



Australian Government
Department of Industry,
Science and Resources

Anti-Dumping Commission

Exporter Questionnaire

Case number: 699

Product: Titanium dioxide

From: The People's Republic of China

Investigation period: 1 January 2025 to 31 December 2025 (the period)

Response due by: 6 June 2026

Email enquiries to: investigations2@adcommission.gov.au

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

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

TABLE OF CONTENTS

TABLE OF CONTENTS	2
INSTRUCTIONS	4
CHECKLIST.....	7
GOODS UNDER CONSIDERATION / GOODS SUBJECT TO ANTI-DUMPING MEASURES.....	9
SECTION A COMPANY INFORMATION.....	10
A-1 COMPANY REPRESENTATIVE AND LOCATION	10
A-2 COMPANY INFORMATION.....	10
A-3 GENERAL ACCOUNTING INFORMATION	13
A-4 FINANCIAL DOCUMENTS	14
SECTION B EXPORT SALES TO AUSTRALIA.....	17
B-1 AUSTRALIAN EXPORT SALES PROCESS	17
B-2 AUSTRALIAN SALES LISTING	19
B-3 SAMPLE EXPORT DOCUMENTS.....	20
B-4 RECONCILIATION OF SALES TO FINANCIAL ACCOUNTS.....	20
SECTION C EXPORTED GOODS & LIKE GOODS.....	22
C-1 MODELS EXPORTED TO AUSTRALIA	22
C-2 MODELS SOLD IN THE DOMESTIC MARKET	22
C-3 INTERNAL PRODUCT CODES	22
SECTION D DOMESTIC SALES	24
D-1 DOMESTIC SALES PROCESS	24
D-2 DOMESTIC SALES LISTING	25
D-3 SAMPLE DOMESTIC SALES DOCUMENTS	26
D-4 RECONCILIATION OF SALES TO FINANCIAL ACCOUNTS.....	26
SECTION E DUE ALLOWANCE.....	28
E-1 CREDIT EXPENSE	28
E-2 PACKAGING	29
E-3 DELIVERY	29
E-4 OTHER DIRECT SELLING EXPENSES	31
E-5 OTHER ADJUSTMENT CLAIMS	32
SECTION F THIRD COUNTRY SALES.....	33
F-1 THIRD COUNTRY SALES PROCESS	33
F-2 THIRD COUNTRY SALES LISTING	33
F-3 DIFFERENCES IN SALES TO THIRD COUNTRIES.....	34
SECTION G COST TO MAKE AND SELL.....	35
G-1 PRODUCTION PROCESS	35
G-2 COST ACCOUNTING PRACTICES.....	35
G-3 COST TO MAKE ON DOMESTIC MARKET	37
G-4 SELLING, GENERAL & ADMINISTRATIVE EXPENSES.....	38
G-5 COST TO MAKE THE GOODS EXPORTED TO AUSTRALIA	39
G-6 COST ALLOCATION METHOD	39
G-7 MAJOR RAW MATERIAL COSTS.....	40
G-8 RECONCILIATION OF COST TO MAKE TO AUDITED FINANCIAL STATEMENTS.....	42
G-9 PRODUCTION OF THE GOODS UNDER CONSIDERATION	42
G-10 CAPACITY UTILISATION.....	43
SECTION H PARTICULAR MARKET SITUATION	46
H-1 REPORTING REQUIREMENTS	46
H-2 BUSINESS STRUCTURE, OWNERSHIP AND MANAGEMENT	46
H-3 LICENSING	49

H-4	DECISION-MAKING, PLANNING AND REPORTING	50
H-5	FINANCIAL AND INVESTMENT ACTIVITIES	52
H-6	GOVERNMENT POLICY ON THE INDUSTRY	53
H-7	TAXATION	54
H-8	SALES TERMS	54
H-9	INDUSTRY ASSOCIATIONS	56
H-10	STATISTICS SUBMISSION/RECORDING	56
H-11	PRODUCTION/OUTPUT	57
H-12	ADDING CAPACITY AND/OR JOINT VENTURES	58
H-13	RAW MATERIALS.....	59
H-14	WASTE DISPOSAL.....	60
H-15	GOVERNMENT BENEFITS.....	61
SECTION J DOMESTIC MARKET		62
J-1	PREVAILING CONDITIONS OF COMPETITION IN THE DOMESTIC MARKET	62
J-2	GOODS IN THE DOMESTIC MARKET	64
J-3	RELATIONSHIP BETWEEN PRICE AND COST IN THE DOMESTIC MARKET	65
J-4	MARKETING AND SALES SUPPORT IN THE DOMESTIC MARKET	69
SECTION K AUSTRALIAN MARKET.....		71
K-1	PREVAILING CONDITIONS OF COMPETITION IN THE AUSTRALIAN MARKET.....	71
K-2	GOODS IN THE AUSTRALIAN MARKET	73
K-3	RELATIONSHIP BETWEEN PRICE AND COST IN AUSTRALIA.....	74
K-4	MARKETING AND SALES SUPPORT IN THE AUSTRALIAN MARKET.....	78
EXPORTER'S DECLARATION		80
APPENDIX GLOSSARY OF TERMS.....		81

INSTRUCTIONS

Why you have been asked to fill out this questionnaire?

The Anti-Dumping Commission (the commission) is conducting an investigation into alleged dumping of titanium dioxide exported to Australia from the People's Republic of China (China).

The commission will use the information you provide to determine normal values and export prices over the investigation period (the period). This information will determine whether titanium dioxide is dumped.

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

If you do not manufacture the goods

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

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

What happens if you do not respond to this questionnaire?

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

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

Extension requests

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

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

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

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

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

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

Submitting a response to the exporter questionnaire

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

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

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

Confidential and non-confidential responses

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

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

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

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

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

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

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

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

Verification of the information that you supply

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

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

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

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

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

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

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

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

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

Important instructions for preparing your response

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

CHECKLIST

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

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

Attachments	Please tick if you have provided spreadsheet
B-2 Australian sales	☒
B-2.2 Australian sales source	☒
B-4 Upwards sales	☒
D-2 Domestic sales	☒
D-2.2 domestic sales source	☒
F-2 Third country sales	☒
F-2.2 third country sale source	☒
G-3 Domestic CTM	☒
G-3.2 domestic CTM source	☒
G-4.1 SG&A listing	☒
G-4.2 Dom SG&A calculation	☒
G-4.3 Upwards SG&A	☒
G-5 Australian CTM	☒
G-5.2 Australian CTM source	☒

G-7.2 Raw material CTM	☒
G-7.4 Raw material purchases	☒
G-8 Upwards costs	☒
G-10 Capacity Utilisation	☒

GOODS UNDER CONSIDERATION / GOODS SUBJECT TO ANTI-DUMPING MEASURES

The goods under consideration (the goods) i.e. the goods exported to Australia, allegedly at dumped prices, are:

Titanium dioxide, having the chemical formula TiO_2 , in rutile form only, as titanium oxides or in pigments and preparations based on titanium dioxide, containing a minimum of 80% by weight of titanium dioxide calculated on the dry matter, having all types of particle sizes.

Further information in relation to the goods:

Product falling within the scope of this description includes:

- *TiO_2 pigments, typically produced via the sulphate or chloride process. This encompasses rutile crystalline form only.*
- *Surface-treated or coated TiO_2 with inorganic (e.g., alumina, silica, zirconia) or organic surface treatments, provided the TiO_2 content remains at least 80% by weight.*
- *Titanium dioxide in other pigment forms including slurries, pastes, or granules where TiO_2 is the principal constituent ($\geq 80\%$ on dry basis).*

Model Control Code

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

Item	Category	Sub-category	Identifier	Sales Data	Cost Data	Key category
1	Production process	Sulphate	S	Mandatory	Mandatory	Yes
		Chloride	C			Yes

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

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

SECTION A COMPANY INFORMATION

A-1 Company representative and location

1. Please nominate a contact person within your company:

Name: [CONFIDENTIAL]
Position in the company: Sales Manager
Telephone: [CONFIDENTIAL]
E-mail address: [CONFIDENTIAL]

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

Name:
Address:
Telephone:
E-mail address:

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.

Answer:

Name: Mr. Jia Zheng, Zhong Yin Law Firm
Address: 11-12th Floor, Building 2, Zhengda Center, No. 20 Jinhe East Road, Chaoyang District, Beijing, China
Telephone: 86-10-65876666-8240
E-mail address: jiazheng@zhongyinlawyer.com

Name: Mr Andrew Korbel, Corrs Chambers Westgarth
Address: Level 37, Quay Quarter Tower, 50 Bridge Street, Sydney NSW 2000
Telephone: (02)9210 6537
E-mail address: andrew.korbel@corrs.com.au

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

Answer:

The company's financial records are held in the address of the company, which is Zhongzhan District, Jiaozuo City, Henan Province, China.

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

Answer:

The company's production records are held in the address of the company, which is Zhongzhan District, Jiaozuo City, Henan Province, China.

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

Answer:

The location of the company's production plant manufacturing the goods under consideration is Zhongzhan District, Jiaozuo City, Henan Province, China.

A-2 Company information

1. What is the legal name of your business?

Answer:

The legal name of the company is LB Group Co., Ltd. (hereinafter refer to as “LB Group”). Please refer to Exhibit A-2.1 Business License of LB Group.

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

Answer:

No, LB Group does not trade under a different name or brand.

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

Answer:

No, LB Group was not ever 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.

Answer:

[CONFIDENTIAL]

The company wishes to keep all the information in this exhibit confidential as it sets out the company’s management and governance structure. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

If yes, provide:

(a) A diagram showing the complete ownership structure and

Answer:

LB Group is part of a group. Please refer to Exhibit A-2.5.a [CONFIDENTIAL].

The company wishes to keep all the information in this exhibit confidential as it sets out the company’s management and governance structure. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

(b) A list of all related companies and its functions

Answer:

LB Group provides the list of related companies. Please refer to Exhibit A-2.5.b [CONFIDENTIAL].

The company wishes to keep all the information in this exhibit confidential as it sets out the company’s management and governance structure. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

6. Is your company or parent company publicly listed?

If yes, please provide:

(c) The stock exchange where it is listed and

(d) Any principal shareholders¹

If no, please provide:

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

¹ Principal shareholders are those who are able to cast, or control the casting of, 5% or more of the maximum amount of votes that could be cast at a general meeting of your company.

Answer:

LB Group is publicly listed on the Shenzhen Stock Exchange. The date of listing is September 30, 2021. The stock code is SZ 002601. The principal shareholders and their shares % of LB Group are as follows:

Nature person Xu Ran: 20.97%
 Nature person Tan Ruiqing: 6.81%
 Nature person Wang Xia: 5.31%
 Other shareholders with shares less than 5%

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

Answer:

LB Group is engaged in the production and sale of sulphate TiO₂ and corresponding by-product.

During the period, LB Group manufactured the Sulphate TiO₂ (finished product), Ferrous Sulphate (by-product), Synthetic Rutile (intermediate material for related producers' chloride production of TiO₂). LB Group sold the TiO₂ in the domestic market and foreign market, including Australia, southeast Asia, India, EU, Russia, South America, Middle East, Africa, Canada, etc. The by-product and intermediate materials were sold in the domestic market.

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

Answer:

LB Group performs all of the functions aforesaid in relation to the goods under consideration. Also, some of related companies involve in the production or sales of the goods under consideration.

Within the group, there are 5 producers (including LB Group itself) and 2 traders of goods under consideration.

Related Company	Address	Function
LB Group Co., Ltd.	Zhongzhan District, Jiaozuo City, Henan, China	Manufacture TiO ₂ only in Sulphate production process. Sell TiO ₂ in the domestic market and export TiO ₂ to Australia and other countries.
LB Sichuan Titanium Industry Co., Ltd. ("LB Sichuan")	Xinshi Industrial Development Zone, Mianzhu City, Sichuan, China	
LB Xiangyang Titanium Industry Co., Ltd. ("LB Xiangyang")	1 Bianhe Road, Chengguan, Nanzhang, Hubei, China	
Henan Billions Advanced Material Co., Ltd. ("Henan Billions")	Zhongzhan District, Jiaozuo City, Henan, China	Manufacture TiO ₂ only in Chloride production process. Sell TiO ₂ in the domestic market and export TiO ₂ to Australia and other countries.
LB Lufeng Titanium Industry Co., Ltd. ("LB Lufeng")	Yangjie Street, Qinfeng Town, Lufeng County, Chuxiong Yi Autonomous Prefecture, Yunnan	

Billions (Hong Kong) Corporation Limited ("BHK")	Unit 1503, 15/F, One Harbourfront, 18 Tak Fung Street, Hung Hom, Kowloon, Hong Kong	Purchase TiO ₂ only from related 5 producers and export them to Australia and other countries. Purchase raw material titanium slag and resold them to the related Chloride TiO ₂ producer.
Billions Europe Ltd. ("BEL")	Winder House, Kingfisher Way, Stockton-On-Tees, TS18 3EX, United Kingdom	Purchase TiO ₂ only from related 5 producers and export them to Australia and other countries.

9. Provide your company's internal organisation chart.

Answer:

Please refer to Exhibit A-2.9 [CONFIDENTIAL].

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and governance structure. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

Please refer to Exhibit A-2.9 [CONFIDENTIAL].

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and governance structure. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

The company provides the product brochure of TiO₂ produced by all producers in the group. Please refer to Exhibit A-2.11 Product Brochure of Whole Group.

A-3 General accounting information

1. What is your financial accounting period?

Answer:

The financial accounting period is from Jan.1st to Dec. 31st of each calendar year.

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

Answer:

The financial accounts are audited. BDO CHINA SHU LUN PAN CERTIFIED PUBLIC ACCOUNTANTS LLP is the auditor.

3. What currency are your accounts kept in?

Answer:

LB Group uses RMB as the currency in accounts.

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

Answer:

The name of financial accounting system is SAP.

5. What is the name of your sales system?

Answer:

The name of financial accounting system is SAP.

6. What is the name of your production system?

Answer:

The name of financial accounting system is SAP.

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.

Answer:

Not applicable, the financial accounting, sales and production systems is SAP.

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

Answer:

No, the accounting practices of LB Group comply with the generally accepted accounting principles of China.

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

Answer:

No, there are not any changes to LB Group's accounting practices or policies over the last two years.

A-4 Financial Documents

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

Answer:

Please refer to Exhibit A-4.1.1 [CONFIDENTIAL],

Also, the company provides the audit report of related trader. Please refer to Exhibit A-4.1.2 [CONFIDENTIAL], Exhibit A-4.1.3 [CONFIDENTIAL], Exhibit A-4.1.3 [CONFIDENTIAL].

The 2025 audited financial statements of BHK has not been completed yet. The balance sheet and income statement extracted from the system have been provided. Please refer to Exhibit A-4.1.2 [CONFIDENTIAL].

The balance sheet and income statement of BEL extracted from the system have been provided. Please refer to Exhibit A-4.1.3 [CONFIDENTIAL].

The 4 related producers have submitted their audit reports in their own responses.

The company wishes to keep all the information in this exhibit confidential as it sets out the company's accounting policies and accounting information. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

Please refer to Exhibit A-4.1.1 [CONFIDENTIAL],

Also, the company provides the audit report of related trader. Please refer to Exhibit A-4.1.2 [CONFIDENTIAL] and Exhibit A-4.1.3 [CONFIDENTIAL].

The 2025 audited financial statements of BHK has not been completed yet. The balance sheet and income statement extracted from the system have been provided. Please refer to Exhibit A-4.1.2 [CONFIDENTIAL].

The 2025 audited financial statements of BEL has not been completed yet. The balance sheet and income statement extracted from the system have been provided. Please refer to Exhibit A-4.1.3 [CONFIDENTIAL].

The 4 related producers have submitted their audit reports in their own responses.

The company wishes to keep all the information in this exhibit confidential as it sets out the company's accounting policies and accounting information. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

Not applicable. LB Group has provided audited financial statements.

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

Answer:

LB Group 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.

Answer:

Not applicable. The period is the same with financial period year 2025.

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

Answer:

Please refer to Exhibit A-4.6 [CONFIDENTIAL]. The period is the same with the most recent financial year 2025.

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and accounting information. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

Please refer to Exhibit A-4.7 [CONFIDENTIAL].

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and accounting information. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

SECTION B

EXPORT SALES TO AUSTRALIA

B-1 Australian export sales process

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

Answer:

For better understanding of the sales, LB Group provides a flowchart describing the channels of distribution of the whole group. Please refer to Exhibit B-1.1 [CONFIDENTIAL].

[CONFIDENTIAL]

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and governance structure. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

LB Group invoices in US Dollar. The customer makes payments in US Dollar as well.

- (a) Do your customers pay you into a foreign currency denominated account? If yes, provide details

Answer:

No, the customers do not pay into a foreign currency denominated account.

- (b) Do you use forward contracts to lock in the foreign exchange rate relating to the export sales? If yes, provide details

Answer:

No, LB Group does not use forward contracts to lock in the foreign exchange rate relating to the export sales.

- (c) How is the exchange rate determined in your accounting system and how often is it updated?

Answer:

In order to convert sales income of each export transaction, LB Group uses the exchange rates published by the Bank of China on the day that the company records the transaction as income in the account.

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

Answer:

No, there are not any Australian customers related to LB Group.

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

Answer:

Not applicable. The sales are not in accordance with any price lists. The price is settled by negotiation between the company and customer.

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

Answer:

The export selling prices do not vary according to the distribution channel identified.

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

Answer:

[CONFIDENTIAL]

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and sales. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

[CONFIDENTIAL]

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and sales. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

8. In establishing the date of sale, the commission will normally use the date of invoice as it best reflects the material terms of sale:
- (a) Are you claiming a date other than the invoice date as the date of sale?
 - (b) If you are claiming a date other than the invoice date as the date of sale, why does this date better reflect the material terms of sale? Provide evidence to support your claim. Any claim for an adjustment would need to substantively address:
 - whether, why, and to what degree, the considerations in determining price differed between export and domestic sales
 - whether the materials cost differs at the time of subsequent invoicing of that export sale (compared to domestic sale invoices in the same invoice month of that export sale) having regard to factors such as the production schedules for domestic and export; and lead times for purchasing main input materials
 - whether contracts were entered into for the materials purchases, and materials inventory valuation.

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

Answer:

The company agrees that invoice date is taken to be the date of sales.

However, during the identification of sales fall within the period, the company chooses to use the date of recording as sales income in the account. So that the data could be matched to the accounting records.

The recording date could be equal or later than the invoice date, because only after completing the Customs clearance in China, the company will record the sales income in the account. And the invoice date is usually earlier or on the date of Customs clearance. In this methodology, some transaction with invoice date at the end of 2024 are recorded in the account in 2025, which are classified as the transaction in the period and reported in the relevant tables.

B-2 Australian sales listing

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

Answer:

Please refer to Table B-2 [CONFIDENTIAL] and Table B-2.1 [CONFIDENTIAL] in Tables of LB Group.

As explained above, for the purpose of reconciliation with accounting records, LB Group reports all the Australian sales within the period based on the date of recording sales income in the account. In this methodology, some transactions with invoice date at the end of 2024 while recording date in 2025 are reported. The recording dates are shown in the Table B-2.

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and sales. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

2. For any sales exported to Australia through an intermediary, add the following to the "B-2 Australian sales spreadsheet" for those transactions:
 - a. Name of the end customer in Australia
 - b. Price at which the goods are sold to that customer
 - c. The delivery terms of the sale to that customer

Answer:

Please refer to Table B-2 [CONFIDENTIAL] in Tables of LB Group. The required information of sales through BHK and BEL are reported.

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and sales. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

Please refer to Table B-2.2 [CONFIDENTIAL] in Tables of LB Group.

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and sales. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

B-3 Sample export documents

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

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

Answer:

Please refer to Exhibit B-3 [CONFIDENTIAL].

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and sales. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

Please refer to Exhibit B-3 [CONFIDENTIAL].

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and sales. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

B-4 Reconciliation of sales to financial accounts

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

Answer:

Please refer to Table B-4 [CONFIDENTIAL] in Tables of LB Group.

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and sales. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

2. Please provide all source documents & worksheets, other than those in A-4, B-2 and D-2, required to complete the "B-4 Upwards sales" worksheet.
 - For example, worksheets (e.g. a master sales listing) showing how you identified and categorised:
 - o Sales of the goods under consideration and other sales (e.g. non-goods or services)
 - o Domestic, Australian and third country sales of the goods under consideration
 - If the documents include spreadsheets, all formulas used must be retained
 - There must not be any balancing amounts. All amounts must be supported by source documents.

Answer:

Please refer to Exhibit A-4.1.1 [CONFIDENTIAL], and Exhibit A-4.6 [CONFIDENTIAL].

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and sales. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

Please refer to Table B-4 [CONFIDENTIAL] in Tables of LB Group. The reconciliation of Table B-2 and accounting records are also presented in this Table.

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and sales. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

SECTION C

EXPORTED GOODS & LIKE GOODS

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

C-1 Models exported to Australia

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

Answer:

Please refer to **Table C-1 The Goods Exported to Australia** in **Tables of LB Group**.

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

Answer:

Please refer to **Table C-1 The Goods Exported to Australia** in **Tables of LB Group**.

C-2 Models sold in the domestic market

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

Answer:

Please refer to **Table C-2 Like Goods Sold on the Domestic Market** in **Tables of LB Group**.

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

Answer:

Please refer to **Table C-2 Like Goods Sold on the Domestic Market** in **Tables of LB Group**.

C-3 Internal product codes

1. Does your company use product codes or stock keeping unit (SKU) codes?
 - If yes:
 - (a) Provide details of the product or SKU coding system for the goods, such as a legend or key of the meaning for each code within the product or SKU code.
 - (b) Provide details on how you mapped the product or SKU codes to the MCC for the purpose of completing this questionnaire.
 - (c) Provide a table of showing the product or SKU codes for each MCC.
 - If no:
 - (a) Provide details on the method used to identify the MCC in the sales and cost spreadsheets.

Answer:

LB Group uses its own product codes in the sales and production. As to the MCC of each product code, please refer to Table C-3 MCC in Tables of LB Group.

SECTION D DOMESTIC SALES

D-1 Domestic sales process

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

Answer:

Please refer to Exhibit D-1.1 [CONFIDENTIAL].

[CONFIDENTIAL]

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and sales. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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.

Answer:

None of domestic customers are related to LB Group.

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

Answer:

No applicable. The sales are not in accordance with price lists or price extras list.

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

Answer:

No, the domestic selling price does not vary according to the distribution channel identified.

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

Answer:

Not applicable.

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

Answer:

No, LB Group does not issue any credit or debit notes directly or indirectly to the customer or associate of the customer in relation to the sale of the like goods during the period.

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

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

Answer:

The value-added tax (VAT) invoice date is taken to be the date of sale.

D-2 Domestic sales listing

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

Answer:

Please refer to Table D-2 [CONFIDENTIAL] and Table D-2.1 [CONFIDENTIAL] in Tables of LB Group.

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and sales. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

Please refer to Table D-2.2 [CONFIDENTIAL] in Tables of LB Group.

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and sales. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

D-3 Sample domestic sales documents

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

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

Answer:

Please refer to Exhibit D-3 [CONFIDENTIAL].

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and sales. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

Please refer to Exhibit D-3 [CONFIDENTIAL].

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and sales. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

D-4 Reconciliation of sales to financial accounts

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

Answer:

This section is not applicable. LB Group has completed B-4. Please refer to Table B-4 [CONFIDENTIAL].

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and sales. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

1. Please complete the worksheet named "B-4 Upwards sales" to demonstrate that the sales listings in D-2 and F-2 are complete.
 - You must provide this list in electronic format using the template provided.
 - Please use the currency that your accounts are kept in.
 - If you have used formulas to complete this worksheet, these formulas must be retained.
2. Please provide all documents and worksheets, other than those in A-4, D-2 and F-2, required to complete the "B-4 Upwards sales" worksheet. If the documents include spreadsheets, all formulas used must be retained.
 - For example, worksheets (e.g. a master sales listing) showing how you identified and categorised:
 - o Sales of the goods under consideration and other sales (e.g. non-goods or services)
 - o Domestic and third country sales of the goods under consideration
 - If the documents include spreadsheets, all formulas used must be retained

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

SECTION E DUE ALLOWANCE

E-1 Credit expense

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

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

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

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

Answer:

LB Group uses aforesaid method to calculate the average credit period for each customer. Please refer to Table E-1 [CONFIDENTIAL] in Tables of LB Group.

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and sales. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

LB Group has short borrowing. Please refer to Exhibit E-1.2 [CONFIDENTIAL] for the interest rate.

Also, the company provides the list of benchmark interest rate, Loan Prime Rate (LPR). It is published by the People's Bank of China in each month. Please refer to Exhibit E-1.2 [CONFIDENTIAL].

The company wishes to keep all the information in this exhibit confidential as it sets out the company's financial information. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

LB Group does not have term deposits or bonds in local currency. All the bank deposits are current deposits.

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

- (a) Do you have short term borrowings or an overdraft facility denominated in the same foreign currency? If yes, what is the interest rate, or average of interest rates?
- (b) Do you have any interest earning deposits or other cash product (e.g. term deposits, bonds) denominated in the same foreign currency? If yes, what is the interest rate, or average of interest rates?

Answer:

Australian customers do not pay LB Group into a foreign currency denominated account.

E-2 Packaging

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

Answer:

LB Group uses shrink-wrapped plastic bags and wooden pallet to package for domestic sales of like goods.

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

Answer:

LB Group uses shrink-wrapped plastic bags and wooden pallet to package for export sales of the goods to Australia.

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

Answer:

There is no distinct difference in packaging between domestic and export sales.

E-3 Delivery

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

Answer:

[CONFIDENTIAL]

For the detailed calculation, please refer to Table D-2 Domestic Sales and Table D-2.1 [CONFIDENTIAL] in Tables of LB Group.

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and sales. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

[CONFIDENTIAL]

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and sales. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

[CONFIDENTIAL]

For the detailed calculation, please refer to Table B-2 [CONFIDENTIAL] and Table B-2.1 [CONFIDENTIAL].

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and sales. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

[CONFIDENTIAL]

For the detailed calculation, please refer to Table B-2 [CONFIDENTIAL] and Table B-2.1 [CONFIDENTIAL].

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and sales. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

[CONFIDENTIAL]

For the detailed calculation, please refer to Table B-2 [CONFIDENTIAL] and Table B-2.1 [CONFIDENTIAL].

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and sales. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

[CONFIDENTIAL]

For the detailed calculation, please refer to Table B-2 [CONFIDENTIAL] and Table B-2.1 [CONFIDENTIAL].

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and sales. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:**[CONFIDENTIAL]**

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and sales. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

E-4 Other direct selling expenses

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

Answer:

No, LB Group does not provide sales commission for domestic sales of like good or Australian sales of the goods.

2. Are there any differences in tax liability between domestic and export sales? If yes, provide details, for example:
 - What is the rate of value-added tax (VAT) on sales of the goods and like goods?

Answer:

For domestic sales, the rate of VAT on sales of the goods and like goods is 13%.

- How is VAT accounted for in your records in relation to sales of the goods and like goods?

Answer:

In the accounting record, VAT is recorded in the account 2221010300 Taxes payable-VAT payable-Output tax.

- Do you receive a VAT refund in relation to sales of the goods and/or like goods?

Answer:

The company does not receive a VAT refund in relation to sales of the goods or like goods.

- Do you receive a remission or drawback of import duties on inputs consumed in the productions of the goods or like goods?

Answer:

Not applicable. LB Group does not import inputs for production of the goods or like goods.

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

Answer:

No, there are not any other direct selling expenses incurred by LB Group in relation to domestic sales of like goods.

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

Answer:

No, there are not any other direct selling expenses incurred by LB Group in relation to export sales of the goods to Australia.

E-5 Other adjustment claims

1. Are there any other adjustments required to ensure a fair comparison between the export price and the normal value (based on domestic sales, costs and/or third country sales)? If yes, provide details and supporting documentation.
 - An adjustment will only be made where there is evidence that the difference affects price comparability.
 - Refer to Chapter 15 of the *Dumping and Subsidy Manual (December 2021)*² for more information.

Answer:

[CONFIDENTIAL]

For the detailed calculation, please refer to Table B-2 [CONFIDENTIAL] and Table B-2.1 [CONFIDENTIAL].

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and sales. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

² Available on the commission website

SECTION F

THIRD COUNTRY SALES

F-1 Third country sales process

1. Are your sales processes to any third country (i.e. exports to countries other than Australia) different to the sales process described in B-1.1? If yes, provide details of the differences.

Answer:

The sales processes to third countries are the same as the sales processes described in B-1.1. Please refer to **Exhibit F-1.1 [CONFIDENTIAL]**.

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and sales. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

No, there is not any third country customer related to LB Group.

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

Answer:

The company agrees that invoice date is taken to be the date of sales.

However, during the identification of sales fall within the period, the company chooses to use the date of recording as sales income in the account. So that the data could be matched to the accounting records.

The recording date could be equal or later than the invoice date, because only after completing the Customs clearance in China, the company will record the sales income in the account. And the invoice date is usually earlier or on the date of Customs clearance. In this methodology, some transaction with invoice date at the end of 2024 are recorded in the account in 2025, which are classified as the transaction in the period and reported in the relevant tables.

F-2 Third country sales listing

1. Complete the worksheet named "F-2 Third country sales"
 - This worksheet lists all export sales, summarised by country, customer and MCC, to third countries of like goods invoiced within the period.
 - While sales may be made in different currencies and on different shipping terms the sales listing also seeks to record an Ex-works value of these sales in your local currency.

- If you have claimed in F-1.3 that the date of sale is one other than the invoice date, then add sales with your claimed date of sale.
- You must provide this list in electronic format using the template provided.
- If you have used formulas to complete this worksheet, these formulas must be retained.

Answer:

Please refer to Table F-2 [CONFIDENTIAL] in Tables of LB Group.

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and sales. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

2. Complete worksheet "F-2.2 third country sales source" listing the source of the data for each column in the worksheet "F-2 third country sales".

Answer:

Please refer to Table F-2.2 [CONFIDENTIAL] in Tables of LB Group.

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and sales. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

F-3 Differences in sales to third countries

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

Answer:

No, there is not any difference in sales to third countries which may affect their comparison to export sales to Australia.

SECTION G

COST TO MAKE AND SELL

G-1 Production process

1. Describe the production process for the goods and provide a flowchart of the process. Include details of all products manufactured using the same production facilities as those used for the goods. Also identify all waste (including chemical waste), scrap and by-products that result from producing the goods.

Answer:

Please refer to Exhibit G-1 [CONFIDENTIAL]. LB Group uses sulphate method to product TiO₂.

[CONFIDENTIAL]

The company wishes to keep all the information in this exhibit confidential as it sets out the company's production. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

[CONFIDENTIAL]

The company wishes to keep all the information in this exhibit confidential as it sets out the company's production. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

G-2 Cost accounting practices

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

Answer:

LB Group's cost accounting system is based on actual costs.

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

Answer:

Not applicable. LB Group's cost accounting system is based on actual costs.

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

Answer:

[CONFIDENTIAL]

Please refer to Exhibit G-2.3 [CONFIDENTIAL].

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and production. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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.

Answer:

[CONFIDENTIAL]

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and production. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

LB Group records monthly production costs of each product code.

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

Answer:

No, there is not any cost for management accounting purposes valued differently to financial accounting purposes.

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

Answer:

No, LB Group has not engaged in any start-up operations in relation to the goods.

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

Answer:

[CONFIDENTIAL]

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and financial information. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

[CONFIDENTIAL]

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and financial information. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

[CONFIDENTIAL]

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and production. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

No, there is not any management fee/corporate allocation charged.

G-3 Cost to make on domestic market

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

Answer:

Please refer to **Table G-3 [CONFIDENTIAL]** in **Tables of LB Group.**

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and production. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

Please refer to **Table G-3.2 [CONFIDENTIAL]** in **Tables of LB Group.**

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and production. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

G-4 Selling, General & Administrative expenses

1. Complete the worksheet named "G-4.1 SG&A listing".
 - This worksheet lists all selling, general and administrative expenses by accounting code for the most recent accounting period and the period. The SG&A must also include:
 - o finance expenses
 - o taxes and surcharges (except income/profit tax).
 - In the column "Is it a direct selling expense", identify expenses related to direct selling expenses (e.g. inland transport) that has been reported in B-2 Australian sales and/or D-2 Domestic sales.
 - In the column "Is it provisional or unrealised?", identify any accounts that are not actual or realised, such as:
 - o unrealised foreign exchange gains/loss
 - o provision for doubtful debt
 - In the column "Is it only related to exports or non-goods?", identify any accounts that are related only to either:
 - o export sales
 - o products that are not the goods under consideration.
 - You must provide this list in electronic format using the template provided.
 - If you have used formulas to complete this worksheet, these formulas must be retained.

Answer:

Please refer to Table G-4.1 [CONFIDENTIAL] in Tables of LB Group.

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and financial information. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

Please refer to Table G-4.2 [CONFIDENTIAL] in Tables of LB Group.

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and financial information. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

Please refer to Table G-4.3 [CONFIDENTIAL] in Tables of LB Group.

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and financial information. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

Please refer to **Exhibit G-4.4 [CONFIDENTIAL]**.

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and financial information. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

G-5 Cost to make the goods exported to Australia

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

Answer:

Please refer to **Table G-5 [CONFIDENTIAL]** in **Tables of LB Group**.

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and production. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

Please refer to **Table G-5.2 [CONFIDENTIAL]** in **Tables of LB Group**.

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and production. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

G-6 Cost allocation method

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

Answer:

LB Group records the raw materials cost of each products code month by month. The company reports the data in G-3 and G-5 on the basis of the product sold and corresponding MCC.

- (b) Labour

Answer:

LB Group records the labour cost of each products code month by month. The company reports the data in G-3 and G-5 on the basis of the product sold and corresponding MCC.

(c) Manufacturing overheads

Answer:

LB Group records the manufacturing overheads cost of each products code month by month. The company reports the data in G-3 and G-5 on the basis of the product sold and corresponding MCC.

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

Answer:

Please refer to Exhibit G-6.2 [CONFIDENTIAL].

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and production. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

G-7 Major raw material costs

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

Answer:

[CONFIDENTIAL]

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and production. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

[CONFIDENTIAL]

Please refer to Table G-7.4 [CONFIDENTIAL] in Tables of LB Group.

[CONFIDENTIAL]

Please refer to Table G-7.2 [CONFIDENTIAL] in Tables of LB Sichuan.

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and production. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

3. For each raw material identified in "G-3 Domestic CTM" and "G-5 Australian CTM", complete the worksheet named "G-7.4 Raw material purchases"
 - This worksheet lists all material purchases (i.e. transaction by transaction) purchased by your company within the period.
 - You must provide this list in electronic format using the template provided.
 - If you have used formulas to complete this worksheet, these formulas must be retained.

Answer:

Please refer to Table G-7.4 [CONFIDENTIAL] in Tables of LB Group.

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and production. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

Please refer to Table G-7.5 [CONFIDENTIAL] in Tables of LB Group.

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and production. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

Please refer to Exhibit G-7.5.a [CONFIDENTIAL].

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and production. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

Some suppliers listed in G-7.4 are related to LB Group.

[CONFIDENTIAL]

Please refer to Exhibit G-7.6 [CONFIDENTIAL].

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and production. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

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

Answer:

Please refer to **Table G-8 [CONFIDENTIAL]** in **Tables of LB Group.**

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and production. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

2. Please provide all documents and worksheets, other than those in A-4, G-3 and G-5, required to complete the "G-8 Upwards costs" worksheet.
 - For example, worksheets showing how you identified and categorised the cost to make:
 - o the goods under consideration and other costs (e.g. non-goods or tolling services)
 - o Domestic, Australian and third country goods under consideration
 - If the documents include spreadsheets, all formulas used must be retained.
 - There must not be any balancing amounts. All amounts must be supported by source documents or worksheets.

Answer:

Please refer to **Table G-8 [CONFIDENTIAL]** in **Tables of LB Group.**

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and production. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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.

Answer:

Please refer to **Table G-8 [CONFIDENTIAL]** in **Tables of LB Group.**

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and production. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

G-9 Production of the goods under consideration

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

Answer:

[CONFIDENTIAL]

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and production. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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.

Answer:

[CONFIDENTIAL]

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and production. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

[CONFIDENTIAL]

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and production. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

[CONFIDENTIAL]

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and production. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

Not applicable, the production line is only for production of TiO₂.

G-10 Capacity Utilisation

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

Answer:

Please refer to Table G-10 [CONFIDENTIAL] in Tables of LB Group.

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and production. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

The capacity utilisation is calculated as follows:

Capacity utilisation = actual production quantity / production capacity

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

(a) What is the capacity of these facilities?

Answer:

[CONFIDENTIAL]

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and production. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

Please refer to Exhibit G-10.3.b [CONFIDENTIAL].

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and production. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

[CONFIDENTIAL]

Please refer to Exhibit G-10.3.b [CONFIDENTIAL].

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and inventory. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

There are no changes to the type of capital of technology utilised in the manufacturing of the goods in the last five years.

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

Answer:

Not applicable.

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

Answer:

There are no significant investments in the past five years to either upgrade, refurbish or build any of the plants used in the production of the goods.

SECTION H

PARTICULAR MARKET SITUATION

The applicant alleged that domestic selling prices of titanium dioxide in China cannot be used to determine normal values due to the presence of a particular market situation. The applicant also alleged that the costs of raw materials were not suitable in determining the costs of production, due to the involvement and influence of the GOC in the input markets, including the markets for raw materials such as ilmenite, used in the production of titanium dioxide.

This investigation will seek to determine, among other things, whether during the investigation period there was a situation in the Chinese market for titanium dioxide such that sales within that market are not suitable for determining normal values and/or to assess the costs of the raw materials pursuant to section 269TAC of the *Customs Act 1901* (Cth).

H-1 Reporting requirements

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

Answer:

Every year the company needs to file Corporate Income Tax Statement and Value Added Tax Declarations to Tax Bureau and pay tax.

H-2 Business structure, ownership and management

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

Answer:

LB Group is not stated-owned enterprise or state-invested enterprise. LB Group is public listed on the Shenzhen Stock Exchange. The share is publicly traded in the stock exchange.

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

Answer:

For the current Board of Directors and Board of Shareholders, please refer to Exhibit H-2.2 [CONFIDENTIAL].

For the related companies, please refer to Exhibit A-2.5.a [CONFIDENTIAL] and Exhibit A-2.5.b [CONFIDENTIAL].

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and governance structure. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

Not applicable.

4. Are any members of your business' (and/or all other entities your business is related to) Board of Directors or Board of Shareholders representatives, employees, or otherwise affiliated with the 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.

Answer:

None of members are affiliated with the Government of China.

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.

Answer:

For the directors and shareholders' relationship with CCP, please refer to Exhibit H-2.2 [CONFIDENTIAL].

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and governance structure. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

None of members is appointed, managed or recommended by the Government of China.

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

Answer:

Please refer to Exhibit A-2.5.a [CONFIDENTIAL]. None of them is an affiliate, representative or agency of GOC.

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and governance structure. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

Not applicable.

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

Answer:

None of position within LB Group's business that are appointed or designated to act on behalf of GOC authorities.

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

Answer:

There are no such requirements in law or in practice.

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

Answer:

LB Group is publicly listed on the Shenzhen Stock Exchange. The date of listing is September 30, 2021. The stock code is SZ 002601.

[CONFIDENTIAL]

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and governance structure. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

Please refer to Exhibit H-2.12 [CONFIDENTIAL].

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and governance structure. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

The Board of Directors can reward, fire or discipline the senior managers.

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

Answer:

None of senior managers hold positions in any Government of China departments or organisations, associations, or Chambers of Commerce.

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

Answer:

Not applicable.

H-3 Licensing

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

Answer:

Please refer to **Exhibit A-2.1 Business License of LB Group.**

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

Answer:

Market Supervision and Administration of Jiaozuo City is responsible for issuing the license.

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

Answer:

The procedures are as follows:

(1) Pre-application: The promoters or shareholders submit the following information and scanned documents online: the name of the company, the address of the company with scanned real estate ownership certificate or lease contract, the name and shares of promoters or shareholders, the scanned ID card of legal representative and business scope. The Bureau will pre-examine the information.

(2) Submission of hard copy: The person submits the hard copy of relevant application documents onsite. The Bureau will examine and verify the submitted documents.

(3) Receiving business license: After examination, the Bureau will issue the business license to the company.

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

Answer:

The information and documents submitted shall be correct and real.

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

Answer:

The company shall operate within the scope of business described in the business license.

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

Answer:

The company shall operate within the scope of business described in the business license.

If the company acts outside the scope of business license, according to Detailed Rules for the Implementation of the Regulation of the People's Republic of China on the Administration of the Registration of Market Participants,

Article 68 Whoever engages in general business operations without formation registration shall be ordered by the registration authority to take corrective action, with the illegal income confiscated; and if it refuses to take corrective action, it shall be fined not less than 10,000 yuan

nor more than 100,000 yuan, or if the circumstances are serious, be ordered to shut down to cease business in accordance with the law, and be fined not less than 100,000 yuan nor more than 500,000 yuan.

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

Answer:

The business license is the certificate of incorporate.

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

Answer:

Administration Bureau for Industry and Commerce has the authority to revoke the license.

According to Administrative Regulation of the People's Republic of China on the Registration of Market Entities, under following circumstances, the license can be revoked:

Article 44 Where any market entity is approved for registration of a market entity by submitting false materials or concealing any important fact by any other fraudulent means, the registration authority shall order it to make corrections, confiscate its illegal gains, and impose a fine of more than 50,000 yuan but less than 200,000 yuan on it; in case of serious circumstances, it shall be subject to a fine of more than 200,000 yuan but less than 1 million yuan, and its business license shall be revoked.

Article 45 Where any market entity that is subject to the system of registration of paid-up registered capital is approved for registration of market entity by falsely declaring its registered capital, the registration authority shall order it to make corrections and impose a fine of more than 5% but less than 15% of the falsely declared registered capital on it; in case of serious circumstances, its business license shall be revoked.

Article 46 Where any market entity fails to go through the formalities for registration of change in accordance with this Regulation, the registration authority shall order it to make corrections; if it refuses to do so, it shall be subject to a fine of more than 10,000 yuan but less than 100,000 yuan; in case of serious circumstances, its business license shall be revoked.

Article 48 Where any market entity forges, alters, leases, lends or transfers its business license, the registration authority shall confiscate its illegal gains and impose a fine of less than 100,000 yuan on it; in case of serious circumstances, a fine of more than 100,000 yuan but less than 500,000 yuan shall be imposed on it, and its business license shall be revoked.

H-4 Decision-making, planning and reporting

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

Answer:

[CONFIDENTIAL]

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and governance structure. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

Government of China does not involve in the decision-making process.

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

Answer:

None of government departments/offices are involved, either directly or indirectly, in manufacture, sale or purchase of the goods.

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

Answer:

Except tax report, LB Group does not submit any other reports to the Government of China periodically.

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

Answer:

Not applicable. The company are not related to the Five-Year Plans.

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

Answer:

The company does not develop any five-year plans.

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

Answer:

Please refer to Exhibit H-4.7.1 [CONFIDENTIAL] and Exhibit H-4.7.2 [CONFIDENTIAL].

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and governance structure. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

Not applicable.

H-5 Financial and investment activities

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

Answer:

Not applicable.

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

Answer:

Please refer to **Exhibit E-1.2 [CONFIDENTIAL]** for the interest rate.

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and financial information. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

Please refer to **Exhibit E-1.2 [CONFIDENTIAL]** for the interest rate.

[CONFIDENTIAL]

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and financial information. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

Not applicable.

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

Answer:

No, LB Group does not have policies on how cash reserves are to be invested.

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

Answer:

No, LB Group has not invested in either government or non-government debt securities.

H-6 Government policy on the industry

1. Are there any Government of China opinions, directives, decrees, promulgations, measures, etc. concerning the industry of the goods (including the input industries such as titanium-bearing ore mining industry) that were put in place or operating during the period? If yes, please provide:
 - a. copy of the documentation and a translation in English
 - b. documentation concerning the Government of China or any association of the Government of China's notification of the measures concerning the goods to your company during the period.

Answer:

LB Group is not aware of any such opinions or guidelines.

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

Answer:

LB Group is not aware of any such opinions or guidelines.

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?

Answer:

LB Group does not play any role in the development of government's industrial plans.

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

Answer:

LB Group does not provide information relating to assessments of the implementation of the plan, policy, or measure.

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.

Answer:

The government of China has not designated LB Group as “pillar,” “encouraged,” “honourable,” or any other designation

H-7 Taxation

1. Were there any export taxes on the exports of the goods or titanium-bearing ores (e.g. ilmenite, rutile etc.) during the period?

Answer:

There are no export taxes on the exports of the goods or titanium-bearing ores during the period.

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

Answer:

No value-added tax rebate applicable to exports of TiO₂.

3. Have there been any changes to the value-added tax rebate applicable to exports of the goods and titanium-bearing ores in the last 5 years? If yes, provide:
 - a. a detailed chronological history of the value-added tax rebate rates
 - b. products or commodities 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.

Answer:

No value-added tax rebate applicable to exports of TiO₂. The exported sales are treated as domestic sales that involves 13% value-added tax rate.

4. Are you aware of any tax changes being planned that would impact the industry including the titanium-bearing ore mining industry?

Answer:

LB Group is not aware of any tax changes being planned that would impact the industry

H-8 Sales Terms

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

Answer:

[CONFIDENTIAL]

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and sales. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

[CONFIDENTIAL]

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and sales. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

LB Group does not coordinate the selling prices or supply of the goods 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.

Answer:

LB Group does not provide 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.

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

Answer:

LB Group 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.

Answer:

LB Group has not encountered any price guidance or controls established by regional, provincial, or special economic zone officials and/or organisations.

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

Answer:

LB Group has not encountered any other restrictions, limitations, or other considerations imposed on your business.

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

Answer:

LB Group is not aware of this information.

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

Answer:

Not applicable.

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

Answer:

Not applicable.

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

Answer:

[CONFIDENTIAL]

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and sales. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

LB Group does not have production facilities for the goods in more than one region and/or province.

H-9 Industry associations

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

Answer:

LB Group is a member of China National Coatings Industry Association. There is no involvement of the Government of China with the association.

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

Answer:

The membership is voluntary. The association collects, analysis, and publishes economic information, organize technical exchange meetings. The association does not play a role with respect to the directives as provided by the Government of China concerning the industry.

H-10 Statistics submission/recording

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

Answer:

Not applicable.

2. Provide a recent example of a submission that has been made to the Bureau of Statistics and/or any other government organisation. For example, monthly data relating to sales, production and costs.

Answer:

Not applicable.

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

Answer:

Not applicable.

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

Answer:

Not applicable.

H-11 Production/output

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

Answer:

The production is not subject to any national/regional industrial policy or guidance.

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

Answer:

The production is not subject to any national/regional industrial policy or guidance.

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

Answer:

LB Group is not aware of any restrictions to the sales of the goods or steel input.

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

Answer:

Please refer to Exhibit H-11.4 [CONFIDENTIAL].

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and sales. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

LB Group is not aware of any restrictions in relation to the quality or quantity of the production of the goods.

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

Answer:

For each export transaction, the company needs to apply export licence, which describes transaction details. The company provides export licence in the sample Australian sales. Please refer to Exhibit B-3 [CONFIDENTIAL].

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and sales. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

The goods are not subject to any export restrictions or limits during the previous 5 years.

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

Answer:

The production capacity is not changed.

9. Does your business benefit from any concessions, discounts or preferential rates on the purchase of any utility services (e.g. electricity, gas, etc.)? If yes, explain the nature and the amount of the concession or discount. Provide any documents that show the utility (e.g. electricity and gas) tariffs and any concessions/discounts applicable to your company.

Answer:

LB Group does not benefit from any concession on the purchase of any utility services.

[CONFIDENTIAL]

Please refer to Exhibit H-11.9 [CONFIDENTIAL].

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and sales. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

H-12 Adding capacity and/or joint ventures

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

Answer:

There is no such approval process.

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.

Answer:

The government does not have the right to request such modifications.

H-13 Raw materials

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

Answer:

There are suppliers related to LB Group. Please refer to Table G-7.4 [CONFIDENTIAL].

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and sales. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

Please refer to Table G-7.4 [CONFIDENTIAL].

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and production. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

Not applicable. The suppliers are based in China.

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

Answer:

Please refer to Table G-7.4 [CONFIDENTIAL] for purchase price.

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and production. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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.

Answer:

LB Group negotiates with supplies transaction by transaction. The purchase price is 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.

Answer:

LB Group has not 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.

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

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

Answer:

LB Group does not import raw materials.

8. Do you, or a business associated with you, sell any of the raw materials used to manufacture the goods and/or like goods, or sell the semi-processed goods?
 - a. Please provide a description of the raw material or semi-processed goods which are sold, including whether they are domestic or export transactions, to related or unrelated parties, and how the selling price is determined.
 - b. If there is a difference in selling prices between related and unrelated parties, please provide reasons as to why.
 - c. Explain whether there are any restrictions or taxes applicable to exports of raw materials such as titanium-bearing ores (e.g. ilmenite, rutile etc) and other materials such as sulfuric acid.

Answer:

[CONFIDENTIAL]

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and production. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

H-14 Waste disposal

1. Identify all waste and waste products (including chemical) that are generated in the titanium dioxide production process.

Answer:

The waste includes waste gas, waste water and solid waste.

2. Describe how your company treats and disposes and/or recycles the waste generated as part of the production process.

Answer:

The wastes are uniformly treated in factory to meet environmental protection requirements. Then most are discharged. And some wates are sold to other company. The income is recorded in the account other business income.

3. Explain the legal obligations or requirements imposed on your company in treating and disposing waste generated as part of the production process. Identify any associated permits and licences issued by the Government of China.

Answer:

The government issues Pollutant Discharge Permit to the company.

4. Describe and list all waste disposal fees and costs that are charged to your company and identify any concessions or discounts that your company is eligible for in respect of waste disposal.

Answer:

There are no such concessions or discounts.

H-15 Government benefits

1. Did your company or your associated / related suppliers receive any subsidies, including financial grants, preferential tax rates or tax concessions, loan guarantees and loans at preferential (below-market) interest rates and reduction in land use fees, from any level of government in China during the investigation period? If yes, please provide a list of all subsidies or benefits received during the period of investigation, including the value of the benefit received, and identify the purpose of each subsidy or benefit received.

Answer:

Please refer to Exhibit H-15 [CONFIDENTIAL].

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and financial information. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

SECTION J DOMESTIC MARKET

J-1 Prevailing conditions of competition in the domestic market

1. Describe the domestic market for the goods and the prevailing conditions of competition within the market, including:
 - (a) Provide an overall description of the domestic market which explains its main characteristics and trends over the past five years

Answer:

The domestic market over past five years remains stable.

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

Answer:

[CONFIDENTIAL]

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and sales. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

[CONFIDENTIAL]

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and sales. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

- (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

Answer:

The price and quality of the products influence the consumption in the domestic market.

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

Answer:

LB Group is not aware of any market segmentations in the domestic market.

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

Answer:

LB Group is not aware of any market segmentations in the domestic market.

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

Answer:

LB Group is not aware of the way in which domestically produced goods and imported goods compete in the domestic market.

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

Answer:

The goods are sold in the market price. The company negotiates the selling price with customers.

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

Answer:

LB Group is not aware of any other factors that are relevant to characteristics or influences on the domestic market for the goods.

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

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

Answer:

[CONFIDENTIAL]

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and sales. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

LB Group is not aware of the significant market participants in the domestic market.

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

Answer:

LB Group is not aware of the significant importers in the domestic market.

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

Answer:

Please refer to **Exhibit J-1.5 National Standards.**

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

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

Answer:

The new participants shall apply the business license to start business operation and production.

LB Group is not aware of any other entry restrictions for new participants into the domestic market for the goods.

J-2 Goods in the domestic market

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

Answer:

Please refer to **Table D-2 [CONFIDENTIAL]**. The company has provided the domestic sales information of each product.

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and sales. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

Please refer to **Table D-2 [CONFIDENTIAL]**. The company has provided the end uses of the goods in the domestic market.

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and sales. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

The price and quality are key factors to influence purchasing decision.

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

Answer:

There is not any commercially significant market substitute in the domestic market for the goods.

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

Answer:

There is no change in market or consumer preferences in the domestic market for the goods in the last five years.

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

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

Answer:

[CONFIDENTIAL]

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and sales. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

In responding to question 1 please provide evidence supporting calculations.

Answer:

The company does not distinguish difference for profit.

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

Answer:

LB Group is not the price leader. LB Group does not know the price leader in the domestic market.

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

Answer:

LB Group determines the price on the basis of cost of production and reasonable profit.

[CONFIDENTIAL]

Please refer to Exhibit J-3.3 [CONFIDENTIAL].

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and sales. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

LB Group determines the price on the basis of cost of production and reasonable profit. LB Group negotiates with customers and finalizes the selling price.

[CONFIDENTIAL]

Please refer to Exhibit J-3.3 [CONFIDENTIAL].

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and sales. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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.

Answer:

LB Group negotiates with customers and finalizes the selling price transaction by transaction.

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

- Competitors' prices
- Purchase price of raw materials
- Cost to make and sell the goods
- Level of inventory
- Value of the order
- Volume of the order
- Value of forward orders
- Volume of forward orders
- Customer relationship management
- Supplier relationship management
- Desired profit
- Brand attributes

- Other [please define what this factor is in your response]

Answer:

[CONFIDENTIAL]

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and sales. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

The selling price is determined on the basis of cost to make and sell in the domestic market. The company maintains a desired profit margin for the goods.

8. Do you set prices having regard to a published or publicly available price index or benchmark?

Answer:

No.

9. 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.

Answer:

The company does not offer price reductions in the domestic market.

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

Answer:

The company does not offer bundled pricing in the domestic market.

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

Answer:

The volume of sales to a customer or the size of an order is not the main factor to influence the selling price in the domestic market.

12. 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?

Answer:

The domestic sales are contracted sales.

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

Answer:

The company does not offer exclusivity contracts.

- (c) How frequently are sales contracts renegotiated?

Answer:

Few sales contracts are renegotiated.

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

Answer:

LB Group negotiates with customers and finalizes the selling price transaction by transaction. There are no price reviews.

- (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.

Answer:

There are no price reviews.

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

Answer:

There are no price reviews.

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

Answer:

Please refer to Table D-2 [CONFIDENTIAL] for the domestic customers. Please also refer to Exhibit D-3 [CONFIDENTIAL] for the contracts.

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and sales. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

Not applicable.

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

Answer:

The selling price is determined on the basis of cost to make and sell.

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

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

Answer:

LB Group does not tier or segment domestic customers.

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

Answer:

LB Group does not sell the goods to related entities in the domestic market.

J-4 Marketing and sales support in the domestic market

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

Answer:

The company relies on its high-quality product and reliable goodwill to market the goods.

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

Answer:

LB Group does not conduct brand segmentation in the domestic market.

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

Answer:

The company relies on its high-quality product and reliable goodwill to market the goods.

4. How many people are in your domestic market sales team and where are they located? In general terms, how are they remunerated? If they are offered performance pay based on sales,

describe the performance indicators used to establish the performance pay. Provide copies of internal documents which support your claims in response to this question.

Answer:

[CONFIDENTIAL]

Please refer to Exhibit J-4.4 [CONFIDENTIAL].

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and sales. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

The selling price is determined on the basis of cost to make and sell in the domestic market.

SECTION K AUSTRALIAN MARKET

K-1 Prevailing conditions of competition in the Australian market

1. Describe the Australian market for the goods and the prevailing conditions of competition within the market, including:
 - (a) Provide an overall description of the Australian market for the goods which explains its main characteristics and trends over the past five years

Answer:

The Australian market over past two years remains stable.

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

Answer:

[CONFIDENTIAL]

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and sales. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

[CONFIDENTIAL]

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and sales. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

The price and quality of the products influence the consumption in the Australian market.

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

Answer:

LB Group is not aware of any market segmentations in the Australia market.

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

Answer:

LB Group is not aware of any market segmentations in the Australia market.

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

Answer:

LB Group is not aware of the way in which Australian manufactured and other imported goods compete in the Australian market.

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

Answer:

[CONFIDENTIAL]

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and sales. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

LB Group is not aware of any other factors that are relevant to characteristics or influences on the market for the goods in Australia.

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

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

Answer:

[CONFIDENTIAL]

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and sales. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

LB Group is not aware of the significant market participants in the Australian market.

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

Answer:

LB Group is not aware of the significant importers in the Australian market.

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

Answer:

LB Group is not aware of such information.

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

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

Answer:

LB Group is not aware of any entry restrictions for new participants into the Australian market for the goods.

K-2 Goods in the Australian market

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

Answer:

Please refer to Table B-2 [CONFIDENTIAL]. The company has provided the Australian sales information of each product.

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and sales. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

Please refer to Table B-2 [CONFIDENTIAL]. The company has provided the end uses of the goods in the Australian market.

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and sales. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

The price and quality are key factors to influence purchasing decision.

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

Answer:

There is not any commercially significant market substitute in the domestic market for the goods.

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

Answer:

LB Group is not aware of any commercially significant market complements in the Australian market for the goods.

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

Answer:

There is no change in market or consumer preferences in the Australian market for the goods in the last five years.

K-3 Relationship between price and cost in Australia

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

Answer:

[CONFIDENTIAL]

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and sales. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

In responding to question 1 please provide evidence supporting calculations.

Answer:

The company does not distinguish difference for profit.

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

Answer:

LB Group is not the price leader. LB Group does not know the price leader in the Australian market.

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

Answer:

LB Group determines the price on the basis of cost of production and reasonable profit.

[CONFIDENTIAL]

Please refer to Exhibit J-3.3 [CONFIDENTIAL].

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and sales. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

LB Group determines the price on the basis of cost of production and reasonable profit. LB Group negotiates with customers and finalizes the selling price.

[CONFIDENTIAL]

Please refer to Exhibit J-3.3 [CONFIDENTIAL].

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and sales. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

LB Group negotiates with customers and finalizes the selling price transaction by transaction.

6. Rank the following factors in terms of their influence on your pricing decisions in the Australian market, with the most important factor ranked first and the least important factor ranked last:
- Competitors' prices
 - Purchase price of raw materials
 - Cost to make and sell the goods
 - Level of inventory
 - Value of the order
 - Volume of the order

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

Answer:

[CONFIDENTIAL]

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and sales. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

7. Describe the relationship between selling price and costs to make and sell in the Australian market. Does your company maintain a desired profit margin for the goods? If not, does your company seek to maintain a desired profit margin for the goods? Provide copies of internal documents which support your response to this question.

Answer:

The selling price is determined on the basis of cost to make and sell. The company maintains a desired profit margin for the goods.

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

Answer:

The company does not offer price reductions in the Australian market.

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

Answer:

The company does not offer bundled pricing in the Australian market.

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

Answer:

The volume of sales to a customer or the size of an order is not the main factor to influence the selling price in the Australian market.

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

The Australian sales are contracted sales.

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

Answer:

The company does not offer exclusivity contracts.

- (c) How frequently are sales contracts renegotiated?

Answer:

Few sales contracts are renegotiated.

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

Answer:

LB Group negotiates with customer and finalizes the selling price transaction by transaction. There are no price reviews.

- (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.

Answer:

There are no price reviews.

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

Answer:

There are no price reviews.

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

Answer:

Please refer to Table B-2 [CONFIDENTIAL] for the Australian customers. Please also refer to Exhibit B-3 [CONFIDENTIAL] for the contracts.

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and sales. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

No applicable. LB Group does not use price lists.

13. How do you differentiate pricing for different products/models of the goods in the Australian market? Describe how your products are grouped for price differentiation and the methodology used. Describe any cost to make or selling cost differences between differentiated products.

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

Answer:

The selling price is determined on the basis of cost to make and sell.

[CONFIDENTIAL]

Please refer to Exhibit J-3.3 [CONFIDENTIAL].

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and sales. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

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

Answer:

LB Group does not tier or segment Australian customer.

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

Answer:

LB Group does not sell the goods to related entities in the Australian market.

K-4 Marketing and sales support in the Australian market

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

Answer:

The company relies on its high-quality product and reliable goodwill to market the goods.

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

Answer:

LB Group does not conduct brand segmentation in the Australian market.

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

Answer:

LB Group does not conduct brand segmentation in the Australian market.

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

Answer:

[CONFIDENTIAL]

Please refer to Exhibit J-4.4 [CONFIDENTIAL].

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and sales. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

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

Answer:

The selling price is determined on the basis of cost to make and sell.

[CONFIDENTIAL]

Please refer to Exhibit J-3.3 [CONFIDENTIAL].

The company wishes to keep all the information in this exhibit confidential as it sets out the company's management and sales. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.

EXPORTER'S DECLARATION

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

Name :.....

Signature :.....

Position in

Company :.....

Date :.....

APPENDIX

GLOSSARY OF TERMS

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

Adjustments

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

Examples of adjustments that may be made include: *sales occurring at different times*

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

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

Arms length

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

Constructed value

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

Cost of production/manufacturing

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

Cost to make and sell

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

Country of origin

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

Date of sale

The commission will normally use the invoice date as recorded in the exporter or producer's records. Another date may be used if this better reflects the material terms of sale. The questionnaire directs attention to matching data sets of domestic and export sales where some other date is used, as well as matching cost information. Note that any date of sale claim, other than the invoice date, that is made after submitting a response to this questionnaire may not provide the commission with sufficient time to assess the claim and may not be considered.

Direct labour cost

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

Dumping

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

Dumping margin

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

Export price

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

Exporting country

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

Factory overheads

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

Goods under consideration (the goods)

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

Incoterms

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

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

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

The period

A period (the investigation period) defined by the commission over which exportations of the goods are examined. The period being examined in this investigation is the period from 1 January 2025 to 31 December 2025.

Like goods

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

Normal value

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

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

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

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

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

Ordinary course of trade

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

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

Unprofitable sales are to be taken to have occurred in substantial quantities during an extended period where the unprofitable sales amount to 20% or more of the total volume of sales of the goods by the exporter over the period. An extended period of time is usually taken to be a period not less than 12 months. Where unprofitable sales are rejected, normal value is based upon remaining profitable sales provided they occur in sufficient number. Where all sales have been made at a loss, or profitable sales are insufficient, the normal value may be constructed from costs to make and sell.

Selling, general and administration expenses (SG&A)

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

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

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

EXPORTER'S DECLARATION

I hereby declare that **LB Group Co., Ltd.**

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

Name : Wu Pengsen

Signature :





Position in

Company : General Manager

Date : May 30, 2026