



Australian Government
Department of Industry,
Science and Resources

Anti-Dumping Commission

Exporter Questionnaire

Case number: 688

Product: Certain Flat Rolled Steel Products

From: People's Republic of China (China), Republic of Korea (Korea)

Investigation period: 1 July 2024 to 30 June 2025 (the period)

Response due by: 1 December 2025 (extended to 2 January 2026)

Email enquiries to: investigations@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.

TABLE OF CONTENTS

TABLE OF CONTENTS	2
INSTRUCTIONS	4
CHECKLIST	7
GOODS UNDER CONSIDERATION / GOODS SUBJECT TO ANTI-DUMPING MEASURES	9
SECTION A COMPANY INFORMATION	11
A-1 COMPANY REPRESENTATIVE AND LOCATION	11
A-2 COMPANY INFORMATION	11
A-3 GENERAL ACCOUNTING INFORMATION	13
A-4 FINANCIAL DOCUMENTS	14
SECTION B EXPORT SALES TO AUSTRALIA	16
B-1 AUSTRALIAN EXPORT SALES PROCESS	16
B-2 AUSTRALIAN SALES LISTING	18
B-3 SAMPLE EXPORT DOCUMENTS	18
B-4 RECONCILIATION OF SALES TO FINANCIAL ACCOUNTS	18
SECTION C EXPORTED GOODS & LIKE GOODS	20
C-1 MODELS EXPORTED TO AUSTRALIA	20
C-2 MODELS SOLD IN THE DOMESTIC MARKET	21
C-3 INTERNAL PRODUCT CODES	22
SECTION D DOMESTIC SALES	22
D-1 DOMESTIC SALES PROCESS	24
D-2 DOMESTIC SALES LISTING	25
D-3 SAMPLE DOMESTIC SALES DOCUMENTS	26
D-4 RECONCILIATION OF SALES TO FINANCIAL ACCOUNTS	26
SECTION E DUE ALLOWANCE	27
E-1 CREDIT EXPENSE	27
E-2 PACKAGING	27
E-3 DELIVERY	28
E-4 OTHER DIRECT SELLING EXPENSES	29
E-5 OTHER ADJUSTMENT CLAIMS	30
SECTION F THIRD COUNTRY SALES	31
F-1 THIRD COUNTRY SALES PROCESS	31
F-2 THIRD COUNTRY SALES LISTING	31
F-3 DIFFERENCES IN SALES TO THIRD COUNTRIES	31
SECTION G COST TO MAKE AND SELL	33
G-1. PRODUCTION PROCESS	33
G-2. COST ACCOUNTING PRACTICES	35
G-3 COST TO MAKE ON DOMESTIC MARKET	38
G-4 SELLING, GENERAL & ADMINISTRATION EXPENSES	39
G-5 COST TO MAKE THE GOODS EXPORTED TO AUSTRALIA	40
G-6 COST ALLOCATION METHOD	40
G-7 MAJOR RAW MATERIAL COSTS	42
G-8 RECONCILIATION OF COST TO MAKE TO AUDITED FINANCIAL STATEMENTS	45
G-9 PRODUCTION OF THE GOODS UNDER CONSIDERATION	46
G-10 CAPACITY UTILISATION [DELETE THIS SECTION FOR DUTY ASSESSMENTS, ACCELERATED REVIEWS AND REVIEW OF VARIABLE FACTORS (KEEP FOR REVOCATION REVIEWS)]	46
SECTION H PARTICULAR MARKET SITUATION	48
H-1 REPORTING REQUIREMENTS	48
H-2 BUSINESS STRUCTURE, OWNERSHIP AND MANAGEMENT	48

PUBLIC VERSION

H-3	LICENSING	50
H-4	DECISION-MAKING, PLANNING AND REPORTING	51
H-5	FINANCIAL AND INVESTMENT ACTIVITIES	52
H-6	GOVERNMENT POLICY ON THE INDUSTRY	52
H-7	TAXATION	53
H-8	SALES TERMS.....	54
H-9	INDUSTRY ASSOCIATIONS	55
H-10	STATISTICS SUBMISSION/RECORDING	56
H-11	PRODUCTION/OUTPUT	56
H-12	ADDING CAPACITY AND/OR JOINT VENTURES.....	57
H-13	RAW MATERIALS.....	57
SECTION I COUNTERVAILING.....		60
I-1	GENERAL.....	62
I-2	PROVISION OF GOODS AT LESS THAN ADEQUATE REMUNERATION.....	62
I-3	PREFERENTIAL TAX POLICIES	63
I-4	FINANCIAL GRANTS.....	64
I-5	OTHER PROGRAMS	65
SECTION J DOMESTIC MARKET.....		67
J-1	PREVAILING CONDITIONS OF COMPETITION IN THE DOMESTIC MARKET	67
J-2	GOODS IN THE DOMESTIC MARKET	69
J-3	RELATIONSHIP BETWEEN PRICE AND COST IN THE DOMESTIC MARKET	69
J-4	MARKETING AND SALES SUPPORT IN THE DOMESTIC MARKET	72
SECTION K AUSTRALIAN MARKET.....		74
K-1	PREVAILING CONDITIONS OF COMPETITION IN THE AUSTRALIAN MARKET.....	74
K-2	GOODS IN THE AUSTRALIAN MARKET	75
K-3	RELATIONSHIP BETWEEN PRICE AND COST IN AUSTRALIA.....	76
K-4	MARKETING AND SALES SUPPORT IN THE AUSTRALIAN MARKET.....	79
EXPORTER'S DECLARATION.....		80
APPENDIX GLOSSARY OF TERMS.....		81

INSTRUCTIONS

Why you have been asked to fill out this questionnaire?

The Anti-Dumping Commission (the commission) is conducting an investigation into certain flat rolled steel products exported to Australia from China and Korea.

The commission will use the information you provide to determine normal values and export prices over the investigation period (the period). This information will determine whether certain flat rolled steel products is dumped. The commission will also use this information to determine whether certain flat rolled steel products has been in receipt of countervailable subsidies over the period.

The Commission will collect and use information in accordance with its [Collection and Use of Information Policy](#).

If you do not manufacture the goods

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

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

What happens if you do not respond to this questionnaire?

You do not have to complete the questionnaire. However, if you do not respond, do not provide all 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 and/or a subsidy 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.

PUBLIC VERSION

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

Submitting a response to the exporter questionnaire

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

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

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

Confidential and non-confidential responses

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

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

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

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

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

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

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

If such an explanation is not provided, the commission may disregard the information in the questionnaire. 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.

PUBLIC VERSION

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.

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 and/or subsidy margin. The commission considers that the dumping margin and/or subsidy 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 No. 2016/30 available on the commission's website.

Important instructions for preparing your response

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

CHECKLIST

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

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

Attachments	Please tick if you have provided spreadsheet
B-2 Australian sales	<input checked="" type="checkbox"/>
B-2.2 Australian sales source	<input checked="" type="checkbox"/>
B-4 Upwards sales	<input checked="" type="checkbox"/>
D-2 Domestic sales	<input checked="" type="checkbox"/>
D-2.2 domestic sales source	<input checked="" type="checkbox"/>
F-2 Third country sales	<input checked="" type="checkbox"/>
F-2.2 third country sale source	<input checked="" type="checkbox"/>
G-3 Domestic CTM	<input checked="" type="checkbox"/>
G-3.2 domestic CTM source	<input checked="" type="checkbox"/>
G-4.1 SG&A listing	<input checked="" type="checkbox"/>
G-4.2 Dom SG&A calculation	<input checked="" type="checkbox"/>
G-5 Australian CTM	<input checked="" type="checkbox"/>
G-5.2 Australian CTM source	<input checked="" type="checkbox"/>

PUBLIC VERSION

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"/>
I-1 Company Turnover	<input checked="" type="checkbox"/>
I-2 Raw Material Purchases	<input type="checkbox"/>
I-3 Income Tax	<input checked="" type="checkbox"/>
I-4 Grants	<input checked="" type="checkbox"/>

GOODS UNDER CONSIDERATION

The goods under consideration (the goods) i.e. the goods exported to Australia, allegedly at dumped prices and/or in receipt of countervailable subsidies, are:

Flat rolled products, of non-alloy or other alloy steel (excluding stainless steel, silicon-electrical steel, tool steel, and high-speed steel), not clad, plated, or coated, not in coils, with a thickness equal to or greater than 4.75 millimetres, of widths greater than or equal to 600 millimetres, with or without patterns in relief.

Further information

Plate steel is typically produced in one of two ways:

1. plate steel manufactured from steel slab. The steel slab rolled directly into plate steel products, or
2. plate steel manufactured by cutting and flattening lengths of hot rolled coil steel (HRC).

Different terms apply for plate steel made from HRC and plate steel made from steel slab. Plate steel made directly from steel slab is often referred to as 'plate'. Plate steel made from HRC is often referred to as 'coil plate', 'hot rolled sheet' or 'sheet'.

Plate steel with patterns in relief (a distinctive raised pattern, sometimes called lozenges) is more commonly referred to by the generic names checker plate, floor plate or tread plate. These products are either manufactured from steel slab or from HRC, depending on thickness.

Imported non-alloy and other alloy plate steel products are most commonly offered in nominal yield strengths of 250 megapascals (MPa) and 350 MPa, depending on application and end use.

Plate steel is manufactured to meet certain Australian and/or international standards or equivalent standards that define specific grade designations, including the recommended or guaranteed properties of each of these product grades. The applicant provided a listing of these Australian standards and their international equivalents at Non-Confidential Attachment A-4.2 of the application, which is available on the public record.

Exclusions

Goods excluded from this application are:

- stainless steel, silicon-electrical steel, tool steel, and high-speed steel
- heat treated quenched & tempered (Q&T) grades of plate steel, and
- Q&T greenfeed grades of plate steel (Q&T greenfeed is supplied only in the 'non heat-treated' condition).

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.

Category	Sub-category	Identifier	Sales data	Cost data
Type	Standard plate	P1	Mandatory	Mandatory
	Floorplate	P2	Mandatory	Mandatory
	Pressure vessel plate	P3	Mandatory	Mandatory
Thickness	<=9.99mm	T1	Mandatory	Mandatory
	>9.99mm to <=50.00mm	T2	Mandatory	Mandatory
	>50.00mm	T3	Mandatory	Mandatory

PUBLIC VERSION

Nominal Yield Strength	<325 MPa	Y1	Mandatory	Mandatory
	>=325 MPa	Y2	Mandatory	Mandatory
	N/A ¹	Y3	Mandatory	Mandatory
Production Process	Plate from coil	PC	Mandatory	Mandatory
	Plate from slab	PS	Mandatory	Mandatory

In constructing an MCC, use a "-" between each category. For example: P1-Y3-T2-PS

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.

¹ Products with no guaranteed yield strength.

SECTION A COMPANY INFORMATION

A-1 Company representative and location

1. Please nominate a contact person within your company:

Name: **Ms. ZHANG Shichen**

Position in the company: **Legal Counsel**

Telephone: **21 2664 3161**

E-mail address: **zhangshichen@Baoshan.com**

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

Australian counsel:

Name:

Mr. John Bracic

J.Bracic & Associates Pty Ltd

Address:

PO Box 3026, Manuka, ACT 2603

Telephone:

+61 499 056 729

E-mail address:

john@jbracic.com.au

Chinese counsel:

Name:

Mr. Fumao HU (Marco)

**Partner & Attorney at law, Beijing Dacheng Law Offices,
LLP (Chongqing)**

Address:

**27-29, Tower A, Guohua Finance Center, 9 Juxianyan
Plaza, Jiangbeizui, Jiangbei District, Chongqing, China**

Telephone:

+86 135 2023 7767

E-mail address:

fumao.hu@dentons.cn

shubin.ran@dentons.cn

hui.shao@dentons.cn

yinghan.yan@dentons.cn

xiangnan.guo@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.

The financial records of Baosteel Zhanjiang Iron & Steel Co.,Ltd. are held at No. 18, Daodong Avenue, Dongjian Street Office, Zhanjiang Economic And Technological Development Zone, Guangdong Province, China.

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

The production records of Baosteel Zhanjiang Iron & Steel Co.,Ltd. are held at No. 18, Daodong Avenue, Dongjian Street Office, Zhanjiang Economic And Technological Development Zone, Guangdong Province, China.

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

The production plant manufacturing the goods under consideration is located at No. 18, Daodong Avenue, Dongjian Street Office, Zhanjiang Economic And Technological Development Zone, Guangdong Province, China.

A-2 Company information

1. What is the legal name of your business?

PUBLIC VERSION

The legal name of the company is Baosteel Zhanjiang Iron & Steel Co.,Ltd. (hereinafter referred to as “Zhanjiang” or “The company”).

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

The company does not trade under a different name or brand.

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

The company was never known as a different legal or trading name.

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

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

Current board of directors	Board of directors between Jul. 2024 and Jun 2023	Board of directors between Jul. 2023 and Jun 2022
Han Renyi (the chairman of the board)	Tian Guobin (the chairman of the board)	Liu Daide (the chairman of the board)
Wen Dun	Guo Jianguang	Chen Yunpeng
Shao Linfeng	Wang Juan	Guo Jianguang
Wan Hong	Peng Jun	Wang Juan
Chen Shixin	Li Yiming	Peng Jun
Luo Song	Liu Daide	Li Yiming
Ran Ruiwen	Han Renyi	Tian Guobing
	Wan Hong	Chen Shixin
	Chen Shixin	

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

Please refer to Exhibit A-2.5 Group Corporate Structure for the ownership structure with all the related companies and their functions.

6. Is your company or parent company publicly listed?

If yes, please provide:

- (c) The stock exchange where it is listed and
- (d) Any principle shareholders²

If no, please provide:

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

Zhanjiang isn't a listed company, but Zhanjiang's parent company Baoshan Iron & Steel Co., Ltd. is a publicly listed company, which is listed on Shanghai Stock Exchanges. As its principle shareholders, please refer to Exhibit A-2.5 Group Corporate Structure.

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.

The company focus its business on manufacturing and selling various steel products that fall into the following broad categories: Hot-rolled steel products, cold rolled steel products, heavy plates, color coated sheets, tin products, silicon steel, wire rod, tubes and pipes and other steel products. The markets that the company sells its products into are all over the world. Please refer to Exhibit A-2.7 Product Brochure for the details.

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.

PUBLIC VERSION

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:
- produce or manufacture
 - sell in the domestic market
 - export to Australia and
 - export to countries other than Australia.

Zhanjiang is a manufacturer of the goods under consideration (GUC).

When selling in the domestic market, it sells the products to the domestic customers through its related trading companies.

When exporting the GUC to Australia, Zhanjiang firstly sells GUC to related trading company Howa Trading Co., Ltd. (hereinafter referred to as Howa). Then Howa resells GUC to its subsidiary corporation Bao Australia Pty Ltd.(hereinafter referred to as Bao Australia). Bao Australia resells the goods to unrelated Australian customers.

When the company conducts exports to other markets, it is also through other related trading companies.

9. Provide your company's internal organisation chart.

Please refer to [Exhibit A-2.9 Internal Organization](#) for the details.

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

Please refer to [Exhibit A-2.9 Internal Organization](#) for the details.

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

Please refer to [Exhibit A-2.7](#) for the product brochure.

A-3 General accounting information

1. What is your financial accounting period?

The accounting period is the same as the calendar year, i.e. from 1 January to 31 December.

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

The financial accounts are audited and the auditor is Ernst & Young Hua Ming Certified Public Accountants (Special General Partnership).

3. What currency are your accounts kept in?

The accounts are kept in Chinese RMB.

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

The financial accounting system is the Standard Financial System, developed by Shanghai Baosight Software Co., Ltd., a company related to Zhanjiang.

5. What is the name of your sales system?

The sales system is the Marketing Integrated System, developed by Shanghai Baosight Software Co., Ltd., a company related to Zhanjiang.

6. What is the name of your production system?

The production system is the Multi-Site Manufacturing Management System, developed by Shanghai Baosight Software Co., Ltd., a company related to Zhanjiang.

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.

All systems used by Zhanjiang were developed by Shanghai Baosight Software Co., Ltd. and are designed to interact electronically with one another.

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

The accounting practices of the company do not differ from the generally accepted accounting principle 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.

There are no changes to the accounting practices and 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.

Please consult Exhibit A-4.1 Audit Reports for the company's audited annual reports for the year of 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.

Please consult Exhibit A-4.1 Audit Reports for the auditor's letter and the audited financial statement.

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.

Not applicable. All the financial statements are audited.

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.

Not applicable.

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.

Please refer to Exhibit A-4.5 Income Statements covering the most recent financial period and the period.

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

PUBLIC VERSION

Please consult [Exhibit A-4.6 Trial Balance](#) for the details.

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

Please refer to [Exhibit A-4.7 Chart of Accounts](#) for the information.

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

SECTION B

EXPORT SALES TO AUSTRALIA

B-1 Australian export sales process

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

For export sales to Australia, all sales are handled through Baosteel's overseas trading companies, Howa trading co., ltd (Howa) and BAO AUSTRALIA PTY LIMITED (Bao Australia). The sales documents route is as follows: Baoshan/Zhanjiang(and other manufactures)→Howa→Bao Australia→unrelated Australian customers.

Baosteel has its marketing center that conducts marketing and advertising activities. It is responsible for making overseas market plans and pricing strategies, and leading upgrades and lifecycle management of global products. The overseas trading company develops distributors, manages orders, achieves sales targets, directly interacts with end customers or channel partners, handles after-sales services, and provides feedback to headquarters on local market dynamics, customer needs, and competitive information.

For export sales to Australia, Bao Australia directly negotiates price with potential customers based on market price. After receiving order from its customers, Bao Australia then sends order requests to Baosteel marketing center which will then send orders to production bases (Baoshan, Zhanjiang or other bases) for production. Upon receiving the orders, Baoshan or Zhanjiang begins production according to orders. Once the production completes and customs declaration is passed, Baoshan or Zhanjiang delivers the goods to the port, and Howa is responsible for shipping the goods to Australia.

For the commercial invoice between production bases and Howa, the commercial invoices are typically issued upon completion of production of the goods before customs declaration. For the commercial invoice between Howa and Bao Australia, they are issued as the date of BL date.

Payment terms are usually agreed upon in advance in the sales contracts. The terms between Baoshan and Howa are usually "T/T, afer 30 days of BL date" and the payment term between other production base like Zhanjiang and Howa are "T/T, afer 10 days of BL date".

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?

All Australian sales are made in USD. Forward contracts were not used to lock in the foreign exchange rate relating to the export sales. Zhanjiang's accounting system adopts the median exchange rate published by the People's Bank of China prevailing on the first working day of each month.

PUBLIC VERSION

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.

Yes, the goods exported to Australia are all through Zhanjiang's related trading company Howa and Bao Australia. And the selling price is set based on the Australian market price and negotiation.

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

Not applicable. Zhanjiang does not use price list. All the price are set based on actual market price and negotiation.

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.

Not applicable. The selling prices do not vary according to different distribution channels.

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.

Yes. Both Baoshan and Zhanjiang provides on-invoice discounts to Howa and Howa also applies on-invoice discount to Baosteel Australia. These discounts can be regarded as profit granted to Howa or Bao Australia.

The exact discount rates are stipulated in the contract and commercial invoice and also reported in "On-invoice discounts" column in Table B-2. Please refer to the contract in Exhibit B-3.1 Export Samples for supporting documentation.

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.

Not applicable. Zhanjiang did not issue any credit or debit notes (directly or indirectly) to the customer.

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:

- (a) Are you claiming a date other than the invoice date as the date of sale?
- (b) If you are claiming a date other than the invoice date as the date of sale, why does this date better reflect the material terms of sale? Provide evidence to support your claim. 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.

Note that any date of sale claim, other than the invoice date, that is made after submitting a response to this questionnaire may not provide the commission with sufficient time to assess the claim and may not be considered.

Zhanjiang agrees to use the date of invoice to determine the date of sale.

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.
 - 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.

Please refer to the worksheet “B-2 Australian sales” for the information.

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”.

Please check the worksheet “B-2.2 Australian sales source” for the information.

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.

Please refer to [Exhibit B-3.1 Export Samples](#) for the documents related to two largest invoices by value.

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.

Please refer to [Exhibit B-3.1 Export Samples](#) for the annotation and reconciliation.

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.

Please refer to the worksheet B-4 for upwards sales reconciliation.

2. Please provide all source documents & worksheets, other than those in A-4, B-2 and D-2, required to complete the “B-4 Upwards sales” worksheet.
 - For example, worksheets (e.g. a master sales listing) showing how you identified and categorised:
 - Sales of the goods under consideration and other sales (e.g. non-goods or services)
 - Domestic, Australian and third country sales of the goods under consideration

PUBLIC VERSION

- If the documents include spreadsheets, all formulas used must be retained
- There must not be any balancing amounts. All amounts must be supported by source documents.

The documents used to complete B-4 include income statement, trial balance, operating income subledger and master sales listing. Please refer to the worksheet B-4 for the details.

3. For all amounts 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.

Not applicable.

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.

For Australian exports, the steel grade for the goods produced by Baoshan includes [REDACTED], [REDACTED], [REDACTED], [REDACTED] and [REDACTED] and the standards applied are international standard like AS/NZS 1594, JIS G3131 and Baosteel's own standard agreed with its customers. The minimum yield strength for the grades follows the standard each steel grade applied. Some of Baoshan's Australian exports have special features like pickling, and some of the hot rolled products were through tempering heat treatment. We provided these data in Table B-4 Upwards sales-master sales listing-Baoshan&Zhanjiang.

For the goods produced by Zhanjiang and exported to Australia, the steel grades include [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED] and different standards may apply like Australian standard AS/NZS 1594 and AS/NZS 3678, and Japanese standard like JIS G3125 and SS400 or Baosteel's standard as Q/BQB 340 and Q/BQB 680. The minimum yield strength for the grades follows the standard each steel grade applied. No pickling or heat treatment applied for Zhanjiang's exports to Australia.

For the listing of the Australian exports indicating the product characteristics mentioned above and in details, please refer to [Exhibit S1 C-1.1.1 Product characteristics listing for Australian exports](#) which is a pivot table of Table B-4 Upwards sales-master sales listing-Baoshan&Zhanjiang.

For the international standards relevant to the listing, please refer to [Exhibit S1 C-1.1.2 international standards](#).

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.

The MCCs of GUC for exports to Australia of Baoshan and Zhanjiang are as follows:

Baoshan P1-T1-Y1-PC
Baoshan P1-T1-Y2-PC
Baoshan P1-T1-Y3-PC
Baoshan P1-T2-Y1-PC
Baoshan P1-T2-Y2-PC
Zhanjiang P1-T1-Y1-PC
Zhanjiang P1-T1-Y1-PS
Zhanjiang P1-T1-Y2-PC
Zhanjiang P1-T1-Y2-PS
Zhanjiang P1-T2-Y1-PC
Zhanjiang P1-T2-Y1-PS
Zhanjiang P1-T2-Y2-PC
Zhanjiang P1-T2-Y2-PS
Zhanjiang P1-T2-Y3-PS
Zhanjiang P1-T3-Y1-PS

Zhanjiang P1-T3-Y2-PS
Zhanjiang P1-T3-Y3-PS

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.

As in Table B-4 Upwards sales-master sales listing-Baoshan&Zhanjiang, for domestic sales, there were 402 steel grades for the goods produced by Baoshan and 293 steel grades for Zhanjiang. And for the standards, some products adhere to international standards, while others follow Baosteel's in-house standards, with the specific standard applied based on customer requirements. We believe that when defining like goods, products under the same MCC should be considered LIKE GOODS, rather than being categorized solely by grade designation. This is because products with identical performance and end-uses may employ different international standards and grades due to varying regional customer demands—such as Chinese national standards or Baosteel in-house standards domestically, and Japanese, Australian standards, etc., abroad.

For the listing of the products sold in the domestic market indicating the product characteristics mentioned above and in details, please refer to Exhibit S1 C-2.1. Product characteristics listing for DM sales which is a pivot table of Table B-4 Upwards sales-master sales listing-Baoshan&Zhanjiang.

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.

The MCCs of like goods reported in D-2 are as follows:

Baoshan P1-T1-Y1-PC
Baoshan P1-T1-Y1-PS
Baoshan P1-T1-Y2-PC
Baoshan P1-T1-Y2-PS
Baoshan P1-T1-Y3-PC
Baoshan P1-T1-Y3-PS
Baoshan P1-T2-Y1-PC
Baoshan P1-T2-Y1-PS
Baoshan P1-T2-Y2-PC
Baoshan P1-T2-Y2-PS
Baoshan P1-T2-Y3-PC
Baoshan P1-T2-Y3-PS
Baoshan P1-T3-Y1-PS
Baoshan P1-T3-Y2-PS
Baoshan P1-T3-Y3-PS
Baoshan P3-T1-Y1-PS
Baoshan P3-T2-Y1-PS
Baoshan P3-T2-Y2-PS
Baoshan P3-T3-Y1-PS
Baoshan P3-T3-Y2-PS
Zhanjiang P1-T1-Y1-PC
Zhanjiang P1-T1-Y1-PS
Zhanjiang P1-T1-Y2-PC
Zhanjiang P1-T1-Y2-PS
Zhanjiang P1-T1-Y3-PS
Zhanjiang P1-T2-Y1-PC
Zhanjiang P1-T2-Y1-PS
Zhanjiang P1-T2-Y2-PC
Zhanjiang P1-T2-Y2-PS
Zhanjiang P1-T2-Y3-PS

Zhanjiang P1-T3-Y1-PS
Zhanjiang P1-T3-Y2-PS
Zhanjiang P1-T3-Y3-PS
Zhanjiang P3-T1-Y1-PS
Zhanjiang P3-T2-Y1-PS
Zhanjiang P3-T3-Y1-PS

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.
- (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.

Zhanjiang is an integrated manufacturer and produces many lines of products, such as galvanized steel, color painted steel, silicon steel, electrolytic chromium coated steel products (“ECCS”) and tinplate. Each product will be assigned to different product codes. For example, for hot rolled product, the product code is under the code of I. And for pickled products and heavy plates, the product codes are X and J.

For the details, please see “column D Product code” of worksheet B-2 for all production codes/sales codes of all finished/ unfinished products manufactured and purchased by Zhanjiang.

For the sales, the sales system records product types with detailed specification information such as form types, thickness, width, steel grade, PSR code with heat treatment description and Product Classification Code with application description. In order to construct MCC, we used product description and specifications recorded in the sales system (that were in alignment with customers’ orders) to identify GUC and prepare MCC. Please refer to “[Table B-4 Upwards sales-master sales listing-Baoshan&Zhanjiang](#)” for details.

It is worth noting that, within the given MCC coding structure, the ADC investigating authority did not explicitly specify “whether heat treatment is applied or the method of heat treatment” as a separate criterion, nor did it require such distinctions to be reflected in sales data or cost data. For the main product under GUC—heavy plate—whether it undergoes heat treatment and the specific heat treatment process applied can lead to significant differences in production costs and external sales pricing. Therefore, to ensure a fair comparison, we proposed that, based on the existing MCC codes, an additional category—namely, the heat treatment method—should be incorporated to further categorize the GUC.

PUBLIC VERSION

If a product required by a customer order necessitates heat treatment in the manufacturing process, the marketing and sales department will explicitly specify the required heat treatment method when initially entering the order information. The company has assigned different codes to different heat treatment processes. Therefore, based on the classification of heat treatment processes that the company itself follows in its daily production and sales, we proposed to categorize the heat treatment processes into the following sub-categories:

Identifier	Internal code for heat treatment method (7 th digit of PSR)	Chinese description of Internal code for heat treatment method (7 th digit of PSR)	English description of Internal code for heat treatment method (7 th digit of PSR)
HT0*	0	热轧	Hot rolling
HT0	1	热轧	Hot rolling
HT0	2	热轧	Hot rolling
HT0	3	热轧	Hot rolling
HT0	4	热轧	Hot rolling
HT0	6	热轧	Hot rolling
HT0	7	热轧	Hot rolling
HT0	8	热轧	Hot rolling
HT0	9	热轧	Hot rolling
HT1	A	退火	Annealing
HT2	B	正火+回火	Normalizing + Tempering
HT0	C	控制轧制	Controlled rolling
HT3	D	DQ	Direct Quenching
HT4	J	淬火(耐磨钢)	Quenching
HT0	M	TMCP 轧制	TMCP rolling
HT5	N	正火	Normalizing
HT0	R	热轧	Hot rolling
HT6	T	回火	Tempering

*HT0 represent “no heat treatment”

Furthermore, to substantiate that whether heat treatment is applied and the different heat treatment processes have a substantial impact on production costs and sales prices, we have conducted a comparative analysis based on the actual production costs and sales prices from the D-2 Domestic Sales Listing and the G-3 Domestic CTM. For detailed information, please refer to [Exhibit C-3.1 Proposed additional MCC subcategory-heat treatment](#).

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

For the domestic sales of like products, the sales documents flow is as: Baoshan/Zhanjiang→Regional related traders→ independent customers.

Typically, Baosteel marketing center is also responsible for price negotiation with domestic customers based on market price. It directly negotiates and signs annual contracts with end-users, while its regional traders are responsible for executing these contracts. Baosteel sells products to regional traders at an arm's length market price. This price is determined by deducting a pre-agreed profit rate from the end-user contract price.

In some cases, such as with new customers, regional traders may directly negotiate and sign contracts with independent customers. The pricing in these instances is based on market rates published on credible steel websites.

When regional traders receive purchase orders from customers, they will send order requests to marketing center, and then marketing center will place orders to the most suitable production bases considering products specification, production plans and other factors.

Upon receiving orders, the company arranges production. Once the goods are ready for shipments, Baoshan issues an invoice to the related traders, who in turn issue their own invoices to the independent customers. Contracts usually need to be paid before shipments. Delivery is arranged as per the contract terms.

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.
 - If you are claiming that sales to related parties are arms length, please explain why you consider the price to be an arms length price unaffected by the relationship.

All the domestic customers of Zhanjiang are related. As answered to the question B-1.4 and D-1.1, Zhanjiang does not use price list and the price is basically determined based on actual steel products market price and negotiation with customers.

The company sells products to related traders at an arm's length market price. This price is determined by deducting a pre-agreed profit from the end-user contract price.

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

Not applicable. The company does not use price list.

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

No. The domestic selling prices do not vary according to distribution channels.

PUBLIC VERSION

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.

Yes, the company provide rebates to customers when they reach annual sales targets. For these rebates, they are usually in red-ink reversal invoices, and the invoice flow is the same as sales invoice: Baoshan/Zhanjiang→Regional traders→ independent customers. These reversal invoices were also included in master sales listing with only values and no quantity.

Please refer to “Table B-4 Upwards sales-master sales listing-Baoshan&Zhanjiang” for the calculation for off-invoice rebates.

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.

Not applicable.

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:
- Are you claiming a date other than the invoice date as the date of sale?
 - If you are claiming a date other than the invoice date as the date of sale, why does this date best reflect the material terms of sale? Provide evidence to support your claim. 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.

Note that any date of sale claim, other than the invoice date, that is made after submitting a response to this questionnaire may not provide the commission with sufficient time to assess the claim and may not be considered.

Zhanjiang agrees with the Commission in using the invoice date as the date of sale.

D-2 Domestic sales listing

- 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.

Please check the worksheet D-2 for domestic sales listing.

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

Please refer to the worksheet D-2.2 for domestic sales source.

D-3 Sample domestic sales documents

1. Select the two largest invoices by value and provide the following documentation:
 - Contracts
 - Purchase order and order confirmation
 - Commercial invoice and packing list
 - Proof of payment, 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.

Please refer to [Exhibit D-3.1 DM Samples](#) for domestic sales documents.

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.

Please check each sample folder in [Exhibit D-3.1](#) for the reconciliation details.

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.

Please refer to the worksheet B-4.

2. Please provide all documents and worksheets, 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.
 - For example, worksheets (e.g. a master sales listing) showing how you identified and categorised:
 - Sales of the goods under consideration and other sales (e.g. non-goods or services)
 - Domestic and third country sales of the goods under consideration
 - If the documents include spreadsheets, all formulas used must be retained
 - There must not be any balancing amounts. All amounts must be supported by source documents.

Please refer to the worksheet B-4.

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.

Please refer to the worksheet B-4.

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:

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

Not applicable.

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?

Yes. Please refer to [Exhibit E-1.2 Short-term borrowing rate](#) for the details.

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?

Yes, interest income was recorded in the income statement during the investigation period. Baoshan and Zhanjiang deposited their capital with their related financial company, Baowu Group Finance Co., Ltd., under three primary types of deposits: two-year fixed deposits with an average interest rate of 2.3%, 7-day notice deposits with an average interest rate of 1.25%, and current deposits with an average interest rate of 1.15%.

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?

The payment terms are actually reported based on the payment terms specified in the contract. In principle, when customers make payments, they are also required to do so in accordance with the payment terms stipulated in the contract.

For Baoshan, the payment term is T/T after 30 days of BL date. And for Zhanjiang, the payment term is T/T after 10 days of BL date.

E-2 Packaging

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

Packaging is basically subject to the different requirements of the customer.

Please refer to [Exhibit E-2.1 Picture of standard packing](#) for the demonstration of types of packaging we used in the domestic and export market.

PUBLIC VERSION

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

Packaging is basically subject to the different requirements of the customer.

Please refer to [Exhibit E-2.1 Picture of standard packing](#) for the demonstration of types of packaging we used in the domestic and export market.

3. If there are distinct differences in packaging between your domestic and export sales:
 - (a) Provide details of the differences

Most domestic and foreign customers choose the common standard packaging method shown in [Exhibit E-2.1](#), i.e., strapping and locking.

There is no difference in packaging to our domestic sales and Australian export sales customers except for container transport, where wooden pallets will be added to the export packaging.

- (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

Regarding the packaging cost for each model sold on the domestic market and exported to Australia, please refer to [Table G-3 Domestic CTM](#) and [G-5 Australian CTM](#) for the details.

E-3 Delivery

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

For Baoshan, the transport related expenses were booked in 6401240 Main operating cost - Other Costs ledger and 6404 Main Operating Cost Variance ledger, while for Zhanjiang, the transport related expenses were booked in 6401240 Main operating cost - Other Costs.

We used these above transport related ledgers to calculate inland transport fees for DM sales of GUC. Please refer to [Exhibit E-3.1 DM sales expenses](#) for the source data and calculation worksheets.

The inland freight for DM sales of GUC were calculated

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

The delivery term between Baoshan and Howa is FOB. And the delivery term between Howa and Bao Australia is CFR or CIF. Please refer to the worksheet B-2 Australia Sales for the information.

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?

For the products from Baoshan to Australia, the goods were first sent from mill to ports, such as Baosteel's port, other ports in Shanghai or ports in nearby city, and then the goods were shipped to Australia. The truck transport charges and port handling charges were covered by Baoshan and ocean freight and marine insurance were covered by Howa.

For the goods produced by Zhanjiang, the goods were delivered to Zhanjiang Donggangchi port, and fees like truck transport fees, loading charges, warehouse operation charges, budling charges and port charges at Zhanjiang Donggangchi port were covered by Zhanjiang. Then the goods were shipped to Shanghai port or port nearby Shanghai and after the goods were declared, they would be loaded onto ocean freighter and shipped to Australia. The water transport from Donggangchi port and port handling charges at Shanghai port were paid by Zhanjiang. Ocean freight and marine insurance were covered by Howa.

PUBLIC VERSION

The inland freight from the factory to the port was reported based on the unit contract price, and the port charges were based on actual expenses settled with the logistics company. These expenses were taken by Production bases (Baoshan or Zhanjiang).

For ocean freight of marine insurance, Howa covers the expenses.

Please refer to [Exhibit E-3.3 Export expenses](#) for how inland freight and port charges were reported in B-2.

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?

The inland freight from the factory to the port was reported based on the unit contract price, and the port charges were based on actual expenses settled with the logistics company. These expenses were taken by Production bases (Baoshan or Zhanjiang).

For ocean freight of marine insurance, Howa covers the expenses.

Please refer to [Exhibit E-3.3 Export expenses](#) for how inland freight and port charges were reported in B-2.

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?

The inland freight from the factory to the port was reported based on the unit contract price, and the port charges were based on actual expenses settled with the logistics company. These expenses were taken by Production bases (Baoshan or Zhanjiang).

For ocean freight of marine insurance, Howa covers the expenses.

Please refer to [Exhibit E-3.3 Export expenses](#) for how inland freight and port charges were reported in B-2.

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?

The inland freight from the factory to the port was reported based on the unit contract price, and the port charges were based on actual expenses settled with the logistics company. These expenses were taken by Production bases (Baoshan or Zhanjiang).

For ocean freight of marine insurance, Howa covers the expenses.

Please refer to [Exhibit E-3.3 Export expenses](#) for how inland freight and port charges were reported in B-2.

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?

Not applicable as no trade terms for exports to Australia for Howa to Bao Australia was DDU.

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.

No commissions are provided for domestic sales and export sales.

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?

The VAT refund for the GUC was officially canceled in January 2013. During the period, the VAT rate is 13% and refund rate is 0% for the GUC.

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

There are no other direct selling expenses incurred in relation to domestic sales.

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

There are no other direct selling expenses incurred in relation to Australian sales.

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

No.

³ Available on the commission website

SECTION F

THIRD COUNTRY SALES

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.

Compared the sales processes to any third country and to Australia, the difference is Zhanjiang may sell to third countries through other related trading companies, like Baoshan America Inc. In addition to the above stated, the sales processes to third countries are basically similar to the process described on B-1.1.

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.

All the export sales of Zhanjiang to the third countries are through related trading companies. And the selling price is based on market price and negotiation. For the related traders' information, please refer to column B of worksheet F-2.

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.

Zhanjiang agrees with the commission in using the invoice date as the date of sale.

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.

Please refer to the worksheet F-2 for third country sales.

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".

Please consult the worksheet F-2.2 for the information on third country sales source.

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.

PUBLIC VERSION

In fact, sales to Australia and third countries are largely the same for the manufacturers Baoshan and Zhanjiang. The key commonalities are:

- (1) Trade Terms: FOB is uniformly applied in transactions with related traders.
- (2) Price Policy: The same pricing policy is used for all overseas markets.
- (3) Payment Terms: Identical payment terms are used with overseas affiliated traders.

The primary distinction lies in the distribution channels: sales to Australia are handled through Howa and Bao Australia, while sales to third countries are routed through Baoshan Singapore, Baoshan America, and others.

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.

1. The detailed information of the production process is below:

Phase 1: Raw Material Preparation and Heating

The process begins with qualified slab raw materials, which come from two main sources:

First, self-produced or externally sourced qualified multiple-length slabs (for conventional steel grades). For the self-produced portion, the main process involves starting from iron ore: sintering or pelletizing to produce high-quality furnace feed for blast furnace smelting, which is then charged into the blast furnace along with coke to produce molten iron through high-temperature reduction. The molten iron undergoes pre-treatment such as desulfurization and dephosphorization before being charged into the converter, where high-purity oxygen is blown in along with scrap steel and alloys to refine and adjust composition, resulting in qualified molten steel. This is followed by secondary refining processes for deep degassing, desulfurization, and composition fine-tuning. The purified molten steel is then continuously cast into solid slabs via a continuous caster, which are cut, surface-cleaned, and quality-inspected to form qualified continuous-cast slabs ready for rolling. Second, externally sourced stainless steel slabs.

The slabs are first cut according to order specifications (commonly using flame cutting) and then fed into a reheating furnace for uniform heating to reach the suitable temperature and plastic state for rolling.

Phase 2: Hot Rolling and Forming

The heated slab first undergoes high-pressure water descaling to remove surface oxide scale, ensuring rolling surface quality. It then proceeds to the rolling zone:

- (1) Roughing Rolling: The slab is rolled in multiple passes with high reduction on a heavy-duty mill to initially widen and elongate it, forming an intermediate slab.
- (2) Finishing Rolling: Precise control of thickness, shape, and temperature is performed on the finishing mill to achieve the target dimensions and microstructure.
- (3) Controlled Cooling: Immediately after rolling, the steel plate undergoes controlled cooling via specific cooling systems (such as laminar cooling or ACC) to stabilize the required metallurgical structure and mechanical properties.
- (4) Hot Leveling: The plate is straightened at elevated temperatures to eliminate most shape defects caused by rolling.
- (5) Cooling and Stacking: The rolled plate is transferred to a cooling bed for natural or forced cooling to room temperature, then stacked for temporary storage, awaiting further processing decisions. Based on material and performance requirements, the plates are diverted to either the conventional finishing line or the stainless steel/heat treatment special process line.

Phase 3: Diverted Processing and Finishing

(1) Conventional Product (Carbon Steel, No Heat Treatment) Process:

This path focuses on dimensional finishing and surface treatment. After being removed from the stack, the plate undergoes the following steps in sequence: surface inspection and grinding, cold leveling, cutting operations, quality testing, and finally, finishing treatments before being collected as finished products.

(2) Stainless Steel and Heat-Treatment-Required Product Process:

This path is more complex, with the core objectives of adjusting final properties through heat treatment and achieving a stainless steel surface via pickling. The heat treatment process involves placing the plate into a heat treatment furnace for quenching, tempering,

and other processes (potentially using advanced pressure quenching technology) to significantly enhance comprehensive properties such as strength and toughness. This is followed by slow cooling or air cooling on a heat treatment cooling bed. The pickling process requires stainless steel products to enter a stainless steel pickling line, where chemical methods completely remove the oxide layer formed during heat treatment, exposing the metal surface and forming a passivation film. Finally, offline finishing and in-depth testing are performed, including grinding, leveling/flattening, offline ultrasonic testing, manual surface inspection, and final processing.

2. Regarding the different production methods between Heavy Plate Line and Hot Rolling Line :

(1). Production Capacity Limitations

Hot Rolling Line: Cannot produce plates with a thickness exceeding 25mm, nor can it produce heavy plates with a width exceeding 1900mm. Its rolling capacity is also insufficient for hot-rolled coil products with exceptionally high hardness requirements.

Heavy Plate Line: Has no such restrictions on thickness or width and possesses stronger rolling capacity.

(2). Differences in Process Flow

Hot Rolling Line: The process route is "Slab → Hot-Rolled Coil → Levelled Plate."

Heavy Plate Line: The process route is "Slab → Heavy Plate," which is direct rolling.

(3). Equipment and Cost Considerations

There are differences between the two lines in terms of rolling capacity, cooling capacity, and overall equipment capability. However, there is no significant difference in the general performance (e.g., mechanical properties) of the products they produce.

For products of the same thickness specification, if the customer does not specify the production method and the hot rolling line is capable of production, priority is usually given to scheduling production on the hot rolling line. This is because the unit cost of rolling on the heavy plate line is higher.

3. the response to more details on the process concerning the sourcing of steel inputs and self-produced steel.

The production of the GUC, as shown in spreadsheet G-7.2, primarily consumes self-produced continuous casting slabs as the main raw material, with a very small portion of purchased continuous casting slabs also being consumed.

Among all production lines related to the GUC, at Baoshan steel, only the "J0210 Wide and Heavy Plate Post-Rolling Plate-5M line" consumes the following main raw materials: "15000 Purchased Continuous Casting Slab - Other Companies", "15022 Purchased Continuous Casting Slab - Heavy Plate Composite Slab", and "15023 Purchased Continuous Casting Slab - Stainless Steel Slab". The 15023 Stainless Steel Slab is not relevant to this investigation. At Zhanjiang Steel, only the "J0210 Wide and Heavy Plate Post-Rolling Plate line" involves the consumption of main raw material "15001 Purchased Continuous Casting Slab – Baoshan". Specific details can be found in the updated evidence S1 G-7.2 Raw material CTM_Baoshan&Zhanjiang, specifically in worksheet "5) consumption of purchase slab".

Accordingly, in spreadsheet G-7.4, we have supplemented all purchase transactions of continuous casting slabs for Baoshan and Zhanjiang during the investigation period. It is important to emphasize that these purchased continuous casting slabs are not used solely for the production of the GUC (heavy plates) but are also utilized in the production

of other series of steel products, such as cold-rolled products and silicon steel products.

Please refer to [Exhibit G-1.1 Production Process](#) for the information.

The production stages will produce scrap steel, which will be recycled. And there are no by-products resulting from the production process.

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.

Yes. Please refer to worksheet G-7.4 RM purchase worksheet for the details of the nature and relationship of the suppliers for iron ore, coke and coal.

G-2. Cost accounting practices

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

The company'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.

Not applicable.

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

The company is a vertically integrated large-scale steel mill enterprise with full-process production, covering all steps of ironmaking, steelmaking and rolling. All main raw materials, such as iron ore, coke and coal, were ultimately imported or purchased from unrelated suppliers.

The company has separate mill divisions for each production step, such as iron-making plant, steel-making plant and hot-rolling plant, cold rolling plant, heavy plate plant and silicon steel plant. Each plant has different production lines. Within the hot-rolling plant, we have several lines for rolling different widths, heat treatment lines, as well as separate skin-pass, cut-coil and cut-into-sheet lines. Whether or not it will go through these steps will depend on the customer's order requirements.

In the daily cost accounting costing of the Finance Department, each production line will attribute the various costs incurred on that line, such as electricity, auxiliary material inputs, labor, depreciation while the cost of semi-finished products from the previous step of the production line will also be carried over as raw material inputs.

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.

Yes, for the whole listing of cost centers for all finished/unfinished products manufactured/purchased, please refer to column G (Cost center description) and column J

PUBLIC VERSION

(Production line description) of “sheet 1) Ori. COM data per line” in [Spreadsheet G-7.2 Raw material CTM](#).

Each cost center includes multiple production line. The inclusion relationship between cost centers and production lines can also be viewed in the aforementioned evidence.

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

Our company's cost accounting system applied by the Financial Accounting Department normally record production costs to the level of production line, regardless of the width, thickness or steel grades, but considering whether surface finishing was skin-passed, whether the coil was cut into sheet, and whether heat treatment was performed.

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

Yes. Our costs for management accounting purposes valued differently to financial accounting purposes.

(1) Production-line-level cost for financial accounting purposes:

From a financial accounting perspective, the company employs a “multi-site manufacturing management system” for cost accounting and allocation based on production lines.

This multi-site manufacturing system divides the entire long-process production into around 50 cost centres, such as sintering, blast furnace, converter, continuous casting, rolling, skin-pass, pickling, heat treatment etc. Actual costs incurred monthly are aggregated by each cost centre for raw material consumption, labour wages, machinery depreciation, and energy consumption and other manufacturing overheads. For the full list of cost centres, please refer to column G (Cost center description) and column J (Production line description) of “sheet 1) Ori. COM data per line” in [Spreadsheet G-7.2 Raw material CTM](#).

Each cost centre may encompass multiple units, i.e. several production lines. The total monthly costs aggregated under each cost centre are allocated to each production line according to its actual production quantity. Therefore, from a financial accounting perspective, the company's costs are fundamentally calculated on a production line basis. The internal coding for this production line comprises five bytes, such as I1210, I6210 , X1830, J0210, J1210, J2210. The first byte represents the product category: “I” for hot-rolled products, “X” for pickled products, “C” for cold-rolled products and “J” for heavy plate products . The second byte indicates the processing stage: 0 for rolling, 1 and 2 for skin pass, 5 and 6 for annealing and heat treatment respectively. The third digit indicates the status. “2” means the product is in production, while “1” indicates the product is ready for sale. The fourth and fifth digits represent the production line's serial number. For the full list of over 100 production lines for all products, please refer to column H (Production line description) of “sheet 1) Ori. COM data per line” in [Spreadsheet G-7.2 Raw material CTM](#).

PUBLIC VERSION

Therefore, we can observe that the cost per production line constitutes a blended cost, representing the average cost across various steel grades (regardless alloy or non-alloy), widths, and thicknesses, but considering whether surface finishing was skin-passed, whether the coil was cut into sheet, and whether heat treatment was performed.

To provide a clearer illustration of our average production line costs, please refer to “sheet 1) Ori. COM data per line” in [Spreadsheet G-7.2 Raw material CTM](#). This exhibit details the system cost accounting breakdown for all production lines, from which we have calculated the monthly average cost per line based on this raw data in “sheet 5) G-7.2 Raw material CTM.” in [Spreadsheet G-7.2 Raw material CTM](#).

(2) Mill-contract-number-level cost for management purposes:

However, in order to cooperate fully with the investigation, we have extracted the costs broken down to each coil number or mill contract number from the CE management system in [Exhibit G-8.6 cost worksheet for G-3&G-5](#). Worksheet G-3 Domestic CTM and G-5 Australian CTM were reported based on the Contract-number-level cost data.

The cost per mill contract number is the result of reallocation undertaken by the CE system. This reallocation is based on the actual total production line cost from financial system, taking into account the actual processing stages each coil undergoes during production and comprehensively evaluating all factors influencing cost, such as difference in hot metal ratio during steelmaking, whether refined or not, number of consecutive casts in tundish, slab machine-cleaned or hand-cleaned, whether desulphurization, de-siliconization, and dephosphorization are performed, whether dressing/rework is performed during hot rolling, whether skin-pass/rework is performed, whether heat treatment is performed, difference between actual yield and standard yield for each process. The allocation is automatically completed by the system according to the preset parameters. The cost results allocated under these rules can be queried for each contract number via the front-end or back-end systems.

The mill contract number consists of ten letters and digits combined, such as I3L0017066, X4L0005569. Upon the customer issuing a purchase order, the sales department enters it into the sales system. The system then automatically generates a unique mill contract number for tracking and linking all subsequent stages: production, shipment, payment collection, invoicing, and financial recording in the ledger.

Zhanjiang’s CE management system captures production costs at a relatively detailed level of product specificity, such as the steel grade, thickness, width, coil or sheet, heat treatment. This detailed tracking helps in pricing decisions and internal cost control and improvement.

7. Has your company engaged in any start-up operations in relation to the goods? If yes:
- Describe in detail the start-up operation giving dates (actual or projected) of each stage of the start-up operation.
 - 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.

The company has not engaged in start-up operations.

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)?

Inventories are valued at actual cost when stocked in. When raw materials, finished goods and other inventories are stocked out, the method of valuation is monthly weighted average.

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

For damaged goods, the company usually recycles them as scrap, while for substandard goods, the company will sell at a lower price.

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

There are no by-products or joint products generated from the production process. And all the scrap would be recycled. The price for internally recycled scrap steel shall be calculated by reference to prevailing market prices for scrap steel, converted at a specified rate.

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

No.

G-3 Cost to make on domestic market

- 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.

Please refer to the worksheet G-3 Domestic CTM. Worksheet G-3 Domestic CTM and G-5 Australian CTM were reported based on the Contract-number-level cost data, rather than Production-line-level cost for financial accounting purposes.

Further,



The cost data segregated by market can be found in [S1 G-3 Domestic CTM & G-5 Australian CTM Baoshan](#) and [S1 G-3 Domestic CTM & G-5 Australian CTM Zhanjiang](#).

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".

Please refer to the worksheet [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.

Please refer to the worksheet [G-4.1 SG&A listing](#).

All expenses listed in [Worksheet G-4.1 \(SG&A Listing\)](#) are indirect expenses. As for the direct expenses, such as inland freight and port handling fees, which are reported in [Worksheets B-2 and D-2](#), they are recorded in the Cost General Ledger. Specifically:

- For Baoshan, transport-related expenses are booked under ledger accounts [REDACTED] and [REDACTED].
- For Zhanjiang, these expenses are booked under ledger account [REDACTED].

However, a portion of the [REDACTED] from Zhanjiang had been incorrectly booked under account [REDACTED]. Therefore, we have now reclassified this portion as direct selling expenses. Additionally, the classification label regarding "provisional" or "unrealized" expenses contained a typographical error, which has been corrected. We confirm that all expenses listed in [Worksheet G-4.1](#) represent actual costs incurred. For details, please refer to the updated documentation: [S1 G-4.1 SG&A listing-Zhanjiang & S1 G-4.1 SG&A listing-Baoshan](#).

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.

Please refer to the worksheet [G-4.2 Domestic SG&A calculation and S1 G-4.2 Dom SG&A Calculation - Zhanjiang](#) for details.

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.

PUBLIC VERSION

- Please use the formulas provided.
- If you have used formulas to complete this worksheet, these formulas must be retained.

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

4. Please provide the relevant general ledgers (i.e. the detailed listings) of all SG&A accounts (in Excel) covering the period and the most recent financial year.

Please refer to worksheet [G-4.1 SG&A listing for the details](#).

Our process consisted of two steps: First, we prepared the table based on the internal SG&A reports and reconciled the total with the income statement. Second, we reconciled the detailed items in those reports with the trial balance to identify their corresponding general ledger accounts.

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.

Please refer to the worksheet [G-5 Australian CTM](#). Worksheet [G-3 Domestic CTM](#) and [G-5 Australian CTM](#) were reported based on the Contract-number-level cost data, rather than Production-line-level cost for financial accounting purposes.

Further,

The cost data segregated by market can be found in [S1 G-3 Domestic CTM & G-5 Australian CTM Baoshan](#) and [S1 G-3 Domestic CTM & G-5 Australian CTM Zhanjiang](#).

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".

Please refer to the worksheet [G-5.2 Australian CTM source](#).

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

Worksheet [G-3 Domestic CTM](#) and [G-5 Australian CTM](#) were reported based on the Contract-

PUBLIC VERSION

number-level cost data, rather than Production-line-level cost for financial accounting purposes.

In order to cooperate fully with the investigation, we have extracted the costs broken down to each coil number or mill contract number from the CE management system. The cost per mill contract number is the result of reallocation undertaken by the CE system. This reallocation is based on the actual total production line cost, taking into account the actual processing stages each coil undergoes during production and comprehensively evaluating all factors influencing cost, such as difference in hot metal ratio during steelmaking, whether refined or not, number of consecutive casts in tundish, slab machine-cleaned or hand-cleaned, whether desulphurization, de-siliconization, and dephosphorization are performed, whether dressing/rework is performed during hot rolling, whether skin-pass/rework is performed, whether heat treatment is performed, difference between actual yield and standard yield for each process. The allocation is automatically completed by the system according to the preset parameters. The cost results allocated under these rules can be queried for each contract number via the front-end or back-end systems.

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.

Please refer to [Exhibit G-8.6 cost worksheet for G-3&G-5](#).

Based on our detailed explanation in Question G-2.6 above, we extracted the relevant data from the following three systems to report the CTM and to demonstrate that their totals can be cross-checked against one another, specifically:

1) CE management System

We extracted the cost element composition for each Mill Contract Number from this system. Each mill contract number (CUST_ORDER_NO) corresponds to a single row in the table, each of which corresponds to a unique steel grade, thickness, width, and production line code, PSR code with heat treatment description. A single mill contract number may include multiple coils with different material numbers (MAT_NO).

The cost for each mill contract number comprises eight major cost items, namely:

1. Direct raw material cost with heading named as "Cost_1"
2. Direct labor cost with heading named as "Cost_2"
3. Overhead-repair cost with heading named as "Cost_3"
4. Overhead-utility cost with heading named as "Cost_4"
5. Overhead-public with heading named as "Cost_5"
6. Overhead-auxiliary material cost with heading named as "Cost_6"
7. Overhead-service cost with heading named as "Cost_7"
8. Overhead-General factory cost with heading named as "Cost_8"

CE management system captures production costs at a relatively detailed level of product specificity, such as the steel grade, thickness, width, coil or sheet, heat treatment. Those information helps us in coding MCC and determining the method of heat treatment and distinguishing between GUC and Non-GUC.

Please refer to “sheet 1) Ori. COM per Mater. No.” in [Exhibit G-8.6 cost worksheet for G-3&G-5](#) in which we provided the raw data from the system and all the working worksheet for preparing worksheet G-3 and G-5.

2) Multi-site manufacturing management system

The system is developed for the purpose of managing and allocation the costs by production lines. The system will allocate costs aggregated by each cost centre to their respective production lines based on output volume. Subsequently, the calculated monthly weighted average cost per production line will be transferred step by step to the next process/production line.

To ensure the completeness of the contract-specific data from CE system, we cross-checked the total output volume and total manufacturing costs of each production line on both sides, using the production lines as the reference point.

3) Standard Financial System

The cost data per production line allocated by the “Multi-site manufacturing management system” would be transmitted to the “Standard Financial System” for booking and issuance of financial statements.

Furthermore, the variance in the total CTM cost amounts between the “Production-line-level cost for financial accounting purposes” and “Mill-contract-number-level cost for management purposes” were allocated line by line to each cost data records, organized by production line. The variance ratio could be found in column Y of “sheet 4) COM variance allocation” in [Exhibit G-8.6 cost worksheet for G-3&G-5](#).

G-7 Major raw material costs

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

The major raw materials are iron ore, cock, and coal. We have also included purchase transactions of continuous casting slabs for Baoshan and Zhanjiang during the period and specified the supplier for each purchase transaction. Furthermore, it must be emphasized that these purchased continuous casting slabs are not used solely for the production of the GUC (heavy plates) but are also utilized in the production of other series of steel products, such as cold-rolled products and silicon steel products.

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.

Please refer to spreadsheet “G-7.2 Raw material CTM” for the information.

Please refer to spreadsheet “G-7.2 Raw material CTM” for the information.

In Spreadsheet G-7.2, we provide the cost based on the financial accounting basis, which is distinguished from [REDACTED].

The costs in Spreadsheet G-7.2 are step-by-step costs broken down by major process ([REDACTED]),

[REDACTED], and

[REDACTED].

In contrast, Exhibit G-8.6 and the corresponding spreadsheets G-3 and G-5 are based on

[REDACTED].

For easier understanding by the ADC, please refer to [S1 G-7.2 Raw material CTM_Baoshan&Zhanjiang](#).

[REDACTED]

- [REDACTED]
- 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.

Please refer to worksheet G-3 for information.

- 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 applicable, please specify whether the quantity of the raw material supplied is dry weight (e.g. dry metric tonne) or wet weight (e.g. wet metric tonne) and wet/dry conversion rates.
 - If you have used formulas to complete this worksheet, these formulas must be retained.

Please refer to the worksheet G-7.4 and S1 G-7.4 Raw material purchase Baoshan&Zhanjiang. We have also included all purchase transactions of continuous casting slabs for Baoshan and Zhanjiang during the period and specified the supplier for each purchase transaction. Furthermore, it must be emphasized that these purchased continuous casting slabs are not used solely for the production of the GUC (heavy plates) but are also utilized in the production of other series of steel products, such as cold-rolled products and silicon steel products.

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

Please refer to the worksheet G-7.4 for the information.

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

Please refer to Exhibit G-7.6 Raw Material Samples for the raw material purchase documents and reconciliation details.

- 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.

Baoshan and Zhanjiang primarily purchase imported iron ore through Bao-trans. The price indices referenced for iron ore from different mines vary, with Mysteel, Platts, MB Index, and Argus being the main ones. For both iron ore and coal imported via Bao-trans, Baoshan and Zhanjiang pay a [REDACTED] to Bao-trans.

For coal and coke purchased from domestic related parties, the price benchmark is based on the price published on Mysteel; no [REDACTED] is paid to these suppliers.

Please refer to Exhibit S1 G-7.7 Baosteel main raw materials (iron ore, coal, coke) purchase & resell pricing policy for the details.

The iron ore of Baoshan and its related producer Zhanjiang are all imported through various channels.

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(1) Bao-Trans Enterprise Limited (Bao-Trans): standing for [REDACTED] % for Baoshan's total purchase of iron ore and [REDACTED] % for Zhanjiang's purchase. Please refer to worksheet 'Pivot-G-7.4 Suppliers' in Spreadsheet G-7.4 Raw material purchase for details.

Baoshan and Zhanjiang purchased [REDACTED] tons and [REDACTED] of iron ore from Bao-Trans during the IP respectively.

We also provide the purchase listing of Bao-Trans for the investigated period. The total supply to Baoshan and Zhanjiang by Bao-Trans is [REDACTED] tons in worksheet 'Iron ore purchase by BAO-TRANS of Spreadsheet G-7.4, which is close to the total purchase from BAO-TRANS by Baoshan and Zhanjiang, while the variance is caused by the timing difference.

Through Bao-Trans's purchase listing, we can clearly observe that all the iron ores are supplied by foreign suppliers, such as VALEINTERNATIONALS.A., Rio Tinto Commercial Pte. Ltd., BHP BILLITON MARKETING AG, CHICHESTERMETALSPTYLTD etc. Also, you can see the ship route for each purchase transactions and they are all foreign ship route, such as Australian ship route, Brazilian ship route, Canada ship route and north Africa ship route etc.

(2) Zhanjiang and WISCO: standing for [REDACTED] % of Baoshan's total purchase of iron ore. Bao-Trans not only supplies to Baoshan but also to Zhanjiang. When Baoshan is in a temporary shortage for iron ore, it will internally procure iron ore from its affiliated companies. With the same logic, all the iron ores from Baoshan Zhanjiang and WISCO are also imported from foreign suppliers.

(3) Baowu Raw Materials Supply Co., Ltd. (Baowu Supply): standing for [REDACTED] % of Baoshan's total purchase of iron ore. The function of Baowu Supply is to purchase from local spot market for the instant supply of iron ores. From the name of the iron ore, we can also see that although these goods are purchased from local spot market, these iron ores are also imported from international market. Such price is also higher than the Platts Price Index of iron ores and has the same trend with the international market.

(4) The another major supplier for Zhanjiang is Baoshan, who supplied [REDACTED] % of Zhanjiang's total purchase. Baoshan purchases first and then resells to Zhanjiang. The iron ore ultimately were imported from foreign suppliers.

In order to substantiate and justify that the purchase price of Baoshan and Zhanjiang is not distorted, we also make a price comparison of their CFR purchase price and Price Index from Platts in worksheet 'Pivot-G-7.4 compared to Platts' of Spreadsheet G-7.4. We take the typical 58%Fe-content iron ores which Platts published its benchmark price for such comparison. From the price trend chart, we can conclude that Baoshan's and Zhanjiang's purchase price has the same trend and price fluctuation with the international market price, which means it is not distorted.

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.

Please refer to the worksheet G-8 Upwards costs.

2. Please provide all documents and worksheets, other than those in A-4, G-3 and G-5, required to complete the "G-8 Upwards costs" worksheet.
 - For example, worksheets showing how you identified and categorised the cost to make:
 - the goods under consideration and other costs (e.g. non-goods or tolling services)
 - Domestic, Australian and third country goods under consideration
 - If the documents include spreadsheets, all formulas used must be retained.

PUBLIC VERSION

- There must not be any balancing amounts. All amounts must be supported by source documents or worksheets.

Please refer to [Exhibit A-4.1 Audit Reports](#), [Exhibit A-4.5 Income statement](#), [Exhibit A-4.6 Trial balance](#), [Exhibit G-8.3&G-8.4 6401&1405 subledger](#), [Exhibit G-8.5 monthly inventory report of semi-finished products](#), [Exhibit G-8.6 cost worksheet for G-3&G-5](#) and [Exhibit G-8.7 finished goods inventory report](#) for all documents required to complete the “G-8 Upwards costs” worksheet.

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.

Please refer to the worksheet G-8 Upwards costs.

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.

The production quantities reported at worksheets “G-3 domestic CTM” and “G-5 Australian CTM” represent the actual weighed quantities.

That is, upon completion of production by each production line, automatic weighing is conducted and the data is uploaded to the manufacturing system.

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.

The workshops would weigh the products and record those data in electronic data format in the Manufacturing System and is available for verification. The costs are allocated by actual quantity recorded in the system.

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”.

No such difference.

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?

The machine will automatically weigh each coil or sheet or plate.

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

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.

PUBLIC VERSION

Please refer to the worksheet G-10 Capacity Utilisation.

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

For the calculation of the production capacity, it includes the number of normal shifts and hours of plant operation; machinery and equipment in operation; scheduled stops for setup (exchange of products), periodic preventive maintenance, repair, cleaning, shift changes, rest and meals intervals, quality sampling, etc.; full availability of labor, raw materials, utilities and other input; and only the conditions usually used by the company for the use of contracting services or the use of production facilities outside the plant.

Capacity utilization is equal to the actual capacity divided by the designed 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)?

Yes, we have warehousing facilities for the goods. Please refer to [Exhibit G-8.5 monthly inventory report](#) for the information.

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.

No, there is no change in the type of capital and technology utilized by Zhanjiang.

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.

The heavy plate mill project of Baoshan is built in two phases. At the first phase, a set of finish rolling mill has been built with the annual capacity of 1.4 million tons. At the second phase, a set of rough rolling mill has been built and completed at the end of 2008, and the annual capacity will be expanded to 1.8 million tons.

The 4.2-meter heavy plate rolling project is located in Zhanjiang, put into operation in May, 2016. Main rolling line is equipped with two-stand mill, Max. rolling force of 9000 tons, The main equipments are imported from SMSD, and the controlling system is supplied by Siemens. Annual capacity of 1.60 million tons. Mainly produces plates are Shipbuilding steel plate, offshore platform steel plate, structural steel plate, boiler steel plate, pipeline steel plate, corrosion resistant steel plate and mould plate, etc.

The original design annual capacity of the initial heavy plate production line was 1.6 million tons. However, Zhanjiang later implemented upgrades and modifications to the line, enabling the actual output to exceed the designed capacity. Therefore, we use the actual production volume to report the designed capacity in worksheet G-10.

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.

Not applicable.

SECTION H PARTICULAR MARKET SITUATION

H-1 Reporting requirements

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

Zhanjiang has little interaction with the GOC other than normal administrative dealings such as filing tax returns, applying for business licence and etc.

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).

Zhanjiang is a state-invested enterprise.

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

For the board of directors of the company and its related companies, please refer to [Exhibit H-2.2 Board of Directors](#) for the names.

For the board of shareholders of the company and the related business, please refer to [Exhibit A-2.5 Group Corporate Structure](#) for the details.

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

Please refer to [Exhibit H-2.2 Board of Directors](#) for the information of the common directors.

4. Are any members of your business' (and/or all other entities your business is related to) Board of Directors or Board of Shareholders representatives, employees, or otherwise affiliated with the Government of China (at any level, from any agency, party, or otherwise associated entity, including SASAC)? If yes, identify the individuals, their role on that Board and their affiliation with the Government of China.

Yes. Please refer to [Exhibit A-2.5 group corporate structure](#) for the information.

Baoshan Iron & Steel Co., Ltd. and Baosteel Zhanjiang Iron & Steel Co., Ltd. are ultimately controlled by the State-owned Assets Supervision and Administration Commission of the State Council (SASAC). SASAC is a central government agency of China responsible for representing the state in fulfilling investor duties and overseeing the state-owned assets of state-owned enterprises.

██████████, a director of Baoshan Iron & Steel Co., Ltd., serves as a council member of the China Iron and Steel Association. Both Baoshan Iron & Steel Co., Ltd. and Baosteel

PUBLIC VERSION

Zhanjiang Iron & Steel Co., Ltd. are also group members of the China Iron and Steel Association. The China Iron and Steel Association is a nationwide industry organization whose responsibilities include assisting government departments in formulating industry policies and standards, fulfilling clear industry service and policy coordination functions.

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.

Yes. Please refer to [Exhibit A-2.5 group corporate structure](#) for the information. Please refer to [Exhibit S1 H-2.5 list of members in CCP Baoshan&Zhanjiang](#)

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

Yes. Please refer to [Exhibit A-2.5 group corporate structure](#) for the information. Please refer to [Exhibit S1 H-2.5 list of members in CCP Baoshan&Zhanjiang](#)

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

Not applicable. Please refer to [Exhibit A-2.5 Group Corporate Structure](#) for the shareholding information of the company. Please also refer to [Exhibit S1 H-2.7 list of Shareholder Baoshan&Zhanjiang](#). In addition, under Chinese regulations, Baoshan Iron & Steel Co., Ltd. is a listed company, which only discloses its top ten shareholders in accordance with legal requirements. The remaining shareholders are individual retail investors and cannot be disclosed.

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

There is no significant change in the ownership structure of Zhanjiang during the period.

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

Not applicable.

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.

No requirement in law or in practice require government representation at any level of the business of Zhanjiang

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.

Not applicable.

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

Not applicable.

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

PUBLIC VERSION

The company or, to be more specific, 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 Government of China departments or organisations, associations or Chambers of Commerce? If yes, describe the nature of these positions.

No, none of the company's senior managers hold positions with Government.

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

Not applicable.

H-3 Licensing

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

Please refer to [Exhibit H-3 Business License](#).

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

Please refer to [Exhibit H-3 Business License for the registration authority](#).

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

Firstly, the company needs to apply for registration, which can be processed either online or at the registration office. The main materials required for application include application for company registration (filing), articles of association of the company, copy of shareholders' ID cards, lease agreement for the company domicile, and notice of enterprise name verification.

Then, the authority will review these materials and issue a "Notice of Registration" or "Notice of Non-registration" to the company after the review. The review process is very efficient and only takes 1-2 days.

After receiving the "Notice of Registration", the company can visit the registration office and pick up the business license.

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

Any company established in accordance with the Company Law of the PRC is eligible to obtain the business license.

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

Zhanjiang can only engage in the business activities in the scope of business stated in the business license.

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

If any of the items stated in the business license is changed, the company shall apply for the modification of the registration, and the registration authority shall replace the old business license.

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

The business license is only for registration purpose. No benefits or rights conferred to the business license.

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

The business license can be revoked for any of the circumstances outlined in the relevant provisions of Regulation of the People's Republic of China on the Administration of the Registration of Market Entities (the Registration Regulation) and the Company Law.

According to Article 40 of the Registration Regulation, “where a market entity is registered by the submission of false materials or concealing important facts by other fraudulent means (emphasis added, the natural person, legal person or any other organization affected by the false registration of the market entity may apply to the registration authority for revoking the registration of the market entity. The registration authority shall, after accepting the application, conduct investigation in a timely manner. If false registration of a market entity is ascertained upon investigation, the registration authority shall revoke the registration of the market entity....”

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.

The Board of Shareholders is primarily responsible for deciding the above-mentioned issues.

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

Not applicable.

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

Not applicable.

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

Not applicable.

5. Provide a copy of the last two Provincial/City Five Year Plans (including the appendices) for the province/city in which your business is located, whichever is applicable. The copies should be fully translated including the appendices, along with the original Chinese version.

Zhanjiang is not aware of the existence of such documents.

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

No. No such business plans are developed.

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

There are no such minutes.

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

There are no such minutes.

H-5 Financial and investment activities

1. Is your business debt funded? If yes, provide a list of all major lenders and indicate whether any of the lenders are state-owned or state-invested enterprises.

Yes. Please refer to [Exhibit E-1.2 Short-term borrowing rate](#).

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

Yes. Please refer to [Exhibit E-1.2 Short-term borrowing rate](#) which covers all short term borrowings for the relevant period including newly incurred and existing borrowings. We also provide long term borrowing listing that covers the relevant period. Please refer to [Exhibit S1 H-5.2 Long term borrowing listing](#).

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

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.

No. No such capital raised.

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

No. No such policies exist.

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).

No. No such investment in debt securities.

H-6 Government policy on the industry

1. Are there any Government of China 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 Government of China or any association of the Government of China's notification of the measures concerning the goods to your company during the period.

No. No such decisions relevant to the industry during the period.

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

PUBLIC VERSION

- 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.

Zhanjiang has no details of responsible government departments.

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?

Not applicable.

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

No. No such information provided.

5. Has the Government of China designated your company and/or industry as "pillar," "encouraged," "honourable," or any other designation? If yes, please answer the following questions.
- a. Explain the purpose of these designations, the criteria for receiving any such designation, and the benefits or obligations that arise from each such designation.
 - b. Is there any connection between these designations and five-year plans or other industrial and/or economic policies or administrative measures?
 - c. Describe any instances in which your company cited Government of China plans, policies, or measures as support for receiving the financing that you report.

No. Zhanjiang companies have no such designation.

H-7 Taxation

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

No. Not aware of any such export taxes.

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

0%.

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

Please refer to the table below:

Period	VAT rate	VAT rebate rate	Non-refundable rate
Jan. 1, 2004-May 1,2005	17%	13%	4%
May 1,2005-Jan. 1, 2013	17%	11%	6%
May 1,2013-May 1,2018	17%	0%	17%
May 1,2018-Apr. 1,2019	16%	0%	16%
Apr. 1,2019-till now	13%	0%	13%

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

No. Not aware of any planned tax changes.

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.

The sales manager of the company.

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

The government has no involvement 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 Government of China departments? If yes, provide details.

No. Selling prices and supply of goods are not coordinated with other domestic producers or Government.

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

No. No information is provided to Government.

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

No. No price data is provided to any level of Government.

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

No. No such price guidance or controls exist.

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

No. No such restrictions imposed.

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

Zhanjiang 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.

No. No such pricing committee exists.

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.

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.

All the sales terms, prices or other terms in the contracts are negotiated between Zhanjiang 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.

Not applicable.

H-9 Industry associations

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

Baoshan is a member of China Iron and Steel Association(CISA).

The China Iron and Steel Association is a national, industry-wide, non-profit social organization entrusted with multiple important functions. Its primary responsibilities include: assisting relevant government departments in formulating industry policies, plans, and standards; reflecting the demands of enterprises; and facilitating the effective implementation of relevant policies. It organizes technical exchanges and collaboration within the industry, actively promotes energy-saving and environmentally friendly technologies, and supports the steel industry in achieving low-carbon transformation and high-quality development. The association also participates in the development and revision of industry standards, driving improvements in product quality and brand building. Additionally, it provides information and consulting services to the industry and organizes domestic and international exhibitions, forums, and other exchange activities.

As members of the association, Baosteel and Zhanjiang Iron and Steel actively participate in industry events such as annual general meetings and thematic seminars to jointly discuss market development trends. They engage in joint research activities, organize and participate in industry-specific training programs and international exhibitions. Furthermore, through the association's platform, they promptly access and interpret relevant industrial policies and trade measures, continuously contributing to the sustainable development of both enterprises and the industry as a whole.

As an industry organization, the core functions of the China Iron and Steel Association lie in policy guidance, information integration, and industry coordination, rather than direct involvement in corporate operations and decision-making. The association provides reference materials for enterprises by issuing macro-level policy recommendations, industry standards, and market analysis reports. However, specific activities such as corporate operational management, strategic decision-making, and product pricing are independently determined by enterprises based on market conditions, their own positioning, and internal governance mechanisms, and the association has no authority to intervene. The association's work focuses on establishing communication platforms, promoting technical collaboration, and fostering industry self-regulation, all aimed at serving the overall healthy development of the industry, without participating in or interfering with the autonomous market-driven actions of enterprises.

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

No.

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.

No. No submissions made to Bureau of Statistics.

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.

Not applicable.

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

Not applicable.

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

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?

No. Production is not subject to such policy or guidance.

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

Not applicable.

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

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.

Please refer to [Exhibit H-11.4 List of domestic customers for the details.](#)

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.

No. No such restrictions exist.

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

No. No such restrictions exist.

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.

No. No such export restrictions exist.

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

There are no changes in the production capacity over these 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?

No. No benefits received on purchase of utility services.

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.

Not applicable.

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.

No. Government does not possess such right.

H-13 Raw materials

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

Yes. Please refer to the worksheet G-7.4 for the information.

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

Yes. Please refer to the worksheet G-7.4 for the information.

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

For iron ore, the tariff code we use for import declaration is 26.01 and the imported duty is 0%.

For coal and coke, even though the origin countries of some raw materials are other nations, we purchase both types of them from domestic suppliers. We do not bear the corresponding tariffs and are not aware of the detailed tariff information.

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

Price differences between suppliers 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.

Zhanjiang 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 Government of China during the period, with respect to raw material inputs.

No. No direct or indirect price guidance or controls exist with respect to raw material inputs.

PUBLIC VERSION

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.

1. Please refer to answer to G-7.4 for the information for the details including a description of the raw material imported, the supplier and country of origin.

2. Process for Importing Raw Materials: the raw materials are subject to Automatic Import Licensing and requires an Automatic Import License of the People's Republic of China before customs declaration. Enterprises must apply to the provincial-level local commercial authorities in their location. Applications can be submitted online via the Ministry of Commerce's Unified Platform for Business Systems. The processing time is typically 10 working days, and the license is valid for 6 months. Before the goods arrive at the port, necessary documents such as the contract, invoice, packing list, bill of lading, and the automatic import license must be prepared. Upon the vessel's arrival at the designated port, the bill of lading is exchanged for a delivery order from the shipping company or agent. Subsequently, customs declaration is submitted through the "Single Window" system. Customs carries out inspections at the unloading port. After the goods pass inspection, taxes are paid, customs releases the goods, and the release documents are used to pick up the cargo from the port.

3. Import Requirements:

(1) Requirements for Importing Iron Ore: It is a statutory inspection commodity and follows the "Release Before Inspection" policy. Radioactivity testing is mandatory, with on-site measurement of gamma radiation dose rates. If the reading exceeds 10 times the local background level, the goods are deemed non-compliant. Customs also screens for solid waste. If suspected or confirmed as solid waste, the "Release Before Inspection" policy does not apply, and the goods may be returned. Additionally, customs conducts quarantine inspections for foreign matter. Exceeding limits will lead to suspension of unloading and subsequent handling.

(2) Requirements for Importing Coal: It is a statutory inspection commodity and does not follow the "Release Before Inspection" policy. Radioactivity testing is mandatory. Readings exceeding 1 $\mu\text{Sv/h}$ require laboratory testing, and the goods must comply with the *GB 27742-2011* standard. Similarly, customs screens for solid waste; goods confirmed as solid waste will be returned. Customs also conducts quarantine inspections for foreign matter according to *SN/T 1549-2011*. Exceeding limits requires suspension of unloading. Furthermore, coal must meet the limits for ash content, sulfur content, mercury, arsenic, phosphorus, chlorine, and fluorine as stipulated in the Commodity Coal Quality Management Interim Measures. For transportation distances exceeding 600 kilometers within China, stricter requirements apply to calorific value, ash content, and sulfur content.

(3) Requirements for Importing Coke: It is a statutory inspection commodity. However, radioactivity testing and solid waste screening are conducted by customs based on risk control instructions, making the requirements relatively more relaxed. Additionally, depending on its composition, the import of such raw materials may require a Release Notification for Environmental Management of Import and Export of Toxic Chemicals.

4. Actually, Baoshan and Zhanjiang do not bear the tariff on imported raw materials, so there is no need for duty drawback. There are two main reasons: first, some imported raw materials have a zero tariff rate and are not subject to duty; second, the tariff has already been borne by upstream 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?

PUBLIC VERSION

- 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.

(1) [Redacted]

(2) [Redacted]

(3) [Redacted]

SECTION I COUNTERVAILING

The following programs are being investigated

No.	Program name	Type
1	Technique transformation grant for rolling machine	Grant
2	Grant for Industrial enterprise energy management centre construction demonstration project Year 2009	Grant
3	Key industry revitalization infrastructure spending in budget Year 2010	Grant
4	Provincial emerging industry and key industry development special fund	Grant
5	Environmental protection fund	Grant
6	400 sintering desulfuration transformation fund	Grant
7	Intellectual property licensing	Grant
8	Financial resources construction special fund	Grant
9	Reducing pollution discharging and environment improvement assessment award	Grant
10	Coke provided by government at less than adequate remuneration	Remuneration
11	Comprehensive utilization of resources - VAT refund upon collection	Tariff & VAT
12	Grant of elimination of out dated capacity (350 blast furnace)	Grant
13	Grant from Technology Bureau (development and application of coke oven gas waste heat efficiency reuse technology)	Grant
14	Steel slab provided by government at less than adequate remuneration	Remuneration
15	Preferential Tax Policies for Foreign Invested Enterprises— Reduced Tax Rate for Productive Foreign Invested Enterprises scheduled to operate for a period of not less than 10 years	Tax
16	Preferential Tax Policies for Enterprises with Foreign Investment Established in Pudong area of Shanghai	Tax
17	Tariff and VAT Exemptions on Imported Materials and Equipment	Tax
18	Wuxing District Public Listing Grant	Grant
19	Balidian Town Public Listing Award	Grant
20	Local Tax Bureau Refund	Tax
21	Return of Farmland Use Tax	Tax
22	Return of Land Transfer Fee	Tax
23	Return of Land Transfer Fee From Shiyou	Tax
24	Dining lampblack governance subsidy of Jinghai County Environmental Protection Bureau	Grant
25	Discount interest fund for technological innovation	Grant
26	Energy conservation and emission reduction special fund project in 2015	Grant
27	Enterprise famous brand reward of Fengnan Finance Bureau	Grant
28	Government subsidy for construction	Grant

PUBLIC VERSION

29	Infrastructure Construction Costs Of Road In Front Of No.5 Factory	Grant
30	New Type Entrepreneur Cultivation Engineering Training Fee Of Jinghai County Science And Technology Commission	Grant
31	Subsidy for Coal-Fired Boiler Rectification	Grant
32	Subsidy for District Level Technological Project	Grant
33	Subsidy For Pollution Control Of Fengnan Environmental Protection Bureau	Grant
34	Subsidy from Science and Technology Bureau of Jinghai County	Grant
35	Subsidy of Environment Bureau transferred from Shiyou	Grant
36	Supporting fund for exhibition from Hongqiao District Commerce Commission	Grant
37	Government subsidy for job stability	Grant
38	Commercial Committee Support Fund	Grant
39	Tianjin Municipal Bureau of Commerce July 2018- December 2018	Grant
40	Aiding fees for cases of technology information collection	Grant
41	Patent supporting fund from Science and Technology Bureau of Jinghai District 2019	Grant
42	Subsidy for patent from Science and Technology Bureau Fengnan District, Tangshan City	Grant
43	Subsidy for Energy collection from the Tangshan Quality and Technology Supervision Bureau	Grant
44	Award to the Patent Innovation from Science and Technology Bureau Fengnan District	Grant
45	Technical innovation subsidy for deducting equipment and boiler	Grant
46	Awards to technology innovation from Bureau of Industry and Information Technology Fengnan District	Grant
47	Awards to "Well-Known Trademarks" from Hebei Province Market Supervision administration Bureau	Grant
48	Grant for Technology ERP	Grant
49	Hebei Province Quality Awards.	Grant
50	Hot rolled steel provided by government at less than fair market value	Tax and raw material
51	Preferential Tax Policies for High and New Technology Enterprises	Tax
52	One-time Awards to Enterprises Whose Products Qualify for 'Well-Known Trademarks of China' and 'Famous Brands of China'	Grant
53	Matching Funds for International Market Development for Small and Medium Enterprises	Grant
54	Superstar Enterprise Grant	Grant
55	Research & Development (R&D) Assistance Grant	Grant
56	Patent Award of Guangdong Province	Grant
57	Innovative Experimental Enterprise Grant	Grant
58	Special Support Fund for Non State-Owned Enterprises	Grant
59	Venture Investment Fund of Hi-Tech Industry	Grant

PUBLIC VERSION

60	Grants for Encouraging the Establishment of Headquarters and Regional Headquarters with Foreign Investment.	Grant
61	Grant for key enterprises in equipment manufacturing industry of Zhongshan	Grant
62	Water Conservancy Fund Deduction	Grant
63	Wuxing District Freight Assistance	Grant
64	Huzhou City Public Listing Grant	Grant
65	Huzhou City Quality Award	Grant
66	Huzhou Industry Enterprise Transformation & Upgrade Development Fund	Grant
67	Anti-dumping Respondent Assistance	Grant
68	Technology Project Assistance	Grant
69	Equity injection	Grant
70	High and New Technology Enterprise Grant	Grant
71	Independent Innovation and High-Tech Industrialisation Program	Grant
72	VAT refund on domestic sales by local authority	Grant
73	Environmental Prize	Grant
74	Jinzhou District Research and Development Assistance Program	Grant
75	Enterprise support fund	Grant
76	Preferential Tax Policies for Enterprises with Foreign Investment Established in the Coastal Economic Open Areas and Economic and Technological Development Zones	Tax
77	Preferential Tax Policies for Enterprises with Foreign Investment Established in Special Economic Zones (excluding Shanghai Pudong area)	Tax
78	Preferential Tax Policies in the Western Regions	Tax
79	Land Use Tax Deduction	Grant

I-1 General

1. Complete the worksheet named “I-1 Company turnover”
 - This worksheet is a table of the total company revenue over the period and split into:
 - Total revenue for Australian sales, domestic sales and third country sales
 - Revenue of the goods for Australian sales, domestic sales and third country sales
 - You must provide this table in electronic format using the template provided.
 - If you have used formulas to complete this worksheet, these formulas must be retained.

Please refer to the worksheet I-1 for the company turnover.

I-2 Provision of goods at less than adequate remuneration

1. For all suppliers and manufacturers of raw materials listed in “G-7.2 Raw material CTM”, provide an explanation and any evidence to support your categorisation of whether the company is a State Invested Enterprise (SIE)

Please refer to the website <https://www.qcc.com/> and consult the part of shareholder information for the SIE information.

2. Provide copies of all contractual agreements that detail the obligations of the State Invested Enterprise (SIE) and your business with reference to the granting and receipt of any assistance/benefits.

Not applicable.

3. If your business purchased imported raw materials, explain the reason/s for your business' decision to purchase imported over domestic raw materials, including the key factors affecting the decision such as price, availability etc.

There are some reasons why we choose to purchase imported iron ores, rather than domestic iron ores. Firstly, domestic iron ore reserves are small. Secondly, imported iron ore purchase prices are lower. The imported purchase price of iron ore is based on the international market price, that is, platts settlement.

I-3 Preferential tax policies

1. Complete the worksheet named "I-3 Income Tax"
 - This worksheet is a table of your company's income tax liability over the last three financial years.
 - You must provide this table in electronic format using the template provided.
 - If you have used formulas to complete this worksheet, these formulas must be retained.

Please refer to the worksheet I-3 for the details of income tax. As indicated in Exhibit I-3.2 Income Tax Return - Baoshan, Baoshan's taxable income for 2023 and 2024 was zero. The figure in row 23 shows this result, which is due to the deduction of losses carried forward from the adjusted income.

Applying the same calculation method, Zhanjiang's taxable income was likewise zero for the years 2022, 2023, and 2024.

2. Provide a copy of your company's annual tax return for the last three financial years. If the documents are not in English, please provide a translation of the documents.

Please refer to [Exhibit I-3.2 Income Tax Return](#) for the annual Income tax reports of the last three financial years of 2022, 2023 and 2024.

3. Provide proof of your company's tax payments to your tax authority over the last three financial years, including any progress payments made and related forms submitted to reconcile the annual tax return.

Please refer to [Exhibit I-3.3 Income Tax Payment](#) for the proof. Please refer to [Exhibit S1 I-3.3 Income tax payment-Baoshan](#) and [Exhibit S1 I-3.3 Income tax payment-Zhanjiang](#) for annotated version.

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

The general tax rate for Zhanjiang is 25%.

5. Did your company pay less than the general tax rate for enterprises referred to in question I-3.4? If yes:
 - a. What tax rate did your company pay?
 - b. Was the reduction in the tax paid or payable related to any of the preferential income tax programs in the table at the top of Section I Countervailing above?
 - c. What is the name of the program?
 - d. What is the name of the authority granting your company the reduced tax rate?
 - e. What is the eligibility criteria to benefit from the reduced tax rate?
 - f. Provide details of the application process
 - g. Provide a copy of the blank application form. If the documents are not in English, please provide a translation of the documents.
 - h. Provide a copy of your company's completed application form, including all attachments to the application form. If the documents are not in English, please provide a translation of the documents.

PUBLIC VERSION

- i. Provide a copy of any confirmation or other correspondence from the authority approving your company for the reduction in tax rate. If the documents are not in English, please provide a translation of the documents.
- j. Outline the fees charged to, or expenses incurred by your business for purposes of receiving the program.

Baoshan was certified as a High and New Technology Enterprise (HNTE) in 2025. In accordance with relevant regulations, it is entitled to a preferential corporate income tax rate of 15% for the period from 2023 to 2025. Similarly, Zhanjiang obtained the HNTE qualification in 2024 and is eligible for the 15% preferential tax rate from 2024 to 2026.

I-4 Financial grants

1. Complete the worksheet named "I-4 Grants"
 - This worksheet is a table of the grants received by company over the period plus the two preceding years.
 - You must provide this table in electronic format using the template provided.
 - If you have used formulas to complete this worksheet, these formulas must be retained.

Please refer to the worksheet I-4 for the information.

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

Please consult [Exhibit I-4.2.1 6051 other business income Subledger](#), [Exhibit I-4.2.2 6301 non-operating income subledger](#) and [Exhibit I-4.2.3 6117 other income subledger and 2401 deferred income details](#) for the supporting documents of grants we reported.

3. Did your company receive any grants (or any other financial contribution) from any level of government during the period plus the two preceding years?
If yes:
 - a. Were any of the grants related to any program listed in the table at the top of Section I above? If yes, identify the program.
 - b. Were any of the grants related to programs not listed in the table at the top of Section I above? If yes, provide the names of the programs.

Please refer to the worksheet I-4 for the information.

4. For each of the grants listed in I-4.3:
 - a. What is the name of the grant?
 - b. What is the name of the authority providing the grant?
 - c. What is the eligibility criteria to receive the grant?
 - d. Is the grant directly related to the goods under consideration, export sales to Australia and/or export sales generally?
 - e. Provide details of the application process.
 - f. Provide a copy of the blank application form. If the documents are not in English, please provide a translation of the documents.
 - g. Provide a copy of your company's completed application form, including all attachments to the application form. If the documents are not in English, please provide a translation of the documents.
 - h. Provide a copy of any confirmation or other correspondence from the authority approving the grant. If the documents are not in English, please provide a translation of the documents.
 - i. Provide proof of payment of your company receiving the grant (e.g. bank statements).
 - j. Provide a copy of the accounting journal entries relating to the grant.
 - k. Outline the fees charged to, or expenses incurred by your business for purposes of receiving the grant.

Zhanjiang has no information regarding the criteria, application or operation of the grants reported in the worksheet I-4. The accounting records only demonstrate the amount and names of the grants received.

I-5 Other Programs

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

Basically in Shanghai Municipality.

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

Not applicable.

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

Not applicable.

4. Indicate the type of program, for example:
 - the provision of grants, awards or prizes
 - the provision of goods or services at a reduced price (e.g. electricity, gas, transport)
 - the reduction of tax payable including income tax and VAT
 - reduction in land use fees
 - loans from Policy Banks at below-market rates or
 - any other form of assistance.

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

5. Indicate whether your company benefited from any of the listed programs during the period.
6. Indicate which goods you produced that benefited from the program (e.g. the program may have benefited all production or only certain products that have undergone research and development).
7. Describe the application and approval procedures for obtaining a benefit under the program.
8. Where applicable, provide copies of the application form or other documentation used to apply for the program, all attachments and all contractual agreements entered into between your business and the Government of China in relation to the program.
9. Outline the fees charged to, or expenses incurred by your business for purposes of receiving the program.
10. Outline the eligibility criteria your business had to meet in order to receive benefits under this program.
11. State whether your eligibility for the program was conditional on one or more of the following criteria:
 - a) whether or not your business exports or has increased its exports
 - b) the use of domestic rather than imported inputs
 - c) the industry to which your business belongs or
 - d) the region in which your business is located.
12. If the benefit was provided in relation to a specific activity or project of your entity, please identify the activity and provide supporting documentation.

PUBLIC VERSION

13. What records does your business keep regarding each of the benefits received under this program? Provide copies of any records kept in relation to the program.
14. Indicate where benefits under this program can be found in your accounting system (i.e., specify the ledgers or journals) and financial statements.
15. To your knowledge, does the program still operate or has it been terminated?
16. If the program has been terminated, please provide details (including when and why). When is the last date that your business could apply for or claim benefits under the program? When is the last date that your business could receive benefits under the program?

If the program terminated has been substituted for by another program, identify the program and answer all the questions in Part I-5 in relation to this programme.

From Question H-5.5 to H-5.16, none of the questions are applicable.

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

The Chinese market is very competitive as there are many steel products manufacturers.

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

Demand is mainly from the construction sector.

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

Almost the entire sales revenue is from construction sector.

- (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

Residential and commercial construction activities are the major factor influencing demand variability.

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

Not applicable.

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

Not applicable.

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

Not applicable.

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

Please refer to answer D-1.1 for domestic sales ways.

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

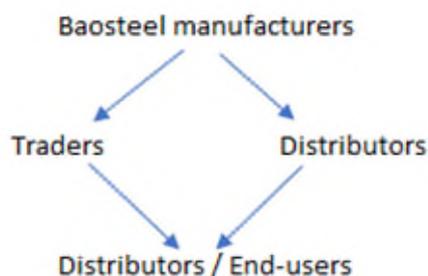
Not applicable.

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

PUBLIC VERSION

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.

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

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.

Zhanjiang 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.

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.

Zhanjiang 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.

Zhanjiang is less likely to provide such information about the entire Chinese market. But for those goods produced and sold by Zhanjiang, please refer to [Exhibit A-2.7 Product Brochure](#).

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

The goods are used in a wide variety of end use applications. The goods are used in a wide variety of end use applications relating to the building and construction industry, and general manufacturing industry such as pipe and tube products.

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.

It depends on the nature and specification of the goods. The key attributes are form, surface condition, grade, BMT and width. The order of importance will be determined by each individual customer based on their requirements.

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

Not aware of any commercially significant 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.

There are no known changes in consumer preference.

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.

Please refer to the worksheet I-1 for Zhanjiang's sales turnover.

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.

Although Zhanjiang is a company with a large production capacity, it is not the price leader for the goods in the Chinese market as there are other strong competitors. Other significant

PUBLIC VERSION

producers in China include steel groups such as Shagang, Angang, etc. It is not possible for Zhanjiang to know their prices in the domestic market.

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

Zhanjiang does not operate with any of the product pricing strategy outlined above. At a general level, Zhanjiang would most likely operate a cost-plus pricing system. There are no supporting documents to demonstrate this point.

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.

As with most steel product markets, price is mainly determined in consideration of the price of iron ore, coke and coal. In addition, energy cost, labor costs and transportation costs are also considerations in determining prices.

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.

Prices basically vary alongside the changes in the prevailing iron ore prices.

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]

The major factors are "Cost to make and sell the goods", "Customer relationship management" and "Volume of the order".

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

As explained earlier, selling price mainly depends on costs to make. No fixed profit margin is set, as profit and price are determined according to the complexity of steel products .

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.

Zhanjiang does not offer price reductions.

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.

Zhanjiang 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.

Zhanjiang's pricing policy applies a 500 RMB/ton surcharge for domestic hot-rolled products when the order weight falls outside the standard range. This surcharge compensates for the estimated higher production costs associated with manufacturing outside the optimal weight range. Please note that this weight restriction does not apply to heavy plates. The specific order weight ranges for hot-rolled products are detailed below.

订货宽度mm Order width	合理订货范围 (吨) Reasonable order range (tons)		
	One slab 单块板坯	Two slabs 2块板坯	Three slabs 3块板坯
<900	14.1-20.7	28.2-41.4	42.4+
900-949	14.9-21.9	29.8-43.7	44.7+
950-999	15.7-23.0	31.4-46.0	47.1+
1000-1049	16.5-24.2	33.0-48.3	49.5+
1050-1099	17.3-25.3	34.5-50.6	51.8+
1100-1149	18.1-26.5	36.1-52.9	54.2+
1150-1199	18.8-27.6	37.7-55.2	56.5+
1200-1249	19.6-28.8	39.3-57.5	58.9+
1250-1299	20.4-29.9	40.8+	
1300-1349	21.2-31.1	42.4+	
1350-1399	22.0-32.2	44+	
1400-1449	22.8-33.4	45.5+	
1450-1499	23.6-34.5	47.1+	
1500-1549	24.3-35.7	48.7+	
1550-1599	25.1-36.8	50.2+	
1600-1649	25.9-38.0	51.8+	
1650-1699	26.7-39.1	53.4+	
1700-1749	27.5-40.3	55+	
1750-1799	28.3-41.4	56.5+	
1800-1849	29.0-42.6	58.1+	
1850-1899	29.8-43.7	60+	

11. Does your organisation/business entity use sales contracts in the domestic market? If yes:
- What proportion of your sales revenue would come from contracted sales versus uncontracted sales?
 - Do you offer exclusivity contracts? If yes, what proportion of your sales revenue would come from exclusivity contracts?
 - How frequently are sales contracts renegotiated?
 - How frequently are price reviews conducted between contracts?
 - 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.
 - Do changes in your costs to make and sell enable you to review prices for customers within contracts?
 - 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.

Zhanjiang 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.

Regarding hot-rolled steel products, Baosteel establishes a monthly benchmark price along with its adjustments for reference. The December 2024 benchmark price serves as an example for illustration.

The benchmark price for hot-rolled steel comprises two main components: [REDACTED] and [REDACTED] range. In addition to the base price, various additional charges may apply, including extras for [REDACTED], [REDACTED], [REDACTED], and [REDACTED] (such as [REDACTED] or [REDACTED]). For details, please refer to [Exhibit S1 J-3.12.1 BENCHMARK PRICE – 202412](#).

Furthermore, based on the benchmark price, Baosteel implements additional pricing policies for hot-rolled products, such as discounts, commissions, and price adjustments. For a comprehensive overview, please see [Exhibit S1 J-3.12.2 Hot-rolled Product Domestic Pricing Policy on the Basis of Benchmark Price](#).

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.

As noted earlier, price is differentiated for different products due to their complexity, nature, alloy, etc.

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.

Zhanjiang does not differentiate customers 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.

Zhanjiang sells the goods to related entities, and 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.).

The company sells its products mostly to its regular customers. New or potential customers can learn the company and the products from the its parent company's website: www.baosteel.com. The company promotes its products to customers on the basis of superior quality, reliability and availability of products outside the normal range.

PUBLIC VERSION

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.

Zhanjiang 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.

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.

The Hot-rolled steel products sales department of Zhanjiang is responsible for domestic sales of GUC involved in manufacturing base. And there are around 15 salesmen located in Shanghai.

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.

Purchase prices of iron ores and processing fees are the key parameters in establishing pricing for the goods.

SECTION K AUSTRALIAN MARKET

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

The Australian market situation is similar to the Chinese market, which is very competitive as there are many steel products manufacturing.

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

Demand is mainly from the construction sector.

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

Almost the entire sales revenue is from construction sector.

- (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

Residential and commercial construction activities are the major factor influencing demand variability.

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

Not applicable.

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

Not applicable.

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

Not applicable.

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

Please refer to answer B-1.1 for the information.

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

Not applicable.

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.

PUBLIC VERSION

The participants in the market include manufacturers, trading companies, distributors and end users. For Zhanjiang as a manufacturer, its customers are basically related trade companies and unrelated end-users. The goods are used in a wide variety of end use applications relating to the building and construction industry, and general manufacturing industry such as pipe and tube products.

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.

There are too many market participants to list, and each participant has a different degree of relevance in their local or regional market. Bao Australia is best placed to provide more detailed information given its presence and operations in Australia.

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.

Zhanjiang has no knowledge of importer details.

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.

As far as Zhanjiang is aware, the GUC are not subject to any special regulatory framework. The generally applicable laws concerning competition, taxation and sales contracts apply to the GUC.

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.

Anti-dumping investigations is notable import restrictions.

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.

PUBLIC VERSION

Zhanjiang is less likely to provide such information about the entire Australian market. But for those goods produced and sold by Zhanjiang, please refer to [Exhibit A-2.7 Product Brochure](#).

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

The goods are used in a wide variety of end use applications relating to the building and construction industry, and general manufacturing industry such as pipe and tube products.

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.

The key attributes are form, surface condition, grade, BMT and width. The order of importance will be determined by each individual customer based on their requirements.

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

No. We are not aware of any commercially significant substitutes.

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

There are no known market complements.

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.

There are no known changes in consumer preference.

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.

Please refer to the worksheet I-1 for Zhanjiang's sales turnover.

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.

Although Zhanjiang is a company with a large production capacity, it is not the price leader for the goods in the Australian market as there are other strong competitors. Zhanjiang understands that GUC is supplied into the Australian market by mills from Japan, Taiwan, Korea, and Vietnam. Bluescope is generally considered to be the price leader in the Australian market.

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

Zhanjiang does not operate with a product pricing strategy outlines above.

PUBLIC VERSION

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.

As with most steel product markets, price is mainly determined in consideration of the price of iron ore, coking coal and coal. In addition, energy cost, labor costs and transportation costs are also considerations in determining prices.

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.

Prices basically vary alongside the changes in the prevailing iron ore prices.

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]

The major factors are "Cost to make and sell the goods", "Customer relationship management" and "Volume of the order".

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.

As explained earlier, selling price mainly depends on costs to make. No fixed profit margin is set, as profit and price are determined according to the complexity of steel products .

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.

Zhanjiang does not offer price reductions.

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.

Zhanjiang does not offer bundled pricing.

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

PUBLIC VERSION

are considered in establishing volume based prices for the goods. Provide copies of internal documents which support your claims in response to this question.

Zhanjiang's pricing policy incurs a surcharge of USD 80 or EUR 78 per ton on export hot-rolled products when the order weight falls outside the standard range. This surcharge compensates for the estimated higher production costs associated with manufacturing outside the optimal weight range. Please note that this weight restriction does not apply to heavy plates. The specific order weight ranges for hot-rolled products are detailed below.

订货宽度mm Order width	合理订货范围 (吨) Reasonable order range (tons)		
	One slab 单块板坯	Two slabs 2块板坯	Three slabs 3块板坯
<900	14.1-20.7	28.2-41.4	42.4+
900-949	14.9-21.9	29.8-43.7	44.7+
950-999	15.7-23.0	31.4-46.0	47.1+
1000-1049	16.5-24.2	33.0-48.3	49.5+
1050-1099	17.3-25.3	34.5-50.6	51.8+
1100-1149	18.1-26.5	36.1-52.9	54.2+
1150-1199	18.8-27.6	37.7-55.2	56.5+
1200-1249	19.6-28.8	39.3-57.5	58.9+
1250-1299	20.4-29.9	40.8+	
1300-1349	21.2-31.1	42.4+	
1350-1399	22.0-32.2	44+	
1400-1449	22.8-33.4	45.5+	
1450-1499	23.6-34.5	47.1+	
1500-1549	24.3-35.7	48.7+	
1550-1599	25.1-36.8	50.2+	
1600-1649	25.9-38.0	51.8+	
1650-1699	26.7-39.1	53.4+	
1700-1749	27.5-40.3	55+	
1750-1799	28.3-41.4	56.5+	
1800-1849	29.0-42.6	58.1+	
1850-1899	29.8-43.7	60+	

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.

Zhanjiang's related trading company Bao Australia signs sales contracts with Australian customers on transaction-by-transaction basis.

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.

No price lists exist as prices are determined individually for each transaction.

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.

PUBLIC VERSION

Describe how these cost differences (if any) influence pricing decisions. Provide copies of internal documents which support your claims in response to this question.

As noted earlier, price is differentiated for different products due to their complexity, nature, alloy, etc.

14. Do you tier or segment your Australian customers for the goods in terms of pricing? If yes, provide:
- a general description of how this is done
 - list the factors that influence pricing differentiation in different tiers or segments and
 - 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.

Zhanjiang does not differentiate customers in terms of pricing.

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.

Yes, Zhanjiang sell the goods to related trading company Bao Australia in Australia. And prices are set based on actual market price.

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.).

Zhanjiang markets the goods in the Australian market by emphasising their superior quality, reliability of supply, and long term efficiencies for the customers.

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.

Zhanjiang does not conduct brand segmentation in the Australian market for the goods.

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.

Zhanjiang did not undertake any Australian advertising over the last five years.

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.

Not applicable. Zhanjiang has no team dedicated to Australian sales.

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.

Purchase prices of raw materials and processing fees are the key parameters in establishing pricing for the goods.

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 questionnaire 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. Note that any date of sale claim, other than the invoice date, that is made after submitting a response to this questionnaire may not provide the commission with sufficient time to assess the claim and may not be considered.

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

PUBLIC VERSION

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

The period

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

Like goods

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

Normal value

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

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

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

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

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

Ordinary course of trade

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

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

Unprofitable sales are to be taken to have occurred in substantial quantities during an extended period where

PUBLIC VERSION

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.