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APPLETON LUFF PTE LTD
INTERNATIONAL LAWYERS

BRUSSELS
GENEVA
SINGAPORE
WARSAW
WASHINGTON, DC
WWW.APPLETONLUFF.COM

ONE RAFFLES QUAY
LEVEL 25, NORTH TOWER
SINGAPORE 048583
TEL: +65 6519 2083
FAX: +65 6725 0803
EMAIL: NEE@APPLETONLUFF.COM

RECEIVED

05 NOV 2012

November 5, 2012

BY MAIL

**International Trade Remedies Branch
Australian Customs and Border Protection Service
5 Constitution Avenue
Canberra act 2601
Australia
Attention: Director Operations 2**

Re: Anti-Dumping Investigation on Zinc Coated (Galvanized) Steel and Aluminium
Zinc Coated Steel from the People's Republic of China, the Republic of Korea and
Taiwan (Investigation No. 190)

Dear Sir or Madam:

On behalf of Yieh Phui Technomaterial Co., Ltd. ("Yieh Phui (China)"), a producer/exporter of the goods under consideration originating in Taiwan, we hereby submit the particular market situation questionnaire response for the above-captioned proceeding.

Please let us know if you have any questions regarding this submission. In the future correspondences please communicate to the following personnel of Appleton Luff: Jay Nee (nee@appletonluff.com) and Huibin Zhang (zhang@appletonluff.com) in the above-referenced proceeding.

Very truly yours,



Jay Y. Nee

Appleton Luff is a specialty law firm focusing on issues of international trade, cross-border commerce, arbitration, investment and public international law. The firm operates as separately incorporated law offices located in Brussels, Geneva, Singapore, Warsaw and Washington, D.C.



International Trade Remedies Branch

SUPPLEMENTARY EXPORTER QUESTIONNAIRE **PARTICULAR MARKET SITUATION – CHINA**

PRODUCT CONCERNED: **ZINC COATED (GALVANISED) STEEL AND
ALUMINIUM ZINC COATED STEEL FROM THE
PEOPLE’S REPUBLIC OF CHINA, THE
REPUBLIC OF KOREA AND TAIWAN**

INVESTIGATION PERIOD: **1 JULY 2011 TO 30 JUNE 2012**

RESPONSE DUE BY: **5 NOVEMBER 2012**

ADDRESS FOR RESPONSE: **International Trade Remedies Branch
Australian Customs and Border Protection
Service
5 Constitution Avenue
Canberra act 2601
Australia
Attention: Director Operations 2**

CASE MANAGER: **Ms Christie Sawczuk**
TELEPHONE: **+61-2-6275-5965**
FAX: **+61-2-6275-6990**
EMAIL: **itrops2@customs.gov.au**

Please note that a public record version of the reply to this questionnaire must also be provided.

PARTICULAR MARKET SITUATION

The applicant claims that a 'particular market situation' exists in respect of galvanised steel and aluminium zinc coated steel (the goods) from China due to government influence on both the prices of the goods and the major raw material inputs including hot rolled coil (HRC), iron ore, coal, and cold-rolled steel used in the manufacture of the goods.

The existence of a 'particular market situation' could affect Customs and Border Protection's approach to calculating the normal value within its dumping assessment.

In broad terms, it is generally the case that the normal value of the goods is the price paid for like goods sold for home consumption in the country of export. One of the exceptions to using domestic selling prices for this purpose is if the Minister is satisfied that a situation in the market has rendered domestic selling prices unsuitable for establishing normal values (i.e. a 'particular market situation' exists).

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

Through this supplementary questionnaire, Customs and Border Protection is seeking information from your business, supported by evidence, in assessing the market situation claims made by the applicant. All document provided must be accompanied with a translated English version as well as the original version.

It may be necessary for Customs and Border Protection to request additional information following receipt and review of your responses.

PART 1 GENERAL INFORMATION

1. Ownership and management

- a) Has the Government of China (GOC)¹ anytime in the previous 5 years been a shareholder (or invested either directly or indirectly) in your business? If so, provide details of shareholding and/or investments.

ANSWER: Yieh Phui (China) Technomaterial Co., Ltd. (hereinafter referred to as "Yieh Phui (China)" or "YPC") has never been owned or controlled by the government of the People's Republic of China.

- b) List all the directors and major shareholders of your business and identify any common directors and executive officers between your business and related businesses.

ANSWER: Please see Exhibit 1 for the requested information.

¹ References to the GOC include any government authorities at any level (e.g. National, Provincial, Regional, Local), agency, party, or otherwise associated entity, including the State-owned Assets Supervision and Administration Commission of the State Council (SASAC).

- c) Are any directors or major shareholders, employees, or otherwise affiliated with the GOC? If so, identify the individuals, their role and their affiliation with the GOC.

ANSWER: None of YPC's directors, shareholders, employees is affiliated with the GOC.

- d) Are any directors or employees of your business appointed, managed or recommended by the GOC? If so, identify the government department(s) they were recommended by.

ANSWER: None of YPC's directors or employees is appointed, managed or recommended by the GOC.

- e) Provide details of any significant changes in the ownership structure of your business over the last 5 years.

ANSWER: Established in year 2001, Yieh Phui (China) is wholly owned by its parent company Yieh Phui Enterprise Co., Ltd. ("Yieh Phui" or "YP"), a company incorporated in Taiwan. Before October 2010, Yieh Phui (China)'s entire stake of shares were held by Yieh Phui through a company named Mickey Regent Inc., an investment vehicle incorporated in the British Virgin Islands. Since October 2010, Yieh Phui (China)'s entire stake of shares were held by Yieh Phui through another company named Yieh Phui (Hong Kong) Holdings Limited, also an investment vehicle incorporated in Hong Kong.

1. Before October 2010

Name of shareholder	Percentage of share holding	Activity of shareholder
1. Mickey Regent Inc.	100%	Holding company

Source of information: Yieh Phui (China)'s business license

2. Since October 2010

Name of shareholder	Percentage of share holding	Activity of shareholder
1. Yieh Phui (Hong Kong) Holdings Limited.	100%	Holding company

Source of information: Yieh Phui (China)'s business license

- f) Identify all positions within your business that are appointed or designated to act on behalf of GOC authorities.

ANSWER: None of YPC's employees is appointed, or designated to act on behalf of GOC authorities.

- g) Explain whether there are any GOC requirements by law and/or any internal business policy to have GOC representation in your business. If so explain their role.

ANSWER: There is no requirement by law and/or YPC's internal business policy to have GOC representation in Yieh Phui (China)

- h) Does the GOC representative(s) or the person(s) appointed by the GOC have any VETO rights for any decisions made by the Board and/or the senior executives of your business? If so explain how and when such powers are exercised.

ANSWER: This question is not applicable, as there is no GOC representation in Yieh Phui (China).

- i) Who has the ability to reward, hire, fire or discipline your business' senior managers and executives?

ANSWER: YPC's Board of Directors possesses the authority to reward, hire, fire or discipline the managers and executives.

- j) Do any of your business' senior managers hold positions in any GOC departments or organisations, associations or Chambers of Commerce? If so describe the nature of their positions.

ANSWER: None of the YPC's senior managers has either held position in, or has had relationship with, any of GOC department or organisations, associations or Chamber of Commerce.

- k) Is your business publicly listed and traded on a securities exchange?

ANSWER: YPC is not a publicly traded company. YPC's parent company, Yieh Phui Enterprise Co., Ltd., is listed on Taiwan Stock Exchange.

- l) If so, identify all types of securities listed and name all securities exchange's on which they are traded.

ANSWER: This question is not applicable, as YPC is not a publicly traded company.

- m) Are there any restrictions to trade these securities (e.g. restricted only to Chinese nationals etc.)?

ANSWER: This question is not applicable, as YPC is not a publicly traded company.

2. Business planning

- a) Explain your business' decision-making process in general and in respect of steel products in relation to:

- i. what goods are produced;
- ii. how the goods are produced;
- iii. how much is produced;
- iv. the quantity of inputs (such as raw materials and energy) purchased and how it is allocated to the manufacture of different products;
- v. the location of your production facility;
- vi. how your business' profit is distributed (e.g. dividends, share buyback etc); and
- vii. how you make decisions regarding your companies' growth target and other strategic decisions (e.g. expansions, mergers, acquisitions, restructures).

ANSWER: YPC operates in China as a wholly foreign-owned enterprise and has always been able to control its business decision independently from any government control or influence.

- b) Provide a description of any GOC input/guidance into the decision-making process regarding your manufacturing, marketing and sale of steel products.

ANSWER: Yieh Phui (China) is not under the government control over the business decision regarding manufacturing, marketing and the price and sale activities.

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

ANSWER: Yieh Phui (China) is not directly or indirectly under the government control over the manufacturing, marketing or purchasing of steel products.

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

ANSWER: Please see Exhibit 2 for the requested information.

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

ANSWER: In the normal course of business, Yieh Phui (China) does not use price lists for its export or domestic sales. However, Yieh Phui (China) does have price reference prepared on a monthly basis. Such a price reference is prepared by Yieh Phui (China)'s sales department together with the sales department of its parent company Yieh Phui Enterprise Co., Ltd. for the sales representatives as a reference in negotiating with world-wide customers. The final selling price, however, is still subject to the negotiations with customers in consideration of various factors such as product specifications, quantity, target shipment date, and market situation, etc.

Please see Exhibit 3 for the price reference used by Yieh Phui (China) during the investigation period.

- f) Provide the copies of your Business and/or Corporate Plan that were effective during the Investigation period.

ANSWER: Yieh Phui (China) did not have formal business/corporate plan in writing during the investigation period.

g) Has your business been involved in any mergers and/or acquisitions in the last 5 years? If so, provide details.

ANSWER: Yieh Phui (China) has not been involved in any mergers and/or acquisitions in the last 5 years.

- h) Has your business undergone any major restructuring in the last 5 years? If so, provide details.

ANSWER: Yieh Phui (China) has not been undergone any major restructuring in the last 5 years.

- i) Is your business currently, or in the last 5 years, been involved in a joint venture? If so, provide details.

ANSWER: Yieh Phui (China) has not been involved in a joint venture in the last 5 years.

3. Licensing

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

ANSWER: Please see Exhibit 4 for the requested information.

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

ANSWER: Yieh Phui (China)'s business license is issued by Jiangsu Administration for Industry & Commerce ("Jiangsu AIC").

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

ANSWER: The procedure for YPC to apply for the business license can be generally described as follows:

- | | |
|---------------|---|
| Step 1 | Obtaining the approval of "Notice of Pre-approval of Enterprise Name" from Jiangsu Administration for Industry & Commerce. |
| Step 2 | Applying for Certificate of Approval |
| Step 3 | Registration for business license |

- d) Describe all requirements and/or conditions that must be met in order to obtain the license(s).

ANSWER: Yieh Phui (China) had met the following requirements in order to obtain the business license:

<u>Step</u>	<u>Requirements and/or conditions</u>
Step 1: Pre-approval of enterprise name	The enterprise name does not contain the name of other legal person or enterprise.
Step 2: Certificate of approval	<p>The engaged business is not forbidden or restricted by the China government.</p> <p>The engaged business is not under the following circumstances :</p> <ul style="list-style-type: none">- Injuring China's sovereignty or social and public interests or endangering China's national security;- Endangering China's national security;- In violation of Chinese laws and regulations;- Result in environmental pollution
Step 3 Registration for business license	A written application for registration application within 30 days upon receiving the Certificate of Approval.

- e) Describe any sanctions and/or restrictions imposed on your business if you act outside the scope of your business license(s).

ANSWER: In case Yieh Phui (China) is engaged in business activities beyond the business scope as approved, it shall be subject to a fine imposed by the registration authority. If the case is serious, the registration authority has the right to revoke the business license.

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

ANSWER: Yieh Phui (China) is granted the right to produce and sell pickled steel products, hot-rolled steel products, galvanized steel products and pre-painted steel products. Yieh Phui (China) is allowed to engage in the import/export business defined in the business license.

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

ANSWER: Yieh Phui (China)'s business license can be revoked by Jiangsu AIC if any of the following circumstances occurs:

- Providing false information or document for applying business license.
- Without justification, failing to commence business operation more than six months after the establishment.
- Failing to apply for deregistration after the liquidation of bankruptcy or dissolution proceeding.
- Failing to pass the business license annual review.
- Forging, altering, lending or transferring its business license.
- Engaging in the business beyond of the scope stated in the business license.

h) What are the on-going conditions and/or requirements of your business license? Name the authority that manages the compliance of these conditions and/or requirements?

ANSWER: Yieh Phui (China)'s business license is subject to annual review by Jiangsu Administration for Industry & Commerce.

4. Capital investment activities

- a) List all capital investment activities (e.g. new production line, upgrades) your business has undertaken in the last 5 years and provide details of the approval process and any conditions placed upon the approval. Provide all relevant documentation, including copies of application forms and approval letters.

ANSWER: Yieh Phui (China)'s capital investment activities undertaken in the last five years can be summarized as follows:

- Galvanizing production line renovation project.
- Purchase of various manufacturing equipment, electrical equipment transportation vehicles, tools etc., that are classified as fixed assets.

In general, Yieh Phui (China) is freely to purchase the machinery and/or equipment without obtaining the approval from the government authority. However, the galvanizing production line renovation project, a major fixed asset construction project, is subject to the approval by Changshu Development and Reform Commission. The approval process is as follows:

<u>Application Step</u>	<u>Description</u>	<u>Approval authority</u>	<u>Condition</u>
Step 1	Applying for environmental evaluation	Changshu Environment Protection Bureau	The project does not have significant influence on environment.
Step 2	Submit the application form	Changshu Development and Reform Commission	The project shall be comforted with relevant industry policy
Step 3	Approve the renovation project	Changshu Development and Reform Commission	

Please see the Exhibit 5 for the application form and approval document regarding renovation project issued by the government authorities.

- b) If an application for your capital investment activity was not approved, provide details and documentation for the refusal.

ANSWER: This question is not applicable, as Yieh Phui (China) has never been disapproved by the government on any of its capital investment activity.

- c) Identify all relevant authorities responsible for approving capital investments including the office address, phone and fax numbers. Also provide a brief description of the role of the authority in the approval process.

ANSWER: Please see the following chart for the requested information.

<u>Government Authority</u>	<u>Address</u>	<u>Phone/Fax Number</u>	<u>Basic role</u>
Changshu Environmental Protection Bureau	52 Haiyu North Road, Changshu, Jiangsu Provnce, China	0512-52812816/0512-52817792	Oversee and manage the prevention and treatment of pollution

Changshu Development and Reform Commission	38 Haiyu North Road, Changshu, Jiangsu Province, China	0512-51530304/0512-51530304	Monitor macroeconomic and social development trend and provide forecast. Plan the layout of key construction projects and productivity and approval/review the key construction projects.
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5. Financing and investment activities

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

ANSWER: Yieh Phui (China)'s business debt is either funded by its shareholder, Yieh Phui (Hong Kong) Holdings Limited, a company incorporated in Hong Kong, or funded by various domestic and foreign commercial banks. The major lenders during the investigation period are as follows:

<u>No</u>	<u>Bank Name</u>
1	[REDACTED]
2	[REDACTED]
3	[REDACTED]
4	[REDACTED]
5	[REDACTED]
6	[REDACTED]
7	[REDACTED]
8	[REDACTED]
9	[REDACTED]

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

ANSWER: The interest rate over the last 5 years was negotiated between Yieh Phui (China) and the lenders on a transaction-by-transaction basis that reflected the capital market situation as well as Yieh Phui (China)'s financial status. In other words, the interest rate paid by Yieh Phui (China) for its borrowings was a result of various economic factors such as the amount of borrowings, repayment terms, and/or whether the loan is backed with collateral and if so the market value of the collateral, etc.

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

ANSWER: No, Yieh Phui (China) has never benefited from any concessional interest rates for its loans.

- d) Has your business raised any capital using issuance of shares, preferential shares, rights issue, bonds, warrants, debentures, sub-ordinate loans or any other debt and/or equity instruments in the last 5 years? If so:
- i. explain what instruments were used;
 - ii. identify the type (e.g government guarantee) and provider of the security; and
 - iii. explain the reasons for raising the capital.

ANSWER: No, Yieh Phui (China) did not raise any capital using issuance of shares, preferential shares, rights issue, bonds, warrants, debentures, sub-ordinate loans or other debt or equity instruments in the last 5 years.

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

ANSWER: Yieh Phui (China) does not have any specific policy regarding how its cash reserves are to be invested.

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

ANSWER: Yieh Phui (China) has never invested in either government or non-government debt securities.

6. Industry associations

- a) Are you a member of any industry association (either governmental or non-governmental)? If so, for each association provide details including:
- i. The name of the association.
 - ii. When your business joined the association.
 - iii. Whether there are any membership fees.

- iv. The purpose of the association.
- v. The benefits of the association.
- vi. Any restrictions or conditions placed on your business by being a member of the association.
- vii. Any other on-going requirements for the association.

ANSWER: Yieh Phui (China) is not a member of any industry association.

7. Interaction with the GOC

- a) Provide details of all interactions that your business has with the GOC including reporting requirements to the GOC.

ANSWER: Yieh Phui (China) has never been owned or controlled by any level of the GOC. Yieh Phui (China) operates in China as a wholly foreign-owned enterprise and has always been able to control its business decision independently from any government control or influence.

In the normal course of business, Yieh Phui (China) has to communicate with several GOC authorities for businesses which can be summarized as follows:

<u>Government Authority</u>	<u>Purpose</u>
Changshu Environmental Protection Bureau	Environment evaluation
Changshu Development and Reform Commission	Project approval
Bureau of Commerce of Changshu	Project approval
Changshu Administration for Industry & Commerce	Business registration
Changshu Taxation Authority	Taxation declaration
Bureau of Land and Resource of Changshu	Land utilization

- b) Provide contact details of any GOC departments, bureaus or agencies that your business has had any dealings with that are responsible for the administration of measures in the steel industry.

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

- i. industrial policy and guidance on the steel industry sector;
- ii. market entry criteria for the steel industry sector;
- iii. environmental enforcement for the steel industry sector;
- iv. management of land utilization;
- v. the China Banking Regulatory Commission for the steel industry sector;
- vi. investigation and inspection of new steel expansion facilities;
- vii. the section in the National Development and Reform Commission that is responsible for the steel industry sector; and
- viii. import licensing for iron ore, steel and other steel raw materials.

ANSWER: Please see the following chart for the contact information of the applicable government authority:

<u>Government Authority</u>	<u>Address</u>	<u>Phone/Fax number</u>
Changshu Environmental Protection Bureau	52 Haiyu North Road, Changshu, Jiangsu Provnce, China	0512-52812816/0512-52817792
Changshu Development and Reform Commission	38 Haiyu North Road, Changshu, Jiangsu Provnce, China	0512-51530304/0512-51530304
Bureau of Commerce of Changshu	#A Building, 10 Huanghe Road, Changshu	0512-52813980
Changshu Administration for Industry & Commerce	46 Haiyu North Road, Changshu, Jiangsu Province, China	0512-52811666
Changshu Taxation	28 Fengling Road, Changshu, , Jiangsu	0512-52292677

Authority	Province, China	
Bureau of Land and Resource of Changshu	79 New century Road, Changshu, Jiangsu Province, China	0512-52822070

- c) How has the GOC's *National Steel Policy*² impacted on your business and how do you ensure compliance with this policy?

ANSWER: The National Steel Policy does not impact on Yieh Phui (China)'s operation as the Policy mainly focuses on macro control regarding structure adjustment, industrial layout, technical updating as well as inwards/outwards investment of China-wide industries.

- d) Have you had dealings or communications with the National Development and Reform Commission (NDRC) and/or the Ministry of Industry and Information Technology (MIIT) in the last 5 years? If so, provide details.

ANSWER: Yieh Phui (China) did not deal or communicate with NDRC and/or MIIT in the last 5 years.

- g) Provide details of all the taxes paid by your business in the last 5 years (e.g company tax, sales tax, levies, royalties). Ensure that you include the tax rate, whether it is a reduced rate and the name of the authority that it is paid to.

ANSWER: Please see the following chart for the requested information:

<u>Tax Item</u>	<u>Tax Rate</u>
VAT	17%
Local Education Surcharge	2% of VAT payable
Education surcharge	3% of VAT payable
Urban Construction tax	5% of VAT payable
Stamp tax	0.005%~0.1%

² also referred to as the Steel and Iron Industry Development Policy, as well as by several other titles

Land use tax	4 RMB/per square meter
Urban housing tax	1.2% of value of property

- h) List and describe all reports that are required to be submitted to the GOC? How often such reports are required? Identify the government department/office where each report is filed.

ANSWER: Yieh Phui (China) is required to submit the VAT Return on a monthly basis, and the Enterprise Income Tax Return to Changshu Taxation Authority on a quarterly basis. Please see the answer to Question 7.b above for the contact information of Changshu Taxation Authority.

- i) Does your business provide selling price information or participate in surveys to an external agency? If so, provide details.

ANSWER: Yieh Phui (China) does not provide selling information or participate in surveys to any external agency.

PART 2 THE GALVANISED STEEL AND ALUMINIUM ZINC COATED STEEL

1. Sales and production

- a) Provide a list of all your domestic customers of the goods, include the location (city and province) of the customer and indicate whether each customer is an SIE.

ANSWER: Please see Exhibit 6 for the requested information.

- b) Does your business need to obtain approval or a licence to manufacture and sell the goods? If so, provide details.

ANSWER: Other than the business license, Yieh Phui (China) is not otherwise required to obtain approval or any other license to manufacture and sell the goods.

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

ANSWER: Yieh Phui (China) is not subject to any direct or indirect quality or quantitative restrictions in relation to its production activity.

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

ANSWER: An export license is not required for Yieh Phui (China) to engage in exports.

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

ANSWER: The goods sold by Yieh Phui (China) are not subject to any direct or indirect export restrictions during the previous 5 years.

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

ANSWER: Yieh Phui (China) is not subject to any other direct or indirect restrictions on its sale activities of the goods.

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

ANSWER: Yieh Phui (China) did not change its production capacity over the last 5 years.

2. Selling price

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

ANSWER: The selling price of the goods by many factors, such as the quantity ordered, the cost of production, the product mix, the market situation, and capacity utilization, etc. Yieh Phui (China) is not subject to any direct or indirect quantitative or other restrictions on its domestic and export activities. In its negotiations with customers, Yieh Phui (China) has full control over all aspects of the terms of sales

including price, quantity, and other sale terms.

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

ANSWER: Yieh Phui (China) believes that Baosteel Group Corporation is the price leader of the goods in China.

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

ANSWER: No, Yieh Phui (China) does not have a pricing committee in respect of the goods

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

ANSWER: This question is not applicable, as Yieh Phui (China) does not have a pricing committee to discuss the selling prices of the goods.

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

ANSWER: The general manger has the authority to determine the sales terms, price for the sales of the goods.

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

ANSWER: This question is not applicable, as all of Yieh Phui (China)'s production facilities of the goods are located at Changshu City of Jiangsu Province.

3. HRC purchases

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

- a) Provide a detailed listing of you HRC purchases by completing the *HRC Purchases* tab of the attached spreadsheet).

ANSWER: Please see Exhibit 7 for the requested information.

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

ANSWER: Yes, Yieh Phui (China) has multiple suppliers of HRC. The purchase price is determined transaction-by-transaction through negotiations with the supplier, and the purchase price differences between suppliers are a result of factors, such as the quantity ordered, the product mix, the market situation, and product quality, etc.

- c) Describe in detail your business' purchase procedures of HRC and the considerations in selecting a supplier. If it is by tenders, provide details of the criterions/conditions.

ANSWER: In the normal course of business, Yieh Phui (China)'s purchase procedures start when it solicits price quotations from potential suppliers via telephone, email or fax. The suppliers then provide their offers, and then preliminary negotiations of the price and other terms of sale may be done between Yieh Phui (China) and some of the suppliers being solicited. Yieh Phui (China) then selects the best offer from the suppliers in consideration of various factors such as price, payment term, product quality, and delivery date, etc. Once a supplier is selected and the terms of sales are settled, the supplier then confirms the order and begins production (or arranges for delivery if the product is available in inventory). Once the production is finished, the shipment is arranged by the supplier based on the term of delivery established.

Yieh Phui (China) does not purchase HRC by tender.

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

ANSWER: This question is not applicable, as Yieh Phui (China) purchases HRC only from domestic suppliers. None of the HRC suppliers is related to Yieh Phui (China).

PART 3 HOT ROLLED COIL STEEL (HRC)

1. Sales and production

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

- a) Provide a list of all your domestic customers of HRC and indicate whether each customer is an SIE.

ANSWER: Yieh Phui (China) is not engaged in the production or sales of HRC. In the normal course of business, Yieh Phui (China) purchases HRC for the production of galvanized steel coils, aluminium-zinc coated steel coils and pre-painted steel coils. During the investigation period, however, Yieh Phui (China) sold a small amount of HRC (approximately [] metric tons) which it had purchased but were later found to be defective. Please see Exhibit 8 for a list of Yieh Phui (China)'s domestic customers of HRC.

- b) Are you required to obtain approval or a licence to sell HRC? If so, provide details.

ANSWER: No, the sales of HRC had been included in the business scope of Yieh Phui (China)'s business license.

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

ANSWER: This question is not applicable, as Yieh Phui (China) is not engaged in the production of HRC.

- d) Do you have an export licence for exports of HRC? If so, provide details.

ANSWER: HRC is not subject to export licensing management.

- e) Is HRC sold by your business subject to any export restrictions and/or limits during the previous 5 year? If so, provide details.

ANSWER: The HRC sold by Yieh Phui (China) is not subject to any export restrictions or limits during the previous 5 year period.

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

ANSWER: Yieh Phui (China) is not subject to any direct or indirect restrictions on its sale activities of HRC.

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

ANSWER: This question is not applicable, as Yieh Phui (China) has never been involved in the production of HRC.

2. Selling price

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

- a) Describe in detail how the selling price of HRC is determined. In particular, provide details of any restrictions, limitations, or other considerations faced by your business.

ANSWER: The selling price of HRC are determined under the influence of many factors, such as the quantity, the acquisition cost, the quality, and the market situation, etc.

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

ANSWER: Yieh Phui (China) believes that Baosteel Group Corporation is the price leader of HRC in China.

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

ANSWER: No, Yieh Phui (China) does not have a pricing committee of HRC.

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

ANSWER: This question is not applicable, as Yieh Phui (China) does not have a pricing committee to discuss selling prices of HRC.

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

ANSWER: The general manger has the authority to determine the sales terms, price for the sales of the goods.

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

ANSWER: This question is not applicable, as Yieh Phui (China) does not have production facilities to produce HRC.

- g) If you have customers of HRC located in more than one region and/or province, are the selling prices of HRC different? If so, explain the reasons on the differences.

ANSWER: The selling prices of HRC generally do not vary simply by customer or region. Rather, the selling prices are determined under the influence of many other factors, such as the quantity, acquisition cost, the quality, and the market situation, etc.

3. Raw material purchases

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

- a) Provide a detailed listing of you raw material purchases (e.g. iron ore, coking coal) by completing the *Raw Material Purchases* tab of the attached spreadsheet).
- b) Do you have more than one supplier of the raw materials? If so, provide an explanation of the reasons of price differences between these suppliers?
- c) Describe in detail your business' purchase procedures of the raw materials and the considerations in selecting a supplier. If it is by tenders, provide details of the criteria/conditions.
- d) If any of your raw materials for the production of HRC are imported by your business, or related businesses :
 - v. Provide details including a description of the raw material imported, the supplier and country of origin.
 - vi. Explain the process required to import the raw materials (e.g. obtaining an import licence, import declarations).
 - vii. Provide details of any conditions to importing the raw materials (e.g. customs and/or quarantine).
 - viii. Are you eligible for a duty drawback? If so, provide details.

ANSWER: The questions for this section are not applicable, as Yieh Phui (China) does not manufacture HRC. In addition, none of Yieh Phui (China)'s related businesses manufactures HRC.

List of Exhibits

- 1 Yieh Phui (China)'s affiliates**
- 2 Shareholder's resolution**
- 3 Price reference**
- 4 Business license**
- 5 Application form and approval document**
- 6 Domestic customer list for steel coil**
- 7 HRC purchase**
- 8 HRC customer list**

Exhibit 1

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Exhibit 2

DOCUMENT(S) INCAPABLE OF
SUMMARY

Exhibit 3

DOCUMENT(S) INCAPABLE OF
SUMMARY

Exhibit 4

DOCUMENT(S) INCAPABLE OF
SUMMARY

Exhibit 5

DOCUMENT(S) INCAPABLE OF
SUMMARY

Exhibit 6

PUBLIC RECORD

Domestic Customer List

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Exhibit 7

PUBLIC RECORD

HOT ROLLED STEEL RAW MATERIAL PURCHASE PRICES

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Exhibit 8

PUBLIC RECORD

HRC Customer

Name		Address	Telephone	SIE