



Australian Government
Department of Industry,
Science and Resources

PUBLIC RECORD

Anti-Dumping Commission

Exporter Questionnaire

Case number: 669 & 676

Product: Steel reinforcing bar

From: The People's Republic of China

Review period: 1 April 2024 to 31 March 2025

Response due by: 2 July 2025

Email enquiries to: investigations3@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 of the anti-dumping measures applying to steel reinforcing bar (rebar, the goods) exported to Australia from the People's Republic of China (China) by Baowu Group Echeng Iron and Steel Co Ltd.

The commission will use the information you provide to determine normal values and export prices over the review period (the period). This information will determine whether exports of rebar are dumped.

The commission will collect and use information in accordance with the commission's Collection and Use of Information Policy.¹

What happens if you do not respond to this questionnaire?

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

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

Extension requests

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

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

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

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

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

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

Submitting a response to the exporter questionnaire

¹ <https://www.industry.gov.au/publications/anti-dumping-commission-collection-and-use-information-policy>

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

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

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

Confidential and non-confidential responses

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

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

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

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

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

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

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

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

Verification of the information that you supply

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

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

The verification may include commission staff visiting your company to conduct on onsite verification. Any onsite verification typically commences approximately 2 to 4 weeks after the due date of the response to the exporter questionnaire. To assist with the planning of a verification, please contact the commission as soon as possible for a potential verification date to be scheduled.

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

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

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 2016/30 available on the commission's website.

Important instructions for preparing your response

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

CHECKLIST

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

Section	Please tick if you have responded to all questions
Section A Company information	<input checked="" type="checkbox"/>
Section B Export sales to Australia	Not applicable
Section C Exported goods & like goods	Not applicable
Section D Domestic sales	<input checked="" type="checkbox"/>
Section E Due allowance	<input checked="" type="checkbox"/>
Section F Third country sales	Not applicable
Section G Cost to make and sell	<input checked="" type="checkbox"/>
Section H Particular market situation	<input checked="" type="checkbox"/>
Section J Domestic Market	<input checked="" type="checkbox"/>
Section K Australian Market	Not applicable
Exporter's declaration	<input checked="" type="checkbox"/>
Non-confidential version of this response	<input checked="" type="checkbox"/>

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Attachments	Please tick if you have provided spreadsheet
B-2 Australian sales	Not applicable
B-2.2 Australian sales source	Not applicable
B-4 Upwards sales	<input checked="" type="checkbox"/>
D-2 Domestic sales	<input checked="" type="checkbox"/>
D-2.2 domestic sales source	<input checked="" type="checkbox"/>
F-2 Third country sales	Not applicable
F-2.2 third country sale source	Not applicable
G-3 Domestic CTM	<input checked="" type="checkbox"/>
G-3.2 domestic CTM source	<input checked="" type="checkbox"/>
G-4.1 SG&A listing	<input checked="" type="checkbox"/>
G-4.2 Dom SG&A calculation	<input checked="" type="checkbox"/>
G-4.3 Upwards SG&A	<input checked="" type="checkbox"/>
G-5 Australian CTM	Not applicable
G-5.2 Australian CTM source	Not applicable
G-7.2 Raw material CTM	<input checked="" type="checkbox"/>
G-7.4 Raw material purchases	<input checked="" type="checkbox"/>
G-8 Upwards costs	<input checked="" type="checkbox"/>
G-10 Capacity Utilisation	<input checked="" type="checkbox"/>

GOODS UNDER CONSIDERATION / GOODS SUBJECT TO ANTI-DUMPING MEASURES

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

Hot-rolled deformed steel reinforcing bar whether or not in coil form, commonly identified as rebar or debar, in various diameters up to and including 50 millimetres, containing indentations, ribs, grooves or other deformations produced during the rolling process. The goods include all steel reinforcing bar meeting the above description of the goods regardless of the particular grade or alloy content or coating.

The goods subject to the anti-dumping measures do not include plain round bar, stainless steel, and reinforcing mesh.

Model Control Code

Details of the model control code (MCC) structure for the goods are detailed in the table below. Export sales data (Section B-2), domestic sales data (Section D-2) and cost to make and sell data (Section G-3, G-4 & G-5) submitted in this response must follow this MCC structure. At a minimum, the data must report sales and cost data separately for each of the mandatory MCC categories identified by the commission.

Item	Category	Sub-category	Identifier	Sales data	Cost data
1	Prime	Prime	P	Mandatory	N/A
		Non-Prime	N		
2	Minimum yield strength specified by product standard (Mega Pascals or "MPa")	Less than or equal to 300	A	Mandatory	Mandatory
		Greater than 300 but less than or equal to 480	B		
		Greater than 480 but less than 550	C		
		Equal to or greater than 550	D		
3	Finished form	Rebar in length/straight	S	Mandatory	Mandatory
		Rebar in coil	C		
4	Nominal diameter (millimetres or "mm")	Less than 12	A	Mandatory	Optional
		Greater than or equal to 12 and less than or equal to 16	B		
		Greater than 16 and less than or equal to 32	C		
		Greater than 32 and less than or equal to 50	D		
5	Length (metres or "m")	Less than or equal to 6	1	Mandatory	Optional
		Greater than 6 and less than or equal to 12	2		
		Greater than 12	3		
		Coil product	C		

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Item	Category	Sub-category	Identifier	Sales data	Cost data
6	Deformation pattern along Length	Threaded	T	Mandatory	Optional
		Non-Threaded	N		

In constructing a MCC, use a "-" between each category. For example: P-A-S-A-1-N for prime rebar with a yield strength of less than or equal to 300 MPa, in straight form, with a nominal diameter of less than 12 mm and a length of less than or equal to 6 m, that is not threaded.

The MCCs will be used to match export models to the identical or comparable domestic models. In addition, the MCCs will be used to determine the profitability of domestic sales in the ordinary course of trade by comparing domestic selling prices to the corresponding cost to make and sell. The MCC may also be used to compare the export price to the cost to make the exported model as part of the constructed normal value.

If there are models manufactured and sold by your company that do not align within the MCC structure above, this should be raised by lodging a submission with the commission as soon as is practicable, but no later than the time this questionnaire is due, otherwise the response may be considered deficient.

SECTION A COMPANY INFORMATION

A-1 Company representative and location

1. Please nominate a contact person within your company:

Name: **Mr. LI Yafei**
Position in the company: **[Sensitive]**
Telephone: **[Sensitive]**
E-mail address: **[Sensitive]**

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

Australian representative

Name: **Mr. John Bracic**
Address: **PO Box 3026, Manuka, ACT 2603**
Telephone: **+61 499 056 729**
E-mail address: **john@jbracic.com.au**

Chinese representative

Name: **Ms. YANG Xiaolin**
Address: **27/F,28/F,29/F Tower A Guohua Financial Center NO.9 Juxianyan Plaza Jiangbeizui, Jiangbei District 400024, Chongqing, China**
Telephone: **+86 136 3798 3487**
E-mail address: **xiaolin.yang@dentons.cn**
Name: **Mr. WANG Xiang**
Address: **10-11F Zheshang Building, 718 Jianshe Avenue, Jiang An District, Wuhan, Hubei, China**
Telephone: **+86 138 8613 5339**
E-mail address: **wangxiang@dentons.cn**

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

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

Response:

The company's financial records are held at No. 215, WuChang Road, Echeng District, Ezhou City, Hubei Province, China.

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

Response:

The company's production records are held at No. 215, WuChang Road, Echeng District, Ezhou City, Hubei Province, China.

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

Response:

The company's production plant manufacturing the goods under consideration ("GUC") are at No. 215, WuChang Road, Echeng District, Ezhou City, Hubei Province, China.

A-2 Company information

1. What is the legal name of your business?

Response:

The company's legal name is Baowu Group Echeng Iron and Steel Co., Ltd. ("Echeng").

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

Response:

There is no other company name or brand.

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:

Please refer to Exhibit A-2.4 Board of directors and changes, in which we provide a list of current directors and changes in the last two years.

5. Is your company part of a group (e.g. parent company with subsidiaries, common ownership, joint-ventures)? If yes, provide:
- (a) A diagram showing the complete ownership structure and
 - (b) A list of all related companies and its functions

Response:

Please refer to Exhibit A-2.5.1 Ownership structure and Exhibit A-2.5.2 Related companies.

6. Is your company or parent company publicly listed?
If yes, please provide:
- (a) The stock exchange where it is listed and
 - (b) Any principle shareholders²
- If no, please provide:
- (a) A list of all principal shareholders and the shareholding percentages.

Response:

No. Neither Echeng nor its parent company is publicly listed. A list of all principal shareholders and the shareholding percentages is provided in Exhibit A-2.5.

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

Response:

Echeng is a manufacturer of steel products. There are no export sales made by Echeng. Echeng manufactures and sells following steel products to domestic market:

- (1) plate (in Chinese 宽厚板);**
- (2) deformed steel reinforcing bar, in straight and in coil (GUC); (in Chinese 直螺、盘螺)**
- (3) plain round bar; (in Chinese 圆钢)**
- (4) steel wire (in Chinese 盘条或线材).**

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

8. If your business does not perform all of the following functions in relation to the goods under consideration, then please provide names and addresses of the companies which perform each function:
- (a) produce or manufacture
 - (b) sell in the domestic market
 - (c) export to Australia and
 - (d) export to countries other than Australia.

Response:

Echeng performs functions (a) and (b). Since there is no export in relation to the GUC produced by Echeng, function (c) and (d) are not applicable.

9. Provide your company's internal organisation chart.

Response:

Please refer to Exhibit A-2.9 Internal organisation chart.

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

Response:

The managers are responsible for coordinating the relationship and work of all departments. The purchasing department is responsible for all kinds of purchases including the purchase of raw materials. The administrative department is responsible for administrative affairs and daily matters of the company. The financial department is responsible for the daily accounting affairs while keeping the financial statistics and data of the company. The sales department is responsible for engaging with customers and selling the products. The production department is responsible for scheduling the production based on the orders placed by the customers and then produce the goods following the schedule.

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

Response:

Please refer to Exhibit A-2.11 Company brochure.

A-3 General accounting information

1. What is your financial accounting period?

Response:

Echeng's financial accounting period is from 1 January to 31 December.

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

Response:

Yes, Echeng's financial accounts is audited by Mazars Certified Public Accountants LLP Guangdong branch.

3. What currency are your accounts kept in?

Response:

Echeng's accounts are kept in RMB(CNY).

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

Response:

Echeng adopts China BaoWu's ERP system covers all functional modules including standard accounting system.

5. What is the name of your sales system?

Response:

Echeng adopts China BaoWu's ERP system covers all functional modules: sales, production quality management, finance, equipment management.

6. What is the name of your production system?

Response:

Please refer to the response to the above question.

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:

All modules in the EPR system are interacted electronically.

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. Echeng's accounting practices does not differ from the generally accepted accounting principles in China.

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

Response:

No. There is no change to Echeng's accounting practices or policies over the last two years.

A-4 Financial Documents

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

Response:

Please refer to Exhibit A-4.1 Audit reports for the two most recent year 2023 and 2024.

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.

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Response:

Please refer to [Exhibit A-4.2 Management letters](#) for audited report 2023 and 2024.

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

Response:

Not applicable.

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

Response:

No. Echeng maintain no different profit centre.

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:

Please refer to [Exhibit A-4.5 Income statements](#) as requested.

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

Response:

Please refer to [Exhibit A-4.6 Trial balance](#) as requested.

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

Response:

Please refer to [Exhibit A-4.7 Chart of accounts](#) as requested.

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

SECTION B EXPORT SALES TO AUSTRALIA

Response:

Section B-1, B-2 and B-3 are not applicable since there are no export sales to Australia during the period.

B-1 Australian export sales process

1. Provide details (and diagrams if appropriate) of the export sales process of your company and representatives (e.g. agents) including:
 - (a) Marketing and advertising activities
 - (b) Price determination and/or negotiation process
 - (c) Order placement process
 - (d) Order fulfilment process and lead time
 - (e) Delivery terms and process
 - (f) Invoicing process
 - (g) Payment terms and process
2. In what currency do you invoice your customers for goods exported to Australia? If it is not in your local currency:
 - (a) Do your customers pay you into a foreign currency denominated account? If yes, provide details
 - (b) Do you use forward contracts to lock in the foreign exchange rate relating to the export sales? If yes, provide details
 - (c) How is the exchange rate determined in your accounting system and how often is it updated?
3. Are there any customers of the goods exported to Australia related to your company? If yes, please provide a list of each related customer and provide details on how the selling price is set.
4. If sales are in accordance with price lists or price extras list, provide copies of these lists.
5. Do your export selling prices vary according to the distribution channel identified? If yes, provide details. Real differences in trade levels are characterised by consistent and distinct differences in functions and prices.
6. Did you provide on-invoice discounts and/or off-invoice rebates to any customer or an associate of the customer in relation to the sale of the goods exported to Australia during the period? If yes, provide a description and explain the terms and conditions that must be met by the customer to obtain the discount and/or rebate.
7. Did you issue any credit or debit notes (directly or indirectly) to the customer or associate of the customer in relation to the sale of the goods exported to Australia during the period? If yes, provide details of the credit/debit notes including the reasons the credit/debit notes were issued.
8. In establishing the date of sale, the commission will normally use the date of invoice as it best reflects the material terms of sale. If you are making a claim that a different date should be taken as the date of sale:
 - (a) What date are you claiming as the date of sale?
 - (b) Why does this date best reflect the material terms of sale? Any claim for an adjustment would need to substantively address:
 - whether, why, and to what degree, the considerations in determining price differed between export and domestic sales
 - whether the materials cost differs at the time of subsequent invoicing of that export sale (compared to domestic sale invoices in the same invoice month of that export sale) having regard to factors such as the production schedules for domestic and export; and lead times for purchasing main input materials

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

B-2 Australian sales listing

1. Complete the worksheet named “B-2 Australian sales”
 - This worksheet lists all sales (i.e. transaction by transaction) exported to Australia of the goods invoiced within the period. This includes exports to Australia sold through a domestic customer.
 - This worksheet must also include exports of the goods that have been exempted from anti-dumping duties under 8(7) and section 10(8) of the *Customs Tariff (Anti-Dumping) Act 1975*.³
 - You must provide this list in electronic format using the template provided.
 - If you have used formulas to complete this worksheet, these formulas must be retained.
 - If there are any direct selling expenses incurred in respect of the exports to Australia not listed in the spreadsheet, add a column. For example, if the delivery terms make you responsible for arrival of the goods at an agreed point within Australia (e.g. delivered duty paid), insert additional columns in the spreadsheet for all other costs incurred.
2. Complete worksheet “B-2.2 Australian sales source” showing the relevant source of the data used for each column of worksheet “B-2 Australian sales”.

B-3 Sample export documents

1. Select the two largest invoices by value and provide the following documentation:
 - Contracts
 - Purchase order and order confirmation
 - Commercial invoice and packing list
 - Proof of payment, remittance advice and accounts receivable ledger
 - Documents showing bank charges
 - Invoices for inland transport
 - Invoices for port handling and other export charges
 - Bill of lading
 - Invoices for ocean freight & marine insurance (if applicable)
 - Country of origin certificates (if applicable)

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

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

B-4 Reconciliation of sales to financial accounts

1. Please complete the worksheet named “B-4 Upwards sales” to demonstrate that the sales listings in B-2, D-2 and F-2 are complete.
 - You must provide this list in electronic format using the template provided.
 - Please use the currency that your accounts are kept in.
 - If you have used formulas to complete this worksheet, these formulas must be retained.

Response:

Please refer to [Attachment B-4 Upwards sales](#) as requested.

³ Refer to [Ministerial Exemption Instrument No 2 of 2019](#) and [Ministerial Exemption Instrument No 3 of 2019](#).

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

Response:

Please refer to Exhibit B-4.1 Upwards sales documents as requested.

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:

Please refer to Attachment B-4 Upwards sales as requested.

SECTION C EXPORTED GOODS & LIKE GOODS

The commission considers the MCC structure in and of itself is not likely to be commercially sensitive information. Any claim that disclosing the MCC information is confidential or would adversely affect your business or commercial interests must be raised by lodging a submission as soon as practicable, but no later than the time this questionnaire is due.

C-1 Models exported to Australia

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

Response:

Not applicable. Echeng didn't make any exportations to Australia during the period, thus, this section concerning sales to Australia is not applicable.

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

Response:

Not applicable.

C-2 Models sold in the domestic market

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

Response:

Echeng produces and sells deformed steel reinforcing bar ("Rebar") both in straight and in coil with different steel grade in the domestic market:

- (1) HPB400 series;
- (2) HPB500 series;
- (3) HPB600 series.

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

Response:

Echeng sold following like goods on the domestic market:

[Sensitive: a detailed list of MCC which contained product information of Echeng.]

C-3 Internal product codes

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

If yes:

- (a) Provide details of the product or SKU coding system for the goods, such as a legend or key of the meaning for each code within the product or SKU code.
- (b) Provide details on how you mapped the product or SKU codes to the MCC for the purpose of completing this questionnaire.

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- (c) Provide a table of showing the product or SKU codes for each MCC.
- If no:
- (a) Provide details on the method used to identify the MCC in the sales and cost spreadsheets.

Response:

Echeng has no product codes or stock keeping unit codes. Echeng only [[Sensitive: an explanation of Echeng's product code and specification information].

SECTION D DOMESTIC SALES

D-1 Domestic sales process

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

Firstly, Echeng's sales department negotiates with its customers. Once terms and conditions are agreed, customers place orders to specify the exact amount and quantity of the products using Echeng's standard order. Since rebar is commodity with commonly acceptable specification such as steel grade, Echeng arranges daily production in different serials and delivers the goods according to the orders with no special requirements. Echeng will arrange the production based on those orders with special requirements. Following that, Echeng delivers the goods, and the customer should make full payment before the deliver and Echeng will issue the invoice accordingly.

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, there are some domestic customers related to Echeng:
[Sensitive: a detailed list of Echeng's related customers and how the selling price is set between them.]**

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

Response:

Not applicable. Echeng does not issue price lists.

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:

No, there are no differences in Echeng's selling prices.

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

Response:

Yes, Echeng provides some discounts to some customers. [Sensitive: an explanation of discount.]

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

Response:

Not applicable. Echeng does not issue credit or debit notes.

7. In establishing the date of sale, the commission will normally use the date of invoice as it best reflects the material terms of sale. If you are making a claim that a different date should be taken as the date of sale:
- What date are you claiming as the date of sale?
 - Why does this date best reflect the material terms of sale? You would need to substantively address:
 - whether, why, and to what degree, the considerations in determining price differed between export and domestic sales
 - whether the materials cost differs at the time of subsequent invoicing of that export sale (compared to domestic sale invoices in the same invoice month of that export sale) having regard to factors such as the production schedules for domestic and export; and lead times for purchasing main input materials
 - whether contracts were entered into for the materials purchases, and materials inventory valuation.

Response:

No, Echeng does not make such claim and agrees to the commission's using the date of invoice as date of sale.

D-2 Domestic sales listing

1. Complete the worksheet named "D-2 Domestic sales"
- This worksheet lists all domestic sales (i.e. transaction by transaction) of like goods invoiced within the period, even if they are models not exported to Australia
 - If you have claimed in B-1.8 and/or D-1.7 that the date of sale is one other than the invoice date, then add the sales within your claimed date of sale.
 - You must provide this list in electronic format using the template provided.
 - If you have used formulas to complete this worksheet, these formulas must be retained.
 - If there are any other costs, charges or expenses incurred in respect of the sales listed which have not been identified in the table in question D-2 above, add a column for each item. For example, certain other selling expenses incurred.

Response:

Please refer to [Attachment D-2 Domestic sales](#) for the information of domestic sales as requested.

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

Response:

Please refer to [Attachment D-2.2 domestic sales source](#) for the source of data for Attachment D-2.

D-3 Sample domestic sales documents

1. Select the two largest invoices by value and provide the following documentation:
- Contracts
 - Purchase order and order confirmation

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- Commercial invoice and packing list
- Proof of payment, remittance advice 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 refer to Exhibit D-3.1 Domestic sales sample as requested.

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

Response:

Please refer to Exhibit D-3.1 for the annotation of domestic sales samples and we have marked in Attachment D-2 Domestic sales for these samples.

D-4 Reconciliation of sales to financial accounts

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

1. Please complete the worksheet named “B-4 Upwards sales” to demonstrate that the sales listings in D-2 and F-2 are complete.
 - 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 refer to Attachment B-4 for the reconciliation of sales to financial accounts.

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

Response:

Please refer to Exhibit B-4.2 for all source documents for upwards sales.

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:

Please refer to Exhibit B-4.2 for the references to related documents.

SECTION E DUE ALLOWANCE

E-1 Credit expense

1. For each Australian customer of the goods and each domestic customer of like goods, calculate the average credit period for that customer by:
 - Calculating the average accounts receivable over the period for that customer.
 - This is usually calculated by summing the average monthly accounts receivable (opening plus closing divided by 2) over the period and dividing it by 12.
 - If there is a more accurate way of calculating the average accounts receivable (e.g. the customer only made purchases in certain months) then use an alternative method.
 - Calculating the accounts receivable turnover over the period for that customer using the formula:

$$\frac{\text{Net sales revenue over the period}}{\text{Average accounts receivable}}$$

- Calculating the average credit period for that customer using the formula:

$$\frac{365}{\text{Accounts receivable turnover}}$$

Response:

Not applicable. Echeng does not provide credit to any domestic customers. Full payment are made to Echeng before delivery of the goods.

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

Response:

Yes, Echeng has short term borrowings and average interest rate is [Sensitive] during the period.

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

Response:

Yes, Echeng has some interest earning deposits with average interest rate [Sensitive].

4. If your Australian customers pay you into a foreign currency denominated account (question B-1.2(a) refers):
 - (a) Do you have short term borrowings or an overdraft facility denominated in the same foreign currency? If yes, what is the interest rate, or average of interest rates?
 - (b) Do you have any interest earning deposits or other cash product (e.g. term deposits, bonds) denominated in the same foreign currency? If yes, what is the interest rate, or average of interest rates?

Response:

Not applicable.

E-2 Packaging

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

Response:

Packing wires are used for packaging of like goods in domestic sales.

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

Response:

Not applicable.

3. If there are distinct differences in packaging between your domestic and export sales:
- (a) Provide details of the differences
 - (b) Calculate the weighted average packaging cost for each model sold on the domestic market
 - (c) Calculate the weighted average packaging cost for each model exported to Australia

Response:

Not applicable.

E-3 Delivery

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

Response:

Yes, there are some domestic sales of like goods delivered to the customer and Echeng borne the transport expenses. An explanation of freight is provided in the sales listing of Exhibit B-4.1.

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

Response:

Not applicable.

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

Response:

Not applicable.

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

Response:

Not applicable.

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

Response:

Not applicable.

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

Response:

Not applicable.

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

Response:

Not applicable.

E-4 Other direct selling expenses

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

Response:

Not applicable.

2. Are there any differences in tax liability between domestic and export sales? If yes, provide details, for example:
- What is the rate of value-added tax (VAT) on sales of the goods and like goods?
 - How is VAT accounted for in your records in relation to sales of the goods and like goods?
 - Do you receive a VAT refund in relation to sales of the goods and/or like goods?
 - Do you receive a remission or drawback of import duties on inputs consumed in the productions of the goods or like goods?

Response:

- **The VAT rate on the sales of the goods and like goods is 13%.**
- **All sales revenue of the goods and like goods are recorded at price excluding VAT while VAT is recorded as “tax payable”.**
- **No, Echeng receive no VAT refunds since there is no exportation made by Echeng.**
- **Not applicable. Echeng did not import inputs consumed in the productions of the goods or like goods.**

3. Are there any other direct selling expenses incurred by your company in relation to domestic sales of like goods?
- These direct selling expenses must be included in the reconciliation of direct selling expenses in B-5

Response:

No, there are not any other direct selling expenses incurred by Echeng.

4. Are there any other direct selling expenses incurred by your company in relation to export sales of the goods to Australia?
- These direct selling expenses must be included in the reconciliation of direct selling expenses in B-5

Response:

Not applicable.

E-5 Other adjustment claims

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

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- An adjustment will only be made where there is evidence that the difference affects price comparability.
- Refer to Chapter 15 of the *Dumping and Subsidy Manual (December 2021)*⁴ for more information.

Response:

No, there are not any other adjustments.

⁴ Available on the commission website

SECTION F THIRD COUNTRY SALES

Response:

All questions in Section F are not applicable since there are no export sales to third country during the period.

F-1 Third country sales process

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

F-2 Third country sales listing

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

F-3 Differences in sales to third countries

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

SECTION G COST TO MAKE AND SELL

G-1. Production process

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

Response:

Please refer to [Exhibit A-2.11 Company Brochure](#) in which contains a flowchart of production process of the goods. Echeng's plant relates to GUC are provided with following detailed explanations:

[Sensitive: an explanation of Echeng's production lines of GUC]

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

Response:

[Sensitive: an explanation of related suppliers of raw materials and how the price is set.]

G-2. Cost accounting practices

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

Response:

Echeng's cost accounting system is based on actual costs.

2. If your company uses standard costs:
 - (a) Were standard costs used as the basis of actual costs in your responses G-3.1 & G-5.1?
 - (b) Have all variances (i.e. differences between standard and actual production costs) been allocated to the goods?
 - (c) How were those variances allocated?
 - (d) Provide details of any significant or unusual cost variances that occurred during the period.

Response:

Not applicable.

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

Response:

Echeng's cost accounting practices based on production process costing.

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

Response:

Yes, Echeng has different cost centres in accounting system. Please refer to Exhibit G-2.4 Cost centre.

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

Response:

Echeng records actual production costs for [Sensitive: an description of Echeng's cost record.]

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 are no such differences.

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

Echeng has not engaged in any start-up operations in relation to the goods.

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

Response:

Echeng adopts weighted average method of valuation for raw material, work-in-progress, and finished goods inventories.

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

Response:

Damaged or sub-standard goods are sold or recycled during the production process.

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

Response:

By-products or joint products from the production process is sold in domestic market. [Sensitive: an explanation of accounting method of scrap and by-products.]

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

Response:

No management fees/corporate allocations are charged to Huanan by related companies.

G-3 Cost to make on domestic market

1. Complete the worksheet named "G-3 Domestic CTM".
 - This worksheet lists the quarterly cost to make the domestic models of like goods by MCC manufactured within the period, even if they are models not exported to Australia.
 - The costs must be based on actual cost of production (i.e. not standard costs or cost of goods sold) for each MCC.
 - If any imputation tax (e.g. value-added tax) is payable on the purchase of goods or services to manufacture like goods, report the costs excluding the imputation tax. All other taxes payable (e.g. import duty) must be included as 'other costs' if not already included, for example, under material costs.
 - You must provide this list in electronic format using the template provided.
 - If you have used formulas to complete this worksheet, these formulas must be retained.
 - If you have claimed in B-1.8 and/or D-1.7 that the date of sale is one other than the invoice date, then provide the cost for the quarters that all domestic sales are made within your claimed date of sale, even if doing so means that such cost data predates the commencement of the period.

Response:

Please refer to [Attachment G-3 Domestic CTM](#).

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

Response:

Please refer to [Attachment G-3.2 Domestic CTM source](#).

G-4 Selling, General & Administrative expenses

1. Complete the worksheet named "G-4.1 SG&A listing".
 - This worksheet lists all selling, general and administrative expenses by accounting code for the most recent accounting period and the period. The SG&A must also include:
 - finance expenses
 - taxes and surcharges (except income/profit tax).
 - In the column "Is it a direct selling expense", identify expenses related to direct selling expenses (e.g. inland transport) that has been reported in B-2 Australian sales and/or D-2 Domestic sales.
 - In the column "Is it provisional or unrealised?", identify any accounts that are not actual or realised, such as:
 - unrealised foreign exchange gains/loss
 - provision for doubtful debt
 - In the column "Is it only related to exports or non-goods?", identify any accounts that are related only to either:
 - export sales
 - products that are not the goods under consideration.
 - 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 refer to [Attachment G-4.1 SG&A listing as required information](#).

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

Response:

Please refer to [Attachment G-4.2 Domestic SG&A calculation](#).

3. Complete the worksheet named "G-4.3 Upwards SG&A" to demonstrate that the SG&A listing in G-4.1 is complete by reconciling the SG&A listing to the trial balance and the audited income statement.
 - You must provide this list in electronic format using the template provided.
 - Please use the formulas provided.
 - If you have used formulas to complete this worksheet, these formulas must be retained.

Response:

Please refer to [Attachment G-4.3 Upwards SG&A](#).

G-5 Cost to make the goods exported to Australia

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

Response:

Not applicable.

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

Response:

Not applicable.

G-6 Cost allocation method

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

Response:

Allocation method used to complete G-3 domestic CTM is as follows:

[Sensitive: a detailed explanation of cost allocation method for each item.]

2. Select the domestic model (export model if you have no domestic production of like goods) with the largest production volume over the period and provide worksheets demonstrating the

allocation method described in G-6.1 from your normal cost accounting system to the cost for that model reported in G-3.1.

Response:

Please refer to tab '5. CTM allocation for GUC' in Exhibit G-8.2 for detailed cost to make of the goods, including information requested domestic model with the largest production volume.

G-7 Major raw material costs

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

Response:

**The major raw materials used in the manufacture of the goods are steel billet. Echeng is an integrated producer and start its production at iron making, which uses iron ore and coke as raw materials. Raw materials for each production process are as follows:
[Sensitive: an explanation of raw materials for each production process.]**

2. Are any raw materials sourced as part of an integrated production process or from a subsidiary company which your company exercise control? If yes, complete the worksheet named "G-7.2 Raw material CTM" for these raw materials.
 - This worksheet lists the quarterly cost to make the raw material manufactured within the period.
 - The costs must be based on actual cost of production (i.e. not standard costs or cost of goods sold).
 - If any imputation tax (e.g. value-added tax) is payable on the purchase of goods or services to manufacture the raw material, report the costs excluding the imputation tax. All other taxes payable (e.g. import duty) must be included as 'other costs' if not already included, for example, under material costs.
 - You must provide this list in electronic format using the template provided.
 - If you have used formulas to complete this worksheet, these formulas must be retained.

Response:

Please refer to [Attachment G-7.2 Raw material CTM](#) for raw material cost of each production step since Echeng has an integrated production process. There is no raw material sourced from a subsidiary company.

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

Response:

**Please refer the following table for requested information:
[Sensitive: Echeng's direct raw material proportion of total cost to make for each process process.]**

4. For each raw material identified in G-7.3 which individually account for 10% or more of the total cost to make, complete the worksheet named "G-7.4 Raw material purchases"
 - This worksheet lists all raw material purchases (i.e. transaction by transaction) purchased by your company within the period.
 - You must provide this list in electronic format using the template provided.
 - If you have used formulas to complete this worksheet, these formulas must be retained.

Response:

Please refer to [Attachment G-7.4 Raw material purchase](#).

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

Response:

Please refer to [Exhibit G-7.5 Raw material purchase listing](#).

6. For each raw material:
 - (a) Select the two largest invoices by value and provide the commercial invoice and proof of payment.
 - (b) Reconcile the total value listed in “G-7.4 Raw material purchases” listing to relevant purchase ledgers or trial balances in your accounting system. Provide copies of all documents used to demonstrate the reconciliation.

Response:

Please refer to [Exhibit G-7.6\(a\) Raw material purchase sample](#). Reconciliation of total value listed in “G-7.4 Raw material purchases” listing to relevant purchase ledgers is provided in [Exhibit G-7.5](#).

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

Response:

Yes, there are some related suppliers of raw materials. [Sensitive: an explanation of relationship with suppliers and how the price is set.]

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

1. Please complete the worksheet named “G-8 Upwards costs” to demonstrate that the cost listings in G-3 and G-5 are complete.
 - You must provide this list in electronic format using the template provided.
 - Please use the currency that your accounts are kept in.
 - If you have used formulas to complete this worksheet, these formulas must be retained.

Response:

Please refer to [Attachment G-8 Upwards costs](#).

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

Response:

Please refer to [Exhibit G-8.2 Upwards costs documents](#) for source documents.

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:

Please refer to [Attachment G-8](#) and [Exhibit G-8.2](#).

G-9 Production of the goods under consideration

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

Response:

Please refer to tab '4. CTM database of bar #2 #3 and wire plant' and tab "5. CTM allocation for GUC" in Exhibit G-8.2 for detailed information.

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:

Please refer to tab '1. CTM database' in Exhibit G-8.2 for detailed information.

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

Response:

Sales volumes in D-2 are different from production quantities in G-3 because:

[Sensitive: an explanation of reason.]

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

Response:

The volume and product mix of products are determined by the purchase order placed by customers and there is no fixed frequency for them to be determined.

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

Response:

Not applicable.

G-10 Capacity Utilisation

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

Response:

Please refer to Attachment G-10 Capacity Utilisation.

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

Response:

The production capacity is calculated based on the maximum designed capacity of rolling machines. Capacity utilisation is calculated following this formula: capacity utilisation = actual production / production capacity.

3. Do you have warehousing facilities for the goods? If no, what do you do with excess inventory? If yes:
- (a) What is the capacity of these facilities?
 - (b) What was the monthly amount of inventory maintained during the investigation period?
 - (c) What is the average period of time that inventory is retained (describe how this is calculated)?

Response:

Yes, Echeng has warehouse for the goods sold domestically, which can maintain [Sensitive] of inventory. Please refer to Exhibit G-10.3 Monthly inventory for the information as required.

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

Response:

No, there have not been any changes to the type of capital or technology utilised by Echeng in the manufacturing of the goods in the last five years.

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

Response:

[Sensitive: a detailed introduction of all plants capable of producing the goods and its capacity.]

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

Response:

There have not been significant investments in the past five years to upgrade, refurbish or build any of the plants used in the production of the goods.

SECTION H PARTICULAR MARKET SITUATION

H-1 Reporting requirements

1. Describe generally all interaction that your business has with the Government of the People's Republic of China (GOC) at all levels, including (but not limited to):
 - (a) reporting requirements
 - (b) payment of taxes
 - (c) senior management representation within your business
 - (d) supervision by the State-owned Assets Supervision and Administration Commission (SASAC) or a body under the control of SASAC
 - (e) approval/negotiation of business decisions (e.g. investment decisions, management decisions, pricing decisions, production decisions, sales decisions)
 - (f) licensing
 - (g) restrictions on land use
 - (h) provision of loans or
 - (i) provision of grants, awards or other funds

Response:

Echeng has a little interaction with the GOC other than normal administrative dealings such as applying for business licence, filing tax returns, and etc same as all other Chinese companies. In its normal operations, Echeng is not required to report to GOC and all business decisions are decided by the senior managements of the company. All its business decisions are negotiated and approved within the company by the senior managements. There are no restrictions on land use. Regarding the loan, all Echeng's loan are provided by the commercial banks and all the terms and conditions of the loans are decided by negotiation. The company doesn't receive any grants, awards or other funds from the GOC.

H-2 Business structure, ownership and management

1. Indicate whether your company is a state-owned or state-invested enterprise (SIE)
 - A state-owned enterprise refers to any company or enterprise that is wholly or partially owned by the GOC (either through direct ownership or through association).

Response:

Yes, the company is a state-owned enterprise because [Sensitive: a description of its ultimate owners.]

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

Response:

For the board of directors of the company and its related companies, please refer to Exhibit A-2.4 Board of directors and changes for the list.

For the board of shareholders of the company and the related business, please refer to Exhibit A-2.5.1 Ownership structure and Exhibit A-2.5.2 Related companies for the details.

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

Response:

Not applicable.

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 GOC (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:

No.

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:

No.

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

Response:

No.

7. Indicate who owns what percentage of all shares in your business and identify whether they are:
- an affiliate, representative, agency or otherwise representative of the GOC
 - employees of your business
 - foreign investors or
 - other (please specify)

Response:

Please refer to Exhibit A-2.5.1 Ownership structure for the shareholders of the company and its business nature.

8. Provide the details of any significant changes in the ownership structure of your business during the period.

Response:

No significant changes in the ownership structure of the company have occurred during the investigation period.

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

Response:

No positions within the company are appointments or designated to act on behalf of GOC authorities.

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

Response:

There aren't any requirements in law and in practice to have government representation at any level of our business.

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

Response:

Not applicable.

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

Response:

Not applicable.

13. Who has the ability to reward, fire or discipline your business' senior managers?

Response:

The board of directors of the company have the power to manage the senior managers.

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

Response:

The senior managers of the company don't hold positions in any GOC departments or organisations, associations or Chambers of Commerce.

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

Response:

Not applicable. The company doesn't have such kind of pricing committee. The sales price is negotiated according to the market situation on the basis cost of production.

H-3 Licensing

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

Response:

Please refer to Exhibit H-3 Business license.

2. Identify the GOC departments or offices responsible for issuing the license(s).

Response:

Please refer to Exhibit H-3 Business license for the registration authority.

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

Response:

The procedures involved in applying for business license are as following:

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- (1) to establish a company, an application shall be filed for the pre-approval of the company name;**
- (2) a representative designated or an agent jointly authorized by all the shareholders shall apply for registration of incorporation to the company registration authority; and**
- (3) to submit relevant documents as requested by laws and regulations, such as application form of registration of incorporation, articles of association, capital verification report, identity of each shareholder, and certificate of company residence etc.**

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

Response:

As the company is a limited liability company, we illustrated the requirements or conditions as following:

- (1) Application for registration of establishment signed by the chairman of the board of directors of the company;**
- (2) Certificate of representation or jointly entrusted agent by all the shareholders;**
- (3) The company's articles of association;**
- (4) Legal person qualification certificates of the shareholders or identity certificates of natural persons;**
- (5) Documents indicating the names and residence of the company's directors, supervisors and managers, and the certificates relating to their appointments, elections or engagements;**
- (6) Documents of tenure of office and identity certificate of the company's legal representative;**
- (7) The notification of the company's name pre-approval; and**
- (8) Domicile certificate of the company.**

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

Response:

If the company acts or operates within the scope of the business license, there aren't any restrictions imposed on the company by the business license.

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

Response:

The registration authority may, depending on the circumstances, issue a warning, impose a fine, confiscate illegal income, order the suspension of business operations until the matter is rectified, or confiscate or revoke the business licence if the company acts outside the scope of the business license.

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

Response:

Any company intends to conduct business operations in China shall first acquire the business license. Enterprise legal person's business license is the proof that the enterprise has obtained the qualification of an enterprise legal person and to operate legally, and those companies who get such qualification can freely decide its operations.

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

Response:

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The relevant Administration for Market Regulation, which issued the business license to the company, is the competent authority to revoke the business license. The types of legal requirements that would cause the license to be revoked mainly include:

- (1) Dissolution after liquidation;
- (2) Bankruptcy;
- (3) Acquired the business license by falsification of the registered capital and the circumstance is serious;
- (4) Acquired the business license by false submissions or other fraudulent means and the circumstance is serious;
- (5) A company fails to open business more than six months after its incorporation without good reasons, or ceases business operation for more than six months consecutively after opening business;
- (6) Where the business scope of a company to be modified includes any item which must be subject to approval according to a law, administrative regulation or decision of the State Council and such an approval is not acquired, if the company engages in the relevant business operation without the approval and the circumstance is serious;
- (7) Where a company fails to accept the annual inspection according to legal provisions and after the competent authority give a prescribed time limit, the company still fails to accept the annual inspection within the prescribed time limit;
- (8) Where a company forges, alters, leases, lends or transfers its business license and the circumstance is serious; and
- (9) Where a company engages in serious illegal activities in the name of the company, which compromises the national security or public interest.

H-4 Decision-making, planning and reporting

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

Response:

According to the articles of association of the company, the significant business decisions shall be proposed by the board of directors and further approved by the board of shareholders. Other decisions in the normal business operations shall be decided by the general manager in a market-oriented manner.

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

Response:

No GOC input/guidance is interfered into the decision-making process regarding manufacturing, marketing and sale of steel products of both companies.

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

Response:

No government departments/offices are involved, either directly or indirectly, in manufacture, sale or purchase of steel products of both companies.

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

Response:

No reports must be submitted to the GOC periodically by our company.

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 refer to [Exhibit H-4.5 Five Year Plans For Hubei Province.](#)

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 GOC (including the National Development and Reform Commission).

Response:

The company doesn't develop any National and regional five-year plans or similar planning documents.

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

Response:

The company did not hold a meeting of Board of Directors and Board of Shareholders over the period.

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

Response:

The company doesn't have such company meetings where pricing decisions on steel products have been made over the period. The price is basically decided by negotiation with customers regarding the market situation.

H-5 Financial and investment activities

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

Response:

No, the company is not business debt funded.

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

Response:

Not applicable.

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

Response:

No.

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
 - b. identify the type (e.g. government guarantee) and provider of the security and
 - c. explain the reasons for raising the capital.

Response:

No, the company has not raised any capital in the last 5 years.

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

Response:

No, the company does not have such policies.

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, the company has not invested in the debt securities mentioned above.

H-6 Government policy on the industry

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

Response:

There are no such GOC opinions, directives, decrees, promulgations, measures, etc. concerning industry of the goods that were put in place or operating during the period.

2. Provide information concerning the name of any GOC departments, bureaus or agencies responsible for the administration of all GOC measures concerning the industry of the goods in the regions, provinces or special economic zones where your company is located, including contact information regarding the following areas:
 - industrial policy and guidance on the industry
 - market entry criteria for the industry
 - environmental enforcement for the industry
 - management of land utilization
 - the China Banking Regulatory Commission for the industry
 - investigation and inspection of expansion facilities
 - the section in the National Development and Reform Commission that is responsible for the industry and
 - import licensing for raw materials relating to the goods under consideration.

Response:

The company has not aware of information of these government departments.

PUBLIC RECORD

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:

Not applicable.

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

Response:

No, the company does not provide such information.

5. Has the GOC designated your company and/or industry as "pillar," "encouraged," "honourable," or any other designation? If yes, please answer the following questions.
- Explain the purpose of these designations, the criteria for receiving any such designation, and the benefits or obligations that arise from each such designation.
 - Is there any connection between these designations and five-year plans or other industrial and/or economic policies or administrative measures?
 - 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:

No.

H-7 Taxation

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

Response:

Not applicable since the company has no exports during the period.

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

Response:

Not applicable since the company has no exports during the period.

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

Response:

Not applicable since the company has no exports during the period.

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

Response:

No, the company is not aware of any changes.

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H-8 Sales Terms

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

Response:

The sales managers of the company authorise the sales terms, prices and other contract provisions for the sale of the goods by your business.

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

Response:

The government is not involved in the pricing decisions of the company.

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

Response:

The government is not involved in the pricing decisions of the company.

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

Response:

No, the company would not provide such information.

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

Response:

No, the company would not provide such information.

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:

No, the company has not encountered any price guidance or controls.

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

Response:

No, the company has not encountered any other restrictions, limitations, or other considerations.

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

Response:

No, the company has no knowledge of the existence of such organization or entity.

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

Response:

No, the company does not have a pricing committee.

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

Response:

Not applicable.

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

Response:

All the sales terms, prices or other terms in the contracts are negotiated between the company and its customers. There is no such person who can authorize contract provisions.

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

Response:

Not applicable.

H-9 Industry associations

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

Response:

Echeng is a member of China Iron and Steel Association ("CISA"). CISA is a national and industry-wide social organization voluntarily formed by enterprises, institutions, social organizations and individuals in China's steel industry as members. It is a non-profit social organization.

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 GOC concerning the industry.

Response:

This membership is voluntary. Its function mainly focus on promoting communication within the industry.

H-10 Statistics submission/recording

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

Response:

No.

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:

Not applicable.

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

Response:

Not applicable.

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

Response:

Not applicable.

H-11 Production/output

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

Response:

No, production of the company is not subject to any policy or guidance.

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

Response:

Not applicable.

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

Response:

Not applicable.

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

Response:

Please refer to Exhibit H-11.4 List of domestic customers.

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

Response:

No, there are not such restriction.

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

Response:

No.

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

Response:

No.

8. Have there been any changes to your production capacity over the last 5 years? If yes, provide details.

Response:

No, there are no changes in the production capacity over the last 5 years.

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:

No.

H-12 Adding capacity and/or joint ventures

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

Response:

Not applicable. Adding new capacity is basically an investment decision by the senior management of the company itself. No approval process is required. Such business decision shall follow the company's internal decision-making procedure, such as approval by general manager or the board of directors. If the company wants to establish a new company for addition production capacity, the registration at the corporate registration office is required. Also the environmental assessment report is required in industrial area before getting a business license. These requirements are normal practices all over the world.

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:

No, the government does not have such rights.

H-13 Raw materials

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

Response:

Yes, there are some suppliers related to Echeng:

[Sensitive: a full list of related suppliers.]

2. Do you purchase from State Invested Enterprises? If yes, provide a details.

Response:

Please refer to Attachment G-7.4 Purchase for the information.

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

Response:

Not applicable since the supplier are all based in China.

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

Response:

No, the purchase price would not differ between suppliers. Price differences are affected by factors such as time of order, quality specification and etc.

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 criterions/conditions.

Response:

The company purchases raw materials according to its production schedules. The considerations in selection of a supplier include price offers, delivery time, quality specification and payment terms. Purchases are not made by tender.

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

Response:

No, the company has not been subjected to any direct or indirect price guidance or controls.

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

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

Response:

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Not applicable since the company purchased the raw material from domestic suppliers.

8. Do you, or a business associated with you, sell any of the raw materials used to manufacture the goods and/or like goods, or sell the semi-processed goods?
 - a. Please provide a description of the raw material or semi-processed goods which are sold, including whether they are domestic or export transactions, to related or unrelated parties, and how the selling price is determined.
 - b. If there is a difference in selling prices between related and unrelated parties, please provide reasons as to why.

Response:

Please refer to the answer to H-13.1 for the related suppliers.

[Sensitive: an explanation of relationship with suppliers and how price is set.]

SECTION J DOMESTIC MARKET

J-1 Prevailing conditions of competition in the domestic market

1. Describe the domestic market for the goods and the prevailing conditions of competition within the market, including:
 - (a) Provide an overall description of the domestic market which explains its main characteristics and trends over the past five years
 - (b) Provide the sources of demand for the goods in the domestic market, including the categories of customers, users or consumers of the product
 - (c) Provide an estimated proportion (%) of sales revenue from each of those sources of demand listed in (b)
 - (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
 - (e) Describe any market segmentations in the domestic market; such as geographic or product segmentations
 - (f) Provide an estimated proportion of sales revenue from each of the market segments listed in (e)
 - (g) Describe the way in which domestically produced goods and imported goods compete in the domestic market
 - (h) Describe the ways that the goods are marketed and distributed in the domestic market and
 - (i) Describe any other factors that are relevant to characteristics or influences on the domestic market for the goods.

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

Response:

- (a) **The Chinese market is very competitive with many steel manufacturers. The Chinese domestic market trend over past 5 years has been disrupted by COVID pandemic.**
 - (b) **Demand is mainly from construction industry.**
 - (c) **Almost the entire sales revenue is from construction industry.**
 - (d) **Construction activities are the major factor influencing demand variability.**
 - (e) **The company is not aware of any such market segmentation.**
 - (f) **Not applicable.**
 - (g) **The company is not aware of any such competition.**
 - (h) **The company carryout marketing activities by itself and the goods are typically distributed by train, by water or by car to the customers that are either distributors or end users.**
 - (i) **The company is not aware of any other factors relevant to the domestic market.**
2. Provide a diagram which describes the domestic market structure for the goods, ensuring that all categories of participants are included. In this diagram use linkages to illustrate the different levels of trade and distribution channels within the domestic market.

Response:

The participants in the market include manufacturers, trading companies, distributors and end users. For Echeng as a manufacturer, its customers are basically end-users and distributors.

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

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

Response:

There are too many market participants to list, and each participant has a different degree of relevance in their local or regional market.

4. Identify the names of commercially significant importers in the domestic market for the goods over the investigation 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:

Echeng has no knowledge of importer details.

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

Response:

There is no regulatory framework relating to the goods in the Chinese market, other than normal business administrative mechanisms.

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

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

Response:

Echeng is not aware of any market entry restrictions.

J-2 Goods in the domestic market

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

Response:

Echeng is less likely to provide such information about the entire Chinese market. But for those goods produced and sold by Echeng please refer to Exhibit A-2.11 Company Brochure.

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

Response:

The end uses of the goods in the domestic market are mainly in construction.

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

Response:

It depends on specification especially the steel grade of the goods. Based on Echeng's products and customers, quality is the primary factor.

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

Response:

As far as we know, there are no known market substitutes.

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

Response:

Echeng is not aware of any changes in market or consumer preference over last five years.

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

1. Describe the importance of the domestic market to your company's operations. In your response describe:
 - (a) The proportion of your company's sales revenue derived from sales of the goods in the domestic market and
 - (b) The proportion of your company's profit derived from sales of the goods in the domestic market.

In responding to question 1 please provide evidence supporting calculations.

Response:

As we explained above, all Echeng's sales of the goods are made to domestic customers. Echeng does not separately record or account for profit on the basis of products or market, so we cannot provide estimate proportion of profit from domestic sales of the goods.

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

Response:

Echeng is not the price leader for the goods in the Chinese market and not aware of pricing activities of other participants in the Chinese market.

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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:

Echeng does not operate with a product pricing strategy outlines above. As explained above, Echeng sets price by reference to raw material price market situation.

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

Response:

Price is determined in consideration of raw material and market situation. There are no such internal documents because the selling price is negotiated between the company and customers transaction by transaction.

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:

Not applicable. There is no price review mechanism within the company. No person involved in reviewing price.

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

- Competitors' prices
- Purchase price of raw materials
- Cost to make and sell the goods
- Level of inventory
- Value of the order
- Volume of the order
- Value of forward orders
- Volume of forward orders
- Customer relationship management
- Supplier relationship management
- Desired profit
- Brand attributes
- Other [please define what this factor is in your response]

Response:

The relevant factors in influence on the pricing decisions are "Cost to make and sell the goods", "Customer relationship management" and "Volume of the order". All other listed factors are not considered relevant.

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

Response:

No fixed profit margin is set, as profit and price are determined according to market situation.

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:

Echeng [Sensitive: Echeng's operation in domestic sales.]

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

Response:

Echeng does not offer bundled pricing.

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

Response:

No.

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 investigation period and copies of the two largest contracts in terms of sales revenue. Provide a complete translation of the documents.

Response:

Echeng signs sales contracts with domestic customers on transaction-by-transaction basis.

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

Response:

There is no such price list.

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

Response:

Echeng mainly differentiate pricing for different [Sensitive] and negotiates with the customer on transaction-by-transaction basis. There is no such internal documents.

14. Do you tier or segment your domestic customers for the goods in terms of pricing? If yes, provide:
- (a) a general description of how this is done
 - (b) list the factors that influence pricing differentiation in different tiers or segments and
 - (c) explain how cost to make and selling costs are considered in making pricing decisions for different tiers or segments.

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

Response:

Echeng does not tier or segment your domestic customers for the goods in terms of pricing.

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

Response:

Echeng sells the goods to related entities. The price setting shows no difference to that of the unrelated sales.

J-4 Marketing and sales support in the domestic market

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

Response:

Echeng sells its products mostly to its regular customers, so it does not require to adopt a value proposition as the company and its products are well known to the customers for many years. New or potential customers can learn about the company and the products from the company's website: <http://www.ecsteel.com.cn/>

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

Response:

Echeng does not conduct brand segmentation in the Chinese market for the goods.

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

Response:

The company's brochure and its website are the examples for customers to learn the goods.

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

Response:

Echeng has about [Sensitive] persons in domestic market sales team. The whole team is located in the company's headquarter provided in section A. Sales staff receives basic and performance pay. Echeng employs these staffs directly.

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

Response:

Echeng's price is established mainly based on purchase prices of raw materials, which are the key parameters. There are no such internal documents of pricing.

SECTION K AUSTRALIAN MARKET

Response:

Section K is not applicable since there are no export sales to Australia during the period.

K-1 Prevailing conditions of competition in the Australian market

1. Describe the Australian market for the goods and the prevailing conditions of competition within the market, including:
 - (a) Provide an overall description of the Australian market for the goods which explains its main characteristics and trends over the past five years
 - (b) Provide the sources of demand for the goods in Australia, including the categories of customers, users or consumers of the product
 - (c) Provide an estimated proportion (%) of sales revenue from each of those sources of demand listed in (b)
 - (d) Describe the factors that influence consumption/demand variability in Australia, such as seasonal fluctuations, factors contributing to overall market growth or decline, government regulation, and developments in technology affecting either demand or production
 - (e) Describe any market segmentations in Australia; such as geographic or product segmentations
 - (f) Provide an estimated proportion of sales revenue from each of the market segments listed in (e)
 - (g) Describe the way in which Australian manufactured and other imported goods compete in the Australian market
 - (h) Describe the ways that the goods are marketed and distributed in the Australian market and
 - (i) Describe any other factors that are relevant to characteristics or influences on the market for the goods in Australia.

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

2. Provide a diagram which describes the Australian market structure for the goods, ensuring that all the categories of participants are included. In this diagram use linkages to illustrate the different levels of trade and distribution channels within the Australian market.
3. Describe the commercially significant market participants in the Australian market for the goods at each level of trade over the investigation 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.
4. Identify the names of commercially significant importers in the Australian market for the goods over the investigation period and estimate their market share. Specify the country each importer imports from and their level of trade in the Australian market, if known.
5. Describe the regulatory framework of the Australian market for the goods as it relates to competition policy, taxation, product standards and the range of the goods. Provide a copy of any regulation described, if available.

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

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

K-2 Goods in the Australian market

1. Generally describe the range of the goods offered for sale in the Australian market. The description should include all goods under consideration including those produced by your company. Your description could include information about:
 - quality differences
 - price differences
 - supply/availability differences
 - technical support differences
 - the prevalence of private labels/customer brands
 - the prevalence of generic or plain labels
 - the prevalence of premium labels and
 - product segmentation.
2. Describe the end uses of the goods in the Australian market from all sources.
3. Describe the key product attributes that influence purchasing decisions or purchaser preferences in the Australian market. Rank these preferences or purchasing influencers in order of importance.
4. Identify if there are any commercially significant market substitutes in the Australian market for the goods.
5. Identify if there are any commercially significant market complements in the Australian market for the goods.
6. Have there been any changes in market or consumer preferences in the Australian market for the goods in the last five years? If yes, provide details including any relevant research or commentary on the industry/sector that supports your response.

K-3 Relationship between price and cost in Australia

1. Describe the importance of the Australian market to your company's operations. In your response describe:
 - (a) The proportion of your company's sales revenue derived from sales of the goods in Australia and
 - (b) The proportion of your company's profit derived from sales of the goods in Australia.

In responding to question 1 please provide evidence supporting calculations.

2. Is your organisation/business entity the price leader for the goods in the Australian market? If no, please explain the reasons behind your response and specify the name(s) of the price leaders.
3. Describe the nature of your product pricing (e.g., market penetration, inventory clearance, product positioning, price taker, price maker, etc.) and your price strategies (e.g., competition-based pricing, cost-plus pricing, dynamic pricing, price skimming, value pricing, penetration pricing, bundle pricing, etc.) in Australia. If there are multiple strategies applied, please rank these by importance. If there are different strategies for different products, please specify these. Provide copies of internal documents which support the nature of your product pricing.

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4. Explain the process for how the selling prices of the goods for the Australian market by your business are determined. Provide copies of internal documents which support how pricing is determined.
5. How frequently are your Australian selling prices reviewed? Describe the process of price review and the factors that initiate and contribute to a review. Provide the names and positions of all persons involved.
6. Rank the following factors in terms of their influence on your pricing decisions in the Australian market, with the most important factor ranked first and the least important factor ranked last:
 - Competitors' prices
 - Purchase price of raw materials
 - Cost to make and sell the goods
 - Level of inventory
 - Value of the order
 - Volume of the order
 - Value of forward orders
 - Volume of forward orders
 - Customer relationship management
 - Supplier relationship management
 - Desired profit
 - Brand attributes
 - Other [please define what this factor is in your response]
7. Describe the relationship between selling price and costs to make and sell in the Australian market. Does your company maintain a desired profit margin for the goods? If not, does your company seek to maintain a desired profit margin for the goods? Provide copies of internal documents which support your response to this question.
8. Do you offer price reductions (e.g., commissions, discounts, rebates, allowances or credit notes) in the Australian market? If yes, provide a description and explain the terms and conditions that must be met by the customer to qualify. Explain how the cost to make and sell are considered in establishing these price reductions. Provide copies of internal documents which support your claims in response to this question.
9. Do you offer bundled pricing in the Australian market? If yes, explain how the pricing for bundled sales is determined. Explain how the costs to make and sell are considered in establishing these bundled prices for the goods. Provide copies of internal documents which support your claims in response to this question.
10. Does the volume of sales to a customer or the size of an order influence the selling price? If yes, advise how volume is used to determine selling prices. Explain how the costs to make and sell are considered in establishing volume based prices for the goods. Provide copies of internal documents which support your claims in response to this question.

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11. Does your organisation/business entity use sales contracts in the Australian market? If yes:
 - (a) What proportion of your sales revenue would come from contracted sales versus uncontracted sales?
 - (b) Do you offer exclusivity contracts? If yes, what proportion of your sales revenue would come from exclusivity contracts?
 - (c) How frequently are sales contracts renegotiated?
 - (d) How frequently are price reviews conducted between contracts?
 - (e) Do you provide opportunities for price reviews for customers within contracts? If yes, provide a description of the process and an explanation of the circumstances that might lead to a price review.
 - (f) Do changes in your costs to make and sell enable you to review prices for customers within contracts?
 - (g) Provide a list of the customers under contract during the investigation period and copies of the two largest contracts in terms of sales revenue.
12. Provide copies of any price lists for the goods used in the Australian market during the investigation period. If you do not use price lists, describe the transparency of your prices in the Australian market.
13. How do you differentiate pricing for different products/models of the goods in the Australian market? Describe how your products are grouped for price differentiation and the methodology used. Describe any cost to make or selling cost differences between differentiated products. Describe how these cost differences (if any) influence pricing decisions. Provide copies of internal documents which support your claims in response to this question.
14. Do you tier or segment your Australian customers for the goods in terms of pricing? If yes, provide:
 - (a) a general description of how this is done
 - (b) list the factors that influence pricing differentiation in different tiers or segments and
 - (c) explain how cost to make and selling costs are considered in making pricing decisions for different tiers or segments.

Provide copies of internal documents which support your claims in response to this question.
15. Do you sell the goods to related entities in Australia? If yes, describe how prices are set for related party transactions and specify what proportion of your sales in terms of sales revenue are to related party entities. If available, provide copies of any internal documents relevant to establishing pricing to related parties.

K-4 Marketing and sales support in the Australian market

1. How does your company market the goods in the Australian market? Include in your response the value proposition used (e.g., competitive price, superior quality, reliability, availability, etc.).
2. Does your company conduct brand segmentation in the Australian market for the goods? If yes, describe the brand segmentation used and provide the proportion of sales revenue derived from each brand segment.
3. Provide examples of your Australian advertising of the goods over the past five years. If you have not used advertising in Australia, provide examples of any other promotion campaigns you have conducted over the investigation period.
4. How many people are in your Australian sales team and where are they located? In general terms, how are they remunerated? If they are offered performance pay based on sales, describe the performance indicators used to establish the performance pay. Provide copies of internal documents which support your claims in response to this question.
5. Describe what parameters are provided to sales staff to assist in establishing pricing for the goods when negotiating sales with customers. Provide copies of internal documents which support your claims in response to this question.

EXPORTER'S DECLARATION

I hereby declare that.....(company)
have completed the attached questionnaire and, having made due inquiry, certify that the
information contained in this submission is complete and correct to the best of my knowledge
and belief.

Name :.....

Signature :.....

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

Date :.....

APPENDIX

GLOSSARY OF TERMS

This glossary is intended to provide you with a basic understanding of technical terms that appear in the questionnaire.

Adjustments

To enable a fair comparison between the export price and the normal value Australian legislation provides for the adjustment of the domestic price paid for like goods. Adjustments are made to account for sales occurring at different times, specification differences, and differences in the terms or circumstances of the sales. The adjustment to the normal value may be upward or downward. Areas where you believe an adjustment is necessary should be identified. Section E of the questionnaire refers.

Examples of adjustments that may be made include: *sales occurring at different times* (it is sometimes necessary to compare domestic and export sales made at different times - in these circumstances an adjustment may be made to reflect price movements during that time); *specification differences; packaging; taxes; level of trade; advertising; after sales services; inland freight; warehousing; export charges; credit terms; duty drawback; commissions.*

Adjustments may also be required where the normal value is based on costs to make and sell.

Arms length

Sales are not considered to be at “arms length” on your domestic market if there is any consideration payable for the goods other than their price, or there is an association between the buyer and the seller which affects the price, or there will be a reimbursement, compensation or benefit for, or in respect of, the price.

Constructed value

In cases where prices paid for like goods sold in the country of export cannot be used for the determination of normal value, i.e. when there are no or insufficient sales or where such sales were not made in the ordinary course of trade, normal value may be based on a constructed value. Constructed value is calculated on the basis of the cost of production of the goods under consideration plus a reasonable amount for selling, general and administration costs, and for profits, that are associated with sales on the domestic market of the country of export.

Cost of production/manufacturing

The cost of production or manufacture consists of all manufacturing costs associated with the goods. It is the sum of direct materials, direct labour and factory overheads.

Cost to make and sell

The cost to make and sell is the sum of the cost of production or manufacture, and the selling, general and administration costs associated with the sale of those goods.

Country of origin

The country in which the last significant process in the manufacture or production of the goods was performed.

Date of sale

The commission will normally use the invoice date as recorded in the exporter or producer's records. Another date may be used if this better reflects the material terms of sale. The questionnaire directs attention to matching data sets of domestic and export sales where some other date is used, as well as matching cost information.

Direct labour cost

Direct labour is categorised as a variable cost, i.e. the value varies with the level of production.

Dumping

Dumping occurs when the products of one country are exported to another country at a price less than their normal value.

Dumping margin

Where the export price is less than the normal value the dumping margin is the amount of the difference. It can be expressed as a value or as a percentage of the export price.

Export price

The export price of the goods is usually the price paid or payable to the exporter in arms length transactions, in most instances calculated at the Free on Board (FOB) level.

Exporting country

The country of export is normally the country of origin from which the goods are shipped. The country of export may be an intermediate country, except where the products are merely transhipped through that country, or the products concerned are not produced in that country, and there is no comparable price in that country.

Factory overheads

Factory overheads consist of variable costs e.g. power, supplies, indirect labour and fixed costs e.g. factory rent, factory insurance, factory depreciation etc.

Goods under consideration (the goods)

The goods to which the application for anti-dumping action relates. That is, the goods that you have exported to Australia allegedly at dumped prices.

Incoterms

The following abbreviations are commonly used (comment is provided concerning costs that are normally borne by the seller):

EXW	ex works (the seller's minimum obligation as costs relate to goods being made available at the sellers premises)
FCA	free carrier (main carriage not paid by seller. Pay costs until such time that the goods have been delivered at the named point into custody of a carrier named by the seller. Customs formalities, taxes etc. paid if required)
FAS	free alongside ship (main carriage not paid by seller. Deliver the goods alongside the ship)
FOB	free on board (main carriage not paid by seller. Deliver the goods on board, provide export clearance if required, pay loading costs to the point the goods have passed the ship's rail, pay customs formalities, taxes etc. payable upon exportation)
CFR	cost and freight (main carriage paid by seller. Pay all costs until delivered as well as freight, loading and unloading, pay customs formalities, taxes etc. payable upon exportation)
CIF	cost, insurance and freight (main carriage paid by seller. Pay all costs as under CFR as well as marine insurance) the terms CFR and CIF are only used where goods are carried by sea or waterway transport
CPT	carriage paid to
CIP	carriage and insurance paid to the terms CPT and CIP are used as alternatives to CFR and CIF where the goods are carried by air, road, rail etc.
DAF	delivered at frontier (goods carried by rail or road and cleared for export at the named place at the frontier. Pay costs until delivered at the frontier plus any discharge costs incurred to place

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	the goods at the customer's disposal)
DES	delivered ex ship (goods made available to the buyer on board the ship uncleared for import at the named port of destination. Pay all costs incurred in placed at the disposal of the buyer, pay customs formalities, taxes etc. payable upon exportation, and where necessary for transit through another country)
DDU	delivered duty unpaid (Pay all costs for carriage to the agreed point, pay customs formalities, taxes etc. payable upon exportation, and where necessary for transit through another country)
DDP	delivered duty paid (goods made available at the named place in the country of importation – all risks and costs being incurred by the seller including duties, taxes etc. incurred upon importation)

The period

A period defined by the commission over which importations of the goods are examined.

Like goods

Like goods are goods sold on the domestic market of the country of export (or to a third country) that are identical in all respects to the goods or that, although not alike in all respects have characteristics closely resembling those of the goods. The term 'like goods' also refers to the goods produced by the Australian industry allegedly being injured by dumped imports.

Normal value

Australian legislation sets out several ways to assess "normal value".

The preferred method is to use the price paid for like goods sold for domestic consumption in the country of export. Usually, these sales are made by you, but there may be circumstances where it is appropriate to use sales made by other sellers on the domestic market.

Sale prices must be at arms length and in the ordinary course of trade. In the absence of relevant or suitable domestic sales, the normal value may be determined by constructing a price based on all costs to make and sell the goods, and an amount for profit. Alternatively the normal value may be ascertained using the price paid for like goods sold in the ordinary course of trade at arms length to customers in a country other than Australia, however this option is rarely used.

Finally, when a normal value cannot be ascertained by any of the above methods, or if no information is provided, the commission will determine the normal value by considering all the relevant information, including the applicant's information. This allows the applicant's information to be used where sufficient information has not been furnished or is not available.

Where domestic price generally, and the trade of the exporting country are determined or substantially influenced by the government of the exporting country, an alternative/surrogate market economy is selected by the commission and the normal value is determined as if the surrogate country were the export source.

Ordinary course of trade

Testing for "ordinary course of trade" includes a comparison of the selling price and the unit cost to make and sell for the same period. If sales in respect of a substantial quantity of goods over an extended period of time, usually 12 months, do not recover all costs and these losses are not likely to be recovered within a reasonable period of time, (again usually 12 months) then the sales are regarded as being not in the ordinary course of trade.

There may be circumstances where it is appropriate to use a period other than 12 months in assessing whether sales are in the ordinary course of trade.

Unprofitable sales are to be taken to have occurred in substantial quantities during an extended period where the unprofitable sales amount to 20% or more of the total volume of sales of the goods by the exporter over the period. An extended period of time is usually taken to be a period not less than 12 months. Where unprofitable sales are rejected, normal value is based upon remaining profitable sales provided they occur in sufficient

number. Where all sales have been made at a loss, or profitable sales are insufficient, the normal value may be constructed from costs to make and sell.

Selling, general and administration expenses (SG&A)

The selling, general and administration expenses includes all selling, distribution, general and administration expenses including finance costs that would be incurred if the goods were sold for domestic consumption in the country of export. The amounts are determined in each case using all the available information and may include expenses incurred in:

- . domestic sales of like goods
- . sale of goods of the same general category by the exporter or
- . sales in the industry in the country of export.

The expenses must, however, reflect the selling, general and administration costs of the goods. Administrative and selling expenses include: director's fees, management salaries and benefits, office salaries and benefits, office supplies, insurance, promotion, entertainment, depreciation and corporate overheads.