



Australian Government  
Anti-Dumping Commission

# RESPONSE to EXPORTER QUESTIONNAIRE

## Steel Shelving Units EXPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA

*Zhongshan City Xiaolan Town Yijin Hardware Plastic Electrical  
Appliance Factory*

**Product: Steel Shelving**

**From:** The People's Republic of China

**Period of Investigation:** 1 April 2015 to 31 March 2016

**Response due by:** 11 August 2016, **extended to 7 September, 2016**

**Investigation case manager:** Ryan Hemsley

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**Return completed  
questionnaire to:**

Anti-Dumping Commission  
GPO Box 1632  
Melbourne VIC 3001  
AUSTRALIA

Attention: Director Operations 4

## SECTION A COMPANY STRUCTURE AND OPERATIONS

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

### A-1 Identity and communication

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

Head Office: **Zhongshan City Xiaolan Town Yijin  
Hardware Plastic Electrical Appliance  
Factory (“Yijin”)**

Name: **Zhang Qiguang**  
Position in the company: **General Manager**  
Address: **3rd Street, Xingye Road, the 1st Industrial  
Park of Zhuyuan, Xiaolan Town, Zhongshan  
City, Guangdong Province**  
Telephone: **+86 -760-22266873**  
Facsimile number: **+86 -760-22279364**  
E-mail address of contact person: **343810978@QQ.com**

Factory: **Zhongshan City Xiaolan Town Yijin  
Hardware Plastic Electrical Appliance  
Factory (“Yijin”)**

Name: **Zhang Qiguang**  
Position in the company: **General Manager**  
Address: **3rd Street, Xingye Road, the 1st Industrial  
Park of Zhuyuan, Xiaolan Town, Zhongshan  
City, Guangdong Province**  
Telephone: **+86 -760-22266873**  
Facsimile number: **+86 -760-22279364**  
E-mail address of contact person: **343810978@QQ.com**

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

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

Name: **Mr. Li Huaduan of Beijing Great Wall Law Firm**  
Address: **Third Floor, China World Trade Office, No. 1  
JianGuoMenWai Avenue, Beijing China**  
Telephone: **+86-13911062352**  
Facsimile number: **+86-10-65057869**  
E-mail address of contact person: **lihuaduan@greatwalllaw.com.cn**

*Note that in nominating a representative, the Commission will assume that confidential material relating to your company in this investigation may be freely released to, or discussed with, that representative.*

### **A-3 Company information**

1. What is the legal name of your business? What kind of entity is it (e.g. company, partnership, sole trader)? Please provide details of any other business names that you use to export and/or sell goods.

**Answer:**

**The legal name of the enterprise is Zhongshan City Xiaolan Town Yijin Hardware Plastic Electrical Appliance Factory (“Yijin”). It is an Individual Proprietorship Enterprise, Yijin does not use any other business names to export and/or sell goods.**

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

**Answer:**

**Yijin was established on [                      ]. The shareholder of Yijin is [                      ]. There's no change on shareholder, name and structure of Yijin since it was established.**

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

**Answer:**

**Yijin is 100% owned by [                      ].**

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

**Answer:**

**Yijin is not subsidiary of another company.**

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

**Answer:**

**Not applicable.**

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

**Answer:**

**Not applicable as Yijin has no associated or affiliated company.**

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

**Answer:**

**No management fees/corporate allocations charged to Yijin by parent or related company.**

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

**Answer:**

**Yijin is involved in the production and export of variety of storage and hardware products. Yijin is a producer and exporter.**

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.

**Answer:**

**Yijin performs the functions of: produce; export to Australia and export to countries other than Australia. Yijin does not sell GUC in the domestic market and do not have any relation to other company that sells GUC in domestic market.**

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

**Answer:**

**Please refer to Exhibit A-1 for internal organization chart of Yijin.**

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).

**Answer:**

**Yijin is not public listed company and does not publish “annual report”. Yijin has no brochures as well.**

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

1. Indicate your accounting period.

**Answer:**

**January 1st to December 31st, per annum.**

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

**Answer:**

**Address: 3rd Street, Xingye Road, the 1st Industrial Park of Zhuyuan, Xiaolan Town, Zhongshan City, Guangdong Province.**

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;

**Answer:**

**Please refer to Exhibit A-2 for chart of accounts of Yijin.**

- audited consolidated and unconsolidated financial statements (including all footnotes and the auditor’s opinion);

**Answer:**

**Please refer to Exhibit A-3 for 2014 and 2015 audited financial statements of Yijin.**

- 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.

**Answer:**

**Please refer to Exhibit A-4 for the monthly financial reports of Yijin during the investigation period.**

**Yijin does not have division or sectors financial statements in the normal business of trade.**

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.

**Answer:**

**Not applicable. See preceding response.**

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.

**Answer:**

**Please refer to Exhibit A-5 for the Income Tax Returns of Yijin during the investigation period.**

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

**Answer:**

**Not applicable as Yijin does not sell via related company.**

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

**Answer:**

**Not applicable, as Yijin's accounting practices are in accordance with the generally accepted accounting principles in PRC. Please see Auditor's Reports at Exhibit A-3.**

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);

**Answer:**

**Yijin uses monthly weighted average method in valuation for raw materials and finished goods inventory. It does not have work-in-process in the normal course of accounting.**

- 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.);

**Answer:**

**Yijin produces two kinds of products, i.e. steel shelving and other kinds of hardware. The consumption of main raw materials for production of each product category are separately recorded and the accountant calculated major material cost of each product category according to the consumptions. Other auxiliary materials costs, as well as labor and overhead, are allocated to each product category by the major material cost.**

**As Yijin does not calculate costs on product model basis, for the purpose of this investigation, we further allocated the total cost of steel shelving to each specific model as produced. To do so, we multiplied the standard consumption of major materials (hot rolled steel, galvanized steel, MDF) by their unit cost and allocated the actual costs by the standard costs. For auxiliary materials, labor and overhead, we allocated them by the sum of the total standard major material cost.**

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

**Answer:**

**Damaged goods are used to produce other small piece hardware if possible. Otherwise, they will be treated as scraps and sold out at lower price. Sub-standard products will be reworked.**

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

**Answer:**

**Scraps are sold out periodically. But Yijin does not trace the quantity of scrap generated by each model or product category during the production, neither does it offsets the scrap from the total cost of production. It only records scrap sales income in the main operation income account. In the CTMS reporting, we divided the POI scrap sales income by the cost of goods sold and applied such ratio to the cost of production of each model to calculate the scrap offset in “other cost” item.**

**There is no by products or joint products during the production of steel shelving or working bench.**

- valuation and revaluation methods for fixed assets;

**Answer:**

**Yijin values the fixed assets according to the actual cost incurred.**

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

**Answer:**

**Yijin uses straight-line method in depreciation.**

**The average useful life for each class of production equipment and depreciation rate is as follows:**

Category	Useful Life	Net Residual Value rate%	Depreciation Rate%
House and Building	20 years	5	4.75
Machine Equipment	10 years	5	9.5
Other Tools and implements	5 years	5	19
Transportation Vehicle	5-10 years	5	19-9.5
Electric and other equipment	3-10 years	5	31.67-9.5

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

**Answer:**

**Foreign exchange gains and losses arising from transactions, if any, are recorded in financial expenses account.**

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

**Answer:**

**Please see the above response.**

- inclusion of general expenses and/or interest;

**Answer:**

**General expenses include expenses not directly associated with transactions, such as office staff salary, travel expenses, insurance, office expenses, etc. Interest income and interest cost are recorded in financial expenses account.**

- provisions for bad or doubtful debts;

**Answer:**



**Yijin takes specific identification method and consider the recoverability of a debt to draw provision.**

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

**Answer:**

**Not applicable.**

- costs of plant closure;

**Answer:**

**Not applicable.**

- restructuring costs;

**Answer:**

**Not applicable.**

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

**Answer:**

**Scraps are discarded. There's no by-product resulting from production process.**

- effects of inflation on financial statement information.

**Answer:**

**Not applicable.**

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.

**Answer:**

**There is no material change to accounting policies over the last 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.

	Most recent completed financial year (specify)		Investigation period	
	All products	Goods Under	All products	Goods Under

	Consideration	Consideration
<b>Gross Sales (1)</b>		
Sales returns, rebates and discounts (2)		
<b>Net Sales (3=1-2)</b>		
Raw materials (4)		
Direct Labour (5)		
Depreciation (6)		
Manufacturing overheads (7)		
Other operating expenses (8)		
<b>Total cost to make (9=4+5+6+7+8)</b>		
<b>OPERATING INCOME (10=3-9)</b>		
Selling expenses (11)		
Administrative & general expenses (12)		
Financial expenses (13)		
<b>SG&amp;A expenses (14)=(11+12+13)</b>		
<b>INCOME FROM NORMALACTIVITIES (15)=(10-14)</b>		
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)		
<b>PROFIT BEFORE TAX (20)=(15+16+17+18+19)</b>		
Tax (21)		
<b>NET PROFIT (22)=(20-21)</b>		

Note: if your financial information does not permit you to present information in accordance with this table please present the information in a form that closely matches the table.

Prepare this information on the spreadsheet 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.*

**Answer:**

**Please see Exhibit A-6 Income Statement Spreadsheet.**

## **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:

	Most recent completed financial year (specify)		Investigation period	
	Volume	Value	Volume	Value
Total company turnover ( <b>all products</b> )				
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 <b>goods under consideration</b>				
Domestic market				
Exports to Australia				
Exports to Other Countries				

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.*

**Answer:**

**Please see Exhibit A-7 Turnover Spreadsheet.**



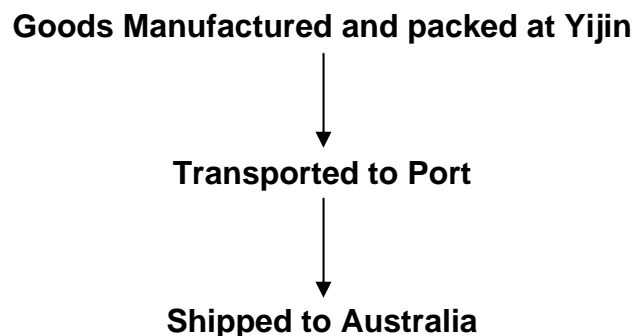
However, for the exportation formalities, Yijin uses export agent companies [ ] to handle the [ ].

As for the paper trail, Yijin issues VAT invoices to the trading companies. And that trading companies issue commercial invoices to customer. As for the payment, the customer pays to the trading companies, and then the trading companies pay to Yijin.

The difference between the money received from customer plus the VAT refund and the VAT invoice value by such trader would be the “agent fee” for the trading companies.

And Yijin’s VAT invoice prices are actually on ex-works basis, since it was net of prices, excluding all movement or agent expenses incurred up to [ ] term . Therefore Yijin reported the VAT invoice price in the Australian sales at ex works.

The below chart indicates the movement of the subject goods:



- (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.

**Answer:**

The following party participates in the distribution chain:

Yijin is responsible for producing and making export sales of subject products according to the orders it received from [ ];

Yijin uses two trading company [ ] as export agent to [ ]

As for the paper trail, Yijin issues VAT invoices to the trading companies. And that trading companies issue commercial invoices to customer. As for the payment, the customer pays to the trading companies, and then the trading companies pay to Yijin.

**The difference between the money received from customer plus the VAT refund and the VAT invoice value by such trader would be the “agent fee” for the trading companies.**

- (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.

**Answer:**

**(1) Before loaded on the ship at the port of shipment– owned by Yijin;**

**(2) After loaded on the ship at the port of shipment–owned by the customer.**

- (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).

**Answer:**

**Not applicable, as Yijin did not have any agency or 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.

**Answer:**

**Upon receiving the purchase order Yijin arranges production.**

**After finishing the production, Yijin arranges shipment per the request by the customer.**

**Yijin uses two trading companies to handle [ ] for the exportation formalities.**

**As for the paper trail, Yijin issues VAT invoices to the trading companies. And that trading companies issue commercial invoices to customer. As for the payment, the customer pays to the trading companies, and then the trading companies pay to Yijin.**

**The difference between the money received from customer plus the VAT refund and the VAT invoice value by such trader would be the “agent fee” for the trading companies.**

- (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).

**Answer:**

**Yijin is not related to [ ] or any Australian customer in any way.**

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

**Answer:**

**Not applicable, as Yijin does not issue the forward order in the normal course of business.**

- 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.

**Answer:**

**Not applicable as Yijin has only one distribution channel, that is exporting GUC to [ ], a trading company.**

- 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.
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:

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.



**Answer:**

Please refer to Exhibit B-1 for the spreadsheet of Australian sales. We reported the Customer in the field 1, but added in new column “agent export company” to identify those export agents for the convenient purpose.

As indicated above in response to question B-2 (e), Yijin uses two trading companies as export agent to handle [ ]. The difference between the money received from [ ] plus the VAT refund and the VAT invoice value would be the agent fee for the trading companies. The customs fees, port fees and inland freights are included in the agent fee of the trading companies.

Therefore, Yijin’s VAT invoice prices to those export agent company are actually on ex-works basis. Yijin reported the VAT invoice price in this Australian sales spreadsheet as ex works in accordance with the VAT invoice to those export agent company, rather than the “FOB selling prices to the Customer” with deduction from “Agent fee”, which would be the same net of export prices in our understanding.

**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.

**Answer:**

There were no other costs, charges or expenses incurred in respect of the exports listed above.

**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.

**Answer:**

**No discount, rebate, allowance offered on export sales to Australia during POI.**

**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.

**Answer:**

**No credit notes issued to the [ ] during POI.**

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

**Answer:**

**Not applicable, as Yijin is not responsible for arrival of the goods at an agreed point within Australia.**

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)

**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.

**Answer:**

**Please refer to Exhibit B-2 for two sets of Australian exporting sales documentations during the investigation period.**

**The sale documentations include VAT invoice issued by Yijin to the trading company, the purchase order placed by [ ] and bank slip of payment received.**

## 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.

**Answer:**

**Please refer to Exhibit C-1 for the list and description of steel shelving units as exported to Australia in the POI.**

**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).

**Answer:**

**Please refer to Exhibit 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

**Answer:**

**Not applicable as Yijin does not make domestic sales of GUC.**

**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.

**Answer:**

**Not applicable.**

## 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.*

**Answer:**

**Yijin do not make domestic sales of GUC. The questions in Section D-Domestic Sales are not applicable to Yijin.**

**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.

**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.

**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.

**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
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	Warranty & guarantee expenses

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.

Costs marked with \* are explained in section E-2.

**D-5** If there are any other costs, charges or expenses incurred in respect of the sales listed which have not been identified in the table in question D-4 above add a column for each item (see “other factors”). For example, certain other selling expenses incurred.

**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.

**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.

## SECTION E FAIR COMPARISON

### Answer:

**Since Yijin does not have domestic sales of the GUC, the fair comparison adjustment is not applicable.**

*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.

### 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.

### 3. Credit

The cost of extending credit on export sales is not included in the amounts quantified at question B4. However, the Commission will examine whether a credit adjustment is warranted and determine the amount. Provide applicable interest rates over each month of the investigation period. Explain the nature of the interest rates most applicable to these export sales 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.

### 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**'.

### 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.

**6. Warranties, guarantees, and after sales services**

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

**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.

**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.

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

## 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.

### 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;
- 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.

#### 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 system<sup>1</sup>, the average credit period may be determined as follows:

1. *Calculate an accounts receivable turnover ratio*

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

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

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<sup>1</sup>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.

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

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

2. *Calculate the average credit period*

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

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

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

**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.

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

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

**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**".

**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.

**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.

#### 10. Other factors

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

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

### 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.

## 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.

<b>Column heading</b>	<b>Explanation</b>
Country	Name of the country that you exported like goods to over the investigation period.
Number of customers	The number of different customers that your company has sold like goods to in the third country over the investigation period.
Level of trade	The level of trade that you export like goods to in the third country.
Quantity	Indicate quantity, in units, exported to the third country over the investigation period.
Value of sales	Show net sales value to all customers in third country over the investigation period
Currency	Currency in which you have expressed data in column SALES
Payment terms	Typical payment terms with customer(s) in the country e.g. 60 days=60 etc.
Shipment terms	Typical shipment terms to customers in the third country e.g CIF, FOB, ex-factory, DDP etc.

Supply this information in spreadsheet file named "Third country"

**Answer:**

**Not applicable, as Yijin had no third country sales during the IP.**

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

**Answer:**

**No such differences in sales to third countries for the same product codes.**

## 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.

**Answer:**

**Please refer to the Exhibit G-1 for the Production Flowchart.**

#### **G-2. Production capacity data**

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



	PREVIOUS FINANCIAL YEAR	MOST RECENT FINANCIAL YEAR	Investigation Period
A – Production capacity (e.g. units, kg, tonnes)*			
B – Actual production in volume (e.g. units, kg, tonnes)			
C – Capacity utilisation $(\%)(B/A \times 100)$			

\* rather than showing a 'name-plate' optimal capacity it is more meaningful to show the maximum level of production that may reasonably be attained under normal operating conditions. For example assuming: normal levels of maintenance and repair; a number of shifts and hours of operation that is not abnormally high; and a typical production mix.

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

**Answer:**

Please refer to the Exhibit G-2 for the 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.

**Answer:**

**Yijin's accounting is done on the actual cost basis. The accountants debit raw material actual purchase costs in raw material ledgers, and credit raw material ledgers by weight average method when calculate production cost.**

**Yijin's accountants calculate production cost by product categories. The consumption of main raw materials for production of each product category are separately recorded and the accountant calculated major material cost of each product category according to the consumptions. Other auxiliary materials costs, as well as labor and overhead, are allocated to each product category by the major material cost.**

**The accountants debit the calculated production costs in the finished goods ledgers then credit finished goods ledger by weighted average method when sales are made. The annual accumulative cost of goods sold reconciles to the audited financial statements.**

- 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.

**Answer:**

**Yijin's cost accounting system is not based on standard costs.**

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

**Answer:**

**Not applicable. There was no significant or unusual cost variances occurred during the investigation period.**

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

**Answer:**

**Not applicable. Yijin does not use profit/cost centers.**

- 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.

**Answer:**

**Not applicable. Yijin does not use profit/cost centers.**

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

**Answer:**

**In the normal course of accounting, Yijin calculates the cost for each product category.**

**As Yijin does not calculate costs on product model basis, for the purpose of this investigation, we further allocated the total cost of steel shelving and working bench to each specific model as produced. To do so, we multiplied the standard consumption of major materials (hot rolled steel, galvanized steel, steel wire, MDF) by their unit cost and allocated the actual costs by the standard costs. For auxiliary materials, labor and overhead, we allocated them by the sum of the total standard major material cost.**

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

**Answer:**

**Not applicable, as Yijin does not value costs differently for cost accounting purposes and financial accounting purposes.**

- 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.

**Answer:**

**Not applicable, as Yijin did not engage in any start-up operations in relation to the goods under consideration during the investigation period.**

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

**Answer:**

**Not applicable, as Yijin did not engage in any start-up operations in relation to the goods under consideration during the investigation period.**

**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.<sup>2</sup>*

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

**Answer:**

**Not applicable as Yijin does not make domestic sales.**

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

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
<b>Like Domestic Model/Type – from spreadsheet LIKEGOODS (section C-3)</b>				
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				

<sup>2</sup> 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. Steel shelves – China – Case 355

depreciation finance charges				
Other costs [4]				
<b>Total cost to make</b>				
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.

**Answer:**

**Not applicable as Yijin does not make domestic sales.**

**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
<b>Like Domestic Model/Type – from spreadsheet LIKE GOODS (section C-3)</b>				
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]				
<b>Total cost to make</b>				
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 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.

**Answer:**

**Please refer to Exhibit G-3 Australian CTMS for models exported to Australia.**

## 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)<sup>3</sup>, 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 laws<sup>4</sup>, 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

<sup>3</sup>Meaning any level of government – refer to the Glossary of Terms for further information

<sup>4</sup>*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*  
*Steel shelves – China – Case 355*

## 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.

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

1. Did your business or any company/entity related to your business receive any benefit<sup>5</sup> 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

**Answer:**

**Not applicable as Yijin did not receive Income Tax Benefits for FIEs during POI.**

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

**Answer:**

**Not applicable as Yijin is not High or New Technology Enterprise.**

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

**Answer:**

**Not applicable as Yijin did not receive Benefits under this program.**

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

**Answer:**

**Not applicable as Yijin is not located in Shiqiao Town Industrial Cluster Zone.**

<sup>5</sup> Refer to the Glossary of Terms for a definition of benefit in this context.  
*Steel shelves – China – Case 355*



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.

**Answer:**

**Yijin is an Individual Proprietorship Enterprise. The income tax of Yijin is levied according to the Individual Income Tax Law at progressive tax rates as follows:**

Grade	Annual Taxable Income	Tax Rates
1	Income of 500 Yuan or less	5%
2	That part of income in excess of 5000 to 10000 Yuan	10%
3	That part of income in excess of 10000 to 30000 Yuan	20%
4	That part of income in excess of 30000 to 50000 Yuan	30%
5	That part of income in excess of 50000 Yuan	35%

**(Note: "Annual taxable income" mentioned in this schedule refers to the amount remaining from the gross income in a tax year after the costs, expenses and losses have been deducted.)**

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.

**Answer:**

**Not applicable, as Yijin pays income tax at general tax rate according to the Individual Income Tax Law.**

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.

**Answer:**

**Not applicable.**

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

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

**Answer:**

**Not applicable.**

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

**Answer:**

**Not applicable.**

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

**Answer:**

**Not applicable.**

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

**Answer:**

**Not applicable.**

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

**Answer:**

**Not applicable.**

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

**Answer:**

**Not applicable.**

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

**Answer:**

**Not applicable.**

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

**Answer:**

**Not applicable.**

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

**Answer:**

**Not applicable.**

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

**Answer:**

**Not applicable.**

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

**Answer:**

**Not applicable.**

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

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

**Answer:**

**Not applicable.**

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

**Answer:**

**Please refer to Exhibit H-1 for the Income Tax Spreadsheet.**

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

**Answer:****Please refer to Exhibit A-5 for the Income Tax Returns of Yijin.****Please refer to Exhibit H-2 for the income tax installment payment receipts.**

*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

**Program 25:**Innovative Growth Grant

**Answer:**

**As Yijin did not receive any benefits under the program 13-22, so the following questions from 1 to 17 are not applicable to Yijin.**

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

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**?

**Answer:**

**Not applicable, as Yijin did not receive benefit under the above programs.**

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**?

**Answer:**

**Not applicable, as Yijin did not receive benefit under any other grant.**

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.

**Answer:**

**Not applicable, as Yijin did not receive benefit under any other grant.**

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).

**Answer:**

**Not applicable, as Yijin did not receive benefit under any other grant.**

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

**Answer:**

**Not applicable, as Yijin did not receive benefit under any other grant.**

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.

**Answer:**

**Not applicable, as Yijin did not receive benefit under any other grant.**

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

**Answer:**

**Not applicable, as Yijin did not receive benefit under any other grant.**

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

**Answer:**

**Not applicable, as Yijin did not receive benefit under any other grant.**

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.

**Answer:**

**Not applicable, as Yijin did not receive benefit under any other grant.**

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.

**Answer:**

**Not applicable, as Yijin did not receive benefit under any other grant.**

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.

**Answer:**

**Not applicable, as Yijin did not receive benefit under any other grant.**

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

**Answer:**

**Not applicable, as Yijin did not receive benefit under any other grant.**

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

**Answer:**

**Not applicable, as Yijin did not receive benefit under any other grant.**

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.

**Answer:**

**Not applicable, as Yijin did not receive benefit under any other grant.**

15. Identify the body responsible for administering the grant.

**Answer:**

**Not applicable, as Yijin did not receive benefit under any other grant.**

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

**Answer:**

**Not applicable, as Yijin did not receive benefit under any other grant.**

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

**Answer:**

**Not applicable, as Yijin did not receive benefit under any other grant.**

### **H-3 PROVISION OF INPUTS AT LESS THAN ADEQUATE REMUNERATION**

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

The applicant claims that public bodies (in the form of state-invested enterprises (SIEs<sup>6</sup>)) 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.

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.

**Answer:**

**Please refer to the Exhibit G-1 for the Production Flowchart and list of inputs used.**

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.

**Answer:**

**Yijin and related company did not receive any benefit under the above program during the period 1 January 2011 to 30 March 2016.**

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

**Answer:**

**Yes. Yijin purchases hot rolled coil steel and galvanized steel in the manufacturing of steel shelves.**

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.

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<sup>6</sup>For the purpose of this questionnaire State Owned enterprise (SOE) and State Invested Enterprise (SIE) are together referred to as SIE. The term SIE is defined in the glossary of this questionnaire.



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

**Answer:**

**Please refer to the Exhibit H-3 Steel purchases Spreadsheet.**

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 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.*

**Answer:**

**Not applicable as Yijin does not source materials in-house and from associated entities.**

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.

**Answer:**

**Yijin did not receive any reduction/reduced price for the purchase of these goods/services during the investigation period.**

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.

**Answer:**

**Not applicable**

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.

**Answer:**

**Not applicable as Yijin did not purchase imported raw materials.**

**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?

**Answer:**

**Yes. Yijin purchases electricity to manufacture steel shelves.**

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 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.

**Answer:**

**Please refer to the Exhibit H-4 for the transaction list of electricity, Exhibit H-5 for the copies of electricity invoices.**

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.

**Answer:**

**Yijin did not receive any reduction/reduced price for the purchase of electricity during the investigation period.**

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

**Answer:**

**Not applicable.**

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?

**Answer:**

**GOC of each province determines the price for electricity in the province.**

#### **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).

**Answer:**

**Yijin only operates in Guangdong province.**

2. Are you aware of any programs of the Government of China, any of its agencies or any other authorised body, that benefits<sup>7</sup> 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.)

**Answer:**

**Yijin is not aware of any programs of the Government of China, any of its agencies or any other authorised body, that benefits manufacturers of steel shelves that have not been accounted for in this questionnaire.**

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

**Answer:**

**Not applicable.**

<sup>7</sup> Refer to the Glossary of Terms for a definition of benefit in this context.  
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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.

**Answer:**

**Not applicable.**

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

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

**Answer:**

**Not applicable.**

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

**Answer:**

**Not applicable.**

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

**Answer:**

**Not applicable.**

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

**Answer:**

**Not applicable.**

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

**Answer:**

**Not applicable.**

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

**Answer:**

**Not applicable.**

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

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

**Answer:**

**Not applicable.**

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

**Answer:**

**Not applicable.**

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

**Answer:**

**Not applicable.**

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

**Answer:**

**Not applicable.**

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

**Answer:**

**Not applicable.**

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

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

**Answer:**

**Not applicable.**

## 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;

**Answer:**

**Yijin is not required to report any business decision to any level of GOC.**

- b) payment of taxes;

**Answer:**

**Taxes are paid according to Chinese laws and regulations.**

- c) senior management representation within your business;

**Answer:**

**Yijin's senior management representations are selected/appointed by the shareholder.**

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

**Answer:**

**Yijin is a privately owned enterprise; there is no supervision by the State-owned Assets Supervision and Administration Commission (SASAC) or a body under the control of SASAC.**

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

**Answer:**

**All major business decision are decided by Yijin's shareholder. There is no any government involvement.**



- f) licensing;

**Answer:**

**According to Chinese regulations, an enterprise is required to obtain a business license before operation. Yijin does not need to obtain any specific license for producing and selling the merchandise under consideration.**

- g) restrictions on land use;

**Answer:**

**There is no restriction on land use for Yijin.**

- h) provision of loans; or

**Answer:**

**Not applicable as Yijin does not have any loan.**

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

**Answer:**

**Yijin did not receive any grants, awards or other funds.**

## **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).

**Answer:**

**Yijin is not a State-owned or state-invested enterprise.**

- 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.

**Answer:**

**Yijin is an Individual Proprietorship Enterprise. It has only one shareholder [ ]. It has no directors.**

- c) Are any members of your business' (and/or all other entities your business is related to) Board of Directors or Board of Shareholders

representatives, employees, or otherwise affiliated with the GOC (at any level, from any agency, party, or otherwise associated entity, including SASAC)?

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

**Answer:**

**No members of Yijin shareholder representatives, employees, or otherwise affiliated with the GOC.**

- 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.

**Answer:**

**Yijin's shareholder is not representative from CCP.**

- 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.

**Answer:**

**No directors or shareholders is appointed, managed or recommended by the GOC.**

- 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).

**Answer:**

**Yijin is 100% owned by [ ] . It is not affiliate, representative, agency or representative of the GOC.**

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

**Answer:**

**No significant change in the ownership structure occurred during the investigation period.**

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

**Answer:**

**No position within Yijin's business is appointed or designated to act on behalf of GOC authorities.**

- 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.

**Answer:**

**No requirement in law and/or in practice to have government representation in Yijin.**

- 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.

**Answer:**

**Yijin is not a publicly-traded company.**

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

**Answer:**

**Not applicable.**

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

**Answer:**

**Directors have the ability to reward, fire or discipline Yijin's senior managers.**

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

**Answer:**

**No senior managers hold positions in any Government of China departments or organizations, associations or Chambers of Commerce.**

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

**Answer:**

**Yijin does not have a pricing committee, all pricing related decisions are made by the shareholder.**

### **3. Licensing**

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

**Answer:**

**Please refer to Exhibit I-1, for the Business License of Yijin.**

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

**Answer:**

**Yijin's business license is issued by Industrial and Commercial Administrative Bureau of Zhongshan City.**

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

**Answer:**

**To obtain the business license, a company needs to go through the following procedures:**

- (1) Enterprise name pre-approval;**
- (2) Registration application.**

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

**Answer:**

**A privately owned enterprise must have:**

- 1) a lawful enterprise name;**
  - 2) an operation location;**
  - 3) necessary personnel;**
- to obtain the business license.**

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

**Answer:**

**No restrictions imposed on Yijin's business within the business scope.**

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

**Answer:**

**Yijin does not operate outside the scope of the business scope.**

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

**Answer:**

**The business license entitles Yijin the lawful registered status to operate under its name.**

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

**Answer:**

**The business license can be revoked if:**

- 1) The shareholder makes a decision of dissolution;**
- 2) The sole proprietor is deceased or is declared deceased, and there is no heir or the heir has renounced his inheritance;**
- 3) Other circumstance of dissolution set out by laws or regulations.**

**The Industrial and Commercial Administrative Bureau has the authority to revoke the license.**

**4. Decision-making, planning and reporting**

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

- (i) what goods are produced;
- (ii) how the goods are produced;
- (iii) how levels of inputs such as raw materials, labour and energy are set and secured;
- (iv) how the use of your outputs, such as how your product mix is determined; and
- (v) how your business' profit is distributed

**Answer:**

**In Yijin, all important matters are decided by shareholder. There is no government body or official involved into the decision making process of Yijin.**

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

**Answer:**

**There is no GOC input into Yijin's decision-making process.**

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

**Answer:**

**There is no government department/office that is involved, either directly or indirectly, in Yijin's manufacture, sale or purchase.**

- 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.

**Answer:**

**There is no report need to be filed to any government department.**

- 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.

**Answer:**

**Yijin focuses on its own business and does not aware any provincial/city Five Year Plans.**

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

**Answer:**

**As a small privately owned company, Yijin does not develop any five-year plan or similar planning documents in its normal business operation.**

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

**Answer:**

**Not applicable as Yijin has no Board of Directors and Board of Shareholders as an Individual Proprietorship Enterprise.**

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

**Answer:**

**The selling prices of Yijin are decided by the shareholder in daily operation. There's no such meeting note.**

## **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.

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.

**Answer:**

**Yijin is not aware any GOC opinions, directives, decrees, promulgations, measures that were put in place or operating during the investigation period.**

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

**Answer:**

**As a small enterprise, Yijin focuses on its own business and does not possess much knowledge on the responsibilities of each GOC department or bureau etc. Yijin also is not aware any interference or control from the GOC in its normal business.**

**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.
- b) Identify the government department, association, or company official that communicated this policy or any related measures, to your company as well as the government office or association and the names of the officials who are responsible for the administration of this policy.
- c) Explain in detail the information that has been provided to you from official and unofficial channels concerning action to be taken by your company in relation to the policy.
- d) Do you have designated officials that have provided direction to your company regarding the Government of China's measures and how to proceed with your current project or future plans within the scope of the policy?



- e) Explain in detail if there are additional directives or measures from the Government of China that have been communicated to your company, since the inception of the policy.
- f) Explain in detail whether the policy has ever impacted your company's investment plans. This 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.
- g) Explain the ongoing mechanism used by the Government of China to measure your company's compliance with the policy directives and/or guidelines.
- h) The policy includes directives and/or guidelines that permit authorities to limit the supply of water, power, land and bank loans etc. to steel producers, which do not meet the objectives of the policy.
- Explain in detail whether your company's expansion or investment plans have ever been or may be impacted by these criteria.
  - Explain the procedure to be followed by a steel company in making a request for approval of a steel investment for an existing steel enterprise or new steel enterprise.
  - Identify any Government of China bodies at the regional or provincial level that have the responsibility to grant the approval, or refuse approval regarding an investment in the steel sector.
  - Are review and approval decisions regarding investments in the steel sector made by the central government or are they delegated to the regional or provincial level?
- i) Describe the role of the National Development and Reform Commission in terms of communicating, implementing and overseeing policies governing the steel sector, including but not limited to, China's National Steel Policy.

**Answer:**

**The steel shelving products are normal house wares, do not belong to steel and iron industry. The national steel policy has nothing to do with Yijin's business and operation. The policy has never been communicated to Yijin and no information was provided to Yijin. The policy do not has any effect on Yijin's operation. Yijin does not have any knowledge on the policy and thus can't make any response to the above questions from a) to i).**

#### 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.

**Answer:**

**Yijin has never undertaken any approval process through the GOC for any steel investments.**

- b) Explain whether any applicable investments received the necessary approval and if so, provide documentation confirming this approval.

**Answer:**

**Not applicable, since Yijin has not been requested to obtain such approval.**

- c) If your investment was not approved, provide the reasons given for the refusal.

**Answer:**

**Not applicable as Yijin has not undertaken the approval process for any steel investment.**

- d) Describe the process your company has to follow to obtain these approvals.

**Answer:**

**Not applicable as Yijin has not undertaken the approval process for any steel investment.**

- e) Provide a translated copy of the application form along with the original Chinese version.

**Answer:**

**Not applicable as Yijin has not undertaken the approval process for any steel investment.**

- 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.

**Answer:**

**Not applicable as Yijin has not undertaken the approval process for any 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?

**Answer:**

**No such directives or measures from the GOC have been communicated to Yijin.**

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

**Answer:**

**Not applicable.**

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

**Answer:**

**Not applicable.**

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

**Answer:**

**Not applicable.**

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

**Answer:**

**Not applicable.**

### **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.

**Answer:**

**No product of Yijin is subject 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.

**Answer:**

**No quotas existed during the investigation period.**

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

**Answer:**

**Not applicable.**

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

**Answer:**

**No target or limit regarding the quantity of iron and steel products that Yijin may sell on the domestic or export markets was set.**

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

**Answer:**

**No export licence requirements for Yijin's products.**

## **2. Taxation**

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

**Answer:**

**There was no export tax on the export of steel shelving products during the investigation period.**

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

**Answer:**

**The value-added tax (VAT) rebate applicable to steel shelving products during the investigation period was 15%.**

- 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.

**Answer:**

**There was no change on value-added tax (VAT) rebate applicable to steel shelving products in the last 5 years.**

- 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.

**Answer:**

**Yijin do not know about taxes and tariff (rates and rebates) applicable to coking coal and coke as well as iron ore and scrap steel.**

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

**Answer:**

**Yijin does not aware of any tax changes being planned that would impact the iron and steel sector.**

### 3. Sales terms

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

**Answer:**

**The shareholder has such authority to final the sales terms, prices and other contract provisions for the sale of steel shelving products.**

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

**Answer:**

**The selling prices of steel shelving products are determined by the shareholder. There is no government involvement in Yijin's pricing decisions.**

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

**Answer:**

**Yijin does not coordinate the selling prices or supply of steel shelving products with any domestic iron and steel product producers, GOC departments or the CISA.**

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

**Answer:**

**Yijin does not provide steel shelving products price information to the GOC, other government officials or commercial/industry organization.**

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

**Answer:**

**Yijin does not provide steel shelving products price data to any other person at the provincial, regional or special economic zone levels.**

#### **4. Industry associations**

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

**Answer:**

**Yijin is not a member of CISA or regional Iron & Steel 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.

**Answer:**

**Not applicable, Yijin is not a member of any industry association.**

#### **5. Statistics submission/recording**

- a) Indicate if your business makes submissions<sup>8</sup> 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.

**Answer:**

**As a small enterprise, Yijin need not to makes submissions to the Bureau of Statistics.**

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

**Answer:**

**Not applicable.**

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

**Answer:**

**Not applicable.**

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<sup>8</sup>For example, monthly data relating to sales, production and costs.  
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- d) Do the organisations provide feedback on your submission? If yes, provide a detailed explanation.

**Answer:**

**Not applicable.**

## **6. Manufacturing inputs**

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

**Answer:**

**The purchase prices of raw materials from different suppliers are comparable, though they may have slight difference in consideration of market condition and negotiation for each specific transaction.**

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

**Answer:**

**Purchase prices from SOE and non-SOE are comparable in the same level. The prices for raw materials are determined by the market condition, and each supplier determines the price based on its understanding of the market condition.**

- 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)?

**Answer:**

**Not applicable as no supplier is based 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?

**Answer:**

**Yijin does not benefit from any concession on the purchase of any 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.



**Answer:**

**Not applicable, since Yijin does not have production facilities in more than one region/province.**

**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.

**Answer:**

**No part of Yijin's production of steel shelving products subject to any national/regional industrial policy or guidance.**

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

**Answer:**

**Not applicable as no part of Yijin's production of steel shelving products subject to any national/regional industrial policy or guidance.**

- c) Where applicable, how did your business respond to the policies/guidelines?

**Answer:**

**Not applicable as no part of Yijin's production of steel shelving products subject to any national/regional industrial policy or guidance.**

- 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.

**Answer:**

**Yijin is not aware of any other restriction to the sale of steel shelving products may be imposed by the GOC.**

- 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.

**Answer:**

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**Not applicable as Yijin has no domestic customers.**

- 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.

**Answer:**

**No restrictions and/or conditions in relation to the quality or quantity of the production of the goods placed upon Yijin.**

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

**Answer:**

**Yijin's business does not require an export licence.**

- 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.

**Answer:**

**The goods sold by Yijin 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.

**Answer:**

**There's no any other restrictions placed upon Yijin's business on the sale of the goods.**

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

**Answer:**

**There's no any change to Yijin's production capacity of the goods over the last 5 years.**

## **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.

**Answer:**

**Yijin has not been subjected to any direct or indirect price guidance or control by the GOC during the investigation period, with respect to domestic steel prices.**

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.).

**Answer:**

**Yijin has not been subjected to any direct or indirect price guidance or control by the GOC during the investigation period, with respect to raw material inputs.**

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

**Answer:**

**Yijin has not encountered any price guidance or controls established by regional, provincial or special economic zone officials and/or organizations.**

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.

**Answer:**

**The selling prices of steel shelving products are determined according to the change or price of raw materials and the production cost by the general manager of the company. There is no any restriction, limitations, or other considerations imposed.**

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

**Answer:**

**Yijin considers no organization/business entity as the price leader of the goods.**

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

**Answer:**

**Yijin has no pricing committee.**

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

**Answer:**

**Not applicable as Yijin has no pricing committee.**

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

**Answer:**

**[ ] authorise the sales terms, prices and other contract provisions for the sale of the goods.**

- 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.

**Answer:**

**Not applicable as Yijin does not have production facilities of the goods in more than one region and/or 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.

**Answer:**

**Not applicable, since Yijin did not make such adding capacity and/or joint ventures concerning steel shelving products in recent years, Yijin is unable to provide requested specific information.**

- 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.

**Answer:**

**Not applicable, since Yijin did not make such adding capacity and/or joint ventures concerning steel shelving products in recent years, Yijin is unable to provide requested specific information.**

#### **11. HRC, galvanised steel and colorbond steel purchases**

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

**Answer:**

**Yijin does have more than one supplier of HRC and galvanized steel.**

**The price differences were decided by the market situation, the supplying quantity of the suppliers, the service level of suppliers etc.**

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

**Answer:**

**Yijin's purchase procedures are: enquiry ---- offer---- counteroffer ---- place order. In selecting a supplier, Yijin just considers the price, product quality, service level etc., there's no detail criterion/condition.**

- (iii) If HRC, galvanized 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, galvanized steel and colorbond steel (e.g. obtaining an import licence, import declarations).
  - iii. Provide details of any conditions to importing HRC, galvanized steel and colorbond steel(e.g. customs and/or quarantine).
  - iv. Is your business eligible for a duty drawback? If so, provide details.

**Answer:**

**Not applicable, since Yijin does not import HRC, galvanized steel and colorbond steel.**

**SECTION J  
EXPORTER'S DECLARATION**

I hereby declare that.....(company) 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** :.....

**Signature** :.....

**Position in  
Company** :.....

**Date** :.....

**Answer: Please refer to Exhibit J-1.**

## 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
<b>INCOME STATEMENT</b>	✓
<b>TURNOVER</b> – sales summary	✓
<b>AUSTRALIAN SALES</b> – list of sales to Australia	✓
<b>LIKE GOODS</b> –like goods exported to Australia	✓
<b>DOMESTIC SALES</b> – list of all domestic sales of like goods	N/A
<b>THIRD COUNTRY</b> – third country sales	✓
<b>PRODUCTION</b> – production figures	✓
<b>DOMESTIC COSTS</b> – costs of goods sold domestically	N/A
<b>AUSTRALIAN COSTS</b> – costs of goods sold to Australia	✓
<b>INCOME TAX PROGRAMS</b>	N/A
<b>INCOME TAX</b>	✓
<b>GRANTS</b>	N/A
<b>INPUT PURCHASES</b>	✓
<b>ELECTRICITY</b>	✓
<b>OTHER PROGRAMS</b>	N/A
<b>STEEL BILLET PURCHASES</b>	N/A

## LIST OF EXHIBITS

- Exhibit A-1 Internal Organization Chart (CONFIDENTIAL)
- Exhibit A-2 Chart of Accounts (CONFIDENTIAL)
- Exhibit A-3 2014 and 2015 Audited Reports (CONFIDENTIAL)
- Exhibit A-4 Monthly Financial Reports during the Investigation Period (CONFIDENTIAL)
- Exhibit A-5 Income Tax Returns (CONFIDENTIAL)
- Exhibit A-6 Income Statement Spreadsheet (CONFIDENTIAL)
- Exhibit A-7 Turnover Spreadsheet (CONFIDENTIAL)
- Exhibit B-1 Australian Sales Spreadsheet (CONFIDENTIAL)
- Exhibit B-2 Sample Australian Sales Documentation Package (CONFIDENTIAL)
- Exhibit C-1 Exported Goods (CONFIDENTIAL)
- Exhibit G-1 Production Flowchart (CONFIDENTIAL)
- Exhibit G-2 Production Spreadsheet (CONFIDENTIAL)
- Exhibit G-3 Australian CTMS Spreadsheet (CONFIDENTIAL)
- Exhibit H-1 Income Tax Spreadsheet (CONFIDENTIAL)
- Exhibit H-2 Income Tax Installment Payment Receipts (CONFIDENTIAL)
- Exhibit H-3 Steel purchases Spreadsheet (CONFIDENTIAL)
- Exhibit H-4 Transaction List of Electricity (CONFIDENTIAL)
- Exhibit H-5 Copies of Electricity Invoices (CONFIDENTIAL)
- Exhibit I-1 Business License (CONFIDENTIAL)
- Exhibit J-1 Exporter's Declaration (PUBLIC)



## **Exhibit A-1 Internal Organization Chart**

Exhibit A-1 is Yijin's internal organization chart. It lists Yijin's all internal divisions and departments. This information is considered by Yijin to be proprietary information and its release could compromise Yijin's competitive position in the market place.

## **Exhibit A-2 Chart of Accounts**

Exhibit A-2 is Yijin's chart of accounts. It lists Yijin's all accounting codes. This information is considered by Yijin to be proprietary information and its release could compromise Yijin's competitive position in the market place.

### **Exhibit A-32014 and 2015 Audited Reports**

Exhibit A-3 is Yijin's Audited Report. It contains Yijin's financial and accounting data. This information is considered by Yijin to be proprietary information and its release could compromise Yijin's competitive position in the market place.

## **Exhibit A-4 Monthly Financial Reports during the Investigation Period**

Exhibit A-4 is Yijin's monthly financial statement. It contains Yijin's financial and accounting data. This information is considered by Yijin to be proprietary information and its release could compromise Yijin's competitive position in the market place.

## **Exhibit A-5 Income Tax Returns**

Exhibit A-5 is Yijin's Income Tax Return. It contains Yijin's financial and accounting data. This information is considered by Yijin to be proprietary information and its release could compromise Yijin's competitive position in the market place.

### **Exhibit A-6 Income Statement Spreadsheet**

Exhibit A-6 is Yijin's income statement spreadsheet. It contains Yijin's financial and accounting data. This information is considered by Yijin to be proprietary information and its release could compromise Yijin's competitive position in the market place.

### **Exhibit A-7 Turnover Spreadsheet**

Exhibit A-7 is Yijin's turnover spreadsheet. It contains Yijin's financial and accounting data. This information is considered by Yijin to be proprietary information and its release could compromise Yijin's competitive position in the market place.

### **Exhibit B-1 Australian Sales Spreadsheet**

Exhibit B-1 is Australian sales spreadsheet. It contains Australian sales prices and clients' information. This information is considered by Yijin to be proprietary information and its release could compromise Yijin's competitive position in the market place.



## **Exhibit B-2 Sample Australian Sales Documentation Package**

Exhibit B-2 is Australian sales sample document. It contains Australian sales prices and client's information. This information is considered by Yijin to be proprietary information and its release could compromise Yijin's competitive position in the market place.

### **Exhibit C-1 Exported Goods**

Exhibit C-1 contains the description of Models of products Yijin sold to Australian. This information is considered by Yijin to be proprietary information and its release could compromise Yijin's competitive position in the market place.

### **Exhibit G-1 Production Flowchart**

Exhibit G-1 is production flowchart of drawn stainless steel sink of Yijin. It contains production process and related information. This information is considered by Yijin to be proprietary information and its release could compromise Yijin's competitive position in the market place.

## **Exhibit G-2 Production Spreadsheet**

Exhibit G-2 is production spreadsheet. It contains production output data. This information is considered by Yijin to be proprietary information and its release could compromise Yijin's competitive position in the market place.

### **Exhibit G-3 Australian CTMS Spreadsheet**

Exhibit G-3 is CTMS spreadsheet of Australian sales models. It contains cost and financial data. This information is considered by Yijin to be proprietary information and its release could compromise Yijin's competitive position in the market place.

## **Exhibit H-1 Income Tax Spreadsheet**

Exhibit H-1 is the Income Tax Spreadsheet of Yijin. It contains the accounting data of Yijin. This information is considered by Yijin to be proprietary information and its release could compromise Yijin's competitive position in the market place.

## **Exhibit H-2 Income Tax Installment Payment Receipts**

Exhibit H-2 includes Installment Payment Receipts in 2011 to 2015. It contains the accounting data of Yijin. This information is considered by Yijin to be proprietary information and its release could compromise Yijin's competitive position in the market place.

### **Exhibit H-3 Steel purchases Spreadsheet**

Exhibit H-3 is the purchases spreadsheet of Main Raw Material HRC/Galvanized Steel Sheet of Yijin. It contains raw material purchase price and supplier's information. This information is considered by Yijin to be proprietary information and its release could Compromise Yijin's competitive position in the market place.



### **Exhibit H-4 Transaction List of Electricity**

Exhibit H-4 is the Transaction List of Electricity of Yijin. It contains Electricity consumption information. This information is considered by Yijin to be proprietary information and its release could Compromise Yijin's competitive position in the market place.

## **Exhibit H-5**

### **Copies of Electricity Invoices & Electricity Bills**

Exhibit H-5 includes the Electricity Invoices & Electricity Bills of Yijin. It contains Electricity consumption information. This information is considered by Yijin to be proprietary information and its release could Compromise Yijin's competitive position in the market place.

### **Exhibit I-1 Business License**

Exhibit I-1 is Yijin's Business License. It contains the registration information of Yijin. This information is considered by Yijin to be proprietary information and its release could compromise Yijin's competitive position in the market place.

**Exhibit J-1 Exporter's Declaration**

### Exporter's declaration

I hereby declare that **Zhongshan City Xiaolan Town Yijin Hardware Plastic Electrical Appliance Factory** 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 : **Zhang Qiguang**.....

Signature: .....

Position in

Company : **General Manager**.....

Date : **6 September 2016**.....