



RECIEVED 22/02/2016

EXPORTER QUESTIONNAIRE

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

Period of Investigation: 1 JULY 2014 – 30 JUNE 2015

Response due by: 21 February 2016

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

If your company is a manufacturer or exporter of Steel Reinforcing Bars from China during the investigation period of 1 July 2014 to 30 June 2015 and you wish to participate in the investigation, please email operations4@adcommission.gov.au. The Commission will then forward the spreadsheets that accompany this questionnaire for you to complete. Please be aware that all responses to the exporter questionnaire are due by 29 January 2016 so please request the spreadsheets as soon as possible.

CASE CONTACT

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

RETURN OF QUESTIONNAIRE DETAILS

Preferably by email to: operations4@adcommission.gov.au

**Or by mail
(CD-ROM or USB):**
Attention: Director Operations 4
Anti-Dumping Commission
Level 10 Industry House
10 Binara Street
Canberra ACT2600
Australia

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:

Head Office: Hunan Valin Xiangtan Iron & Steel Co., Ltd

Name: **Wang Libo**

Position in the company: **Deputy Director 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.

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Response: The complete legal name 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. 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 2: The Ownership Structure and the History of Valin.

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: Valin is owned by [REDACTED] and [REDACTED]. [REDACTED] holds [REDACTED]% of shares in Valin, and [REDACTED] holds [REDACTED]% of shares in Valin.

4. 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 [REDACTED] and [REDACTED].

[REDACTED] is a listed company, and its controlling shareholder is [REDACTED]. Please refer to Exhibit 3: Top Ten Shareholders List of [REDACTED].

[REDACTED] is owned by [REDACTED] and [REDACTED]. [REDACTED] holds [REDACTED]% of [REDACTED]'s shares, and [REDACTED] holds [REDACTED]% of Valin Group's shares.

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

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

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

Response: Please refer to Exhibit 4: Affiliated Companies of Valin.

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

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

8. 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.

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

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

Response: Please refer to Exhibit 5: Internal Organization Chart.

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 Exhibit 6: Annual Reports and Financial Statements; and Exhibit 7: 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 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.

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Response: Please refer to Exhibit 6: Audited Financial Statements for Year 2013 and 2014 and the subsequent financial statements.

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

Response: Valin did not prepare any management accounts or internal management reports except the Audited Financial Statements provided at Exhibit 6.

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 8: Annual Tax Return for 2011 through 2014.

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

Response: Not applicable, Valin sells products to customers directly.

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: Valin performs all the activities of production and sales of the product under investigation, please refer to Exhibit 9: Chart of Accounts for Valin.

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 the accounting policy in the Audited Financial Statements as provided in Exhibit 6 above.

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: 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 10.

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

A-6 Production capacity data

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

Provide this information on a tab labeled "**Production**" in the attachment "**Exporter Questionnaire – CV – Rebar**".

Response: Valin provides the required Production spreadsheet at **Exhibit 11**.

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 12: 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**".

Response: Please refer to **Exhibit 13: 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 14: Australian Customer.

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.

Response: In light of sales term adopted by Valin and its Australian customer, i.e. [REDACTED], for the exportation of GUC during the period of investigation (POI), Valin completes the delivery of the goods at the [REDACTED], 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 DDP¹ 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.

¹ Delivered duty paid

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- (d) Describe any agency or distributor agreements or other contracts entered into in relation to the Australian market (supply copy of the agreement if possible).

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).

Response: There are no such forward orders of GUC.

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:

Response: Please refer to Exhibit 15: Australian sales.

**** FOB export price:** An FOB export price must be calculated for each shipment - regardless of the shipping terms. FOB price includes inland transportation to the port of exportation, inland insurance, handling, and loading charges. It excludes post exportation expenses such as ocean freight and insurance. Use a formula to show the method of the calculation on each line of the export sales spreadsheet.

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,

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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-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:

| | |
|------------------|---|
| 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-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: Please refer to Exhibit 16: Australian Sales Documents.

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)², 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 |

² Meaning any level of government – refer to the Glossary of Terms for further information

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| Category | Program (number and description) |
|--|---|
| | 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 |
| | 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 |
| | 43. Debt for equity swaps |
| Part C-4: Equity programs (Programs 43-45) | 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" |

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| Category | Program (number and description) |
|----------|---|
| | 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" |
| | 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 (SIEs³)) 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.

Response: Valin is an integrated manufacturer of steel products inclusive of the rebar subject to the investigation, so it did not out-purchase Steel billet from other supplier. In addition, Valin believes that the Coking Coal and Coke the company purchased during the investigation period were all at fair market prices, and did not get any benefit from any government entity in the purchasing of Coking Coal and Coke. In order to justify our position, we complete the responses below for your better understanding.

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: Valin is an integrated steel manufacturer, and adopts an 4-step of steel product making process, as showed in the Flowchart of production

³ 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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process with the raw materials in each processing steps, at Exhibit 10 to this submission, i.e. (1) coke making, and iron ore sintering, (2) iron-making, (3) Steel billet-making, and finally (4) rebar-making.

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: No.

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

Response: Valin did not out-purchase Steel billet from any other supplier and believes that the Coking Coal and Coke the company purchased during the investigation period were all at fair market prices, and did not get any benefit from any government entity in purchasing of Coking Coal and Coke

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**”.

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: Valin provides at the Exhibit 17 the Raw Materials Purchases spreadsheets for the coking coal and coke.

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: No.

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: There is no such assistance/benefits and as a result there are no such contractual agreements.

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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: Valin imported [REDACTED] during the investigating period.

Whether to import the raw material from the overseas market, or purchase in the domestic market depends on nothing, but the price, quality and availability of the materials.

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?

Response: Yes, Valin self-produces and purchases electricity from the power grid company for the manufacture of rebar.

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.

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: Valin provides at the Exhibit 18 the Electricity spreadsheet.

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: No.

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: There is no such assistance/benefits and as a result there are no such contractual agreements.

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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: Valin is not aware of any price difference, but pays the electricity at the price set by the power grid company.

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 benefit⁴ 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

Response: Valin is of the eligibility for applying the Preferential Tax Policies for High and New Technology Enterprises, i.e. to pay the income tax at a preferential rate of []%, however, due to being at a loss status, Valin did not pay the enterprise income tax during the POI, and therefore, did not apply or receive any benefit under the income tax program in fact.

For the Land Use Tax Deduction, Valin applied and benefited from this program, therefore, response the following questions for this program.

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: Valin is of the eligibility for applying the Preferential Tax Policies for High and New Technology Enterprises, i.e. to apply for paying the income tax at a preferential rate of []%, however, due to being at a loss status, Valin did not apply for the preferential tax rate, therefore, the applicable income tax rate for Valin is []% consistent with the general income tax rate applicable to all enterprises in China.

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

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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.

Response: Not applicable.

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.

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

Program 7: Land Use Tax Deduction

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

Response: Valin applied the land use tax deduction in amount of RMB [REDACTED] in a lump-sum basis during the investigating period.

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: All goods Valin produced benefit from this program.

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

Response: To our knowledge, this program [REDACTED]

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: There is no application form or other documentation in fixed format in the application for the benefits under this program. It only required the company to prove that it is in a loss status. Valin provides at the Exhibit 19 the Approval of land use tax reduction applicable for the investigating period.

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

Response: No fee was charged for this program.

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

Response: To the best knowledge of Valin, this program is applicable to the company in loss status.

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: No.

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.

Response: No.

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: Valin provides at the Exhibit 19 the Approval of land use tax reduction applicable for the investigating period.

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: The benefit under this program is in form of exemption, so no record in the accounting system can be found, but the Approval of land use tax reduction provided at Exhibit 19.

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?

Response: To our knowledge, this program still operates for now.

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.

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Response: Not applicable, because to our knowledge, this program still operates for now.

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

Response: Valin provides at the Exhibit 20 the Income Tax program and Income Tax spreadsheet.

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: Valin provides at the Exhibit 21 the income tax returns for the 2011, 2012, 2013, 2014 tax years, however, for 2015, the annual income tax has not been settled by the date of this submission, and Valin will provide the income tax return for 2015 as soon as it is available.

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:

Program 8: Tariff and VAT Exemptions on Imported Materials and Equipment

Program 9: 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.

Response: Valin imported equipment during the period 1 July 2005 to 30 June 2015 for the production of rebar subject to the investigation, and benefits from the program of Tariff and VAT Exemptions on Imported Equipment, and therefore, reported the imported equipment at Exhibit 22 VAT and Tariff Programs.

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For the VAT refund on comprehensive utilisation of resources, it is not the same type program as Tariff and VAT Exemptions on Imported Materials and Equipment, rather a grant program; therefore, Valin provides the response for this program in the PART C-3 GRANTS.

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: Valin imported equipment during the period 1 July 2005 to 30 June 2015 for the production of rebar subject to the investigation, and benefits from the program of Tariff and VAT Exemptions on Imported Equipment.

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

Response: The benefit under this program is in form of Tariff and VAT exemption.

3. What was the amount of benefit received?

Response: Please refer to the Exhibit 22 VAT and Tariff Programs.

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

Response: The benefit received is in form of Tariff and VAT exemption in a lump sum.

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

Response: This program has no specific application process, but automatically applies to the importation of the equipment by Valin, i.e. exempting the import VAT and tariff.

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: Since this program is automatically applied to the eligible importation, Valin did not file any application form for this program.

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

Response: No fee was charged to Valin for purposes of receiving the program.

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

Response: The eligibility for the receipt of the benefit under the program is

[REDACTED].

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 anyone of the above criteria.

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: No, the benefit was provided in relation to a specific activity or project of your entity.

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: The benefit under this program is in the form of exemption other than acceptance, as a result, there are no records kept in the accounting system and financial statements, but the imported equipment can be identified in the assets account of the company.

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: The benefit under this program is in the form of exemption other than acceptance, as a result, there are no records kept in the accounting system and financial statements, but the imported equipment can be identified in the assets account of the company.

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

Response: Not applicable.

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?

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Response: To Valin's knowledge, the VAT part of this program has beenterminated since January 1, 2009, while the Tariff exemption is still working for now.

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 Valin's knowledge, the VAT part of this program has not been substituted by any other program.

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: The benefit under this program is in the form of exemption from VAT and tariff, rather than refund of VAT. We provided the required information at Exhibit 22.

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);
 - (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: Not applicable, the imported inputs of Valin did not receive exemption from payment of or refunds of import duty and import VAT.

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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: Not applicable, this program is not applicable to the inputs in the production of the subject merchandise.

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
- Program 33:** Environmental protection fund
- Program 34:** Intellectual property licensing

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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: To the best knowledge of the company, Valin received benefits under the [REDACTED] of the above programs during the period **1 July 2010 to 30 June 2015**.

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: Valin received benefits under some other grant programs during the period **1 July 2010 to 30 June 2015**, and thus, provides at Exhibit 23 the list of the grants, inclusive of [REDACTED], the program of the VAT refund on comprehensive utilisation of resources, and all other grants received during the period **1 July 2010 to 30 June 2015**, with program name, nature, amount, benefit goods and the period receiving the benefits under each programs.

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: Valin provides at the Exhibit 23 the list of the grants with program name, nature, amount, benefit goods and the period receiving the benefits under each programs.

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: Please refer to the Exhibit 23.

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

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Response: To our know ledge, the grant programs [REDACTED].

Any company have the eligible production technology improvement program may have the qualification for obtaining the benefit under these programs. The local government has the authority to determine the grant of assistance under this program.

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

Response: Not applicable.

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

Response: No fee was charged to Valin for the purpose of receiving the programs.

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

Response: Any company have the eligible production technology improvement program may have the qualification for obtaining the benefit under these programs.

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: No.

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: Please refer to the Exhibit 23.

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: Valin keeps the payment proof and voucher entry to the account of the company for each of the programs.

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

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Response: All of the benefits can be found in the [REDACTED] of the company.

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

Response: To our knowledge, this program still operates for now.

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.

15. Identify the body responsible for administering the grant.

Response: The local government is responsible for the grants.

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

Response: Please refer to the Exhibit 23.

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

Response: All of the benefits can be found in the [REDACTED] of the company

PART C-4 EQUITY PROGRAMS

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

Program 43: Debt for equity swaps

Program 44: Equity infusions

Program 45: Unpaid dividends

Response: Valin did not go through any Debt for equity swaps or Equity infusions program, and, in light of the determination made by the shareholders meeting of the company, Valin did not made any distribution of dividends to the any of the shareholders of the company during the period from 1 July 2005 to 30 June 2015, therefore, all of the program 43 through 45 are not applicable to Valin. Therefore, the response to the following questions in this section is not necessary.

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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).

Response: Not applicable.

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),
 - 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.

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Also, provide the following information for each "swapped" debt:

Response: Not applicable.

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

Response: Not applicable.

4. Explain how the transaction was reflected in the financial statements and provide underlying evidence.

Response: Not applicable.

5. The source of funds to finance these transactions, including the percentage of public vs. private sources.

Response: Not applicable.

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

Response: Not applicable.

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.

Response: Not applicable.

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.

Response: Not applicable.

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

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Board of Supervisors' approval decisions and minutes, Shareholders' meetings approval decisions and minutes etc.

Response: Not applicable.

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.

Response: Not applicable.

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.

Response: Not applicable.

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.

Response: Not applicable.

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.

Response: Not applicable.

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.

Response: Not applicable.

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

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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.

Response: Not applicable.

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.

Response: Not applicable.

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.

Response: Not applicable.

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 to equity infusion, etc.

Response: Not applicable.

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3. Provide details of:

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

Response: Not applicable.

4. For equity investments made by Government, provide details of private (i.e. non-government entities) equity investments made contemporaneously with the Government's equity infusion, including:

- (a) the dates,
- (b) the numbers of shares,
- (c) the amount paid per share for each purchase,
- (d) a description of the rights and preferences of the equity interests received by these private entities,
- (e) how these differ from the rights and preferences of the equity interests received or held by the government, and
- (f) a description of the circumstances and of any agreements related to these private equity purchases including the role played by the government or entities controlled or owned by the government in the negotiation and/or fulfilling of said agreements.

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

Response: Not applicable.

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.

Response: Not applicable.

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,

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return on equity, debt-to-equity, debt-to-assets, interest/debt coverage, and cash flow to debt.

Response: Not applicable.

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.

Response: The provisions for the distribution of the dividends are provided in the Articles of association of the company provided at Exhibit 24.

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.

Response: In general, if the company realized any profit during the financial year, the dividends should be distributed to the shareholders according to their shares in the company, and the shareholders meeting has the authority on determining whether to make the dividends distribution for each year. Since none of the shareholders of Valin is a government entity, and no dividend was distributed during the period from 1 July 2005 to 30 June 2015 either, the following questions in this section are not applicable to the company.

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.)

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- 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.

Response: Not applicable.

4. Provide a copy of the relevant resolutions adopted by the shareholders' meeting or the board of directors deliberating the relevant dividend distribution.

Response: Not applicable.

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

Response: Not applicable.

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

Response: Not applicable.

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

Response: Not applicable.

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).

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Response: Not applicable.

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.

Response: Not applicable.

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.

Response: Not applicable.

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 company operates its business based on its capital fund and assets contributed by the shareholders at the establishment of the company, and obtains loans from the commercial banks as financial resources.

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

Response: Valin provides at the Exhibit 25 the Loan spreadsheet.

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: Valin provides at the Exhibit 25 the Loan spreadsheet.

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 the Exhibit 25.

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: Valin did not have the knowledge of ownership structure of the banks from which the company obtained the lands.

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?

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Response: Valin did not concern whether the bank is owned or equity controlled by the government, and its determination on choosing the banks is all based on the availability, timeliness and the market rates of the loan through negotiation with the banks.

At the Exhibit 25, Valin provides the interest rates of the loans obtained by the company for both the RMB loans and foreign currency loan. For the RMB loan, the negotiable interest rate are finally determined by the company and the bank based on the benchmark interest rate set by the central bank of China, while interest rates of the foreign currency loans are mainly determined by the parties based on the London Interbank Offered Rate, i.e. LIBOR.

It can be seen obviously from the Exhibit 25 that the interest rates of the foreign currency loans are [REDACTED] than that of RMB loans. Therefore, Valin is not able to get any benefit from the loans obtained by the company, no matter whether the bank has any government shares or not.

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: In nature, the qualification and approval process for Valin to obtain the RMB loans are very similar to the loans in foreign currency, i.e. submitting loan application by the company first, and then credit qualification check by the bank, after that, signing loan contract between the bank and the company.

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

*Note: If your company has more than one loan from 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: Valin provides the required loan agreements at Exhibit 26 with the translation for the provision of the terms and conditions of loans.

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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: No, none of the loans is depended on the 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: There is no involvement of any government departments, local councils, party committees in the whole process since the application for the loan up to the decision whether the loan is granted or not.

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

Response: Provided as required.

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.

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: Valin has no further information provided for now.

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"

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- 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"
- 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.

Response: Valin has provided response in the **PART C-3 GRANTS** section for all of the grants received during the period from 1 July 2005 to 30 June 2015,

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therefore, none of questions for the programs above is applicable to the company.

For each program listed above, answer the following.

1. Indicate whether your company benefited from any of the listed programs.

Response: Not applicable.

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).

Response: Not applicable.

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

Response: Not applicable.

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.

Response: Not applicable.

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

Response: Not applicable.

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

Response: Not applicable.

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.

Response: Not applicable.

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.

Response: Not applicable.

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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.

Response: Not applicable.

10. 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.

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

Response: Not applicable.

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.

Response: Not applicable.

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).

Response: Valin has provided response in the PART C-3 GRANTS section for all of the grants received during the period from 1 July 2005 to 30 June 2015, therefore, none of questions for the above programs is applicable to the company.

2. Are you aware of any programs of the Government of China, any of its agencies or any other authorised body, that benefits⁵ 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.)

Response: Not applicable.

3. Indicate the location of the program by region, province or municipal level.

⁵ Refer to the Glossary of Terms for a definition of benefit in this context.

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Response: Not applicable.

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.

Response: Not applicable.

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.

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

Response: Not applicable.

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.

Response: Not applicable.

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

Response: Not applicable.

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

Response: Not applicable.

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

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d) the region in which your business is located.

Response: Not applicable.

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.

Response: Not applicable.

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.

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.

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

Response: Not applicable.

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: Not applicable.

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SECTION E - 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 – sales to Australia - export price | √ |
| Section C – countervailing (subsidisation) | √ |
| Section D - declaration | √ |

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