



Exporter Questionnaire

嘉兴市中达金属制品有限公司

Product: Steel shelving units
From: People's Republic of China
Period of Investigation: 1 April 2015 to 31 March 2016
Response due by: 11 August 2016

Extended to 1 September 2016

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

Attention: Director Operations 4

GOODS UNDER CONSIDERATION

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

unassembled steel framed shelving or workbench units with 2,3,4,5 or 6 shelves; the frame of which is either partially or totally:

- *coated with paint or powder coated;*
- *galvanised; or*
- *made from colour bonded steel.*

Typically, the shelves of the units are made of medium density fibreboard (MDF), particle board, melamine or steel, however other materials may be used.

Usually, the units are pre-packed for sale in a kit form, containing all or the majority of the components required to assemble the finished unit.

Goods excluded from the application are:

- wall mounted bracket and strip shelving;
- plastic shelving;
- predominantly melamine and timber shelving units used for home furnishing;
- industrial shelving;
- slotted angle shelving;
- shelving units with wire shelves; and
- custom-made shelving units (designed and made specifically for a specified project application).

The goods are typically classified to the following Subheadings in Schedule 3 of the *Customs Tariff Act 1995*.

- Tariff subheading 9403.10.00 with statistical code 40
- Tariff subheading 9403.20.00 with statistical code 19

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**SECTION A
COMPANY STRUCTURE AND OPERATIONS**

This section requests information relating to company details and financial reports.

A-1 Identity and communication

Please nominate a person within your company who can be contacted for the purposes of this investigation:

Zhongda Metalwork Co., Ltd

Name:	Jiaming Jin
Address:	Guanxian Bridge Baibu Town Haiyan County Jiaxing City Zhejiang Province
Telephone:	+86 573-86778188
Facsimile number:	+86 573-86778188
E-mail address of contact person:	jjm@zhongda.cn

Zhongda Import and Export Co., Ltd

Name:	Jianqiang Jin
Position in the company:	Sales Manager
Address:	Shenjia Bridge Baibu Town Haiyan County Jiaxing City Zhejiang Province
Telephone:	+86 573 86771835
Facsimile number:	+86 573 86779598
E-mail address of contact person:	alex@zhongdasteel.com

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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:	Charles Zhan Associate Moulis Legal
Address:	6/2 Brindabella Circuit, Brindabella Business Park Canberra International Airport Australian Capital Territory 2609
Telephone:	+61 2 6163 1000
Facsimile/Telex number:	+61 2 6162 0606
E-mail address of contact person:	charles.zhan@moulislegal.com
All communications in relation to this matter should be directed to Moulis Legal in the first instance. Moulis Legal is being assisted in this matter by T&C Law Firm (Hangzhou office).	

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 (e.g. company, partnership, sole trader)? Please provide details of any other business names that you use to export and/or sell goods.

<p>This Exporter Questionnaire (“EQ”) response relates to two entities.</p> <p>The first is Jiaxing Zhongda Metalwork Co., Ltd. (“Zhongda Metalwork”). Zhongda Metalwork is a limited liability company registered in Zhejiang Province, China. Zhongda Metalwork was the manufacturer and domestic seller of the goods at all relevant times.</p> <p>The second entity is Zhongda Import & Export Co., Ltd (“Zhongda I/E”). Zhongda I/E is affiliated with Zhongda Metalwork in that both companies are ultimately wholly owned by Zhongda United Holding Group Co., Ltd (“Zhongda Group”). Zhongda I/E was established to handle import and export activities on behalf of Zhongda Metalwork and other affiliated companies under the Zhongda Group.</p> <p>Whether an answer is made on behalf of Zhongda Metalwork or Zhongda I/E should be self-explanatory from the text. Where a question in this EQ needs to be answered differently for Zhongda I/E, this is indicated.</p>
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2. Please provide the ownership history of your company since 1 January 2011. 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.

Zhongda Metalwork is wholly owned by Zhongda Group. The ownership has not changed since 1 January 2011.

Zhongda I/E is wholly owned by [CONFIDENTIAL TEXT DELTED – shareholding structure] of the Zhongda Group. The ownership of Zhongda IE has not changed since 1 January 2011 nor has its name changed since that time.

Zhongda Metalwork and Zhongda IE did not evolve through a split or a merger with another company.

Please refer to Exhibit A-3.2 for further details of the corporate ownership and shareholding structure.

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

Please refer to Exhibit A-3.2 for further details of the corporate ownership and shareholding structure.

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

Please refer to our response at A-3.2 above.

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

As mentioned above, Zhongda I/E's parent company is also a subsidiary of Zhongda Group.

Zhongda Group is not a subsidiary of another company. Zhongda Group is owned by [CONFIDENTIAL TEXT DELTED – number] individual shareholders.

Shareholders of Zhongda Group with 5% or more shares are [CONFIDENTIAL TEXT DELTED – names of individual shareholders].

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

Please refer to Exhibit A-3.2.

7. Are any management fees/corporate allocations charged to your company by

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your parent or related company?

No, there are no management fees/corporate allocations charged by the parent or related companies to Zhongda Metalwork or Zhongda I/E.

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

Zhongda Metalwork is a producer and seller of steel shelving units and chemical packing products.

Zhongda /IE is a trading company. Its main business is exporting products produced by Zhongda Group's subsidiaries, including the steel shelving units produced by Zhongda Metalwork, [CONFIDENTIAL TEXT DELETED – other functions unrelated to the GUC].

9. If your business does not perform all of the following functions in relation to the goods under consideration, then please provide names and addresses of the companies which perform each function:

- produce or manufacture;
- sell in the domestic market;
- export to Australia; and
- export to countries other than Australia.

As explained above, the production and domestic sales of the goods is performed by Zhongda Metalwork, whereas the exportation function is performed by Zhongda I/E.

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

Please refer to Exhibit A-3.10 for the internal organisation charts of Zhongda Metalwork and Zhongda IE, and the functions of each department.

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).

Zhongda Metalwork and Zhongda IE do not prepare annual reports in their normal course of business.

A-4 General accounting/administration information

1. Indicate your accounting period.

Both Zhongda Metalwork and Zhongda IE use the calendar year as their accounting period, that is, from 1 January 31 December.

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

The financial records of Zhongda Metalwork and Zhongda I/E are held at their respective business addresses as reported above.

3. Please provide the following financial documents for the two most recently completed financial years plus all subsequent monthly, quarterly or half yearly statements:

- chart of accounts;
- audited consolidated and unconsolidated financial statements (including all footnotes and the auditor's opinion);
- internal financial statements, income statements (profit and loss reports), or management accounts, that are prepared and maintained in the normal course of business for the goods under consideration.

These documents should relate to:

- the division or section/s of your business responsible for the production and sale of the goods under consideration, and
- the company.

In case auditing has not yet taken place, please send provisional accounts.

Please see the chart of accounts of Zhongda Metalwork and Zhongda I/E at Exhibit A-4.3.1 and Exhibit A-4.3.2.

The 2014 and 2015 audited financial statements for Zhongda Metalwork Zhongda I/E, and the unaudited financial statement for the first quarter of 2016, are provided at Exhibits A-4.3.3 and A-4.3.4.

4. If you are not required to have the accounts audited, provide the unaudited financial statements for the two most recently completed financial years, together with your taxation returns. Any subsequent monthly, quarterly or half yearly statements should also be provided.

Audited financial statements have been provided for both companies.

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.

Please Zhongda Metalwork and Zhongda I/E's income tax return, VAT tax return and local tax return for the required periods at Exhibit A-4.5

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

As mentioned above, Zhongda Metalwork exported the goods via Zhongda I/E. The relevant financial documents of Zhongda I/E are provided.

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Further, Zhongda Metalwork also sold its products, via Zhongda Group to countries other than Australia. However, Zhongda Group is not involved in the sales of the goods to Australia or in the domestic market.

The 2015 audited financial statement of Zhongda Group is provided at Exhibit A-4.6

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

No.

8. Describe:

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

- the method of valuation for raw material, work-in-process, and finished goods inventories (e.g. last in first out - LIFO, first in first out - FIFO, weighted average);

Zhongda Metalwork uses the weighted average method to value the materials, work-in-process and finished goods.

- costing methods, including the method (e.g. by tonnes, units, revenue, direct costs etc.) of allocating costs shared with other goods or processes (such as front office cost, infrastructure cost etc.);

[CONFIDENTIAL TEXT DELETED – detailed production costing policies of Zhongda Metalwork].

- valuation methods for damaged or sub-standard goods generated at the various stages of production;

Zhongda Metalwork assigns zero value to damaged or sub-standard goods. The cost for the damaged or sub-standard goods, for example, the material and labour consumed by the damaged or sub-standard goods, is accounted for based on actual cost and recorded as part of the cost of production of finished and qualified goods.

- valuation methods for scrap, by products, or joint products;

The valuation method for scrap and by products are valued at actual cost of production. Please see the response above.

Zhongda Metalwork does not produce joint products.

- valuation and revaluation methods for fixed assets;

Fixed assets are valued as per the actual purchase cost and revaluated at its realizable value at the end of each year by booking a corresponding amount of fixed assets devaluation provision if the net value (initial booked value minus

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accumulative depreciation) is found to be less than its realizable value.

- average useful life for each class of production equipment and depreciation method and rate used for each;

The average useful life for each class of production equipment and depreciation method and rate are as follows (residual rate is 5%):

Type	Average useful life (years)	Depreciation method	Yearly depreciation rate (%)
House and buildings	[CONFIDENTIAL TEXT DELTED]kai		
Machines and equipment			
Tools			
Vehicles			
Electric Facilities			

- treatment of foreign exchange gains and losses arising from transactions;

Exchange gains and losses arising from transactions are recognized as the profit or loss of the current period.

- treatment of foreign exchange gains/losses arising from the translation of balance sheet items;

Gains/losses arising from the translation of balance sheet items are recognized at the end of the year.

- inclusion of general expenses and/or interest;

General expenses and interest are recorded per their actual amount. The interest associated with the loan specific for building/constructing a fixed asset, if any, is capitalized.

- provisions for bad or doubtful debts;

The “direct cancelling” method is adopted for bad debts. When there is reliable proof indicating a debt cannot be paid, the debt is cancelled and a loss is recognized. The company does not use provision for bad or doubtful debts.

- expenses for idle equipment and/or plant shut-downs;

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Not applicable, in that Zhongda Metalwork did not experience idle equipment and/or plant shut-downs during the POI.

- costs of plant closure;

Not applicable, in that Zhongda Metalwork did not experience plant closure during the POI.

- restructuring costs;

Not applicable, in that there were no restructuring costs for Zhongda Metalwork during the POI.

- by-products and scrap materials resulting from your company's production process; and

Please see responses above for accounting policies concerning scrap and by-product.

- effects of inflation on financial statement information.

Not applicable in that Zhongda Metalwork and Zhongda I/E did not have to account for effects of inflation during the POI.

9. In the event that any of the accounting methods used by your company have changed over the last two years provide an explanation of the changes, the date of change, and the reasons for it.

The accounting methods have not changed over the past two years.

A-5 Income statement

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

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

This information will be used to verify the completeness of cost data that you provide in Section G. If, because of your company's structure, the allocations would not be helpful in this process, please explain why this is the case.

	Most recent completed financial year (specify)		Investigation period	
	All products	Goods Under Consideration	All products	Goods Under Consideration
Gross Sales (1)				

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Sales returns, rebates and discounts (2)				
Net Sales (3=1-2)				
Raw materials (4)				
Direct Labour (5)				
Depreciation (6)				
Manufacturing overheads (7)				
Other operating expenses (8)				
Total cost to make (9=4+5+6+7+8)				
OPERATING INCOME (10=3-9)				
Selling expenses (11)				
Administrative & general expenses (12)				
Financial expenses (13)				
SG&A expenses (14)=(11+12+13)				
INCOME FROM NORMAL ACTIVITIES (15)=(10-14)				
Interest income (16)				
Interest expense (enter as negative) (17)				
Extraordinary gains and Losses – enter losses as negative (18)				
Abnormal gains and losses – enter losses as negative (19)				
PROFIT BEFORE TAX (20)=(15+16+17+18+19)				
Tax (21)				
NET PROFIT (22)=(20-21)				

Please see Exhibit A-5 Income Statement. The information has been prepared in relation to both Zhongda Metalwork and Zhongda I/E.

An explanation note for reporting method is also provided in Exhibit A-5.

A-6 Sales

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

Prepare this information in a spreadsheet named "**Turnover**".

This information will be used to verify the cost allocations to the goods under consideration in Section G.

Also, you should be prepared to demonstrate that sales data shown for the goods is a complete record by linking total sales of these goods to relevant financial statements.

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	Most recent completed financial year (specify)		Investigation period	
	Volume	Value	Volume	Value
Total company turnover (all products)				
Domestic market				
Exports to Australia				
Exports to Other Countries				
Turnover of the nearest business unit, for which financial statements are prepared, which includes the goods under consideration				
Domestic market				
Exports to Australia				
Exports to Other Countries				
Turnover of the goods under consideration				
Domestic market				
Exports to Australia				
Exports to Other Countries				

Please refer to Exhibit A-6 Turnover. The information is provided in relation to both Zhongda Metalwork and Zhongda I/E.

[CONFIDENTIAL TEXT DELTED – detailed explanation regarding the information reported in confidential spreadsheet]

SECTION B
SALES TO AUSTRALIA (EXPORT PRICE)

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

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

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

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

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

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

The details of the Australian customer are as follows.

[CONFIDENTIAL TEXT DELTED – customer information table]

- B-2** For each customer identified in B1 please provide the following information.

- (a) Describe how the goods are sent to each customer in Australia, including a diagram if required.

During POI, the goods was produced by Zhongda Metalwork and exported through Zhongda I/E to the Australian market.

[CONFIDENTIAL TEXT DELTED – commercial arrangement in relation to Australian sales].

- (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.

Zhonga Metalwork is responsible for the production of the goods for exportation via Zhongda I/E.

Zhongda I/E is responsible for the export sales of the goods, including booking orders from customer, signing of contract, arranging shipment, issuing invoices and collecting payment.

[CONFIDENTIAL TEXT DELTED – sales policy in relation to commission].

- (c) Explain who retains ownership of the goods at each stage of the distribution chain. In the case of DDP sales, explain who retains ownership when the goods enter Australia.

The Australian sales were made on [CONFIDENTIAL TEXT DELTED – shipping term] terms. [CONFIDENTIAL TEXT DELTED – explanation regarding transfer of titles in relation to the Australian sales]

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

[CONFIDENTIAL TEXT DELTED – commercial arrangement in relation to agency/distributor agreement]

- (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.

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[CONFIDENTIAL TEXT DELTED – detailed explanation regarding sales process for Australian sales].

- (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).

Zhongda Metalwork and Zhongda I/E are not related to the Australian customer.

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

[CONFIDENTIAL TEXT DELTED – details regarding forward orders status].

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

Zhongda Metalwork and Zhongda I/E [CONFIDENTIAL TEXT DELTED – distribution channel] for Australian sales of the goods during the POI, as explained above.

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

Column heading	Explanation
Customer name	Names of your customers. If an English version of the name is not easily produced from your automated systems show a customer code number and in a separate table list each code and name.
Level of trade	The level of trade of your customers in Australia
Model	Commercial model name
Product code	Code used in your records for the model/grade/type identified. Explain the product codes in your submission.
Surface Finish	Specify the surface finish of the goods (i.e. galvanised, powder coated, colorbond)
Boltless or Nut and Bolt	Specify whether the product is boltless or nut and bolt model
Invoice number	Invoice number
Invoice date	Invoice date
Date of sale	Refer to the explanation at the beginning of this section. If you consider that a date other than the invoice date best establishes the material terms of sale, report that date. For example, order confirmation, contract, or purchase order date.
Order number	If applicable, show order confirmation, contract or purchase order number if you have shown a date other than invoice date as being the date of sale.
Shipping terms	Delivery terms e.g. CIF, C&F, FOB, DDP (in accordance with Incoterms)
Payment terms	Agreed payment terms e.g. 60 days=60 etc.

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Quantity	Quantity in units shown on the invoice.
Gross Invoice value	Gross invoice value shown on invoice <i>in the currency of sale, excluding taxes.</i>
Discounts on the invoice	The amount of any discount deducted on the invoice on each transaction. If a % discount applies show that % discount applying in another column.
Rebates or other allowances	The amount of any deferred rebates or allowances paid to the importer in the currency of sale.
Other charges	Any other charges, or price reductions, that affect the net invoice value. Insert additional columns and provide a description.
Invoice currency	The currency used on the invoice
Exchange rate	Indicate the exchange rate used to convert the currency of the sale to the currency used in your accounting system
Net invoice value in the currency of the exporting country	The net invoice value expressed in your domestic currency as it is entered in your accounting system
Other discounts	The actual amount of other discounts (e.g. quantity discounts) not deducted from the invoice. Show a separate column for each type of quantity discount.
Ocean freight**	The actual amount of ocean freight incurred on each export shipment listed.
Marine insurance	Amount of marine insurance
FOB export price**	The free on board price at the port of shipment.
Packing*	Packing expenses
Inland transportation costs*	Inland transportation costs included in the selling price. For export sales this is the inland freight from factory to port in the country of export.
Handling, loading & ancillary expenses*	Handling, loading & ancillary expenses. For example, terminal handling, export inspection, wharfage & other port charges, container tax, document fees & customs brokers fees, clearance fees, bank charges, letter of credit fees, & other ancillary charges incurred in the exporting country.
Warranty & guarantee expenses*	Warranty & guarantee expenses
Commissions*	Commissions paid. If more than one type is paid insert additional columns of data. Indicate in your response to question B2 whether the commission is a pre or post exportation expense having regard to the date of sale.
Other factors*	Any other costs, charges or expenses incurred in relation to the exports to Australia (include additional columns as required). See question B.5.

** FOB export price and Ocean Freight:

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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.

Ocean freight: as ocean freight is a significant cost it is important that the actual amount of ocean freight incurred on each exportation be reported. If estimates must be made you must explain the reasons and set out the basis - estimates must reflect changes in freight rates over the investigation period.

Freight allocations must be checked for consistency.

* All of these costs are further explained in section E-1.

Please refer to Exhibit B-4 Australian Sales spreadsheet.

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

Given that the exportation of the goods was handled by Zhongda I/E, Zhongda I/E’s unit selling, management and financial expenses have been added at Columns AD to AG.

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

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

[CONFIDENTIAL TEXT DELTED – sales policies regarding discount, rebate and allowance].

- B-7** If you have issued credit notes (directly or indirectly) to the customers in Australia, in relation to the invoices listed in the detailed transaction by transaction listing in response to question B4, provide details of each credit note if the credited amount has **not** been reported as a discount or rebate.

There were no credit notes issued to customers in respect of export sales to Australia during the POI.

- B-8** If the delivery terms make you responsible for arrival of the goods at an

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agreed point within Australia (e.g. 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)

Not applicable.

B-9 Select two shipments, in different quarters of the investigation period, and provide a complete set of all of the documentation related to the export sale. For example:

- the importer's purchase order, order confirmation, and contract of sale;
- commercial invoice;
- applicable test certificates and production reports.
- bill of lading, export permit;
- freight invoices in relation to movement of the goods from factory to Australia, including inland freight contract;
- marine insurance expenses; and
- letter of credit, and bank documentation, proving payment.

The Commission will select additional shipments for payment verification at the time of the visit.

Please see Exhibit B-9 for two for two sets of the sample sales documents.

SECTION C EXPORTED GOODS & LIKE GOODS

- C-1** Fully describe all of the goods you have exported to Australia during the investigation period. Include specification details and any technical and illustrative material that may be helpful in identifying, or classifying, the exported goods.

The GUC that has been exported to Australia during the POI is the [CONFIDENTIAL TEXT DELTED – specification details of the goods exported to Australia].

The technical drawings and pictures of the goods are attached in Exhibit C-1.

- C-2** List each type of goods exported to Australia (these types should cover all types listed in spreadsheet “**Australian sales**” – see section B of this questionnaire).

Please see response above at C-1.

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

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

Please see attached Exhibit C-3 Like Goods.

The most comparable goods sold in the domestic market by Zhongda Metalwork is the [CONFIDENTIAL TEXT DELTED – like goods sold in the domestic market].

In the domestic market, Zhongda Metalwork sold the [CONFIDENTIAL TEXT DELTED – model of like goods] to its domestic customer. The components involved are [CONFIDENTIAL TEXT DELTED – comparison]. The only differences between the goods exported to Australia and the comparable goods sold in the domestic market is that [CONFIDENTIAL TEXT DELTED – explanation of differences].

Further, the [CONFIDENTIAL TEXT DELTED – details of domestic sales of like goods in terms of physical characteristics and commercial likeness].

A list of components of [CONFIDENTIAL TEXT DELTED – type of goods], is attached in Exhibit C-3. Please also refer to the technical drawing of the [CONFIDENTIAL

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TEXT DELTED – type of goods] provided above at Exhibit C-1.

C-4 Please provide any technical and illustrative material that may be helpful in identifying or classifying the goods that your company sells on the domestic market.

Please refer to responses above at C-1 and C-3.

SECTION D DOMESTIC SALES

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

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

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

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

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

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

D-1 Provide:

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

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

There are two types of domestic sales in relation to the goods.

The first type involves Zhongda Metalwork selling the goods to unrelated customers on the domestic market.

The second type involves internal transfer between [CONFIDENTIAL TEXT DELTED – internal commercial arrangement].

Our responses in this section will focus on the first type of domestic sales by Zhongda Metalwork.

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Zhongda Metalwork sold the goods on the domestic market to [CONFIDENTIAL TEXT DELTED – level of trade]. Domestic sales of the goods were fully handled by Zhongda Metalwork itself from taking order, arranging production, to delivery of the goods and receiving payments.

Zhongda Metalwork sold the goods to its domestic customers on [CONFIDENTIAL TEXT DELTED – delivery terms] basis. The goods were negotiated and sold on a transaction by transaction basis. No other agreements are involved. The [CONFIDENTIAL TEXT DELTED – level of trade] of domestic sale are not associated with Zhongda Metalwork.

Zhongda Metalwork provides an example of the agreement with its customer at Exhibit D-1.

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

Please refer to the response above, all of Zhongda Metalwork’s domestic customers for the goods are [CONFIDENTIAL TEXT DELETED – level of trade].

D-3 Explain in detail the sales process, including:

- the way in which you set the price, receive orders, make delivery, invoice and finally receive payment; and the terms of the sales;
- whether the invoice price is based on theoretical or actual weight ; and
- whether price includes the cost of delivery to customer.

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

Prices are negotiated between Zhongda Metalwork and the domestic customers on a transaction by transaction basis, [CONFIDENTIAL TEXT DELTED – pricing policy]. Negotiations were carried by phone or by way of meetings.

Once Zhongda Metalwork and the customer reach an agreement on terms of the sales, the parties will sign a sales contract. The goods were sold on [CONFIDENTIAL TEXT DELTED – delivery term]. Zhongda Metalwork issues VAT invoice to the customer and the customer generally pays [CONFIDENTIAL TEXT DELTED – payment arrangement].

The invoice price is based on [CONFIDENTIAL TEXT DELTED – pricing arrangement].

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

Column heading	Explanation
Customer name	Names of your customers. If an English version of the name is not easily produced from your automated systems show a customer code number and in a separate table list each code and name.
Level of trade	The level of trade of your domestic customer

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Model	Commercial model name of the goods
Product code	Code used in your records for the model/grade/type of the goods identified. Explain the product codes in your submission.
Surface Finish	Specify the surface finish of the goods (i.e. galvanised, powder coated, colorbond)
Boltless or Nut and Bolt	Specify whether the product is boltless or nut and bolt model
Invoice number	Invoice number
Invoice date	Invoice date
Date of sale	Refer to the explanation at the beginning of this section. If you consider that a date other than the invoice date best establishes the material terms of sale, report that date. For example, order confirmation, contract, or purchase order date.
Order number	If applicable, show order confirmation, contract or purchase order number if you have shown a date other than invoice date as being the date of sale.
Shipping terms	Delivery terms e.g. ex factory, free on truck, delivered into store
Payment terms	Agreed payment terms e.g. 60 days=60 etc.
Quantity	Quantity in units shown on the invoice.
Gross Invoice value	Gross value shown on invoice in the currency of sale, net of taxes.
Discounts on the Invoice	The amount of any discount deducted on the invoice on each transaction. If a % discount applies show that % discount applying in another column.
Rebates or other Allowances	The actual amount of any deferred rebates or allowances in the currency of sale
Other charges	Any other charges, or price reductions, that affect the net invoice value. Insert additional columns and provide description.
Net invoice value in the currency of the exporting country	The net invoice value expressed in your domestic currency as recorded in your accounting system
Other discounts	The actual amount of other discounts (e.g. quantity discounts) not deducted from the invoice. Show a separate column for each type of quantity discount.
Packing*	Packing expenses
Inland transportation Costs*	Amount of inland transportation costs included in the selling price.
Handling, loading And ancillary Expenses*	Handling, loading & ancillary expenses.
Warranty & Guarantee expenses*	Warranty & guarantee expenses
Commissions*	Commissions paid. If more than one type is paid insert additional columns of data.
Other factors*	Any other costs, charges or expenses incurred in relation to the domestic sales (include additional columns as required). See question D5.

Please refer to Exhibit D-4 Domestic Sales spreadsheet.

As already mentioned in Section C above, Zhongda Metalwork sold goods in the domestic market which are [CONFIDENTIAL TEXT DELTED – like goods comparison].

Accordingly, Zhongda Metalwork considers that [CONFIDENTIAL TEXT DELTED – like goods comparison].

Further, Zhongda Metalwork also [CONFIDENTIAL TEXT DELTED – explanation of other details regarding domestic sales in the confidential spreadsheet].

D-5 If there are any other costs, charges or expenses incurred in respect of the

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sales listed which have not been identified in the table in question D-4 above add a column for each item (see “other factors”). For example, certain other selling expenses incurred.

Zhongda Metalwork has not identified any other costs associated with the domestic sales of like goods at this stage.

D-6 For each type of commission, discount, rebate, allowance offered on domestic sales of like goods:

- provide a description; and
- explain the terms and conditions that must be met by the customer to qualify for payment.

Where the amounts of these discounts, rebates etc. are not identified on the sales invoice, explain how you calculated the amounts shown in your response to question D4.

If you have issued credit notes, directly or indirectly to the customers, provide details if the credited amount has **not** been reported as a discount or rebate.

[CONFIDENTIAL TEXT DELTED – sales policy regarding commission, discount, rebate and allowance].

D-7 Select two domestic sales, in different quarters of the investigation period, that are at the same level of trade as the export sales. Provide a complete set of documentation for those two sales. (Include, for example, purchase order, order acceptance, commercial invoice, discounts or rebates applicable, credit/debit notes, long or short term contract of sale, inland freight contract, bank documentation showing proof of payment.)

The Commission will select additional sales for verification at the time of our visit.

Please refer to the domestic sales documentations at Exhibit D-1.

SECTION E FAIR COMPARISON

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

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

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

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

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

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

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

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

E-1 Costs associated with export sales

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

1. Transportation

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

The transportation for the Australian sales from factory to the [CONFIDENTIAL TEXT DELTED – shipping terms] point are handled by an unrelated freight company arranged by Zhongda I/E.

The freight company collects an overall logistics fee for each shipment, including the inland transportation cost and the expenses listed in question E-1.2 below. The actual amount of inland transportation and other freight expenses incurred have been reported in the Australian Sales spreadsheet.

The expenses paid to the forwarder are booked in the general ledger account of "operation expenses" (under "transportation fees" subaccount).

2. Handling, loading and ancillary expenses

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

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

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

Please refer to responses above at E-1.1. All logistics expenses incurred in relation to Australian sales have been reported under "inland transport" column.

3. Credit

The cost of extending credit on export sales is not included in the amounts

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quantified at question B4. However, the Commission will examine whether a credit adjustment is warranted and determine the amount. Provide applicable interest rates over each month of the investigation period. Explain the nature of the interest rates most applicable to these export sales e.g., short term borrowing in the currency concerned.

If your accounts receivable shows that the average number of collection days differs from the payment terms shown in the sales listing, *and if* export prices are influenced by this longer or shorter period, calculate the average number of collection days. See also item 4 in section E-2 below.

[CONFIDENTIAL TEXT DELTED – explanation regarding credit arrangement]. The applicable interest rate over each month of the POI is in Exhibit E-1.3.

[CONFIDENTIAL TEXT DELTED – pricing policy regarding credit terms].

4. Packing costs

List material and labour costs associated with packing the export product. Describe how the packing method differs from sales on the domestic market, for each model. Report the amount in the listing in the column headed '**Packing**'.

The packing is done in Zhongda Metalwork factory and no additional packing is required by Zhongda I/E. The packing cost reported is the packing material and labour incurred by Zhongda Metalwork.

[CONFIDENTIAL TEXT DELTED – comparison of packing method between Australian sales and domestic sales of like goods].

5. Commissions

For any commissions paid in relation to the export sales to Australia:

- provide a description; and
- explain the terms and conditions that must be met.

Report the amount in the sales listing in question B-4 under the column headed "**Commissions**". Identify the general ledger account where the expense is located.

[CONFIDENTIAL TEXT DELTED – sales policy in relation to commission].

6. Warranties, guarantees, and after sales services

List the costs incurred. Show relevant sales contracts. Show how you calculated the expenses ("**Warranty & guarantee expenses**" and "**Technical assistance & other services**"), including the basis of any allocations. Include a record of expenses incurred. Technical services include costs for the service, repair, or consultation. Where these expenses are closely related to the sales in question, an adjustment will be considered.

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Identify the ledger account where the expense is located.

Not applicable.

7. Other factors

There may be other factors for which an adjustment is required if the costs affect price comparability – these are identified in the column headed “**Other factors**”. For example, other variable or fixed selling expenses, including salesmen’s salaries, salesmen’s travel expenses, advertising and promotion, samples and entertainment expenses. Your consideration of questions asked at Section G, concerning domestic and export costs, would have alerted you to such other factors.

As mentioned in Section B-5 above, Zhongda I/E has reported its selling, general and administrative and financial expenses in the Australian Sales spreadsheet in light of the function it performs in the Australian sales of the goods.

8. Currency conversions

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

Not applicable.

E-2 Costs associated with domestic sales

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

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

1. Physical characteristics

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

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

The adjustment is based upon actual physical differences in the goods being compared and upon the manufacturing cost data. Identify the physical

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differences between each model. State the source of your data.

Please refer to the response to Section C above. [CONFIDENTIAL TEXT DELTED – further discussion about comparison of physical characteristics].

Please also refer to our responses at E-1.4 above for the slight difference in the packing costs incurred, due to the different packing methods.

2. Import charges and indirect taxes

If exports to Australia:

- are partially or fully exempt from internal taxes and duties that are borne by the like goods in domestic sales (or on the materials and components physically incorporated in the goods), or
- if such internal taxes and duties have been paid and are later remitted upon exportation to Australia;

the price of like goods must be adjusted downwards by the amount of the taxes and duties.

The taxes and duties include sales, excise, turnover, value added, franchise, stamp, transfer, border, and excise taxes. Direct taxes such as corporate income tax are not included as such taxes do not apply to the transactions.

Adjustment for drawback is not made in every situation where drawback has been received. Where an adjustment for drawback is appropriate you must provide information showing the import duty borne by the domestic sales. (That is, it is not sufficient to show the drawback amount and the export sales quantity to Australia. For example, you may calculate the duty borne on domestic sales by quantifying the total amount of import duty paid and subtracting the duty refunded on exports to all countries. The difference, when divided by the domestic sales volume, is the amount of the adjustment).

In substantiating the drawback claim the following information is required:

- a copy of the relevant statutes/regulations authorising duty exemption or remission, translated into English;
- the amount of the duties and taxes refunded upon *exportation* and an explanation how the amounts were calculated and apportioned to the exported goods;
- an explanation as to how you calculated the amount of duty payable on imported materials is borne by the goods sold *domestically* but is not borne by the exports to Australia;

Substitution drawback systems

Annex 3 of the WTO Agreement on Subsidies provides: *“Drawback systems can allow for the refund or drawback of import duties on inputs which are consumed in the production process of another product and where the export of this latter product contains domestic inputs having the same quality and*

characteristics as those substituted for the imported inputs”

If such a scheme operates in the country of export adjustments can also be made for the drawback payable on the substituted domestic materials, provided the total amount of the drawback does not exceed the total duty paid.

A VAT rebate of 15% is applicable for the goods exported from China. Zhongda I/E did not receive any duty drawback in relation to the exportation of the goods to Australia.

3. Level of trade

Question D-4 asks you to indicate the level of trade to the domestic customer. To claim an adjustment for level of trade differences you will need to quantify the amount by which level of trade influences price.

Trade level is the level a company occupies in the distribution chain. The trade level to which that company in turn sells the goods and the functions carried out distinguish a level of trade. Examples are producer, national distributor, regional distributor, wholesaler, retailer, end user, and original equipment.

It may not be possible to compare export prices and domestic prices at the same level of trade. Where relevant sales of like goods at the next level of trade must be used to determine normal values an adjustment for the difference in level of trade may be required where it is shown that the difference affects price comparability.

The information needs to establish that there are real trade level differences, not merely nominal differences. Real trade level differences are characterised by a consistent pattern of price differences between the levels and by a difference in functions performed. If there are no real trade level differences all sales are treated as being at the same level of trade.

A real difference in level of trade (may be adjusted for using either of the following methods:

- (a) *costs arising from different functions:* the amount of the costs, expenses etc. incurred by the seller in domestic sales of the like goods resulting from activities that would not be performed were the domestic sales made at the same level as that of the importer.

This requires the following information:

- a detailed description of each sales activity performed in selling to your domestic customers (for example sales personnel, travel, advertising, entertainment etc.);
- the cost of carrying out these activities in respect of like goods;
- for each activity, whether your firm carries out the same activity when selling to importers in Australia;

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- an explanation as to why you consider that you are entitled to a level of trade adjustment.

or

- (b) *level discount*: the amount of the discount granted to purchasers who are at the same level of trade as the importer in Australia. This is determined by an examination of price differences between the two levels of trade in the exporter's domestic market, for example sales of like goods by other vendors or sales of the same general category of goods by the exporter. For this method to be used it is important that a clear pattern of pricing be established for the differing trade levels. Such pattern is demonstrated by a general availability of the discounts to the level - isolated instances would not establish a pattern of availability.

Australian sales of the goods and Zhongda Metalwork's own domestic sales of the goods during the POI were both at [CONFIDENTIAL TEXT DELTED – level of trade].

4. Credit

The cost of extending credit on domestic sales is not included in the amounts quantified at question D-4. However, the Commission will examine whether a credit adjustment is warranted and determine the amount. An adjustment for credit is to be made even if funds are not borrowed to finance the accounts receivable.

The interest rate on domestic sales in order of preference is:

- the rate, or average of rates, applying on actual short term borrowings by the company; or
- the prime interest rate prevailing for commercial loans in the country for credit terms that most closely approximate the credit terms on which the sales were made; or
- such other rate considered appropriate in the circumstances.

Provide the applicable interest rate over each month of the investigation period.

If your accounts receivable shows that the average number of collection days differs from the payment terms shown in the sales listing, and if domestic prices are influenced by this longer or shorter period, calculate the average number of collection days.

Where there is no fixed credit period agreed at the time of sale the period of credit is determined on the facts available. For example, where payment is made using an open account system¹, the average credit period may be

¹ Under an open account system, following payment the balance of the amount owing is carried into the next period. Payment amounts may vary from one period to the next, with the result that the amount owing varies.

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determined as follows:

1. *Calculate an accounts receivable turnover ratio*

This ratio equals the total credit sales divided by average accounts receivable.

(It is a measure of how many times the average receivables balance is converted into cash during the year).

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

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

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

2. *Calculate the average credit period*

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

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

Please refer to Exhibit E-2.4 for the short term borrowing rate of Zhongda Metalwork.

[CONFIDENTIAL TEXT DELTED – pricing policy regarding credit terms].

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

5. **Transportation**

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

The domestic sales of like goods were made on [CONFIDENTIAL TEXT DELTED – delivery terms and freight expenses].

6. **Handling, loading and ancillary expenses**

List all charges that are included in the domestic price and explain how they have been quantified (“**Handling, loading and ancillary Expenses**”).

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Identify the general ledger account where the expense is located. If the amounts have been determined using actual observations, not from a relevant account item, provide details.

The domestic sale of like goods is on [CONFIDENTIAL TEXT DELTED – delivery terms and freight expenses].

7. Packing

List material and labour costs associated with packing the domestically sold product. Describe how the packing method differs from sales on the domestic market, for each model. Report the amount in the listing in the column headed “**Packing**”.

Please refer to responses above at E-1.4.

8. Commissions

For any commissions paid in relation to the domestic sales:

- provide a description
- explain the terms and conditions that must be met.

Report the amount in the sales listing under the column headed “**Commissions**”. Identify the general ledger account where the expense is located.

[CONFIDENTIAL TEXT DELTED – pricing policy regarding commission].

9. Warranties, guarantees, and after sales services

List the costs incurred. Show relevant sales contracts. Show how you calculated the expenses (“**Warranty & Guarantee expenses**” and “**Technical assistance & other services**”), including the basis of any allocations. Include a record of expenses incurred. Technical services include costs for the service, repair, or consultation. Where these expenses are closely related to the sales in question, an adjustment will be considered. Identify the ledger account where the expense is located.

Zhongda Metalwork did not incur any warranty, guarantee or after sales services in relation to its domestic sales of like goods.

10. Other factors

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

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

Zhongda Metalwork's role is as a producer and seller of the goods in the domestic market only. Zhongda I/E is responsible for the export sales.

Zhongda Metalwork has not at this time claimed an adjustment for the differences in selling expenses in relation to the domestic sales of the like goods due to this separation of function, but does seek the ability to present further information if it can be quantified.

E-3 Duplication

In calculating the amount of the adjustments you must ensure that there is no duplication.

For example:

- adjustments for level of trade, quantity or other discounts may overlap, or
- calculation of the amount of the difference for level of trade may be based upon selling expenses such as salesperson's salaries, promotion expenses, commissions, and travel expenses.

Separate adjustment items must avoid duplication.

An adjustment for quantities may not be granted unless the effect on prices for quantity differences is identified and separated from the effect on prices for level of trade differences.

No duplication has been identified at this stage.

**SECTION F
EXPORT SALES TO COUNTRIES OTHER THAN
AUSTRALIA (THIRD COUNTRY SALES)**

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

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

F-1 Third country sales data

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

Please refer to Exhibit F-1 Third country sales.

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

Prices in sales to different markets and to different customers in those markets vary depending on market circumstances, terms of trade (including freight terms), mix of customers, volume, etc. It is not possible to identify and account for all differences in sales to third countries which would affect their comparison with export sales to Australia.

In any case Zhongda Metalwork and Zhongda I/E are fully cooperative with this investigation and trust that the Commission will be able to undertake normal value determination for comparison with export prices to Australia without reference to third country export sales.

SECTION G

COSTING INFORMATION AND CONSTRUCTED VALUE

The information that you supply in response to this section of the questionnaire will be used for various purposes including:

- testing the profitability of sales of like goods on the domestic market;*
- determining a constructed normal value of the goods under consideration (the goods) - i.e. of the goods exported to Australia; and*
- making certain adjustments to the normal value.*

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

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

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

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

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

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

G-1. Production process and capacity

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

Please refer to Exhibit G-1 for the flowchart of the process.

All steel shelving components produced by Zhongda Metalwork are produced in same production facilities as those used for the goods.

The scrap resulted from producing the goods is the steel scrap and damaged or unqualified products.

G-2. Production capacity data

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

Please refer to Exhibit G-2 - Production spreadsheet.

G-3. Cost accounting practices

1. Outline the management accounting system that you maintain and explain how that cost accounting information is reconciled to your audited financial statements.

The company maintains computerized accounting system to record the company's transactions. Cost accounting information reconciles to "operating cost" in the audited financial statements through "cost of production", "finished products" and "cost of goods sold ledger".

2. Is your company's cost accounting system based on standard (budgeted) costs? State whether standard costs were used in your responses to this questionnaire. If they were state whether all variances (i.e. differences between standard and actual production costs) have been allocated to the goods - and describe how those variances have been allocated.

The company's cost accounting system is based on actual cost. [CONFIDENTIAL TEXT DELTED – cost accounting policy].

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

[CONFIDENTIAL TEXT DELTED – cost accounting policy]

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

[CONFIDENTIAL TEXT DELTED – profit and cost centre]

5. For each profit/cost centre describe in detail the methods that your company normally uses to allocate costs to the goods under consideration. In particular specify how, and over what period, expenses are amortised or depreciated, and how allowances are made for capital expenditures and other development costs.

[CONFIDENTIAL TEXT DELTED – cost accounting policy]

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

The cost accounting system records production cost by product types/categories. [CONFIDENTIAL TEXT DELTED – cost accounting policy].

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The goods exported to Australia and [CONFIDENTIAL TEXT DELTED – like goods] are recorded under [CONFIDENTIAL TEXT DELTED – account details].

The warehousing system records the quantity of each models of product.

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

There is no difference between the costs in the two systems.

- 8 State whether your company engaged in any start-up operations in relation to the goods under consideration. Describe in detail the start-up operation giving dates (actual or projected) of each stage of the start-up operation.

Not applicable, Zhongda Metalwork did not engage in any start-up operation in relation to the goods during the POI.

- 9 State the total cost of the start-up operation and the way that your company has treated the costs of the start-up operation it its accounting records.

The cost of the start-up operation is recorded in the cost of the related fixed assets. There is no other start-up operation cost.

G-4 Cost to make and sell on domestic market

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

- Please provide (in the format shown in the table below) the actual unit cost to make and sell each model/type* (identified in section C) of the like goods sold on the domestic market. Provide this cost data for each quarter over the investigation period. If your company calculates costs monthly, provide monthly costs.
- Indicate the source of cost information (account numbers etc.) and/or methods used to allocate cost to the goods. Provide documentation and worksheets supporting your calculations.

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Like Domestic Model/Type – from spreadsheet LIKE GOODS (section C-3)				
Material costs [3]				
HRC [3]				
Galvanised Steel [3]				
Colorbond Steel [3]				
Fasteners				
Other (please all rows and				

² The Commission applies the tests set out in s.269TAAD of the Customs Act 1901 to determine whether goods are in ordinary course of trade. These provisions reflect the WTO anti-dumping agreement – see Article 2.2.1.

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specify)[4]				
Direct labour				
Manufacturing overheads Electricity Other [4]				
Fixed manufacturing costs overhead depreciation finance charges				
Other costs [4]				
Total cost to make				
Production quantity [7]				
Unit cost to make				
Selling, distribution & administration Selling costs Administration costs Financial costs Distribution costs Freight [5] Other costs [5]				
Sales quantity [7]				
Unit cost to sell				
Unit cost to make and sell [6]				

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

[1] Complete one column for each model/type during each quarter, insert additional columns per quarter as required.

[2] Provide this information for each quarter (or month if your company calculates costs on a monthly basis) over the period of the investigation.

[3] Identify each cost separately. Include indirect material costs as a separate item only if not included in manufacturing overheads.

[4] Relating to costs of production only; identify each cost separately.

[5] Identify each cost separately. Please ensure non-operating expenses that relate to the goods under investigation are included. Where gains/losses due to foreign currency exchange are incurred, please provide detail of the amounts separately for transaction and translation gains/losses.

[6] Please specify unit of currency.

[7] Please specify unit of measure (quantity, kg, MT etc.)

Provide this information for each quarter (or month if your company calculates costs on a monthly basis) over the period of the investigation.

Provide the information broken down into fixed and variable costs, and indicate the percentage total cost represented by fixed costs.

If you are unable to supply this information in this format, please contact the case officer for this investigation at the address shown on the cover of this questionnaire.

Please specify unit of currency.

**Please refer to Exhibit – G4 Domestic CTMS spreadsheet - for the monthly costs for the like goods sold on domestic market as identified in the Like Goods table.
[CONFIDENTIAL TEXT DELTED – explanation of the information provided in the**

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confidential spreadsheet].

Please refer to Exhibit G-4.2a for the sub-ledger of [CONFIDENTIAL TEXT DELTED – account details and explanation of the information provided in confidential attachment] and Exhibit G-4. 2b for a worksheet calculating the breakdowns of the cost to make the like goods.

[CONFIDENTIAL TEXT DELTED – explanation of the information provided in the confidential spreadsheet].

The ledgers supporting the allocation of cost to sell is attached at Exhibit G-4-2c.

G-5 Cost to make and sell goods under consideration (goods exported to Australia)

The information is relevant to calculating the normal values based on costs. It is also relevant to calculating certain adjustments to the normal value.

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Like Domestic Model/Type – from spreadsheet LIKE GOODS (section C-3)				
Material costs [3]				
HRC [3]				
Galvanised Steel [3]				
Colorbond Steel [3]				
Fasteners				
Other (please all rows and specify)[4]				
Direct labour				
Manufacturing overheads				
Electricity				
Other [4]				
Fixed manufacturing costs				
overhead				
depreciation				
finance charges				
Other costs [4]				
Total cost to make				
Production quantity [7]				
Unit cost to make				
Selling, distribution & administration				
Selling costs				
Administration costs				
Financial costs				
Distribution costs				
Freight [5]				
Other costs [5]				
Sales quantity [7]				
Unit cost to sell				
Unit cost to make and sell [6]				

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

[1] Complete one column for each model/type during each quarter, insert additional columns per quarter as required.

[2] Provide this information for each quarter (or month if your company calculates costs

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on a monthly basis) over the period of the investigation.

[3] *Identify each cost separately. Include indirect material costs as a separate item only if not included in manufacturing overheads.*

[4] *Relating to costs of production only; identify each cost separately.*

[5] *Identify each cost separately. Please ensure non-operating expenses that relate to the goods under investigation are included. Where gains/losses due to foreign currency exchange are incurred, please provide detail of the amounts separately for transaction and translation gains/losses.*

[6] *Please specify unit of currency.*

[7] *Please specify unit of measure (quantity, kg, MT etc.)*

Provide this information for each quarter (or month if your company calculates costs on a monthly basis) over the period of the investigation.

Provide the information broken down into fixed and variable costs, and indicate the percentage total cost represented by fixed costs.

If you are unable to supply this information in this format, please contact the case officer for this investigation at the address shown on the cover of this questionnaire.

Please specify unit of currency.

Where there are cost differences between goods sold to the domestic market and those sold for export, give reasons and supporting evidence for these differences.

Give details and an explanation of any significant differences between the costs shown, and the costs as normally determined in accordance with your general accounting system. Reference should be made to any differences arising from movements in inventory levels and variances arising under standard costing methods.

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

Please refer to the Exhibit G-5 Australian CTMS for the monthly costs for the goods exported to Australia during the POI.

[CONFIDENTIAL TEXT DELTED – explanation of the information provided in the confidential spreadsheet].

SECTION H – SUBSIDISATION

The applicant alleges that producers in China of steel shelves have benefited from a number of subsidies granted by the Government of China (the GOC)³, and that these subsidies are countervailable.

After having regard to the case of Boltless Steel Shelving conducted by the USDOC, previous Commission investigations and China’s income tax laws⁴, the Commission considers that there appears to be reasonable grounds that benefits have been received in relation to the goods exported from China.

THE FOLLOWING PROGRAMS ARE BEING INVESTIGATED

Program Number	Program Name	Program Type
3	Income Tax Benefits for FIEs based on Geographic Location	Tax
5	Income Tax Reduction for High or New Technology Enterprises	Tax
8	Import Tariff and Value-Added Tax (VAT) Reductions for FIEs and Certain Domestic Enterprises Using Imported Equipment in Encouraged Industries	Tax
10	Tax Rebates Based on Location in Shiqiao Town Industrial Cluster Zone	Tax
13	GOC and Sub-Central Government Subsidies for the Development of Famous Brands and World Top Brands	Grant
14	Special Fund for Energy Savings Technology Reform	Grant
15	International Market Exploration (SME) Fund	Grant
16	Export Assistance/Outward Expansion Grants in Guangdong Province	Grant
17	Guangdong Province Funds to Support the Adoption of E-Commerce by Foreign Trade Enterprises	Grant
18	Technology to Improve Trade Research and Development Fund	Grant
19	Rental/Purchase Assistance in Ningbo Municipality Yinzhou District Southern Commercial Zone	Grant
20	Exhibition Subsidy	Grant
21	Foreign Trade Bureau Award	Grant
22	Export Credit Insurance Subsidy	Grant
23	Export Subsidy for High-tech Merchandise	Grant
24	Clean Energy Measure Subsidy	Grant
25	Innovative Growth Grant	Grant
26	Provision of Hot Rolled Coil Steel for Less Than Adequate Remuneration	LTAR
27	Provision of Electricity for Less Than Adequate Remuneration	LTAR
28	Provision of Galvanised Steel For Less Than Adequate Remuneration	LTAR

H-1 PREFERENTIAL TAX PROGRAMS

Programs 3, 5, 8 and 10: Preferential income tax programs

The applicant claims that reasonable grounds exist to establish that preferential income tax programs exist and are countervailable subsidies that have been received by Chinese exporters of the goods subject to this application.

³ Meaning any level of government – refer to the Glossary of Terms for further information

⁴ *Income Tax Law of the People’s Republic of China for Enterprises with Foreign Investment and Foreign Enterprises 1991; Regulations of the People’s Republic of China on the Implementation of the Enterprise Income Tax Law 2007; Enterprise Income Tax Law of the People’s Republic of China 2007*

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Please complete questions 1 – 16 below and fill the “**Income Tax Programs**” tab on the attached “**Exporter Questionnaire**”.

As already advised, the only entity involved in the production of the goods and sales of the goods in the domestic market during the POI was Zhongda Metalwork. Zhongda I/E was responsible for the export of the goods to Australia, and third countries. Zhongda Group is also involved in the sales of the goods to third countries on Zhongda Metalwork’s behalf.

None of these companies received benefit under any of the “income tax programs”. Accordingly, the questions in this section is not applicable. Nonetheless, we can confirm that the applicable income tax rate for all three companies is 25%.

1. Did your business or any company/entity related to your business receive any benefit⁵ under the following income tax programs identified above during the investigation period (1 April 2015 to 31 March 2016).

Program 3: Income Tax Benefits for FIEs based on Geographic Location

Program 5: Income Tax Reduction for High or New Technology Enterprises

Program 8: Import Tariff and Value-Added Tax (VAT) Reductions for FIEs and Certain Domestic Enterprises Using Imported Equipment in Encouraged Industries.

Program 10: Tax Rebates Based on Location in Shiqiao Town Industrial Cluster Zone

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 April 2011, indicating any changes in the taxation rate over the period April 2011 – March 2016.
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.
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 H-1 (1) above in relation to the income tax rate reduction.

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

None of these companies received benefit under any of the “income tax programs”. Accordingly, the following questions are not applicable.

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

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

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6. Indicate which goods you produced that benefited from the program (e.g. the program may have benefited all production or only certain products that have undergone research and development).
7. Describe the application and approval procedures for obtaining a benefit under the program.
8. Where applicable, provide copies of the application form or other documentation used to apply for the program, all attachments and all contractual agreements entered into between your business and the GOC in relation to the program.
9. Outline the fees charged to, or expenses incurred by your business for purposes of receiving the program.
10. Outline the eligibility criteria your business had to meet in order to receive benefits under this program.
11. State whether your eligibility for the program was conditional on one or more of the following criteria:
 - a) whether or not your business exports or has increased its exports;
 - b) the use of domestic rather than imported inputs;
 - c) the industry to which your business belongs; or
 - d) the region in which your business is located.
12. If the benefit was provided in relation to a specific activity or project of your entity, please identify the activity and provide supporting documentation.
13. What records does your business keep regarding each of the benefits received under this program? Provide copies of any records kept in relation to the program.
14. Indicate where benefits under this program can be found in your accounting system (i.e., specify the ledgers or journals) and financial statements.
15. To your knowledge, does the program still operate or has it been terminated?
16. If the program has been terminated, please provide details (including when and why). When is the last date that your business could apply for or claim benefits under the program? When is the last date that your business could receive benefits under the program?

If the program terminated has been substituted for by another program, identify the program and answer all the questions in Part H-4 in relation to this programme.
17. For each taxation year from 2011 to 2015, complete the "**Income Tax**" tab in the "**Exporter Questionnaire**" workbook.

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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.

H-2 GRANTS

Programs 5-17: Financial grants

The applicant claims that reasonable grounds exist to establish that preferential financial grants programs exist and are countervailable subsidies that have been received by Chinese exporters of the goods subject to this application.

Program 13: GOC and Sub-Central Government Subsidies for the Development of Famous Brands and World Top Brands

Program 14: Special Fund for Energy Savings Technology Reform

Program 15: International Market Exploration (SME) Fund

Program 16: Export Assistance/Outward Expansion Grants in Guangdong Province

Program 17: Guangdong Province Funds to Support the Adoption of E-Commerce by Foreign Trade Enterprises

Program 18: Technology to Improve Trade Research and Development Fund

Program 19: Rental/Purchase Assistance in Ningbo Municipality Yinzhou District Southern Commercial Zone

Program 20: Exhibition Subsidy

Program 21: Foreign Trade Bureau Award

Program 22: Export Credit Insurance Subsidy

Program 23: Export Subsidy for High-tech Merchandise

Program 24: Clean Energy Measure Subsidy

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Program 25: Innovative Growth Grant

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

Please refer to Exhibit H-2 Grants. The information is prepared in relation to Zhongda Metalwork, Zhongda I/E and Zhongda Group.

1. Did your business or any company/entity related to your business receive any benefit under the above programs during the period **1 April 2011 to 31 March 2016**?
2. Did your business receive benefits under any other grant (including awards, prizes, funds) program during the period **1 April 2011 to 31 March 2016**?

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.
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).
5. Describe the application and approval procedures for obtaining a benefit under the 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.
7. Outline the fees charged to, or expenses incurred by your business for purposes of receiving the program.
8. Outline the eligibility criteria your business had to meet in order to receive benefits under this program.
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.
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.

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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.
12. Indicate where benefits under this program can be found in your accounting system (i.e., specify the ledgers or journals) and financial statements.
13. To your knowledge, does the program still operate or has it been terminated?
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 H-4 in relation to this programme.

15. Identify the body responsible for administering the grant.
16. Identify the date of approval of the grant and the date the grant was received.
17. Indicate where the grant was accounted for on your business' financial statements.

<p>Please refer to Exhibit H-2 Grants. The information is prepared in relation to Zhongda Metalwork, Zhongda I/E and Zhongda Group.</p>
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H-3 PROVISION OF INPUTS AT LESS THAN ADEQUATE REMUNERATION

1 Programs 26 and 28: Inputs (Hot Rolled Coil Steel, Galvanised Steel)

The applicant claims that public bodies (in the form of state-invested enterprises (SIEs⁶)) are supplying inputs (hot rolled coil steel, galvanised steel), directly or indirectly, to manufacturers of steel shelves at less than fair value:

Program 26: Provision of Hot Rolled Coil Steel for less than adequate Remuneration

Program 28: Provision of Galvanised Steel for less than adequate remuneration

In relation to these programs, provide the following information.

At the outset, Zhongda Metalwork confirms that it does not purchase hot rolled coil steel or galvanized steel for the production of the goods exported to Australia or the like goods sold in the domestic market.

Whilst Zhongda Metal did purchase a very small amount of galvanized steel for the production of other products, it did not do so for the goods under consideration. Such purchases accounted for only [CONFIDENTIAL TEXT DELTED – number]% of the total steel strips Zhongda Metalwork purchase.

In any case Zhongda Metalwork confirms that it did not purchase any forms of steel strips from SIEs during the POI. Accordingly, the alleged Programs 26 and 28 are not applicable.

1. Describe the nature of your production process for steel shelves, including an itemised list of all inputs used by your company in the process.

For production process and major raw material, please refer to responses above at Section G.

The major components of the steel shelves are steel posts, steel beams, and wood board or wire shelves. Depending on the product type, additional components like tie bars and couplers might be required.

[CONFIDENTIAL TEXT DELTED – raw material used for production and raw material procurement].

2. Did your business or any company/entity related to your business receive any benefit under the above programs during the period **1 January 2011 to 30 March 2016**? If yes, provide details.

No. Please refer to our responses at the beginning of this section.

⁶ 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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3. Does your business purchase any inputs (e.g. hot rolled coil steel, galvanised steel) in the manufacture of steel shelves?

As advised above, the vast majority of steel inputs used in Zhongda Metalwork's production of the goods were [CONFIDENTIAL TEXT DELTED – raw material], not hot rolled coil steel or galvanized steel.

Zhongda Metalwork advises that it purchased the [CONFIDENTIAL TEXT DELTED – raw material] from private suppliers at market prices negotiated with the suppliers. Zhongda Metalwork is not aware of any subsidization in the form of hot rolled coil or galvanized steel provided by SIEs at less than adequate remuneration.

In any case, given the different and further processing required for [CONFIDENTIAL TEXT DELTED – comments regarding Zhongda Metalwork's raw material purchase], any alleged subsidization involving hot rolled coil or galvanized steel could not have benefited Zhongda Metalwork's production and sales of the goods.

Provide responses to Question 4, and Questions 5 – 7 in the tables provided on the “**Raw Material Purchases**” tab on the attached “**Exporter Questionnaire**”.

4. Provide data on a transaction-by-transaction basis, for all purchases of inputs during the period 1 April 2015 to 30 March 2016. 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 inputs and indicate whether the supplier is a SIE.

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

Please refer to Exhibit H-3.1.4 Raw material purchases.

As advised, Zhongda Metalwork did not purchase any hot rolled coil steel during the POI. Rather, [CONFIDENTIAL TEXT DELTED – raw material purchase]. In the spirit of cooperation, Zhongda Metalwork provides the information regarding its [CONFIDENTIAL TEXT DELTED – raw material purchase] for the Commission's reference.

5. For these major inputs:

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

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

Normal market price is taken to be the price normally available in the

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

The term associate is defined in section 269TAA of the Customs Act. Included in that definition are companies controlled by the same parent company (a company that controls 5 per cent or more of the shares of another is taken to be an associated company); companies controlled by the other company; and companies having the same person in the board of directors.

Please refer to Exhibit H-3.1.4 Raw material purchases.

6. 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.

No, the company did not receive any reduction/reduced price for the purchase of these goods/services during the POI.

7. 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.

Not applicable. The raw materials were not purchased from any SIE.

8. 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.

Not applicable, in that Zhongda Metalwork did not purchase imported raw materials.

2 Program 27: Provision of Electricity for less than adequate remuneration

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

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

Yes, Zhongda Metalwork purchased electricity for the manufacture of the goods.

Please answer Questions 2 - 5 in relation to your purchases of electricity from **1 April 2015 to 31 March 2016** in the "Electricity" tab in the "Exporter Questionnaire" workbook.

2. Provide all individual payments your company made for electricity during the

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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.

Please refer to Exhibit H-3.2 Electricity spreadsheet.

The copies of invoices are provided at Exhibit H-3.2.2.a.

The electricity supplier, i.e., the State Grid, has an account for each buyer and will issues invoice only to the title registered in the account.

[CONFIDENTIAL TEXT DELTED – further explanation regarding electricity purchase, invoicing, and details in the confidential 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.

No. Zhongda Metalwork was charged the normal large industry electricity price in accordance with the electricity tariff schedule of Zhejiang Province.

Copies of the applicable electricity tariff schedule of Zhejiang Province during the POI are provided at Exhibit H-3.3.

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.

Not applicable, in that Zhongda Metalwork did not receive any such assistance/benefits in relation to its purchase of electricity.

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?

Zhongda Metalwork pays the electricity price in accordance with the tariff schedule of State Grid for Zhejiang Province. Zhongda Metalwork is not aware of, nor in a position to comment on any, differences referred to in the question.

H-4 ANY OTHER PROGRAMS

Provide answers to the following questions in the "**Other programs**" tab of the "**Exporter Questionnaire**" 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).

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Zhongda Metalwork and its related companies only have business operations in Zhejiang Province.

Please refer to the information regarding the grants received by the relevant companies already been provided above, in the Exhibit H-2 Grants spreadsheet.

2. Are you aware of any programs of the Government of China, any of its agencies or any other authorised body, that benefits⁷ manufacturers of steel shelves that have not been accounted for in this questionnaire? Provide the name of those programs you are aware of (even if your company is not eligible to receive benefit under the program.)
3. Indicate the location of the program by region, province or municipal level.
4. Indicate the type of program, for example:
 - a) the provision of grants, awards or prizes;
 - b) the provision of goods or services at a reduced price (e.g. electricity, gas, raw materials (including, for example, zinc), transport);
 - c) the reduction of tax payable including income tax and VAT;
 - d) reduction in land use fees;
 - e) loans from Policy Banks at below-market rates; or
 - f) any other form of assistance.

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

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

⁷ Refer to the Glossary of Terms for a definition of benefit in this context.

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11. State whether your eligibility for the program was conditional on one or more of the following criteria:
 - a) whether or not your business exports or has increased its exports;
 - b) the use of domestic rather than imported inputs;
 - c) the industry to which your business belongs; or
 - d) the region in which your business is located.
12. If the benefit was provided in relation to a specific activity or project of your entity, please identify the activity and provide supporting documentation.
13. What records does your business keep regarding each of the benefits received under this program? Provide copies of any records kept in relation to the program.
14. Indicate where benefits under this program can be found in your accounting system (i.e., specify the ledgers or journals) and financial statements.
15. To your knowledge, does the program still operate or has it been terminated?
16. If the program has been terminated, please provide details (including when and why). When is the last date that your business could apply for or claim benefits under the program? When is the last date that your business could receive benefits under the program?

If the program terminated has been substituted for by another program, identify the program and answer all the questions in Part H-4 in relation to this programme.

SECTION I – PARTICULAR MARKET SITUATION

The Commission seeks to confirm whether a ‘market situation’ exists in respect of iron and steel based products from China due to government influence on both the prices of the goods and the major raw material inputs (HRC, galvanised steel, colorbond steel) used in the manufacture of the goods.

The existence of a ‘market situation’ could affect the Commission’s approach to calculating normal value within its dumping assessment.

In broad terms, it is generally the case that the normal value of the goods is the price paid for like goods sold for home consumption in the country of export. One of the exceptions to using domestic selling prices for this purpose provides that the domestic selling prices are not an appropriate basis for normal value if the Minister is satisfied that a situation in the market has rendered domestic selling prices unsuitable for establishing normal values (i.e. a ‘particular market situation’ exists).

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

Through this questionnaire, the Commission is providing producers/exporters of the subject goods in China the opportunity to supply evidence that the sector under investigation is operating under competitive market conditions.

It may be necessary for the Commission to request additional information following receipt and review of your response.

There are three parts to this section:

- PART I-1 - Requests information concerning the organisation of your company and the GOC’s involvement in the business of your company.
- PART I-2 - Requests information concerning the GOC’s measures with respect to the iron and steel industry in China.
- PART I-3 - Requests information concerning the iron and steel sector in the region where your company is located.

I-1 General information

The information requested in this part will provide an overview of your corporate organisation and the GOC's involvement in your business. In addition to your response to each of the questions, all necessary supporting documentation is requested.

1. Specific questions are asked throughout this questionnaire in relation to the GOC's interaction with your businesses.

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

- a) reporting requirements;

The Zhongda Group of companies ("the Zhongda companies") operate independently and autonomously in line with the applicable laws in China. Other than for filing tax returns and paying tax in due time, the company is not required to report to the GOC of any levels.

- b) payment of taxes;

The Zhongda companies pay taxes to the taxation authority pursuant to applicable tax laws and regulations on monthly or quarterly basis.

- c) senior management representation within your business;

The Zhongda companies are privately owned and do not have any senior management representation assigned to them from the Government of China.

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

The Zhongda companies are privately owned and are not supervised by the SASAC in any form.

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

The Zhongda companies make investment decisions, management decisions, pricing decisions, production decisions, sales decisions and all other business decisions independently.

The Government of China is not involved in any approval or negotiation of business decisions of the company.

- f) licensing;

Business licenses were obtained from the government as is required for any

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businesses operating in China. No other license is required.

g) restrictions on land use;

The company has to use the land pursuant to the requirements of relevant laws and regulations. There are no other restrictions.

h) provision of loans; or

The company negotiated loans from commercial banks at market terms. The government has no involvement in the company's loans.

i) provision of grants, awards or other funds.

Please refer to responses in Section H.

2. Business structure, ownership and management

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

No

b) List the Board of Directors and Board of Shareholders of your business and all other entities/businesses your business is related to.

Indicate the names of common directors and officers between your business and related businesses, where applicable.

Please refer to the corporate structure information reported in Section A above.

[CONFIDENTIAL TEXT DELETED – shareholding structure].

The member of Board of Directors (or executive director if Board of Directors is not established), of Zhongda Metalwork, Zhongda I/E and Zhongda Group are as follows.

Company	Director(s)
[CONFIDENTIAL TEXT DELETED]	

[CONFIDENTIAL TEXT DELETED – shareholding structure].

c) Are any members of your business' (and/or all other entities your business is related to) Board of Directors or Board of Shareholders representatives, employees, or otherwise affiliated with the GOC (at any

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level, from any agency, party, or otherwise associated entity, including SASAC)?

If so, identify the individuals, their role on that Board and their affiliation with the GOC.

Not applicable.

d) Does your business' (and/or all other entities your business is related to) Board of Directors or Board of Shareholders have a representative from the Chinese Communist Party (CCP)? If so, identify their name and title and indicate their position at the board level.

No.

e) Are any members of your business' (and/or all other entities your business is related to) Board of Directors or Board of Shareholders appointed, managed or recommended by the GOC? If so, identify the government department(s) they represent.

No.

f) Indicate who owns what percentage of all shares in your business and identify whether they are:

- an affiliate, representative, agency or otherwise representative of the GOC;
- employees of your business;
- foreign investors; or
- other (please specify).

Please refer to the answers to questions b above. The ultimate individual shareholders are the 15 natural persons with percentage of shares as follows:

Shareholder names	Share %
[CONFIDENTIAL TEXT DELETED]	

[CONFIDENTIAL TEXT DELETED – number] shareholders are employees of Zhongda companies.

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

During the POI, there were no significant changes in the ownership structure.

h) Identify any positions within your business that are appointments or

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designated to act on behalf of GOC authorities.

There were no such positions in the company.

- i) Explain whether there are requirements in law and in practice to have government representation at any level of your business. If there is such a requirement, explain the role of government representatives appointed to any level of your business.

There are no such requirements.

- j) If your business is a publicly-traded company, what are the rules regarding the issuance of shares by your business? Identify any stock exchanges on which your business is listed.

The Zhongda companies are private companies.

- k) Provide the monthly trading volume and average monthly trading price of your listed security between 1 July 2014 and 30 June 2016.

The company is not a publicly traded company. This question is not applicable.

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

The board of director (or executive director) has the ability to fire or discipline the general manager. The general manager has the ability to fire or discipline the other senior managers of the company.

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

No, none of the Zhongda companies' senior managers holds position in any GOC departments or organisations, associations or Chambers of Commerce.

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

There is no pricing committee. The sale price is generally negotiated by the sales manager with customers and finally approved by the general manager.

3. Licencing

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

Please refer to Exhibit I-1.3.

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

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The business licenses were issued by the Market Supervision Administration of Haiyan County ("the Haiyan MSA").

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

According to the Regulation of the People's Republic of China on Administration of Registration of Companies, in order to obtain the business license, the applicant needs to file an application form associated with all required enclosures with local company registration authority. As long as the submission satisfies all prima face requirements, the authority will issue a business license to the applicant.

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

According to the applicable company laws and regulations, to apply for a business license, the company needs to file the pre-name approval certificate, capital registration report, articles of association, the composition of Board of Directors/Supervisors and the evidence of domicile.

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

The business license defines the business scope and duration of the company. If the company wants to change the business scope and duration, it must renew the business license.

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

The authority may order a company to stop the business or request the business to renew/expand the scope of business license if the company acts outside the scope of the business license.

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

The business license is a company registration document, which indicates that the company has duly established and may carry out legal actions as an entity. Except for the said function, there are no special benefits conferred.

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

In accordance with Article 30 of Regulations of the People's Republic of China for Controlling the Registration of Enterprises as Legal Persons, the authority may revoke the business license due to the following situations:

- (1) concealing the true situation and resorting to deception in the course of registration or starting operations before the approval of its registration;
- (2) altering major items in the registration without permission or engaging in

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- business operations beyond the scope of business as approved in registration;
- (3) failing to cancel registration according to the rules or failing to submit the annual check-up report or receive the annual check-up;
- (4) forging, altering, leasing, lending, transferring, selling or reproducing the Business License for Enterprise as a Legal Person or its duplicates without permission;
- (5) withdrawing or transferring capital, concealing assets or dodging abilities;
- (6) engaging in illegal business operations.

4. Decision-making, planning and reporting

a) Provide a description of your business' decision-making structure in general and in respect of iron and steel products. This should identify the persons or bodies primarily responsible for deciding:

(i) what goods are produced;

The general manager;

(ii) how the goods are produced;

The production manager

(iii) how levels of inputs such as raw materials, labour and energy are set and secured;

The general manager

(iv) how the use of your outputs, such as how your product mix is determined; and

The general manager

(v) how your business' profit is distributed

The general manager

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

The GOC has no input into the decision-making process about the manufacture, marketing and sale of steel products of the company.

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.

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There are no government departments/offices that are involved, either directly or indirectly, in the manufacture, sale or purchase of steel products of the company.

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

The only report that the company needs to file periodically is the tax return lodged with the relevant tax authority.

- e) If not previously provided, provide a copy of the last two Provincial/City Five Year Plans (including the appendices) for the province/city in which your business is located, whichever is applicable. The copies should be fully translated including the appendices, along with the original Chinese version.

The Zhongda companies are not in possession of such governmental documents.

- f) Does your business develop any National and regional five-year plans or similar planning documents? If so, provide copies of these plans and advise whether these plans have been submitted, reviewed or approved by the GOC (including the National Development and Reform Commission).

The Zhongda companies do not and cannot develop any “national and regional five year plans or similar planning documents”.

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

[CONFIDENTIAL TEXT DELETED – Board of Directors meeting during the POI].

A Shareholder Decision from the Board of Shareholders Meeting in relation to [CONFIDENTIAL TEXT DELETED – shareholder decision]. This is attached at Exhibit I-1.4.g.

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

As already advised above, pricing decisions are made through negotiation with customers and are decided by sales manager and general manager. No company meetings are held for such purposes.

I-2 GOC measures in the iron and steel sector

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

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First of all, Zhongda Metalwork advises that it is a producer of various metalwork product, especially metal furniture product such as the goods under consideration. Accordingly, Zhongda Metalwork does not consider itself to be part of the “iron and steel industry”. It is better classified as to be part of light metalwork or metal furniture industry.

For example, as the Commission would be aware, the goods under consideration falls under Harmonized Tariff 9403 (9403.10 and 9403.20, which is “Other furniture and parts thereof”.

As a purely privately owned company and not part of the iron and steel heavy industry, Zhongda Metalwork and its related companies considers that any GOC measures in respect of the iron and steel industry would have little or remote influences on its business. Further, Zhongda metalwork is not in a position to provide informed comments about an industry which it is not part of.

For cooperation purposes, the company will provide the information required in this section to the extent of its knowledge.

1. Were there any GOC opinions, directives, decrees, promulgations, measures, etc. concerning the iron and steel industry/sector that were put in place or operating during the investigation period; for example but not limited to, the National Steel Policy (NSP), the Blueprint for the Steel Industry Adjustment and Revitalization and the Directory Catalogue on Readjustment of Industrial structure?

If yes, please provide a copy of that documentation and a translation as well. Also provide documentation concerning the GOC or any association of the GOC’s notification of the measures concerning iron and steel to your company over the investigation period.

Zhongda Metalwork is not part of the iron and steel industry and is unfamiliar with such governmental documentations.

2. Provide information concerning the name of any GOC departments, bureaus or agencies responsible for the administration of all GOC measures concerning the iron and steel industry in the regions, provinces or special economic zones where your company is located.

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

- industrial policy and guidance for the iron and steel industry sector, including the 12th Five-Year Plan: Iron and Steel (2011-2015 Development Plan for the Steel Industry);
- measures to eliminate out dated production capacity and to encourage technical and environmental improvement;
- measures to curb ‘production capacity redundancy’;
- market entry criteria for the iron and steel industry sector and industry operating conditions;
- environmental enforcement for the iron and steel industry sector;

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- management of land utilisation;
- the China Banking Regulatory Commission for the iron and steel industry sector;
- investigation and inspection of new iron and steel expansion facilities;
- guiding industry mergers and acquisitions;
- subsidies provided to producers in the iron and steel industry;
- import and export measures on upstream raw materials; and
- other implementation measures, including impact of SIEs..

Zhongda Metalwork is not part of the iron and steel industry and is unfamiliar with such governmental documentations.

Further, Zhongda Metalwork advises it is not aware of the existence of any such GOC agencies referred to above that in the town where its business is located.

3. National Steel Policy

The Commission is aware of the 2011 *National Steel Policy* (also referred to as the Steel and Iron Industry Development Policy, as well as by several other titles). The following questions relate to that policy.

- a) explain in detail how the policy and any updates regarding the policy were communicated to your company.

Such policy and updates have never been communicated to Zhongda companies during its normal course of business.

- b) Identify the government department, association, or company official that communicated this policy or any related measures, to your company as well as the government office or association and the names of the officials who are responsible for the administration of this policy.

Please refer to the response above. This question is not applicable.

- c) Explain in detail the information that has been provided to you from official and unofficial channels concerning action to be taken by your company in relation to the policy.

No such information has been provided to the company from official channels.

- d) Do you have designated officials that have provided direction to your company regarding the Government of China's measures and how to proceed with your current project or future plans within the scope of the policy?

No.

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- e) Explain in detail if there are additional directives or measures from the Government of China that have been communicated to your company, since the inception of the policy.

There are no directives or measures from the Government of China that have been communicated to the company.

- f) Explain in detail whether the policy has ever impacted your company's investment plans. This may include reference to specific measures considered or taken by your company to address issues and/or objectives raised by the policy. Such items may include but are not limited to items such as project approval process, credit and loans (including discounted interest payments), the environment, the scale of production, energy use, raw material inputs etc.

Zhongda Metalwork does not consider National Steel Policy to have ever impacted its investment plans.

- g) Explain the ongoing mechanism used by the Government of China to measure your company's compliance with the policy directives and/or guidelines.

Zhongda Metalwork is not part of the iron and steel industry, and is not aware of such mechanism.

- h) The policy includes directives and/or guidelines that permit authorities to limit the supply of water, power, land and bank loans etc. to steel producers, which do not meet the objectives of the policy.
- Explain in detail whether your company's expansion or investment plans have ever been or may be impacted by these criteria.
 - Explain the procedure to be followed by a steel company in making a request for approval of a steel investment for an existing steel enterprise or new steel enterprise.
 - Identify any Government of China bodies at the regional or provincial level that have the responsibility to grant the approval, or refuse approval regarding an investment in the steel sector.
 - Are review and approval decisions regarding investments in the steel sector made by the central government or are they delegated to the regional or provincial level?

Zhongda Metalwork is not a steel producer and has not experienced any limitation of supplies of water, power, land or bank loans due to the objective of the steel policy. Zhongda Metalwork does not consider the National Steel policy has any impact on its investment decisions or plans.

- i) Describe the role of the National Development and Reform Commission

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in terms of communicating, implementing and overseeing policies governing the steel sector, including but not limited to, China's National Steel Policy.

Zhongda Metalwork is unfamiliar with how the National Development and Reform Commission communicate, implement and oversee policies governing the steel sector.

4. Other government approvals

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

- a) Explain whether your company has undertaken an approval process through the GOC for any iron and steel or iron and steel related investments in the last 10 years.
- b) Explain whether any applicable investments received the necessary approval and if so, provide documentation confirming this approval.
- c) If your investment was not approved, provide the reasons given for the refusal.
- d) Describe the process your company has to follow to obtain these approvals.
- e) Provide a translated copy of the application form along with the original Chinese version.
- f) Identify the office that sent communication of these requirements to your company along with the office address, contact names, phone numbers and fax numbers.

Not applicable, in that Zhongda Metalwork is not a steel producer and is not involved in iron and steel investment.

5. The restructure of the iron and steel industry in China

The Commission is aware of the GOC's *Guidelines on tackling severe overcapacity problem*. The following questions relate to these guidelines:

- a) Explain in detail if there were any directives or measures from the GOC that have been communicated to your business since the inception of these guidelines?
- b) Identify the Government department, association or company official that communicated these guidelines or any related measures to your business.
- c) Identify the Government department, association or company and names of officials who are responsible for the administration of these guidelines.

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- d) Explain in detail how these guidelines have or might impact on your business. This may include reference to specific measures considered or taken by your business. Such items may include but are not limited to items such as project approval process, credit and loans terms (including any preferential interest rates), the environmental issues, discounted rate of energy and raw materials (iron and steel, pre-alloyed product etc.).
- e) Explain any on-going mechanism used by the GOC to measure your business compliance with the policy directives and/or guidelines.

Zhongda Metalwork is not aware of such guidelines, and does not consider such guidelines to have any impact on its business.

I-3 The iron and steel sector

The information requested in this part will assist in providing a better understanding of the GOC measures its effects on the iron and steel sector.

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

1. Export quotas and licensing

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

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

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

Zhongda Metalwork's products are not subject to any export quotas.

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

No such quota system existed in relation to Zhongda Metalwork's product during the POI.

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

Not applicable, there are no such quotas.

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

The GOC does not set any targets or limits regarding the quantity of the company's

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products on the domestic or export markets.

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

There are no export license requirements for the products produced Zhongda Metalwork.

Zhongda Metalwork is unfamiliar with and not aware of any such requirements on iron and steel products.

2. Taxation

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

There are no export tax applicable for the products produced Zhongda Metalwork during the POI

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

The VAT rebate rate applicable for the exportation of the goods exports was 15% during the IP.

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

There have been no changes to the VAT rebate applicable to exports of the goods under consideration in the last 5 years.

Zhongda Metalwork is unfamiliar with and not in a position to provide the information in relation to the broad “iron and steel exports”.

- d) Please provide details of any taxes and tariff (rates and rebates) applicable to coking coal and coke as well as iron ore and scrap steel.

Zhongda Metalwork has never exported any coking coal and coke, iron ore or scrap steel and is unfamiliar with the tax and tariff applicable to such products.

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

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Zhongda Metalwork is not part of the iron and steel sector and is not aware of such information.

3. Sales terms

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

The general manager finally authorizes the sales terms, prices and other contract provisions for the sale of the products sold by the company.

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

The selling price is determined by negotiation with the customer based on the market condition. No government department is involved in the company's pricing decisions. The goods are not subject to GOC direct or indirect pricing or government guidance pricing.

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

Zhongda Metalwork does not coordinate the selling prices or supply of its products with any domestic iron and steel producers, GOC departments, or the China Iron and Iron and steel Association.

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

Zhongda Metalwork does not provide any products price information/data to the GOC, other government officials or commercial/industry organisations.

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

Zhongda Metalwork does not provide any products price information/data any person at the provincial, regional or special economic zone level of government.

4. Industry associations

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

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association/s and the involvement of the GOC with the association/s.

Zhongda Metalwork is not part of the iron and steel industry. Accordingly, it is not a member of CISA or any regional iron and steel industry associations.

- b) If your business is a member of an industry association, indicate whether this membership is voluntary or compulsory. Explain the functions that the association provides for your business. Explain in detail the role of the association with respect to the directives as provided by the GOC concerning the iron and steel industry.

Zhongda Metalwork is not a member of any other industry associations.

5. Statistics submission/recording

- a) Indicate if your business makes submissions⁸ to the Chinese Bureau of Statistics and/or any other government organisation. If yes, explain the purpose of these submissions and the type of information submitted.

Zhongda Group makes submission to the Local Bureau of Statistics based on the data of all its subsidiaries. The information contained in the submission includes the financial status, gross industrial production and sale of the entity.

Zhongda Group understands that this is common practice for most countries in the world, where the governmental statistics agency collects industry information through different ways, including requesting information from an individual company, for its consideration in future policy making.

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

Please refer to Exhibit I-3.5b for a recent example of the submission that has been made to the local Bureau of Statistics by Zhongda Group. There is no separate data relating to sales, production and costs of Zhongda Metalwork or the merchandise under consideration.

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

The submission is filed through an on-line system and no approval is required. The company just submits the information and does not know whether the Bureau of Statistics assess the company's submission.

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

No.

⁸For example, monthly data relating to sales, production and costs.

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6. Manufacturing inputs

- a) Is there a price difference in purchase price for raw materials (i.e. coking coal, coke, iron ore and scrap steel or other raw material) between your suppliers?

Zhongda Metalwork does not purchase coking coal, coke, iron ore and scrap steel. The company's raw material is steel strip and wood board. The raw material price could vary between different suppliers.

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

Zhongda Metalwork did not purchase raw materials from SIEs.

In any case, Zhongda Metalwork does not consider any price differences for raw materials can be attributed to the type of ownership of the supplier.

- c) If your supplier is based outside China, what import duty rate is applied on the raw materials (i.e. iron and steel or other raw material)?

Not applicable, in that the raw materials purchased by Zhongda Metalwork were not imported from outside China.

- d) Does your business benefit from any concession on the purchase of any utility services (e.g. electricity, gas, etc.)? If so explain the nature and the amount of the concession?

Zhongda Metalwork does not benefit from any concession on the purchase of utility services.

7. Regional differences

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

Zhongda Metalwork's production facilities are located in Zhejiang Province only.

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

- a) Is any part of your production of iron and steel products subject to any national/regional industrial policy or guidance? If so, provide details including a background of the policy/guidance and explain any restriction imposed by the policy/guidance.

Zhongda Metalwork's products are not subject to any national/regional industrial policy or guidance. Accordingly, question b) and c) below are not applicable.

- b) To what extent are any of the policies/guidelines identified in a)

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applicable to your business?

- c) Where applicable, how did your business respond to the policies/guidelines?
- d) Provide details regarding any other restrictions (e.g., geographic/regional, downstream, use, etc.) to the sale of iron and steel products that may be imposed by the GOC.

There are no restrictions to the sale of products produced by Zhongda Metalwork.

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

The domestic customers of the goods includes: [CONFIDENTIAL TEXT DELETED – domestic customer].

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

The quantity and quality of the goods is stipulated by the contract between the contracting parties. There are no other restrictions and/or conditions in relation to the quality or quantity of the production of the goods placed upon Zhongda Metalwork.

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

No export licence is required for the export of the goods.

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

The goods sold Zhongda Metalwork are not subject to any export restrictions and/or limits during the previous 5 year.

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

Not applicable. There are no restrictions placed upon the company on the sale of steel shelving.

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

The company's production capacity of the goods gradually increases over the last 5 years. Please refer to the "Production" spreadsheet at Exhibit G-2 for details.

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9. Sales price during the investigation period

- a) Explain whether your business has been subjected to any direct or indirect price guidance or controls by the GOC during the investigation period, with respect to domestic iron and steel prices.

No.

- b) Explain whether your business has been subjected to any direct or indirect price guidance or controls by the GOC during the investigation period, with respect to raw material inputs (i.e. iron and steel, etc.).

No.

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

No.

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

Please refer to our responses at Section B and Section D above.

There are no restrictions, limitations, or other considerations imposed on the sales of the goods.

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

The company believes the market is the factor determining the price of the goods. Zhongda Metalwork is not aware of any price leader in relation to the goods.

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

No. Please see our responses to the same question above.

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

Not applicable. There is no pricing committee in Zhongda Metalwork.

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

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The sales manager and the general manager of Zhongda Metalwork.

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

Not applicable. The company has production facilities only in one province.

10. Adding capacity and/or joint ventures

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

Zhongda Metalwork's is not aware of any governmental approval requirement in relation to its adding capacity and/or joint ventures.

- b) Does the government have the right to request modifications in the terms of adding capacity and/or joint ventures? If yes, provide a detailed explanation.

Zhongda Metalwork does not consider the government has a right to request modifications in the terms of adding capacity and/or joint ventures.

11. HRC, galvanised steel and colorbond steel purchases

- (i) Do you have more than one supplier of HRC, galvanised steel and colorbond steel? If so, provide an explanation of the reasons of price differences between these suppliers?

Please refer to Zhongda Metalwork's responses above in relation to raw material purchase.

Zhongda Metalwork does not purchase HRC or colorbond steel. A small amount of galvanised steel was purchased but not in relation to the production of the goods.

Zhongda Metalwork purchased [CONFIDENTIAL TEXT DELETED – raw material] for producing the goods under consideration from more than one supplier. The company negotiates price with each supplier separately. The reasons of price differences between these suppliers might include the difference on cost, purchase quantity and quality between suppliers, the sales pressures of the suppliers, the negotiation ability of the suppliers and etc.

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

Zhongda Metalwork purchased raw materials based on its production demand and through negotiations. The considerations in selecting a supplier will focus on the price, quality, payment terms and delivery terms offered by the candidate suppliers.

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


Not applicable, in that Zhongda Metalwork did not import any of the raw materials mentioned above.

**SECTION J
EXPORTER'S DECLARATION**



I hereby declare that **Zhongda Metalwork Co., Ltd and Zhongda Import & Export Co., Ltd** did, during the period of investigation export the goods under consideration and have completed the attached questionnaire and, having made due inquiry, certify that the information contained in this submission is complete and correct to the best of my knowledge and belief.

I hereby declare that.....(company)
did not, during the period of investigation, export the goods under consideration and therefore have not completed the attached questionnaire.

Name: **Jiaming Jin**
Signature: 
Position in Company: **General Manager**
Date: **September 1, 2016**

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**SECTION K
CHECKLIST**

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

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

Electronic Data	Please tick if you have provided spreadsheet
INCOME STATEMENT	✓
TURNOVER – sales summary	✓
AUSTRALIAN SALES – list of sales to Australia	✓
LIKE GOODS – like goods exported to Australia	✓
DOMESTIC SALES – list of all domestic sales of like goods	✓
THIRD COUNTRY – third country sales	✓
PRODUCTION – production figures	✓
DOMESTIC COSTS – costs of goods sold domestically	✓
AUSTRALIAN COSTS – costs of goods sold to Australia	✓
INCOME TAX PROGRAMS	n/a
INCOME TAX	n/a
GRANTS	✓
INPUT PURCHASES	✓
ELECTRICITY	✓
OTHER PROGRAMS	✓
STEEL BILLET PURCHASES	n/a