

**EXPORTER QUESTIONNAIRE**  
**STEEL REINFORCING BAR EXPORTED**  
**FROM THE PEOPLE'S REPUBLIC OF CHINA**



**江苏永钢集团有限公司**  
JIANGSU YONGGANG GROUP CO.,LTD.

**Jiangsu Yonggang Group Co., LTD.**

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SECTION A - GENERAL INFORMATION

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:

**Name:** Jiangsu Yonggang Group Co., LTD. (hereinafter referred to as “Yonggang”)

**Address:** Yonglian, Zhangjiagang City, Jiangsu, China, 215628

**Telephone:** 86-512-58619872

**Fax:** 86-512-58612337

**E-mail:** 【Confidential information】

**Website:** www.yong-gang.com

**Contact Person:** 【Confidential information】

**Name:** Jiangsu Lianfeng Industry Co., LTD. (hereinafter referred to as “Lianfeng Industry”)

**Address:** Yonglian, Zhangjiagang City, Jiangsu, China, 215628

**Telephone:** 86-512-58619872

**Fax:** 86-512-58612337

**E-mail:** 【Confidential information】

**Website:** www.yong-gang.com

**Contact Person:** 【Confidential information】

This response to the questionnaire involves Yonggang and Lianfeng Industry.

【Confidential information – Details of operational structure and responsibilities.】

**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 of legal representative:** John Bracic

**Address:** PO Box 3026 Manuka, ACT 2603

**Telephone:** +61 499 056 729

**E-mail address of contact person:** john@jbracic.com.au

**Name of legal representative:** Guantao Law Firm

**Address:** 17/F, Tower 2, Yingtai Center, No. 8 Finance Street, Xicheng District, Beijing 100033, China

**Telephone:** 86-10-66578066

**Fax:** 86-10-88086638

**Email:** [shenqian@guantao.com](mailto:shenqian@guantao.com).

**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:**

Please refer to the response to question A-1. The 2 companies are all limited liability companies. No other business name was used other the legal name above.

2. Please provide the ownership history of your company since 1 January 2005. For example: Did your company change its name during this time? If so, please detail the company’s previous name(s)? Has your company evolved through a split or a merger with another company? Please provide details of these structural changes.

**Response:**

Please refer to Exhibit A-3.2 Legal Form Changes.

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**Both for Yonggang and Lianfeng Industry, there was no split or merger with another company from 1 January 2005 to the end of the POI.**

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

**Response:**

**Please refer to Exhibit A-3.3 Shareholders.**

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

**Response:**

**Please refer to Exhibit A-3.4 Shareholders of the Holding Companies.**

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

**Response:**

**Please refer to Exhibit A-3.4 Shareholders of the Holding Companies.**

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

**Response:**

**Please refer to Exhibit A-3.6 Affiliated Companies.**

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

**Response:**

**Not applicable. No such management fees or allocations charged to Yonggang and Lianfeng Industry by their parent or related company.**

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

**Response:**

**Please refer to response to question A-1. Yonggang Group is the manufacturer and sales company of the GUC.**

9. 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:**

**Please refer to response to question A-1. Yonggang Group performs all the functions of the GUC.**

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

**Response:**

**Please refer to response to Exhibit A-3.10 Internal Organisation Structure.**

11. Provide a copy of your most recent annual reports for the last 2 years together with any relevant brochures or pamphlets on your business activities (translated into English).

**Response:**

**Please refer to response to Exhibit A-3.11 Audited Reports.**

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**A-4 General accounting/administration information**

1. Indicate your accounting period.

**Response:**

**The accounting period is from 1<sup>st</sup> January to 31<sup>st</sup> December.**

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

**Response:**

**Please refer to the address listed in responses to question A-3.1, all the records are kept the address listed above.**

3. Please attach an English version of the **audited accounts** including balance sheets, profit and loss accounts, inventory and all notes and auditor's opinion covering the investigation period and the two preceding financial years. If applicable, you should also provide copies of the consolidated financial statements for the same periods, if your company is part of a group of companies. In case auditing has not yet taken place, please send provisional accounts.

**Response:**

**Please refer to the responses to question A-3.11, all the requested information has been provided above.**

4. Please attach **management accounts** or internal management reports for these periods.

**Response:**

**Please refer to the responses to question A-3.11, all the requested information has been provided above.**

5. Please also attach copies of your (corporate) income **tax statements** and any other tax statements of your company and the corresponding **tax returns** for the investigation period and the preceding two financial years.

**Response:**

**Please refer to Exhibit A-4.5 EIT Returns and Supporting Documents.**

6. If your company sells via a **related company**, please provide the accounts of that company.

**Response:**

**Not applicable to Yonggang and Lianfeng Industry.**

7. Please provide an English version of the **chart of accounts** for each entity within the organisation that is involved with the production and/or sale of the product under investigation.

**Response:**

**Please refer to Exhibit A-4.7 Chart of Account. 【Confidential information – Accounting structure】**

8. Please specify the depreciation method and periods used by your company for all kinds of assets (i.e. plant and buildings, machinery, equipment, etc.).

**Response:**

**Please refer to Exhibit A-3.11 Audited Reports, all the related information are reflected in the notes of the audit reports.**

**A-5 Production process and capacity**

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

**Response:**

**Please refer to Exhibit A-5 Production Process.**

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**A-6      Production capacity data**

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

**Response:**

Please refer to **Exhibit A-6 Production Capacity.**

**A-7 Income statement**

Please fill in the following table in the attachment “**Exporter Questionnaire – CV – Rebar**” on the tab labelled “**Income Statement**”. It requires information concerning all products produced and for the goods under consideration (‘*goods under consideration*’ (the goods) is defined on page 4 of this questionnaire). You should explain how costs have been allocated.

**Response:**

**Please refer to Exhibit A-7 Income Statement.**

**A-8 Turnover**

State your company's net turnover (after returns and all discounts), and free of duties and taxes. Please fill in the following table in the attachment “**Exporter Questionnaire – CV – Rebar**” on the tab labelled “**Turnover**”.

Use the currency in which your accounts are kept, in the following format:

**Response:**

**Please refer to Exhibit A-8 Turnover.**

SECTION B - SALES TO AUSTRALIA

*This section requests information concerning your export practices and prices to Australia. You should include costs incurred beyond ex-factory (EXW). 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.*

**B-1 Customers**

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).

**Response:**

Please refer to **Exhibit B-1 Contact of the Australian Customers.**

**B-2 Customer details**

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 possible.
- (b) Identify each party in the distribution chain and describe the functions performed by them. Where commissions are paid indicate whether it is a pre or post exportation expense having regard to the date of sale.
- (c) Explain who retains ownership of the goods at each stage of the distribution chain. In the case of DDP<sup>1</sup> sales, explain who retains ownership when the goods enter Australia.
- (d) Describe any agency or distributor agreements or other contracts entered into in relation to the Australian market (supply copy of the agreement if possible).
- (e) Explain in detail the process by which you negotiate price, receive orders, deliver, invoice and receive payment. If export prices are based on price lists supply copies of those lists.
- (f) State whether your firm is related to any of its Australian customers. Give details of any financial or other arrangements (e.g. free goods, rebates, or promotional subsidies) with the customers in Australia (including parties representing either your firm or the customers).
- (g) Details of the forward orders of the goods under consideration (include quantities, values).

**Response:**

**Yonggang undertakes the negotiations with the Australian customers and prepares the files. There is no long-term contact or customized trading between Yonggang and the Australian customers, Yonggang produces according to the production order provided by customers.**

**【Confidential information – Internal operational structure】**

**There are no after-sale price adjustments, and no difference between or among classes of customers.**

**B-3 Australian Sales**

Please fill in the following table in the attachment “**Exporter Questionnaire – CV –Rebar**” on the tab labelled “**Australian Sales**”. Please provide the following information 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:

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<sup>1</sup> Delivered duty paid



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**Response:**

Please refer to Exhibit B-3 Australian Sales.

**B-4 Other Factors**

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 – [17]” in question B-3) 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:**

Yonggang Group has provided all the allowances occurred of the transactions.

**B-5 Delivery Terms**

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:

**Response:**

Not applicable, no such allowance.

**B-6 Shipment Documentation**

If not submitted your questionnaire response in relation to a concurrent dumping investigation (INV 300 refers), then 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:**

Yonggang has submitted such information in Case 300.

## SECTION C - SUBSIDISATION

The applicant alleges that producers in China of steel reinforcing bar have benefited from a number of subsidies granted by the Government of China (the GOC)<sup>2</sup>, and that these subsidies are countervailable.

## THE FOLLOWING PROGRAMS ARE BEING INVESTIGATED

Category	Program (number and description)
Part C-1: Provision of goods (Programs 1-4)	1. Billet provided by the Government of China at less than adequate remuneration
	2. Coking coal provided by the Government of China at less than adequate remuneration
	3. Coke provided by the Government of China at less than adequate remuneration
	4. Electricity provided by the Government of China at less than adequate remuneration
Part C-2: Preferential tax policies (Programs 5-9)	5. Preferential Tax Policies for High and New Technology Enterprises
	6. Preferential Tax Policies in the Western Regions
	7. Land Use Tax Deduction
	8. Tariff and VAT Exemptions on Imported Materials and Equipment
	9. VAT refund on comprehensive utilisation of resources
Part C-3: Financial grants (Programs 10-42)	10. One-time Awards to Enterprises Whose Products Qualify for “Well-Known Trademarks of China” and “Famous Brands of China”
	11. Matching Funds for International Market Development for small and medium size enterprises (SMEs)
	12. Superstar Enterprise Grant
	13. Research and Development (R&D) Assistance Grant
	14. Patent Award of Guangdong Province
	15. Innovative Experimental Enterprise Grant
	16. Special Support Fund for Non-State-Owned Enterprises
	17. Venture Investment Fund of Hi-Tech Industry
	18. Grants for Encouraging the Establishment of Headquarters and Regional Headquarters with Foreign Investment
	19. Grant for Key Enterprises in Equipment Manufacturing Industry of Zhongshan
	20. Water Conservancy Fund Deduction
	21. Wuxing District Freight Assistance
	22. Huzhou City Public Listing Grant
	23. Huzhou City Quality Award
	24. Huzhou Industry Enterprise Transformation & Upgrade Development Fund
	25. Wuxing District Public List Grant
	26. Anti-dumping Respondent Assistance
	27. Technology Project Assistance
	28. Transformation technique grant for rolling machine
	29. Grant for Industrial enterprise energy management - centre construction demonstration project Year 2009
	30. Key industry revitalization infrastructure spending in 2010
	31. Provincial emerging industry and key industry development special fund
	32. Environmental protection grant
	33. Environmental protection fund

<sup>2</sup> Meaning any level of government – refer to the Glossary of Terms for further information

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Category	Program (number and description)
	34. Intellectual property licensing
	35. Financial resources construction - special fund
	36. Reducing pollution discharging and environment improvement assessment award
	37. Grant for elimination of out dated capacity
	38. Grant from Technology Bureau
	39. High and New technology Enterprise Grant
	40. Independent Innovation and High Tech Industrialization Program
	41. Environmental Prize
	42. Jinzhou District Research and Development Assistance Program
Part C-4: Equity programs (Programs 43-45)	43. Debt for equity swaps
	44. Equity infusions
	45. Unpaid dividends
Part C-5: Preferential loans	46. Preferential loans and interest rates to producers/exporters of steel reinforcing bar
Part C-6: Miscellaneous programs (Programs 7-86)	47. "Project: Shortage of Coke oven gas heat efficient return Development and Application Technology"
	48. "Project: Finance Bureau of Independent Innovative technology funds"
	49. "Project: The first batch of industry and information technology development funds FY2014"
	50. "Project: Second five special funds for national support program"
	51. "Project: Major technical equipment special plate manufacturing support fund"
	52. "Project: The second batch of key industrial adjustment and revitalisation and transformation funds FY2009"
	53. "Project: Industrial enterprise energy management center demonstration project construction FY2009"
	54. "Project: Coke ovens 1-5 Gas desulfurization renovation project"
	55. "Project: Industrial park wastewater treatment and reuse project funding"
	56. "Project: 2011 environmental protection special fund"
	57. "Project: Special funds for energy conservation"
	58. "Project: Coke oven gas desulfurization improvement project"
	59. "Project: Special promotion with steel caster reconstruction funds for support"
	60. "Project: Water reuse project"
	61. "Project: 2010 Key Industry revitalization and transformation"
	62. "Project: Energy power plant waste heat heating reconstruction project grants"
	63. "Project: 320 sintering flue gas desulfurization project environmental protection fund"
	64. "Project: 400 sintering desulfurization funds"
	65. "2012 annual special funds for energy"
	66. "Coke oven No.1,2 & 5 tampers top-loading change project"
	67. "Project: 2010 provincial emerging industries and key industries Development Special Fund Project"
	68. "Regional Government economic incentives"
	69. "Set aside safely production capital Jinan City Bureau of Finance"
	70. "Nanshi Bureau of Water Resources water consumption units appraisal award funds"
	71. "City key projects mentioned standard award"
	72. "E420 marine platform steel research and application projects"
	73. "Xuejiadao financial and tax refund payments"
	74. "Jinan City Bureau of Finance Cleaner Production special funds"
	75. "Security special funds"
	76. "Patent Development Grant funds"
	77. "Shandong Huimin Technology Development Co. Ltd R&D Funding"
	78. "National Pillar Program special funds"
	79. "Government allocated Industry Enterprises Award"
	80. "Enterprise workers vocational training allowance"
	81. "Municipal Export trade and economic development guide funds"



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Category	Program (number and description)
	82. "Income received from Commerce Bureau in 2012 to guide the development of foreign trade financing "
	83. "2013 Annual export credit insurance subsidies 9.12"
	84. "2013 Municipal foreign trade development guide funds"
	85. "Two by one guarantee funds to support foreign trade "
	86. "The financial return of funds"

**PART C-1 PROVISION OF INPUTS AT LESS THAN ADEQUATE REMUNERATION**

**Programs 1 – 3: Raw materials (Steel Billet, Coking Coal and Coke)**

The applicant claims that public bodies (in the form of state-invested enterprises (SIEs<sup>3</sup>)) are supplying raw materials (steel billet, coking coal, coke), directly or indirectly, to manufacturers of steel reinforcing bar at less than fair value:

**Program 1:** Billet provided by the Government of China at less than adequate remuneration

**Program 2:** Coking coal provided by the Government of China at less than adequate remuneration

**Program 3:** Coke provided by the Government of China at less than adequate remuneration

In relation to these programs, provide the following information.

1. Describe the nature of your production process for steel reinforcing bar, including an itemised list of all raw materials used by your company in the process.

**Response:**

Please refer to **Exhibit A-5 Production Process**, the list of the raw materials has been provided.

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

**Response:**

During POI, Yonggang Group was a vertical-integrated producer of goods under consideration ("GUC"), Yonggang Group did not purchase steel billets from the market, all the steel billets was vertical-integratedly self-produced from iron ores.

The main raw materials used by Yonggang Group in the production process for goods under consideration ("GUC") were iron ores, coke and coke coals. Almost all the iron ores were **【Confidential information】**. For the coke and coke coal, Yonggang purchased **【Confidential information】**. Yonggang was not aware any price differences between the SIEs and the private companies.

Due to the above facts, Yonggang Group did not benefit any programs referred in this section, Yonggang Group volunteers its responses to the following questions for the Commission's better understanding of the facts about Yonggang Group's operating information and for the purpose of full cooperation in this investigation.

3. Does your business purchase any raw materials (e.g. steel billet, coking coal, coke) in the manufacture of steel reinforcing bar?

Provide responses to Question 4 and Questions 5 – 7 in the tables provided on the "Raw Materials Purchases" tab on the attached "Exporter Questionnaire – CV – Rebar".

**Response:**

As Yonggang Group is a vertical-integrated producer of rebar, Yonggang Group did not purchase steel billets from the market, all the steel billets was vertical-integratedly produced from iron ores.

<sup>3</sup> For the purpose of this questionnaire State Owned enterprise (SOE) and State Invested Enterprise (SIE) are together referred to as SIE. The term SIE is defined in the glossary of this questionnaire.

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**The main raw materials used by Yonggang Group in the production process for goods under consideration (“GUC”) are iron ores, coke and coals, which were sourced from the open market.**

4. Provide data on a transaction-by-transaction basis, for all purchases of raw materials during the period 1 July 2014 to 30 June 2015. This data should be provided for all purchases, not only those of Chinese origin (i.e. include imported materials as well). In the list, please be sure provide a contact name and address, of all your suppliers of raw materials and indicate whether the supplier is a SIE.

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

**Response:**

**Please refer to Exhibit C-1.1.4 Contact of Raw Material Suppliers. 【Confidential information】**

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

**Response:**

**Not applicable. Yonggang Group did not receive any reduction/reduced price for the purchase of these raw materials during the investigation period. All the raw materials are purchased from open markets and on competitive market price.**

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

**Response:**

**Not applicable. Yonggang Group doesn't have any contractual agreements that detail the obligations of the SIE and itself with reference to the granting and receipt of the assistance/benefits.**

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

**Response:**

**All the iron ores were 【Confidential information】 , the key factors for such decision were the price.**

**Program 4: Electricity**

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

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

Please answer Questions 2 - 5 in relation to your purchases of electricity from **1 July 2014 to 30 June 2015** in the “Electricity” tab in the “**Exporter Questionnaire – CV – Rebar**” workbook.

**Response:**

**Yonggang Group confirms that it purchased the electricity to manufacture the GUC. Yonggang Group purchased electricity from local supplier at the price promulgated and supervised by local price authority, which is universally applicable to all users within the jurisdiction. Yonggang Group never enjoyed cheap electricity price and thus this alleged programme is not applicable to Yonggang Group.**

**However, Yonggang Group volunteers its responses to the following questions for the Authority's better understanding of the facts about Yonggang Group's electricity procurement and for the purpose of full cooperation in this investigation.**

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2. Provide all individual payments your company made for electricity during the investigation period and **provide copies of invoices and evidence of payment for each**. In the transaction list, be sure to provide a list, including a contact name and address, of all your suppliers of electricity, including those purchased through related businesses and indicate whether the supplier is a SIE and provide evidence supporting this.

**Response:**

**Please refer to Exhibit C-1.2.1 Electricity Purchase and Supporting Documents.**

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

**Response:**

**Not applicable. Yonggang Group did not receive any reduction/reduced price for the purchase of the electricity during the investigation period.**

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

**Response:**

**Not applicable. Yonggang Group did not receive such benefits.**

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

**Response:**

**Not applicable. Yonggang Group was not aware there was such differences, Yonggang Group paid the electricity bill at the prevailing market price.**

**PART C-2      PREFERENTIAL TAX PROGRAMS**

**Programs 5 – 7: Preferential income tax programs**

Please complete questions 1 and 5 – 16 in the “**Income Tax Programs**” tab on the attached “**Exporter Questionnaire – CV – Rebar**”.

1. Did your business or any company/entity related to your business receive any benefit<sup>4</sup> under the following income tax programs identified above during the investigation period (1 July 2014 to 30 June 2015).

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

**Program 6:** Preferential Tax Policies in the Western Regions

**Program 7:** Land Use Tax Deduction

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

**Response:**

**Not applicable to Yonggang Group , the EIT rate for Yonggang Group is 25% since July 2010.**

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

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<sup>4</sup> Refer to the Glossary of Terms for a definition of benefit in this context.

**PUBLIC RECORD**

**Response:**

**Not applicable. The corporate income tax rate was 25% for Yonggang Group.**

4. If the income tax rate of less than the general rate does not relate to any of the programs identified above, please provide an explanation for the reduced income tax rate and answer the questions in Part C-2 (1) above in relation to the income tax rate reduction.

**Response:**

**Not applicable. The corporate income tax rate was 25% for Yonggang Group.**

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

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

**Response:**

**Not applicable. Yonggang Group did not receive the benefits identified this section.**

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

**Response:**

**Not applicable. Yonggang Group did not receive the benefits identified this section.**

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

**Response:**

**Not applicable. Yonggang Group did not receive the benefits identified this section.**

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

**Response:**

**Not applicable. Yonggang Group did not receive the benefits identified this section.**

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

**Response:**

**Not applicable. Yonggang Group did not receive the benefits identified this section.**

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

**Response:**

**Not applicable. Yonggang Group did not receive the benefits identified this section.**

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

**Response:**

**Not applicable. Yonggang Group did not receive the benefits identified this section.**

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



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**Response:**

**Not applicable. Yonggang Group did not receive the benefits identified this section.**

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

**Response:**

**Not applicable. Yonggang Group did not receive the benefits identified this section.**

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

**Response:**

**Not applicable. Yonggang Group did not receive the benefits identified this section.**

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

**Response:**

**Not applicable. Yonggang Group did not receive the benefits identified this section.**

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

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

**Response:**

**Not applicable. Yonggang Group did not receive the benefits identified this section.**

17. For each taxation year from 2011 to 2015, complete the "Income Tax" tab in the "Exporter Questionnaire – CV – Rebar" workbook.

**Response:**

**Please refer to Exhibit C-2.1.17 Income Tax.**

18. Provide a copy, bearing the official stamp of the appropriate level of the GOC of all
- corporate income tax acknowledgement form(s) and the income tax return(s) that your company filed for the 2011, 2012, 2013, 2014 and 2015 tax years; and
  - income tax instalment payment receipts, and all applicable income tax forms and schedules for the 2011, 2012, 2013, 2014 and 2015 tax years.

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

**Response:**

**Please refer to Exhibit A-4.5 EIT Returns and Supporting Documents.**

**Programs 8 - 9: Tariff and VAT Exemptions on Imported Materials and Equipments**

It is our understanding that certain enterprises in China are eligible for exemption from the payment of import duty and import VAT on imported inputs, technologies and machinery, and VAT refunds on certain resources in the form of the following programs:

- |                   |   |
|-------------------|---|
| <b>Program 8:</b> | Tariff and VAT Exemptions on Imported Materials and Equipment |
| <b>Program 9:</b> | VAT refund on comprehensive utilisation of resources          |

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



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For the following questions, please provide responses to questions in the "VAT and Tariff Programs" tab in the "Exporter Questionnaire – CV – Rebar" workbook.

1. Did your company receive any benefit under the programs listed above or any other program related to Tariff or VAT exemptions or refunds?

**Response:**

**Yonggang Group fully paid import tariff and import VAT for imported materials and equipments. Please refer to the related for the detailed information. Yonggang Group volunteers to provide related information for the Commission to better understanding of Yonggang Group.**

2. What type of benefit was received:
- (a) Tariff exemption,
  - (b) Tariff refund,
  - (c) VAT exemption, or
  - (d) VAT refund?

**Response:**

**Please refer to Exhibit C-2.2.1: Imported Technologies and Equipment for the detailed information.**

3. What was the amount of benefit received?

**Response:**

**Not applicable to Yonggang Group, Yonggang Group did not receive the named benefits.**

4. Was the benefit received as a lump sum payment or in multiple instalments?

**Response:**

**Not applicable to Yonggang Group, Yonggang Group did not receive the named benefits.**

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

**Response:**

**Not applicable to Yonggang Group, Yonggang Group did not receive the named benefits.**

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

**Response:**

**Not applicable to Yonggang Group, Yonggang Group did not receive the named benefits.**

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

**Response:**

**Not applicable to Yonggang Group, Yonggang Group did not receive the named benefits.**

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

**Response:**

**Not applicable to Yonggang Group, Yonggang Group did not receive the named benefits.**

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

**Response:**

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**Not applicable to Yonggang Group, Yonggang Group did not receive the named benefits.**

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

**Response:**

**Not applicable to Yonggang Group, Yonggang Group did not receive the named benefits.**

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

**Response:**

**Not applicable to Yonggang Group, Yonggang Group did not receive the named benefits.**

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

**Response:**

**Not applicable to Yonggang Group, Yonggang Group did not receive the named benefits.**

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

**Response:**

**To our knowledge, the program was terminated since 1<sup>st</sup> January 2009.**

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

**Response:**

**To our knowledge, the program was terminated since 1<sup>st</sup> January 2009.**

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

For the following questions, please provide responses to questions in the "VAT and Tariff Transactions" tab in the "Exporter Questionnaire – CV – Rebar" workbook.

**Response:**

**To our knowledge, the program was terminated since 1<sup>st</sup> January 2009. Yonggang Group has no knowledge on the substituted programs.**

16. Were the materials and/or equipment that were entitled to a refund of VAT used in the production of the goods during the investigation period? If yes, provide the following information for each item that received a refund:
- (a) type of inputs;
  - (b) cost of inputs;
  - (c) quantity of inputs; and
  - (d) amount of VAT refunded.

**Response:**

**Not applicable. None of the equipments that were entitled to an exemption of VAT during the period 1 July 2005 to 30 June 2015 were used in the production of GUC during the investigation period.**

17. Has your company received exemption from payment of or refunds of import duty and import VAT for imported material inputs at any time that were used in the production of the goods during the investigation period? If yes, provide the following information for each transaction:
- (a) description of imported product;
  - (b) country of origin;
  - (c) quantity of imported product;
  - (d) purchase price;
  - (e) terms of purchase (e.g. FOB, CIF);

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- (f) ocean freight;
- (g) value for duty of imported product;
- (h) regular rate of taxes and/or duties;
- (i) concessionary rate of taxes and/or duties;
- (j) amount of duties and taxes normally applicable;
- (k) amount of duties and taxes paid;
- (l) amount of duties and taxes exempt;
- (m) date of importation;
- (n) tariff classification number;
- (o) customs entry number; and
- (p) application fee.

**Response:**

Please refer to **Exhibit C-2.2.1: Imported Technologies and Equipment** for the detailed information.

18. Provide sample documents for two items from two different quarters in the investigation period included in your response to Question 17. The sample documents should include:
- (a) copies of import entry documents (for example: bill of entry, invoice from supplier, etc.) for each type of importation covering duty-exempt inputs and duty-paid inputs imported for use in the manufacturing of the subject goods,
  - (b) any applications submitted to and/or approval document received from the GOC relating to the exemption from the payment of import duty and import VAT on imported inputs and in relation to the VAT that is refunded on the exportation of the subject goods.
  - (c) copies of reports and audits by the GOC authority responsible for administering the duty rebate or duty drawback scheme with respect to the verification of the importation and use of inputs and the remittance or drawback of the related duty paid or payable.

**Response:**

All the records and documents are provided in **Exhibit C-2.2.2: Import Duty and VAT Exemption Documents**.

### **PART C-3 GRANTS**

The Commission understands that the Government of China may be providing grants to enterprises in China including the following programs:

**Program 10:** One-time Awards to Enterprises Whose Products Qualify for “Well-Known Trademarks of China” and “Famous Brands of China”;

**Program 11:** Matching Funds for International Market Development for small and medium size enterprises (SMEs)

**Program 12:** Superstar Enterprise Grant

**Program 13:** Research and Development (R&D) Assistance Grant

**Program 14:** Patent Award of Guangdong Province

**Program 15:** Innovative Experimental Enterprise Grant

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

**Program 17:** Venture Investment Fund of Hi-Tech Industry

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

**Program 19:** Grant for Key Enterprises in Equipment Manufacturing Industry of Zhongshan

**Program 20:** Water Conservancy Fund Deduction

**Program 21:** Wuxing District Freight Assistance

**Program 22:** Huzhou City Public Listing Grant

**Program 23:** Huzhou City Quality Award

**Program 24:** Huzhou Industry Enterprise Transformation & Upgrade Development Fund

**Program 25:** Wuxing District Public List Grant

**Program 26:** Anti-dumping Respondent Assistance

**Program 27:** Technology Project Assistance

**Program 28:** Transformation technique grant for rolling machine

**Program 29:** Grant for Industrial enterprise energy management - centre construction demonstration project  
Year 2009

**Program 30:** Key industry revitalization infrastructure spending in 2010

**Program 31:** Provincial emerging industry and key industry development special fund

**Program 32:** Environmental protection grant

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- Program 33:** Environmental protection fund  
**Program 34:** Intellectual property licensing  
**Program 35:** Financial resources construction - special fund  
**Program 36:** Reducing pollution discharging and environment improvement assessment award  
**Program 37:** Grant for elimination of out dated capacity  
**Program 38:** Grant from Technology Bureau  
**Program 39:** High and New technology Enterprise Grant  
**Program 40:** Independent Innovation and High Tech Industrialization Program  
**Program 41:** Environmental Prize  
**Program 42:** Jinzhou District Research and Development Assistance Program

For the following questions, please provide responses to questions in the "Grants" tab in the "Exporter Questionnaire – CV – Rebar" workbook.

1. Did your business or any company/entity related to your business receive any benefit under the above programs during the period **1 July 2010 to 30 June 2015**?

**Response:**

**Please refer to Exhibit C-3 Grants.**

2. Did your business receive benefits under any other grant (including awards, prizes, funds) program during the period **1 July 2010 to 30 June 2015**?

**Response:**

**Please refer to Exhibit C-3 Grants.**

For each program identified in your answer to 1 and 2 above, answer the following questions:

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

**Response:**

**Please refer to Exhibit C-3 Grants.**

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

**Response:**

**The programs have benefited all production of Yonggang Group.**

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

**Response:**

**The only records Yonggang Group kept was the bank receipts of the grants received, it was not obliged for Yonggang Group to keep such application form in this normal business or there was no such applications. Yonggang Group was not aware of any contractual agreements or applications for the grants received.**

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

**Response:**

**The only records Yonggang Group kept was the bank receipts of the grants received, it was not obliged for Yonggang Group to keep such application form in this normal business or there was no such applications. Yonggang Group was not aware of any contractual agreements or applications for the grants received.**

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

**Response**

**There are no such fees charged to, or expenses incurred by your business for purposes of receiving the**

**program.**

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

**Response:**

**Please refer to Exhibit C-3 Grants.**

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

**Response:**

**The eligibility for the program was not conditional on any of the criteria as illustrated above.**

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

**Response:**

**Not applicable. The benefit was not provided in relation to a specific activity or project.**

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

**Response:**

**In its normal business, Yonggang Group only keeps the bank slips of the grant received. Please refer to Exhibit C-3.1 Bank Slips of the Grant Received.**

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

**Response:**

**Please refer to Exhibit C-3 Grants for the detailed information.**

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

**Response:**

**Please refer to Exhibit C-3 Grants for the detailed information.**

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

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

**Response:**

**Not applicable to Yonggang Group. Yonggang Group has no knowledge of whether the programs was terminated.**

15. Identify the body responsible for administering the grant.

**Response:**

**Please refer to Exhibit C-3 Grants for the detailed information.**

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

**Response:**

**Please refer to Exhibit C-3 Grants for the detailed information.**

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

**Response:**

Please refer to Exhibit C-3 Grants for the detailed information.

The related accounts are **【Confidential information】** .

**PART C-4 EQUITY PROGRAMS**

**Response:**

**This section is not applicable to Yonggang Group. For the specified period , Yonggang Group did not have any equity infusions, debt-to-equity swaps or dividend exemptions. Therefore, Yonggang Group did not benefit from these subsidy programme as claimed in the complaint.**

The Commission understands that the Government of China may be providing assistance in the form of equity programs that may constitute countervailable subsidies for Chinese suppliers of steel reinforcing bar. These programs are:

**Program 43:** Debt for equity swaps

**Program 44:** Equity infusions

**Program 45:** Unpaid dividends

**Program 43: Debt for equity swaps**

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

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

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

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

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

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- i. the nominal value of the shares,
- j. and the company's debt-to-equity ratio before and after the swap.
- k. the dates of the transactions.

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

- 3. How did your company determine the amount of equity to be issued and the per share price to be paid?
- 4. Explain how the transaction was reflected in the financial statements and provide underlying evidence.
- 5. The source of funds to finance these transactions, including the percentage of public vs. private sources.
- 6. How the proceeds from the debt-for-equity swap were used by your company.
- 7. Provide the relevant original loan contracts between the steel company and the GOC or SOCBs and any contracts, legal documents, and other relevant correspondence containing details on the debt for equity transaction.
- 8. Provide documentation relevant to the decision concerning each debt for equity transaction, including in particular all the documents detailing the rationale for the transaction and the underlying financial details, e.g. the relevant rate of return sought by the lender and/or shareholders, the projections of sales and earnings relating to the company operations prior to the debt for equity conversion, etc.
- 9. Provide internal company documents relating to the debt-for-equity transactions, such as Board of Directors' approval decisions and minutes, Board of Supervisors' approval decisions and minutes, Shareholders' meetings approval decisions and minutes etc.
- 10. Provide documentation relevant to the decision as to the source of funds to finance your operations, e.g., debt vs. equity financing and private vs. government sources.
- 11. Explain in detail how was the amount of equity to be issued in exchange for debt determined and the per share price to be paid. If the shares involved in the swap were publicly traded, please provide the relevant prices at the moment of the transaction.
- 12. Explain the expected commercial rate of return on equity sought by the government and its calculation and provide any study and analysis carried out by independent parties on this issue.
- 13. Provide a list of all equity investments made by private (i.e. non-government) entities contemporaneous with the government's investment or debt-to-equity swap, if any. Please provide the dates, the numbers of shares, the amount paid per share for each purchase, and a description of the rights and preferences of the equity interests received by these private entities and how these differ from the rights and preferences of the equity interests received or held by the government.
- 14. Provide a list of any attempt made by your company to obtain private equity investment and/or agreements involving private equity investments which were then not finalised for whatever reasons. Describe the circumstances of these attempts and/or agreements, and the reasons they were not achieved.
- 15. Please provide complete, translated audited financial statements for the year of each government equity investment for each of the government entities involved in the transactions, including SOCBs and AMCs. The financial statements should include the complete set of statements, e.g., income statement, balance sheet, statement of change in equity footnotes, and must be accompanied by the auditors' opinion.



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

### Program 44: Equity infusions

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

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

Please provide answers to the following questions in the attachment named **“Exporter Questionnaire – CV – Rebar”** on the tab labelled **“Equity infusions”**.

1. For Government Equity infusions, please provide the following information regarding the share issue for the equity infusion:
  - (a) the consideration paid,
  - (b) the amount of equity received by the GOC,
  - (c) the name of the GoC entity receiving the shares (can be directly or through controlled corporations),
  - (d) the number of shares issued,
  - (e) a description of the shares (e.g. common shares, preferred shares), and
  - (f) and the date of each transaction.
2. Provide all documentation relevant to your decision concerning each equity infusion, including documents detailing the rationale for the transactions and all of the underlying financial details, e.g. the relevant rate of return sought by the investor(s), projections of sales and earnings relating to the company operations prior to the equity infusion, etc.
3. Provide details of:
  - (a) How did your company determine the amount of equity to be issued and the per share price to be paid?
  - (b) How the transaction was reflected in the financial statements and provide underlying evidence?
  - (c) The source of funds to finance these transactions, including the percentage of public vs. private sources.
  - (d) How the proceeds from the share issued were used by your company?
  - (e) If the shares of the company involved were publicly traded, what was the relevant price at the moment of the equity infusion?
  - (f) What was the expected commercial rate of return on equity sought by the government entity?
  - (g) How did it calculate its expected rate of return? Provide any study and analysis carried out by independent parties.
4. For equity investments made by Government, provide details of private (i.e. non-government entities) equity investments made contemporaneously with the Government's equity infusion, including:
  - (a) the dates,
  - (b) the numbers of shares,
  - (c) the amount paid per share for each purchase,
  - (d) a description of the rights and preferences of the equity interests received by these private entities,
  - (e) how these differ from the rights and preferences of the equity interests received or held by the government, and
  - (f) a description of the circumstances and of any agreements related to these private equity purchases including the role played by the government or entities controlled or owned by the government in the negotiation and/or fulfilling of said agreements.



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

5. Provide a list of any attempt made by your company to obtain private equity investment and/or agreements involving private equity investments which were then not finalised for whatever reasons. Describe the circumstances of these attempts and/or agreements, and the reasons they were not achieved.
6. Please calculate the following financial ratios for your company for each year in which an equity investment was received and for the preceding three years: current ratio, quick ratio, gross profit, operating profits, net profits, return on equity, debt-to-equity, debt-to-assets, interest/debt coverage, and cash flow to debt.

### **Program 45: Unpaid dividends**

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

Please provide the following information:

1. The relevant provisions on distribution of dividends contained in the legislation, in administrative documents, and in any other official documents.
2. The practice and policy on dividend distributions contained in your company documents, including the by-laws, resolutions of the shareholders or the board of directors, minutes of the meeting, shareholders' agreements etc.

For the following questions, please answer the questions in the “**Unpaid dividends**” tabs of the workbook “**Exporter Questionnaire – CV – Rebar**”.

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

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- c) a description of the shares and of their attached rights (e.g. common shares, preferred shares) giving rise to the dividend distributions,
  - d) the percentage of profits distributed per each class of share to the private investors, and
  - e) the dividend per share distributed per each class of share.
6. What was the amount of profits available for dividend distribution by your company for the years 2011, 2012, 2013, 2014 and 2015?
7. What was the amount of retained earnings since the year 2005 available for distribution to shareholders of the different classes of shares?
8. A list of investments in fixed assets affected since the year 2005 financed out of retained earnings or other profits otherwise available for distribution to shareholders in previous years used to finance these investments. (Please format as necessary).
9. All internal company documents relevant to your decision as to the source of funds to finance your operations, e.g., debt vs. equity financing and private vs. government sources.
10. A detailed description of the accounting treatment and the company policy concerning dividend distributions, retained earnings, and use of the proceeds otherwise available for dividend distribution. Please attach relevant underlying financial statements and records and other relevant evidence.

**PART C-5      PREFERENTIAL LOANS AND INTEREST RATES**

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

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

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

**Response:**

**The condition Yonggang Group needs to fulfil is to meet the criteria of the bank's requirements on the ability to repay the principal and the interest. For that purpose, the bank might require Yonggang Group to provide corresponding guarantee or guaranties for the loan.**

**Each of the lending institutions has its own credit rating system. And normally the credit rating include the profit margin, the debt/asset ratio, the guarantee terms etc., Yonggang Group would file the credit rating information, and the lending institutions would come to the factory to verify the related information and the financial performance several times during the lending period.**

2. Provide a list of all the loans provided to your company from banks and financial institutions which have not been fully reimbursed by the end of the investigation period.

**Response:**

**Please refer to Exhibit C-5 Loans for the detailed information.**

3. Provide specific details of the loan, including the start date of the loan, the principal amount of the loan, terms and conditions of the loan, purpose of the loan, the repayment terms/frequency, repayment amount, interest rate, interest type (e.g. fixed, variable etc), if the loan has been redrawn any time during its duration, please provide the redraw date, amount and the reason for redraw.

**Response:**

**Please refer to Exhibit C-5 Loans for the detailed information.**

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

**Response:**

**Please refer to Exhibit C-5 Loans for the detailed information.**

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

**Response:**

**Please refer to Exhibit C-5 Loans for the detailed information.**

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

**Response:**

**Please refer to responses to question C-5.1.**

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

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

**Response:**

**Please refer to Exhibit C-5.7 Sample Loans Contracts.**

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

**Response:**

**Please refer to the responses to C-5.1, there was no such link between the purpose of the loan and the goals specified in any government plan or development program.**

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

**Response:**

**Not applicable to Yonggang Group. There was not the involvement of third parties such as government departments, local councils, party committees in the whole process.**

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

**Response:**

**Please refer to Exhibit C-5.7 Sample Loans Contracts.**

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

**Response:**

**Not applicable to Yonggang Group, Yonggang Group did not experience such refusal.**

12. Provide any other information you may deem necessary for the commission to make an assessment on the subsidisation of producers/exporters of the product under investigation. You may adjust the table in the "Loans" tab as necessary to include this additional information.

**Response:**

**Yonggang Group has provided all the information requested.**

### **PART C-6 MISCELLANEOUS PROGRAMS**

The Commission is aware that some Chinese producers of the goods under consideration benefitted from the following programs:

**Program 47:** "Project: Shortage of coke oven gas heat efficient return development and application technology"

**Program 48:** "Project: Finance Bureau of independent innovative technology funds"

**Program 49:** "Project: The first batch of industry and information technology development funds FY2014"

**Program 50:** "Project: Second five special funds for national support program"

**Program 51:** "Project: Major technical equipment special plate manufacturing support fund"

**Program 52:** "Project: The second batch of key industrial adjustment and revitalisation and transformation funds FY2009"

**Program 53:** "Project: Industrial enterprise energy management centre demonstration project construction FY2009"

**Program 54:** "Project: Coke ovens 1-5 gas desulfurization renovation project"

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- Program 55:** "Project: Industrial park wastewater treatment and reuse project funding"  
**Program 56:** "Project: 2011 Environmental protection special fund"  
**Program 57:** "Project: Special funds for energy conservation"  
**Program 58:** "Project: Coke oven gas desulfurization improvement project"  
**Program 59:** "Project: Special promotion with steel caster reconstruction funds for support"  
**Program 60:** "Project: Water reuse project"  
**Program 61:** "Project: 2010 Key industry revitalization and transformation"  
**Program 62:** "Project: Energy power plant waste heat heating reconstruction project grants"  
**Program 63:** "Project: 320 Sintering flue gas desulfurization project environmental protection fund"  
**Program 64:** "Project: 400 Sintering desulfurization funds"  
**Program 65:** "2012 Annual special funds for energy"  
**Program 66:** "Coke Oven no.1, 2 & 5 tampers top-loading change project"  
**Program 67:** "Project: 2010 Provincial emerging industries and key industries development special fund project"  
**Program 68:** "Regional government economic incentives"  
**Program 69:** "Set aside safely production capital Jinan City Bureau of Finance"  
**Program 70:** "Nanshi Bureau of Water Resources water consumption units appraisal award funds"  
**Program 71:** "City key projects mentioned standard award"  
**Program 72:** "E420 marine platform steel research and application projects"  
**Program 73:** "Xuejiadao financial and tax refund payments"  
**Program 74:** "Jinan City bureau of finance cleaner production special funds"  
**Program 75:** "Security special funds"  
**Program 76:** "Patent development grant funds"  
**Program 77:** "Shandong Huimin Technology Development Co. Ltd R&D funding"  
**Program 78:** "National pillar program special funds"  
**Program 79:** "Government allocated industry enterprises award"  
**Program 80:** "Enterprise workers vocational training allowance"  
**Program 81:** "Municipal Export Trade and Economic Development Guide funds"  
**Program 82:** "Income received from Commerce Bureau in 2012 to guide the development of foreign trade financing"  
**Program 83:** "2013 Annual Export Credit Insurance subsidies 9.12"  
**Program 84:** "2013 Municipal foreign trade development guide funds"  
**Program 85:** "Two by one guarantee funds to support foreign trade"  
**Program 86:** "The financial return of funds"

Provide answers to the following questions in the "**Miscellaneous programs**" tab of the "**Exporter Questionnaire – CV – Rebar**" workbook attached.

For **each program** listed above, answer the following.

1. Indicate whether your company benefited from any of the listed programs.
2. If yes, indicate which goods you produced that benefited from the program (e.g. the program may have benefited all production, or only certain products that have undergone research and development).
3. Describe the application and approval procedures for obtaining a benefit under the program.
4. Where applicable, provide copies of the application form or other documentation used to apply for the program, all attachments and all contractual agreements entered into between your business and the Government of China in relation to the program.
5. Outline the fees charged to, or expenses incurred by your business for purposes of receiving the program.
6. Outline the eligibility criteria your business had to meet in order to receive benefits under this program.
7. State whether your eligibility for the program was conditional on one or more of the following criteria:
  - a) whether or not your business exports or has increased its exports;
  - b) the use of domestic rather than imported inputs;
  - c) the industry to which your business belongs; or
  - d) the region in which your business is located.

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8. If the benefit was provided in relation to a specific activity or project of your entity, please identify the activity and provide supporting documentation.
9. What records does your business keep regarding each of the benefits received under this program? Provide copies of any records kept in relation to the program.
10. Indicate where benefits under this program can be found in your accounting system (i.e., specify the ledgers or journals) and financial statements.
11. To your knowledge, does the program still operate or has it been terminated?
12. If the program has been terminated, please provide details (including when and why). When is the last date that your business could apply for or claim benefits under the program? When is the last date that your business could receive benefits under the program?

If the program terminated has been substituted for by another program, identify the program and answer all the questions in Part C-6 in relation to this programme.

### **PART C-7      ANY OTHER PROGRAMS**

Provide answers to the following questions in the "Other programs" tab of the "Exporter Questionnaire – CV – Rebar" workbook attached.

1. Provide a list of all the provinces in which you have business operations (including locations of factories, sales offices, or other places of business).
2. Are you aware of any programs of the Government of China, any of its agencies or any other authorised body, that benefits<sup>5</sup> manufacturers of steel reinforcing bar that have not been accounted for in this questionnaire? Provide the name of those programs you are aware of (even if your company is not eligible to receive benefit under the program.)
3. Indicate the location of the program by region, province or municipal level.
4. Indicate the type of program, for example:
  - a) the provision of grants, awards or prizes;
  - b) the provision of goods or services at a reduced price (e.g. electricity, gas, raw materials (including, for example, zinc), transport);
  - c) the reduction of tax payable including income tax and VAT;
  - d) reduction in land use fees;
  - e) loans from Policy Banks at below-market rates; or
  - f) any other form of assistance.

For **each program** that you have identified, answer the following.

5. Indicate whether your company benefited from any of the listed programs.
6. Indicate which goods you produced that benefited from the program (e.g. the program may have benefited all production or only certain products that have undergone research and development).
7. Describe the application and approval procedures for obtaining a benefit under the program.
8. Where applicable, provide copies of the application form or other documentation used to apply for the program, all attachments and all contractual agreements entered into between your business and the Government of China in relation to the program.
9. Outline the fees charged to, or expenses incurred by your business for purposes of receiving the program.
10. Outline the eligibility criteria your business had to meet in order to receive benefits under this program.

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<sup>5</sup> Refer to the Glossary of Terms for a definition of benefit in this context.

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

- a) whether or not your business exports or has increased its exports;
- b) the use of domestic rather than imported inputs;
- c) the industry to which your business belongs; or
- d) the region in which your business is located.

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

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

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

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

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

If the program terminated has been substituted for by another program, identify the program and answer all the questions in Part C-7 in relation to this programme.

**Response:**

**The other grants received by Yonggang Group that might confer a benefit to the Company in the POI were listed in Exhibit C-3, with the requested information listed above.**

**Yonggang Group was not sure of the existence of any laws, regulations or any other governmental acts relevant for the operation of the programmes listed in Exhibit C-3.**

**Generally, Yonggang Group was notified by the authorities of the granting of the subsidy. Yonggang Group just reported the grant it actually received in this response. There was no expenses related for obtaining the benefits.**

**Although all grants received during the IP were reported, Yonggang Group does not believe that all of them were the subsidy discussed in this questionnaire. Exhibit C-3 included a column to show the period the grant contributed to, as indicated in the notification documents. Yonggang Group believes that the benefit granted to the company for the period other than the IP, although received during the IP, should not be calculated as subsidy in the IP.**

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**SECTION E - CHECKLIST**

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

<b>Section</b>	<b>Please tick if you have responded to all questions</b>
Section A – general information	✓
Section B – sales to Australia - export price	✓
Section C – countervailing (subsidisation)	✓
Section D - declaration	✓

<b>Electronic Data</b>	<b>Please tick if you have provided spreadsheet</b>
PRODUCTION	✓
INCOME STATEMENT	✓
TURNOVER	✓
AUSTRALIAN SALES	✓
RAW MATERIAL PURCHASES	✓
ELECTRICITY	✓
INCOME TAX PROGRAMS	✓
INCOME TAX	✓
VAT AND TARIFF PROGRAMS	✓
VAT AND TARIFF TRANSACTIONS	✓
GRANTS	✓
DEBT TO EQUITY	✓
EQUITY INFUSIONS	✓
UNPAID DIVIDENDS	✓
LOANS	✓
MISCELLANEOUS PROGRAMS	✓
OTHER PROGRAMS	✓