



Australian Government
Department of Industry,
Science and Resources

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Anti-Dumping Commission

Supplementary 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: 11 December 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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INSTRUCTIONS

Why you have been asked to fill out this questionnaire?

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

Following receipt of the exporter questionnaire from Baowu Group Masteel Rail Transit Materials Technology Company Limited (Masteel Transportation Material), the commission considers that further information is required in relation to the production and supply of steel billet, supplied by parent entity Ma'anshan Iron & Steel Company Limited (Masteel)¹.

The purpose of this questionnaire is to assist the commission to obtain relevant information from Masteel Transportation Material and its related parties, to determine normal values and export prices over the period 1 July 2022 to 30 June 2023 (the inquiry period, or the period).

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

What happens if you do not respond to this questionnaire?

You do not have to complete the questionnaire. However, it is in your interest to provide a complete and accurate response to this questionnaire that is capable of verification. In the following circumstances, the commission may deem an exporter to be uncooperative:

- a. The commission receives no response to a request to provide information from an exporter; or
- b. An exporter refuses to provide all of the information sought; or
- c. An exporter does not provide the information requested within a reasonable time period; or
- d. An exporter does not allow the commission to verify the information.

In these circumstances, the commission may determine a dumping margin having regard to all relevant information before it. Such a determination may therefore be less favourable than if complete and verifiable information is made available.

Extension requests

If you require a longer period to complete your response to this 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>.

¹ Anti-Dumping Commission, Electronic Public Record, Item 9.

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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 questionnaire will be published in the public record.

Submitting a response to the questionnaire

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

If your response to this questionnaire contains major deficiencies that, in the Commissioner's view, cannot be quickly and easily rectified in a further response, then Masteel Transportation Material 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 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 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.

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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-site verification. Any on-site verification typically commences approximately 2 to 4 weeks after the due date of the response to the 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 on-site verification is usually conducted over 4 days. However, in complex cases, it may be scheduled over 6 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 on-site 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

- Please complete all questions in this questionnaire. 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.

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- 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 Supplier information	<input checked="" type="checkbox"/>
Section B Domestic sales	<input checked="" type="checkbox"/>
Section C Cost to make and sell	<input checked="" type="checkbox"/>
Error! Reference source not found.	<input checked="" type="checkbox"/>
Error! Reference source not found.	<input checked="" type="checkbox"/>
Non-confidential version of this response	<input checked="" type="checkbox"/>

Attachments	Please tick if you have provided spreadsheet
B-4 Upwards sales	<input checked="" type="checkbox"/>
B-2 Domestic sales	<input checked="" type="checkbox"/>
B-2.2 domestic sales source	<input checked="" type="checkbox"/>
C-3 Domestic CTM	<input checked="" type="checkbox"/>
C-3.2 Domestic CTM source	<input checked="" type="checkbox"/>
C-4.1 SG&A listing	<input checked="" type="checkbox"/>
C-4.2 Dom SG&A calculation	<input checked="" type="checkbox"/>
C-7.2 Raw material CTM	<input checked="" type="checkbox"/>
C-7.4 Raw material purchases	<input checked="" type="checkbox"/>
C-8 Upwards costs	<input checked="" type="checkbox"/>
C-9 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*.²

² 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.

SECTION A SUPPLIER INFORMATION

This section relates to the supplier of steel billet used in the production of the goods.

A-1 Company representative and location

1. Please nominate a contact person within your company:

Name: [Chen Quan](#)

Position in the company: [Deputy Director of Legal Affairs Department](#)

Telephone: [+86-18105555007](#)

E-mail address: m02135@baosteel.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, Xicheng District, Beijing, China](#)

Telephone: [+86-10-52682899](#)

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:

[Maanshan City, Anhui Province, China](#)

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

RESPONSE:

[Maanshan City, Anhui Province, China](#)

5. Please provide the location of your company's production plant manufacturing steel billet.

RESPONSE:

[Maanshan City, Anhui Province, China](#)

A-2 Company information

1. What is the legal name of your business?

RESPONSE:

[Maanshan Iron & Steel Company Limited](#)

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

RESPONSE:

[No.](#)

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

RESPONSE:

[No.](#)

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 as follows:](#)

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Period	Board of Directors
Dec. 1 st , 2023~Current	
Dec. 1 st , 2022~Nov. 30 th , 2023	
Mar. 24 th , 2021~Nov. 30 th , 2022	
Mar. 17 th , 2021~ Mar. 23 rd , 2021	
Nov. 20 th , 2020~March 16 th , 2021	

5. 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 business activities of the company include ferrous metal smelting and rolling processing, coke and coal coking products, refractory materials, power, gas production and sales; docks, warehousing, transportation, trade and other steel related businesses; extension processing of steel products, production and sales of metal products; steel structure, equipment manufacturing and installation, automobile repair and waste automobile recycling and dismantling (limited to our company's waste automobile recycling); housing and civil engineering construction, building installation, building decoration (conducting business activities with qualification certificates); technical, consulting, and labor services.

The products produced by the company (not limited to the subject product) are sold to both domestic and international markets.

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

RESPONSE:

Baowu Group Masteel Rail Transit Materials Technology Company Limited purchases steel billet from the company.

For other parties who are involved in the manufacture and/or sale of products in the same markets, please refer to response to Question C-1.2.

7. If your business does not perform all the following functions in relation to steel billet, then please provide names and addresses of the companies which perform each function:

- (a) produce or manufacture
- (b) sell in the domestic market.

RESPONSE:

This question is not applicable.

8. Provide your company’s internal organisation chart.

RESPONSE:

Please refer to [Confidential Exhibit A-2.8](#) for the company's internal organization chart.

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

RESPONSE:

Please refer to [Confidential Exhibit A-2.9](#) for the functions performed by each group within the organization.

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

RESPONSE:

Yes. Please refer to [Exhibit A-2.10](#) for the brochure of 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. Are your financial accounts audited? If yes, who is the auditor?

RESPONSE:

Yes. The auditors are [REDACTED].

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 and Cost Accounting System

5. What is the name of your sales system?

RESPONSE:

Integrated Sales System

6. What is the name of your production system?

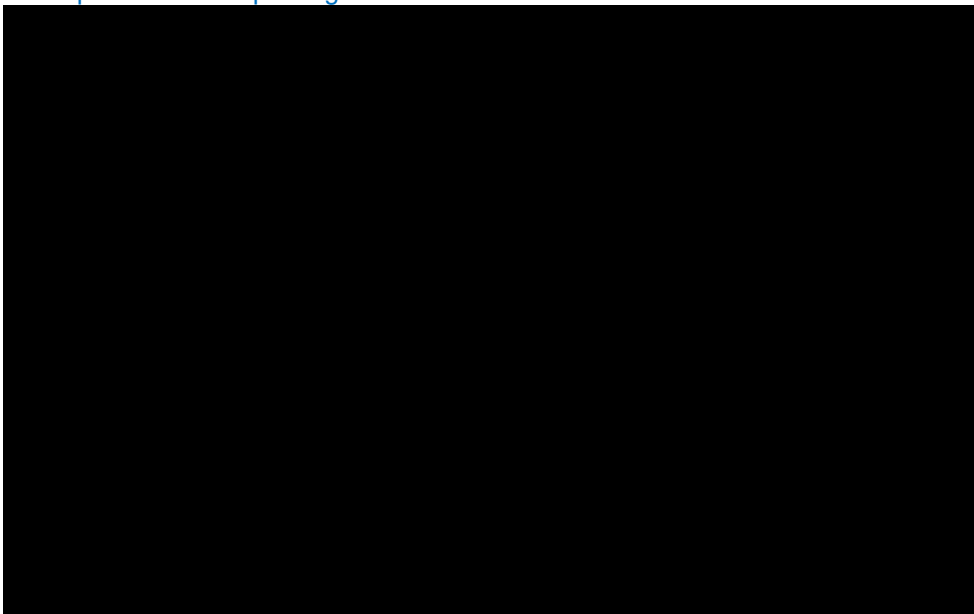
RESPONSE:

Production and 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 based on material correspondence and posting rules. The details are as follows:



[Confidential information concerning operation of the company's 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:

Changes have occurred in "incidental sales of products during research and development progress". Please see Page 202 of the Annual Report of the Year 2022.

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 steel billet.

RESPONSE:

Please refer to [Confidential Exhibit A-4.1](#) for the annual reports of Year 2021 and 2022 for the company .

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:

Please see [Confidential Exhibit A-4.1](#) for the audited financial statements and [Confidential Exhibit A-4.2](#) for the Audit Engagement Letter.

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 steel billet 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 steel billets 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:

The period is different to the financial period. 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 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.

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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 DOMESTIC SALES

This section relates to all domestic sales of steel billet for railway wheels (the goods and other railway wheels) during the period, for the supplier at Section A.

B-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:
 - (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

RESPONSE:

Please refer to [Confidential Exhibit B-1.1](#) for the diagram illustrating the domestic sales 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:

Yes. Baowu Group Masteel Rail Transit Materials Technology Company Limited, the company's subsidiary, is the only related domestic customer of railway wheels.

The selling price is set according to the pricing meeting memorandum. Please refer to the company's response to Question 3.

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

RESPONSE:

The sell price to Baowu Group Masteel Rail Transit Materials Technology Company Limited is negotiated based on the pricing meeting memoranda. Please refer to [Confidential Exhibit B-1.3](#) for the details.

There is no price 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:

This question is NOT applicable as the company only has one distribution channel.

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 steel billet 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:

The company provides rebates to Baowu Group Masteel Rail Transit Materials Technology Company Limited. Please also see [Confidential Exhibit B-1.3](#) for the details.

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 steel billet during the period? If yes, provide details of the credit/debit notes including the reasons the credit/debit notes were issued.

RESPONSE:

No.

B-2 Domestic sales listing

1. Complete the worksheet named "B-2 Domestic sales"
 - This worksheet lists all domestic sales (i.e. transaction by transaction) of steel billet invoiced 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.
 - 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 B-2 above, add a column for each item. For example, certain other selling expenses incurred.

RESPONSE:

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

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

RESPONSE:

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

B-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 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 Domestic sales" listing to the source documents in B-3.1.

RESPONSE:

All documents have been annotated in [Confidential Worksheet B-2.2 Domestic 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 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:

The company has completed [Confidential Worksheet B-4 Upward Sales](#).

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

RESPONSE:

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

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 company has completed [Confidential Worksheet B-4 Upward Sales](#) as requested.

B-5 Models sold in the domestic market

1. Fully describe all steel billet 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, steel billet sold on the domestic market.

RESPONSE:

Description, diameter and steel standards of all steel billet have been reported in [Confidential Worksheet B-2 Domestic Sales](#).

Please also see [Confidential Exhibit B-5.1](#) for two samples of inspection certificate of product code AAR-C+.

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

RESPONSE:

Please see [Confidential Exhibit B-5.2](#) for a list of models of steel billet sold on the domestic market.

B-6 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 steel billets, 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 steel billet 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 uses product codes(steel grade).



Please refer to [Confidential Exhibit B-6.1](#) for the table showing the product code (steel grade) for each type of steel billet produced and sold.

B-7 Packaging

1. What is the packaging used for your sales of steel billet?
 - (a) Calculate the weighted average packaging cost for domestic sales

RESPONSE:

This Question is NOT applicable.

B-8 Delivery

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

RESPONSE:

This Question is NOT applicable because the delivery term is **XXXX**.

B-9 Other direct selling expenses

1. Do you provide sales commissions for domestic sales of steel billet? If yes, provide details.

RESPONSE:

No.

2. Are there any other direct selling expenses incurred by your company in relation to domestic sales of steel billet?

Only to product level. [REDACTED]

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

RESPONSE:

No, there is no difference.

7. Has your company engaged in any start-up operations in relation to steel billets? If yes:
(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 steel billet, work-in-progress and finished steel billet inventories (e.g., last in first out –LIFO, first in first out- FIFO, weighted average)?

RESPONSE:

Weighted average.

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

RESPONSE:

The company sells the damaged or sub-standard steel billet according to the market price level.

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

RESPONSE:

There is no by-products and joint products. The company determines the value of the scrap steel generated based on the market purchase price to write off cost.

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

RESPONSE:

No.

C-3 Cost to make

1. Complete the worksheet named "C-3 Domestic CTM".
- This worksheet lists the quarterly cost to make the domestic models of steel billet, manufactured during the period
 - The costs must be based on actual cost of production (i.e., not standard costs or cost of steel billet sold).
 - If any imputation tax (e.g., value-added tax) is payable on the purchase of steel billet or services to manufacture steel billet, 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 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 C-3 Domestic CTM](#).

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

RESPONSE:

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

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

RESPONSE:

This question is NOT applicable since the major input/raw material is not sourced as part of an integrated production process.

C-4 Selling, General & Administration expenses

1. Complete the worksheet named "C-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 steel billet
 - 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 C-4.1 SG&A listing](#).

2. Complete the worksheet named "C-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 C-4.2 Domestic SG&A calculation](#).

C-5 Cost allocation method

1. What is the allocation method used to complete in C-3 domestic CTM for:
- (a) Raw materials (including scrap, if applicable)
 - (b) Labour
 - (c) Manufacturing overheads
 - (d) any other costs.

RESPONSE:

Raw materials are recorded according to actual consumption.

Labour and manufacturing overheads are allocated in accordance with production.

2. Select the domestic model with the largest production volume over the period and provide worksheets demonstrating the allocation method described in C-5.1 from your normal cost accounting system to the cost for that model reported in C-3.1.

RESPONSE:

Please see [Confidential Exhibit C-5.2](#) for the cost allocation method for the model with the largest production volume for one month as an illustration.

C-6 Major raw material costs

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

RESPONSE:

The main raw material of steel billet is molten steel.

The main raw material of molten steel is molten iron, scrap steel and alloy.

The main raw material of molten iron is ore.

2. Are any raw materials / intermediate steel billet sourced as part of an integrated production process or from a subsidiary company which your company exercise control? If yes, complete the worksheet named "C-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 steel billet sold).
- If any imputation tax (e.g. value-added tax) is payable on the purchase of steel billet 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 "C-7.2 Raw material CTM" reconciles to the unit raw material cost as recorded in "C-3 Domestic CTM"

RESPONSE:

No.

- Using the domestic cost data in "C-3 Domestic CTM", calculate the weighted average percentage of each raw material cost (listed in C-7.1) as a proportion of total cost to make.

RESPONSE:

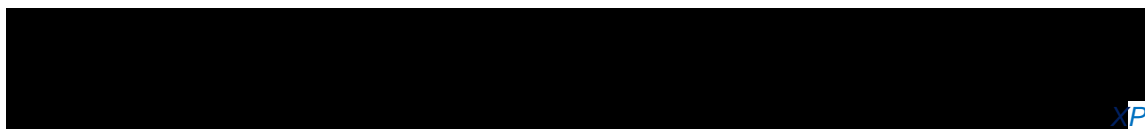
Please see [Confidential Worksheet C-7.1](#) for an illustration of the calculation of the weighted average percentage of each material cost as a proportion of total cost to make.

- For each raw material identified in C-7.2 which individually account for 10% or more of the total cost to make, complete the worksheet named "C-7.4 Raw material purchases"
 - This worksheet lists all raw material purchases (i.e. transaction by transaction) purchased by your company within the period.
 - If there are variations between the initial and final quantity or price of materials purchased: please fill out the list of purchases based on the final invoice date and final agreed quantity and price.
 - 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](#) [REDACTED]

Please be noted that raw material purchase is quite complicated which involves huge data and multiple departments. Considering the time is limited, the company would provide further information as requested during the onsite verification.



*Please see [Confidential Worksheet G-7.4 Raw Material Purchase \(revised\)](#).
[Confidential information redacted concerning updating of information]*

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

RESPONSE:

The data were exported from the business system "Raw Material Procurement Logistics Control System PLMS" data backend.

- For each raw material:
 - Select the two largest invoices by value and provide the commercial invoice and proof of payment.
 - Reconcile the total value listed in "C-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.

RESPONSE:

Please see [Confidential Exhibit C-6.6](#) for the two largest invoices by value.

7. Are any of the suppliers in “C-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, some of the suppliers of raw materials are related to the company. Please refer to [Confidential Exhibit C-6.7\(1\)](#) and [Confidential Exhibit C-6.7\(2\)](#) for the details on how the transfer price of the raw material is set.

C-7 Reconciliation of cost to make to audited financial statements

1. Please complete the worksheet named “C-8 Upwards costs” to demonstrate that the cost listings in C-3 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 C-8 Upwards costs](#).

2. Please provide any documents, other than those in A-4, C-3, required to complete the “C-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.

C-8 Production of steel billet

1. Describe your company’s practices for capturing the production quantities reported at worksheets “C-3 domestic 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.

Please see a sample screenshot of the system below:

[Confidential 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:

The source documents related to production quantity mainly include yield reports, work in progress reports, production reports, and L3 data collected through the L4 information system to form decision system data.

[Confidential Screenshot redacted]

- (a) Briefly explain the reasons for any differences between the production quantities reported at worksheet “C-3 domestic CTM” and the sales volumes reported at worksheet “B-2 domestic sales”

RESPONSE:

Part of the steel billets produced are sold, part are consumed in further process and part are warehoused. That's why the production quantity does not equal to sales volume.

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

RESPONSE:

According to the product benefits, the marketing center allocates monthly resources and the manufacturing management department issues a monthly plan. The production of steel billets is determined and updated daily, and the product portfolio is determined according to the end of month plan.

4. What lead times are typically needed to adjust volumes of production for steel billet?

RESPONSE:

█ days.

C-9 Capacity Utilisation

1. Please complete the worksheet named "C-9 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 C-9 Capacity Utilisation](#).

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

RESPONSE:

Capacity= █
Capacity utilization rate= █

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

- (a) What is the capacity of these facilities?
█ ton
- (b) What was the monthly amount of inventory maintained during the inquiry period?
█ ton
- (c) What is the average period of time that inventory is retained (describe how this is calculated)?
█ days

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

RESPONSE:

No.

5. For each plant capable of producing inputs that could be utilised to make steel billet, 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:

Plant: South Electric Furnace Smelting Area
Facility: 1# Round billet casting machine
Starting Date: December 2012
Annual Production Capacity: █ ton
Changes over the past five years: No change

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 steel billet.

RESPONSE:

No, there has been no such significant investment in the past five years.

SECTION D DOMESTIC MARKET SITUATION

This section relates to the domestic market conditions during the period, for the supplier at Section A.

D-1 Prevailing conditions of competition in the domestic market

1. Describe the domestic market for all steel billets 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 domestic steel billet market has a large scale and in a stable development. There are many professional production steel companies, product application fields are constantly expanding, and product varieties are continuously enriched. According to the National Bureau of Statistics, steel production has increased year by year during the past five years.

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

Response:

In the domestic market, the main industries in which steel billets are used includes ,pipe billets in the energy industry, wind power gears and bearings; wheels and axles in the rail transit industry, railway bearings, etc.; valves, mooring chains, drill pipes in the oil drilling industry; pistons, hydraulic cylinders, etc. in the engineering machinery industry. All mentioned demand is from producer users.

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

Response:

Industry	Proportion
Construction machinery	
Rail Transit	
Energy steel	
Oil drilling	
Others	
Total	100%

(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:

The demand for steel billet is from specific project, which would not be affected by external factors like seasonal fluctuational or government regulation etc.

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

Response:

Most steel billet factories are in the Yangtze River Delta region, and there is no market segmentation for steel billet. The steel billet for railway wheels produces by the company has traditional advantages in domestic market. Currently, usage of steel billets on the domestic market are mainly divided into continuous cast round steel billets, continuous cast square steel billets, and die-cast ingots. Different steel billets have different usage scenarios.

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

Response:

There is no market segmentation on this product.

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

Response:

The reason for importing steel billets is that domestic steel billets cannot meet special needs of production. However, most domestic steel billets can meet domestic needs and do not need to compete with imported steel billets. Imported steel billets account for a very small share in China.

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

Response:

The domestic sales and marketing planning of steel billets oversees by the Marketing Centre of the company. The Special Steel Department of the marketing centre implements and carries out unified planning, publicity, promotion, sales, and services. Among them, publicity and promotion are not in the form of public advertising but are more based on promotional meeting to communication with customers. At present, sales in domestic market is mainly direct supply.

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

Response:

All the factors could influence steel billet on the domestic market are stated on above answers.

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 steel billet, 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:

[Confidential diagram and explanation of market structure for steel billet redacted]

3. Describe the commercially significant market participants in the domestic market for steel billet 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.

Answer:

In the domestic market for steel billet ,Maanshan Iron & Steel Company Limited is manufacturer occupies █% of domestic steel billet market share, █ is manufacturer occupies █% of domestic steel billet market share, █ is manufacturer occupies █% of domestic steel billet market share, █ is manufacturer occupies █% of domestic steel billet market share.

4. Identify the names of commercially significant importers in the domestic market for steel billet 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:

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

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

Response:

This question is not applicable to the company, there is no such regulatory framework of the goods in China.

6. Describe any entry restrictions for new participants into the domestic market for steel billet. 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.

D-2 Steel billet in the domestic market

1. Generally, describe the range of steel billet offered for sale in the domestic market. The description should include all steel billet, 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.

Answer:

As far as the company is aware, currently the steel billets on the domestic market contains continuous cast round billets, continuous cast square billets, die cast ingots, etc. The main application fields include wind power, thermal power, deep sea oil drilling, rail transit, engineering machinery, etc. The company could produce all above-mentioned kinds of steel billet. [REDACTED] produces best quality steel billet with the most expensive price and great appraisal, the company's product quality, price and appraisal are slightly inferior to [REDACTED]. There is sufficient supply of steel billet in domestic market, with small technical support differences. Different usage with different preference of steel billet supplier, for example wind power industry is more willing to buy steel billet from [REDACTED] but for gear industry is more accustomed to buy the steel billet of [REDACTED].

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

Answer:

Steel billet can be used in produce Pipe blanks, gears, bearings, wheels, flanges, drill pipes, etc.

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.

Answer:

The clients would consider component segregation, non-metallic inclusions, end hardenability, ultrasonic flaw detection, low-magnification structure, surface quality, curvature, etc.

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

Answer:

There are no commercial substitutes for steel billets. Due to the uniqueness of the materials of different types of steel billets, they are unique and irreplaceable.

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

Answer:

There is no change in marker of consumer preferences in the domestic market for steel billet in the last five years.

D-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 steel billet in the domestic market and

Response:

Domestic market is important to the company. All the steel billet for railway wheels were sold in domestic market. Domestic sales occupy █% of sales revenue. Please refer to **Confidential Worksheet B-2 Domestic sales**.

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

Response:

Domestic market is important to the company. All the steel billet for railway wheels were sold in domestic market. Domestic sales occupy █% of sales profit.

In responding to question 1 please provide evidence supporting calculations.

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

Response:

The company is not the price leader, cause the price of steel billet changes with to the international steel price, and the company purchases, produces and sets the price according to the international steel price.

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:

The pricing nature of non-railway wheel steel billets is based on product positioning, and the price strategy is competition-based pricing; the pricing nature of railway wheel billets is a price maker, and the price strategy is a combination of cost-plus pricing, value pricing, and dynamic pricing.

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

Response:

Please refer to **Confidential Exhibit B-1.3 Pricing meeting memoranda [CN&EN]** and refer to **Confidential Exhibit D-3.4 Pricing meeting minutes for non-railway wheel steel billet**.

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 price review of railway wheel steel billets is adjusted every six months, mainly based on the index of the steel billet. The price of non-railway wheel steel billets is adjusted monthly.

The Company has a Steel Product Sales Price Committee.

Position	Details
Director	█
Deputy Director	Not currently available

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Marketing Center	The General Manager, Deputy General Manager, and Business Department Head of the Marketing Center.
Business Finance Department	Personnel in charge of operating budget.

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 steel billets
- 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:

Rankings as below:

Purchase price of raw materials, Competitors' prices, Cost to make and sell steel billets, Customer relationship management, Volume of the order.

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 steel billet?

Response:

The price of steel billets is related to international steel prices, and the sales price is affected by sales costs. The company could reach an expected profit.

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:

This question is not applicable to the company,

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

Response:

No, the company does not provide bundle pricing in the domestic market.

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

Response:

In the domestic market the customers should meet the minimum order quantity of [REDACTED] tons in sales, the quantity does not affect selling price.

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?

- (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. Provide a complete translation of the documents.

Response:

There are █% contracted sales in sales revenue, the company does not offer exclusivity contracts, each sales contract is negotiated order by order, they are reviewed, negotiated, and agreed order by order. Internal management system has price review positions set up. If the client needs to review, they can propose to review at any time. The company provides opportunities for price reviews for customers within contracts. The customer contacts the account manager, who organizes internal verification based on the corresponding situation and then replies to the customer. Once the price with the customer is determined and approved, generally there would be no need to review it again.

Please refer to [Confidential Exhibit D-3.11 \(g\) for Contracted customer list, and the two largest contracts in terms of sales revenue.](#)

12. Provide copies of any price lists for steel billet 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:

Please refer to [Confidential Exhibit D-3.12 Special steel billet grade difference for detailed information.](#)

13. How do you differentiate pricing for different products/models of steel billet 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:

Please refer to [Confidential Exhibit D-3.12 Special steel billet grade difference for detailed information.](#)

14. Do you tier or segment your domestic customers for steel billet 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:

This question is not applicable to the company, the company does not made segmentation to customers.

15. Do you sell steel billet 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:

All railway wheel steel billets are only sold to Baowu Group Masteel Rail Transit Materials Technology Company Limited. The other steel billets are sold to other parties, and the price is based on a single batch. Every related party sales price would be submitted in the price meeting for approval.

D-4 Marketing and sales support in the domestic market

1. How does your company market steel billet in the domestic market? Include in your response the value proposition used (e.g., competitive price, superior quality, reliability, availability, etc.).

Answer:

Mainly through customer manager visits, existing customer recommendations, and promotional meetings, the main marketing points are competitive prices and excellent quality. In addition, the company has good logistics advantages.

2. Does your company conduct brand segmentation in the domestic market for steel billet? If yes, describe the brand segmentation used and provide the proportion of sales revenue derived from each brand segment.

Answer:

This question is not applicable to the company, because the company does not conduct brand segmentation in the domestic market.

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

Answer:

This question is not applicable to the company, the company does not use any public advertisement. As mentioned above, the company are more used to promotional meetings and direct visit to customer.

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.

Answer:

There is about 40 people in the domestic market sales team, they are all located in Ma'anshan City, Anhui Province, the salary of the team is 150,000 to 250,000RMB per year. Please refer to the [Confidential Exhibit 4.4 for Domestic market sales team member salary and assessment document](#).

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

Answer:

Please refer to the [Confidential Exhibit D-4.5 for Raw and auxiliary material cost](#).

D-5 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, are provided:

- Regularly report various taxes;

To Statistics Department of Ma'anshan:

- Regularly report on the company's production and operation status, total production and sales value, main product output, financial status, energy procurement and consumption, inventory, etc.

(b) payment of taxes

RESPONSE:

The Company pays 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 pays 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 is [REDACTED].

██████████ is the general manager, responsible for Marketing Center, Procurement Center and Baowu Group Masteel Rail Transit Materials Technology Company Limited.

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

RESPONSE:

The 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 Administration for Industry and Commerce of Anhui Province.

(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 does not provide loans to the company. This question is not applicable.

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

RESPONSE:

Please see [Confidential Exhibit D-18.2](#) for the grants, awards or other funds.

D-6 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:

The Company 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:

Please refer to [Question A-2.4](#) for the Board of Directors.

Please refer to [Question D-6.9](#) for the Board of Directors.

Please refer to pages 339 to 353 of the [Confidential Exhibit A-4.1 2022 Annual Report](#) for the related companies of the Company.

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

RESPONSE:

S.N.	Name	Related companies
1	██████████	Chairman of Magang (Group) Holding Co., Ltd.

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2		General manager of Magang (Group) Holding Co., Ltd.
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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, the name is Committee of the Communist Party of China Ma'anshan Iron and Steel Co., Ltd, the list of members is as follows:

Position of Party Committee	Name
Secretary	
Deputy Secretary	
Member of the standing committee	

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.

S.N.	Name	Position of Party Committee
1		Secretary of the Party Committee of Ma'anshan Iron and Steel Co., Ltd
2		Deputy Secretary of the Party Committee of Ma'anshan Iron and Steel Co., Ltd
3		Member of the Standing Committee of the Party Committee of Ma'anshan Iron and Steel Co., Ltd
4		Deputy Secretary of the Party Committee of the Engineering Technology Research Institute of Beijing University of Science and Technology
5		Secretary of the Party Committee of the School of Business, Anhui University of Technology

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:

Top 10 shareholders at Jun30,2023

Name of shareholder	Nature of Shareholder	Percentage (%)

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Month	A share		H share	
	Trading Volume (million shares)	Average monthly trading price (CNY)	Trading Volume (million shares)	Average monthly trading price (HKD)
202210	329.8	2.70	112	1.52
202211	571.7	2.80	294	1.43
202212	715.2	2.89	161	1.80
202301	330.8	2.84	121	1.98
202302	488.6	3.01	101	1.88
202303	642.3	3.00	103	1.84
202304	526.2	2.79	73	1.78
202305	473.4	2.75	91	1.65
202306	390.3	2.64	132	1.36

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

RESPONSE:

The Board of Directors and Board of Shareholders 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:

██████████ serves as member of the Ninth Committee of Maanshan Science Association.

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

RESPONSE:

The Company has a Steel Product Sales Price Committee.

Position	Details
Director	██████████
Deputy Director	Not currently available
Marketing Center	The General Manager, Deputy General Manager, and Business Department Head of the Marketing Center.
Business Finance Department	Personnel in charge of operating budget.

D-7 Licensing

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

RESPONSE:

Please see [Confidential Exhibit D-7.1](#) 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 Administration for Industry and Commerce of Anhui Province.

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.

D-8 Decision-making, planning and reporting

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

- a. what steel billets are produced

RESPONSE:

After the production line is put into operation, the marketing center receives the order and hands it over to the deputy general manager of the marketing center, Yang Hui, to decide on the production arrangement. Steel billets, therefore, are made to order.

- b. how the steel billets are produced

RESPONSE:

The Manufacturing Management Department arranges production according to the order.

- c. how levels of inputs such as raw materials, labour and energy are set and secured

RESPONSE:

Relevant departments within the company estimate the requirements of materials, labour, energy, etc., to produce the steel billets ordered as follows:

- The Manufacturing Management Department estimates the types and quantities of raw materials required and submits them to the Procurement Center for procurement.
- The Ministry of Energy and Environmental Protection estimates the required consumption of energy sources such as water, electricity, wind energy, and natural gas and ensures their supply.
- The Human Resources Department estimates the required number of employees based on the labour intensity of the production line, recruits and manages relevant employees.

- d. how the use of your outputs, such as product mix, is determined and

RESPONSE:

The Production and Manufacturing Department produces according to orders, while the Marketing Center is responsible for sales. There is no product mix.

- e. how your business' profit is distributed.

RESPONSE:

The distribution of profits shall be decided by the general meeting.

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

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 steel billet.

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 does not have the situation described in the question. This question is not applicable.

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 [Confidential Exhibit D-8.5](#) 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:

The Company does not have the situation described in the question. This question is not applicable.

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

RESPONSE:

During the POI, the company held a board meeting for annual reports, semi-annual reports, first quarter reports, third quarter reports, ESG reports, and business data announcements, and none of the meetings involved steel billets.

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

RESPONSE:

Please refer to [Confidential Exhibit B-1.3](#) for the for the Pricing meeting memoranda of the product.

D-9 Financial and investment activities

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

RESPONSE:

Please refer to [Confidential Exhibit D-19.1](#) for the for the details of loans.

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

RESPONSE:

Please refer to [Confidential Exhibit D-19.1](#) for the for the details of loans.

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

RESPONSE:

Please refer to [Confidential Exhibit D-19.1](#) for the for the details of 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:

- a. explain what instruments were used

RESPONSE:

The company issued equity incentives - restricted stocks in the last 5 years.

- b. identify the type (e.g., government guarantee) and provider of the security and

RESPONSE:

Equity incentives - restricted stocks.

No guarantor.

- c. explain the reasons for raising the capital.

RESPONSE:

In order to further establish and improve the long-term incentive mechanism of the company, attract and retain outstanding talents, fully mobilize the enthusiasm of core backbone employees, and effectively combine the interests of shareholders, the company, and individual employees. Similar to the issue of shore options and other equity incentives by Australian companies.

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.

D-10 Government policy on the industry

1. Are there any Government of China opinions, directives, decrees, promulgations, measures, guidelines etc. concerning the industry for steel billet (including raw materials used in the production of steel billet)? If yes, please provide:

- a. copy of the documentation and a translation in English
- b. documentation concerning the Government of China or any association of the Government of China's notification of the measures concerning steel billet 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 for steel billet (including raw materials used in the production of steel billet) in the regions, provinces or special economic zones where your company is located, including contact information regarding the following areas:

- 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.

- 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 steel billet.

RESPONSE:

Business System of the Ministry of Commerce.

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

The Company does not have the situation described in the question. This question is not applicable.

D-11 Taxation

1. Were there any export taxes during the period applicable to:

- a. iron ore
- b. coking coal
- c. coke
- d. scrap steel
- e. steel billet

RESPONSE:

The above products have not been exported, so this question is not applicable.

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

- a. iron ore
- b. coking coal
- c. coke
- d. scrap steel
- e. steel billet

RESPONSE:

The above products have not been exported, so this question is not applicable.

3. Provide details of import tariff rates and import quotas during the period applicable to:

- a. iron ore
- b. coking coal
- c. coke
- d. scrap steel
- e. steel billet
- f. railway wheels

RESPONSE:

Iron ore and coking coal have no import tariffs or quotas.

Other products are not imported and are not applicable.

4. Provide details of export tariff rates and export quotas during the period applicable to:

- a. iron ore
- b. coking coal

- c. coke
- d. scrap steel
- e. steel billet
- f. railway wheels

RESPONSE:

The above products have not been exported, so this question is not applicable.

5. Have there been any changes to the value-added tax rebate applicable to exports of steel billet in the last 5 years? If yes, provide:
- a. a detailed chronological history of the value-added tax rebate rates
 - b. products affected
 - c. the effective dates of the rate changes
 - d. fully translated copies of any Government of China notices regarding these changes, including the relevant appendices.

RESPONSE:

The company has been exporting steel billets for the past 5 years, so this question is not applicable.

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

RESPONSE:

The corporate income tax rate for the company in 2021 is 25%.

In 2022, the company successfully declared itself as a high-tech enterprise, with a corporate income tax of 15%.

- b. 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.

RESPONSE:

Please refer to [Confidential Exhibit D-11.6b](#) for the annual tax return.

- c. 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 tax amount in 2020 was 0, which can be confirmed by referring to the [2020 Annual tax return](#) in [Confidential Exhibit D-11.6b](#).

Please refer to [Confidential Exhibit D-11.6c](#) for the tax payments.

7. Did your company pay less than the general tax rate for enterprises referred to in question D-11.6? If yes:

- a. What is the name of the authority granting your company the reduced tax rate?

RESPONSE:

Anhui Provincial Department of Science and Technology, Anhui Provincial Department of Finance, State Administration of Taxation Anhui Provincial Taxation Bureau.

- b. What is the eligibility criteria to benefit from the reduced tax rate?

RESPONSE:

Enterprises recognized as high-tech enterprises can be subject to corporate income tax at a rate of 15%.

- c. Provide details of the application process

RESPONSE:

- 1) Enterprises need to register on the "High tech Enterprise Recognition Management Network" and submit recognition applications to the recognition agency;
- 2) After the online application is approved, the enterprise must submit written materials related to the application to the local science and technology bureau;
- 3) After receiving the application materials from the enterprise, the certification agency needs to organize no less than five experts for evaluation;

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- 4) The certification agency needs to conduct a comprehensive review of the application materials of the applying enterprise, and verify whether the company meets the evaluation standards for high-tech enterprises;
 - 5) The list of approved enterprises will be publicly announced for 10 working days. If there is no objection, the record shall be filed, and the recognition time shall be based on the public announcement time, and the certificate number shall be issued;
 - 6) The certification agency issues a uniformly printed high-tech enterprise certificate to the enterprise.
- d. 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 D-11.7d](#) for the blank application form of high-tech enterprises.
- e. 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:
Please refer to [Confidential Exhibit D-11.7e](#) for the application.
- f. 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.
RESPONSE:
Please refer to [Confidential Exhibit D-11.7f](#) for the certificate of High-tech Enterprise.
- g. Outline the fees charged to, or expenses incurred by your business for purposes of receiving the program.
RESPONSE:
No fees charged.
8. 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.
9. 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 steel billet and/or upstream inputs.
RESPONSE:
In the past 5 years, only 2022 has incurred losses. Please refer to the third section of [Confidential Exhibit A-4.1 2022 Annual Report](#) for the analysis of losses in the board of directors' report.

D-12 Sales terms

1. Identify the person who authorises the sales terms, prices and other contract provisions for the sale of steel billet by your business.
RESPONSE:
[REDACTED], the General Manager of the Marketing Center of the company, is responsible for the above work.
2. Explain how the selling prices of steel billet by your business are determined, including any Government of China involvement in your business' pricing decisions, and indicate if steel billet is subject to Government of China direct or indirect pricing or government guidance pricing.
RESPONSE:
The Company has a Steel Product Sales Price Committee.
The committee reviews pricing according to commercial factors such as the following:
 - The manufacturing department calculates production costs based on factors such as raw material prices, technical standards, and production technology.
 - The committee determines the sales price based on factors such as production costs, market supply and demand, interest, profits, etc.

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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 steel billet with other domestic producers or any Government of China departments? If yes, provide details.

RESPONSE:

The Steel Product Sales Price 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:

The Company does not have the situation described in the question. This question is not applicable.

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 steel billets?

RESPONSE:

The company does not have access to this information.

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

RESPONSE:

Please refer to [Question D-6.18](#).

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

RESPONSE:

For the steel billets used for wheels, the company adjusts the incentives every six months. Please refer to [Confidential Exhibit B-1.3](#) for the meeting minutes

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

RESPONSE:

The sales contract is a standard contract, and the sales price can be found in [Confidential Exhibit B-3.1](#). The contract must be reviewed by the legal department.

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

RESPONSE:

The company only produces subject products at one factory, located at Maanshan City, Anhui Province. This question is not applicable.

D-13 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:

Item	1	2
Association	CHINA IRON & STEEL ASSOCIATION	CHINA ASSOCIATION FOR QUALITY
Relationship with Government	This association is a non-profit social organization approved by the Ministry of Civil Affairs of China. It is a national and industry social organization voluntarily formed by enterprises, public institutions, social organizations, and individuals in the Chinese steel industry as members.	This association is a national, professional, and non-profit social organization voluntarily formed by units and individuals committed to quality management and quality innovation in China, approved by the Ministry of Civil Affairs.
Role	Council	Member

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:

Item	1	2
Association	CHINA IRON & STEEL ASSOCIATION	CHINA ASSOCIATION FOR QUALITY
Role	Council	Member
Management requirements	Voluntary	Voluntary
Functions	The association promotes and interprets industry related policies to member units, provides a platform for technical exchange, consultation, and achievement transformation, and promotes industry structural adjustment and technological progress. The association provides services to member units, reflects their demands, and plays a bridge and link role between the government and members.	The association mainly popularizes quality management knowledge, technology, and methods to member units, promotes comprehensive quality management, promotes the implementation of quality management system standards, promotes excellent performance models, and promotes various organizations to carry out quality improvement activities such as quality management teams, lean management, and on-site management.

D-14 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:

Article 7 of the Statistics Law of the People's Republic of China stipulates that state organs, enterprises, institutions, other organizations, as well as individual businesses and individuals, who are subject to statistical investigation, must provide the necessary data for statistical investigation in a truthful, accurate, complete, and timely manner in accordance with this Law and relevant national regulations. They shall not provide untrue or incomplete statistical data, and shall not delay or refuse to report statistical data.

To Statistics Department of Ma'anshan:

Regularly 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. 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 D-14.2](#) 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.

D-15 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 steel billets 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 customers of steel billet 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:

There are [redacted] customers for steel billets, which companies are state-owned enterprises.

S.N.	Company	Adress
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]

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

RESPONSE:

The company determines the quality standards and quantity of the products based on the Sales Contract.

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

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

RESPONSE:

Starting from December 30, 2022, export business no longer requires an export license.

7. Are steel billets 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 steel billet or steel inputs used in the production of steel billet? If yes, provide details.

RESPONSE:

Over the past 5 years, the Company's steel billet production capacity has remained unchanged at [REDACTED] tons.

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.

D-16 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.

D-17 Raw materials

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

RESPONSE:

Please refer to [Confidential Exhibit C-7.4](#) for the details.

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

RESPONSE:

Please refer to [Confidential Exhibit C-7.4](#) for the details.

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

RESPONSE:

Please refer to [Confidential Exhibit C-7.4](#) for the list of Foreign Suppliers.

The import value-added tax rate is 13%. No other import taxes.

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

RESPONSE:

For ore:

There is no significant price difference.

The pricing model for ore procurement is basically based on the international iron ore pricing system. International iron ore bulk trading generally adopts long-term agreement price negotiations to establish annual transaction prices. The long-term agreement price refers to the long-term agreement price signed by both parties to the contract, in order to protect the common interests of both buyers and sellers, and to ensure that the price will not fluctuate violently for a long period of time.

For scrap steel:

There are differences.

At present, suppliers are divided into two categories: general contractors and other suppliers. The general contractor shall assume the responsibility of ensuring the supply of scrap steel and determine the purchase price in accordance with the terms of the Scrap Steel and Pig Iron Pricing

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Agreement; Other suppliers participate in the platform's price inquiry and comparison, and determine the purchase price and quantity based on the comparison rules. Due to the agreed upper limit of quotation in the comparison document, the price of the same variety through comparison shall not be higher than the price of the general contracting supplier.

For alloys:

There is no difference in the purchase price of raw materials between suppliers.

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:

[Confidential commercial information concerning purchase procedure for raw materials, etc., from third party suppliers redacted]

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 steel billet 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.

RESPONSE:

Please refer to [Confidential Exhibit C-7.4](#) for the details of Foreign Suppliers.

- b. Explain the process required to import the raw materials (e.g., obtaining an import licence, import declarations).

RESPONSE:

The ore import process can be divided into the following steps:

- 1) Sign the contract. An import contract is signed between the importer and exporter, specifying the name, specifications, quantity, price, delivery time, payment method, etc. of the goods, and relevant insurance and letter of credit procedures are handled in accordance with the contract requirements.
- 2) Apply for import license. According to China's import and export management system, iron ore products require an import license, and importers need to apply for an import license from the Ministry of Commerce and submit contracts and other documents.
- 3) Customs declaration and inspection. After the goods arrive at the destination port, the importer needs to declare and pay customs duties, value-added tax and other taxes to the customs, and provide documents such as contracts, invoices, packing lists, bills of lading, and certificates of origin.
- 4) Handle acceptance and handover. After the goods pass customs and inspection and quarantine, the importer needs to handle the acceptance and handover procedures with the exporter or its agent, and sign the receipt or handover form to confirm that the quantity and quality of the goods meet the contract requirements.
- 5) Handle settlement. The importer shall pay the exporter for the goods according to the payment method stipulated in the contract.

- c. Provide details of any conditions to importing the raw materials (e.g., customs and/or quarantine).

RESPONSE:

There are no conditions on the raw materials imported by the company, so this question is not applicable.

- d. Are you eligible for a duty drawback? If yes, provide details.

RESPONSE:

The company does not have the qualification for tax refund when importing, so the question is not applicable.

8. Do you, or a business associated with you, sell any of the raw materials used to manufacture steel billet, or sell semi-processed steel billet?
 - a. Please provide a description of the raw material(s) or semi-processed steel billet which are sold, including whether they are domestic or export transactions, to related or unrelated parties, to SIEs or not, and how the selling price is determined.
 - b. If there is a difference in selling prices between related and unrelated parties, please provide reasons as to why.

RESPONSE:

The Company does not have the situation described in the question. This question is not applicable.

D-18 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 refer to [Confidential Exhibit D-18.1](#) for the details of financial grants.

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 D-18.2](#) for the details of financial grants.

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

RESPONSE:

Please refer to [Confidential Exhibit D-18.2](#) for the details of financial grants.

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

RESPONSE:

Please refer to [Confidential Exhibit D-18.2](#) for the details of financial grants.

- d. Is the grant related to the production and/or sales of steel billet, and/or railway wheels?

RESPONSE:

Please refer to [Confidential Exhibit D-18.2](#) for the details of financial grants.

- e. Provide details of the application process.

RESPONSE:

The Company prepares relevant documents according to different policies and uploads application materials through the online declaration 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:

No blank form, please refer to [Confidential Exhibit D-18.2g](#) for the required information for the sample file declaration form.

- 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 D-18.2g](#).

- 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 D-18.2i](#).

- 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 D-18.2j](#).

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

RESPONSE:

No related fees.

D-19 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:

The company obtained loans from banks and related financial company.

Please refer to [Confidential Exhibit D-19.1](#) for Lending institutions.

2. 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:

Please refer to [Confidential Exhibit D-19.1](#) for the details of loans.

3. 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:

Please refer to [Confidential Exhibit D-19.1](#) for the details of loans.

4. 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 refer to [Confidential Exhibit D-19.4](#) for the proportion of state-owned assets of cooperative bank with the Company.

5. 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 only confirms the cooperating bank based on the inquiry results.

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6. 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 analyses the current operating situation at the end of each year, predicts plans for the next year's operations, investments, funds, etc., and prepares financing plans. Determine the borrowing plan based on actual business needs.

[Confidential commercial information concerning more detailed information of above procedure for obtaining loans redacted.]

7. 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:

Due to the large number of loan projects, the company hereby provides a document as a sample, please refer to [Confidential Exhibit D-19.7](#).

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:

[Confidential information redacted concerning guaranteed loans – virtually nil.]
please refer to [Confidential Exhibit D-19.7](#).

11. Do related parties provide finance services to your company and/or related parties involved in the manufacture/sale of the goods (including raw materials/intermediate inputs used in the manufacture of the goods)?

If yes, provide details including:

- Copies of financial service agreements applicable to the period.
- Details of amounts for credit/loans/any other financial services offered during the period.
- Details of credit interest rates and fees.
- Outline whether your company or related parties involved in the manufacture/sale of the goods were eligible for preferential credit rates.

RESPONSE:

Please refer to [Confidential Exhibit D-19.1](#) for loan details during the POI.

Please refer to [Confidential Exhibit D-19.11](#) for a sample of loans from related company.

D-20 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 only has one operating address, located in Ma'anshan City, Anhui Province, China.

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 steel billet or 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 D-20.

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 steel billet 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 steel billet 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.

D-21 Electricity

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

RESPONSE:

The company purchases electrical energy to produce the subject products.

2. Provide details of your supplier(s) of electricity.
 a. Are any of your suppliers related parties? If yes, provide details on how the price of electricity is set and provide any supporting evidence.

RESPONSE:

The electricity supplier has no related party, so this question is not applicable.

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

RESPONSE:

The Company's electricity supply is divided into self-generated electricity and externally purchased electricity.

The purchased electricity is divided into traditional electricity and green electricity.

The company negotiated with the electricity supplier to confirm the purchase quantity and unit price.

All electricity suppliers are state-owned enterprises, and electricity is transmitted through the State Grid

Category	Power supply company
Traditional electrical energy	Shenwan Energy Co., Ltd.
Green energy	Shenwan Energy Co., Ltd.
	Shanghai Shenneng New Energy Investment Co., Ltd.
	CGN New Energy Anhui Co., Ltd.
	Anhui Conch Power Sales Co., Ltd. of State Power Investment Group
	Qingyang Hewu New Energy Technology Co., Ltd.
	Wuhu Xiangtai Solar Power Development Co., Ltd.

3. The commission understands that electricity rates in China are subject to government price settings. Provide details of:

- a. government price settings applicable to your business and related parties involved in the manufacture/sales of the goods.
- b. government price settings applicable to businesses in the same sector(s) as your business and related parties involved in the manufacture/sales of the goods.
- c. government price settings applicable to businesses in the same geographic location(s) as your business and related parties involved in the manufacture/sales of the goods.

RESPONSE:

The electricity prices of each company are based on the prices of the State Grid, negotiated with energy companies based on the amount of procurement, and there may be price reductions, which vary among different companies.

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.

5. Did your business receive any reduction/reduced price for the purchase of electricity during the inquiry 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.