



Received on 27 August 2015
Exporter Questionnaire

Product: Steel Reinforcing Bar

From: The People's Republic of China

Period of Investigation: 1 July 2014 to 30 June 2015

Response due by: 20 August 2015

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

Return completed questionnaire to: Anti-Dumping Commission
GPO Box 1632
Melbourne VIC 3001
AUSTRALIA

Attention: Director Operations 4

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: **Hunan Valin Xiangtan Iron&Steel Co., Ltd**

Name: **Wang Libo**

Position in the company: **Deputy Minister of Legal Affairs**

Address: **Yuetang District, Xiangtan City, Hunan Province, China**

Telephone: **0086-13907326302**

Facsimile number: **0086-731-58654502**

E-mail address of contact person: **wanglb668@126.com**

Factory: **Same contact person as Head Office**

Address: **Yuetang District, Xiangtan City, Hunan Province, China**

Telephone: **0086-13907326302**

Facsimile number: **0086-731-58654502**

E-mail address of contact person: **wanglb668@126.com**

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

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

Name: **Jun ZHANG**

Dowway & Partners Law Firm

Address: **Room 601, Scitech Tower, No. 22 Jianguomenwai Avenue,
Beijing, PRC, 100004**

Telephone: **(86 10) 6514 2061**

Facsimile/Telex number: **(86 10) 6512 5216**

E-mail address of contact person: **zhangjun@dowway.com.cn**

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.

Response: The legal name of our company is Hunan Valin Xiangtan Iron & Steel Co., Ltd (hereinafter referred as “Valin”), a limited liability company. Please refer to Exhibit 1: Business License of Valin.

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, 5per cent or more of the maximum amount of votes that could be cast at a general meeting of your company).

Response: Valin is owned by [Parent company] and [Parent company]. [Parent company] holds [Percentage]% of shares in Valin, and [Parent company] holds [Percentage]% of shares in Valin.

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

Response: As answer to above question 2, Valin is owned by [Parent company] and [Parent company].

[Parent company] is a listed company, and its controlling shareholder is [Parent company]. Please refer to Exhibit 2: Top Ten Shareholders List of [Parent company].

[Parent company] is owned by [Parent company’s Parent company] and [Parent company’s Parent company]. [Parent company’s Parent company] holds [Percentage] % of [Parent company]’s shares, and [Parent company’s Parent company] holds [Percentage]% of Valin Group’s shares.

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

Response: [Parent company] is the parent company of Valin. [Parent company]’s controlling shareholder is [Parent company]. For [Parent company]’s shareholders, please refer to the answers to above question 3.

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

Response: please refer to Exhibit 3: Affiliated Companies for Valin.

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

Response: There is no management fees/corporate allocations charged to our business by parent or related companies.

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

Response: Valin is a producer of various steel products including the goods under consideration (GUC). Valin sells its products in domestic and overseas markets by itself.

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.

Response: Not applicable, Valin performs all of the above functions in relation to the GUC.

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

Response: Please refer to **Exhibit 4: Internal Organization Chart**.

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

Response: Please refer to **Exhibit 5: Annual Reports and Financial Statements**; and **Exhibit 6: Brochure** as required.

A-4 General accounting/administration information

1. Indicate your accounting period.

Response: The accounting period is from January 1 to December 31.

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

Response: The financial records of Valin are held at the company's address.

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.

Response: Please refer to **Exhibit 5: Audited Financial Statements for Year 2013 and 2014 and the subsequent financial statements and Exhibit 7: Chart of Accounts.**

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.

Response: Not applicable.

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

Response: Not applicable, because Valin follows the generally accepted accounting principles in China.

6. Describe:

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

- the method of valuation for raw material, work-in-process, and finished goods inventories (eg last in first out –LIFO, first in first out- FIFO, weighted average);
- costing methods, including the method (eg by tonnes, units, revenue, direct costs etc) of allocating costs shared with other goods or processes (such as front office cost, infrastructure cost etc);
- valuation methods for damaged or sub-standard goods generated at the various stages of production;
- valuation methods for scrap, by products, or joint products;
- valuation and revaluation methods for fixed assets;
- average useful life for each class of production equipment and depreciation method and rate used for each;
- treatment of foreign exchange gains and losses arising from transactions;
- treatment of foreign exchange gains/losses arising from the translation of balance sheet items;
- inclusion of general expenses and/or interest;

- provisions for bad or doubtful debts;
- expenses for idle equipment and/or plant shut-downs;
- costs of plant closure;
- restructuring costs;
- by-products and scrap materials resulting from your company's production process; and
- effects of inflation on financial statement information.

Response: Please refer to the accounting policy in the Audited Financial Statements as provided in Exhibit 5 above.

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.

Response: There has been no material change to accounting policies in recent years.

A-5 Income statement

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

Prepare this information on a spread sheet named "**Income statement**".

Response: Please refer to Exhibit 8: Income Statement.

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.

A-6 Sales

State your company's net turnover (after returns and all discounts), and free of duties and taxes. Use the currency in which your accounts are kept, in the following format:

Prepare this information in a spreadsheet named "TURNOVER".

Response: Please refer to **Exhibit 9: Turnover.**

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.

SECTION B

SALES TO AUSTRALIA (EXPORT PRICE)

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

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

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

the sale date is not the invoice date (see 'date of sale' column in question B4 below) and;

an alternative date should be used when comparing export and domestic prices

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

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

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

Response: Please refer to **Exhibit 10: Australian Customer.**

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.

Response: In light of sales term adopted by Valin and its Australian customer, i.e. [Sales term], for the exportation of GUC during the period of investigation (POI), Valin completes the delivery of the goods at the [description for the delivery of the goods], and the Australian customer will receive the goods at the port of entry in Australia.

- (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.

Response: There are only seller and buyer in the transactions, please refer to the answer above for the distribution chain and the functions of each party. There is no commission other than the transportation, involved in the delivery of goods from Valin to its Australian customer.

- (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.

Response: The party who holds the original bill of lading possesses the ownership of the goods. There are no DDP sales for Australian sales.

- (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).

Response: No agency or distributor agreements exist.

- (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.

Response: Valin generally negotiates sales terms with Australia customer by e-mails. The specific product type for sale, quantity and unit price are discussed in the e-mails and confirmed in the sales contract along with the delivery terms. Then, Valin arranges the production of goods according to the sales contract. After goods prepared, Valin delivers goods and issues commercial invoice to Australia customer, and then the Australian customer makes the payment according to the value of commercial invoice issued by Valin.

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

Response: Valin is not related to its Australian customer.

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

Response: There are no such forward orders of GUC.

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

Response: No, since Valin has [number] Australian customer of GUC, the export selling price did not vary according to the distribution channel.

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

Response: Please refer to Exhibit 11: Australian sales.

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

Response: There is no other costs or charges incurred in the exportation of GUC by Valin to the Australian customer during the POI, other than those have been reported and identified in the “Australian Sales’ spreadsheet.

- B-6** For each type of discount, rebate, allowance offered on export sales to Australia:
- provide a description; and
 - explain the terms and conditions that must be met by the importer to obtain the discount.

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

Response: There are no discount, rebate, allowance offered on export sales to Australia.

- 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.

Response: Not applicable.

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

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

Response: Not applicable.

- 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;
- Applicable test certificates and production reports.
- 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.

Response: Please refer to **Exhibit 12:** Australian Sales Documents.

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.

Response: Valin assigns product code for each type of products they produced, and the work of accounting and costing system of the company are all based on the product system. Since Australia is relatively a new market of GUC to the company, Valin made only [number] exports of goods in [number] types, i.e., the rebar with the product codes of [number] to Australian market during the POI. Valin provides at Exhibit 13 the list of GUC exported to Australia during the POI.

For product [number], all such type of GUC that Valin exported to Australia during the POI are steel reinforcing bar with [number] mm diameter, by using [number] type of steel, and deformed with [deformation] on the surface of the product in [shape] shape, by the [status] production method and standard, of the [status] Strength Grade, Ductility, and [alloy] as one of the Alloy contents.

For products [number], all such type of GUC that Valin exported to Australia during the POI are steel reinforcing bar with [number] mm diameter, by using [number] type of steel, and deformed with [deformation] on the surface of the product in [shape] shape, by the [status] production method and standard, of the [status] Strength Grade, Ductility, and Alloy contents, while with differences in length of [number] m and [number] m.

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).

Response: Please refer to the response to the above question.

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

| EXPORTED TYPE | DOMESTIC TYPE | IDENTICAL? | DIFFERENCES |
|---|---|---|---|
| Product code of each model of the goods exported to Australia | Product code of comparable model sold on the domestic market of the country of export | If goods are identical indicate “YES”. Otherwise “NO” | Where the good exported to Australia is not identical to the like goods, describe the specification differences. If it is impractical to detail specification differences in this table refer to documents which outline differences For instance, differences in production methods |

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| | | | |
|--|--|--|---|
| | | | (e.g. water-quenched vs micro-alloyed) to achieve mechanical properties for export vs domestic sales must be noted. |
|--|--|--|---|

Response: Valin assigns product code for each type of products they produced, and the work of accounting and costing system of the company are all based on the product system. Please refer at the Exhibit 13 the list of steel reinforcing bars produced during the POI, with the factors identifying the differences among the rebar products. Based on the factors of the physical characteristics of the product listed at Exhibit 13, we selected the identical or the most resembling rebar as the like goods for each type of GUC exported by Valin to Australia during the POI.

As indicated in the aforesaid list, the goods under product code of [number] sold by Valin in the domestic market are [status] to product [number] that exported to Australia, [content of alloy]. However, the cost of [Alloy] just takes [status] percentage in the production cost of the GUC, and as consequence, it does not [status] difference in the cost to make and sales (CTMS) for the product [number] between its sales in domestic market or sales to Australia.

Additionally, due to the [status] cost difference between the [number] sold in the domestic market and that exported to Australia, Valin [Designation of the product codes to products domestically sold and exported to Australia]. Therefore, Valin takes the goods under same product code of [number] that sold in the domestic market as the identical product to the [number] of GUC exported to Australia and categorizes them as model of [Model].

For the products of [number] that exported to Australia during the POI, their input steel code is [number]. when we checked the domestic products, we found that Valin did not produce any type of steel reinforcing bar of [number] steel for the domestic market, but had production of the type of rebar of [number] steel, which has the same [number] mm diameter, deformed with [deformation] on the surface of the product in [shape] shape in length [Length], and by the [status] production method, i.e. the rebar under product codes of [number] for domestic market.

Please note, however, the difference in the steel type between [number] and [number] is resulted from the different alloy contents between the products, i.e. mainly the [Alloy]. As indicated in the CTMS table for [number] and [number] provided at Exhibit 21 and 22 in the following response, the alloy difference takes around [percentage] of the total cost difference between the goods under [number] and [number] during the same period.

Notwithstanding, it did not leads to any significant difference in the cost of these products, because, as indicated in the product list at Exhibit 13, although the [number] steel of which the [number] produced has relatively higher [Alloy] alloy content than the [number] of [number] steel, the [Alloy] alloy content of [number] is lower than that of [number] steel. As indicated in the CTMS calculation table for [number] and [number], the total cost difference between the [number] and [number] is less than [Percentage] during the POI.

Therefore, Valin selects the goods under product code of [number] that sold in the domestic market as the most resembling product to the [number] of GUC exported to Australia and categorizes them as model of [Model], and the goods under product code of [number] that sold in the domestic market as the most resembling product to the [number] of GUC exported to Australia and categorizes them as model of [Model].

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.

Response: Please refer the product brochure for the GUC produced by Valin during the POI at **Exhibit 6**.

SECTION D DOMESTIC SALES

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

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

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

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

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

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

D-1 Provide:

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

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

Response: Valin did not use any distributor or selling agent for its domestic sales, rather all of the domestic sales are made by Valin itself directly to the customers.

Please refer to the **Exhibit 14** for the customers associated with Valin and the description for the association. The association has no effect upon the price.

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

Response: Valin did not distinguish the nature of the customer, including trading company, end users, etc. for the purpose of product pricing, therefore, domestic selling prices did not vary according to the nature of the customers or distribution channels.

- 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;
 - whether the invoice price is based on theoretical or actual weight ;and
 - whether price includes the cost of delivery to customer.

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

Response: In general, Valin will take several key factors, such as the historical price of the raw materials, cost of goods, operating expenses, market demand and competition status, etc., into account when setting price for its products, and the selling price will be finally determined through negotiation between Valin and its customers.

By reaching an agreement on the price, quantity and date of delivery for the goods, the customer will place a purchase order to Valin and prepaid the purchase, and then, Valin will arrange the production accordingly.

When the goods were taken out from the warehouse for shipment, Valin will issue invoice for the sales and confirm the corresponding value of income in its accounting system, and finally balance the prepayment made by the customer. All sales in domestic market are made on the term of [sales term] (“[sales term]”) on actual weight basis, and thus the price of the goods did not include any delivery cost.

- D-4** Complete the attached spreadsheet named “domestic sales” listing all sales of like goods made during the investigation period. Include all of the following information.

Response: Valin submits at Exhibit 15 the domestic sales list for the GUC during the POI.

- 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.

Response: Not applicable.

- 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.

Response: Not applicable.

- D-7** Select two domestic sales, in different quarters of the investigation period, that are at the same level of trade as the export sales. Provide a complete set of documentation for those two sales. (Include, for example, purchase order, order acceptance, commercial invoice, *Steel reinforcing bar – China – 30 June 2015*

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.

Response: Valin submits at Exhibit 16 the sales documentation as required.

SECTION E FAIR COMPARISON

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

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

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

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

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

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

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

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

E-1 Costs associated with export sales

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

1. Transportation

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

Response: Valin uses a forwarder company to arrange the inland transportation and handle customs declaration for the Australian exportation of GUC during the POI, and as consequence, paid the inland transportation fees along with the handling and other fees to the forwarder. The amount reported in the inland transportation column of the Australian sales list is the actual value paid by Valin to the forwarder, including transportation fees and handling and other fees, both of which is booked under the sales expenses account in Valin’s financial system. Please refer to the sales documentations in Exhibit 12 provided by Valin for the proof of payment for transportation fees and handling and other fees.

2. Handling, loading and ancillary expenses

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

The various export related ancillary costs are identified in the table at question B4, for example:

- terminal handling;
- wharfage and other port charges;
- container taxes;
- document fees and customs brokers fees;
- clearance fees;
- bank charges, letter of credit fees
- other ancillary charges.

Response: Please refer the response to the above question.

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.

Response: Valin considers the overall average interest rates of the short term loan in foreign currency outstanding during the POI is the required applicable interest rates and provides that at Exhibit 17.

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**’.

Response: Not applicable, there is no difference in the packing method for export product from the sales on the domestic 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.

Response: Not applicable, because no commission is incurred in relation to the export sales of GUC 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.

Response: Not applicable, because no warranties, guarantees, and after sales services charges is incurred in relation to the export sales of GUC to Australia.

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.

Response: Not applicable.

8. Currency conversions

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

Response: Not applicable.

E-2 Costs associated with domestic sales

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

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

1. Physical characteristics

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

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

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

Response: Please refer to the response to the question C-3.

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.

Response: According to the VAT regulation of china, all the exportation is exempted from export VAT, and thus the VAT included in the purchase value of raw materials should be refund to the company. The applicable VAT rate for the GUC is 17%, while the VAT refund rate for the GUC in coil is 9%, and that for GUC in straight is 13%.

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.

Response: Not applicable, both the exports and domestic sales are made at the same trade level.

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

1. Calculate an accounts receivable turnover ratio

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

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

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

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

2. Calculate the average credit period

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

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

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

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.

Response: Not applicable, because the domestic sales are always made on prepayment or payment against delivery basis, thus Valin did not provide any extending credit on domestic sales.

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.

Response: Not applicable, because all domestic sales of GUC are made on [sales term] basis, the price of the goods did not includes any transportation fees.

6. Handling, loading and ancillary expenses

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

Response: Not applicable, because all of domestic sales are made on [sales term] basis, the price of the goods did not includes any handling and other fees.

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**”.

Response: Not applicable, because there is no packing difference between the domestic and exportation sales.

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.

Response: Not applicable, because Valin neither use any commission agent in domestic sales nor for exportation.

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.

Response: Not applicable, because no such expenses involved in the domestic sales.

10. Other factors

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

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

Response: Not applicable, because no such expenses involved in the domestic sales.

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.

Response: Not applicable.

SECTION F

EXPORT SALES TO COUNTRIES OTHER THAN AUSTRALIA (THIRD COUNTRY SALES)

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

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

F-1 Third country sales data

Complete the ‘Third country’ spreadsheet attached. This data should be provided on a summary basis. The below table provides some explanation of the data requested.

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

Supply this information in spreadsheet file named “Third country”

Response: Not applicable, because Valin did not make any third country exportation of GUC during the POI.

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

Response: Not applicable, because Valin did not make any third country exportation of GUC during the POI.

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) - i.e. of the goods exported to Australia; and*
- making certain adjustments to the normal value.*

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

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

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

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

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

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

G-1. Production process and capacity

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

Response: Valin adopts integrated production model, from iron ore and coke-making to manufacturing the GUC and other steel products, please refer to flowchart of production process at Exhibit 18.

The main scraps that resulted from the production are [scraps], and they are normally [treatment on the scraps]. The by-products of production are mainly the [by-products], and they are generally [treatment on the by-products].

G-2. Production capacity data

Provide information about your company's total production in the following

Steel reinforcing bar – China – 30 June 2015

table:

Provide this information on a spreadsheet named "**Production**".

Response: Valin provides the required Production spreadsheet at Exhibit 19.

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.

Response: Valin started to use standard cost and actual cost recovery system provided by Oracle Corporation in its daily cost accounting since 2002.

In the standard cost system, Valin, based on the production and market experience, sets the standard unit prices and standard unit consumption volumes for each type of production factors/materials in the production, and, for the products and semi-products, they set standard unit price for each of them, for the purpose of cost analysis and management. The standard cost system operates based on such standard unit price and consumption to work out the standard cost for each type of product, and finally books as the standard cost on the sales cost ledger, along with the value of the differences between the actual cost and standard cost as accounting adjustment at each steps of cost transferring and finally carried over to the sales cost ledger.

The actual cost recovery system operates on monthly basis, based on the actual purchase price and quantity of the production factors/materials, and actual consumption volume incurred in the production, and finally works out the actual cost statements for each type of products produced by the company.

Generally speaking, the standard cost value calculated by the standard cost system plus the total actual cost adjustment equals to the total value of the actual cost statements produced by actual cost system, and reconciled to the sales cost recored in the audited financial statements of the company. In addition, since Valin's parent company is a listed company, the financial statements of Valin should be finally verified and consolidated to the financial statement of the parent company.

- 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 (i.e. differences between standard and actual production costs) have been allocated to the goods - and describe how those variances have been allocated.

Response: Valin uses its Cost Recovery system to restore the standard costing items to the actual cost, and reports the actual cost in this questionnaire response.

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

Response: Not applicable, there is no significant or unusual cost variance that occurred during POI.

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

Response: Valin adopts process-costing system, in line with the integrated production system, as demonstrated in the flowchart of production process at Exhibit 18, taking each step of production as a cost centre, while taking the company as a whole as the profit centre.

- 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.

Response: For direct cost, we attribute it to the goods directly; for overheads, we allocate them to goods according to their bill of materials on monthly basis. Cost amortisation is in accordance with the generally accepted accounting principles in China.

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

Response: Valin firstly assigns a production code for each model of products, and then records production costs on model basis in the cost accounting system. Therefore, Valin's cost accounting system has specific records for each type of the GUC exported to the Australia and the like products domestically sold.

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

Response: Not applicable, there is no such difference.

- 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.

Response: No, Valin did not engage in any start-up operations in relation to the GUC.

- 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.

Response: Not applicable.

G-4 Cost to make and sell on domestic market

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

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.

1. Please provide (in the format shown in the table below) the actual unit cost to make and sell each model/type* (identified in section C) of the like goods sold on the domestic market. Provide this cost data for each quarter over the investigation period. If your company calculates costs monthly, provide monthly costs.

Response: Valin reports at Exhibit 20 the required actual unit CTMS for the type of the like goods of GUC sold on the domestic market on monthly basis.

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

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

Response: Please refer to the response to the question G-3.1.

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.

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

Response: Valin provides the required Australian CTMS at Exhibit 21.

- 1 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.

Response: Please refer to the response to the question C-3.

- 2 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.

Response: Not applicable, there is no significant difference between the costs shown, and the costs as normally determined in accordance with your general accounting system.

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

Response: No, the allocation method used to determine the unit cost does not differ from the prior practice of the company.

G-6 Major raw material costs

List major raw material costs (coking coal, coke, iron ore and scrap steel), which individually account for 10 per cent or more of the total production cost.

For these major inputs:

- identify materials sourced in-house and from associated entities;
- identify the supplier; and
- show the basis of valuing the major raw materials in the costs of production you have shown for the goods (eg market prices, transfer prices, or actual cost of production).

Where the major input is produced by an associate of your company the Commission will compare your purchase price to a normal market price. If the associate provides information on the cost of production for that input such cost data may also be considered.

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

The term associate is defined in section 269TAA of the *Customs Act*. Included in that definition are companies controlled by the same parent company (a company that controls 5 per cent 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.

Response: Valin provides at Exhibit 22 the purchase list of raw materials, including iron ore, coking coal and coal, with the identification of whether the suppliers are associated with the company.

SECTION H – PARTICULAR MARKET SITUATION

The Commission seeks to confirm whether a ‘market situation’ exists in respect of iron and steel from China due to government influence on both the prices of the goods and the major raw material inputs (coking coal, coke, iron ore and scrap steel) 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 competitive market conditions.

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 GOC’s involvement in the business of your company.
- PART H-2 - Requests information concerning the GOC’s measures with respect to the iron and steel industry in China.
- PART H-3 - Requests information concerning the iron and steel 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 GOC'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 GOC's interaction with your businesses.

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

- a) reporting requirements;

Response: There is no reporting requirements by the GOC for Valin's normal business operation.

- b) payment of taxes;

Response: Valin pays taxes according to taxation laws.

- c) senior management representation within your business;

Response: Valin's senior management are selected by our shareholders without any GOC involvement.

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

Response: SASAC does not supervise Valin's business operation. Valin has [number] shareholders, the majority shareholder is [Parent company] which is a public-traded company listed in Shenzhen Stock-Exchange, it is not under any control of SASAC.

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

Response: There is no GOC involvement in our business decisions including business negotiation, investment decision, management decision, pricing decision, sales decision and production decision, etc.

- f) licensing;

Response: We are doing business within the scope of business license issued by GOC, please refer to our business license attached in Exhibit 1.

- g) restrictions on land use;

Response: There is no restriction on land use in our business operation.

- h) provision of loans; or

Response: All the bank loan agreements were negotiated between Valin and the banks, there is no GOC involvement in our bank loans.

- i) provision of grants, awards or other funds.

Response: We received some [grants] in the period of investigation.

2. Business structure, ownership and management

- a) Indicate whether your company is, or has been at any time in the previous 5 years, a state-owned (SOE) or state-invested enterprise (SIE) (refer to the Glossary of Terms for definition).

Response: As we reported above that we have [number] shareholders, [description of the ownership structure of valin].

- 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 your business and related businesses, where applicable.

Response: According to the Articles of Association, Valin does not have [description on the management of valin] to implement the decisions made by the Board of Shareholders. The member of Board of Shareholders are [number] entities, they are our [number] shareholders, [the parent companies of valin]

- 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 GOC (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 GOC.

Response: No.

- 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.

Response: As answered above that we don't have [management entity], we have [company official] who is not a representative from the CCP, who is appointed by the Board of Shareholders to implement the decisions made by the Board of Shareholders.

- 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 GOC? If so, identify the government department(s) they represent.

Response: No.

- 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 GOC;
 - employees of your business;
 - foreign investors; or
 - other (please specify).

Response: Please refer to the answer to Question 2 a).

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

Response: There was no ownership change in our company during the investigation period.

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

Response: Not applicable because we don't have such positions.

- 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.

Response: Not applicable.

- 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.

Response: We are a subsidiary of a publicly-traded company, our parent company is [description on the listing status of Valin's parent company].

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

Response: Not applicable because we are only a subsidiary of a publicly-traded company.

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

Response: According to our Articles of Association, the Executive Director has the ability to reward, fire or discipline our business senior managers.

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

Response: No.

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

Response: Not applicable because we don't have pricing committee.

3. Licencing

- a) Provide a copy of your business licence(s).

Response: A copy of business license of our company is provided in Exhibit 1.

- b) Identify the GOC departments or offices responsible for issuing the licence(s).

Response: The business license is issued by Xiangtan City Administration Bureau of Industry and Commerce.

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

Response: Firstly, we need to obtain a pre-approval of the company name; secondly, we need to submit a completed application form, articles of association and capital verification report to the authority. The authority will examine whether the documents are complete to decide whether to issue the license.

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

Response: According to Article 23 and 26 of Company Law of the P.R.C, the following conditions shall be fulfilled for the incorporation of a limited liability company: (1) the number of shareholders shall conform to the statutory number; (2) the capital contributions of the shareholders shall reach the statutory minimum amount of capital, that is RMB 30,000; (3) the shareholders shall have jointly formulated the articles of association of the company; (4) the company shall have a name and an organizational structure established in compliance with the requirements for a limited liability company; and (5) the company shall have a domicile.

- e) Describe and explain any restrictions imposed on your business by the business licence(s).

Response: We can only do business within the business scope defined in the business license.

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

Response: In accordance with Regulations of the People's Republic of China for Controlling the Registration of Enterprises as Legal Persons, company may be penalized by warning, fine, confiscation of illegal earnings, suspension of business for consideration or withholding or revoking the Business License for Enterprise as a Legal Person.

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

Response: Under the business, the rights and benefits are what we can fully operate within the business scope.

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

Response: In accordance with Article 30 of Regulations of the People's Republic of China for Controlling the Registration of Enterprises as Legal Persons, the registration authority may revoke the license: (1) concealing the true situation and resorting to deception in the course of registration or starting operations before the approval of its registration; (2) altering major items in the registration without permission or engaging in business operations beyond the scope of business as approved in registration; (3) failing to cancel registration according to the rules or failing to submit the annual check-up report or receive the annual check-up; (4) forging, altering, leasing, lending, transferring, selling or reproducing the Business License for Enterprise as a Legal Person or its duplicates without permission; (5) withdrawing or transferring capital, concealing assets or dodging liabilities; (6) engaging in illegal business operations.

4. Decision-making, planning and reporting

- a) Provide a description of your business' decision-making structure in general and in respect of iron and 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

Response: In our company, the production department, market department and sales department are the internal bodies to jointly decide what and how the goods are produced, including outputs and product mix; The production department is the key internal body to decide the matters of raw materials purchase, etc.

In terms of profit distribution, the Articles of Association authorizes the [company official] to draft the proposal of profit distribution and then submit the proposal to the Board of Shareholders for approval.

The following senior managers are the persons primarily responsible for deciding:

[List of management of the company with official name and the position]

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

Response: There is no GOC involvement in our decision-making process about our manufacture, marketing and sale of steel products.

- 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.

Response: Not applicable because there is no GOC involvement in our decision-making.

- d) List and describe all reports that must be submitted to the GOC periodically by your company, and identify the government department/office where each report is filed.

Response: Not applicable because there is no need for us to report to the GOC about our business decisions.

- e) If not previously provided, 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.

Response: We don't have such Plans and have no idea about the Plans.

- f) Does your business develop any National and regional 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 GOC (including the National Development and Reform Commission).

Response: We don't have such plans.

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

Response: Valin has no [management entity], but we have Board of Shareholders. A sample resolution by Board of Shareholders in the investigation period is attached at Exhibit 23.

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

Response: We don't have meeting notes for pricing decision, our pricing decision is made based on several key factors, such as cost of goods, operating expenses, profit margin according to the current market situation, of course the final sales price for a transaction is agreed through our negotiation with our customers

PART H-2 GOC measures in the iron and steel sector

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

1. Were there any 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; 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 GOC or any association of the GOC's notification of the measures concerning iron and steel to your company over the investigation period.

Response: We are not aware of such GOC opinions, directives, decrees, etc.

2. Provide information concerning the name of any GOC departments, bureaus or agencies responsible for the administration of all GOC measures concerning the iron and 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 for the iron and steel industry sector, including the 12th Five-Year Plan: Iron and Steel (2011-2015 Development Plan for the Steel Industry);
- measures to eliminate out dated production capacity and to encourage technical and environmental improvement;
- measures to curb 'production capacity redundancy';
- market entry criteria for the iron and steel industry sector and industry operating conditions;
- environmental enforcement for the iron and steel industry sector;
- management of land utilisation;
- the China Banking Regulatory Commission for the iron and steel industry sector;
- investigation and inspection of new iron and steel expansion facilities;
- guiding industry mergers and acquisitions;
- subsidies provided to producers in the iron and steel industry;
- import and export measures on upstream raw materials; and
- other implementation measures, including impact of SIEs..

Response: It is beyond our capacity to provide the information above.

3. **National Steel Policy**

The Commission is aware of the 2011 *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.

Response: We are providing a general answer here under this Question 3 “National Steel Policy” instead to answer “not applicable” to each of the questions from a) to i) below. The National Steel Policy is a kind of general summary of steel industry in China, we don't have any specific communication with GOC regarding the policy, but the policy encourages technology innovation and energy-saving for the steel enterprises. Therefore, as we answered above that we received some [grants.]

- a) explain in detail how the policy and any updates regarding the policy were communicated to your company.
- b) Identify the government department, association, or company official that communicated this policy or any related measures, to your company as well as the government office or association and the names of the officials who are responsible for the administration of this policy.
- c) Explain in detail the information that has been provided to you from official and unofficial channels concerning action to be taken by your company in relation to the policy.
- d) Do you have designated officials that have provided direction to your company regarding the Government of China's measures and how to proceed with your current project or future plans within the scope of the policy?
- e) Explain in detail if there are additional directives or measures from the Government of China that have been communicated to your company, since the inception of the policy.
- f) Explain in detail whether the policy has ever impacted your company's investment plans. This many include reference to specific measures considered or taken by your company to address issues and/or objectives raised by the policy. Such items may include but are not limited to items such as project approval process, credit and loans (including discounted interest payments), the environment, the scale of production, energy use, raw material inputs etc.
- g) Explain the ongoing mechanism used by the Government of China to measure your company's compliance with the policy directives and/or guidelines.
- h) 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?
- 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.

4. Other government approvals

The following questions address the approvals that are necessary from various GOC agencies, including the National Development and Reform Commission, in order to continue or initiate iron and steel investments.

Response: We are providing a general answer here under this Question 4 “Other government approval”. We don't have any iron and steel related investment in the investigation period, we did have some investments before, but that kind of investments were all within our company such as upgrading of equipment and devices, transformation of industrial boilers, etc. Such kind of investments just need the approval by the Board of Shareholders.

- a) Explain whether your company has undertaken an 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.
- c) If your investment was not approved, provide the reasons given for the refusal.
- d) Describe the process your company has to follow to obtain these approvals.
- e) Provide a translated copy of the application form along with the original Chinese version.
- f) Identify the office that sent communication of these requirements to your company along with the office address, contact names, phone numbers and fax numbers.

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:

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- 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?

Response: No.

- b) Identify the Government department, association or company official that communicated these guidelines or any related measures to your business.

Response: Not applicable.

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

Response: Not applicable.

- 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).

Response: Not applicable.

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

Response: Not applicable.

PART H-3 The iron and steel sector

The information requested in this part will assist in providing a better understanding of the GOC measures and your business' sales and production of the iron and steel sector.

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

1. Export quotas and licensing

- a) Are iron and steel products sold by your company subject to any export quotas?

If so, explain why iron and steel products are subject to quotas and the method by which the quotas are allocated.

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

Response: The goods we sold to Australia are not subject to any export quotas.

- b) If iron and steel products are not presently subject to export quotas, indicate if quotas existed during the investigation period and when and why they were removed.

Response: To our knowledge, there is no export quotas for steel products.

- c) Identify the GOC agency which legislates and monitors any such quotas.

Response: Not applicable.

- d) Has the GOC set any targets or limits regarding the quantity of iron and steel products that you may sell on the domestic or export markets? If so, provide details.

Response: To our knowledge, there are no such targets or limits.

- e) Are there any export licence requirements for iron and steel products? If so, provide details.

Response: To our knowledge, there were export licences on certain steel products in 2007 in China, but all the export licences on steel products were cancelled since 2009.

2. Taxation

- a) Were there any export taxes on the exports of iron and steel products during the investigation period?

Response: There was no any export tax on the exports of iron and steel products during the investigation period.

- b) What was the value-added tax (VAT) rebate applicable to iron and steel products exports during the investigation period?

Response: The VAT rebate rates applicable to the goods under consideration are as follows:

- (1) Rebar in coil: 9%; and**
(2) Rebar in straight: 13%.

- c) Have there been any changes to the VAT rebate applicable to iron and steel exports in the last 5 years? If yes, provide:
- i. a detailed chronological history of the VAT rebate rates;
 - ii. products affected;
 - iii. the effective dates of the rate changes;
 - iv. fully translated copies of any GOC notices regarding these changes, including the relevant appendices.

Response: To our knowledge, the VAT rebate policy for steel products changed several times in the last 5 years. However, such policy covers huge numbers of different steel products. It is beyond our capacity to illustrate this policy change in details.

- 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.

Response: We don't have any import and export of coking coal, coke and scrap steel, thus we don't know such taxes and tariff relating to these materials.

As for the relevant taxes and tariff for iron ore, they are: (1) import tariff: 0%; (2) VAT: 17%; (3) export rebate: 0%.

- e) Are you aware of any tax changes being planned that would impact the iron and steel sector?

Response: We are not aware of any such tax changes being planned by the GOC.

3. Sales terms

- a) Identify the person who authorises the sales terms, prices and other contract provisions for the sale of iron and steel products by your business.

Response: The head of Sales Department has the right to authorize the sales terms, prices and other contract provisions for the sale of iron and steel products in our company.

- b) Explain how the selling prices of iron and steel products by your business are determined, including any GOC involvement in your business' pricing decisions, and indicate if the goods are subject to GOC direct or indirect pricing or government guidance pricing.

Response: As we answered above that our pricing decision is made based on several key factors, such as cost of goods, operating expenses, profit margin according to the current market situation. There is no any GOC involvement in our business pricing decisions.

- c) Does your business coordinate the selling prices or supply of iron and steel products with other domestic iron and steel producers, any GOC departments, or the China Iron and Iron and steel Association? If so, provide details.

Response: No.

- d) Explain whether your business provides iron and steel products price information/data to the GOC, other government officials or commercial/industry organisations, including those outside of China, which report on the iron and steel sector.

Response: No.

- e) Explain whether your business provides iron and steel products price data to any other person at the provincial, regional or special economic zone level of government.

Response: No.

4. Industry associations

- a) Is your business a member of CISA or regional iron and steel industry associations? If so, explain your business' relationship with the association/s and the involvement of the GOC with the association/s.

Response: We are not a member of CISA. Our parent company Valin Iron & Steel Group Co., Ltd. is a member of CISA. We are not aware of any GOC involvement with the association.

- 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.

Response: Not applicable to us. However, as far as we know that the membership of CISA is voluntary.

5. Statistics submission/recording

- a) Indicate if your business makes submissions³ to the Chinese Bureau of Statistics and/or any other government organisation. If yes, explain the purpose of these submissions and the type of information submitted.

Response: Not applicable. Valin doesn't make direct submissions to the Chinese Bureau of Statistics.

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

Response: Not applicable.

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

Response: Not applicable.

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

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

Response: Not applicable.

6. 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?

Response: Yes.

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

Response: Price difference is not based on the nature of the suppliers, it is based on the market volatilities due to supply and demand.

- 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)?

Response: We import a lot of iron ores from overseas markets, the import duty for the iron ores is 0%.

- 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?

Response: No. The electricity we purchased is based on the unified price for Great Industry Electricity. We produce gas by ourselves.

7. Regional differences

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

Response: Not applicable.

8. Iron and steel products production/output during the investigation period

- a) Is any part of your production of iron and steel products 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.

Response: We are not aware of such situation.

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

Response: Not applicable.

- c) Where applicable, how did your business respond to the policies/guidelines?
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Response: Not applicable.

- d) Provide details regarding any other restrictions (e.g., geographic/regional, downstream, use, etc.) to the sale of iron and steel products that may be imposed by the GOC.

Response: There is no such restrictions.

- 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.

Response: Please see the Exhibit 24.

- 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.

Response: No.

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

Response: No.

- 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.

Response: No.

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

Response: No.

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

Response: No.

9. Sales price during the investigation period
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- 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.

Response: No.

- 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.).

Response: No.

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

Response: No.

- 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.

Response: As we answered above that our pricing decision is made based on several key factors, such as cost of goods, operating expenses, profit margin according to the current market situation. There is no any restriction, limitation, or other considerations imposed on our business.

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

Response: We don't know who is the price leader of the goods.

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

Response: We don't have pricing committee.

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

Response: Not applicable.

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

Response: The head of Sales Department has the right to authorize the sales terms, prices and other contract provisions for the sale of iron and steel products in our company.

- 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.

Response: Not applicable.

10. Adding capacity and/or joint ventures

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

Response: Not applicable because we did not add capacity and/or joint ventures of the goods.

- 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.

Response: Not applicable.

11. Steel billet

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

Response: Question 11 is not applicable to us because we are a vertical and integrated producer, our production starts from iron ores, the majority of iron ores we used are imported from overseas market.

- (i) Provide a detailed listing of your steel billet purchases by completing the 'Steel Billet Purchases' tab of the attached spreadsheet.
- (ii) Do you have more than one supplier of steel billet? If so, provide an explanation of the reasons of price differences between these suppliers?
- (iii) Describe in detail your business' purchase procedures of steel billet and the considerations in selecting a supplier. If it is by tenders, provide details of the criteria/conditions.
- (iv) If steel billet is imported by your business, or related businesses:
- Provide details including a description of the steel billet imported, the supplier and country of origin.
 - Explain the process required to steel billet (e.g. obtaining an import licence, import Steel reinforcing bar – China – 30 June 2015

declarations).

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

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

- 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?
- 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.
- d) If any of your raw materials for the production of steel slab or HRC are imported by your business, or related businesses :
 - i. Provide details including a description of the raw material imported, the supplier and country of origin.
 - ii. Explain the process required to import the raw materials (e.g. obtaining an import licence, import declarations).
 - iii. Provide details of any conditions to importing the raw materials (e.g. customs and/or quarantine).
 - iv. Are you eligible for a duty drawback? If so, provide details.

SECTION J CHECKLIST

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

| Section | Please tick if you have responded to all questions |
|--|--|
| Section A – general information | ✓ |
| Section B – export price | ✓ |
| Section C – like goods | ✓ |
| Section D – domestic price | ✓ |
| Section E – fair comparison | ✓ |
| Section F – exports to third countries | ✓ |
| Section G – costing information | ✓ |
| Section H – declaration | ✓ |

| Electronic Data | Please tick if you have provided spreadsheet |
|--|--|
| INCOME STATEMENT | ✓ |
| TURNOVER – sales summary | ✓ |
| AUSTRALIAN SALES – list of sales to Australia | ✓ |
| DOMESTIC SALES – list of all domestic sales of like goods | ✓ |
| THIRD COUNTRY – third country sales | Not applicable |
| PRODUCTION – production figures | ✓ |
| DOMESTIC COSTS – costs of goods sold domestically | ✓ |
| AUSTRALIAN COSTS – costs of goods sold to Australia | ✓ |