swap were publicly traded, please provide the relevant prices at the moment of the transaction.

12. Explain the expected commercial rate of return on equity sought by the government and its calculation and provide any study and analysis carried out by independent parties on this issue.

13. Provide a list of all equity investments made by private (i.e. non-government) entities contemporaneous with the government’s investment or debt-to-equity swap, if any. Please provide the dates, the numbers of shares, the amount paid per share for each purchase, and a description of the rights and preferences of the equity interests received by these private entities and how these differ from the rights and preferences of the equity interests received or held by the government.

14. Provide a list of any attempt made by your company to obtain private equity investment and/or agreements involving private equity investments which were then not finalised for whatever reasons. Describe the circumstances of these attempts and/or agreements, and the reasons they were not achieved.

15. Please provide complete, translated audited financial statements for the year of each government equity investment for each of the government entities involved in the transactions, including SOCBs and AMCs. The financial statements should include the complete set of statements, e.g., income statement, balance sheet, statement of change in equity footnotes, and must be accompanied by the auditors’ opinion.

16. Please calculate the following financial ratios for your company for each year in which an equity investment was received and for the preceding three years: current ratio, quick ratio, gross profit, operating profits, net profits, return on equity, debt-to-equity, debt-to-assets, interest/debt coverage, and cash flow to debt.
Program 44: Equity infusions

The applicant alleges that the GOC has provided over the years substantial amounts of cash to steel companies producing/exporting the product under investigation through equity infusions. According to the applicant, the GOC acquired shares in companies in which it was already the main shareholder without acquiring additional shareholder rights.

With regard to equity infusions into your company involving directly or indirectly the GOC and/or SOCBs and/or SOEs, please provide the following information since 2005 until 30 September 2015.

Confidential responses provided

Please provide answers to the following questions in the attachment named “Supplementary Exporter Questionnaire – Grinding Balls” on the tab labelled “Equity infusions”.

1. For Government Equity infusions, please provide the following information regarding the share issue for the equity infusion:
   (a) the consideration paid,
   (b) the amount of equity received by the GOC,
   (c) the name of the GoC entity receiving the shares (can be directly or through controlled corporations),
   (d) the number of shares issued,
   (e) a description of the shares (e.g. common shares, preferred shares), and
   (f) and the date of each transaction.

2. Provide all documentation relevant to your decision concerning each equity infusion, including documents detailing the rationale for the transactions and all of the underlying financial details, e.g. the relevant rate of return sought by the investor(s), projections of sales and earnings relating to the company operations prior to the equity infusion, etc.

3. Provide details of:
   (a) How did your company determined the amount of equity to be issued and the per share price to be paid?
   (b) How the transaction was reflected in the financial statements and provide underlying evidence?
   (c) The source of funds to finance these transactions, including the percentage of public vs. private sources.
   (d) How the proceeds from the share issued were used by your company?
   (e) If the shares of the company involved were publicly traded, what was the relevant price at the moment of the equity infusion?
   (f) What was the expected commercial rate of return on equity sought by the government entity?
   (g) How did it calculate its expected rate of return? Provide any study and analysis carried out by independent parties.

4. For equity investments made by Government, provide details of private (i.e. non-Government entities) equity investments made contemporaneously with the Government’s equity infusion, including:
   (a) the dates,
   (b) the numbers of shares,
   (c) the amount paid per share for each purchase,
   (d) a description of the rights and preferences of the equity interests received by these private entities,
(e) how these differ from the rights and preferences of the equity interests received or held by the government, and
(f) a description of the circumstances and of any agreements related to these private equity purchases including the role played by the government or entities controlled or owned by the government in the negotiation and/or fulfilling of said agreements.

Agreements, notes, or other information related to these purchases should be provided.

5. Provide a list of any attempt made by your company to obtain private equity investment and/or agreements involving private equity investments which were then not finalised for whatever reasons. Describe the circumstances of these attempts and/or agreements, and the reasons they were not achieved.

6. Please calculate the following financial ratios for your company for each year in which an equity investment was received and for the preceding three years: current ratio, quick ratio, gross profit, operating profits, net profits, return on equity, debt-to-equity, debt-to-assets, interest/debt coverage, and cash flow to debt.

Program 45: Unpaid dividends

The Commission understands that according to GOC policy, state-owned enterprises including the steel companies producing/exporting the goods under consideration do not have to pay dividends to the government as their owner, even when they earn profits. The applicant claims that unpaid dividends should be considered as a disguised grant or as revenue forgone because the GOC does not collect dividends that are normally paid to private investors on their shares.

Confidential responses provided.

Please provide the following information:

1. The relevant provisions on distribution of dividends contained in the legislation, in administrative documents, and in any other official documents.

2. The practice and policy on dividend distributions contained in your company documents, including the by-laws, resolutions of the shareholders or the board of directors, minutes of the meeting, shareholders' agreements etc.

For the following questions, please answer the questions in the “Unpaid dividends” tabs of the workbook “Supplementary Exporter Questionnaire – Grinding Balls”.

3. A list of all dividend distributions to Government entities effected by your company during the investigation period and for the years 2011, 2012, 2013 2014 and 2015, detailing:
   a) the description of the dividend transactions,
   b) the date of the dividend transactions
   c) a description of the various categories of shares involved (e.g. common shares, preference shares, special classes of shares etc.)
   d) the specific rights attached to the shares,
   e) the amount distributed as dividends per each category of share,
   f) the per-share dividend paid out for each category of share,
   g) the number and class of shares held by the government,
   h) the percentage of profits distributed per each class of share to the GOC, and
   i) any taxes paid or payable on these dividend distributions.
4. Provide a copy of the relevant resolutions adopted by the shareholders' meeting or the board of directors deliberating the relevant dividend distribution.

5. A list of any dividend distributions effected by your company to private shareholders during the investigation period and for the years 2011, 2012, 2013, 2014 and 2015, detailing:
   a) the amounts distributed as dividends,
   b) the number of shares held by private investors,
   c) a description of the shares and of their attached rights (e.g. common shares, preferred shares) giving rise to the dividend distributions,
   d) the percentage of profits distributed per each class of share to the private investors, and
   e) the dividend per share distributed per each class of share.

6. What was the amount of profits available for dividend distribution by your company for the years 2011, 2012, 2013, 2014 and 2015?

7. What was the amount of retained earnings since the year 2005 available for distribution to shareholders of the different classes of shares?

8. A list of investments in fixed assets affected since the year 2005 financed out of retained earnings or other profits otherwise available for distribution to shareholders in previous years used to finance these investments. (Please format as necessary).

9. All internal company documents relevant to your decision as to the source of funds to finance your operations, e.g., debt vs. equity financing and private vs. government sources.

10. A detailed description of the accounting treatment and the company policy concerning dividend distributions, retained earnings, and use of the proceeds otherwise available for dividend distribution. Please attach relevant underlying financial statements and records and other relevant evidence.

PART A-4 PREFERENTIAL LOANS AND INTEREST RATES

It is our understanding that certain enterprises in China benefit from low (subsidised) interest rates from state owned commercial banks (SOCB) and government banks in accordance with the GOC policy to support and develop the expansion of the Chinese steel industry. 

Confidential responses provided

If your business or any company/entity related to your business received benefits under any such program during the period 1 July 2010 to 30 September 2015, please answer the following questions.

1. Provide a general overview of how your company secures necessary financial resources on the financial market (e.g. Loans, issuance of bonds etc.)

Provide answers to the following questions in "Loans" tab of the “Supplementary Exporter Questionnaire – Grinding Balls” workbook attached.

2. Provide a list of all the loans provided to your company from banks and financial institutions which have not been fully reimbursed by the end of the investigation period.
   Confidential responses provided.
3. Provide specific details of the loan, including the start date of the loan, the principal amount of the loan, terms and conditions of the loan, purpose of the loan, the repayment terms/frequency, repayment amount, interest rate, interest type (e.g. fixed, variable etc), if the loan has been redrawn any time during its duration, please provide the redraw date, amount redrawn and the reason for redraw.

4. Indicate whether each bank is Chinese or foreign-owned and give the percentage of government ownership of each bank (including ownership by entities owned or controlled by a government).

5. In the case of each loan from government-owned or controlled, please explain the reason for borrowing from such a bank rather than a commercial bank. What are the differences in the terms and conditions of loans between the government and commercial banks?

6. Explain how the decisions to grant the loan or its conditions are dependent on the purpose of the loan and give details on the process your company went through to apply for the loan. Please provide detail on what conditions or criteria your company needed to fulfil to be granted the loan.

7. For each of the loans listed, provide copies of signed loan agreements between the bank which provided the loan and company which was the addressee of the loan specifying the conditions of the loan such as amount, term of repayment, interest rate etc. Also provide a copy of your application for the loan.

Note: If your company has more than one loan from the same bank/financial institution which were not repaid by the end of the investigation period and the loan agreements for these loans are standardised, it is sufficient at this stage to provide an English translation for one of them only (e.g. If your company has multiple loans from one particular bank which only differ in amounts you only need to translate one of them into English for your questionnaire response. However it is necessary to translate all credit line agreements from which loans not repaid by the end of the investigation period were drawn.

8. Please explain whether the granting of the specific loan depended on the link between the purpose of the loan and the goals specified in any government plan or development program. Provide a copy of the laws, regulations, administrative guidelines and any other acts relevant for the operation of this lending with any subsequent amendments. Also include a copy of any governmental or development plan of which the scheme represents a direct implementation.

9. For each loan application, please explain the involvement of third parties such as government departments, local councils, party committees in the whole process since the application for the loan up to the decision whether the loan is granted or not.

10. In the “Loans” spreadsheet, provide the information requested on guarantees for the loans provided to your company.

11. Please give details of all loan applications during the investigation period which were refused; give the name of the bank, the amount of the loan requested and the reasons for refusal.

12. Provide any other information you may deem necessary for the commission to make an assessment on the subsidisation of producers/exporters of the product under investigation. You may adjust the table in the “Loans” tab as necessary to include this additional information.
SECTION B - EXPORTER'S DECLARATION

☐ I hereby declare that.............................................................(company) 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 :..........................................................
Signature :.............................................................................
Position in Company :..... ..........
Date :......Jan. 12, 2016..................................................
APPENDIX 1 - GLOSSARY OF TERMS

This glossary is intended to provide you with a basic understanding of technical terms that appear in the questionnaire.

Associated Companies

Persons shall be deemed to be associates of each other if, and only if:

(a) both being natural persons:
   (i) they are connected by a blood relationship or by marriage or by adoption; or
   (ii) one of them is an officer or director of a body corporate controlled, directly or indirectly, by the other;

(b) both being bodies corporate:
   (i) both of them are controlled, directly or indirectly, by a third person (whether or not a body corporate); or
   (ii) both of them together control, directly or indirectly, a third body corporate; or
   (iii) the same person (whether or not a body corporate) is in a position to cast, or control the casting of, 5% or more of the maximum number of votes that might be cast at a general meeting of each of them; or

(c) one of them, being a body corporate, is, directly or indirectly, controlled by the other (whether or not a body corporate); or

(d) one of them, being a natural person, is an employee, officer or director of the other (whether or not a body corporate); or

(e) they are members of the same partnership.

Benefit

As further defined in relation to the definition of the term ‘subsidy’ below, ‘benefit’ may include:

- a direct transfer of funds;
- the acceptance of liabilities (e.g. debts or other liabilities), whether actual or potential, of your enterprise;
- the forgoing, or non-collection, of revenue (other than an allowable exemption or remission) that was otherwise due (e.g. reduced rate of income tax, waiving certain other taxes);
- the provision of goods or services otherwise than in the course of providing normal infrastructure; or
- the purchase of goods
by the Government of China (GOC) (at any level), a public body of the GOC, or a private body entrusted by the GOC to carry out GOC functions.

**Foreign Invested Enterprise (FIE)**

An FIE may be:

1. **Chinese-foreign equity joint venture:**

   Joint venture between a Chinese company, enterprise, or other business organisation and a foreign company, enterprise, business organisation or individual set up in the form of a Chinese limited liability company.

   The characteristics of a Chinese-foreign equity joint venture are joint investment, joint operation, and the participants share profits, risks and losses in proportion to their respective contributions to the registered capital of the joint venture.

   The proportion of the investment by the foreign party is no less than 25% in the registered capital of equity joint venture.

2. **Chinese-foreign contractual joint venture:**

   A joint venture established between foreign enterprises and other economic organisations or individuals, and Chinese enterprises or other economic organisations within the territory of China. The rights and obligations of each party are determined in accordance with the agreement specified in the contractual joint venture contract. The investment or conditions for cooperation contributed by the Chinese and foreign parties may be provided in cash or in kind, or may include the right to the use of land, industrial property rights, non-patent technology or other property rights.

3. **Wholly foreign owned enterprises:**

   A wholly foreign owned enterprise is established by foreign enterprises and other economic organisations or by individuals pursuant to the Chinese laws within the territory of China. All of the wholly foreign owned enterprise’s capital is invested by foreign investors. It may also be referred to as a Foreign Enterprise (FE).

**Goods under consideration (the goods)**

The goods to which the application for anti-dumping action relates. That is, the goods that you have exported to Australia allegedly at dumped or subsidised prices.

**Investigation period**

A period defined by the Commission over which importations of the goods are examined.
Like goods

Like goods are goods sold on the domestic market of the country of export (or to a third country) that are identical in all respects to the goods under consideration or that, although not alike in all respects have characteristics closely resembling those of the goods under consideration. The term ‘like goods’ also refers to the goods produced by the Australian industry allegedly being injured by dumped imports.

Program(s)

The term “program”, as used throughout this questionnaire in reference to alleged subsidies, refers to broad categories of subsidies that the Commission has reason to believe may be available to exporters of the goods.

In this regard, the term “program” as used in this questionnaire should not be taken to necessarily refer to formal programs maintained by the GOC, nor should it be taken to refer to one specific subsidy. Rather, “program” as used in this questionnaire can refer to informal subsidies provided by the GOC, and can also refer to multiple individual, albeit similar, subsidies.

State-owned or state-invested enterprise (SIE)

For the purposes of this questionnaire, SOE refers to any company or enterprise that is wholly or partially owned by the GOC as defined above (either through direct ownership or through association).

In previous investigations and correspondence, the GOC has advised that the use of the term ‘SOE’ is declining in China, and that these enterprises are now referred to with terms such as:

- ‘enterprises with state investment’
- ‘state-owned assets’
- ‘state-invested enterprises’
- ‘enterprises under the supervision of SASAC’

of which there are several types.

For the purposes of this questionnaire, SOE refers to any and all of the above types of enterprises.

Subsidy

In respect of goods exported to Australia, means:

(a) a financial contribution:

(i) by a government of the country of export or country of origin of the goods; or
(ii) by a public body of that country or a public body of which that government is a member; or

(iii) by a private body entrusted or directed by that government or public body to carry out a governmental function;

that involves:

(iv) a direct transfer of funds from that government or body; or

(v) the acceptance of liabilities, whether actual or potential, by that government or body; or

(vi) the forgoing, or non-collection, of revenue (other than an allowable exemption or remission) due to that government or body; or

(vii) the provision by that government or body of goods or services otherwise than in the course of providing normal infrastructure; or

(viii) the purchase by that government or body of goods or services; or

(b) any form of income or price support as referred to in Article XVI of the General Agreement on Tariffs and Trade 1994 that is received from such a government or body;

if that financial contribution or income or price support confers a benefit (whether directly or indirectly) in relation to the goods exported to Australia.