

**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: SHANDONG FUBO GROUP CO.***

Name:  
Position in the company: VICE GENERAL MANAGER  
Address: FUSHAN INDUSTRIAL ZONE ZIBO HI-TECH  
INDUSTRY DEVELOPMENT ZONE ZIBO,  
SHANDONG, CHINA  
Telephone:  
Facsimile number:  
E-mail address of contact person:

***Factory: Shandong Fubo Group CO***

Address: Exporter.  
Telephone:  
Facsimile number:  
E-mail address of contact person:

**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:

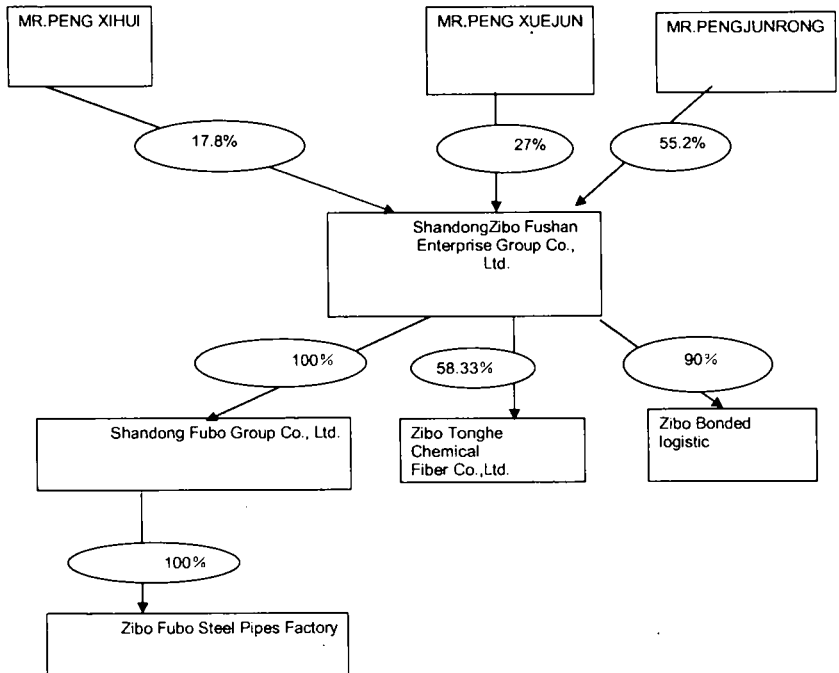
Name:  
Organisation  
Position:  
Address:  
Telephone:  
Facsimile/Telex number:  
E-mail address of contact person:

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

**A-3 COMPANY INFORMATION**

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

2. Who are the owners and/or principal shareholders? Provide details of shareholding percentages for joint owners and/or principal shareholders. (List all shareholders able to cast, or control the casting of, 5% or more of the maximum amount of votes that could be cast at a general meeting of your company).  
SHANDONG ZIBO FUSHAN ENTERPRISE GROUP CO.,LTD 100%  
Major Share holders listed below
3. If your company is a subsidiary of another company list the principal shareholders of that company.  
Shandong Fubo Group Co. is a 100% subsidiary of Shandong Zibo Fushan Enterprise Group Co, Ltd.
4. If your parent company is a subsidiary of another company, list the principal shareholders of that company.  
NOT A SUBSIDIARY OF ANY OTHER COMPANY
5. Provide a diagram showing all associated or affiliated companies and your company's place within that corporate structure.



6. Are any management fees/corporate allocations charged to your company by your parent or related company.  
NO MANAGEMENT FEES ARE PAID.

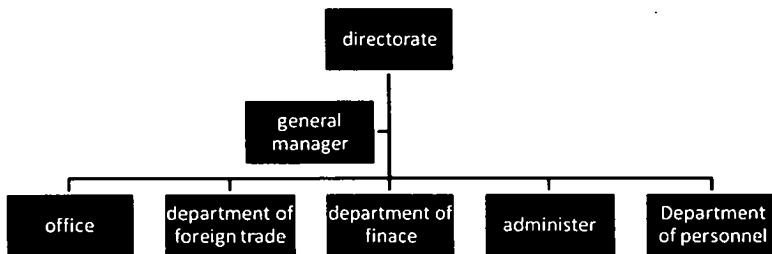
## SHANDONG FUBO GROUP-EXPORTER-NON CONFIDENTIAL

7. Describe the nature of your company's business. Explain whether you are a producer or manufacturer, distributor, trading company, etc.  
TRADING COMPANY-Exporter of GUC to Australian Importer.
8. If your business does not perform all of the following functions in relation to GUC, then please provide names and addresses of the companies which perform each function:

- produce or manufacture  
ZIBO LITONG STEEL PIPE CO.LTD (LITONG)  
ADDRESS :  
FUSHAN VILLAGE, WEIGU TOWN, GAOXIN DISTRICT, ZIBO CITY  
SHANDONG PROVINCE, CHINA.  
Zibo Fubo Steel Pipes Factory  
ADDRESS :  
FUSHAN INDUSTRIAL ZONE ZIBO HI-TECH INDUSTRY DEVELOPMENT  
ZONE ZIBO, SHANDONG, CHINA

sell in the domestic market No Domestic Sales

- export to Australia, and YES, AND SOURCE FROM ZIBO LITONG and ZIBO FUBO STEEL PIPES FACTORY.
  - export to countries other than Australia. YES, AND SOURCE FROM ZIBO LITONG AND ZIBO FUBO STEEL PIPES FACTORY.
9. Provide your company's internal organisation chart. Describe the functions performed by each group within the organisation.

**DUTIES FOR EACH PART:**

Directorate: to perform the decision of board of directors, to be responsible for company's business management work.

General manager: to be appointed or removed by board of directors, to be responsible to the board of directors, to preside the daily business and management work, to execute the decision from board of directors.

Office: to perform both internal and external daily management work.

## SHANDONG FUBO GROUP-EXPORTER-NON CONFIDENTIAL

Department of foreign trade: be responsible for export business.  
Department of finance: Financial control, accounting, make plan and statistic work.  
Administer: Take executive work  
Department of personnel: Staff recruit, training, etc.

10. Provide a list of your business' Board of Directors, Managing Director (or CEO) and Senior Executives.  
BOARD OF DIRECTOR: PengXihui PengXuejun\* PengRongjun  
CEO: FuGuogang  
SENIOR EXECUTIVES: FuGuogang
11. Provide a copy of your most recent annual report together with any relevant brochures or pamphlets on your business activities.
12. Are any of your company's operations in a Special Economic Area, Economic and Technical Development Zone, Bonded Zone, Export Processing Zone, High Technology Industrial Development Zone, the Western Regions, or any other similarly designated area?
13. If your answer to question A-3.12 above is 'yes':
  - advise if any benefits (e.g. grants, reduced liabilities on commercial interest rates, etc) from the GOC (including central, provincial, municipal, county or any other level of government) accrue to your company because of being located in such an area;
  - please explain the nature of the operations, identify the specific zone(s) [or other area(s)] and provide a brief overview of all of the benefits of operating within the specified zone(s) or area(s).
14. Provide details of all transactions between your company and all related parties. For example:
  - Suppling/selling completed or partially completed products.  
SOURCE HDG PIPE FOR EXPORT TO AUSTRALIAN AND OTHER COUTRIES EX ..... AND ..... PIPES FACTORY BASED ON ENQUIRIES.
  - 
  - Suppling/selling raw materials. NO.
  - Performing management functions (including any financial functions).
  - ☐ Processing (including toll processing) of any raw materials, intermediary or completed products
  - Trading in products/materials supplied by related parties. YES.  
SOURCE HDG PIPE FOR EXPORT TO AUSTRALIA.

**A-4 GENERAL ACCOUNTING/ADMINISTRATION INFORMATION**

1. Indicate your accounting period.  
FROM 1 JAN TO 31 DEC
2. Indicate the address where the financial records are held.  
In Shandong Fubo Group  
Address: FUSHAN INDUSTRIAL ZONE ZIBO HI-TECH INDUSTRY DEVELOPMENT ZONE ZIBO, SHANDONG, CHINA

## SHANDONG FUBO GROUP-EXPORTER-NON CONFIDENTIAL

## 3. 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; ATTACHED AUDIT REPORT 2009, 2010 and half yearly 2011 provided in confidence.
- audited consolidated and unconsolidated financial statements (including all footnotes and the auditor's opinion);
- internal financial statements, income statements (profit and loss reports), or management accounts, that are prepared and maintained in the normal course of business for the goods under investigation.

These documents should relate to:

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

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 relevant taxation returns. Any subsequent monthly, quarterly or half yearly statements should also be provided.

5. Do your accounting practices differ in any way from the generally accepted accounting principles in your country? If so, provide details.  
NO.

6. Describe:

The significant accounting policies that govern your system of accounting, in particular: Exporter, not a producer.

- the method of valuation for raw material, work-in-process, and finished goods inventories (eg last in first out -LIFO, first in first out- FIFO, weighted average);
- costing methods, including the method (eg by tonnes, units, revenue, direct costs etc) of allocating costs shared with other goods or processes (such as front office cost, infrastructure cost etc);
- valuation methods for damaged or sub-standard goods generated at the various stages of production;
- valuation methods for scrap, by products, or joint products;
- valuation and revaluation methods for fixed assets;
- average useful life for each class of production equipment and depreciation method and rate used for each;
- treatment of foreign exchange gains and losses arising from transactions;
- Treat as financial cost per month. Exchange rate to be adjusted per month according to the release of Bank of China. Ledger Maintained.
- treatment of foreign exchange gains/losses arising from the translation of balance sheet items;
- Treat as financial cost per month. Exchange rate to be adjusted per month according to the release of Bank of China. Ledger maintained.
- 
- inclusion of general expenses and/or interest;
- NO

## SHANDONG FUBO GROUP-EXPORTER-NON CONFIDENTIAL

- provisions for bad or doubtful debts, and treatment thereof in your accounts; NO
- expenses for idle equipment and/or plant shut-downs; Not a producer
- costs of plant closure; Not a producer
- restructuring costs; Not a producer
- by-products and scrap materials resulting from your company's production process; and Not a producer
- effects of inflation on financial statement information. – not a producer

7. 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.

No Change.

**A-5 INCOME STATEMENT – PROVIDED IN CONFIDENCE.**

Complete the spreadsheet entitled '**Income statement**' within the *HSS Exporter Questionnaire – CHINA – accompanying spreadsheet* provided alongside this questionnaire.

Provide the completed spreadsheet in electronic format on CD-ROM (or via email) with your response. If formulas are used to calculate the field within this sheet, please ensure they remain included in the submitted version.

Explain how costs have been allocated between all products and the GUC within these calculations.

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.

*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.*

**A-6 SALES-PROVIDED IN CONFIDENCE.**

Complete the spreadsheet entitled '**Turnover**' within the *HSS Exporter Questionnaire – CHINA – accompanying spreadsheet* provided alongside this questionnaire.

Provide the completed spreadsheet in electronic format on CD-ROM (or via email) with your response. If formulas are used to calculate the field within this sheet, please ensure they remain included in the submitted version.

In completing the sheet, use the currency in which your accounts are kept.

This information will be used to verify the cost allocations to the GUC 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.

*Section B.*

**SECTION B - SALES TO AUSTRALIA (EXPORT PRICE)**

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

*Export prices are usually assessed at FOB point, but Customs and Border Protection may also compare prices at another level (e.g. ex factory).*

*You should report prices of **allGUC shipped to Australia during the investigation period.***

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

- *the sale date is not the invoice date (see 'date of sale' column explanation in question B4 below) and;*
- *an alternative date should be used when comparing export and domestic prices*

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

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

- name; Details provided in confidence.
- address;
- contact name and phone/fax number where known;
- 
- trade level (for example: distributor, wholesaler, retailer, end user, original equipment).
- 

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

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

TRANSPORT FROM FACTORY TO QINGDAO/XINGANG PORT BY  
TRUCK, SHIPMENT FROM THE PORT TO AUSTRALIA BY SEA

- (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.

NO commissions paid to other parties.

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

Ownership of the goods delivers when the goods pass the ship's rail at the named port of shipment. This means that the Ownership of the goods has to bear all costs and risks of loss of or damage to the goods from that point. Requires the ownership of the goods to clear the goods for export.



- (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). NO such agreements
- (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.

CONFIRM THE PRICE BY EMAIL, SIGN THE CONTRACT BY FAX, SHIPMENT BY SEA, SENT INVOICE AND PACKING LIST TO CLIENT AFTER SHIPMENT, AT THE SAME TIME HAND IN THE DOCUMENTS (B/L, INVOICE, PACKING LIST ETC) BANK, THE CLIENT PAYMENT BY L/C.

- (f) State whether your firm is related to any of its Australian customers. Give details of any financial or other arrangements (eg free goods, rebates, or promotional subsidies) with the customers in Australia (including parties representing either your firm or the customers).

NO RELATIONSHIP

- (g) Details of the forward orders of the GUC (include quantities, values and scheduled shipping dates). NO

- 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.

#### ALL ARE TRADERS AT THE WHOLESALE LEVEL OF TRADE

- B-4** Complete the spreadsheet entitled 'Australian sales' within the *HSS Exporter Questionnaire - CHINA* - accompanying spreadsheet provided alongside this questionnaire. Provided in confidence.

This spreadsheet is to list **all** shipments (i.e. transaction by transaction) to Australia of **the GUC** (do not include non-GUC items) in the investigation period.

Provide the completed spreadsheet in electronic format on CD-ROM (or via email) with your response. If formulas are used to calculate the field within this sheet, please ensure they remain included in the submitted version.

The below table provides information as to what is meant by each column heading within the spreadsheet.

Column heading	Explanation
Customer name	names of your customers
Level of trade	the level of trade of your customers in Australia
Model/grade/type	commercial model/grade or type
Product code	code used in your records for the model/grade/type identified. Explain the product codes in your submission.
Finish	identify the finish of the HSS sold
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 <i>other than</i> 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 eg. CIF, C&F, FOB, DDP (in accordance with Incoterms)
Payment terms	agreed payment terms eg. 60 days=60 etc
Quantity	Quantity in units shown on the invoice. Show basis eg kg.
Gross invoice value	gross invoice value shown on invoice <i>in the currency of sale, excluding taxes.</i>
Discounts	if applicable, the amount of any discount deducted on the invoice on each transaction. If a % discount applies show that % discount applying in another column.
Rebates	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	the net invoice value expressed in your domestic currency as it is entered in your accounting system
Other discounts	The actual amount of discounts not deducted from the invoice. Show a separate column for each type of 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

Technical assistance & other services*	expenses for after sale services, such as technical assistance or installation costs.
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*	<b>any other</b> costs, charges or expenses incurred in relation to the exports to Australia (include additional columns as required). See question B5.

### Notes

\*\* 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.

- 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 within the 'Australian sales' spreadsheet (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.

### NO OTHER KNOWN COSTS

- B-6** For each type of discount, rebate, or 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.

### NO DISCOUNTS, REBATES APPLY

- 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.

NO CREDIT NOTE ISSUED AS A DISCOUNT OR REBATE on payment receipt.

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

Import duties	Amount of import duty paid in Australia
Inland transport	Amount of inland transportation expenses within Australia included in the selling price
Other costs	Customs and Border Protection brokers, port and other costs incurred (itemise)

**No DDP sales to Australia.**

- 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;
- 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.

Copy docs supplied in confidence.

Customs and Border Protection will select additional shipments for payment verification at the time of the visit.

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**PUBLIC FILE**

Section C

**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.

**ERW HOT DIPPED GALVANISED STEEL PIPE /BLACK PIPE with VARNISH FINISH**

- C-2** List each model/type of the good exported to Australia (these models should cover all models listed in spreadsheet "**Australian Sales**" – See section B of this questionnaire).

Specific  
details of  
sizes  
provided in  
confidence.

**C-3** If you sell like goods on the domestic market, for each model/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 (ie. the like goods – see explanation in glossary) are not identical to the goods exported to Australia.

This should be done by completing the spreadsheet entitled '**Like goods**' within the *HSS Exporter Questionnaire – CHINA – accompanying spreadsheet* provided alongside this questionnaire, detailing as follows:

EXPORTED MODEL	DOMESTIC MODEL	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
HOT DIPPED GALVANISED PIPE.	NO DOMESTIC SALES	NO DOMESTIC SALES	NO DOMESTIC SALES
VARNISHED FINISH			

**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.

**Exporter only and no domestic sales.**

## SECTION D - DOMESTIC SALES

### NO DOMESTIC SALES

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

*All domestic sales of like goods to the GUC 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 Manager **before** completing the questionnaire.*

*If the Case Manager agrees that it is not possible to obtain a complete listing he or she will consider a method for sampling that meets Customs and Border Protection requirements. If agreement cannot be reached as to the appropriate method Customs and Border Protection may not visit your company.*

*Customs and Border Protection 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 Manager who will explain the information Customs and Border Protection requires for determining a normal value using alternative methods.*

#### D-1 Provide:

- a detailed description of your distribution channels to domestic customers, including a diagram if appropriate;

*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; 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 spreadsheet entitled '**Domestic sales**' within the *HSS Exporter Questionnaire – CHINA – accompanying spreadsheet* provided alongside this questionnaire.

*This spreadsheet is to list **all domestic sales of like goods** (i.e. transaction by transaction) in the investigation period (do not include non-GUC items).*



## SHANDONG FUBO GROUP EXPORTER-NON CONFIDENTIAL PUBLIC FILE

Provide the completed spreadsheet in electronic format on CD-ROM (or via email) with your response. If formulas are used to calculate the field within this sheet, please ensure they remain included in the submitted version.

The below table provides information as to what is meant by each column heading within the spreadsheet.

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/grade/type	commercial model/grade or type
Product code	code used in your records for the model/grade/type identified. Explain the product codes in your submission.
Finish	The finish of the HSS
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 <i>other than</i> the invoice date best establishes the material terms of sale and should be used, report that date. For example, order confirmation, contract, or purchase order date.
Order number	show order confirmation, contract or purchase order number if you have shown a date other than invoice date as being the date of sale.
Delivery terms	eg ex factory, free on truck, delivered into store
Payment terms	payment terms agreed with the customer eg. 60 days=60 etc
Quantity	quantity in units shown on the invoice eg kg.
Gross Invoice value	gross value shown on invoice <i>in the currency of sale</i> , net of taxes.
Discounts	the amount of any discount deducted on the invoice on each transaction. If a % discount applies show that % discount applying in another column.
Rebates	The amount of any deferred rebates or allowances paid to the importer in the currency of sale.
Net invoice value	the net invoice value expressed in your domestic currency as recorded in your accounting system
Other discounts	The actual amount of discounts not deducted from the invoice. Show a separate column for each type of discount.
Packing*	packing expenses
Inland transportation Costs*	amount of inland transportation costs included in the selling price.
Handling, loading And ancillary	handling, loading & ancillary expenses.

Expenses*	
Warranty & Guarantee expenses*	warranty & guarantee expenses
Technical assistance & other services*	expenses for after sale services such as technical assistance or installation costs.
Commissions*	commissions paid. If more than one type is paid insert additional columns of data.
Other factors*	<b>any other</b> costs, charges or expenses incurred in relation to the domestic sales (include additional columns as required). See question D5.

Notes

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

Customs and Border Protection will select additional sales for verification at the time of our visit.

**SECTION E - FAIR COMPARISON**

*Section B sought information about the export prices to Australia and Section D sought information about prices on your domestic market for like goods (ie. 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. Customs and Border Protection 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 Customs and Border Protection 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. Customs and Border Protection 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. CARGO PICKED UP EX WORKS FROM PRODUCERS AND FUBO ORGANIZE TRANSPORT TO PORT. COSTS ARE IDENTIFIED FOR THIS TRUCKING MAINTAINED IN OUR LEDGER BOOKING.

## 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.

COSTS FOR WHARFAGE, PORT CHARGES, CUSTOMS BROKER FEE, ETC ARE IDENTIFIED. MAINTAINED IN OUR LEDGER

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
- other ancillary charges.

## 3. Credit

The cost of extending credit on export sales is not included in the amounts quantified at question B4. However, Customs and Border Protection 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 eg, short term borrowing in the currency concerned.

### LC PAYMENT

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**'.

EXPORT CARGO SOURCED IS WRAPPED.

## 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.  
NO COMMISSIONS ARE PAID

**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.

NO warranties apply

**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.

NO other factors apply

**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 investigation period (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.

EXCHANGE AT TIME OF ORDER BOOKING FOR EXPORT TO BE CONSIDERED  
AND A LEDGER MAINTAINED FOR VARIATIONS ON PAYMENT RECEIPT.

**E-2 COSTS ASSOCIATED WITH DOMESTIC SALES**

NO 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, chemical composition, 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 (ie. an amount for selling general and administrative costs (S G & 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 please provide full details about the operation of the scheme as well as providing the information requested above.

## 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 manufacturer.

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 is 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, Customs and Border Protection 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 borrowing's 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.

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.

<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.



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

#### NO 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

*Your response to this part of the questionnaire may be used by Customs and Border Protection 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. Customs and Border Protection 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** Complete the spreadsheet entitled '**Third country sales**' within the *HSS Exporter Questionnaire – CHINA – accompanying spreadsheet* provided alongside this questionnaire.

This spreadsheet is to list **all export sales of like goods** (i.e. transaction by transaction) to countries other than Australia in the investigation period (do not include non-GUC items).

Provide the completed spreadsheet in electronic format on CD-ROM (or via email) with your response. If formulas are used to calculate the field within this sheet, please ensure they remain included in the submitted version.

The below table provides information as to what is meant by each column heading within the spreadsheet.

Column heading	Explanation
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.
Unit of quantity	Show unit of quantity eg kg
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 eg. 60 days=60 etc
Shipment terms	Typical shipment terms to customers in the third country eg CIF, FOB, ex-factory, DDP etc.

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

SIMILAR TO AUSTRALIAN EXPORTS

## SECTION G - COSTING INFORMATION AND CONSTRUCTED VALUE

SHANDONG FUBO GROUP Co is the EXPORTER OF THE GUC AND NOT THE PRODUCER AND HAS NO DOMESTIC SALES MEANING UNABLE TO PROVIDE INFORMATION ON PRODUCTION COSTS.

*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 GUC - ie 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 (GUC) 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 (eg. 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 GUC. Provide a flowchart of the process. Include details of all products manufactured using the same production facilities as those used for the GUC. Also specify all scrap or by-products that result from producing the GUC.
2. Complete the spreadsheet entitled 'Production' within the *HSS Exporter Questionnaire – CHINA – accompanying spreadsheet* provided alongside this questionnaire.

Provide the completed spreadsheet in electronic format on CD-ROM (or via email) with your response. If formulas are used to calculate the field within this sheet, please ensure they remain included in the submitted version.

**G-2. 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.

**STANDARD ACCOUNTING PROCEDURE AS A TRADER.**

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 (ie differences between standard and actual production costs) have been allocated to the goods- and describe how those variances have been allocated.
3. Provide details of any significant or unusual cost variances that occurred during the investigation period.  
Describe the profit/cost centres in your company's cost accounting system.
4. For each profit/cost centre describe in detail the methods that your company normally uses to allocate costs to the GUC. 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.
5. Describe the level of product specificity (models, grades etc) that your company's cost accounting system records production costs.
6. List and explain all production costs incurred by your company which are valued differently for cost accounting purposes than for financial accounting purposes.
7. State whether your company engaged in any start-up operations in relation to the GUC. Describe in detail the start-up operation giving dates (actual or projected) of each stage of the start-up operation.
8. 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.

**G-3. COSTS MADE AND SOLD ON THE DOMESTIC MARKET**

*This information is relevant to testing whether domestic sales are in the ordinary course of trade.<sup>2</sup>*

1. Complete the spreadsheet entitled '**Domestic CTMS**' within the *HSS Exporter Questionnaire – CHINA – accompanying spreadsheet* provided alongside this questionnaire.

Provide the completed spreadsheet in electronic format on CD-ROM (or via email) with your response. If formulas are used to calculate the field within this sheet, please ensure they remain included in the submitted version.

In doing so, provide the actual unit cost to make and sell each model/type (identified in Section C) of the like goods sold on the domestic market.

Provide this cost data for each quarter over the investigation period. If your company calculates costs monthly, provide monthly costs.

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

<sup>2</sup> Customs and Border Protection 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.

# SHANDONG FUBO GROUP EXPORTER NON CONFIDENTIAL PUBLIC FILE

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

Please specify unit of currency.

## G-4 COST TO MAKE AND SELL GOODS UNDER CONSIDERATION (GOODS EXPORTED TO AUSTRALIA)

Complete the spreadsheet entitled '**Australian CTMS**' within the *HSS Exporter Questionnaire – CHINA – accompanying spreadsheet* provided alongside this questionnaire.

Provide the completed spreadsheet in electronic format on CD-ROM (or via email) with your response. If formulas are used to calculate the field within this sheet, please ensure they remain included in the submitted version.

In doing so, provide the actual unit cost to make and sell each model/type (identified in Section C) of the like goods sold on the domestic market.

Provide this cost data for each quarter over the investigation period. If your company calculates costs monthly, provide monthly costs.

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

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

Please specify unit of currency.

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

- G-5 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.
- G-6 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.
- G-7 In calculating the unit cost to make and sell, provide an explanation if the allocation method used (eg number, or weight etc) to determine the unit cost differs from the prior practice of your company.
- G-8 List major raw material costs, which individually account for 10% or more of the total production cost.

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 (eg market prices, transfer prices, or actual cost of production).

Where the major input is produced by an associate of your company Customs and Border Protection 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 Act. Included in that definition are companies controlled by the same parent company (a company that controls 5% 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.

If the major input is purchased or supplied from an integrated production process you should provide detailed information on the full costs of production of that input.

**SECTION H – PARTICULAR MARKET SITUATION**

As the Exporter, Fubo not able to provide information required of a producer. *The applicants claim that a 'market situation' exists in respect of HSS from China due to government influence on both the prices of the goods and the major raw material inputs (HRC and/or narrow strip – collectively referred to as hot rolled steel or HRS) used in the manufacture of the goods.*

*The existence of a 'market situation' could affect Customs and Border Protection's approach to calculating normal value within its duping 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, Customs and Border Protection is providing producers/exporters of the subject goods in China the opportunity to supply evidence that the sector under investigation is operating under market conditions. In examining the matter, Customs and Border Protection will also send questionnaires to the GOC and continue to examine information available from third-party sources.*

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

There are three parts to this section:

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

**PART H-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;



- b) payment of taxes;
  - c) senior management representation within your business;
  - d) approval/negotiation of business decisions (e.g. investment decisions, management decisions, pricing decisions, production decisions, sales decisions);
  - e) licensing;
  - f) restrictions on land use;
  - g) provision of loans; or none
  - h) provision of grants, awards or other funds.
2. **Business structure, ownership and management**
- a) Indicate whether your company is an SOE (refer to the Glossary of Terms for definition).
  - 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 yours and related businesses, where applicable.
  - 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.
  - 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.-
  - 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.
  - 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).
  - g) Provide the details of any significant changes in the ownership structure of your business during the investigation period.

- h) Identify any positions within your business that are appointments 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.- not applicable..
- 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.
- k) Who has the ability to reward, fire or discipline your business' senior managers?
- l) 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.
- m) Provide the names and positions of your company's pricing committee.

### 3. Licensing

- a) Provide a copy of your business license(s).
- b) Identify the GOC departments or offices responsible for issuing the license(s).
- c) Describe the procedures involved in applying for the license(s).  
Describe any requirements or conditions that must be met in order to obtain the license(s).
- d) Describe and explain any restrictions imposed on your business by the business license(s).
- e) Describe any sanctions imposed on your business if you act outside the scope of your business license(s).
- f) Describe and explain any rights or benefits conferred to your business under the license(s).
- g) Describe the circumstances under which your business license(s) can be revoked, and who has the authority to revoke the license(s).

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

- a) Provide a description of your business' decision-making structure in general and in respect of 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, etc., is determined.
- b) Provide a description of any GOC input into the decision-making process respecting your manufacture, marketing and sale of steel products.
  - 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
  - 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.
  - e) 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
  - f) Does your business develop any 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). -
  - g) Provide copies of the minutes of your Board of Directors and Board of Shareholders meetings over the investigation period.
  - h) Provide copies of the notes to company meetings where pricing decisions on steel products have been made over the investigation period.

## PART H-2 GOC MEASURES IN THE STEEL SECTOR

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

1. Are there any other GOC opinions, directives, decrees, promulgations, measures, etc. concerning the steel industry/sector that were put in place or operating during the investigation period?

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 steel to your company over 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 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 on the steel industry sector;
- market entry criteria for the steel industry sector;
- environmental enforcement for the steel industry sector;
- management of land utilization;

- the China Banking Regulatory Commission for the steel industry sector;
- investigation and inspection of new steel expansion facilities;
- the section in the National Development and Reform Commission that is responsible for the steel industry sector; and
- import licensing for iron ore, steel and other steel raw materials.

### 3. National Steel Policy

Customs and Border Protection is aware of the 2005 *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.

- b) Explain in detail how the policy and any updates regarding the policy were communicated to your company.
- c) 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.
- d) 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.
- e) Do you have designated officials that have provided direction to your company regarding the GOC's measures and how to proceed with your current project or future plans within the scope of the policy?
- f) Explain in detail if there are additional directives or measures from the GOC that have been communicated to your company, since the inception of the policy.
- g) 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.
- h) Explain the ongoing mechanism used by the GOC to measure your company's compliance with the policy directives and/or guidelines.
- i) 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.

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- Identify any GOC 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?
- j) Describe the role of the NDRC in terms of communicating, implementing and overseeing policies governing the steel sector, including but not limited to, China's National Steel Policy.

#### 4. Other government approvals

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

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

#### 5. Steel industry rationalisation

The below questions address the efforts of the GOC to rationalise the steel industry sector in China through a combination of closures and consolidations of steel making assets.

- a) Describe to what extent, if any, your company has been directed, encouraged or requested to merge or consolidate operations with one or several other steel in China either by the National Development and Reform Commission or any other entities. -
- b) Describe to what extent, if any, a facility owned by your company has ever been identified by the GOC as a candidate for closure within the next two years. .

#### PART H-3 THE HSS SECTOR

The information requested in this part will assist in providing a better understanding of the GOC measures and your business' sales and production of HSS.

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

**1. Export quotas and licensing**

- a) Are HSS sold by your company subject to any export quotas?

If so, explain why HSS 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.

- b) If HSS is not presently subject to export quotas, indicate if quotas existed during the investigation period and when and why they were removed.
- c) Identify which GOC agency legislates and monitors any such quotas.
- d) Has the GOC set any targets or limits regarding the quantity of HSS that you may sell on the domestic or export markets? If so, provide details.
- e) Are there any export licence requirements for HSS? If so, provide details.

**2. Taxation**

- a) Were there any export taxes on the exports of HSS during the investigation period?
- b) What was the VAT rebate applicable to HSS exports during the investigation period?
- c) Have there been any changes to the value-added tax rebate applicable to steel exports in the last 5 years? If yes, provide:
- i. a detailed chronological history of the value-added tax 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.
- d) Are you aware of any tax changes being planned that would impact the HSS sector?

**3. Sales terms**

- a) Identify the person who authorises the sales terms, prices and other contract provisions for the sale of HSS by your business.
- b) Explain how the selling prices of HSS 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.
- c) Does your business coordinate the selling prices or supply of HSS with other domestic steel and steel product producers, any GOC departments, or the China Iron and Steel Association? If so, provide details.

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- d) Explain whether your business provides HSS price information/data to the GOC, the China Iron and Steel Association (CISA), other government officials or commercial/industry organisations, including those outside of China, which report on the steel sector.
- e) Explain whether your business provides HSS price data to any other person at the provincial, regional or special economic zone level of government

#### 4. Involvement with CISA

- a) Is your business a member of CISA or regional Iron & Steel Associations? If so, explain your business' relationship with the association and the involvement of the GOC with the CISA.
- b) If your business is a member of the CISA, indicate whether this membership is voluntary or compulsory. Explain the functions that the CISA provides for your business. Explain in detail the role of the CISA with respect to the directives as provided by the GOC concerning the steel industry.

#### 5. Other industry associations

- a) Is your business a member of any other industry associations? If so, explain your business' relationship with the association and the involvement of the GOC with the association.
- b) If your business is a member of another 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 steel industry

#### 6. Statistics submission/recording

- a) Indicate if your business makes submissions<sup>1</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. NO
- b) Provide a recent example of a submission that has been made to the Bureau of Statistics and/or any other government organisation. For example, monthly data relating to sales, production and costs. NO
- c) Do the organisations approve or assess your submission? If yes, provide a detailed explanation.
- d) Do the organisations provide feedback on your submission? If yes, provide a detailed explanation.

#### 7. Raw material supply

- a) Is there a price difference in purchase price for raw materials (i.e. hot-rolled steel or other raw material) between your suppliers?
- b) Is there a price difference between purchase price of raw materials from SOEs and non-SOEs? Provide explanation  
*Note: the applicant alleges that producers in China of HSS have benefited from the provision of primary steel by the GOC at less than fair market value (see Program 20 in Section I of this questionnaire).*

<sup>1</sup> For example, monthly data relating to sales, production and costs.

*Further questions regarding primary steel supply and pricing are asked in Section I of this questionnaire. Your responses to these questions are relevant to the assessment of whether a market situation exists. Ensure responses to these questions are complete.*

**8. 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.

**9. HSS production/output during the investigation period**

- a) Is any part of your production of HSS 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.
- b) To what extent are any of the policies/guidelines identified in a) applicable to your business?
- c) Where applicable, how did your business respond to the policies/guidelines?
- d) Provide details regarding any other restrictions (e.g., geographic/regional, downstream, use, etc.) to the sale of HSS that may be imposed by the GOC.

**10. 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 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 ore, coal, billet, hot-rolled steel, etc.).
- c) Explain whether your business has encountered any price guidance or controls established by regional, provincial or special economic zone officials and/or organisations.

**11. Adding capacity and/or joint ventures**

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



**SECTION I – COUNTERVAILING**

## NO INFORMATION RELATED TO SECTION I

*The applicant alleges that producers in China of HSS and upstream suppliers have benefited from a number of subsidies granted by the GOC (meaning any level of government – refer to the Glossary of Terms for further information), and that these subsidies are countervailable.*

**INVESTIGATED PROGRAMS**

The following are programs that Customs and Border Protection is currently investigating:

**Program 1:** Preferential Tax Policies for Enterprises with Foreign Investment Established in the Coastal Economic Open Areas and Economic and Technological Development Zones

**Program 2:** One-time Awards to Enterprises Whose Products Qualify for 'Well-Known Trademarks of China' and 'Famous Brands of China'

**Program 3:** Provincial Scientific Development Plan Fund

**Program 4:** Export Brand Development Fund

**Program 5:** Matching Funds for International Market Development for Small and Medium Enterprises

**Program 6:** Superstar Enterprise Grant

**Program 7:** Research & Development (R&D) Assistance Grant

**Program 8:** Patent Award of Guangdong Province

**Program 9:** Training Program for Rural Surplus Labour Force Transfer Employment

**Program 10:** Preferential Tax Policies for Foreign Invested Enterprises– Reduced Tax Rate for Productive Foreign Invested Enterprises scheduled to operate for a period of not less than 10 years

**Program 11:** Preferential Tax Policies for Enterprises with Foreign Investment Established in Special Economic Zones (excluding Shanghai Pudong area)

**Program 12:** Preferential Tax Policies for Enterprises with Foreign Investment Established in Pudong area of Shanghai

**Program 13:** Preferential Tax Policies in the Western Regions

**Program 14:** Tariff and VAT Exemptions on Imported Materials and Equipments

**Program 15:** Innovative Experimental Enterprise Grant

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

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

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

**Program 19:** Grant for key enterprises in equipment manufacturing industry of Zhongshan

**Program 20:** Hot rolled steel provided by government at less than fair market value

Please answer the questions within parts I-1 to I-3 in relation to these programs.

**PART I-1      PREFERENTIAL INCOME TAX PROGRAMS (PROGRAMS 1, 10, 11, 12 AND 13)**

1. Did your business or any company/entity related to your business receive any benefit<sup>2</sup> under the following five programs during the investigation period (1 July 2010 to 30 June 2011):

**Program 1:** Preferential Tax Policies for Enterprises with Foreign Investment Established in the Coastal Economic Open Areas and in Economic and Technological Development Zones

**Program 10:** Preferential Tax Policies for Foreign Invested Enterprises - Reduced Tax Rate for Productive Foreign Invested Enterprises scheduled to operate for a period not less than 10 years

**Program 11:** Preferential Tax Policies for Enterprises with Foreign Investment Established in Special Economic Zones (excluding Shanghai Pudong area)

**Program 12:** Preferential Tax Policies for Enterprises with Foreign Investment Established in Pudong area of Shanghai

**Program 13:** Preferential Tax Policies in the Western Regions

2. It is our understanding that the general tax rate for enterprises in China from 1 July 2010 was 25%. Confirm whether this is correct and if not, please identify the general tax rate for enterprises in China from 1 July 2010.
3. If your business currently pays corporate income tax at a rate less than 25% (or whatever the rate of general tax is as discussed above) , or paid at a rate less than that during the investigation period, please indicate whether the reduced rate relates to any of the preferential income tax programs identified above.
4. If the income tax rate of less than the general rate does not relate to any of the programs identified above, please provide an explanation for the reduced income tax rate and answer the questions in Part I-1 above in relation to the income tax rate reduction.  
For each program that you have identified above as conferring benefit on your entity, answer the following.
5. Provide complete details of the amount of the benefit received, including whether it was received in total or in instalments.
6. Indicate which goods you produced that benefited from the program (e.g. the program may have benefited all production, or only certain products that have undergone research and development).
7. Describe the application and approval procedures for obtaining a benefit under the program.

<sup>2</sup> Refer to the Glossary of Terms for a definition of benefit in this context.

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

If the program terminated has been substituted for by another program, identify the program and answer all the questions in Part I-1 in relation to this programme.
17. For each taxation year, complete the table below.
 

Prepare this information in the attached spreadsheet named "Income Tax" included as part of the *HSS Exporter Questionnaire – CHINA – accompanying spreadsheet* provided alongside this questionnaire.
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 2008, 2009 and 2010 tax years; and
  - income tax instalment payment receipts, and all applicable income tax forms and schedules for the 2008, 2009 and 2010 tax years.

**Note: If your company did not file an income tax return in any of the tax years indicated, provide an explanation stating the reasons why you**

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*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.*

**PART I-2 GRANTS (PROGRAMS 2-9 AND 15-19)**

It is Customs and Border Protection's understanding that the GOC may be providing grants to enterprises in China including the following identified programs:

**Program 2:** One-time Awards to Enterprises Whose Products Qualify for 'Well-Known Trademarks of China' and 'Famous Brands of China'

**Program 3:** Provincial Scientific Development Plan Fund

**Program 4:** Export Brand Development Fund

**Program 5:** Matching Funds for International Market Development for Small and Medium Enterprises

**Program 6:** Superstar Enterprise Grant

**Program 7:** Research & Development (R&D) Assistance Grant

**Program 8:** Patent Award of Guangdong Province

**Program 9:** Training Program for Rural Surplus Labour Force Transfer Employment

**Program 15:** Innovative Experimental Enterprise Grant

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

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

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

**Program 19:** Grant for key enterprises in equipment manufacturing industry of Zhongshan

1. Did your business or any company/entity related to your business receive any benefit under the above programs during the period **1 July 2011 to 30 June 2011**.
2. Did your business receive benefits under any other grant (including awards, prizes, funds) program during the period 1 July 2011 to 30 June 2011?

For each program identified in your answer to I-2.1 and I-2.2 above, answer the following.

3. Provide complete details involving the amount of the grant received, including whether the grant was received in a lump sum or multiple instalments.
4. Indicate which goods you produced that benefited from the program (e.g. the program may have benefited all production, or only certain products that have undergone research and development).
5. Describe the application and approval procedures for obtaining a benefit under the program.
6. Where applicable, provide copies of the application form or other documentation used to apply for the program, all attachments and all contractual agreements entered into between your business and the GOC in relation to the program.

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

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

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

#### **PART I-3      TARIFF AND VAT EXEMPTIONS ON IMPORTED MATERIALS AND EQUIPMENTS (PROGRAM 14).**

It is our understanding that certain enterprises in China are eligible for exemption from the payment of import duty and import VAT on imported inputs, technologies and machinery.

If your business or any company/entity related to your business received benefits under any such program during the period **1 July 2001 to 30 June 2011**, please answer the following questions.

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

2. Describe the application and approval procedures for obtaining a benefit under the program.
3. 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.
4. Outline the fees charged to, or expenses incurred by your business for purposes of receiving the program.
5. Outline the eligibility criteria your business had to meet in order to receive benefits under this program.
6. 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.
7. If the benefit was provided in relation to a specific activity or project of your entity, please identify the activity and provide supporting documentation.
8. 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.
9. Indicate where benefits under this program can be found in your accounting system (i.e., specify the ledgers or journals) and financial statements.
10. To your knowledge, does the program still operate or has it been terminated?
11. If the program has been terminated, please provide details (when, why). When is the last date that your business could apply for or claim benefits under the program? When is the last date that your business could receive benefits under the program?
 

If the program terminated has been substituted for by another program, identify the program and answer all the questions in Part I-1 in relation to this programme.
12. Were the materials and/or equipment that were entitled to a refund of VAT used in the production of the goods during the investigation period? If yes, provide the following information:
  - (a) type of inputs;
  - (b) cost of inputs;
  - (c) quantity of inputs; and
  - (d) amount of VAT refunded.

13. Has your company received exemption from payment of or refunds of import duty and import VAT for imported material inputs (e.g. HRC, HRS, narrow strip, etc.) at any time that were used in the production of the goods during the investigation period? If yes, provide the following information:

- (a) description of imported product;
  - (b) country of origin;
  - (c) quantity of imported product;
  - (d) purchase price;
  - (e) terms of purchase (f.o.b., c.i.f., etc);
  - (f) ocean freight;
  - (g) value for duty of imported product;
  - (h) regular rate of taxes and duties;
  - (i) concessionary rate of taxes and duties;
  - (j) amount of duties and taxes normally applicable;
  - (k) amount of duties and taxes paid;
  - (l) amount of duties and taxes exempt;
  - (m) date of importation;
  - (n) tariff classification number;
  - (o) customs entry number; and
  - (p) application fee.
14. Explain if (and how) the GOC determines which imported inputs are consumed by your business in the production of the subject goods and in what amounts, and the amount of duty paid or payable on the inputs (including any allowance for waste).
- Please explain how the GOC determined the percentage rate of duty exemption.
- Please note that goods consumed in the production of exported goods (inputs) include:
- (a) goods incorporated into the exported goods; and
  - (b) energy, fuel, oil and catalysts that are used or consumed in the production of the exported goods.
15. Provide a representative sample of copies of import entry documents (for example: bill of entry, invoice from supplier, etc.) for each type of importation covering duty-exempt inputs and duty-paid inputs imported for use in the manufacturing of the subject goods.
16. In addition to the import entry documents, you must also provide copies, if applicable, of any applications submitted to and/or approval document received from the GOC relating to the exemption from the payment of import duty and import VAT on imported inputs and in relation to the VAT that is refunded on the exportation of the subject goods.
17. Provide copies of reports and audits by the GOC authority responsible for administering the duty rebate or duty drawback scheme with respect to the verification of the importation and use of inputs and the remittance or drawback of the related duty paid or payable.

**PART I-4 HOT ROLLED STEEL PROVIDED BY GOVERNMENT AT LESS THAN FAIR MARKET VALUE (PROGRAM 20)**

The applicant claims that public bodies (in the form of state-owned enterprises (SOEs)) are supplying hot rolled steel, directly or indirectly, to manufacturers of HSS at less than fair value.

In this questionnaire, the term 'hot rolled steel' (HRS) refers to both hot rolled coil (HRC) and narrow strip.

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The term SOE is defined in the glossary of this questionnaire.

In relation to this program, provide the following information.

1. Did your business or any company/entity related to your business receive any benefit under the above program during the period **1 July 2011 to 30 June 2011**.
2. Does your business purchase any goods/services from SOEs, e.g., raw materials (including HRS), energy, water, other utilities, etc?
3. Provide a list, including a contact name and address, of all your suppliers of HRS. Indicate whether the supplier is a SOE.
4. Provide a listing showing the purchase price of HRS from each supplier during each month of the investigation period.

Prepare this information in the attached spreadsheet named "**HRS Purchases**" included as part of the *HSS Exporter Questionnaire – CHINA – accompanying spreadsheet* provided alongside this questionnaire.

Please add more space for additional suppliers and HSR categories as required.

5. Did your business receive any reduction/reduced price for the purchase of these goods/services during the investigation period? If so, describe the eligibility criteria that your business had to meet in order to qualify for any reduction in the price paid for the goods/services.
6. Provide copies of all contractual agreements that detail the obligations of the SOE and your business with reference to the granting and receipt of the assistance/benefits.
7. Did your business import any raw material during the investigation period? If yes, please provide details of all such imports, including date, source, type, amount and price.
8. 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.

## PART I-5 ANY OTHER PROGRAMS

If the GOC, any of its agencies or any other authorised body has provided any other benefit<sup>3</sup> under any other assistance programs to your entity not previously addressed, identify the program(s).

This may have included:

- the provision of grants, awards or prizes;
- the provision of goods or services at a reduced price (e.g. electricity, gas, raw materials (including, for example, zinc), transport);
- the reduction of tax payable including income tax and VAT;
- reduction in land use fees;
- loans from Policy Banks at below-market rates; or

<sup>3</sup> Refer to the Glossary of Terms for a definition of benefit in this context.



- any other form of assistance.

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

1. 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).
2. Describe the application and approval procedures for obtaining a benefit under the program.
3. 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.
4. Outline the fees charged to, or expenses incurred by your business for purposes of receiving the program.
5. Outline the eligibility criteria your business had to meet in order to receive benefits under this program.
6. 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.
7. If the benefit was provided in relation to a specific activity or project of your entity, please identify the activity and provide supporting documentation.
8. 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.
9. Indicate where benefits under this program can be found in your accounting system (i.e., specify the ledgers or journals) and financial statements.
10. To your knowledge, does the program still operate or has it been terminated?
11. If the program has been terminated, please provide details (when, why). When is the last date that your business could apply for or claim benefits under the program? When is the last date that your business could receive benefits under the program?

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

**SECTION J – EXPORTER/PRODUCER'S DECLARATION**

I hereby declare that.....SHANDONG FUBO GROUP CO.....(company) did, during the investigation period export the GUC 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.

or

I hereby declare that.....(company) did, during the investigation period, produce the GUC which were exported to Australia by another company 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.

**Name** :.....Fu Guogang.....

**Signature** :.....

**Position in Company** :.....GENERAL MANAGER.....

**Date** :.....

**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	<input type="checkbox"/>
Section B – export price	<input type="checkbox"/>
Section C – like goods	<input type="checkbox"/>
Section D – domestic price	<input type="checkbox"/>
Section E – fair comparison	<input type="checkbox"/>
Section F – exports to third countries	<input type="checkbox"/>
Section G – costing information	<input type="checkbox"/>
Section H – particular market situation	<input type="checkbox"/>
Section I – countervailing	<input type="checkbox"/>
Section J – declaration	<input type="checkbox"/>

Information	Please tick if you have provided spreadsheet
<b>INCOME STATEMENT</b>	<input type="checkbox"/>
<b>TURNOVER</b> – sales summary	<input type="checkbox"/>
<b>AUSTRALIAN SALES</b> – list of sales to Australia	<input type="checkbox"/>
<b>DOMESTIC SALES</b> – list of all domestic sales of like goods	<input type="checkbox"/>
<b>THIRD COUNTRY</b> – third country sales	<input type="checkbox"/>
<b>PRODUCTION</b> – production figures	<input type="checkbox"/>
<b>DOMESTIC COSTS</b> – costs of goods sold domestically	<input type="checkbox"/>
<b>AUSTRALIAN COSTS</b> – costs of goods sold to Australia	<input type="checkbox"/>
<b>HRS PURCHASES</b> – purchase cost of HRS during the investigation period	<input type="checkbox"/>
<b>INCOME TAX</b> – details of income tax paid for the last 3 financial years	<input type="checkbox"/>