



Australian Government
Department of Industry,
Science and Resources

PUBLIC RECORD

Anti-Dumping Commission

Supplementary Questionnaire

Case number: 690

Product: Freight railway wheels

From: The People's Republic of China

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

Response due by: 16 February 2026, extended to 9 March 2026

Email enquiries to: investigations4@adcommission.gov.au

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

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

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INSTRUCTIONS

Why you have been asked to fill out this questionnaire?

The Anti-Dumping Commission (the commission) is conducting an investigation into freight railway wheels (FRW) exported to Australia from the People's Republic of China (China).

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

The purpose of this questionnaire is to assist the commission to obtain relevant information from Masteel and its related parties, to determine variable factors (export price, normal value and/or subsidy margin) over the period 1 July 2024 to 30 June 2025 (the investigation period, or the period).

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

What happens if you do not respond to this questionnaire?

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

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

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

Extension requests

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

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

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

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

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

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

Submitting a response to the questionnaire

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

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

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

Confidential and non-confidential responses

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

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

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

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

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

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

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

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

Verification of the information that you supply

The commission may wish to conduct a verification of your questionnaire response for completeness, relevance, and accuracy of the information to your company's records. If this is necessary, the commission will contact you and provide further information.

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

Important instructions for preparing your response

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

CHECKLIST

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

| Section | Please tick if you have responded to all questions |
|---|--|
| Section A Supplier information | <input checked="" type="checkbox"/> |
| Section Domestic sales | <input checked="" type="checkbox"/> |
| Section Cost to make and sell | <input checked="" type="checkbox"/> |
| Section Domestic market situation | <input checked="" type="checkbox"/> |
| Declaration | <input checked="" type="checkbox"/> |
| Non-confidential version of this response | <input checked="" type="checkbox"/> |

| Attachments | Please tick if you have provided spreadsheet |
|------------------------------|--|
| B-4 Upwards sales | <input checked="" type="checkbox"/> |
| B-2 Domestic sales | <input checked="" type="checkbox"/> |
| B-2.2 domestic sales source | <input checked="" type="checkbox"/> |
| C-3 Domestic CTM | <input checked="" type="checkbox"/> |
| C-3.2 Domestic CTM source | <input checked="" type="checkbox"/> |
| C-4.1 SG&A listing | <input checked="" type="checkbox"/> |
| C-4.2 Dom SG&A calculation | <input checked="" type="checkbox"/> |
| C-6.2 Raw material CTM | <input checked="" type="checkbox"/> |
| C-6.4 Raw material purchases | <input checked="" type="checkbox"/> |
| C-7 Upwards costs | <input checked="" type="checkbox"/> |
| C-9 Capacity Utilisation | <input checked="" type="checkbox"/> |

GOODS UNDER CONSIDERATION

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

Railway wheels of forged and rolled high carbon steel, with an outside diameter from 27.5 inches to 37.5 inches (699 millimetres to 953 millimetres), whether or not including alloys.

Further Information

The railway wheels are manufactured in accordance with relevant user defined specifications and drawings, and are used on rail carriages/wagons in freight transport.

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

- outside diameter from 27.5 to 37.5 inches (699 to 953 millimetres (**mm**)), and of similar overall dimensional tolerances and shape;
- are manufactured from a high carbon steel with the addition of micro alloying elements to achieve hardness and mechanical properties, as defined by user/customer specifications;
- are manufactured using a forging and rolling process in accordance with defined standards; and
- are suitable to operate at axle loads of up to 36 metric tonnes, as defined by user/customer specifications.

Exclusions

Axles and other components are excluded from the description.

SECTION A SUPPLIER INFORMATION

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

Special Attention:

On 2024.12.23, **Maanshan Iron & Steel Company Limited** ("MIS") was officially registered and established. It is a wholly-owned subsidiary of **Maanshan Iron & Steel Company Limited (by share)**, "MIS (by share)" for short.

On 2025.02.28, MIS (by share) transferred its steel manufacturing assets to MIS. Steel billets used in the production of the goods (GUC) are manufactured and sold to **Baowu Group Masteel Rail Transit Materials Technology Company Limited** ("Masteel") by MIS (by share) and MIS successively.

Therefore, we divided the period of investigation into two phases and provided requested information and supporting documents respectively by:

(1) 2024.07.01 - 2025.02.28, MIS (by share);

(2) 2025.03.01 - 2025.06.30, MIS.

A-1 Company representative and location

1. Please nominate a contact person within your company:

Name: **Mr. Chen Quan**
Position in the company: **Deputy Director of Administration Office**
Telephone: **0555-2875260**
E-mail address: mgfwb@baowugroup.com

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

Australian representative

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

Chinese representative

Name: **Beijing Dacheng Law Offices, LLP (Chongqing)**
Mr. Hu Fumao
Ms. Yang Xiaolin
Address: **27/F,28/F,29/F Tower A Guohua Financial Center NO.9 Juxianyan Plaza Jiangbeizui, Jiangbei District, Chongqing, China**
Telephone: **+86 23 63026655**
E-mail address: fumao.hu@dentons.cn; xiaolin.yang@dentons.cn

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

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

RESPONSE:

Maanshan City, Anhui Province, China.

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

RESPONSE:

Maanshan City, Anhui Province, China.

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

RESPONSE:

Maanshan City, Anhui Province, China.

A-2 Company information

1. What is the legal name of your business?

RESPONSE:

Maanshan Iron & Steel Company Limited, hereinafter also referred to as "MIS" or "the company".

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

RESPONSE:

No, the company doesn't 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

RESPONSE:

No, the company was not known by a different legal or trading name.

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

RESPONSE:

Please see [Exhibit A-2.4\(a\)](#) for the list of current board of directors and the changes of MIS (by share).

Please see [Exhibit A-2.4\(b\)](#) for the list of current board of directors and the changes of MIS.

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

RESPONSE:

The overall nature of the company's business includes ferrous metal smelting, rolling, and processing; coke and coal chemical products; refractory materials; power generation, gas production, and sales; port operations, warehousing, transportation, trade, and other steel-related businesses; downstream processing of steel products, production and sales of metal products; steel structure and equipment manufacturing and installation, automobile repair, and recycling and disassembling of scrapped vehicles (limited to the company's own scrapped vehicles); civil engineering and building construction, construction installation, and architectural decoration (operations conducted in accordance with qualification certificates); technology, consulting, and labor services.

The steel billets for the goods are sold in domestic market only to its related company Masteel.

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

RESPONSE:

The steel billet for the goods are manufactured and sold by the company. No other related companies are involved.

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7. If your business does not perform all the following functions in relation to steel billet, then please provide names and addresses of the companies which perform each function:
- (a) produce or manufacture
 - (b) sell in the domestic market.

RESPONSE:

The company performs all the functions above.

8. Provide your company's internal organisation chart.

RESPONSE:

Please see [Exhibit A-2.8\(a\)](#) for the MIS (by share)'s internal organization chart.

Please see [Exhibit A-2.8\(b\)](#) for the MIS's internal organization chart.

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

RESPONSE:

Please see [Exhibit A-2.9\(a\)](#) for the functions performed by each group of MIS (by share).

Please see [Exhibit A-2.9\(b\)](#) for the functions performed by each group of MIS.

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

RESPONSE:

Please see [Exhibit A-2.10](#) for the company's brochures.

A-3 General accounting information

1. What is your financial accounting period?

RESPONSE:

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

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

RESPONSE:

The auditors are Guo Jing and Gong Wei.

3. What currency are your accounts kept in?

RESPONSE :

Chinese Yuan (CNY).

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

RESPONSE:

Standard Financial System and Cost Accounting System.

5. What is the name of your sales system?

RESPONSE:

CE Plus System and IMC Integrated Sales System.

6. What is the name of your production system?

RESPONSE:

Intelligent Manufacturing System.

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

RESPONSE:

Systems interact through data transmission interface electronically. The details are as follows:

[Sensitive: how the system interact.]

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

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

RESPONSE:

No, the accounting practices are consistent with the generally accepted accounting principles in China.

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

RESPONSE:

No, there have been no changes 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 steel billet.

RESPONSE:

Please see [Exhibit A-4.1](#) for the annual reports for the last two financial years.

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

RESPONSE:

The company doesn't have audit management letters.

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

RESPONSE:

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

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

RESPONSE:

No. the company does not maintain different profit centres.

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

RESPONSE:

Please see [Exhibit A-4.5](#) for the company's income statements as requested.

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

RESPONSE:

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

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

RESPONSE:

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

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

SECTION DOMESTIC SALES

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

B-1 Domestic sales process

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

RESPONSE:

Please see [Exhibit B-1.1](#) for the diagram illustrating the domestic sales process.

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

RESPONSE:

Yes. The company sold steel billet used for production of the goods only to its subsidiary Masteel.

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

RESPONSE:

Please see [Exhibit B-1.2](#) for the pricing rules.

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

RESPONSE:

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

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

RESPONSE:

No. The company did not provide any discount or rebate to customers. The prices are all determined by the pricing rules.

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

RESPONSE:

No, the company did not issue any credit or debit notes to the customer.

B-2 Domestic sales listing

1. Complete the worksheet named "B-2 Domestic sales"
 - This worksheet lists all domestic sales (i.e. transaction by transaction) of steel billet invoiced within the period.
 - You must provide this list in electronic format using the template provided.
 - If you have used formulas to complete this worksheet, these formulas must be retained.
 - If there are any other costs, charges or expenses incurred in respect of the sales listed which have not been identified in the table in question B-2 above, add a column for each item. For example, certain other selling expenses incurred.

RESPONSE:

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

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

RESPONSE:

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

B-3 Sample domestic sales documents

1. Select the two largest invoices by value and provide the following documentation:
 - Contracts
 - Purchase order and order confirmation
 - Commercial invoice and packing list
 - Proof of payment and accounts receivable ledger
 - Documents showing bank charges
 - Delivery invoices

RESPONSE:

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

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

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

RESPONSE:

All documents have been annotated in [Worksheet B-2.2 domestic sales source.](#)

B-4 Reconciliation of sales to financial accounts

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

RESPONSE:

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

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

RESPONSE:

Please see [Exhibit B-4.2 Upwards sales documents](#) for all sales reconciliation source documents & worksheets as requested.

3. For any amount in the "B-4 Upwards sales" worksheet that is hard coded (i.e. not a formula), please cross-reference by providing:
 - the name of the source document, including the relevant page number, in column D of the worksheet and
 - highlight or annotate the amount shown in the source document and
 - provide the account code and sub-account code (if applicable) at column E of the worksheet.

RESPONSE:

Please see [Worksheet B-4 Upwards sales](#) and [Exhibit B-4.2](#) as requested.

B-5 Models sold in the domestic market

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

RESPONSE:

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

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

RESPONSE:

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

B-6 Internal product codes

1. Does your company use product codes or stock keeping unit (SKU) codes?
 - If yes:
 - (a) Provide details of the product or SKU coding system for steel billets, such as a legend or key of the meaning for each code within the product or SKU code.
 - (b) Provide a table of showing the product or SKU codes for each type of steel billet produced and sold.
 - If no:
 - (a) Provide details on the method used to identify the model in the sales and cost spreadsheets.

RESPONSE:

Yes, the company uses steel grade as the product code of the billet. This steel grade is the key factor to identify whether a round billet is used for production of wheel or not. So we provided steel grade in the sales listing and cost worksheets.

B-7 Packaging

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

RESPONSE:

There are no packaging requirements for the transportation of steel billets. So, this question is not applicable.

B-8 Delivery

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

RESPONSE:

This question is not applicable, [Sensitive: the reason of not applicable.]

B-9 Other direct selling expenses

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

RESPONSE:

No, the company doesn't provide sales commissions.

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

RESPONSE:

No, there are not any other direct selling expenses.

SECTION COST TO MAKE AND SELL

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

C-1 Production process

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

RESPONSE:

Please see [Exhibit C-1.1](#) for the production flowchart.

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

RESPONSE:

Yes, please see [Exhibit C-1.2](#) for the list of related suppliers.

C-2 Cost accounting practices

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

RESPONSE:

The company's cost accounting system is based on actual costs.

2. If your company uses standard costs:
 - (a) Were standard costs used as the basis of actual costs in your responses C-3?
 - (b) Have all variances (i.e., differences between standard and actual production costs) been allocated to steel billet?

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- (c) How were those variances allocated?
- (d) Provide details of any significant or unusual cost variances that occurred during the period.

RESPONSE:

The company is based on actual costs. This question is not applicable.

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

RESPONSE:

This company uses process costing.

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

RESPONSE:

Yes, please see [Exhibit C-2.4](#) for the different cost centres.

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

RESPONSE:

The company's cost accounting system record production costs of round billet as a whole, not vary on its usage (wheel or not). In order to report Domestic CTM with different cost items as required in the questionnaire, we use ACACR10 report generated from accounting system as cost database and further provide a CTM database from CE Plus system of round billet with product details and classify its usage (wheel or not) to report Domestic CTM. Please refer to Worksheet C-7 Upwards costs for detailed explanation.

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

RESPONSE:

No, there is no difference.

- 7. Has your company engaged in any start-up operations in relation to steel billets? If yes:
 - (a) Describe in detail the start-up operation giving dates (actual or projected) of each stage of the start-up operation.
 - (b) State the total cost of the start-up operation and the way that your company has treated the costs of the start-up operation in its accounting records.

RESPONSE:

No, there are no any start-up operations.

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

RESPONSE:

The method of valuation for raw materials is weighted average.

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

RESPONSE:

The damaged or sub-standard steel billets are recycled in the form of scrap steel and used to write off the cost.

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

RESPONSE:

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

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

RESPONSE:

No, there are no management fees.

C-3 Cost to make

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

RESPONSE:

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

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

RESPONSE:

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

3. If the major input/raw material is sourced as part of an integrated production process, you should provide detailed information on the full cost of production of that input (see C-6).

RESPONSE:

Yes, the major input/raw material is sourced as part of an integrated production process. Please see the detailed answers in C-6.

C-4 Selling, General & Administration expenses

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

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

RESPONSE:

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

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

RESPONSE:

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

C-5 Cost allocation method

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

RESPONSE:

The company records actual manufacturing cost of each product, so we report actual CTM for domestic sales in C-3 rather than allocation used to complete these worksheets.

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

RESPONSE:

Not applicable and please refer to answer to the above question.

C-6 Major raw material costs

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

RESPONSE:

The major raw materials are [Sensitive: the major raw materials.]

2. Are any raw materials / intermediate steel billet sourced as part of an integrated production process or from a subsidiary company which your company exercise control? If yes, complete the worksheet named "C-6.2 Raw material CTM" for these raw materials.
 - This worksheet lists the quarterly cost to make the raw material manufactured within the period. Complete this worksheet for **each** raw material/intermediate good your company produced or sourced from a related subsidiary.
 - The costs must be based on actual cost of production (i.e. not standard costs or cost of steel billet sold).

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- If any imputation tax (e.g. value-added tax) is payable on the purchase of steel billet or services to manufacture the raw material, report the costs excluding the imputation tax. All other taxes payable (e.g. import duty) must be included as 'other costs' if not already included, for example, under material costs.
- You must provide this list in electronic format using the template provided.
- If you have used formulas to complete this worksheet, these formulas must be retained.
- You must be able to demonstrate how the unit raw material cost for each raw material / intermediate good as recorded in "C-6.2 Raw material CTM" reconciles to the unit raw material cost as recorded in "C-3 Domestic CTM"

RESPONSE:

Yes. The steel billets were sourced from an integrated production process of the company. The full production process is as follows:

Raw materials (e.g. iron ore) – Sinter ore, pellet ore – Molten iron – Molten steel – Billet

We prepared quarterly CTM of all intermediate products in [Worksheet C-6.2 Raw material CTM](#) as requested.

3. Using the domestic cost data in "C-3 Domestic CTM", calculate the weighted average percentage of each raw material cost (listed in C-6.1) as a proportion of total cost to make.

RESPONSE:

Main raw material billet accounts for [Sensitive: the proportion] of total cost to make. Since it is integrated production, raw material in [Worksheet C-6.2 Raw material CTM](#) accounts [Sensitive: the proportion.]

4. For each raw material identified in C-6.2 which individually account for 10% or more of the total cost to make, complete the worksheet named "C-6.4 Raw material purchases"
 - This worksheet lists all raw material purchases (i.e. transaction by transaction) purchased by your company within the period.
 - If there are variations between the initial and final quantity or price of materials purchased: please fill out the list of purchases based on the final invoice date and final agreed quantity and price.
 - You must provide this list in electronic format using the template provided.
 - If you have used formulas to complete this worksheet, these formulas must be retained.

RESPONSE:

Please see [Worksheet C-6.4 Raw material purchases](#), which includes: iron ore, scrap, coke, coal.

5. Provide a table listing the source of the data for each column of the "C-6.4 Raw material purchases" listing.

RESPONSE:

Please see [Worksheet C-6.4 Raw material purchases](#).

6. For each raw material:
 - (a) Select the two largest invoices by value and provide the commercial invoice and proof of payment.

RESPONSE:

Please see [Exhibit C-6.6\(a\)](#) for the two largest invoices by value and proof of payment for each raw material.

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- (b) Reconcile the total value listed in “C-6.4 Raw material purchases” listing to relevant purchase ledgers or trial balances in your accounting system. Provide copies of all documents used to demonstrate the reconciliation.

RESPONSE:

Total value listed in [Worksheet C-6.4](#) is reconciled with the relevant purchase ledgers in trial balance.

7. Are any of the suppliers in “C-6.4 Raw material purchases” listing related to your company? If yes, please provide details on how the transfer price of the raw material is set and provide any supporting evidence.

RESPONSE:

Yes, please see [Worksheet C-6.4 Raw material purchases](#) for the related suppliers. The price of related purchases is set based on the market situation with full negotiations with the supplier.

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

1. Please complete the worksheet named “C-7 Upwards costs” to demonstrate that the cost listings in C-3 are complete.
- You must provide this list in electronic format using the template provided.
 - Please use the currency that your accounts are kept in.
 - If you have used formulas to complete this worksheet, these formulas must be retained.

RESPONSE:

Please see [Worksheet C-7 Upwards costs](#).

2. Please provide any documents, other than those in A-4, C-3, required to complete the “C-7 Upwards costs” worksheet.

RESPONSE:

All requested documents have been provided as [Exhibit C-7.2 Upwards cost documents](#).

3. For any amount that is hard coded (i.e., not a formula), please cross-reference by providing:
- the name of the source document, including the relevant page number, in column D of the worksheet and
 - highlight or annotate the amount shown in the source document and
 - provide the account number and sub-account number (if applicable) at column E of the worksheet.

RESPONSE:

The requested documents have been provided.

C-8 Production of steel billet

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

RESPONSE:

The company measures the cost to make for each product model and record in CE Plus system. Regarding how the production quantities reported at Worksheet C-3 is captured, please refer to Exhibit C-7.2, which includes detailed cost to manufacturing database and process to report Worksheet C-3.

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

RESPONSE:

The company records actual production quantities in production system and automatically transfer to accounting system for cost report every month. There is opening stock at the beginning of the period and ending stock at the end of the period so there are differences between the production quantities and the sales volumes.

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

RESPONSE:

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

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

RESPONSE:

The production volumes are determined according to sales and further production of the company. In general, [Sensitive: the lead time] are typically needed.

C-9 Capacity Utilisation

1. Please complete the worksheet named "C-9 Capacity Utilisation".
 - You must provide this list in electronic format using the template provided.
 - If you have used formulas to complete this worksheet, these formulas must be retained.

RESPONSE:

Please see [Worksheet C-9 Capacity Utilisation](#).

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

RESPONSE:

Capacity=the maximum production capacity of the unit for that variety * (365 days - maintenance days)

Capacity utilisation rate=actual production/capacity

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

RESPONSE:

- (a) What is the capacity of these facilities?

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[Sensitive: capacity.]

(b) What was the monthly amount of inventory maintained during the investigation period?

The inventory is updated in real time. Generally, the monthly inventory amount is around [Sensitive: monthly inventory.]

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

The average period of time that inventory is retained is [Sensitive: period of time.]

[Sensitive: how it calculated.]

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

RESPONSE:

No, there are no changes.

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

RESPONSE:

[Sensitive: the information of production facility.]

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

RESPONSE:

No, there have been no significant investments in the past five years.

SECTION DOMESTIC MARKET SITUATION

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

D-1 Prevailing conditions of competition in the domestic market

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

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

RESPONSE:

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

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

RESPONSE:

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

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

RESPONSE:

The company did not have access to such information so cannot make such estimation.

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

RESPONSE:

The demand for steel billet is from specific projects, which would not be affected by external factors like seasonal fluctuations.

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

RESPONSE:

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

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

RESPONSE:

There is no market segmentation on this product.

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

RESPONSE:

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

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

RESPONSE:

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

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

RESPONSE:

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

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

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

RESPONSE:

All railway wheel steel billets are only sold to Baowu Group Masteel Rail Transit Materials Technology Company Limited. So, Masteel is the only customer in the domestic market.

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

RESPONSE:

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The company is not the leader of the market, and is not aware of other commercially significant market participants in the domestic market for steel billet.

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

RESPONSE:

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

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

RESPONSE:

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

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

RESPONSE:

There is no entry restriction for new participants into the domestic market or, at least, the company is not aware of.

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

D-2 Steel billet in the domestic market

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

RESPONSE:

As far as the company is aware, currently the steel billets on the domestic market contain continuous cast round billets, continuous cast square billets, die cast ingots, etc. The main application fields include wind power, thermal power, deep sea oil drilling, rail transit, engineering machinery, etc. The company could produce all the above-mentioned kinds of steel billet.

The company is not aware of the steel billet produced by other companies.

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

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RESPONSE:

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

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

RESPONSE:

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

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

RESPONSE:

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

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

RESPONSE:

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

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

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

RESPONSE:

[Sensitive: the domestic market.]

Please refer to [Worksheet B-2 Domestic sales](#).

In responding to question 1 please provide evidence supporting calculations.

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

RESPONSE:

The company is not the price leader for steel billet in the domestic market. The company is not aware who is the price leader.

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

RESPONSE:

The pricing nature of non-railway wheel steel billets is based on product positioning, and the price strategy is competition-based pricing;

The pricing nature of railway wheel billets is a price maker, and the price strategy is a combination of cost-plus pricing, value pricing, and dynamic pricing.

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

RESPONSE:

The company updates the pricing rules for railway wheel steel billet every quarter, and the price is determined by the pricing rules. Please refer to [Exhibit B-1.2](#) for the pricing rules.

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

RESPONSE:

The domestic selling prices are reviewed every quarter. The company has a price formula and the price is determined by the formula according to the market situation. Please refer to [Exhibit B-1.2](#) for the pricing rules.

6. Rank the following factors in terms of their influence on your pricing decisions in the domestic market, with the most important factor ranked first and the least important factor ranked last:
 - Competitors' prices
 - Purchase price of raw materials
 - Cost to make and sell steel billets
 - Level of inventory
 - Value of the order
 - Volume of the order
 - Value of forward orders
 - Volume of forward orders
 - Customer relationship management
 - Supplier relationship management
 - Desired profit
 - Brand attributes
 - Other [please define what this factor is in your response]

RESPONSE:

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

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

RESPONSE:

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Selling prices are affected by production and sales costs. This will vary from time-to-time as costs of production vary over time.

The company maintains a desired profit margin for the subject goods.

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

RESPONSE:

No, the company did not offer any price reduction in the domestic market.

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

RESPONSE:

No, the company did not offer bundle pricing in the domestic market.

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

RESPONSE:

Yes, the volume of sales to a customer influences the selling price in the domestic market. The sales price was affected by cost, the quantity of orders for the same product is directly related to production and manufacturing costs. The greater the quantity, the lower the production cost.

11. Does your organisation/business entity use sales contracts in the domestic market? If yes:

- (a) What proportion of your sales revenue would come from contracted sales versus uncontracted sales?
- (b) Do you offer exclusivity contracts? If yes, what proportion of your sales revenue would come from exclusivity contracts?
- (c) How frequently are sales contracts renegotiated?
- (d) How frequently are price reviews conducted between contracts?
- (e) Do you provide opportunities for price reviews for customers within contracts? If yes, provide a description of the process and an explanation of the circumstances that might lead to a price review.
- (f) Do changes in your costs to make and sell enable you to review prices for customers within contracts?
- (g) Provide a list of the customers under contract during the period and copies of the two largest contracts in terms of sales revenue. Provide a complete translation of the documents.

RESPONSE:

There are 100% contracted sales in sales revenue. The company does not offer exclusivity contracts. Each sales contract is negotiated order by order. They are reviewed, negotiated, and agreed order by order. The internal management system has price review positions set up. If the client needs to review, they can propose to review at any time. The company provides opportunities for price reviews for customers within contracts. The customer contacts the account manager, who organizes internal

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verification based on the corresponding situation and then replies to the customer. Once the price with the customer is determined and approved, generally there would be no need to review it again.

Please refer to [Worksheet B-2 Domestic sales](#) for the list of the customers under contract during the period.

Please refer to [Exhibit B-3.1](#) for the two largest contracts in terms of sales revenue.

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

RESPONSE:

Please refer to [Exhibit B-1.2](#) for the pricing rules.

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

RESPONSE:

The company did differentiate pricing for different products of the goods in the domestic market because different products have different costs.

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

RESPONSE:

The company does not make segmentation of customers.

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

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

RESPONSE:

All railway wheel steel billets are only sold to Baowu Group Masteel Rail Transit Materials Technology Company Limited, the related party. The price is based on a single batch and the sales price is determined by the pricing rules.

D-6 Business structure, ownership, and management

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

RESPONSE:

The company is a state-owned enterprise.

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

RESPONSE:

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

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

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

RESPONSE:

[Sensitive: the common directions]

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

RESPONSE:

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

5. Does your business' (and/or all other entities your business is related to) Board of Directors or Board of Shareholders have a representative from the Chinese Communist Party (CCP)? If yes, identify their name and title and indicate their position at the board level.

RESPONSE:

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

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

RESPONSE:

Yes, the company has a committee of the Communist Party of China.

Please see [Exhibit D-6.6\(a\)](#) for the committee of the CPC in MIS (by share).

Please see [Exhibit D-6.6\(b\)](#) for the committee of the CPC in MIS.

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

RESPONSE:

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

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

RESPONSE:

Please refer to [Question D-6.6](#).

9. Indicate who owns what percentage of all shares in your business and identify whether they are:

PUBLIC RECORD

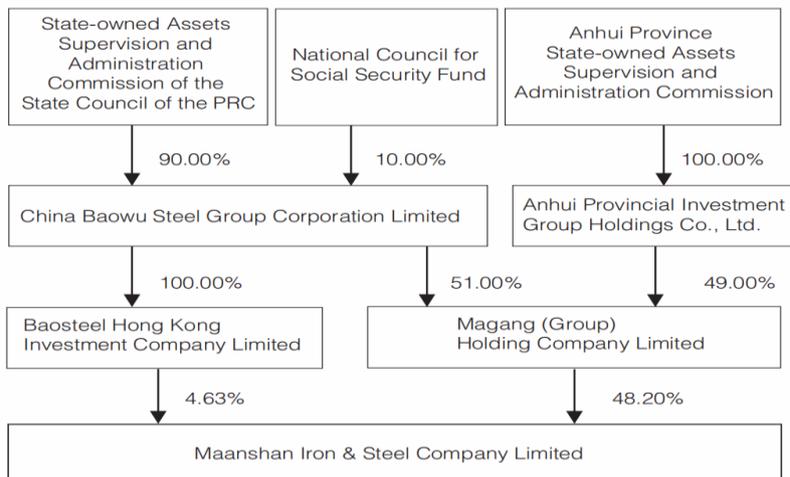
PUBLIC RECORD

- an affiliate, representative, agency or otherwise representative of the Government of China
- employees of your business
- foreign investors or
- other (please specify)

RESPONSE:

MIS (by share):

The shareholding structure remained unchanged from 2024.07.31 to 2025.06.30.



MIS:

From 2024.12 to 2025.06, the shareholder of MIS is MIS (by share), with 100% shareholding.

10. Provide your company's articles of association.

RESPONSE:

Please see [Exhibit D-6.10\(a\)](#) for the articles of association of MIS (by share).

Please see [Exhibit D-6.10\(b\)](#) for the articles of association of MIS.

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

RESPONSE:

The company hasn't had any significant changes in the ownership structure over the last five years.

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

RESPONSE:

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

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

RESPONSE:

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

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

PUBLIC RECORD

RESPONSE:

MIS (by share) listed on both the Shanghai Stock Exchange and the Stock Exchange of Hong Kong Limited. The rules regarding the issuance of shares are Rules Governing the Listing of Stocks on Shanghai Stock Exchange and the Consolidated Main Board Listing Rules of HKEX.

MIS is not a publicly traded company.

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

RESPONSE:

The monthly trading volume and average monthly trading price over the period are as follows:

[Sensitive: the monthly trading volume and average monthly trading price.]

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

RESPONSE:

The Board of Directors and Board of Shareholders of the company can reward, fire or discipline the senior managers of the company's business.

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

RESPONSE:

No, none of the company's senior managers hold positions in GOC.

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

RESPONSE:

The company doesn't have a pricing committee.

D-10 Government policy on the industry

1. Are there any Government of China opinions, directives, decrees, promulgations, measures, guidelines etc. concerning the industry for steel billet (including raw materials used in the production of steel billet)? If yes, please provide:
- copy of the documentation and a translation in English
 - documentation concerning the Government of China or any association of the Government of China's notification of the measures concerning steel billet to your company during the period.

RESPONSE:

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

2. Provide information concerning the name of any Government of China departments, bureaus, or agencies responsible for the administration of all Government of China measures concerning the industry for steel billet (including raw materials used in the production of steel billet) in the regions, provinces or special economic zones where your company is located, including contact information regarding the following areas:
- industrial policy and guidance on the industry

PUBLIC RECORD

RESPONSE:

Anhui Provincial Department of Industry and Information Technology.
The website: <https://jx.ah.gov.cn/index.html>

- market entry criteria for the industry

RESPONSE:

Anhui Province Municipal Market Regulatory Administration.
The website: <https://amr.ah.gov.cn/>

- environmental enforcement for the industry

RESPONSE:

Department of Ecology and Environment of Anhui Province.
The website: <https://sthjt.ah.gov.cn/>

- management of land utilization

RESPONSE:

Department of Natural Resources of Anhui Province.
The website: <https://zrzyt.ah.gov.cn/>

- the China Banking Regulatory Commission for the industry

RESPONSE:

National Financial Regulatory Administration
The website: <https://www.nfra.gov.cn/cn/view/pages/index/index.html>

- investigation and inspection of expansion facilities

RESPONSE:

In Anhui Province, the investigation and inspection of expansion facilities are usually jointly handled by multiple departments based on the nature of the facilities and the areas involved in the expansion. The leading department is the Anhui Provincial Department of Housing and Urban-Rural Development, as well as the Ma'anshan housing and urban-rural development bureaus.

The website: <https://dohurd.ah.gov.cn>

The website: <https://zjj.mas.gov.cn/>

- the section in the National Development and Reform Commission that is responsible for the industry and

RESPONSE:

National Development and Reform Commission
The website: <https://www.ndrc.gov.cn/>

- import licensing for raw materials relating to steel billet.

RESPONSE:

Business System of the Ministry of Commerce.
The website: <https://www.mofcom.gov.cn/>

PUBLIC RECORD

PUBLIC RECORD

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

RESPONSE:

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

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

RESPONSE:

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

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

RESPONSE:

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

D-11 Taxation

1. Were there any export taxes during the period applicable to:
 - a. iron ore
 - b. coking coal
 - c. coke
 - d. scrap steel
 - e. steel billet

RESPONSE:

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

2. What was the value-added tax rebate during the period, applicable to exports of:
 - a. iron ore
 - b. coking coal
 - c. coke
 - d. scrap steel
 - e. steel billet

RESPONSE:

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

3. Provide details of import tariff rates and import quotas during the period applicable to:
 - a. iron ore
 - b. coking coal
 - c. coke
 - d. scrap steel
 - e. steel billet
 - f. railway wheels

PUBLIC RECORD

RESPONSE:

| Raw materials | Imported or not | Tariff rates and import quotas |
|----------------------|-------------------|---|
| a. Iron ore | Some are imported | No import tariffs or quotas. |
| b. Coking coal | Some are imported | 3% from Canada and America, no import tariffs or quotas from other countries. |
| c.-f. Other products | No | No import tariffs or quotas. |

4. Provide details of export tariff rates and export quotas during the period applicable to:
- a. iron ore
 - b. coking coal
 - c. coke
 - d. scrap steel
 - e. steel billet
 - f. railway wheels

RESPONSE:

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

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

RESPONSE:

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

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

RESPONSE:

The general tax rate for enterprises is 25%.

- a. What tax rate did your company pay?

RESPONSE:

MIS (by share) pays 15%, because MIS (by share) is a high-tech enterprise.
MIS pays 25%, because MIS is not a high-tech enterprise.

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

RESPONSE:

Please see [Exhibit D-11.6\(b\)](#) for the company's annual tax return for the last three financial years.

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

RESPONSE:

PUBLIC RECORD

MIS has incurred losses in the past three years, with no profits. Therefore, the company did not actually pay corporate income tax, so there is no proof of the company's tax payments from the authority.

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

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

RESPONSE:

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

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

RESPONSE:

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

c. Provide details of the application process

RESPONSE:

- 1) Enterprises need to register on the "High tech Enterprise Recognition Management Network" and submit recognition applications to the recognition agency;
- 2) After the online application is approved, the enterprise must submit written materials related to the application to the local science and technology bureau;
- 3) After receiving the application materials from the enterprise, the certification agency needs to organize no less than five experts for evaluation;
- 4) The certification agency needs to conduct a comprehensive review of the application materials of the applying enterprise, and verify whether the company meets the evaluation standards for high-tech enterprises;
- 5) The list of approved enterprises will be publicly announced for 10 working days. If there is no objection, the record shall be filed, and the recognition time shall be based on the public announcement time, and the certificate number shall be issued;
- 6) The certification agency issues a uniformly printed high-tech enterprise certificate to the enterprise.

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

RESPONSE:

Please see [Exhibit D-11.7\(d\)](#) for the blank application form of high-tech enterprises.

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

RESPONSE:

Please refer to [Exhibit D-11.7\(e\)](#) for the application form of the company..

PUBLIC RECORD

- f. Provide a copy of any confirmation or other correspondence from the authority approving your company for the reduction in tax rate. If the documents are not in English, please provide a translation of the documents.

RESPONSE:

Please refer to [Exhibit D-11.7\(f\)](#) for the High-tech Enterprise certificate of MIS (by share).

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

RESPONSE:

Applying for a High-Tech Enterprise Certificate does not require any fees.

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

RESPONSE:

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

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

RESPONSE:

During the last 5 years, the company incurred operating losses from 2022 to 2025.

Please see [Exhibit D-11.9](#) for the analysis of losses in the 2022 Annual Report, Section III Directors' Report (Management Discussion and Analysis) .

Please see [Exhibit A-4.1](#) for the analysis of losses in the 2023 Annual Report and 2024 Annual Report, Section III Directors' Report (Management Discussion and Analysis) .

D-12 Sales terms

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

RESPONSE:

Jiang Yuxiang, director of the company, is responsible for the above work.

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

RESPONSE:

The selling prices of steel billet are determined by the pricing rules of the company, which has a formula. The market price of Mysteel and SteelHome will affect the company's price.

The Government of China has not implemented relevant measures.

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

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

RESPONSE:

PUBLIC RECORD

PUBLIC RECORD

No, the company doesn't coordinate the selling prices or supply of steel billet with other domestic producers or any Government of China departments.

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

RESPONSE:

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

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

RESPONSE:

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

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

RESPONSE:

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

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

RESPONSE:

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

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

RESPONSE:

The company does not have access to this information.

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

RESPONSE:

No, the company doesn't have a pricing committee in respect of steel billets.

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

RESPONSE:

The company doesn't have a pricing committee in respect of steel billets.

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

PUBLIC RECORD

RESPONSE:

Jiang Yuxiang, director of the company, is responsible for the above work.

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

RESPONSE:

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

D-15 Production/output

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

RESPONSE:

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

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

RESPONSE:

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

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

RESPONSE:

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

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

RESPONSE:

Baowu Group Masteel Rail Transit Materials Technology Company Limited (Masteel) is the only customer of railway wheel steel billet, which is an SIE.

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

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

RESPONSE:

The company determines the quality standards and quantity of the products based on the sales contract.

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

RESPONSE:

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

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

RESPONSE:

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

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

RESPONSE:

Over the past 5 years, the company's steel billet production capacity has remained unchanged at [Sensitive: capacity.]

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

RESPONSE:

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

D-16 Adding capacity and/or joint ventures

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

RESPONSE:

The company has not entered into joint ventures nor added production capacity. This question is 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.

RESPONSE:

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

D-17 Raw materials

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

RESPONSE:

Please refer to [Worksheet C-6.4 Raw material purchases](#) for the related suppliers.

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

RESPONSE:

Please refer to [Worksheet C-6.4 Raw material purchases](#) for the SIE suppliers.

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

RESPONSE:

PUBLIC RECORD

Please refer to [Worksheet C-6.4 Raw material purchases](#) for the foreign suppliers.

The import value-added tax rate is 13%. Coking coal imports from Canada and America have a 3% import tariff. Other products from other countries do not apply any import duty rate.

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

RESPONSE:

There is no significant price difference for raw materials.

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

RESPONSE:

Raw material purchase procedures: After the manufacturing department of the company issues the demand plan, the procurement department formulates the procurement strategy based on the inventory situation and market conditions, and selects an appropriate time to conduct source procurement. After determining the price, a contract is signed with the supplier. The supplier organizes the delivery according to the contract terms. Then, after the company receives the goods, settlement is made after meeting the payment conditions.

Factors to consider when selecting suppliers: As long as the registered capital of the supplier meets the requirements, it can participate.

Price determination: Scrap steel, coal, and imported spot minerals are priced through public bidding. Imported long-term contract minerals, domestic iron ore, and imported coal are priced based on the purchase index.

Coke and long-term contract coal are priced through negotiation or market price.

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

RESPONSE:

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

7. If any of your raw materials for steel billet are imported by your business, or related businesses:

RESPONSE:

- a. Provide details including a description of the raw material imported, the supplier and country of origin.

Please see [Worksheet C-6.4 Raw material purchases](#) for the details.

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

The import process can be divided into the following steps:

- 1) Sign the contract. An import contract is signed between the importer and exporter, specifying the name, specifications, quantity, price, delivery time, payment method, etc. of the goods, and relevant insurance and letter of credit procedures are handled in accordance with the contract requirements.

PUBLIC RECORD

- 2) Apply for an import license. According to China's import and export management system, iron ore products require an import license, and importers need to apply for an import license from the Ministry of Commerce and submit contracts and other documents.
 - 3) Customs declaration and inspection. After the goods arrive at the destination port, the importer needs to declare and pay customs duties, value-added tax and other taxes to the customs, and provide documents such as contracts, invoices, packing lists, bills of lading, and certificates of origin.
 - 4) Handle acceptance and handover. After the goods pass customs and inspection and quarantine, the importer needs to handle the acceptance and handover procedures with the exporter or its agent, and sign the receipt or handover form to confirm that the quantity and quality of the goods meet the contract requirements.
 - 5) Handle settlement. The importer shall pay the exporter for the goods according to the payment method stipulated in the contract.
- c. Provide details of any conditions to importing the raw materials (e.g., customs and/or quarantine).

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

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

No, the company is not eligible for a duty drawback.

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

RESPONSE:

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

D-18 Financial grants

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

RESPONSE:

Please see [Exhibit D-18.1\(a\)](#) for the MIS's non-operating income.

Please see [Exhibit D-18.1\(b\)](#) for the MIS (by share)'s non-operating income.

2. Did your company receive any grants (or any other financial contribution) from any level of government during the period plus the two preceding years?
- If yes, for each grant received:
- a. What is the name of the grant?
 - 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 related to the production and/or sales of steel billet, and/or railway wheels?
 - 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.

PUBLIC RECORD

- 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.

RESPONSE:

Please see [Exhibit D-18.1\(a\)](#) and [Exhibit D-18.1\(b\)](#) for the details. All the grants are accounting in the non-operating income ledger.

D-19 Loans

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

If your business or any company/entity related to your business received benefits under any such program during the period 1 July 2024 to 30 June 2025, please answer the following questions.

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

RESPONSE:

The company obtained loans from banks and related financial companies.

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

RESPONSE:

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

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

RESPONSE:

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

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

RESPONSE:

Please see [Exhibit D-19.4](#) for the banks' information.

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

RESPONSE:

The company only confirms the cooperating bank based on the inquiry results.

PUBLIC RECORD

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

RESPONSE:

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

Specific operation process:

Send loan intentions to various banks, informing them of the amount and term;
Bank quotation;
Selecting cooperative banks through price comparison;
Signing a loan contract and providing trade background;
Granting loans.

Condition:

The company will have a total credit limit in each bank, which does not exceed the credit limit. The bank also has a loan limit, and both parties will negotiate the loan type and sign a contract.

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

*Note: If your company has more than one loan from same bank/financial institution which were not repaid by the end of the period and the loan agreements for these loans are standardised, it is sufficient **at this stage** to provide an English translation for one of them only (e.g. If your company has multiple loans from one particular bank which only differ in amounts you only need to translate one of them into English for your questionnaire response. However it is necessary to translate all credit line agreements from which loans not repaid by the end of the period were drawn.*

RESPONSE:

Due to the large number of loan projects, the company hereby provides the three largest amount of loan agreements. Please see [Exhibit D-19.7](#) for these loan agreements.

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

RESPONSE:

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

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

RESPONSE:

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

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

PUBLIC RECORD

RESPONSE:

The company doesn't have the guarantee information.

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

If yes, provide details including:

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

RESPONSE:

The related parties doesn't provide financial services to the company.

D-20 Other Programs

RESPONSE:

The company has its business operations only in Anhui Province. So there are no other programs and questions in D-20 are not applicable.

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).
2. Are you aware of any programs of the Government of China, any of its agencies or any other authorised body, that benefits manufacturers of steel billet or the goods that have not been accounted for in this questionnaire? Provide the name of those programs you are aware of, even if your company is not eligible to receive benefit under the program.
3. Indicate the location of the program by region, province, or municipal level.
4. Indicate the type of program, for example:
 - the provision of grants, awards, or prizes
 - the provision of steel billet or services at a reduced price (e.g., electricity, gas, transport)
 - the reduction of tax payable including income tax and VAT
 - reduction in land use fees
 - loans from Policy Banks at below-market rates or
 - any other form of assistance.

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

5. Indicate whether your company benefited from any of the listed programs during the period.
6. Indicate which steel billet you produced that benefited from the program (e.g., the program may have benefited all production or only certain products that have undergone research and development).
7. Describe the application and approval procedures for obtaining a benefit under the program.
8. Where applicable, provide copies of the application form or other documentation used to apply for the program, all attachments and all contractual agreements entered between your business and the Government of China in relation to the program.

PUBLIC RECORD

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

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

D-21 Electricity

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

RESPONSE:

Yes, the company purchases electricity to manufacture steel billet

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

RESPONSE:

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

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

RESPONSE:

The suppliers are all SIE. The details are as follows:

[Sensitive: SIE suppliers.]

3. The commission understands that electricity rates in China are subject to government price settings. Provide details of:
 - a. government price settings applicable to your business and related parties involved in the manufacture/sales of the goods.
 - b. government price settings applicable to businesses in the same sector(s) as your business and related parties involved in the manufacture/sales of the goods.

PUBLIC RECORD

PUBLIC RECORD

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

RESPONSE:

The electricity prices of each company are based on the prices of the State Grid, negotiated with energy companies based on the amount of procurement, the prices are all the same.

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

RESPONSE:

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

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

RESPONSE:

During the period, the electricity purchase price of the company did not receive any reduction.

DECLARATION

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

Name :.....

Signature :.....

Position in

Company :.....

Date :.....

APPENDIX GLOSSARY OF TERMS

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

Arms length

Sales are not considered to be at “arms length” on your domestic market if there is any consideration payable for steel billet 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.

Cost of production/manufacturing

The cost of production or manufacture consists of all manufacturing costs associated with steel billet. 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 steel billet.

Direct labour cost

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

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 / goods subject to measures (the goods)

The goods to which the anti-dumping measures relate.

The period

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

Selling, general and administration expenses (SG&A)

The selling, general and administration expenses includes all selling, distribution, general and administration expenses including finance costs

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.