



Australian Government
Department of Industry,
Science and Resources

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Anti-Dumping Commission

Exporter Questionnaire

Case number: 632

Product: Railway wheels

From: The People's Republic of China

Inquiry period: 1 July 2022 to 30 June 2023 (the period)

Response due by: 10 October 2023

Email enquiries to: investigations4@adcommission.gov.au

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

Responses to the exporter questionnaire must be submitted via SIGBOX. Please contact the commission on the above email address to request access to SIGBOX.

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TABLE OF CONTENTS

TABLE OF CONTENTS	2
INSTRUCTIONS	4
CHECKLIST	7
GOODS UNDER CONSIDERATION / GOODS SUBJECT TO ANTI-DUMPING MEASURES	8
SECTION A COMPANY INFORMATION	10
A-1 COMPANY REPRESENTATIVE AND LOCATION	10
A-2 COMPANY INFORMATION	10
A-3 GENERAL ACCOUNTING INFORMATION	12
A-4 FINANCIAL DOCUMENTS	13
SECTION B EXPORT SALES TO AUSTRALIA	15
B-1 AUSTRALIAN EXPORT SALES PROCESS	15
B-2 AUSTRALIAN SALES LISTING	16
B-3 SAMPLE EXPORT DOCUMENTS	16
B-4 RECONCILIATION OF SALES TO FINANCIAL ACCOUNTS	17
B-5 RECONCILIATION OF DIRECT SELLING EXPENSES TO FINANCIAL ACCOUNTS	17
SECTION C EXPORTED GOODS & LIKE GOODS	19
C-1 MODELS EXPORTED TO AUSTRALIA	19
C-2 MODELS SOLD IN THE DOMESTIC MARKET	19
C-3 INTERNAL PRODUCT CODES	19
SECTION D DOMESTIC SALES	21
D-1 DOMESTIC SALES PROCESS	21
D-2 DOMESTIC SALES LISTING	22
D-3 SAMPLE DOMESTIC SALES DOCUMENTS	22
D-4 RECONCILIATION OF SALES TO FINANCIAL ACCOUNTS	22
SECTION E DUE ALLOWANCE	24
E-1 CREDIT EXPENSE	24
E-2 PACKAGING	24
E-3 DELIVERY	25
E-4 OTHER DIRECT SELLING EXPENSES	26
E-5 OTHER ADJUSTMENT CLAIMS	27
SECTION F THIRD COUNTRY SALES	28
F-1 THIRD COUNTRY SALES PROCESS	28
F-2 THIRD COUNTRY SALES LISTING	28
F-3 DIFFERENCES IN SALES TO THIRD COUNTRIES	28
SECTION G COST TO MAKE AND SELL	29
G-1 PRODUCTION PROCESS	29
G-2 COST ACCOUNTING PRACTICES	29
G-3 COST TO MAKE GOODS SOLD ON DOMESTIC MARKET	30
G-4 SELLING, GENERAL & ADMINISTRATION EXPENSES	30
G-5 COST TO MAKE THE GOODS EXPORTED TO AUSTRALIA	31
G-6 COST ALLOCATION METHOD	31
G-7 MAJOR RAW MATERIAL COSTS	32
G-8 RECONCILIATION OF COST TO MAKE TO AUDITED FINANCIAL STATEMENTS	33
G-9 PRODUCTION OF THE GOODS UNDER CONSIDERATION	33
G-10 CAPACITY UTILISATION	34
SECTION H PARTICULAR MARKET SITUATION	36
H-1 REPORTING REQUIREMENTS	ERROR! BOOKMARK NOT DEFINED.
H-2 BUSINESS STRUCTURE, OWNERSHIP, AND MANAGEMENT	37

H-3	LICENSING	40
H-4	DECISION-MAKING, PLANNING AND REPORTING	41
H-5	FINANCIAL AND INVESTMENT ACTIVITIES	42
H-6	GOVERNMENT POLICY ON THE INDUSTRY	43
H-7	TAXATION	45
H-8	SALES TERMS	46
H-9	INDUSTRY ASSOCIATIONS	48
H-10	STATISTICS SUBMISSION/RECORDING	48
H-11	PRODUCTION/OUTPUT	49
H-12	ADDING CAPACITY AND/OR JOINT VENTURES	50
H-13	RAW MATERIALS.....	50
H-14	FINANCIAL GRANTS.....	51
H-15	LOANS.....	52
H-16	OTHER PROGRAMS	54
H-17	ELECTRICITY.....	55
SECTION I DOMESTIC MARKET		57
I-1	PREVAILING CONDITIONS OF COMPETITION IN THE DOMESTIC MARKET	58
I-2	GOODS IN THE DOMESTIC MARKET	59
I-3	RELATIONSHIP BETWEEN PRICE AND COST IN THE DOMESTIC MARKET	60
I-4	MARKETING AND SALES SUPPORT IN THE DOMESTIC MARKET	64
SECTION J AUSTRALIAN MARKET		65
J-1	PREVAILING CONDITIONS OF COMPETITION IN THE AUSTRALIAN MARKET.....	66
J-2	GOODS IN THE AUSTRALIAN MARKET	68
J-3	RELATIONSHIP BETWEEN PRICE AND COST IN AUSTRALIA.....	69
J-4	MARKETING AND SALES SUPPORT IN THE AUSTRALIAN MARKET.....	71
EXPORTER'S DECLARATION		73
APPENDIX GLOSSARY OF TERMS.....		74

INSTRUCTIONS

Why you have been asked to fill out this questionnaire?

The Anti-Dumping Commission (the commission) is conducting a continuation inquiry into railway wheels exported to Australia from the People's Republic of China (China) and France.

The commission will use the information you provide to determine normal values and export prices over the period 1 July 2022 to 30 June 2023 (the inquiry period, or the period). This information will determine whether railway wheels is dumped.

The commission will collect and use information in accordance with the commission's Collection and Use of Information Policy.

If you do not manufacture the goods

If you play a role in the export of the goods but do not produce or manufacture the goods (for example, you are a trading company, broker, or vendor dealing in the goods), it is important that you forward a copy of this questionnaire to the relevant manufacturers and inform the commission of the contact details for these manufacturers **immediately**.

The commission will still require your company to complete this exporter questionnaire except Section G – Cost to make and sell.

What happens if you do not respond to this questionnaire?

You do not have to complete the questionnaire. However, if you do not respond, do not provide all the information sought, do not provide information within a reasonable time period, or do not allow the commission to verify the information, we may deem your company to be an uncooperative exporter. In that case the commission will determine a dumping margin having regard to all relevant information.

Therefore, it is in your interest to provide a complete and accurate response to this exporter questionnaire that is capable of verification.

Extension requests

If you require a longer period to complete your response to this exporter questionnaire, you must submit a request to the commission, in writing, for an extension to the due date for all or part of the questionnaire. This request must be made prior to the due date. A request for extension will be rejected if received after the due date.

When considering the extension request, the commission will have regard to:

- the commission's responsibility to conduct the case in a timely and efficient manner
- the reasons why you could not provide a response within the whole period and not only the period remaining between the request and the due date
- ordinary business practices or commercial principles
- the commission's understanding of the relevant industry
- previous correspondence and previous dealings with your company and
- information provided by other interested parties.

More information on extensions can be found in the Customs (Extension of Time and Non-cooperation) Direction 2015 at <https://www.legislation.gov.au/Details/F2015L01736>.

You will be informed of the decision whether your request for an extension has been rejected, granted in full or granted in part. For example, you may be granted an extension to submit all sections except for Section A or you may be granted a shorter extension than you requested.

A summary of any requests and grants of extensions to submit a response to this exporter questionnaire will be published in the public record.

Submitting a response to the exporter questionnaire

Responses to the exporter questionnaire should be lodged via SIGBOX, a secure online document repository. Please contact the commission on the email address listed on the cover page to request access to SIGBOX.

In submitting the response to the exporter questionnaire, you must answer all questions, include all attachments and spreadsheets, and provide a non-confidential version of your response to this exporter questionnaire.

If your response to this exporter questionnaire contains major deficiencies that, in the Commissioner's view, cannot be quickly and easily rectified in a further response, then your company may be considered as an uncooperative exporter.

Confidential and non-confidential responses

You are required to lodge a confidential version (OFFICIAL: Sensitive) and a non-confidential version (for publishing on the public record) of your response to this exporter questionnaire by the due date. Please ensure that *each page* of information you provide is clearly marked either "**OFFICIAL: Sensitive**" or "**PUBLIC RECORD**".

All information provided to the commission in confidence will be treated accordingly. The public record version of your questionnaire will be placed on the public record and must contain sufficient detail to allow a reasonable understanding of the substance of the information without breaching confidentiality.

Please be aware that, if at any stage during this inquiry you become aware that you have inadvertently received confidential information submitted by another party, you have a responsibility to:

- Notify the commission
- Delete the information from your system and
- Refrain from using, sharing or retaining the information in any way.

A person is not required to provide a summary for the public record if the commission can be satisfied that no such summary can be given that would allow a reasonable understanding of the substance of the information.

All questionnaires are required to have a bracketed explanation of deleted or blacked out information for the public record version of the questionnaire. An example of a statement to accompany deleted/blacked out text is:

[Explanation of cost allocation through the divisions, by reference to machine hours or weight].

If such an explanation is not provided, the commission may disregard the information in the submission. Where the public record version of your response to the exporter questionnaire does not contain sufficient detail, your company may be requested to resubmit your response with the required level of detail or, if deadlines have passed, the commission may not have regard to it.

Verification of the information that you supply

The commission may wish to conduct a verification of your questionnaire response for completeness, relevance, and accuracy of the information to your company's records.

The verification is not meant to be a chance for you to provide new or additional information. The commission expects your response to the questionnaire to be relevant, complete, and accurate.

The verification may include Commission staff visiting your company to conduct on onsite verification. Any onsite verification typically commences approximately 2 to 4 weeks after the due date of the

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response to the exporter questionnaire. To assist with the planning of a verification, please contact the commission as soon as possible for a potential verification date to be scheduled.

The onsite verification is usually conducted over 4 days. However, in complex cases, it may be scheduled over 5 days. A verification will include a detailed examination of your company's records and we will collect copies of relevant documents. The verification will require the participation of key staff, including your financial accountant, production manager and sales staff. A tour of the manufacturing facility may also be required during the verification.

The commission may elect to undertake an alternative verification methodology, rather than an onsite verification, to satisfy itself of the completeness, relevance and accuracy of the data or information you provide in the questionnaire.

Note that the commission may disregard any data or information that is not verified, including new or additional information provided after the verification visit.

A report will be prepared following the verification, which details the outcomes of the verification. This report will be placed on the public record and may include the publication of the preliminarily assessed dumping margin. The commission considers that the dumping margin is not confidential information, but rather an aggregate figure derived from confidential data.

You will be provided with an opportunity to comment on the accuracy and confidentiality of the verification report prior to its publication on the public record.

For information on the commission's verification procedures, refer to Anti-Dumping Notice (ADN) No. 2016/30 available on the commission's website.

Important instructions for preparing your response

- All questions in this exporter questionnaire must be completed. If a question is not applicable to your situation, please answer the question with "Not Applicable" and provide an explanation as to why.
- All questions must be answered in English. An English translation must be provided for documents not originally in English. To the extent that the foreign language version differs, the English translation will be given priority as a matter of interpretation in Australia.
- Clearly identify all units of measurement (e.g. KG, piece) and currencies (e.g. AUD) used. Apply the same measurement consistently throughout your response to the questionnaire.
- Label all attachments to your response according to the section of the questionnaire it relates to (e.g. label the chart of accounts as Attachment A-4.6)
- The data must be created as spreadsheet files in Microsoft Excel.
- If you have used formulas to complete spreadsheets, these formulas must be retained and not hard-coded.
- You must retain all worksheets used in answering the questionnaire. Be prepared to provide these worksheets during the commission's verification of your data.
- If you cannot present electronic data in the requested format, contact the commission as soon as possible.
- Where possible, electronic data should be shared with the commission via SIGBOX, a secure online document repository. Please contact the commission to request access to SIGBOX if required.

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 Company information	<input checked="" type="checkbox"/>
Section B Export sales to Australia	<input checked="" type="checkbox"/>
Section C Exported goods & like goods	<input checked="" type="checkbox"/>
Section D Domestic sales	<input checked="" type="checkbox"/>
Section E Due allowance	<input checked="" type="checkbox"/>
Section F Third country sales	N/A
Section G Cost to make and sell	<input checked="" type="checkbox"/>
Section H Particular market situation	<input checked="" type="checkbox"/>
Section I Domestic Market	<input checked="" type="checkbox"/>
Section J Australian Market	<input checked="" type="checkbox"/>
Exporter's declaration	<input checked="" type="checkbox"/>
Non-confidential version of this response	<input type="checkbox"/>

Attachments	Please tick if you have provided spreadsheet
B-2 Australian sales	<input checked="" type="checkbox"/>
B-2.2 Australian sales source	<input checked="" type="checkbox"/>
B-4 Upwards sales	<input checked="" type="checkbox"/>
B-5 Upwards selling expenses	<input checked="" type="checkbox"/>
D-2 Domestic sales	<input checked="" type="checkbox"/>
D-2.2 domestic sales source	<input checked="" type="checkbox"/>
F-2 Third country sales	N/A
F-2.2 third country sale source	N/A
G-3 Domestic CTM	<input checked="" type="checkbox"/>
G-3.2 domestic CTM source	<input checked="" type="checkbox"/>
G-4.1 SG&A listing	<input checked="" type="checkbox"/>
G-4.2 Dom SG&A calculation	<input checked="" type="checkbox"/>
G-5 Australian CTM	<input checked="" type="checkbox"/>
G-5.2 Australian CTM source	<input checked="" type="checkbox"/>
G-7.2 Raw material CTM	N/A
G-7.4 Raw material purchases	<input checked="" type="checkbox"/>
G-8 Upwards costs	<input checked="" type="checkbox"/>
G-10 Capacity Utilisation	<input checked="" type="checkbox"/>

GOODS UNDER CONSIDERATION / GOODS SUBJECT TO ANTI-DUMPING MEASURES

The goods subject to the anti-dumping measures (the goods) are:

Forged and rolled steel, high hardness, nominal 38-inch (or 966 mm to 970 mm) diameter, railway wheels, whether or not including alloys.

At the time of the original investigation (Investigation 466), the applicant supplied the following additional information in relation to the goods:

Axles and other components are excluded from the goods coverage.

The railway wheels are manufactured in accordance with the relevant user defined specifications and drawings and are used on rail carriages used to transport iron ore.

The users of these type of railway wheels are:

- BHP Ltd
- Rio Tinto Ltd
- Fortescue Mining Group
- Roy Hill Holdings Pty Ltd.

The railway wheels used in all user applications have the following typical characteristics:

- 38 inch or 966 mm to 970 mm diameter and of similar overall dimensional tolerances and shape
- manufactured from a high carbon steel with the addition of micro alloying elements to achieve hardness and mechanical properties as defined in the user specifications
- manufactured using a forging and rolling process in accordance with defined standards
- suitable to operate at axle loads above 36 metric tonnes
- a multi-wear rim.

The goods are generally, but not exclusively, classified to tariff subheading 8607.19.00 (statistical code 20) of Schedule 3 to the *Customs Tariff Act 1995*.¹

¹ This tariff classification and statistical code may include goods that are both subject and not subject to the anti-dumping measures. The listing of the tariff classification and statistical code is for convenience or reference only and does not form part of the goods description. Please refer to the goods description for authoritative detail regarding goods subject to the anti-dumping measures.

Continuation Inquiry 632 Preliminary Comments By Masteel

Baowu Group Masteel Rail Transit Materials Technology Company Limited (**Masteel**) submits that the continuation of the anti-dumping measures on railway wheels exported to Australia from the People's Republic of China (**China**) by exporters generally or by Masteel in particular is not warranted. That is, the expiration of the measures will not lead to nor be likely to lead to either the continuation or recurrence of dumping or material injury caused by dumping.

Specifically, exports of railway wheels from China by exporters generally and by Masteel in particular have not been at dumped prices and are unlikely to be at dumped prices in the future. That is, it is not likely (i.e., probable) that such exports will be at dumped prices in the future if the measures are permitted to expire. There is no evidence to the contrary.

Further, the sole producer of railway wheels in Australia has not and is not incurring injury. Its claims that it will likely incur material injury from dumped exports is speculative at best. More importantly, it ignores the fact that competition in the supply of railway wheels to Australian mining companies is not solely or principally about price.

Poor quality railway wheels can have significant adverse consequences to a mining company not only in terms of the cost of repairing and replacing inferior quality wheels but also the delay and disruption in the supply of their products to their customers. Railway wheels of high quality, reliability and performance are critical to a mining companies business. Masteel would not be continuing to supply Australian mining companies if it were not fulfilling these requirements of its customers and, importantly, the Australian mining companies would not purchase and continue to purchase its railway wheels at any price if they did not meet their quality, reliability and performance requirements. It is absurd to suggest otherwise. Sub-standard quality railway wheels are too expensive at any price because of the adverse effects they may have on the customer's business.

It is on this basis that Masteel competes and will continue to compete in the Australian market. There is no short- or long-term benefit for it to compete solely or principally on price.

For these reasons Masteel submits that the expiration of the measures will not lead to nor be likely to lead to either the continuation or recurrence of dumping or material injury caused by dumping. Consequently, there would be no justification for continuing the anti-dumping measures.

SECTION A COMPANY INFORMATION

A-1 Company representative and location

1. Please nominate a contact person within your company:

Name: [Xiang Qian](#)

Position in the company: [Export Sales Manager](#)

Telephone: [+86-13855589529](#)

E-mail address: xiangqian@masteelwheel.com

2. If you have appointed a representative, provide their contact details:

Name: [Andrew Percival \(Percival Legal\)](#)

Address:

Telephone: [0425 221 036](#)

E-mail address: andrew.percival@percivallegal.com.au

Name: [Beijing Deheng Law Offices](#)

Address: 12th Floor, Tower B Focus Place, No. 19 Finance Street, Xincheng District, Beijing, China

Telephone: [0086-10-52682899](#)

E-mail address: renyz@dehenglaw.com

In nominating a representative, you are granting authority to the commission to discuss matters relating to the case with the nominated representative, including your company's confidential information.

3. Please provide the location of the where your company's financial records are held.

RESPONSE:

The financial records are held in the financial department of Baowu Group Masteel Rail Transit Materials Technology Company Limited.

4. Please provide the location of the where your company's production records are held.

RESPONSE:

The financial records are held in the production department of Baowu Group Masteel Rail Transit Materials Technology Company Limited.

5. Please provide the location of your company's production plant manufacturing the goods under consideration.

RESPONSE:

No. 1799 Tianmen Avenue, Ma'anshan City, Anhui Province, China.

A-2 Company information

1. What is the legal name of your business?

RESPONSE:

宝武集团马钢轨交材料科技有限公司, whose English name is Baowu Group Masteel Rail Transit Materials Technology Company Limited (hereinafter also referred to as "Masteel" or "the Company").

2. Does your company trade under a different name and/or brand? If yes, provide details.

RESPONSE:

Yes. The details are as follows:

Period	Name
Before November 30, 2019	Ma'anshan Iron & Steel Company Limited Wheel Company
December 2019 - April 2020	Masteel Rail Transit Equipment Co., Ltd.

3. Was your company ever known by a different legal and/or trading name? If yes, provide details

RESPONSE:

The Company was known by Masteel Rail Transit Equipment Co., Ltd. before April 7th, 2020.

OFFICIAL: PUBLIC RECORD

Ma'anshan Iron & Steel Company Limited Wheel Company (hereinafter referred to as "the Branch") is a branch of Ma'anshan Iron & Steel Company Limited while Masteel Rail Transit Equipment Co., Ltd. (hereinafter referred to as "the Subsidiary") is a wholly owned subsidiary of Ma'anshan Iron & Steel Company Limited.

On October 30, 2019, Ma'anshan Iron & Steel Company Limited increased its capital to the Subsidiary with the net assets of the Branch, and merged the businesses of the Branch and the Subsidiary. After the capital increase, all business of the Branch were carried on by the Subsidiary.

On April 7th, 2020, the name of the Subsidiary was changed to Baowu Group Masteel Rail Transit Materials Technology Company Limited."

4. Provide a list of your current board of directors and any changes in the last two years.

RESPONSE:

The current board of directors and changes in the last two years are listed as below:

Period	Board of Directors	Change
Sep. 30 th , 2022- Current	An Tao(Chairman) Si Xiaoming Xu Naiwen Xing Qunli Guo Fei Chen Junming Chang Xinghui	On Sep. 30 th , 2022, Ren Tianbao was not the Chairman or member anymore. Si Xiaoming joined into the board of directors and An Tao became the new Chairman.
Aug. 2 nd , 2022- Sep. 29 th , 2022	Ren Tianbao(Chairman) An Tao Xu Naiwen Xing Qunli Guo Fei Chen Junming Chang Xinghui	On Aug. 2 nd , 2022, Du Songlin was not the member anymore. Xu Naiwen joined into the board of directors.
Jan. 1 st , 2021- Aug. 1 st , 2022	Ren Tianbao(Chairman) An Tao Du Songlin Xing Qunli Guo Fei Chen Junming Chang Xinghui	

5. Is your company part of a group (e.g., parent company with subsidiaries, common ownership, joint ventures)? If yes, provide:

- (a) A diagram showing the complete ownership structure and
- (b) A list of all related companies and its functions.

RESPONSE:

Yes. The Company is part of a large group.

Please see [Confidential Exhibit A-2.5\(a\)](#) for the diagram showing the complete ownership structure.

Please see [Confidential Exhibit A-2.5\(b\)](#) for the list of all related companies and its functions.

6. Is your company or parent company publicly listed?

RESPONSE:

Ma'anshan Iron & Steel Company Limited, the parent company of the Company, is publicly listed.

If yes, please provide:

- (a) The stock exchange where it is listed and
Shanghai Stock Exchange and Hong Kong Exchanges and Clearing Limited
(b) Any principal shareholders.²

The principal shareholders of Ma'anshan Iron & Steel Company Limited are as follows:

S.N.	Name of Shareholder	Shareholding Percentage
1	Magang (Group) Holding Co., Ltd.	47.17%
2	Hong Kong Central Clearing (Agent) Limited	22.09%

If no, please provide:

- (a) A list of all principal shareholders and the shareholding percentages.

7. What is the overall nature of your company's business? Include details of the products that your company manufactures and sells and the market your company sells into.

RESPONSE:

The Company is a railway transportation equipment manufacturer.

The products manufactured and sold by the Company include railway wheels, tires, rings, axles, and wheel equivalents.

The products are sold to both domestic and international markets.

8. Are related parties involved in the manufacture and/or sale of products in the same markets. If yes, provide details.

RESPONSE:

No.

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

- (a) produce or manufacture
(b) sell in the domestic market
(c) export to Australia and
(d) export to countries other than Australia.

RESPONSE:

Masteel performs all of the functions mentioned in the question.

10. Provide your company's internal organisation chart.

RESPONSE:

Please see [Confidential Exhibit A-2.10](#) for the Company's internal organisation chart.

11. Describe the functions performed by each group within the organisation.

RESPONSE:

Please see [Confidential Exhibit A-2.11](#) for the description of the functions performed by each group within the organisation.

12. Does your company produce brochures, pamphlets, or other promotional material? If yes, please provide them.

RESPONSE:

Please see [Confidential Exhibit A-2.12](#) for the brochures issued by the Company..

A-3 General accounting information

1. What is your financial accounting period?

RESPONSE:

January 1st to December 31st of each calendar year.

² Principal shareholders are those who are able to cast, or control the casting of, 5% or more of the maximum number of votes that could be cast at a general meeting of your company.

2. Are your financial accounts audited? If yes, who is the auditor?

RESPONSE:

Yes. The auditors are Cui Haiying and Qiao Yurui.

3. What currency are your accounts kept in?

RESPONSE:

Chinese yuan (CNY)

4. What is the name of your financial accounting system?

RESPONSE:

Standard Financial System developed by Baowu Group.

5. What is the name of your sales system?

RESPONSE:

Production and Sales Management System

6. What is the name of your production system?

RESPONSE:

Production and Sales Management System

7. If your financial accounting, sales, and production systems are different, how do the systems interact? Is it electronically or manual? Please provide a detailed explanation and include diagrams.

RESPONSE:

Systems interact through data transmission interface electronically. [Confidential commercial information regarding proprietary systems redacted.]



Please see [Confidential Exhibit A-3.7](#) for the diagram explaining system interaction.

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

RESPONSE:

No.

9. Have there been any changes to your accounting practices and/or policies over the last two years? If yes, please provide details.

RESPONSE:

The Company's accounting practices and policies changed in accordance with the latest Accounting Standards for Business Enterprises.

Please see Page 22 of Audit Report for Year 2021 and Page 26 of Audit Report for Year 2022 for the details.

A-4 Financial Documents

1. Please provide the two most recently completed annual reports and/or financial statements for your company and any other related companies involved in the production and sale of the goods.

RESPONSE:

Please see [Confidential Exhibit A-4.1](#) for the Audit Reports for the last two financial years.

2. If the financial statements in A-4.1 are audited, provide a copy of the audit management letters from your auditor accompanying the audited financial statements.

RESPONSE:

The audit management letters were signed between Magang (Group) Holding Co., Ltd. and the auditors. The Company did not sign separate audit management letters.

Please see [Confidential Exhibit A-4.1](#) for the audited financial statements.

3. If the financial statements in A-4.1 are unaudited, provide for each company:
- (a) the tax returns relating to the same period and
 - (b) reconciliation of the revenue, cost of goods sold, and net profit before tax between the financial statements and tax returns.

RESPONSE:

This question is NOT applicable since the financial statements were audited.

4. Does your company maintain different profit centres? If yes, provide profit & loss statements for the profit centre that the goods fall into for:
- (a) the most recent financial year and
 - (b) the period.

RESPONSE:

No.

5. If the period is different to your financial period, please provide:
- (a) Income statements directly from your accounting information system covering the most recent financial period and the period or
 - (b) Quarterly or half yearly income statements directly from your accounting system covering the most recent financial period and the period.

RESPONSE:

Income statement for the most recent financial period has been included in the Audit Report for Year 2022.

Please see [Confidential Exhibit A-4.5](#) for the income statement directly from the Company's accounting information system covering the period.

6. Please provide a copy of your company's trial balance (in Excel) covering the period and the most recent financial year.

RESPONSE:

Please see [Confidential Exhibit A-4.6](#) for the Company's trial balance covering the period and the most recent financial year.

7. Please provide your company's chart of accounts (in Excel).

RESPONSE:

Please see [Confidential Exhibit A-4.7](#) for the Company's chart of accounts.

If any of the documents are not in English, please provide a complete translation of the documents.

SECTION B EXPORT SALES TO AUSTRALIA

B-1 Australian export sales process

1. Provide details (and diagrams if appropriate) of the export sales process of your company and representatives (e.g., agents) including:
 - (a) Marketing and advertising activities
 - (b) Price determination and/or negotiation process
 - (c) Bids for tenders, including contract negotiation process
 - (d) Order placement process
 - (e) Order fulfilment process and lead time
 - (f) Delivery terms and process
 - (g) Invoicing process
 - (h) Payment terms and process

RESPONSE:

Please refer to [Confidential Exhibit B-1.1](#) for the diagram illustrating the export sales process.

2. In what currency do you invoice your customers for goods exported to Australia? If it is not in your local currency:

RESPONSE:

The Company invoice [REDACTED] for exports to Australia.

- (a) Do your customers pay you into a foreign currency denominated account? If yes, provide details
Yes. The Company has [REDACTED] account to receive the payment from customers.
- (b) Do you use forward contracts to lock in the foreign exchange rate relating to the export sales? If yes, provide details
No.
- (c) How is the exchange rate determined in your accounting system and how often is it updated?
The Standard Financial System exchange rate is maintained by Baowu Group. It is updated at the end and beginning of each month.

3. Are there any customers of the goods exported to Australia related to your company? If yes, please provide a list of each related customer and provide details on how the selling price is set.

RESPONSE:

No.

4. If sales are in accordance with price lists or price extras list, provide copies of these lists.

RESPONSE:

The Company does not use price lists.

5. If sales are in accordance with contracts, provide copies of the signed contracts.

RESPONSE:

Please see [Confidential Exhibit B-1.5](#) for a sample copy of signed contracts.

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

RESPONSE:

The Company exports to Australia according to [REDACTED] distribution channel.

7. Did you provide on-invoice discounts and/or off-invoice rebates to any customer or an associate of the customer in relation to the sale of the goods exported to Australia during the period? If yes, provide a description and explain the terms and conditions that must be met by the customer to obtain the discount and/or rebate.

RESPONSE:

No. [REDACTED]

8. Did you issue any credit or debit notes (directly or indirectly) to the customer or associate of the customer in relation to the sale of the goods exported to Australia during the period? If yes, provide details of the credit/debit notes including the reasons the credit/debit notes were issued.

RESPONSE:

No. [REDACTED]

9. In establishing the date of sale, the commission will normally use the date of invoice as it best reflects the material terms of sale. If you are making a claim that a different date should be taken as the date of sale:

- (a) What date are you claiming as the date of sale?
- (b) Why does this date best reflect the material terms of sale? Any claim for an adjustment would need to substantively address:
- whether, why, and to what degree, the considerations in determining price differed between export and domestic sales
 - whether the materials cost differs at the time of subsequent invoicing of that export sale (compared to domestic sale invoices in the same invoice month of that export sale) having regard to factors such as the production schedules for domestic and export; and lead times for purchasing main input materials
 - whether contracts were entered into for the materials purchases, and materials inventory valuation.

RESPONSE:

The Company adopts the date of invoice as the sales date.

[Confidential commercial information redacted]

[REDACTED]

B-2 Australian sales listing

1. Complete the worksheet named "B-2 Australian sales"
- This worksheet lists all sales (i.e., transaction by transaction) exported to Australia of the goods invoiced within the period. This includes exports to Australia sold through a domestic customer or trader.
 - You must provide this list in electronic format using the template provided.
 - If you have used formulas to complete this worksheet, these formulas must be retained.
 - If there are any direct selling expenses incurred in respect of the exports to Australia not listed in the spreadsheet, add a column. For example, if the delivery terms make you responsible for arrival of the goods at an agreed point within Australia (e.g., delivered duty paid), insert additional columns in the spreadsheet for all other costs incurred.

RESPONSE:

Please see Worksheet [Confidential B-2 Australian sales](#).

2. Complete worksheet "B-2.2 Australian sales source" showing the relevant source of the data used for each column of worksheet "B-2 Australian sales".

RESPONSE:

Please see Worksheet [Confidential B-2.2 Australian sales source](#).

B-3 Sample export documents

1. Select the two largest invoices by value and provide the following documentation:
- Contracts
 - Purchase order and order confirmation
 - Commercial invoice and packing list
 - Proof of payment and accounts receivable ledger
 - Documents showing bank charges
 - Invoices for inland transport
 - Invoices for port handling and other export charges

- Bill of lading
- Invoices for ocean freight & marine insurance (if applicable)
- Country of origin certificates (if applicable)

If the documents are not in English, please provide a translation of the documents.

RESPONSE:

Please see [Confidential Exhibit B-3.1](#) for the two largest invoices along with relevant documentation.

2. For each document, please annotate the documents or provide a table reconciling the details in the “B-2 Australian sales” listing to the source documents in B-3.1.

RESPONSE:

All documents have been annotated in [Confidential Worksheet B-2.2 Australian Sales Resource](#).

B-4 Reconciliation of sales to financial accounts

1. Please complete the worksheet named “B-4 Upwards sales” to demonstrate that the sales listings in B-2, D-2 and F-2 are complete.

- You must provide this list in electronic format using the template provided.
- Please use the currency that your accounts are kept in.
- If you have used formulas to complete this worksheet, these formulas must be retained.

RESPONSE:

Please see [Confidential Worksheet B-4 Upwards sales](#).

2. Please provide all documents, other than those in A-4, B-2 and D-2, required to complete the “B-4 Upwards sales” worksheet. If the documents include spreadsheets, all formulas used must be retained.

RESPONSE:

The requested documents have been provided.

3. For any amount in the “B-4 Upwards sales” worksheet that is hard coded (i.e., not a formula), please cross-reference by providing:

- the name of the source document, including the relevant page number, in column D of the worksheet and
- highlight or annotate the amount shown in the source document and
- provide the account code and sub-account code (if applicable) at column E of the worksheet.

RESPONSE:

The requested documents have been provided.

B-5 Reconciliation of direct selling expenses to financial accounts

1. Please complete the worksheet named “B-5 Upwards selling expense” to demonstrate that the direct selling expenses (e.g., Inland transport) in B-2 and D-2 are complete.

- You must provide this list in electronic format using the template provided.
- Please use the currency that your accounts are kept in.
- If you have used formulas to complete this worksheet, these formulas must be retained.

RESPONSE:

Please see [Confidential Worksheet B-5 Upwards selling expense](#).

2. Please provide all documents, other than those in A-4, B-2 and D-2, required to complete the “B-5 Upwards selling expense” worksheet. If the documents include spreadsheets, all formulas used must be retained.

RESPONSE:

The requested documents have been provided.

3. For any amount in the “B-5 Upwards selling expense” worksheet that is hard coded (i.e., not a formula), please cross-reference by providing:

- the name of the source document, including the relevant page number, in column C of the worksheet and

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- highlight or annotate the amount shown in the source document and
- provide the account code and sub-account code (if applicable) at column D of the worksheet.

RESPONSE:

The requested documents have been provided.

SECTION C EXPORTED GOODS & LIKE GOODS

C-1 Models exported to Australia

1. Fully describe all the goods your company exported to Australia during the period. Include specification details and any technical and illustrative material that may be helpful in identifying, or classifying, the goods exported to Australia.

RESPONSE:

[Confidential wheel specifications have been redacted]

[Redacted]

Please see [Confidential Exhibit C-1.1](#) for specification details and any technical and illustrative material.

2. Provide a list of all models of the goods exported to Australia. This must cover all models listed in the Australian sales listing in B-2.
 - This list must be disclosed in the public record version of the response.

RESPONSE:

The goods exported to Australia include [Redacted].

C-2 Models sold in the domestic market

1. Fully describe all like goods (railway wheels) your company sold on the domestic market during the period. Include specification details and any technical and illustrative material that may be helpful in identifying, or classifying, the like goods sold on the domestic market.

RESPONSE:

[Confidential wheel specifications have been redacted]

[Redacted]

Please see [Confidential Exhibit C-2.1](#) for specification details and any technical and illustrative material.

2. Provide a list of models of like goods sold on the domestic market. This must cover all models listed in the domestic sales listing in D-2.
 - This list must be disclosed in the public record version of the response.

RESPONSE:

The goods exported to Australia include [Redacted].

C-3 Internal product codes

1. Does your company use product codes or stock keeping unit (SKU) codes?

If yes:

 - (a) Provide details of the product or SKU coding system for the goods, such as a legend or key of the meaning for each code within the product or SKU code.
 - (b) Provide a table of showing the product or SKU codes for each type of railway wheel produced and sold.

If no:

 - (a) Provide details on the method used to identify the model in the sales and cost spreadsheets.

RESPONSE:

Yes. The Company use product codes.

The coding and matching details are as follows:

Market	Product Code	Product Coding Method	Internal Code of System	Internal Coding Method
Australia	[Redacted]	[Redacted]	[Redacted]	[Redacted]

Domestic								

SECTION D DOMESTIC SALES

D-1 Domestic sales process

1. Provide details (and diagrams if appropriate) of the domestic sales process of your company and any other related entities including:

RESPONSE:

Please refer to [Confidential Exhibit D-1.1](#) for the diagram illustrating the export sales process.

- (a) Marketing and advertising activities
- (b) Price determination and/or negotiation process
- (c) Order placement process
- (d) Order fulfilment process and lead time
- (e) Delivery terms and process
- (f) Invoicing process
- (g) Payment terms and process

2. Are any domestic customers related to your company? If yes, please provide a list of each related customer and provide details on how the selling price is set.

RESPONSE:

The Company did not have any related domestic customer.

3. If sales are in accordance with price lists or price extras list, provide copies of these lists.

RESPONSE:

The Company did not use price lists or price extras list.

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

RESPONSE:

The Company had [REDACTED] distribution channel for domestic sales.

5. Did you provide on-invoice discounts and/or off-invoice rebates to the customer or an associate of the customer in relation to the sale of the like goods during the period? If yes, provide a description; and explain the terms and conditions that must be met by the customer to obtain the discount and/or rebate.

RESPONSE:

No. [REDACTED]

6. Did you issue any credit or debit notes (directly or indirectly) to the customer or associate of the customer in relation to the sale of the like goods during the period? If yes, provide details of the credit/debit notes including the reasons the credit/debit notes were issued.

RESPONSE:

No. [REDACTED]

7. In establishing the date of sale, the commission will normally use the date of invoice as it best reflects the material terms of sale. If you are making a claim that a different date should be taken as the date of sale:

- (a) What date are you claiming as the date of sale?
- (b) Why does this date best reflect the material terms of sale? You would need to substantively address:
 - whether, why, and to what degree, the considerations in determining price differed between export and domestic sales
 - whether the materials cost differs at the time of subsequent invoicing of that export sale (compared to domestic sale invoices in the same invoice month of that export sale) having regard to factors such as the production schedules for domestic and export; and lead times for purchasing main input materials

- whether contracts were entered into for the materials purchases, and materials inventory valuation.

RESPONSE:

The Company adopts the date of invoice as the sales date.

D-2 Domestic sales listing

1. Complete the worksheet named "D-2 Domestic sales"
 - This worksheet lists all domestic sales (i.e. transaction by transaction) of like goods invoiced within the period, even if they are models not exported to Australia.
 - If during the inquiry period your company did not sell goods identical to the exported goods that are subject to measures, provide details in the "D-2 Domestic sales" worksheet for all domestic sales which have characteristics resembling the exported goods or that are of the same product category (e.g. all railway wheels, including for passenger carriages or freight carriages for bulk commodities other than iron ore).
 - Provide details of any product differences between the goods sold on the domestic market and the goods exported to Australia.
 - If you have claimed in B-1.8 and/or D-1.7 that the date of sale is one other than the invoice date, then add the sales within your claimed date of sale.
 - You must provide this list in electronic format using the template provided.
 - If you have used formulas to complete this worksheet, these formulas must be retained.
 - 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-2 above, add a column for each item. For example, certain other selling expenses incurred.

RESPONSE:

Please see [Confidential Worksheet D-2 Domestic sales](#).

2. Complete worksheet "D-2.2 domestic sales source" listing the source of the data used for each column in worksheet "D-2 domestic sales".

RESPONSE:

Please see [Confidential Worksheet D-2.2 Domestic sales source](#).

D-3 Sample domestic sales documents

1. Select the two largest invoices by value and provide the following documentation:

- Contracts
- Purchase order and order confirmation
- Commercial invoice and packing list
- Proof of payment and accounts receivable ledger
- Documents showing bank charges
- Delivery invoices

If the documents are not in English, please provide a translation of the documents.

RESPONSE:

Please see [Confidential Exhibit D-3.1](#) for the two largest invoices along with relevant documentation.

2. For each document, please annotate the documents or provide a table reconciling the details in the "D-2 Domestic sales" listing to the source documents in D-3.1.

RESPONSE:

All documents have been annotated in [Confidential Worksheet D-2.2 Domestic Sales Resource](#).

D-4 Reconciliation of sales to financial accounts

This section is not required if you have completed B-4.

RESPONSE:

The Company has completed B-4.

1. Please complete the worksheet named "B-4 Upwards sales" to demonstrate that the sales listings in D-2 and F-2 are complete.

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- You must provide this list in electronic format using the template provided.
 - Please use the currency that your accounts are kept in.
 - If you have used formulas to complete this worksheet, these formulas must be retained.
2. Please provide all documents, other than those in A-4, D-2 and F-2, required to complete the “B-4 Upwards sales” worksheet. If the documents include spreadsheets, all formulas used must be retained.
 3. For any amount in the “B-4 Upwards sales” worksheet that is hard coded (i.e. not a formula), please cross-reference by providing:
 - the name of the source document, including the relevant page number, in column D of the worksheet and
 - highlight or annotate the amount shown in the source document and
 - provide the account code and sub-account code (if applicable) at column E of the worksheet.

SECTION E DUE ALLOWANCE

E-1 Credit expense

1. Do you provide credit to any domestic customers in relation to sales of like goods (i.e., payment terms that are not on a cash or pre-payment basis)? If yes:

RESPONSE:

Yes. [REDACTED]

- (a) Do you provide a rolling credit facility to your domestic customers (i.e., no specific payment terms agreed at the time of sale)? If yes:

- i. Calculate the accounts receivable turnover for each domestic customer (credit sales divided by the average accounts receivable).

Accounts receivable turnover rate= [REDACTED]

- ii. Calculate the average credit term for each domestic customer by dividing 365 by the accounts receivable turnover

The average credit term= [REDACTED]

- (b) Do you have short term borrowings, or an overdraft facility denominated in your local currency? If yes, what is the interest rate, or average of interest rates?

No.

- (c) Do you have term deposits or other cash product (e.g., bonds) denominated in your local currency? If yes, what is the interest rate, or average of interest rates?

No.

2. Do you provide credit to any Australian customers in relation to sales of the goods (i.e., payment terms that are not on a cash or pre-payment basis)? If yes:

RESPONSE:

Yes. [REDACTED]

- (a) Do you provide a rolling credit facility to your Australian customers (i.e., no specific payment terms agreed at the time of sale)? If yes:

No.

- i. Calculate the accounts receivable turnover for each Australian customer (credit sales divided by the average accounts receivable).

- ii. Calculate the average credit term for each Australian customer by dividing 365 by the accounts receivable turnover

- (b) If your Australian customers pay you into a foreign currency denominated account (question B-1.2(a) refers):

- i. Do you have short term borrowings, or an overdraft facility denominated in the same foreign currency? If yes, what is the interest rate, or average of interest rates?

No.

- ii. Do you have term deposits or other cash product (e.g., bonds) denominated in the same foreign currency? If yes, what is the interest rate, or average of interest rates?

No.

E-2 Packaging

1. What is the packaging used for your domestic sales of like goods?

RESPONSE:

Product Code	Packaging Used
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

2. What is the packaging used for your export sales of the goods to Australia?

RESPONSE:

Product Code	Packaging Used
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

3. If there are distinct differences in packaging between your domestic and export sales:

RESPONSE:

There are distinct differences in packaging between domestic and export sales.

(a) Provide details of the differences

The goods sold on domestic market are transported by road or railway, with relatively short transportation time and good transportation environment. Therefore, low-cost [REDACTED] packaging is adopted. Long-term marine transportation, partial road transportation and forklift transportation are involved in export to Australia. To prevent collisions, scratches and rust impact caused by high salt and humidity environments during the sea transportation, [REDACTED] packaging is adopted.

(b) Calculate the weighted average packaging cost for each model sold on the domestic market

Product Code	Average Packaging Cost
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

Please also see Worksheet [D-2 Packing Cost Calculation](#) for calculation details.

(c) Calculate the weighted average packaging cost for each model exported to Australia

Product Code	Average Packaging Cost
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

Please also see Worksheet [Confidential D-2 Packing Cost Calculation](#) for calculation details.

E-3 Delivery

1. Are any domestic sales of like goods delivered to the customer? If yes, how were the transportation costs calculated in the domestic sales listing in D-2?

RESPONSE:

Yes. For part of the domestic sales, the goods are delivered to the customer. Please see [Confidential Worksheet D-2 Inland Freight](#) for calculation details.

2. What are the delivery terms of the export sales of the goods to Australia?

RESPONSE:

[REDACTED].

3. If the delivery terms of the Australian sales include delivery to the port, how was the inland transport calculated in the Australian sales listing in B-2?

RESPONSE:

[Inland freight]

Period	Road transportation	Water Transportation
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

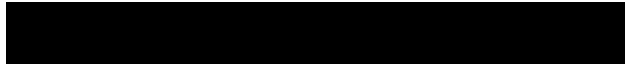
Inland freight=weight * Unit Price (CNY/ton)

4. If the delivery terms of the Australian sales include port handling and other export charges, how were these expenses calculated in the Australian sales listing in B-2?

RESPONSE:

[Port charge]

Period	Road transportation	Water Transportation
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]



5. If the delivery terms of the Australian sales include ocean freight, how was the ocean freight cost calculated in the Australian sales listing in B-2?

RESPONSE:

No, [REDACTED].

6. If the delivery terms of the Australian sales include marine insurance, how was the marine insurance calculated in the Australian sales listing in B-2?

RESPONSE:

No, [REDACTED].

7. If the delivery terms of the Australian sales include delivered duty paid, how were the Australian importation and delivery costs calculated in the Australian sales listing in B-2?

RESPONSE:

No, [REDACTED].

E-4 Other direct selling expenses

1. Do you provide sales commissions for domestic sales of like goods and/or export sales of the goods? If yes, provide details.

RESPONSE:

No, [REDACTED].

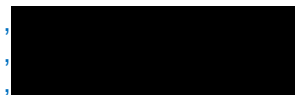
2. Are there any differences in tax liability between domestic and export sales? If yes, provide details, for example:

RESPONSE:

The Company needs to pay VAT for domestic sales and export sales. But for export sales, the Company obtains a 100% VAT rebate.

- What is the rate of value-added tax (VAT) on sales of the goods and like goods?
The VAT rate is 13%.
- How is VAT accounted for in your records in relation to sales of the goods and like goods?
The financial department records the VAT according to the VAT invoices.

The accounting entry is as follows:



- Do you receive a VAT refund in relation to sales of the goods and/or like goods?
Yes. In case of export sales, the Company receives a 100% VAT rebate.
- Do you receive a remission or drawback of import duties on inputs consumed in the productions of the goods or like goods?
No. The Company do not import inputs.

3. Are there any other direct selling expenses incurred by your company in relation to domestic sales of like goods?

- These direct selling expenses must be included in the reconciliation of direct selling expenses in B-5

RESPONSE:

No.

4. Are there any other direct selling expenses incurred by your company in relation to export sales of the goods to Australia?

- These direct selling expenses must be included in the reconciliation of direct selling expenses in B-5

RESPONSE:

Yes. [REDACTED]. The required information has been provided in the reconciliation.

E-5 Other adjustment claims

1. Are there any other adjustments required to ensure a fair comparison between the export price and the normal value (based on domestic sales, costs and/or third country sales)? If yes, provide details.

RESPONSE:

No.

- An adjustment will only be made where there is evidence that the difference affects price comparability.
- Refer to Chapter 15 of the *Dumping and Subsidy Manual (December 2021)*³ for more information.

³ Available on the commission's website.

SECTION F THIRD COUNTRY SALES

This Section is NOT applicable as the Company did not export the goods to third countries during the period.

F-1 Third country sales process

1. Are your sales processes to any third country (i.e., exports to countries other than Australia) different to the sales process described in B-1.1? If yes, provide details of the differences.
2. Are there any third country customers related to your company? If yes, please provide a list of each related customer and provide details on how the selling price is set.
3. In establishing the date of sale, the commission will normally use the date of invoice as it best reflects the material terms of sale. If you are making a claim that a different date should be taken as the date of sale:
 - (a) What date are you claiming as the date of sale?
 - (b) Why does this date best reflect the material terms of sale? Any claim for an adjustment would need to substantively address:
 - whether, why, and to what degree, the considerations in determining price differed between export and domestic sales
 - whether the materials cost differs at the time of subsequent invoicing of that export sale (compared to domestic sale invoices in the same invoice month of that export sale) having regard to factors such as the production schedules for domestic and export; and lead times for purchasing main input materials
 - whether contracts were entered into for the materials purchases, and materials inventory valuation.

F-2 Third country sales listing

1. Complete the worksheet named "F-2 Third country sales"
 - This worksheet lists all export sales, summarised by country and customer, to third countries of like goods invoiced within the period.
 - While sales may be made in different currencies and on different shipping terms the sales listing also seeks to record an Ex-works value of these sales in your local currency.
 - If you have claimed in F-1.3 that the date of sale is one other than the invoice date, then add sales with your claimed date of sale.
 - You must provide this list in electronic format using the template provided.
 - If you have used formulas to complete this worksheet, these formulas must be retained.
2. Complete worksheet "F-2.2 third country sales source" listing the source of the data for each column in the worksheet "F-2 third country sales".

F-3 Differences in sales to third countries

1. Are there any differences in sales to third countries which may affect their comparison to export sales to Australia? If yes, provide details.

SECTION G COST TO MAKE AND SELL

G-1 Production process

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

RESPONSE:

Please see [Confidential Exhibit G-1.1](#) for the production flowchart which details the production processes for the production of the subject goods.

2. Are any of your suppliers related to your company (regardless of whether it is relevant to the manufacture of the goods)? If yes, please provide details including the product or services supplied by the related company.

RESPONSE:

The supplier of the main raw material billet is [REDACTED]. And the supplier of the transportation service of main raw material is [REDACTED].

G-2 Cost accounting practices

1. Is your company's cost accounting system based on actual or standard costs (budgeted)?

RESPONSE:

The Company's cost accounting system is based on Standard Costs.

2. If your company uses standard costs:

- (a) Were standard costs used as the basis of actual costs in your responses G-3 & G-5?
- (b) Have all variances (i.e., differences between standard and actual production costs) been allocated to the goods?
- (c) How were those variances allocated?
- (d) Provide details of any significant or unusual cost variances that occurred during the period.

RESPONSE:

This question is NOT applicable.

3. Briefly explain your cost accounting practices (e.g., job costing, process costing).

RESPONSE:

The Company adopts process costing.

4. Do you have different cost centres in your company's cost accounting system? If yes, list the cost centres, provide a description of each cost centre and the allocation methodology used in your accounting system.

RESPONSE:

Yes. The Company has [REDACTED] cost centres, [REDACTED].
The Company use the same allocation methodology for all [REDACTED] const centres.
Please see [Confidential Exhibit G-6.2](#) for details of the allocation methodology.

5. To what level of product specificity (models, grades etc.) does your company's cost accounting system normally record production costs?

RESPONSE:

The Company's cost accounting system does not record production costs according to product specificity level.

6. Are there any costs for management accounting purposes valued differently to financial accounting purposes? If yes, provide details of the differences.

RESPONSE:

No.

7. Has your company engaged in any start-up operations in relation to the goods? If yes:

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- (a) Describe in detail the start-up operation giving dates (actual or projected) of each stage of the start-up operation.
- (b) 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.

RESPONSE :

No.

8. What is the method of valuation for raw materials, semi-finished goods, work-in-progress and finished goods inventories (e.g., last in first out –LIFO, first in first out- FIFO, weighted average)?

RESPONSE:

Weighted average method.

9. What are the valuation methods for damaged or sub-standard goods generated at the various stages of production?

RESPONSE:

There is no valuation for damaged or sub-standard goods, all disposed as waste or steel scrap.

10. What are the valuation methods for scrap, by products, or joint products?

RESPONSE:

The scrap is sold at market price.

11. Are any management fees/corporate allocations charged to your company by your parent or related company? If yes, provide details.

RESPONSE:

No.

G-3 Cost to make goods sold on domestic market

1. Complete the worksheet named "G-3 Domestic CTM".

- This worksheet lists the quarterly cost to make the domestic models of like goods, or general category of goods (railway wheels), manufactured during the period, even if the models are not exported to Australia during the period.
- The costs must be based on actual cost of production (i.e., not standard costs or cost of goods sold).
- If any imputation tax (e.g., value-added tax) is payable on the purchase of goods or services to manufacture like goods, report the costs excluding the imputation tax. All other taxes payable (e.g., import duty) must be included as 'other costs' if not already included, for example, under material costs.
- You must provide this list in electronic format using the template provided.
- If you have used formulas to complete this worksheet, these formulas must be retained.
- If you have claimed in B-1.8 and/or D-1.7 that the date of sale is one other than the invoice date, then provide the cost for the quarters that all domestic sales are made within your claimed date of sale, even if doing so means that such cost data predates the commencement of the period.

RESPONSE:

Please see [Confidential Worksheet G-3 Domestic CTM](#).

2. Complete worksheet titled "G-3.2 domestic CTM source" listing the source of the data for each column of the worksheet "G-3 domestic CTM".

RESPONSE:

Please see [Confidential Worksheet G-3.2 domestic CTM source](#).

3. If the major input/raw material (e.g. steel billet) is sourced as part of an integrated production process, you should provide detailed information on the full cost of production of that input (see G-7).

RESPONSE:

The detailed information of raw material cost has been provided in Part G-7.

G-4 Selling, General & Administration expenses

1. Complete the worksheet named "G-4.1 SG&A listing".

- This worksheet lists all selling, general and administration expenses, including finance expenses, by account code for the most recent accounting period and the period.
- Exclude any SG&A amount in respect of:
 - unrealised foreign exchange gains/loss
 - provision for doubtful debt
 - any other income/expense not directly/indirectly related to the manufacture or sale of the goods or like goods
- The SG&A listing should reconcile to the trial balance and/or income statement.
- You must provide this list in electronic format using the template provided.
- If you have used formulas to complete this worksheet, these formulas must be retained.

RESPONSE:

Please see [Confidential Worksheet G-4.1 SG&A listing](#).

2. Complete the worksheet named "G-4.2 Domestic SG&A calculation".
 - This worksheet calculates the unit domestic SG&A.
 - You must provide this list in electronic format using the template provided.
 - Please use the formulas provided.

RESPONSE:

Please see [Confidential Worksheet G-4.2 Domestic SG&A calculation](#).

G-5 Cost to make the goods exported to Australia

1. Complete the worksheet named "G-5 Australian CTM".
 - This worksheet lists the quarterly cost to make the Australian models of the goods under consideration manufactured within the period.
 - The costs must be based on actual cost of production (i.e., not standard costs or cost of goods sold).
 - If any imputation tax (e.g., value-added tax) is payable on the purchase of goods or services to manufacture the goods, report the costs excluding the imputation tax. All other taxes payable (e.g., import duty) must be included as 'other costs' if not already included, for example, under material costs.
 - You must provide this list in electronic format using the template provided.
 - If you have used formulas to complete this worksheet, these formulas must be retained.
 - If you have claimed in B-1.8 that the date of sale is one other than the invoice date, then provide the cost for the quarters that all Australian sales are made within your claimed date of sale, even if doing so means that such cost data predates the commencement of the period.

RESPONSE:

Please see [Confidential Worksheet G-5 Australian CTM](#).

2. Complete worksheet titled "G-5.2 Australian CTM source" listing the source of the data for each column of worksheet "G-5 Australian CTM".

RESPONSE:

Please see [Confidential Worksheet G-5.2 Australian CTM source](#).

4. If the major input/raw material (e.g. steel billet) is sourced as part of an integrated production process, you should provide detailed information on the full cost of production of that input (see G-7).

RESPONSE:

The detailed information of raw material cost has been provided in Part G-7.

G-6 Cost allocation method

1. What is the allocation method used to complete in G-3 domestic CTM and G-5 Australian CTM for:
 - (a) Raw materials
 - (b) Labour
 - (c) Manufacturing overheads

RESPONSE:

Raw material is recorded into production cost of the goods;
Labor cost and manufacturing cost are allocated in accordance with product coefficient.

2. Select the domestic model (export model if you have no domestic production of like goods) with the largest production volume over the period and provide worksheets demonstrating the allocation method described in G-6.1 from your normal cost accounting system to the cost for that model reported in G-3.1.

RESPONSE:

Please see [Confidential Exhibit G-6.2](#) for details of the allocation methodology.

G-7 Major raw material costs

1. What are the major raw materials used in the manufacture of the goods?

RESPONSE:

Steel billet.

2. Are any raw materials / intermediate goods sourced as part of an integrated production process or from a subsidiary company which your company exercise control? If yes, complete the worksheet named "G-7.2 Raw material CTM" for these raw materials.

- This worksheet lists the quarterly cost to make the raw material manufactured within the period. Complete this worksheet for **each** raw material/intermediate good your company produced or sourced from a related subsidiary.
- The costs must be based on actual cost of production (i.e. not standard costs or cost of goods sold).
- If any imputation tax (e.g. value-added tax) is payable on the purchase of goods or services to manufacture the raw material, report the costs excluding the imputation tax. All other taxes payable (e.g. import duty) must be included as 'other costs' if not already included, for example, under material costs.
- You must provide this list in electronic format using the template provided.
- If you have used formulas to complete this worksheet, these formulas must be retained.
- You must be able to demonstrate how the unit raw material cost for each raw material / intermediate good as recorded in "G-7.2 Raw material CTM" reconciles to the unit raw material cost as recorded in "G-3 Domestic CTM" and "G-5 Australian CTM".

RESPONSE:

No.

3. Using the domestic cost data in "G-3 Domestic CTM" (use "G-5 Australian CTM" if you have no domestic production of like goods), calculate the weighted average percentage of each raw material cost (listed in G-7.1) as a proportion of total cost to make.

RESPONSE:

The Company only has one single main raw material billet.

4. For each raw material identified in G-7.2 which individually account for 10% or more of the total cost to make, complete the worksheet named "G-7.4 Raw material purchases"

- This worksheet lists all raw material purchases (i.e. transaction by transaction) purchased by your company within the period.
- You must provide this list in electronic format using the template provided.
- If you have used formulas to complete this worksheet, these formulas must be retained.

RESPONSE:

Please see [Confidential Worksheet G-7.4 Raw material purchases](#).

5. Provide a table listing the source of the data for each column of the "G-7.4 Raw material purchases" listing.

RESPONSE:

Please see [Confidential Worksheet G-7.4 Raw material purchases](#).

6. For each raw material:

RESPONSE:

- (a) Select the two largest invoices by value and provide the commercial invoice and proof of payment.

Please see [Confidential Exhibit G-7.6\(a\)](#) for the two largest invoices by value.

- (b) Reconcile the total value listed in “G-7.4 Raw material purchases” listing to relevant purchase ledgers or trial balances in your accounting system. Provide copies of all documents used to demonstrate the reconciliation.

Please see [Confidential Exhibit G-7.6\(b\)](#) for details of reconciliation.

7. Are any of the suppliers in “G-7.4 Raw material purchases” listing related to your company? If yes, please provide details on how the transfer price of the raw material is set and provide any supporting evidence.

RESPONSE:

Yes. Billet supplier is the parent company of the Company.

[Confidential commercial information redacted]



8. Does your company sell any self-produced intermediate goods (e.g. steel billet) that are consumed in the production of railway wheels?

RESPONSE:

No.

G-8 Reconciliation of cost to make to audited financial statements

1. Please complete the worksheet named “G-8 Upwards costs” to demonstrate that the cost listings in G-3 and G-5 are complete.

- You must provide this list in electronic format using the template provided.
- Please use the currency that your accounts are kept in.
- If you have used formulas to complete this worksheet, these formulas must be retained.

RESPONSE:

Please see [Confidential Worksheet G-8 Upwards costs](#).

2. Please provide any documents, other than those in A-4, G-3, and G-5, required to complete the “G-8 Upwards costs” worksheet.

RESPONSE:

The requested documents have been provided.

3. For any amount that is hard coded (i.e., not a formula), please cross-reference by providing:

- the name of the source document, including the relevant page number, in column D of the worksheet and
- highlight or annotate the amount shown in the source document and
- provide the account number and sub-account number (if applicable) at column E of the worksheet.

RESPONSE:

The requested documents have been provided.

G-9 Production of the goods under consideration

1. Describe your company’s practices for capturing the production quantities reported at worksheets “G-3 domestic CTM” and “G-5 Australian CTM”. Consider using a flowchart in answering this question.

RESPONSE:

The Company uses the Cost Accounting Module of the Production and Sales Management System to account the production volume and costs produced during the current month.

[Confidential sample screenshot redacted]

2. Outline the types of source documents kept by the company in relation to production quantities and how the production quantities are entered into the accounting system. Consider using a flowchart in answering this question.

RESPONSE:

In the Cost Accounting Module of the Production and Sales Management System, after the finished products are warehoused in the production system, relevant input and output data will be sent to the cost system.

Please see [Confidential Exhibit A-3.7](#) for the details of system interaction.

3. Briefly explain the reasons for any differences between:
 - (a) the production quantities reported at worksheet “G-3 domestic CTM” and the sales volumes reported at worksheet “D-2 domestic sales” and
 - (b) the production quantities reported at worksheet “G-5 Australian CTM” and the sales volumes reported at worksheet “B-2 Australian sales”.

RESPONSE:

There are opening stock at the beginning of the period and ending stock at the end of the period.

4. Describe how your company determines its volume of production for the goods, product mix of production and the factors that contribute to these decisions. How frequently are production volumes determined for the goods? How frequently is the product mix determined for the goods?

RESPONSE:

The production volumes are determined according to sales. There is no product mix for the goods.

5. What lead times are typically needed to adjust volumes of production for the goods?

RESPONSE:

The Company determines the production quantity according to the order, flexibly adjusts the delivery time according to the production schedule, and determines the subsequent order receiving capacity.

G-10 Capacity Utilisation

1. Please complete the worksheet named “G-10 Capacity Utilisation”.
 - You must provide this list in electronic format using the template provided.
 - If you have used formulas to complete this worksheet, these formulas must be retained.

RESPONSE:

Please see [Confidential Worksheet G-10 Capacity Utilisation](#).

2. Explain how the production capacity and capacity utilisation has been calculated.

RESPONSE:

The Company calculates capacity using the following formula:

[REDACTED]

Please note that the capacity utilisation calculation is for the subject goods and does not include non-subject goods that are produced at the same plant.

3. Do you have warehousing facilities for the goods? If no, what do you do with excess inventory? If yes:

RESPONSE:

Yes. The Company has internal finished product warehouse within the factory and outsourcing transfer warehouse.

- (a) What is the capacity of these facilities?
About [REDACTED]
- (b) What was the monthly amount of inventory maintained during the inquiry period?

Month	Inventory (ton)	Month	Inventory (ton)
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

(c) What is the average period of time that inventory is retained (describe how this is calculated)?

The normal average turnover period of finished products is [REDACTED] days.

4. Have there been any changes to the type of capital or technology utilised by your company in the manufacturing of the goods in the last five years? If yes, provide details.

RESPONSE:

[REDACTED]

5. For each plant capable of producing inputs that could be utilised to make the goods, provide the date that production facility came into operation and the production capacity of the plant over the past five years. The production capacity should be based on an actual production capacity, not a budgeted production capacity.

RESPONSE:

The Company does not have plant capable of producing inputs that could be utilised to make the goods.

6. List any significant investments in the past five years to either upgrade, refurbish or build any of the plants used in the production of the goods.

RESPONSE:

Please see [Confidential Exhibit G-10.6](#) for list of significant investments in the past five years.

SECTION H PARTICULAR MARKET SITUATION

Regarding the issue of whether a 'particular market situation' exists in the domestic market in China for the sale of railway, Masteel makes the following observations, namely, that insofar far as Masteel is aware:

- (a) for the purposes of section 269TAC(2)(a)(ii) of the *Customs Act 1901*, there are no facts or circumstances that would render domestic selling prices of railway wheels unsuitable for use in determining the normal value of exports of railway wheels by Masteel to Australia or preclude a proper comparison with the export prices of such exports;
- (b) the market for railway wheels in China is a competitive market where prices are set by market forces uninfluenced by the Government of China, either directly or indirectly, otherwise than is usual and typical for governments to influence industries and markets through government policies and regulation such as those that exist in Australia;
- (c) specifically, prices are negotiated and agreed between the seller and buyer in arm's length negotiations as is common commercial practice. While Masteel does have a pricing committee to oversee pricing, the purpose of such oversight is to ensure that Masteel products are sold profitably and meet, where possible and subject to market conditions, desired profit margins. The pricing committee undertakes its review of prices having regard to the usual commercial principles in negotiating and agreeing prices, including prevailing market conditions. Its decisions are not influenced by nor under the control or direction of the Government of China;
- (d) the prices of railway wheels sold by Masteel in China are negotiated at arm's length with its customer(s) and reflect market prices, as are its acquisition of raw materials and other manufacture inputs for the production of railway wheels, whether from related or unrelated companies;
- (e) the Government of China does not regulate the prices of railway wheels in China;
- (f) Masteel is not subject to the control or direction, either directly or indirectly, of the Government of China in the conduct of its business and the Government of China has not direct or indirect involvement in the conduct of Masteel's business;
- (g) policies and regulations of the Government of China affecting Masteel and the conduct of its business are those in the typical and proper role of governments such as those of Australian governments that regulate pricing in Australian markets, the establishment of companies and businesses in Australia, the regulation of access to and prices for resources in Australia such as land, water and energy, and the provision of subsidies to industries such as tax incentives, industry grants under various government programmes, and investment by sovereign funds in manufacturing industries including by the recently established National Reconstruction Fund;
- (h) the regulation of the establishment of companies and businesses in China and the conduct of their businesses are typical of such government regulation and not dissimilar to those of other countries including Australia where extensive regulation exists to regulate such activities.

For these reasons, as well as the answers to the questions in this Section, Masteel submits that a so-called 'particular market situation' does not exist in China and, in any event, the prices for railway wheels sold in domestic sales transactions are negotiated at arm's length with its customer(s) on a commercial basis without any influence or direction or control by the Government of China.

H-1 Reporting requirements

1. Describe generally all interaction that your business has with the Government of China at all levels, including (but not limited to):

- (a) reporting requirements

RESPONSE:

To Ma'anshan Economic and Technological Development Zone Taxation Bureau, provide:
Regularly report various taxes;

Quarterly financial statements and audit reports;

To State-owned Assets Supervision and Administration Commission (SASAC), provide:
Audit reports;

To statistical parameters of Ma'anshan:

Report the company's production and operation status, total production and sales value, main product production volume, financial status, energy purchase and consumption, inventory, etc. on a monthly basis.

- (b) payment of taxes

RESPONSE:

Masteel shall pay value-added tax, urban construction tax, education surcharge, local education surcharge, water conservancy fund, export tax rebate and other taxes to the Tax Bureau of Maanshan Economic and Technological Development Zone before the 15th day of each month, and shall pay property tax, land use tax, stamp duty, enterprise income tax, environmental protection tax and other taxes to the same tax bureau before the 15th day of each quarter.

- (c) senior management representation within your business

RESPONSE:

The senior management representation within Masteel's business is

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

RESPONSE:

Masteel is supervised by its parent company. The parent company is supervised by SASAC. The duties and supervision duties of investors of state-owned assets are derived from the State's uniform ownership of state-owned assets, in which investors' duties are based on the relationship of capital contribution and are basically consistent with shareholders' rights under civil and commercial laws;

The supervision and administration duties of the SASAC include basic administration of the state-owned assets of enterprises, formulation of relevant rules and systems on supervision and administration of state-owned assets, guidance and supervision of the governments at a lower level on administration of the state-owned assets, etc.

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

RESPONSE:

Government of China does not participate in the company's operations and production. This question is not applicable.

- (f) licensing

RESPONSE:

The business license is issued by Ma'anshan Market Regulatory Administration.

- (g) restrictions on land use

RESPONSE:

The company's land use must be approved by the Land and Resources Bureau of Ma'anshan Economic and Technological Development Zone.

- (h) provision of loans or

RESPONSE:

The government did not provision of loans to the company, this question is not applicable.

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

RESPONSE:

Please see [Confidential Exhibit H-14.2](#) for the grants, awards or other funds.

H-2 Business structure, ownership, and management

1. Indicate whether your company is a state-owned or state-invested enterprise (SIE)

- A state-owned enterprise refers to any company or enterprise that is wholly or partially owned by the Government of China (either through direct ownership or through association).

RESPONSE:

Masteel is a state-owned enterprise.

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

RESPONSE:

Masteel only has one shareholder of Maanshan Iron & Steel Company Limited. The company does not have a shareholders' meeting, only a board of directors. The members of the company's board of directors are as follows:

[REDACTED]

Please see [Confidential Exhibit A-2.5\(b\)](#) for the list of all related companies.

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

RESPONSE:

S.N.	Name	Related companies
1	[REDACTED]	[REDACTED]
2	[REDACTED]	[REDACTED]
3	[REDACTED]	[REDACTED]
4	[REDACTED]	[REDACTED]
5	[REDACTED]	[REDACTED]

4. 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 Government of China (at any level, from any agency, party, or otherwise associated entity, including SASAC)? If yes, identify the individuals, their role on that Board and their affiliation with the Government of China.

RESPONSE:

The company does not have the situation described in the question; this question is not applicable.

5. 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 yes, identify their name and title and indicate their position at the board level.

RESPONSE:

The company does not have the situation described in the question; this question is not applicable.

6. Does your company have a committee of the Communist Party of China? If yes, provide details including the members and the role of the committee.

RESPONSE:

The company has a basic committee of the CPC, [REDACTED] the list of members is as follows:

[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

7. 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 Government of China? If yes, identify any relevant government department(s) they are affiliated with.

RESPONSE:

The company does not have the situation described in the question; this question is not applicable.

8. Do any of your board of directors/officers hold a position in the Communist Party of China. If yes, provide details.

RESPONSE:

The company's board of directors/senior staff only serve on the basic committee of the CPC, please see Question H-2.6.

9. 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 Government of China
 - employees of your business
 - foreign investors or
 - other (please specify)

RESPONSE:

Masteel only has one shareholder of Maanshan Iron & Steel Company Limited. Maanshan Iron & Steel Company Limited is a state-owned enterprise.

10. Provide your company's articles of association.

RESPONSE:

Please see [Confidential Exhibit H-2.10](#) for the articles of association.

11. Provide the details of any significant changes in the ownership structure of your business over the last five years.

RESPONSE:

The company does not have the situation described in the question; this question is not applicable.

12. Identify any positions within your business that are appointments or designated to act on behalf of Government of China authorities.

RESPONSE:

The company does not have the situation described in the question; this question is not applicable.

13. 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.

RESPONSE:

The company does not have the situation described in the question; this question is not applicable.

14. 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.

RESPONSE:

The company is not a publicly-traded company.

The company does not have the situation described in the question; this question is not applicable.

15. Provide the monthly trading volume and average monthly trading price of your listed security over the period.

RESPONSE:

The company is not a publicly-traded company.

The company does not have the situation described in the question; this question is not applicable.

16. Who can reward, fire or discipline your business' senior managers?

RESPONSE:

The board of directors of the company can reward, fire or discipline the senior managers of the company's business.

17. Do any of your company's senior managers hold positions in any Government of China departments or organisations, associations, or Chambers of Commerce? If yes, describe the nature of these positions.

RESPONSE:

Yes, see confidential table below.

	██████	██████	██████
		██████	██████
		██████	██████
	██████	██████	██████
		██████	██████
		██████	██████

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

RESPONSE:

MaSteel 's marketing centre has a price review committee.

Price Review Committee is not a permanent department, but the members are relatively fixed, and they are convened to discuss prices when necessary.

S.N.	Position	Name	Position
1	Team Leader		
2	Team Deputy leader		
3	Member	Non fixed	The main leaders of the marketing centre, planning department, finance department, audit and inspection department, manufacturing department, and technology and quality department (technical centre)

H-3 Licensing

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

RESPONSE:

Please see [Confidential Exhibit H-3.1](#) for the business license.

2. Identify the Government of China departments or offices responsible for issuing the license(s).

RESPONSE:

The business license is issued by Ma'anshan Market Regulatory Administration.

3. Describe the procedures involved in applying for the license(s).

RESPONSE:

The procedure is similar as in other countries such as Australia as it involves:

- 1) Provide the company's articles of association, shareholder qualification documents, appointment documents of the company's legal representative, directors, supervisors, and executives, documents for the use of the company's domicile, and company registration (filing application).
- 2) Apply for company name approval.
- 3) Register with Ma'anshan Market Regulatory Administration in the company's location.

4. Describe any requirements or conditions that must be met to obtain the license(s).

RESPONSE:

The requirements/conditions are similar as in other countries such as Australia as they consist of the following:

- 1) Provide the company's articles of association, shareholder qualification documents, appointment documents of the company's legal representative, directors, supervisors, and executives, documents for the use of the company's domicile, and company registration (filing application).
- 2) Company name approved.

5. Describe and explain any restrictions imposed on your business by the business license(s).

RESPONSE:

The company shall not exceed the business scope of the business license.

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

RESPONSE:

Similar to other countries, there are sanctions for conducting a business outside of that which is lawfully permitted. They are:

Article 63, Paragraph 1 (4) and Paragraph 2 of the Implementation Rules of the Regulations on the Administration of Enterprise Registration:

Those who engage in business activities beyond the approved registered business scope or mode of operation shall be given a warning based on the severity of the circumstances, their illegal gains shall be confiscated, and a fine of not more than three times the illegal gains shall be imposed, but the maximum amount shall not exceed CNY30000. If there are no illegal gains, a fine of not more than CNY10000 shall be imposed.

Those who violate other relevant national regulations and engage in illegal business operations shall be ordered to suspend business for rectification, their illegal gains shall be confiscated, and a fine of not more than three times the number of illegal gains shall be imposed, but the maximum amount shall not exceed CNY30000. If there are no illegal gains, a fine of not more than CNY10000 shall be imposed; If the circumstances are serious, the business license shall be revoked.

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

RESPONSE:

According to Article 110 of the Civil Code, the company has the following rights:

- 1) Personal rights such as the right to name, reputation, and honour.
- 2) The company enjoys property rights, creditor's rights, and intellectual property rights.
- 3) Other civil rights and interests stipulated by law.

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

RESPONSE:

Similar to other countries, authorisations for the conduct of a business may be revoked where the business has engaged in unlawful activities. In China, the Administration for Industry and Commerce has the power to impose administrative penalties on illegal enterprises by revoking their business licenses.

Enterprises may have their business licenses revoked when they engage in the following illegal activities.

- 1) Obtaining the registration of a company by falsely declaring the registered capital, and the circumstances are serious;
- 2) Obtaining the registration of a company by submitting false materials or concealing important facts by other deceptive means, and the circumstances are serious;
- 3) A company fails to start its business without justifiable reasons more than six months after its establishment, or suspends its business for more than six consecutive months after it starts its business;
- 4) When any registered item of a company alters, failing to go through the relevant alteration registration in accordance with the Regulations; Engaging in relevant business operations without approval when the alteration of business scope involves items that shall be examined and approved as prescribed by laws, administrative regulations or decisions of the State Council and the circumstance is serious;
- 5) Forging, altering, renting, lending or transferring its business license, and the circumstance is serious;
- 6) An agency undertaking asset assessment, capital verification or authentication provides false materials;
- 7) An agency undertaking asset assessment, capital verification or authentication provides reports with major omissions due to negligence, and the circumstance is serious;
- 8) Persons who use the name of the Company to engage in serious illegal acts that compromise national security and social public interest.

H-4 Decision-making, planning and reporting

1. Provide a description of your business' decision-making structure in general and in respect of the goods. This should identify the persons or bodies primarily responsible for deciding:
 - a. what goods are produced
 - b. how the goods are produced
 - c. how levels of inputs such as raw materials, labour and energy are set and secured
 - d. how the use of your outputs, such as product mix, is determined and
 - e. how your business' profit is distributed.

RESPONSE:

Marketing Department arranges a monthly meeting to make plans for production and sales. Manufacturing Department is responsible for decisions regarding which product is to be produced

and how to produce. Purchasing Department, factories, and Power Control Department focuses respectively on raw materials, labours and power.

The structure of product range will be adjusted based on the market situation and economic benefits. The board of directors is responsible for formulating profit distribution proposals, and the Shareholders' General Meeting is responsible for considering and approving the profit distribution plan.

2. Provide a description of any Government of China input into the decision-making process respecting your manufacture, marketing, and sale of the goods.

RESPONSE:

Government of China does not participate in the company's operations and production. This question is not applicable.

3. Provide a list of all government departments/offices that are involved, either directly or indirectly, in your manufacture, sale or purchase of the goods.

RESPONSE:

Government of China does not participate in the company's operations and production. This question is not applicable.

4. List and describe all reports that must be submitted to the Government of China periodically by your company and identify the government department/office where each report is filed.

RESPONSE:

The company submits audit reports to the tax bureau and SASAC every year.

5. 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.

RESPONSE:

Please see [Exhibit H-4.5](#) for the last two Provincial Five Year Plans.

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

RESPONSE:

Please see [Confidential Exhibit H-4.6](#) for Five Year Plans of the company.

7. Provide copies of the minutes of your Board of Directors and Board of Shareholders meetings over the period.

RESPONSE:

The company does not have a shareholders' meeting, so there are no shareholders' meeting minutes.

Please see [Confidential Exhibit H-4.7](#) for the Minutes of Board Meeting.

8. Provide copies of the notes to company meetings where pricing decisions on the goods under consideration have been made over the period.

RESPONSE:

Please see [Confidential Exhibit H-4.8](#) for the pricing meeting minutes of this product.

H-5 Financial and investment activities

1. Is your business debt funded? If yes, provide a list of all major lenders.

RESPONSE:

In the past 5 years, the company has [REDACTED] The loan is on commercial terms.

2. What is the rate of interest paid by your business on all debt instruments over the last 5 years?

RESPONSE:

In the past 5 years, the company has [REDACTED] The loan interest rate is a [REDACTED].

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

RESPONSE:

No, the company has not 'benefitted' or received 'concessional interest rates' loans.

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

RESPONSE:

No, not applicable.

5. Does your business have policies on how cash reserves are to be invested? If yes, provide details.

RESPONSE:

No, not applicable.

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

RESPONSE:

No, not applicable.

H-6 Government policy on the industry

1. Are there any Government of China opinions, directives, decrees, promulgations, measures, guidelines etc. concerning industry of the goods that were put in place or operating during the period? If yes, please provide:
- copy of the documentation and a translation in English
 - documentation concerning the Government of China or any association of the Government of China's notification of the measures concerning the goods to your company during the period.

RESPONSE:

Government of China has not issued any relevant announcements. This question is not applicable.

2. Provide information concerning the name of any Government of China departments, bureaus, or agencies responsible for the administration of all Government of China measures concerning the industry of the goods in the regions, provinces or special economic zones where your company is located, including contact information regarding the following areas:

The names of government departments and agencies are available at the Government of China's government website [<https://wap.miit.gov.cn/>]. The Chinese government does not regulate a certain/specific industry or product.. The answer to this question is basically applicable to all enterprises, not just the company – that is the Government of China and its agencies are responsible for the administration of government policies and regulations affecting companies and their business – same as for Australia..

- industrial policy and guidance on the industry

RESPONSE:

Publish relevant information on the website of the Ministry of Industry and Information Technology.

- market entry criteria for the industry

RESPONSE:

The company has not received any documents regarding the title issued by the government of China.

- environmental enforcement for the industry

RESPONSE:

Ma'anshan Ecological Environment Bureau.

- management of land utilization

RESPONSE:

Ma'anshan Natural Resources and Planning Bureau.

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- the China Banking Regulatory Commission for the industry
RESPONSE:
State Administration of Financial Supervision and Administration.
- investigation and inspection of expansion facilities
RESPONSE:
If the company builds a new factory project, it will be considered and approved by the Natural Resources and Planning Bureau of Ma'anshan City if it complies with necessary conditions and requirements..
- the section in the National Development and Reform Commission that is responsible for the industry and
RESPONSE:
Development and Reform Commission of Ma'anshan City.
- import licensing for raw materials relating to the goods under consideration.
RESPONSE:
The company does not import raw materials for subject products and is not familiar with the relevant processes.

3. Describe any role your company plays in the development of government's industrial plans and/or policies at all levels of government. For example, does your company provide information for, or request inclusion in, any plans, policies, or measures?

RESPONSE:
The company does not have the situation described in the question; this question is not applicable.

4. Does your company provide information relating to assessments of the implementation of the plan, policy, or measure?

RESPONSE:
The company does not have the situation described in the question; this question is not applicable.

5. Has the Government of China designated your company and/or industry as "pillar," "encouraged," "honourable," or any other designation? If yes, please answer the following questions.

a. Explain the purpose of these designations, the criteria for receiving any such designation, and the benefits or obligations that arise from each such designation.

RESPONSE:
The company's main designation are as follows:

S.N.	1	2
Designations	2022-Demonstration enterprise of single champion in the manufacturing industry	2022-Customs AEO Advanced Certification Qualification Enterprise
Purpose	Encourage enterprises to optimize their operations and production.	
Criteria	Please see Exhibit H-6.5a .	
Benefits	1. Enhance corporate awareness and brand influence. 2. Enhance market competitiveness and innovation capabilities.	1. Enhance corporate awareness and brand influence. 2. Enhance market competitiveness and innovation capabilities. 3. Obtain the fastest customs clearance service for establishing AEO mutual recognition countries and regions with China
Obligations	No obligation	

b. Is there any connection between these designations and five-year plans or other industrial and/or economic policies or administrative measures?

RESPONSE:
No.

- c. Describe any instances in which your company cited Government of China plans, policies, or measures as support for receiving the financing that you report.

RESPONSE:

2022-Demonstration enterprise of single champion in the manufacturing industry. This designation received a reward of [REDACTED] from the Anhui Provincial Government and [REDACTED] from the Ma'anshan Municipal Government.

H-7 Taxation

- 1. Were there any export taxes on the exports of the goods during the period?

RESPONSE:

During the investigation period, the value-added tax rate of the subject product was 13%, and the export tax was fully refunded.

- 2. What was the value-added tax rebate applicable to exports of the goods during the period?

RESPONSE:

During the investigation period, the value-added tax rate of the subject product was 13%, and the export tax was fully refunded.

- 3. Have there been any changes to the value-added tax rebate applicable to exports of the goods in the last 5 years? If yes, provide:

- a. a detailed chronological history of the value-added tax rebate rates

RESPONSE:

Start time	End Time	Value-added tax	VAT rebate rates
May 1, 2018	March 31, 2019	16%	16%
April 1, 2019	Up to now	13%	13%

- b. products affected

RESPONSE:

The tax rate changes of the involved products are shown in the table above. The product models involved in the past five years include [REDACTED]

- c. the effective dates of the rate changes

RESPONSE:

The effective dates of the rate changes are shown in the table above.

- d. fully translated copies of any Government of China notices regarding these changes, including the relevant appendices.

RESPONSE:

Please see [Exhibit H-7.3d](#) for the announcement of changes in tax rates.

- 4. What is the general tax rate for enterprises (also referred to as the company or corporate tax rate) during the previous two financial years?

RESPONSE:

In the past two financial years, the company's corporate tax rate was [REDACTED].

- 5. Did your company pay less than the general tax rate for enterprises referred to in question H-7.4? If yes:

- a. What tax rate did your company pay?
- b. What is the name of the authority granting your company the reduced tax rate?
- c. What is the eligibility criteria to benefit from the reduced tax rate?
- d. Provide details of the application process
- e. Provide a copy of the blank application form. If the documents are not in English, please provide a translation of the documents.
- f. Provide a copy of your company's completed application form, including all attachments to the application form. If the documents are not in English, please provide a translation of the documents.

- g. Provide a copy of any confirmation or other correspondence from the authority approving your company for the reduction in tax rate. If the documents are not in English, please provide a translation of the documents.
- h. Outline the fees charged to, or expenses incurred by your business for purposes of receiving the program.
- i. Provide a copy of your company's annual tax return for the last three financial years. If the documents are not in English, please provide a translation of the documents.
- j. Provide proof of your company's tax payments to your tax authority over the last three financial years, including any progress payments made and related forms submitted to reconcile the annual tax return.

RESPONSE:

The company's corporate tax rate has not changed, and this question is not applicable.

6. Are you aware of any tax changes being planned that would impact the industry?

RESPONSE:

The company is not aware of the planned tax policy changes, and this question is not applicable.

7. Did your company incur operating losses during the last 5 years? If yes, provide details in relation to any operating losses incurred in business units involved in the manufacture and sales of the goods and/or upstream inputs.

RESPONSE:

In the past 5 years, the company has not operated at a loss.

H-8 Sales terms

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

RESPONSE:

The senior management representation is Yang Wenwu who manages the sales terms, prices and other contract provisions for the sale of the goods.

2. Explain how the selling prices of the goods under consideration by your business are determined, including any Government of China involvement in your business' pricing decisions, and indicate if the goods are subject to Government of China direct or indirect pricing or government guidance pricing.

RESPONSE:

MaSteel 's marketing centre has a price review committee. The committee reviews pricing according to commercial factors such as the following:

The technical centre calculates production costs based on factors such as raw material prices, technical standards, and production technology.

The price review committee determines the sales price based on factors such as production costs, market supply and demand, interest, profits, etc.

Government of China has not implemented relevant measures.

Government of China does not participate in the pricing of the company's products, and there is no government guidance pricing.

3. Does your business coordinate the selling prices or supply of the goods with other domestic producers or any Government of China departments? If yes, provide details.

RESPONSE:

The Price Review Committee determines the sales price based on commercial factors such as production costs, market supply and demand, interest, profits, etc.

Government of China does not participate in the pricing of the company's products.

The pricing process of the company is kept confidential and does not communicate pricing with other domestic manufacturers.

4. Explain whether your business provides information or data to the Government of China, other government officials or commercial/industry organisations, including those outside of China, which report on the industry.

RESPONSE:

To State-owned Assets Supervision and Administration Commission (SASAC):

OFFICIAL: PUBLIC RECORD

Audit reports;

To statistical parameters of Ma'anshan:

Report the company's production and operation status, total production and sales value, main product production volume, financial status, energy purchase and consumption, inventory, etc. on a monthly basis.

- 5. Explain whether your business provides price data to any other person at the provincial, regional, or special economic zone level of government.

RESPONSE:

The pricing process of the company is kept confidential. The company does not provide price data to any other person at the provincial, regional or special economic zone level of government.

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

RESPONSE:

Government of China does not participate in the company's operations and production. The company does not have the situation described in the question; this question is not applicable.

- 7. Explain whether your business has encountered any other restrictions, limitations, or other considerations imposed on your business.

RESPONSE:

Government of China does not participate in the company's operations and production. The company does not have the situation described in the question; this question is not applicable.

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

RESPONSE:

The company does not have access to this information.

- 9. Does your business have a pricing committee in respect of the goods? If yes, provide the names and positions of all members of the committee.

RESPONSE:

MaSteel 's marketing centre has a price review committee.

Price Review Committee is not a permanent department, but the members are relatively fixed, and they are convened to discuss prices when necessary.

S.N.	Position	Name	Position
1	Team Leader	████████	Vice Senior President
2	Team Deputy leader	████████	Vice Senior President
3	Member	Non fixed	The main leaders of the marketing centre, planning department, finance department, audit and inspection department, manufacturing department, and technology and quality department (technical centre)

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

RESPONSE:

MaSteel 's marketing centre has a price review committee. Please see previous response.

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

RESPONSE:

Please refer to Question H-8.9 for the list of price review committees.

- 12. If you have production facilities of the goods in more than one region and/or province, are the laws and regulations in each region the same with respect to pricing of the goods? If no, provide details on the differences.

RESPONSE:

The company only produces subject products at one factory, located at No. 1799 Tianmen Avenue, Ma'anshan City, Anhui Province, China. This question is not applicable.

H-9 Industry associations

1. Is your business a member of any business or industry associations? If yes, explain your business' relationship with the association and the involvement of the Government of China with the associations.

RESPONSE:

S.N.	1	2
Association	China Urban Rail Transit Association	China Construction Machinery Industry Association
Role	Member	Co-organizer

2. If your business is a member of an industry association, indicate whether this membership is voluntary or compulsory. Explain the functions that the association provides for your business. Explain in detail the role of the association with respect to the directives as provided by the Government of China concerning the industry.

RESPONSE:

S.N.	1	2
Association	China Urban Rail Transit Association	China Construction Machinery Industry Association
Management requirements	Voluntary	Voluntary
Role	Member	Co-organizer
Functions	Participate in seminars, exchange meetings, and other activities organized by the association; Engage with industry experts; Theme training; Utilize the association's multimedia platform for promotion and obtain the latest and most authoritative statistical data from the association; Provide consulting services in the field of urban rail transit; Track the development trends of urban rail transit abroad in China, and assist member units in introducing advanced technology and management experience from abroad.	Promote the development of China's construction machinery industry, safeguard the legitimate rights and interests of members, reflect their wishes and requirements, and coordinate internal relationships within the industry.

H-10 Statistics submission/recording

1. Indicate if your business makes submissions 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.

RESPONSE:

To statistical parameters of Ma'anshan:

Report the company's production and operation status, total production and sales value, main product production volume, financial status, energy purchase and consumption, inventory, etc. on a monthly basis. Similar to provision of information to Australian Bureau of Statistics and Australian government departments.

2. 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.

RESPONSE:

The information submitted by the company to the Bureau of Statistics does not include specific data on sales, production, and costs.

Please see [Confidential Exhibit H-10.2](#) for the information table template.

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

RESPONSE:

The information submitted by the company to the Bureau of Statistics does not require approval.

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

RESPONSE:

The information submitted by the company to the Bureau of Statistics has no feedback.

H-11 Production/output

1. Is any part of your production subject to any national/regional industrial policy or guidance? If yes, provide details including a background of the policy/guidance and explain any restriction imposed by the policy/guidance. To what extent are any of the policies/guidelines applicable to your business?

RESPONSE:

Government of China does not participate in the company's operations, production and does not have government guidance documents, this question is not applicable.

2. Where applicable, how did your business respond to the policies/guidelines?

RESPONSE:

Government of China does not participate in the company's operations, production and does not have government guidance documents, this question is not applicable.

3. Provide details regarding any other restrictions (e.g., geographic/regional, downstream, end use, etc.) to the sale of the goods and/or like goods that has been placed upon, or may be imposed, by the Government of China on your business.

RESPONSE:

Government of China does not participate in the company's operations, production and does not have government guidance documents, this question is not applicable.

4. Provide a list of all your domestic customers of the like goods or products of the same product type. Include the location (city and province) of the customer and indicate whether each customer is an SIE.

RESPONSE:

The company has only one customer in the domestic market, [REDACTED], which is a state-owned enterprise. The customer is located in [REDACTED]

5. Are there any restrictions and/or conditions in relation to the quality or quantity of the production of the goods or steel inputs placed upon your business? If yes, provide details.

RESPONSE:

The company determines the quality standards of the products based on the Product Technical Agreement signed with the customer and determines the quantity of production based on the Sales Contract.

Please see [Confidential Exhibit H-11.4](#) for a sample Product Technical Agreement.

Please see [Confidential Exhibit D-3.1](#) for the Sales Contract.

6. Does your business require an export licence? If yes, provide details.

RESPONSE:

Please see [Confidential Exhibit H-11.6](#) for the Registration Form for Filing of Foreign Trade Operators.

It should be noted that this document has been discontinued since December 30, 2022, and export business does not require an export license.

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

RESPONSE:

The company does not have the situation described in the question; this question is not applicable.

8. Have there been any changes to your production capacity over the last 5 years for the goods or steel inputs used in the production of the goods? If yes, provide details.

RESPONSE:

The Company determines the capacity according to annual production plan.

[REDACTED]

	2019(piece)	2020(piece)	2021(piece)	2022(piece)	POI (piece)
Capacity of subject product	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

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

RESPONSE:

The company does not have the situation described in the question; this question is not applicable.

H-12 Adding capacity and/or joint ventures

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

RESPONSE:

Not applicable. The company has not entered into joint ventures nor added production capacity.

2. 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.

RESPONSE:

The government has no right to request modifications in the terms of adding capacity and/or joint ventures.

H-13 Raw materials

1. Are any of the suppliers related or affiliated with you? If yes, provide details.

RESPONSE:

The supplier of the main raw material steel billet is Ma'anshan Iron & Steel Company Limited. Ma'anshan Iron & Steel Company Limited is the parent company that holds 100% of the company's shares.

2. Do you purchase from SIEs? If yes, provide details.

RESPONSE:

Ma'anshan Iron & Steel Company Limited is a state-owned enterprise.

3. If your supplier is based outside China, what import duty rate is applied on the raw materials?

RESPONSE:

The company did not have imported raw materials.

4. Is there a price difference in purchase price for raw materials between your suppliers? If yes, provide a detailed explanation.

RESPONSE:

The company only has one supplier of steel billet, Ma'anshan Iron & Steel Company Limited.

5. Describe in detail your business' purchase procedures of the raw materials, the considerations in selecting a supplier and how the price of the raw materials is determined between you and your suppliers. If it is by tenders, provide details of the criteria/conditions.

RESPONSE:

The procurement process is as follows

[REDACTED]

Please see [Confidential Exhibit G-7.7](#) for explanation on how the transfer price of the raw material is set and supporting evidence.

6. Explain whether your business has been subjected to any direct or indirect price guidance or controls by the Government of China during the period, with respect to raw material inputs.

RESPONSE:

Government of China does not participate in the company's operations and production. The company does not have the situation described in the question; this question is not applicable.

7. If any of your raw materials for the goods and/or like goods are imported by your business, or related businesses:

- a. Provide details including a description of the raw material imported, the supplier and country of origin.
- b. Explain the process required to import the raw materials (e.g., obtaining an import licence, import declarations).
- c. Provide details of any conditions to importing the raw materials (e.g., customs and/or quarantine).
- d. Are you eligible for a duty drawback? If yes, provide details.

RESPONSE:

The company and related businesses do not have imported raw materials used for the production of the goods.

The main raw material for steel billets is the self-produced products of supplier Ma'anshan Iron & Steel Company Limited.

8. Do you, or a business associated with you, sell any of the raw materials used to manufacture the goods and/or like goods, or sell the semi-processed goods?

- a. Please provide a description of the raw material or semi-processed goods which are sold, including whether they are domestic or export transactions, to related or unrelated parties, and how the selling price is determined.

RESPONSE:

The company does not sell the raw materials used to manufacture the goods and/or like goods, or sell the semi-processed goods.

The supplier of the company's steel billets is affiliated company Ma'anshan Iron & Steel Company Limited, which sells raw materials for the goods - steel billets.

Ma'anshan Iron & Steel Company Limited has no unaffiliated procurement customers and cannot be compared. This question is not applicable.

- b. If there is a difference in selling prices between related and unrelated parties, please provide reasons as to why.

RESPONSE:

Ma'anshan Iron & Steel Company Limited has no unaffiliated procurement customers and cannot be compared. This question is not applicable.

H-14 Financial grants

1. Provide a copy of your company's non-operating income and/or other business income ledgers, extracted directly from your accounting system, for the period covering the period plus the 2 preceding years.

RESPONSE:

Please see [Confidential Exhibit H-14.1](#) for the ledgers.

2. Did your company receive any grants (or any other financial contribution) from any level of government during the period plus the two preceding years?

If yes, for each grant received:

- a. What is the name of the grant?

RESPONSE:

Please refer to [Confidential Exhibit H-14.2](#).

- b. What is the name of the authority providing the grant?

RESPONSE:

Please refer to [Confidential Exhibit H-14.2](#).

- c. What is the eligibility criteria to receive the grant?

RESPONSE:

Please refer to [Confidential Exhibit H-14.2](#).

- d. Is the grant directly related to the production and/or sales of the goods under consideration (railway wheels), export sales to Australia and/or export sales generally?

RESPONSE:

Please refer to [Confidential Exhibit H-14.2](#).

- e. Provide details of the application process.

RESPONSE:

The company prepares relevant documents according to different policies and uploads application materials through the "Ma'anshan Huiqitong Service Platform" or directly delivers the application materials to government departments offline. The government department directly transfers the approved subsidies to the account submitted by the company in the application documents.

- f. Provide a copy of the blank application form. If the documents are not in English, please provide a translation of the documents.

RESPONSE:

Please refer to [Confidential Exhibit H-14.2f](#).

- g. Provide a copy of your company's completed application form, including all attachments to the application form. If the documents are not in English, please provide a translation of the documents.

RESPONSE:

The company submitted one set of documents as a sample.

Please refer to [Confidential Exhibit H-14.2g](#).

- h. Provide a copy of any confirmation or other correspondence from the authority approving the grant. If the documents are not in English, please provide a translation of the documents.

RESPONSE:

The government department directly transfers the approved subsidies to the account submitted by the company in the application documents. Government departments do not issue confirmation documents.

- i. Provide proof of payment of your company receiving the grant (e.g. bank statements).

RESPONSE:

The company submitted one document as a sample.

Please refer to [Confidential Exhibit H-14.2i](#).

- j. Provide a copy of the accounting journal entries relating to the grant.

RESPONSE:

The company submitted one document as a sample.

Please refer to [Confidential Exhibit H-14.2j](#).

- k. Outline the fees charged to, or expenses incurred by your business for purposes of receiving the grant.

RESPONSE:

No related fees.

H-15 Loans

It is our understanding that certain enterprises in China benefit from low (subsidised) interest rates from state owned commercial banks (SOCB) and government banks in accordance with the Government of China's policy to support and develop the expansion of the Chinese steel industry.

If your business or any company/entity related to your business received benefits under any such program during the period 1 July 2022 to 30 June 2023, please answer the following questions.

1. Provide a general overview of how your company secures necessary financial resources on the financial market (e.g. loans, issuance of bonds etc.).

RESPONSE:

In POI, the company has [REDACTED], the lender is [REDACTED]. The loan interest rate is [REDACTED]

- Provide a list of all the loans provided to your company from banks and financial institutions which have not been fully repaid by the end of the period.

RESPONSE:

As of the end of the period, the company [REDACTED] that has not yet matured, with [REDACTED], and the bank is [REDACTED].

- Provide specific details of the loan, including the start date of the loan, the principal amount of the loan, terms and conditions of the loan, purpose of the loan, the repayment terms/frequency, repayment amount, interest rate and interest type (e.g. fixed, variable etc.). If the loan has been redrawn any time during its duration, please provide the redraw date, amount and the reason for redraw.

RESPONSE:

As of the end of the period, the company still has [REDACTED] that has not yet matured, with a loan amount of RMB [REDACTED], and the bank is [REDACTED]. The loan is on commercial terms:

Start Time	[REDACTED]
End Time	[REDACTED]
Loan principal	[REDACTED]
Loan purpose	[REDACTED]
Repayment method	[REDACTED]
Interest rate	[REDACTED]

- Indicate whether each bank is Chinese or foreign-owned and give the percentage of government ownership of each bank (including ownership by entities owned or controlled by a government).

RESPONSE:

Please see confidential information below on shareholding of the bank.

[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

- In the case of each loan from government-owned or controlled, please explain the reason for borrowing from such a bank rather than a commercial bank. What are the differences in the terms and conditions of loans between the government and commercial banks?

RESPONSE:

The company has [REDACTED].
So, the company is not aware of the loan terms and conditions of other banks, including state-owned banks and commercial banks.

- Explain how the decisions to grant the loan or its conditions are dependent on the purpose of the loan and give details on the process your company went through to apply for the loan. Please provide detail on what conditions or criteria your company needed to fulfil to be granted the loan.

RESPONSE:

The company has [REDACTED].
The loan was applied for by the finance department and ultimately approved by the CEO's office before signing the agreement.
Please see Attachment 2 of **Confidential Exhibit H-15.6** for the bank's requirements for the financial condition of the company.

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

Note: If your company has more than one loan from same bank/financial institution which were not repaid by the end of the period and the loan agreements for these loans are standardised, it

is sufficient **at this stage** to provide an English translation for one of them only (e.g. If your company has multiple loans from one particular bank which only differ in amounts you only need to translate one of them into English for your questionnaire response. However it is necessary to translate all credit line agreements from which loans not repaid by the end of the period were drawn.

RESPONSE:

Please see [Confidential Exhibit H-15.6](#) for the loan agreement.

Please see [Confidential Exhibit H-15.7](#) for the loan application.

8. Please explain whether the granting of the specific loan is dependent on the link between the purpose of the loan and the goals specified in any government plan, policy or development program. Provide a copy of the laws, regulations, administrative guidelines and any other acts relevant for the operation of this lending with any subsequent amendments. Also include a copy of any governmental or development plan of which the scheme represents a direct implementation.

RESPONSE:

The company does not have the situation described in the question; this question is not applicable.

9. For each loan application, please explain the involvement of third parties such as government departments, local councils, party committees in the whole process since the application for the loan up to the decision whether the loan is granted or not.

RESPONSE:

The company does not have the situation described in the question; this question is not applicable.

10. For each loan, provide the information on guarantees for the loans provided to your company, if any. Identify all guarantors.

RESPONSE:

Please see previous response on loans to the company..

H-16 Other Programs

1. Provide a list of all the provinces in which you have business operations (including locations of factories, sales offices, or other places of business).

RESPONSE:

The company has three business premises as follows:

- 1) No. 1799 Tianmen Avenue, Ma'anshan City, Anhui Province, China.

This is the office and factory address of the company.

- 2) No. 700 Yinhuang East Road, Ma'anshan Economic and Technological Development Zone, Anhui Province, China.

This is the office and factory address of the branch company, which does not produce subject products.

- 3) Room 313-1705, 3rd Floor, Shanshui Building, No. 3 Gulou East Street, Miyun District, Beijing (Central Office Area of Yunchuanggu Economic Development Centre), China

This is the office address of the branch office.

2. Are you aware of any programs of the Government of China, any of its agencies or any other authorised body, that benefits manufacturers of the goods that have not been accounted for in this questionnaire? Provide the name of those programs you are aware of, even if your company is not eligible to receive benefit under the program.

RESPONSE:

Except for the above answers in section H, the company is not aware of any other projects, **and not aware of other questions of section H-16.**

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

4. Indicate the type of program, for example:

- the provision of grants, awards, or prizes
- the provision of goods or services at a reduced price (e.g., electricity, gas, 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

- any other form of assistance.

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

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

If the program terminated has been substituted for by another program, identify the program and answer all the questions in Part H-16 in relation to this program.

H-17 Electricity

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

RESPONSE:

The company purchases electrical energy to produce the subject products. No different to Comsteel purchase of energy to produce the subject products in Australia.

2. Provide details of your supplier(s) of electricity.
 - a. Are any of your suppliers related parties? Provide details.

RESPONSE:

The company's electricity supplier is

[Confidential commercial information redacted]





- b. Are any of your suppliers a SIE? Provide details.

RESPONSE:

The electricity supplier is a state-owned enterprise.

3. Did your business receive any reduction/reduced price for the purchase of electricity during the investigation period? If so, provide details of the reduction/reduced price and describe the eligibility criteria that your business had to meet in order to qualify for any reduction in the price paid for the electricity.

RESPONSE:

During the POI, electricity prices were not reduced.

4. Explain whether your business has been subjected to any direct or indirect price guidance or controls by the Government of China during the period, with respect to electricity inputs.

RESPONSE:

The company does not have the situation described in the question; this question is not applicable.

SECTION I DOMESTIC MARKET

In relation to whether 'market conditions' in the domestic market in China and in the domestic market in Australia are materially different in some unspecified way as to preclude a 'proper comparison' between the normal value of exports of railway wheels to Australia from China with their export prices, Masteel makes the following observations on that issue:

- (a) the market conditions in markets for the same goods in different countries will necessarily be different for a wide variety of reasons relating to the different economic circumstances of each country. However, those differences of themselves do not preclude a 'proper' comparison of normal values with export prices. Something more is required as was determined by the WTO Panel in *'Australia – Anti-Dumping Measures on A4 Copy Paper'* (WT/DS529/R) (4 December 2019);
- (b) regarding the questions in this Section concerning market conditions in the domestic market in China for the subject goods, those questions fail to take into account the product under investigation is not a commodity product but a highly engineered product with a particular application. Consequently, there are few manufacturers of that product either in China or in Australia and there are few customers (i.e., end-users) of that product either in China or Australia. Accordingly, the characteristics of the 'market' for such products reflects this and the features that would exist in, for example, consumer commodity markets, such as for A4 Copy Paper, do not exist in the markets for railway wheels. The questions in this Section I and in Section J do not seem to recognise this and appear to be based on addressing issues that may exist in a market for consumer commodity products. Hence they do not properly address the market characteristics where the product is a highly engineered product produced by a limited number of manufacturers with the skill and expertise to produce such products for a limited number of customers.

In this context, not only should the questions in this Section I but also those in Section J address why domestic selling prices in China or those of Masteel are unsuitable because they do not permit a proper comparison with the export prices of such exports due to different market conditions in China and Australia but also how and why an alternate method of determining the normal value does enable a proper comparison despite the existence of a 'particular market situation' and despite differences in the Australian and Chinese markets that preclude such a comparison

If you require details of Australian government programmes and policies regulating access to and prices of inputs to manufacture and subsidies and grants to manufacturers, please let us know as we have assumed that as the Anti-Dumping Commission is an agency within the Department of Industry it has access to and is aware of all such government policies and programmes.

In any event, similar to the situation in Australia, the number of producers of railway wheels in China as is the number of end-users of such railway wheels. Accordingly, as in Australia, the supply of railway wheels to a customer is through direct discussions and negotiations at arm's length. There is no control or direction by the Government of China over the conduct of those negotiations. Rather, they are conducted on a commercial arm's length basis free from government interference, whether directly or indirectly, including as to price.

It is evident from the information and evidence in this response to the Exporter Questionnaire It is further evident from the continued purchase of railway wheels by Masteel's customer(s), both in China and in Australia. The continue to purchase Masteel's railway wheels because of their quality, reliability and performance. That is, Masteel's railway wheels assist and enhance their Australian and Chinese customers businesses because of their quality, reliability and performance and, hence, those customers are willing to pay competitive market prices for those wheels.

There is, therefore, no need for the Government of China to be involved in the conduct of Masteel's railway wheel business or, for that matter, the railway wheel market in China. No reason has been advanced as to why the Government of China would seek to control or direct the supply of railway wheels by producers in China, especially when producers such as Masteel are producing high quality,

reliable railway wheels that meet customer requirements in China and Australia at competitive market prices.

For these reasons, as well as the answers to the specific questions, below, Masteel submits that there is no basis for normal values based on domestic selling prices in China would not provide for a 'proper' comparison with export prices of exports of railway wheels to Australia.

I-1 Prevailing conditions of competition in the domestic market

1. Describe the domestic market for the goods and the prevailing conditions of competition within the market, including:

- (a) Provide an overall description of the domestic market which explains its main characteristics and trends over the past five years

Response:

The company sold the goods to domestic customer in domestic market for ore car manufacturing. The demand and intend of the product were influenced by the demand of ore car in Australia.

- (b) Provide the sources of demand for the goods in the domestic market, including the categories of customers, users or consumers of the product

Response:

The domestic end-user did not have demand for this product. The company sold to the goods to domestic customer as railway wheels in ore car.

The sales flows as below:

[REDACTED]

- (c) Provide an estimated proportion (%) of sales revenue from each of those sources of demand listed in (b)

Response:

[REDACTED]

- (d) Describe the factors that influence consumption/demand variability in the domestic market, such as seasonal fluctuations, factors contributing to overall market growth or decline, government regulation, and developments in technology affecting either demand or production

Response:

Demand for the subject goods depends upon (i) the production of new railway wagons requiring railway wheels and (ii) the wear and tear of existing railway wheels requiring replacement. It is no different from demand for railway wheels in Australia.

- (e) Describe any market segmentations in the domestic market, such as geographic or product segmentations

Response:

Not applicable.

- (f) Provide an estimated proportion of sales revenue from each of the market segments listed in (e)

Response:

This question is not applicable for the company. See above.

- (g) Describe the way in which domestically produced goods and imported goods compete in the domestic market

Response:

The company is not aware of import competition in the domestic market.

- (h) Describe the ways that the goods are marketed and distributed in the domestic market and

Response:

For sales distribution in the domestic market, please refer to the answer in question I-1.1(b).

- (i) Describe any other factors that are relevant to characteristics or influences on the domestic market for the goods.

Response:

The company does not understand this question – what are the ‘characteristics’ and ‘influences’ in the domestic market being referred to in the question? Please clarify.

Provide documentary evidence to support the responses made to questions 1(a) to (i).

2. Provide a diagram which describes the domestic market structure for the goods, ensuring that all categories of participants are included. In this diagram use linkages to illustrate the different levels of trade and distribution channels within the domestic market.

Response:

The company sales flows as below:



3. Describe the commercially significant market participants in the domestic market for the goods at each level of trade over the period. Include in your description:
- names of the participants
 - the level of trade for each market participant (e.g., manufacturer, reseller, original equipment manufacturer (EOM), retailer, corporate stationer, importer, etc.)
 - a description of the degree of integration (either vertical or horizontal) for each market participant and
 - an estimation of the market share of each participant.

Response:

Masteel did not have access to such information.

4. Identify the names of commercially significant importers in the domestic market for the goods over the period and estimate their market share. Specify the country each importer imports from and their level of trade in the domestic market, if known.

Response:

Masteel did not have access to such information.

5. Describe the regulatory framework of the domestic market for the goods as it relates to competition policy, taxation, product standards and the range of the goods. Provide a copy of any regulation described, if available.

Response:

There was no regulatory framework of the goods in domestic market. Masteel does not understand this question. What ‘regulatory framework’ is being referred to in the question? Please clarify.

6. Describe any entry restrictions for new participants into the domestic market for the goods. Your response could include information on:
- resource ownership
 - patents and copyrights
 - licenses
 - barriers to entry
 - import restrictions and
 - government regulations (including the effect of those government regulations).

In responding to question 6 ensure that relevant regulations are referenced.

Response:

There is no entry restriction for new participants into the domestic market or, at least, none that the company is aware of.

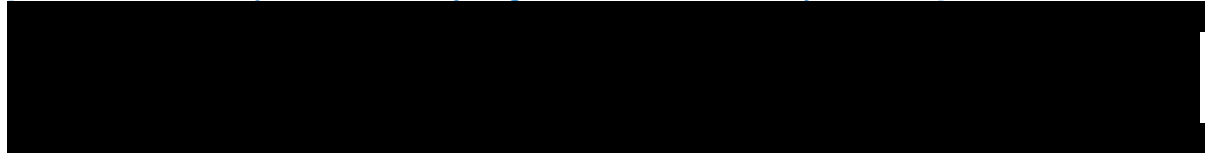
I-2 Goods in the domestic market

1. Generally, describe the range of goods offered for sale in the domestic market. The description should include all like goods, including those produced by your company. Your description could include information about:

- quality differences
- price differences
- supply/availability differences
- technical support differences
- the prevalence of private labels/customer brands
- the prevalence of generic or plain labels
- the prevalence of premium labels and
- product segmentation.

Response:

[Confidential description of the subject goods sold domestically redacted]



2. Describe the end uses of the goods in the domestic market from all sources.

Response:

The goods are used for railway wheels of railway wagon mineral ore carts.

3. Describe the key product attributes that influence purchasing decisions or purchaser preferences in the domestic market. Rank these preferences or purchasing influencers in order of importance.

Response:

The company considers the question is misconceived. The company does not consider purchasers rank the above factors in order of importance in making purchasing decisions. They and others are all of equal importance. However, the Company understands that factors of importance to purchasers are: 1. Brand reputation, 2. Technical capabilities, 3. Quality & Reliability, 4. Delivery time. See further submissions by Australian customers including Rio Tinto's submission on the public file.

4. Identify if there are any commercially significant market substitutes in the domestic market for the goods.

Response:

No, there's no market substitutes in the domestic market for the goods. It is not clear what is meant by 'commercially significant substitutes in the domestic market'. Substitutes for the subject goods? Why would such substitutes, if existing, be relevant if they are not 'like goods'? Please clarify.

5. Have there been any changes in market or consumer preferences in the domestic market for the goods in the last five years? If yes, provide details including any relevant research or commentary on the industry/sector that supports your response.

Response:

Railway wheels are not a commodity product but an engineered product that requires and undergoes continual technological improvement. The question is not clear. Please clarify.

I-3 Relationship between price and cost in the domestic market

1. Describe the importance of the domestic market to your company's operations. In your response describe:

(a) The proportion of your company's sales revenue derived from sales of the goods in the domestic market and



(b) The proportion of your company's profit derived from sales of the goods in the domestic market.

Please refer to Confidential Exhibit I-3.1(b)The profit proportion.

In responding to question 1 please provide evidence supporting calculations.

2. Is your organisation/business entity the price leader for the goods in the domestic market? If no, please explain the reasons behind your response and specify the name(s) of the price leaders.

Response:

No. The company does not know who is/are the price leaders in the domestic market.

3. Describe the nature of your product pricing (e.g., market penetration, inventory clearance, product positioning, price taker, price maker, etc.) and your price strategies (e.g., competition-based pricing, cost-plus pricing, dynamic pricing, price skimming, value pricing, penetration pricing, bundle pricing, etc.) in the domestic market. If there are multiple strategies applied, please rank these by importance. If there are different strategies for different products, please specify these. Provide copies of internal documents which support the nature of your product pricing.

Response:

Product pricing is based on the usual commercial factors governing pricing, namely, consideration of the costs to make and sell the product, market conditions, historical pricing, quantity of product being purchased, delivery timing, product quality requirement, product warranty, etc., and, ultimately, pricing is set in arm's length negotiations with the customer.

4. Explain the process for how the selling prices of the goods for the domestic market by your business are determined. Provide copies of internal documents which support how pricing is determined.

Response:

After the technical centre calculated the cost with added the profit, then reviewed by the Price Review Committee having regard to all other factors mentioned, it would issue a quotation to the customer for price negotiation. If accepted by the customer, a contract for the supply of the product would be signed; if the customer bargained with the price, the negotiated price would be reviewed again by the meeting, and the contract would be signed after passing the review. Obviously, negotiations with the customer would include such matters as specifications of the product being purchased, quality assurance, delivery requirements, warranties, payment terms, etc. These would all be taken into account in the negotiations as well as the pricing of the product – that is standard commercial basis for agreeing prices in sales with a customer.

5. How frequently are your domestic selling prices reviewed? Describe the process of price review and the factors that initiate and contribute to a review. Provide the names and positions of all persons involved.

Response:

The company calculated each order price followed the steps by the answer in last question.

Members and positions of Price Review Committee.

S.N.	Position	Name	Position
1	Team Leader	██████████	Vice Senior President
2	Team Deputy leader	██████████	Vice Senior President
3	Member		The main leaders of the marketing centre, planning department, finance department, audit and inspection department, manufacturing department, and technology and quality department (technical centre)

6. Rank the following factors in terms of their influence on your pricing decisions in the domestic market, with the most important factor ranked first and the least important factor ranked last:

- Competitors' prices
- Purchase price of raw materials
- Cost to make and sell the goods
- Level of inventory
- Value of the order
- Volume of the order
- Value of forward orders
- Volume of forward orders

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- Customer relationship management
- Supplier relationship management
- Desired profit
- Brand attributes
- Other [please define what this factor is in your response]

Response:

The company considers the question is misconceived. The company does not rank the above factors in order of importance in making pricing decisions. They and others are all of equal importance as the objective of the company is to produce and sell the subject goods profitably. To do so requires the above factors and others to be taken into account to ensure the company conducts its business profitably and will continue to be able to do so. To do otherwise would have adverse consequences for the business.

7. Describe the relationship between selling price and costs to make and sell in the domestic market. Does your company maintain a desired profit margin for the goods?

Response:

Selling prices are affected by production and sale cost. This will vary from time-to-time as costs of production vary overtime. This is no different from the position of Australian and other producers of products. The company understand that prices for products produced in Australia from steel and from aluminium rise and fall as the price of steel and aluminium rise and fall as found in dumping investigations in Australia into such products. Railway wheels are no different. Ultimately, as indicated earlier, the company maintains a desired profit margin for the subject goods.

8. Do you offer price reductions (e.g., commissions, discounts, rebates, allowances, or credit notes) in the domestic market? If yes, provide a description and explain the terms and conditions that must be met by the customer to qualify. Explain how the cost to make and sell are considered in establishing these price reductions. Provide copies of internal documents which support your claims in response to this question.

Response:

No, [REDACTED].

9. Do you offer bundled pricing in the domestic market? If yes, explain how the pricing for bundled sales is determined. Explain how the costs to make and sell are considered in establishing these bundled prices for the goods. Provide copies of internal documents which support your claims in response to this question.

Response:

No, [REDACTED].

10. Does the volume of sales to a customer or the size of an order influence your selling price in the domestic market? If yes, advise how volume is used to determine selling prices. Explain how the costs to make and sell are considered in establishing volume-based prices for the goods. Provide copies of internal documents which support your claims in response to this question.

Response:

Yes , the volume of sales to a customer influenced selling price in domestic market. Sales price was affected by cost , the quantity of orders for the same product is directly related to production and manufacturing costs. The greater the quantity, the lower of the production cost. Please refer to [Confidential Exhibit H-4.8](#).

11. Does your organisation/business entity use sales contracts in the domestic market? If yes:
(a) What proportion of your sales revenue would come from contracted sales versus uncontracted sales?

Response:

All are from contracted sales. Please clarify what is an “uncontracted sale”? How can there be a ‘sale’ without a ‘contract’?

- (b) Do you offer exclusivity contracts? If yes, what proportion of your sales revenue would come from exclusivity contracts?

Response:

No.

(c) How frequently are sales contracts renegotiated?

Response:

Each sales contract is negotiated order-by-order.

(d) How frequently are price reviews conducted between contracts?

Response:

They are reviewed, negotiated, and agreed order by order.

(e) Do you provide opportunities for price reviews for customers within contracts? If yes, provide a description of the process and an explanation of the circumstances that might lead to a price review.

Response:

No. This is because each order is negotiated by the customer and the company, so generally there would be no need to review it again.

(f) Do changes in your costs to make and sell enable you to review prices for customers within contracts?

Response:

No, because prices and other terms and conditions are negotiated on an order-by-order basis.

(g) Provide a list of the customers under contract during the period and copies of the two largest contracts in terms of sales revenue. Provide a complete translation of the documents.

Response:

[REDACTED]

12. Provide copies of any price lists for the goods used in the domestic market during the period. If you do not use price lists, describe the transparency of your prices in the domestic market.

Response:

The company does not use a price list in the domestic market.

13. How do you differentiate pricing for different products/models of the goods in the domestic market? Describe how your products are grouped for price differentiation and the methodology used. Describe any cost to make or selling cost differences between differentiated products. Describe how these cost differences (if any) influence pricing decisions. Provide copies of internal documents which support your claims in response to this question.

Response:

The company did differentiate pricing for different products of the goods in the domestic market because different product with different cost, please refer to the table for detailed review.

14. Do you tier or segment your domestic customers for the goods in terms of pricing? If yes, provide:

- (a) a general description of how this is done
- (b) list the factors that influence pricing differentiation in different tiers or segments and
- (c) explain how cost to make and selling costs are considered in making pricing decisions for different tiers or segments.

Provide copies of internal documents which support your claims in response to this question.

Response:

Not applicable.

15. Do you sell the goods to related entities in the domestic market? If yes, describe how prices are set for related party transactions and specify what proportion of your sales in terms of sales revenue are to related party entities. If available, provide a copy of any internal document relevant to establishing pricing to related parties.

Response:

This question is not applicable to the company,

I-4 Marketing and sales support in the domestic market

1. How does your company market the goods in the domestic market? Include in your response the value proposition used (e.g., competitive price, superior quality, reliability, availability, etc.).
2. Does your company conduct brand segmentation in the domestic market for the goods? If yes, describe the brand segmentation used and provide the proportion of sales revenue derived from each brand segment.

Response:

This question is not relevant for subject product. There is no 'brand segmentation' for this product.

3. Provide examples of your domestic advertising of the goods over the past five years. If you have not used advertising provide examples of any other promotion campaigns for the goods you have conducted over the period.

Response:

The company did not have any domestic advertising of the goods nor other promotion campaigns.

4. How many people are in your domestic market sales team and where are they located? In general terms, how are they remunerated? If they are offered performance pay based on sales, describe the performance indicators used to establish the performance pay. Provide copies of internal documents which support your claims in response to this question.

Response:

[Confidential commercial information redacted]



5. Describe what parameters are provided to sales staff to assist in establishing pricing for the goods when negotiating sales with customers. Provide copies of internal documents which support your claims in response to this question.

Response:

Please refer to [Confidential Exhibit H-4.8](#).

SECTION J AUSTRALIAN MARKET

Masteel does not understand the relevance of this Section. That is, how the Australian market is relevant to determining whether a 'proper' comparison can be made between export prices of exports to Australia and their normal values based on domestic selling prices in China.

Article 2.1 of the WTO Anti-Dumping Agreement defines dumping as occurring when the "*export price of the product exported from one country to another is less than the comparable price, in the ordinary course of trade, for the like product when destined for consumption in the exporting country*". In other words it is comparing the price in an export sale with the comparable price in domestic sales in the exporting country.

It is a comparison of export sales from the country of export with comparable prices in domestic sales in the country of export. The export sales are not taking place in the domestic market in the importing country. The domestic market in the importing country is irrelevant to the dumping analysis. It is prices in export sales to Australia from China, not prices in sales in the domestic market in Australia, to which prices in domestic sales in China are being compared. It is whether the prices in the domestic sales in China permit a 'proper' comparison with prices in the export sales to Australia.

Masteel's sales to its Australian customers are 'export sales'. In making such sales, it is competing with other suppliers of railway wheels in the global export market. The Australian mining companies source their railway wheels from suppliers in that market. It is with suppliers in the export market that Comsteel competes in its supply of railway wheels to the Australian mining companies.

The relevance of the Australian market to whether a 'proper' comparison can be made between export prices of exports to Australia and their normal values based on domestic selling prices in China is unclear. Export sales by definition are not taking place in the domestic market of the importing country.

Regarding the Australian market, Masteel deals directly with its customers in Australia and, therefore, has information only in relation to its dealings with those customers. It is not in a position to provide either general or detailed information on the Australian market. Such information should be obtained from purchasers of railway wheels in Australia who would possess intimate knowledge of the market in Australia and, more relevantly, provide detailed information concerning their purchasing decisions for railway wheels.

In so far as Masteel is aware, there is only one domestic supplier of railway wheels in the Australian market, namely, Comsteel and, therefore, not only does it hold a monopoly position as the sole domestic supplier but also the only competition is from imports. This raises the question of whether there being a dominant monopoly supplier in the Australian market, this effectively constitutes a barrier to entry into the Australian market for both domestic producers and overseas suppliers. This is obviously relevant in assessing competition in the Australian market.

It also raises the issue of whether their being a sole, dominant domestic supplier of railway wheels to the Australian market, this, together with the tariff protection afforded by the anti-dumping measures has artificially inflated the price of railway wheels in the Australian market from their existing high basis given that Australia is a high cost to make and sell and, consequently, high price country. In other words, has it effectively eroded the existing comparative competitive disadvantage of Australia in the supply of railway wheels? Continuation of the anti-dumping measures cannot rectify that comparative competitive disadvantage.

At any rate, just as it is in any market for railway wheels, competition in the Australian market for railway wheels is not based on price or, at least, principally or solely on price. Railway wheels are not a commodity product. Railway wheels are a highly engineered product that are subject to continual technological evaluation and improvement. It is the quality and reliability of the railway wheels that is critical for the business of the mining companies purchasing railway wheels. The price that is paid in purchases of railway wheels reflects the expectation that the railway wheels will meet its performance and reliability requirements.

Substandard, poor- or low-quality wheels pose significant risks to the businesses of the mining companies. Not only does the quality of the railway wheels affect their performance and reliability, which can impose additional costs to the mining companies in repairing and replacing poor quality wheels, but also adversely impact on their businesses by impeding and/or delaying the delivery of their products from the mines to ports for delivery to their customers.

Masteel understands that it is on this basis, on the quality, performance and reliability of the railway wheels being purchased at competitive prices that reflect that quality, on which purchasing decision are made. No doubt this will be inquired into and confirmed by the mining companies purchasing railway wheels in Australia, although it is noted the Rio Tinto has already made submissions on these matters, a non-confidential version of which is on the electronic public file.

There is no difference between the market in China for the purchase of railway wheels and that in Australia in this regard. In both, purchasing decisions are made on the basis of the quality, performance and reliability of the wheels being purchased because of their importance to the business of the purchaser. The negotiated and agreed prices with the purchasers reflect such expectations of the purchaser in the quality, performance and reliability of the wheels being purchased.

Hence there is no basis that normal values based on domestic selling prices of railway wheels in China would not permit a proper comparison with export prices of railway wheels to Australia.

Finally, a more relevant question is why Comsteel does not export its railway wheels to China? Why is it unable or unwilling to compete in China when there are no barriers to entry into the railway wheel market in China, a situation guaranteed by the China-Australian Free Trade Agreement.

Is it because Comsteel is at a comparative competitive disadvantage to producers in China because Australia is a high cost to manufacture and sell country, with higher costs for inputs to manufacture, as well as to conduct business generally when compared with other countries in the Asia-Pacific region including China. Hence its higher prices for products such as railway wheels when compared with those in other countries in the region. Is this why it does not export railway wheels to China and, instead, seeks tariff protection through the continuation of the anti-dumping measures. Such protection cannot of course remedy the comparative competitive disadvantage but simply passes on the increased prices to the Australian purchasers of railway wheels.

J-1 Prevailing conditions of competition in the Australian market

1. Describe the Australian market for the goods and the prevailing conditions of competition within the market, including:

- (a) Provide an overall description of the Australian market for the goods which explains its main characteristics and trends over the past five years

Response: Wheels for iron ore vehicles

Australia is rich in mineral resources, Mining has been an important primary industry in Australia, providing foreign exchange earnings and employment opportunities to the Australian economy. Transporting mineral is important for Australia.

In this case, the manufacture company of the goods is Comsteel in Australia, Masteel in China, and other countries manufacturers. Since 2019, Australia government implemented antidumping duty on subject merchandise, which made Australia company spent more cost on purchase the goods and transporting.

- (b) Provide the sources of demand for the goods in Australia, including the categories of customers, users, or consumers of the product

Response:

The sources of demand for the goods in Australia is BHP, Rio Tinto, FMG. BHP, Rio Tinto, and FMG are respectively end-users.

- (c) Provide an estimated proportion (%) of sales revenue from each of those sources of demand listed in (b)

Response:

Masteel did not have access to such information.

- (d) Describe the factors that influence consumption/demand variability in Australia, such as seasonal fluctuations, factors contributing to overall market growth or decline, government regulation, and developments in technology affecting either demand or production

Response:

The demand and consumption of the goods in Australian market were affected by actual consumption and demand of customer in Australia.

- (e) Describe any market segmentations in Australia, such as geographic or product segmentations

Response:

For the subject goods, there is no market segmentations in Australia.

- (f) Provide an estimated proportion of sales revenue from each of the market segments listed in (e)

Response:

Masteel did not have access to such information.

- (g) Describe the way in which Australian manufactured and other imported goods compete in the Australian market,

Response:

Australian manufactured and other imported goods compete in the Australian market on quality, performance and reliability, technological innovation, price, etc. In other words, competition between suppliers of railway wheels in the Australian market involves a range of factors with no one factor dominating the others. The focus on only factor and not the complete range of factors that are important in a customer's purchasing decision would not reflect market demand of suppliers and their product.

- (h) Describe the ways that the goods are marketed and distributed in the Australian market and

Response:

The subject goods are marketed to Australian customers by entering into commercial discussions with such customers. The subject goods are supplied directly to customers.

- (i) Describe any other factors that are relevant to characteristics or influences on the market for the goods in Australia.

Response:

There were no other factors.

Provide documentary evidence to support the responses made to questions 1(a) to (i).

2. Provide a diagram which describes the Australian market structure for the goods, ensuring that all the categories of participants are included. In this diagram use linkages to illustrate the different levels of trade and distribution channels within the Australian market.

Response:

Masteel did not have access to detail information of Australia market participants.

3. Describe the commercially significant market participants in the Australian market for the goods at each level of trade over the period. Include in your description:

- names of the participants
- the level of trade for each market participant (e.g., manufacturer, reseller, original equipment manufacturer (EOM), retailer, corporate stationer, importer, etc.)
- a description of the degree of integration (either vertical or horizontal) for each market participant and
- an estimation of the market share of each participant.

Response:

(j) importers: BHP, Rio Tinto, Fortescue, others

(k) manufacturers: Masteel and Comsteel.

Masteel does not have access to detail information of each of the Australian market participants.

4. Identify the names of commercially significant importers in the Australian market for the goods over the period and estimate their market share. Specify the country each importer imports from and their level of trade in the Australian market, if known.

Response:

Masteel does not have access to detail information of Australia market participants.

5. Describe the regulatory framework of the Australian market for the goods as it relates to competition policy, taxation, product standards and the range of the goods. Provide a copy of any regulation described, if available.

Response:

Masteel does not have access to such information.

6. Describe any entry restrictions for new participants into the Australian market for the goods. Your response could include information on:
 - resource ownership
 - patents and copyrights
 - licenses
 - barriers to entry
 - import restrictions and
 - government regulations (including the effect of those government regulations).

In responding to question 6 ensure that relevant regulations are referenced.

Response:

As far as the company is aware, there were no restrictions on supply of the subject goods to Australian customers/importers in Australia.

J-2 Goods in the Australian market

1. Generally, describe the range of the goods offered for sale in the Australian market. The description should include all goods under consideration including those produced by your company. Your description could include information about:
 - quality differences
 - price differences
 - supply/availability differences
 - technical support differences
 - the prevalence of private labels/customer brands
 - the prevalence of generic or plain labels
 - the prevalence of premium labels and
 - product segmentation.

Response:

There is no 'range' of the subject goods sold to Australian customers – only the subject goods. It is not clear what is meant by 'range of goods offered for sale in Australia'? Please clarify as only the subject goods are sold to Australian customers.

2. Describe the end uses of the goods in the Australian market from all sources.

Response:

The subject goods are used for railway wheels in ore cars.

3. Describe the key product attributes that influence purchasing decisions or purchaser preferences in the Australian market. Rank these preferences or purchasing influencers in order of importance.

Response:

Please refer to previous responses on this question.

4. Identify if there are any commercially significant market substitutes in the Australian market for the goods.

Response:

Please refer to previous responses on this question. The purpose of this question and the information it is seeking is unclear. Please clarify, including what is meant by a “commercially significant market substitute”.

5. Identify if there are any commercially significant market complements in the Australian market for the goods.

Response:

The purpose of this question and the information it is seeking is unclear. Please clarify, including what is meant by a “commercially significant market complement”.

6. Have there been any changes in market or consumer preferences in the Australian market for the goods in the last five years? If yes, provide details including any relevant research or commentary on the industry/sector that supports your response.

Response:

No.

J-3 Relationship between price and cost in Australia

1. Describe the importance of the Australian market to your company’s operations. In your response describe:

(a) The proportion of your company’s sales revenue derived from sales of the goods in Australia and

Proportion of company’s sales revenue derived from sales of the goods =

[REDACTED]

(b) The proportion of your company’s profit derived from sales of the goods in Australia.

[REDACTED]

In responding to question 1 please provide evidence supporting your calculations.

2. Is your organisation/business entity the price leader for the goods in the Australian market? If no, please explain the reasons behind your response and specify the name(s) of the price leaders.

Response:

As far as the company is aware, Masteel is not the price leader for the subject goods in the Australian market.

3. Describe the nature of your product pricing (e.g., market penetration, inventory clearance, product positioning, price taker, price maker, etc.) and your price strategies (e.g., competition-based pricing, cost-plus pricing, dynamic pricing, price skimming, value pricing, penetration pricing, bundle pricing, etc.) in Australia. If there are multiple strategies applied, please rank these by importance. If there are different strategies for different products, please specify these. Provide copies of internal documents which support the nature of your product pricing.

Response:

Please see previous responses to questions on this issue.

4. Explain the process for how the selling prices of the goods for the Australian market by your business are determined. Provide copies of internal documents which support how pricing is determined.

Response:

Please see previous responses to questions on this issue.

5. How frequently are your Australian selling prices reviewed? Describe the process of price review and the factors that initiate and contribute to a review. Provide the names and positions of all persons involved.

Response:

Please see previous responses to questions on this issue.

6. Rank the following factors in terms of their influence on your pricing decisions in the Australian market, with the most important factor ranked first and the least important factor ranked last:

- Competitors’ prices

- Purchase price of raw materials
- Cost to make and sell the goods
- Level of inventory
- Value of the order
- Volume of the order
- Value of forward orders
- Volume of forward orders
- Customer relationship management
- Supplier relationship management
- Desired profit
- Brand attributes
- Other [please define what this factor is in your response]

Response:

Please see previous responses to questions on this issue.

7. Describe the relationship between selling price and costs to make and sell in the Australian market. Does your company maintain a desired profit margin for the goods? If not, does your company seek to maintain a desired profit margin for the goods? Provide copies of internal documents which support your response to this question.

Response:

Please see previous responses to questions on this issue.

8. Do you offer price reductions (e.g., commissions, discounts, rebates, allowances, or credit notes) in the Australian market? If yes, provide a description and explain the terms and conditions that must be met by the customer to qualify. Explain how the cost to make and sell are considered in establishing these price reductions. Provide copies of internal documents which support your claims in response to this question.

Response:

[REDACTED]

9. Do you offer bundled pricing in the Australian market? If yes, explain how the pricing for bundled sales is determined. Explain how the costs to make and sell are considered in establishing these bundled prices for the goods. Provide copies of internal documents which support your claims in response to this question.

Response:

[REDACTED]

10. Does the volume of sales to a customer or the size of an order influence the selling price? If yes, advise how volume is used to determine selling prices. Explain how the costs to make and sell are considered in establishing volume-based prices for the goods. Provide copies of internal documents which support your claims in response to this question.

Response:

Yes, the volume of sales did influence the selling price, more volume in sales order with less cost on production. Please refer to [Confidential Exhibit H-4.8](#).

11. Does your organisation/business entity use sales contracts in the Australian market? If yes:
- (a) What proportion of your sales revenue would come from contracted sales versus uncontracted sales?
 - (b) Do you offer exclusivity contracts? If yes, what proportion of your sales revenue would come from exclusivity contracts?
 - (c) How frequently are sales contracts renegotiated?
 - (d) How frequently are price reviews conducted between contracts?
 - (e) Do you provide opportunities for price reviews for customers within contracts? If yes, provide a description of the process and an explanation of the circumstances that might lead to a price review.
 - (f) Do changes in your costs to make and sell enable you to review prices for customers within contracts?
 - (g) Provide a list of the customers under contract during the period and copies of the two largest contracts in terms of sales revenue.

Response:

Please see previous responses to questions on this issue. Sales contracts were used in 100% of export sales. The company did not offer exclusively contracts. Finally, each sales order is negotiated and reviewed with the customer on a range of factors including the sales price. This is reflected in the sales contract with the customer.

12. Provide copies of any price lists for the goods used in the Australian market during the period. If you do not use price lists, describe the transparency of your prices in the Australian market.

Response:

There are no price lists for the subject goods used in the Australian market – there were no price lists.

13. How do you differentiate pricing for different products/models of the goods in the Australian market? Describe how your products are grouped for price differentiation and the methodology used. Describe any cost to make or selling cost differences between differentiated products. Describe how these cost differences (if any) influence pricing decisions. Provide copies of internal documents which support your claims in response to this question.

Response:

Please see previous responses to questions on this issue.

14. Do you tier or segment your Australian customers for the goods in terms of pricing? If yes, provide:

- (a) a general description of how this is done
- (b) list the factors that influence pricing differentiation in different tiers or segments and
- (c) explain how cost to make and selling costs are considered in making pricing decisions for different tiers or segments.

Provide copies of internal documents which support your claims in response to this question.

Response:

Please see previous responses to questions on this issue.

15. Do you sell the goods to related entities in Australia? If yes, describe how prices are set for related party transactions and specify what proportion of your sales in terms of sales revenue are to related party entities. If available, provide copies of any internal documents relevant to establishing pricing to related parties.

Response:

No, the company did not have related entities in Australia.

J-4 Marketing and sales support in the Australian market

1. How does your company market the goods in the Australian market? Include in your response the value proposition used (e.g., competitive price, superior quality, reliability, availability, etc.).

Response:

Please see previous responses to questions on this issue.

2. Does your company conduct brand segmentation in the Australian market for the goods? If yes, describe the brand segmentation used and provide the proportion of sales revenue derived from each brand segment.

Response:

Please see previous responses to questions on this issue.

3. Provide examples of your Australian advertising of the goods over the past five years. If you have not used advertising in Australia, provide examples of any other promotion campaigns you have conducted over the period.

Response:

No, the company did not advertise in Australian market.

4. How many people are in your Australian sales team and where are they located? In general terms, how are they remunerated? If they are offered performance pay based on sales, describe the performance indicators used to establish the performance pay. Provide copies of internal documents which support your claims in response to this question.

Response:



Please refer to [Confidential Exhibit J-4.4 Australian market sales team member salary](#) for detailed information.

5. Describe what parameters are provided to sales staff to assist in establishing pricing for the goods when negotiating sales with customers. Provide copies of internal documents which support your claims in response to this question.

Please see previous responses to questions on this issue.

EXPORTER'S DECLARATION

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

Signature :.....

Position in

Company :.....

Date :.....

APPENDIX GLOSSARY OF TERMS

This glossary is intended to provide you with a basic understanding of technical terms that appear in the questionnaire.

Adjustments

To enable a fair comparison between the export price and the normal value Australian legislation provides for the adjustment of the domestic price paid for like goods. Adjustments are made to account for sales occurring at different times, specification differences, and differences in the terms or circumstances of the sales. The adjustment to the normal value may be upward or downward. Areas where you believe an adjustment is necessary should be identified. Section E of the questionnaire refers.

Examples of adjustments that may be made include: *sales occurring at different times*

(It is sometimes necessary to compare domestic and export sales made at different times - in these circumstances an adjustment may be made to reflect price movements during that time); *specification differences; packaging; taxes; level of trade; advertising; after sales services; inland freight; warehousing; export charges; credit terms; duty drawback; commissions.*

Adjustments may also be required where the normal value is based on costs to make and sell.

Arms length

Sales are not considered to be at "arms length" on your domestic market if there is any consideration payable for the goods other than their price, or there is an association between the buyer and the seller which affects the price, or there will be a reimbursement, compensation, or benefit for, or in respect of, the price.

Constructed value

In cases where prices paid for like goods sold in the country of export cannot be used for the determination of normal value, i.e., when there are no or insufficient sales or where such sales were not made in the ordinary course of trade, normal value may be based on a constructed value. Constructed value is calculated based on the cost of production of the goods under consideration plus a reasonable amount for selling, general and administration costs, and for profits, that are associated with sales on the domestic market of the country of export.

Cost of production/manufacturing

The cost of production or manufacture consists of all manufacturing costs associated with the goods. It is the sum of direct materials, direct labour, and factory overheads.

Cost to make and sell

The cost to make and sell is the sum of the cost of production or manufacture, and the selling, general and administration costs associated with the sale of those goods.

Country of origin

The country in which the last significant process in the manufacture or production of the goods was performed.

Date of sale

The commission will normally use the invoice date as recorded in the exporter or producer's records. Another date may be used if this better reflects the material terms of sale. The questionnaire directs attention to matching data sets of domestic and export sales where some other date is used, as well as matching cost information.

Direct labour cost

Direct labour is categorised as a variable cost, i.e., the value varies with the level of production.

Dumping

Dumping occurs when the products of one country are exported to another country at a price less than their normal value.

Dumping margin

Where the export price is less than the normal value the dumping margin is the amount of the difference. It can be expressed as a value or as a percentage of the export price.

Export price

The export price of the goods is usually the price paid or payable to the exporter in arms length transactions, in most instances calculated at the Free on Board (FOB) level.

Exporting country

The country of export is normally the country of origin from which the goods are shipped. The country of export may be an intermediate country, except where the products are merely transhipped through that country, or the products concerned are not produced in that country, and there is no comparable price in that country.

Factory overheads

Factory overheads consist of variable costs e.g., power, supplies, indirect labour and fixed costs e.g. factory rent, factory insurance, factory depreciation etc.

Goods under consideration (the goods)

The goods to which the application for anti-dumping action relates. That is, the goods that you have exported to Australia allegedly at dumped prices.

Incoterms

The following abbreviations are commonly used (comment is provided concerning costs that are normally borne by the seller):

EXW	ex works (the seller's minimum obligation as costs relate to goods being made available at the sellers premises)
FCA	free carrier (main carriage not paid by seller. Pay costs until such time that the goods have been delivered at the named point into custody of a carrier named by the seller. Customs formalities, taxes etc. paid if required)
FAS	free alongside ship (main carriage not paid by seller. Deliver the goods alongside the ship)
FOB	free on board (main carriage not paid by seller. Deliver the goods on board, provide export clearance if required, pay loading costs to the point the goods have passed the ship's rail, pay customs formalities, taxes etc. payable upon exportation)
CFR	cost and freight (main carriage paid by seller. Pay all costs until delivered as well as freight, loading and unloading, pay customs formalities, taxes etc. payable upon exportation)
CIF	cost, insurance and freight (main carriage paid by seller. Pay all costs as under CFR as well as marine insurance)
CPT	the terms CFR and CIF are only used where goods are carried by sea or waterway transport
CIP	carriage paid to carriage and insurance paid to the terms CPT and CIP are used as alternatives to CFR and CIF where the goods are carried by air, road, rail etc.
DAF	delivered at frontier (goods carried by rail or road and cleared for export at the named place at the frontier. Pay costs until delivered at the frontier plus any discharge costs incurred to place

	the goods at the customer's disposal)
DES	delivered ex ship (goods made available to the buyer on board the ship uncleared for import at the named port of destination. Pay all costs incurred in placed at the disposal of the buyer, pay customs formalities, taxes etc. payable upon exportation, and where necessary for transit through another country)
DDU	delivered duty unpaid (Pay all costs for carriage to the agreed point, pay customs formalities, taxes etc. payable upon exportation, and where necessary for transit through another country)
DDP	delivered duty paid (goods made available at the named place in the country of importation – all risks and costs being incurred by the seller including duties, taxes etc. incurred upon importation)

The period

A period defined by the commission over which importations of the goods are examined.

Like goods

Like goods are goods sold on the domestic market of the country of export (or to a third country) that are identical in all respects to the goods or that, although not alike in all respects have characteristics closely resembling those of the goods. The term 'like goods' also refers to the goods produced by the Australian industry allegedly being injured by dumped imports.

Normal value

Australian legislation sets out several ways to assess "normal value".

The preferred method is to use the price paid for like goods sold for domestic consumption in the country of export. Usually, these sales are made by you, but there may be circumstances where it is appropriate to use sales made by other sellers on the domestic market.

Sale prices must be at arms length and in the ordinary course of trade. In the absence of relevant or suitable domestic sales, the normal value may be determined by constructing a price based on all costs to make and sell the goods, and an amount for profit. Alternatively the normal value may be ascertained using the price paid for like goods sold in the ordinary course of trade at arms length to customers in a country other than Australia, however this option is rarely used.

Finally, when a normal value cannot be ascertained by any of the above methods, or if no information is provided, the commission will determine the normal value by considering all the relevant information, including the applicant's information. This allows the applicant's information to be used where sufficient information has not been furnished or is not available.

Where domestic price generally, and the trade of the exporting country are determined or substantially influenced by the government of the exporting country, an alternative/surrogate market economy is selected by the commission and the normal value is determined as if the surrogate country were the export source.

Ordinary course of trade

Testing for "ordinary course of trade" includes a comparison of the selling price and the unit cost to make and sell for the same period. If sales in respect of a substantial quantity of goods over an extended period of time, usually 12 months, do not recover all costs and these losses are not likely to be recovered within a reasonable period of time, (again usually 12 months) then the sales are regarded as being not in the ordinary course of trade.

There may be circumstances where it is appropriate to use a period other than 12 months in assessing whether sales are in the ordinary course of trade.

Unprofitable sales are to be taken to have occurred in substantial quantities during an extended period where the unprofitable sales amount to 20% or more of the total volume of sales of the goods by the exporter over the period. An extended period of time is usually taken to be a period not less than 12 months. Where unprofitable sales are rejected, normal value is based upon remaining profitable sales provided they occur in sufficient

number. Where all sales have been made at a loss, or profitable sales are insufficient, the normal value may be constructed from costs to make and sell.

Selling, general and administration expenses (SG&A)

The selling, general and administration expenses includes all selling, distribution, general and administration expenses including finance costs that would be incurred if the goods were sold for domestic consumption in the country of export. The amounts are determined in each case using all the available information and may include expenses incurred in:

- . domestic sales of like goods
- . sale of goods of the same general category by the exporter or
- . sales in the industry in the country of export.

The expenses must, however, reflect the selling, general and administration costs of the goods. Administrative and selling expenses include: director's fees, management salaries and benefits, office salaries and benefits, office supplies, insurance, promotion, entertainment, depreciation and corporate overheads.