Australian Government

Australian Customs and Border Protection Service

PUBLIC FILE 132

International Trade Remedies Branch

EXPORTER QUESTIONNAIRE - CHINA

PRODUCT CONCERNED:	HSS FROM THE PEOPLE'S REPUBLIC OF CHINA, THE REPUBLIC OF KOREA, MALAYSIA, TAIWAN AND THE KINGDOM OF THAILAND
INVESTIGATION PERIOD:	1 JULY 2010 TO 30 JUNE 2011
RESPONSE DUE BY:	2 NOVEMBER 2011
ADDRESS FOR RESPONSE:	International Trade Remedies Branch Australian Customs and Border Protection Service 5 Constitution Avenue Canberra act 2601 Australia Attention: Director Operations 3
CASE MANAGER:	Ms Andrea Stone
TELEPHONE:	+61-2-6275-6173
FAX:	+61-2-6275-6990
EMAIL:	tmops3@customs.gov.au

Please note that a non-confidential version of the reply to this questionnaire must also be provided.

PUBLIC
FILE
131

TABLE OF CONTENTS

Table of contents 2
Abbreviations 3
Glossary of Terms 4
Background and General Instructions 12
Section A - Company structure and operations 20
Section B - Sales to Australia (export price) 27
Section C – Exported Goods & Like goods 33
Section D - Domestic sales 34
Section E - Fair comparison 38
Section F - Export sales to countries other than Australia 47
Section G - Costing information and constructed value 48
Section H – ParticuLar Market Situation 54
Section I – Countervailing 64
Section J – Exporter/Producer's declaration 74
Section K - Checklist 75

PUBLIC
FILE
130

ABBREVIATIONS

the Act	the *Customs Act 1901*
China	the People's Republic of China
CISA	China Iron and Steel Association
CTMS	cost to make and sell
Customs and Border Protection	the Australian Customs and Border Protection Service
EPZ	Export Processing Zones
FIE*	foreign invested enterprise
GOC*	Government of China
the goods	the goods the subject of the application (HSS)
HRC	hot-rolled coil
HRS	hot-rolled steel (both HRC and narrow strip collectively)
HSS	certain hollow structural sections
the investigation period	1 July 2010 to 30 June 2011
Korea	the Republic of Korea
OneSteel ATM	OneSteel Australian Tube Mills Pty Ltd
SASAC	the State-owned Assets Supervision and Administration Commission of the State Council
SEZ*	special economic zone
SOE*	state-owned enterprise
Thailand	the Kingdom of Thailand

*Refer to this questionnaire's Glossary of Terms for a definition.

PUBLIC
FILE
129

GLOSSARY OF TERMS

Throughout this questionnaire, there are certain words and terminology used that require some clarification. The following are their definitions for purposes of this investigation.

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; servicing/warranty; inland freight; warehousing; export charges; credit terms; duty drawback; commissions.

Adjustments may also be required where the normal value is based upon 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.

Associated Companies

Persons shall be deemed to be associates of each other if, and only if:

(a) both being natural persons:

(i) they are connected by a blood relationship or by marriage or by adoption; or
(ii) one of them is an officer or director of a body corporate controlled, directly or indirectly, by the other;

(b) both being bodies corporate:

(i) both of them are controlled, directly or indirectly, by a third person (whether or not a body corporate); or
(ii) both of them together control, directly or indirectly, a third body corporate; or
(iii) the same person (whether or not a body corporate) is in a position to cast, or control the casting of, 5% or more of the maximum number of votes that might be cast at a general meeting of each of them; or

(c) one of them, being a body corporate, is, directly or indirectly, controlled by the other (whether or not a body corporate); or

PUBLIC
FILE
128

(d) one of them, being a natural person, is an employee, officer or director of the other (whether or not a body corporate); or

(e) they are members of the same partnership.

Benefit

As further defined in relation to the definition of the term 'subsidy' below, 'benefit' may include:

- a direct transfer of funds;
- the acceptance of liabilities (e.g debts or other liabilities), whether actual or potential, of your enterprise;
- the forgoing, or non-collection, of revenue (other than an allowable exemption or remission) that was otherwise due (e.g. reduced rate of income tax, waiving certain other taxes);
- the provision of goods or services otherwise than in the course of providing normal infrastructure; or
- the purchase of goods

by the Government of China (GOC) (at any level), a public body of the GOC, or a private body entrusted by the GOC to carry out GOC functions.

Constructed value

In cases where domestic prices paid for the GUC in the country of export cannot be used for the determination of normal value, ie. 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 GUC 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 (CTMS)

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

Customs and Border Protection 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.

PUBLIC
FILE
127

Direct labour cost

Direct labour is categorised as a variable cost, ie. 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.

Enterprise

"Enterprise" includes a group of enterprises, an industry and/or a group of industries.

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 eg. power, supplies, indirect labour and fixed costs eg. factory rent, factory insurance, factory depreciation etc.

Foreign Invested Enterprise (FIE)

An FIE may be:

1. Chinese-foreign equity joint venture:

Joint venture between a Chinese company, enterprise, or other business organisation and a foreign company, enterprise, business organisation or individual set up in the form of a Chinese limited liability company.

The characteristics of a Chinese-foreign equity joint venture are joint investment, joint operation, and the participants share profits, risks and losses in proportion to their respective contributions to the registered capital of the joint venture.

The proportion of the investment by the foreign party is no less than 25% in the registered capital of equity joint venture.

2. Chinese-foreign contractual joint venture:

PUBLIC
FILE
126

A joint venture established between foreign enterprises and other economic organisations or individuals, and Chinese enterprises or other economic organisations within the territory of China. The rights and obligations of each party are determined in accordance with the agreement specified in the contractual joint venture contract. The investment or conditions for cooperation contributed by the Chinese and foreign parties may be provided in cash or in kind, or may include the right to the use of land, industrial property rights, non-patent technology or other property rights.

3. Wholly foreign owned enterprises:

A wholly foreign owned enterprise is established by foreign enterprises and other economic organisations or by individuals pursuant to the Chinese laws within the territory of China. All of the wholly foreign owned enterprise's capital is invested by foreign investors. It may also be referred to as a Foreign Enterprise (FE).

Goods under consideration (GUC)

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 and Border Protection 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 customers disposal)

PUBLIC
FILE
125

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)

Investigation period

A period defined by Customs and Border Protection over which importations of the goods are examined.

Like goods

Like goods are goods sold on the domestic market of the country of export (or to a third country) that are identical in all respects to the GUC or that, although not alike in all respects have characteristics closely resembling those of the GUC. 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 upon all costs to make and sell the goods. Profit may also be included if the sales on the domestic market are profitable. 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, Customs and Border Protection 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.

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.

PUBLIC
FILE
124

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.

Particular market situation

Refers to a situation within the domestic market of exported goods that renders sales within that market of those goods unsuitable for determining normal values under s.269TAC(1) of the Act.

Program(s)

The term "program", as used throughout this questionnaire in reference to alleged subsidies, refers to broad categories of subsidies that Customs and Border Protection has reason to believe may be available to exporters of the goods.

In this regard, the term "program" as used in this questionnaire should not be taken to necessarily refer to formal programs maintained by the GOC, nor should it be taken to refer to one specific subsidy. Rather, "program" as used in this questionnaire can refer to informal subsidies provided by the GOC, and can also refer to multiple individual, albeit similar, subsidies.

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.

Special Economic Zone (SEZ)

Refers to a Special Economic Area, Economic and Technical Development Zone, Bonded Zone, Export Processing Zone, High Technology Industrial Development Zone, or any other designated area where benefits from the GOC (including central, provincial, municipal or county government) accrue to a company because of being located in such an area.

State Owned Enterprises (SOE)

PUBLIC
FILE
123

For the purposes of this questionnaire, SOE refers to any company or enterprise that is wholly or partially owned by the GOC as defined above (either through direct ownership or through association).

In previous investigations and correspondence, the GOC has advised that the use of the term 'SOE' is declining in China, and that these enterprises are now referred to with terms such as:

- 'enterprises with state investment'
- 'state-owned assets'
- 'state-invested enterprises'
- 'enterprises under the supervision of SASAC'

of which there are several types.

For the purposes of this questionnaire, SOE refers to any and all of the above types of enterprises.

Subsidy

In relation to goods that are exported to Australia, means:

(a) a financial contribution:

(1) by a government of the country or export or country of origin of those goods; or
(2) by a public body of that country or of which government is a member; or
(3) by a private body entrusted or directed by that government or public body to carry out a governmental function;

that is made in connection with the production, manufacture or export of those goods and that involves:

(4) a direct transfer of funds from that government or body to the enterprise by whom the goods are produced, manufactured or exported; or
(5) a direct transfer of funds from that government or body to that enterprise contingent upon particular circumstances occurring; or
(6) the acceptance of liabilities, whether actual or potential, of that enterprise by that government body; or
(7) the forgoing, or non-collection, of revenue (other than an allowable exemption or remission) due to that government or body by that enterprise; or
(8) the provision by that government or body of goods or services to that enterprise otherwise than in the course of providing normal infrastructure; or
(9) the purchase by that government or body of goods provided by that enterprise; or

(b) any form of income or price support as referred to in Article XVI of the General Agreement Tariffs and Trade 1994, that is received from such a government or body;

PUBLIC
FILE
122

if that financial contribution or income or price support confers a benefit in relation to those goods.

PUBLIC
FILE
121

BACKGROUND AND GENERAL INSTRUCTIONS

1. BACKGROUND

Following an application by OneSteel Australian Tub Mills Pty Ltd (OneSteel ATM), an Australian industry member, the Australian Customs and Border Protection Service (Customs and Border Protection and Border Protection) has initiated:

- an investigation into allegations that certain hollow structural sections (HSS) from the People's Republic of China (China), the Republic of Korea (Korea), Malaysia, Taiwan and the Kingdom of Thailand (Thailand) have been exported to Australia at dumped prices, and because of that dumping, material injury has been caused to an Australian industry producing like goods; and
- an investigation into allegations that countervailable subsidies have been received in respect of HSS exported from China to Australia, and because of that subsidisation, material injury has been caused to an Australian industry producing like goods.

The abovementioned dumping investigation involves allegations that there is a situation within both the domestic Chinese and Thai HSS markets that renders sales within those markets unsuitable for determining normal values under s.269TAC(1) of the *Customs Act 1901* (the Act) (i.e. that a 'particular market situation' exists in these markets).

A notice advising initiation of the investigation and review was published in *The Australian* on 19 September 2011. Australian Customs and Border Protection Dumping Notice (ACDN) No. 2011/43 outlining the details of the investigation, and the procedures to be followed during the investigation can be accessed on Customs and Border Protection website at www.customs.gov.au.

2. THE GOODS UNDER CONSIDERATION (GUC)

Description

The goods under consideration (GUC of 'the goods') are:

> Certain electric resistance welded pipe and tube made of carbon steel, comprising circular and non-circular hollow sections in galvanised and non-galvanised finishes. The goods are normally referred to as either CHS (circular hollow sections) or RHS (rectangular or square hollow sections). The goods are collectively referred to as HSS (hollow structural sections). Finish types for the goods include in-line galvanised (ILG), pre-galvanised, hot-dipped galvanised (HDG) and non-galvanised HSS.
>
> Sizes of the goods are, for circular products, those exceeding 21mm up to and including 165.1mm in outside diameter and, for oval, square and rectangular products those with a perimeter up to and including 1277.3mm. Categories of HSS excluded from the goods are conveyor tube; precision RHS with a nominal thickness of less than 1.6mm and air heater tubes to Australian Standard (AS) 2556.

The application includes the following information to clarify the nature of the GUC.

PUBLIC
FILE
120

Finishes

All HSS regardless of finish is included in the application. Finish types for the goods include in-line galvanised (ILG), pre-galvanised, hot-dipped galvanised (HDG) and non-galvanised HSS. Non-galvanised HSS is typically of painted, black, lacquered or oiled finished coatings.

CHS with other than plain ends (such as threaded, swaged and shouldered) are also included in the application.

Standards

HSS is generally produced to either the British Standard BS 1387 or the Australian Standard AS 1163 or international equivalent standards (including ASTM/JIS and KS). HSS can also be categorised according to minimum yield strength. The most common classifications are 250 and 350 mega Pascals (MPa).

HSS may also be referred to as extra-light, light, medium or extra heavy according to its wall thickness.

Excluded goods

The following categories are excluded from the GUC:

- conveyor tube (made for high speed idler rolls on conveyor systems, with inner and outer fin protrusions removed by scarfing (not exceeding 0.1 mm on outer surface and 0.25 mm on inner surface), and out of round standards (i.e. ovality) which do not exceed 0.6 mm in order to maintain vibration free rotation and minimum wind noise during operation);
- precision RHS with a nominal thickness of less than 1.6mm (is not used in structural applications); and
- air heater tubes to AS 2556.

Tariff classification

The application stated that the GUC are classified to the following tariff subheadings:

- 7306.30.00 (statistical codes 31, 32, 33, 34, 35, 36 and 37)
- 7306.61.00 (statistical codes 21, 22 and 23)
- 7306.69.00 (statistical codes 26, 27 and 28)

The GUC exported to Australia from Korea and Taiwan are subject to a 5% rate of duty.

For China and Malaysia the GUC exported to Australia are subject to a 4% rate of duty.

The GUC exported to Australia from Thailand using Thailand Free Trade Agreement are free from duty as of 1 January 2010.

There are numerous Tariff Concession Orders applicable to the relevant tariff subheadings.

3. INVESTIGATION PERIOD

PUBLIC
FILE
119

The existence and amount of any subsidy and/or dumping in relation to HSS exported to Australia from China will be determined on the basis of an investigation period from 1 July 2010 to 30 June 2011 (hereinafter referred to as 'the investigation period').

In order to permit the allocation of certain types of subsidy to the investigation period, information relating to earlier periods is also requested in certain sections below.

Customs and Border Protection will examine details of the Australian market from 1 July 2007 for injury analysis purposes.

4. WHY YOU HAVE BEEN ASKED TO FILL OUT THIS QUESTIONNAIRE?

Either; the application, an importer of HSS or data contained within Customs and Border Protection's commercial database has identified you as a potential exporter of HSS to Australia during the investigation period.

Consequently, Customs and Border Protection has forwarded you this questionnaire and the associated spreadsheet '*HSS Exporter Questionnaire – CHINA – accompanying spreadsheet*' to provide you with the opportunity to participate and cooperate with its investigation.

Customs and Border Protection may use information provided by exporters to determine:

- the normal values and export prices of the GUC over the investigation and review periods; and
- whether a countervailable subsidy has been received in respect of the GUC from China.

Customs and Border Protection may use the information you provide to determine whether HSS exported by your company to Australia was dumped and/or subsidised.

You may make separate submissions concerning any other matter relevant to Customs and Border Protection inquiries.

Customs and Border Protection investigation will be carried out under the provisions of Part XVB of the Act. These provisions reflect the World Trade Organisation (WTO) *Anti-Dumping Agreement* and the *Agreement on Subsidies and Countervailing Measures*.

Please note that the subsidy/countervailing sections of this questionnaire focus on 20 identified programs that Customs and Border Protection is specifically investigating at this stage. However, Customs and Border Protection may also investigate any additional subsidy program(s) that it considers may warrant investigation if additional information comes to light in relation to further programs.

Any additional questions (relating to either the investigation into alleged countervailable subsidies, or a particular market situation in China) will be posed to participating exporters in the form of supplementary questionnaires.

A separate questionnaire has been sent to the GOC. This questionnaire focuses on gathering information from the GOC related to subsidies and market situation.

PUBLIC
FILE
118

5. WHAT HAPPENS IF YOU DO NOT RESPOND TO THIS QUESTIONNAIRE?

You do not have to complete the questionnaire. However, if you do not respond Customs and Border Protection may be required to rely on information supplied by other parties in making its assessments as to whether HSS exported to Australia was dumped and/or subsidised (this may include information supplied by the Australian industry).

If you do not provide all of the information sought, or if you do not allow Customs and Border Protection to verify the information you provide (see below), we may deem that you did not cooperate with the investigation.

It is Customs and Border Protection's objective to arrive at a recommendation to the Minister based on a full knowledge of all relevant facts. This can only be achieved if exporters cooperate. Customs and Border Protection considers that your interests would be best served by fully completing the questionnaire.

6. IF YOU DECIDE TO RESPOND

Should you choose provide a response to this questionnaire, please note the following.

Confidential and non-confidential versions

If you choose to respond to this questionnaire, you are required to lodge a confidential and a non-confidential version of your submission by the due date (due date is specified on front cover).

In submitting these versions, please ensure that each *page* of the information you provide is clearly marked either "**IN-CONFIDENCE**" or "**NON-CONFIDENTIAL**" in the header and footer.

All information provided to Customs and Border Protection in confidence will be treated accordingly. The non-confidential version of your submission will be placed on the public record, which all interested parties can access.

Your non-confidential submission must contain sufficient detail to allow a reasonable understanding of the substance of the confidential version. If, for some reason, you cannot produce a non-confidential summary, contact the investigation Case Manager (see contact details on page 1 of this questionnaire).

The non-confidential version of your submission will be placed on the public record. The public record is available to all interested parties who may comment on the material on the public record. Other interested parties have the opportunity to comment on issues you have raised.

It is not expected that the non-confidential version of your submission would include commercially sensitive information. However it must contain sufficient detail to allow a reasonable understanding of the substance of the confidential version. If, for some reason, you cannot produce a non-confidential version, please contact the investigation Case Manager.

You can access the public record electronically online at http://adpr.customs.gov.au/Customs/.

PUBLIC
FILE
117

Declaration

You are required to make a declaration that the information contained in your submitted questionnaire is complete and correct. You must return the signed declaration of an authorised official at Section J of this questionnaire with your response.

Consultants/parties acting on your behalf

If you intend to have another party acting on your behalf please advise Customs and Border Protection of the relevant details.

Customs and Border Protection will generally require written authorisation from exporters and manufacturers for any party acting on its behalf.

7. DUE DATE FOR RESPONSE

Manufacturers and exporters are requested to respond to this questionnaire and return it to Customs and Border Protection within the time specified on the cover.

There is a statutory time limit imposed for the investigation. Customs and Border Protection may not be able to consider submissions received after the due date if to do so would prevent meeting the statutory reporting requirements.

Customs and Border Protection would encourage you to make contact with the Case Manager (see contact details on front cover) if you need any assistance in completing the questionnaire.

If you intend to lodge a submission but cannot do so by the due date please advise the Case Manger as soon as possible.

In considering whether or not to grant an extension of time, regard is had to the following:

a) difficulties in translation of documentation, including the exporter questionnaire;
b) availability of key staff;
c) public holidays; or
d) any circumstance outside the company's control.

Customs and Border Protection may consider granting a small extension of time for lodgement of your submission if you provide a sufficient reason as outlined above.

You may lodge your response by mailing it to the address for lodgement shown on the front cover of this questionnaire, with data requested in electronic format on an included CD-ROM (see point 11. below).

Alternatively you are welcome to lodge your response by email. The email address for lodgement is shown on the front cover of this questionnaire. If you lodge by email you are still required to provide a confidential and a non-confidential version of your submission by the due date.

PUBLIC
FILE
116

8. VERIFICATION OF THE INFORMATION THAT YOU SUPPLY

After you have submitted the questionnaire and Customs and Border Protection is satisfied that the information you have provided is sufficiently complete and warrants verification, Customs and Border Protection may seek to visit your company to verify the information provided.

Once the information you have provided is verified, Customs and Border Protection can rely on that information in forming its conclusions in relation to the inquiry.

Verification visits may take several days.

During this verification, we will seek to examine in detail your company's records in respect of the goods and will ask for copies of documents relating to the manufacture and sale of the goods. You will need to ensure that any supplementary material such as spreadsheets, calculations etc that you used to prepare or compile your response are available. We will need to consult with your staff, particularly your financial controller (or accountant) and your domestic and export sales people. We may also need to see your factory, in which case we will need to consult with your operational managers.

After gathering the information we will prepare a report of the visit.

We will provide you with a draft of the report and then respond to any questions that you may want to ask. We will also ask you to assist in the preparation of a non-confidential copy of the report for the public record.

9. OUTLINE OF INFORMATION REQUIRED BY THIS QUESTIONNAIRE

Section A	General information relating to your company including financial reports.
Section B	A complete list of your company's exports to Australia over the investigation period.
Section C	A list of goods sold on the domestic market of the country of export (like goods) that may be compared to the GUC.
Section D	A detailed list of all of your company's sales of like goods in your domestic market.
Section E	Information to allow a fair comparison between export and domestic prices.
Section F	Information in relation to your company's exports of like goods to countries other than Australia. This may be particularly relevant if you have not exported to Australia in significant volumes in more recent times.
Section G	Costs to make and sell, for exports to Australia and for the domestic market.
Section H	Particular market situation
Section I	Countervailing
Section J	Your declaration
Section K	Submission checklist

PUBLIC
FILE
115

10. GENERAL INSTRUCTIONS FOR PREPARING YOUR RESPONSE

- When answering the questionnaire please carefully read all instructions. Customs and Border Protection requires a response to *all* sections of this questionnaire. Please provide an explanation if a question is not relevant to your situation.
- All documents and source material submitted in response to this questionnaire, including financial statements, must be translated into English.
- Answer questions in the order presented in the questionnaire. Please ensure that information submitted conforms to the requested format and is clearly labelled. Please repeat the question to which you are responding and place your answer below it.
- Identify source documents and advise where they are kept. During on-site verification you should be prepared to substantiate all the information you have submitted. Every part of the response should be traceable to company documents that are used in the ordinary course of business.
- You should retain all work sheets used in answering the questionnaire, in particular those linking the information supplied with management and accounting records. This will help to verify the information.
- Clearly identify all units of measurement and currencies used. Apply the same measurement consistently throughout your response to the questionnaire.

11. INSTRUCTIONS ON PROVIDING ELECTRONIC DATA

- It is important that, where requested, information is submitted in electronic format on a CD-ROM.
- Alternatively electronic data can be submitted directly by email to the email address shown on the front cover of this questionnaire.
- The data must be created as spreadsheet files, preferably in Microsoft Excel 2007 or 2003, or alternatively in an Excel compatible format (for example, Excel can normally access data in Dbase or as an ASCII file).
- The Excel files must be compatible to the USA version.
- If you cannot present electronic data in the requested format contact the investigation Case Manager as soon as possible.
- Responses to questions should be as accurate and complete as possible, and attach all relevant supporting documents, even where not specifically requested in this questionnaire.

Please note that answers such as: "Not Applicable" or an answer that only refers to an exhibit or an attachment may not be considered by Customs and Border Protection to be adequate. We therefore suggest that in answering the questions you outline the key elements of your response in the primary submission document, rather than merely pointing to supporting documents of varying degrees of relevance and reliability as your answer.

12. FURTHER INFORMATION

Before you respond to the questionnaire you should read all the documentation that we have included with this questionnaire, including:

- the booklet *Australia's Anti-Dumping and Countervailing Administration*;
- Australian Customs Dumping Notice 2011/43 notifying the initiation of the investigation; and

PUBLIC
FILE
114

- the Glossary of Terms within this questionnaire.

It is also recommended that you access and read the non-confidential version of OneSteel ATM's application, which is available online on the Electronic Public Record (http://adpr.customs.gov.au/Customs/)

If you require further assistance, or you are having difficulties completing your submission, please contact the investigation Case Manager.

Please note that Customs and Border Protection may send you a supplementary questionnaire if it needs to clarify matters provided by you in response to this questionnaire or to seek new information.

PUBLIC
FILE
113

SECTION A - COMPANY STRUCTURE AND OPERATIONS

This section requests information relating to company details and financial reports.

A-1 IDENTITY AND COMMUNICATION

Please nominate a person within your company who can be contacted for the purposes of this investigation:

Head office:

Name: Edwards Fang
Position in the company: Financial Controller
Address: 477 Victoria St. Wetherill Park, NSW 2164
Telephone: +61 2 9612 2877
Facsimile number: +61 2 9756 1838
E-mail address of contact person:edwards.fang@williamenterprisegroup.com

Factory:

Address: 10 Tongfa Rd, Wanggingtuo Town, Wuqing District, Tianjin China
Telephone: +86 22 2952 5020
Facsimile number: +86 22 2952 5130
E-mail address of contact person:edwards.fang@williamenterprisegroup.com

A-2 REPRESENTATIVE OF THE COMPANY FOR THE PURPOSE OF INVESTIGATION

If you wish to appoint a representative to assist you in this investigation, provide the following details:

Name: Edwards Fang
Organisation: William Enterprise Group Pty Ltd
Position: Financial Controller
Address: 477 Victoria St. Wetherill Park, NSW 2164
Telephone: +61 2 9612 2877
Facsimile/Telex number: +61 2 9756 1838
E-mail address of contact person: edwards.fang@williamenterprisegroup.com

Note that in nominating a representative, Customs and Border Protection will assume that confidential material relating to your company in this investigation may be freely released to, or discussed with, that representative.

A-3 COMPANY INFORMATION

1. What is the legal name of your business? What kind of entity is it (eg. company, partnership, sole trader)? Please provide details of any other business names that you use to export and/or sell goods.

Answer:

Business name: Tianjin Jinshengde Steel Tube Product Co Ltd
Kind of Entity: Company
Other business names: Not applicable

PUBLIC
FILE
112

2. Who are the owners and/or principal shareholders? Provide details of shareholding percentages for joint owners and/or principal shareholders. (List all shareholders 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:
   Owners: Individual A
   Shareholding percentage: 60%

   Owners: Individual B
   Shareholding percentage: 20%

   Owners: Individual C
   Shareholding percentage: 20%

3. If your company is a subsidiary of another company list the principal shareholders of that company.

   Answer: Not applicable, as the company is not a subsidiary of any other company

4. If your parent company is a subsidiary of another company, list the principal shareholders of that company.

   Answer: Not applicable, as the company has not parent company

5. Provide a diagram showing all associated or affiliated companies and your company's place within that corporate structure.

   Answer: Not applicable, as the company has not associated or affiliated companies

6. Are any management fees/corporate allocations charged to your company by your parent or related company.

   Answer: Not applicable, as the company has not parent or related company and paid no management fees

7. Describe the nature of your company's business. Explain whether you are a producer or manufacturer, distributor, trading company, etc.

   Answer: The company purchases raw materials such as steel bands, produces and sells steel pipes self-manufactured to both domestic and overseas customers

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

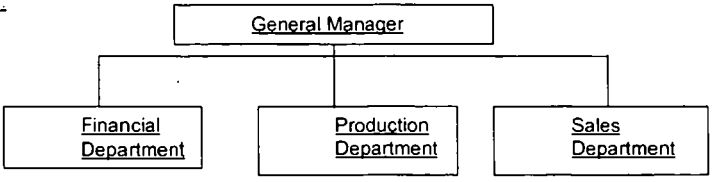
   - produce or manufacture
   - sell in the domestic market
   - export to Australia, and
   - export to countries other than Australia.

   Answer: The company performed the listed functions by itself, but it does not export to countries other than Australia at all, because it has not customers in the countries other than Australia at all during the investigation period

PUBLIC
FILE
111

9. Provide your company's internal organisation chart. Describe the functions performed by each group within the organisation.

Answer:



Functions performed:
General Manager: Overall supervision of the whole company
Financial department: Accounting, cash flow management, etc
Production Department: Production, quality control, costing information reporting
Sales department: (domestic and overseas) Sales, coordinating with export market

10. Provide a list of your business' Board of Directors, Managing Director (or CEO) and Senior Executives.

Answer:

General Manager: Individual A, and we did not set positions like Board Director, Managing Director or Senior Executive

11. Provide a copy of your most recent annual report together with any relevant brochures or pamphlets on your business activities.

Answer: the company does not prepare annual report, and for financial information, please find it in other parts of the questionnaire. For brochures, they will be posted to your office later

12. Are any of your company's operations in a Special Economic Area, Economic and Technical Development Zone, Bonded Zone, Export Processing Zone, High Technology Industrial Development Zone, the Western Regions, or any other similarly designated area?

Answer: no operation of this company belongs to any of the above nominated area/zone or any other similar designated area

13. If your answer to question A-3.12 above is 'yes':

- advise if any benefits (e.g. grants, reduced liabilities on commercial interest rates, etc) from the GOC (including central, provincial, municipal, county or any other level of government) accrue to your company because of being located in such an area;
- please explain the nature of the operations, identify the specific zone(s) [or other area(s)] and provide a brief overview of all of the benefits of operating within the specified zone(s) or area(s).

Answer: Not applicable

PUBLIC
FILE
110

14. Provide details of all transactions between your company and all related parties. For example:

- Suppling/selling completed or partially completed products.
- Suppling/selling raw materials.
- Performing management functions (including any financial functions).
- Processing (including toll processing) of any raw materials, intermediary or completed products.
- Trading in products/materials supplied by related parties.

Answer: Not applicable, as the Company has no related party

A-4 GENERAL ACCOUNTING/ADMINISTRATION INFORMATION

1. Indicate your accounting period. 1 January ~ 31 December

2. Indicate the address where the financial records are held. No 10, Tongfa Road, Wangqingtuo Town, Tianjin, China

3. Provide the following financial documents for the two most recently completed financial years plus all subsequent monthly, quarterly or half yearly statements:

- chart of accounts;

- Assets:
- Current Assets
- Cash & Bank
- Accounts receivable
- Other receivables
- Inventory
- Fixed assets
- Fixed assets – original cost
- Fixed assets – accumulated depreciation
-
- Liabilities:
- Current liabilities
- Short-term loan
- Accounts payable
- Payroll payable
- Welfare payable
- Non-current liabilities
-
- Equity
- Paid-up capital
- Retained earnings
-
- Sales
- Cost of sales
- General & Administrative expenses
- Financial expenses
- Other operating expenses
  Profit/Loss of the current year

PUBLIC FILE 109

- audited consolidated and unconsolidated financial statements (including all footnotes and the auditor's opinion);

  Answer: The company is not required to and did not have its financial statements audited

- internal financial statements, income statements (profit and loss reports), or management accounts, that are prepared and maintained in the normal course of business for the goods under investigation.

  Answer: Please refer to the attached spreadsheet

These documents should relate to:

- the division or section/s of your business responsible for the production and sale of the goods under investigation, and
- the company overall.

4. If you are not required to have the accounts audited, provide the unaudited financial statements for the two most recently completed financial years, together with your relevant taxation returns. Any subsequent monthly, quarterly or half yearly statements should also be provided.

   Answer: Please refer to the attached spreadsheet

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

   Answer: There does not exist material deviation of accounting policies compared the company's with the accepted one

6. Describe:

   The significant accounting policies that govern your system of accounting, in particular:

   - the method of valuation for raw material, work-in-process, and finished goods inventories (eg last in first out –LIFO, first in first out- FIFO, weighted average);
     Answer: the company adopts weighted average valuation method
   - costing methods, including the method (eg by tonnes, units, revenue, direct costs etc) of allocating costs shared with other goods or processes (such as front office cost, infrastructure cost etc);
     Answer: production cost is allocated by tonnes between products, front office and infrastructure cost is recorded as 'general & administrative expenses', so that it is not allocated among products
   - valuation methods for damaged or sub-standard goods generated at the various stages of production;
     Answer: damaged or sub-standard goods' cost are set according to the market price, that means the sales margins for those goods remain as breakeven
   - valuation methods for scrap, by products, or joint products;
     Answer: crap, by products or joint products are set according to the market price, that means the sales margins for those goods remain as breakeven

PUBLIC
FILE
108

- valuation and revaluation methods for fixed assets;
  Original cost of fixed assets are recorded by purchase cost; depreciation is calculated and accrued by straight line-approach. Annual review is done at the end of every year to evaluate whether provision need to be accrued
- average useful life for each class of production equipment and depreciation method and rate used for each;
  Answer: average useful life of production equipment is 10 years, and the rate used for the production equipment is 9.5% per year
- treatment of foreign exchange gains and losses arising from transactions;
  Answers: exchange gains and losses are recorded as financial expenses (of profit and loss statement)
- treatment of foreign exchange gains/losses arising from the translation of balance sheet items;
  Answers: exchange gains and losses are recorded as financial expenses (of profit and loss statement)
- inclusion of general expenses and/or interest;
  Answers: general expenses and interest are recorded as 'general & administrative expenses' and 'financial expense respectively'
- provisions for bad or doubtful debts, and treatment thereof in your accounts;
  Answer: balance of receivables are reviewed monthly for recognizing doubtful debts. Bad debt expenses are recognised and receivables are written off when sufficient evidence of the collectability is collected and recognised by general manager
- expenses for idle equipment and/or plant shut-downs;
  Answer: Not applicable as the company never experience such problem
- costs of plant closure;
  Answer: Not applicable as the company never experience such problem
- restructuring costs;
  Answer: Not applicable as the company never experience such problem
- by-products and scrap materials resulting from your company's production process; and
  Answer: crap, by products or joint products are set according to the market price, that means the sales margins for those goods remain as breakeven
- effects of inflation on financial statement information.
  Answer: the company adopts no special treatment for inflation, as China's GAAP (Generally Accepted Accounting Principle) does not require the companies in China to do it, and China is not experiencing vicious inflation

7. In the event that any of the accounting methods used by your company have changed over the last two years provide an explanation of the changes, the date of change, and the reasons for it.
   Answer: the company did not change accounting methods over the past two years

A-5 INCOME STATEMENT

PUBLIC
FILE
107

Complete the spreadsheet entitled '**Income statement**' within the *HSS Exporter Questionnaire – CHINA – accompanying spreadsheet* provided alongside this questionnaire.

Answer: Finished, please refer to the attached spreadsheet

Provide the completed spreadsheet in electronic format on CD-ROM (or via email) with your response. If formulas are used to calculate the field within this sheet, please ensure they remain included in the submitted version.

Explain how costs have been allocated between all products and the GUC within these calculations.

Answer: raw materials are allocated according the usage for all products/GUC; overhead are allocated according to reasonable proportion between self-made and procured products first and then allocated to all products/GUS according to sales quantity and value; and for selling, administrative and financial expenses, they are allocated according to sales amount for respective category

This information will be used to verify the completeness of cost data that you provide in Section G. If, because of your company's structure, the allocations would not be helpful in this process, please explain why this is the case.

Note: if your financial information does not permit you to present information in accordance with this table please present the information in a form that closely matches the table.

A-6 SALES

Complete the spreadsheet entitled '**Turnover**' within the *HSS Exporter Questionnaire – CHINA – accompanying spreadsheet* provided alongside this questionnaire.

Answer: Finished

Provide the completed spreadsheet in electronic format on CD-ROM (or via email) with your response. If formulas are used to calculate the field within this sheet, please ensure they remain included in the submitted version.

In completing the sheet, use the currency in which your accounts are kept.

This information will be used to verify the cost allocations to the GUC in Section G.

Also, you should be prepared to demonstrate that sales data shown for the goods is a complete record by linking total sales of these goods to relevant financial statements.

PUBLIC
FILE
106

SECTION B - SALES TO AUSTRALIA (EXPORT PRICE)

This section requests information concerning your export practices and prices to Australia. You should include costs incurred beyond ex-factory.

Export prices are usually assessed at FOB point, but Customs and Border Protection may also compare prices at another level (e.g. ex factory).

You should report prices of ***all GUC shipped to Australia during the investigation period.***

The invoice date will normally be taken to be the date of sale. If you consider:

- *the sale date is not the invoice date (see 'date of sale' column explanation in question B4 below) and;*
- *an alternative date should be used when comparing export and domestic prices*

you ***must*** *provide information in section D on domestic selling prices for a matching period - even if doing so means that such domestic sales data predates the commencement of the investigation period.*

B-1 For each customer in Australia to whom you shipped goods in the investigation period list:

- name; Australian Customer A
- address;
- contact name and phone/fax number where known;
- trade level (for example: distributor, wholesaler, retailer, end user, original equipment). Retailer

- name; Australian Customer B
- address;
- contact name and phone/fax number where known;
- trade level (for example: distributor, wholesaler, retailer, end user, original equipment). Distributor

- name; Australian Customer C
- address; Melboune
- contact name and phone/fax number where known; and
- trade level (for example: distributor, wholesaler, retailer, end user, original equipment). Retailer

- name; Australian Customer D
- address;
- contact name and phone/fax number where known; and
- trade level (for example: distributor, wholesaler, retailer, end user, original equipment). Distributor

- name; Australian Customer E
- address;
- contact name and phone/fax number where known; and
- trade level (for example: distributor, wholesaler, retailer, end user, original equipment). Retailer

PUBLIC
FILE
105

B-2 For each customer identified in B1 please provide the following information.

(a) Describe how the goods are sent to each customer in Australia, including a diagram if required.

Mill → (cartage) → Tianjin (China) port → (shipment) → Singapore/Ningbo (China)/Foshan (China)/Hong Kong (China SAR) port → (shipment) → Sydney/Melbourne/Perth port → Customers

(b) Identify each party in the distribution chain and describe the functions performed by them. Where commissions are paid indicate whether it is a pre or post exportation expense having regard to the date of sale.

Custom agent in exporter's country: booking container spaces, transporting goods from factory to port, custom clearance. Commission are paid by exporter every month end

Shipping company: marine transportation

Custom agent in importer's country: communication with shipping companies and custom clearance. Commission to shipping company and custom agent in importer's country are paid by customers when they receive the goods. Commission to shipping company is paid by customer to custom agent in advance and the latter paid that to the shipping company on the customers' behalf

Cartage company: transporting goods from Australian ports to the customers. Commission is paid by customers when they receive the goods

(c) Explain who retains ownership of the goods at each stage of the distribution chain. In the case of delivered duty paid (DDP) sales, explain who retains ownership when the goods enter Australia.

The transfer of ownership is recognized according to international trade regulations without exemptions. For example, the ownership of FOB deals transfers from seller to buyer when the goods cross the shipboard, etc. For DDP, when goods enter Australia, the buyer retains the ownership

(d) Describe any agency or distributor agreements or other contracts entered into in relation to the Australian market (supply copy of the agreement if possible).

We don't have agency or distributor agreements because we just export our goods to Australia customers and did not contract with any company about resale or distribution in the Australian market

(e) Explain in detail the process by which you negotiate price, receive orders, deliver, invoice and receive payment. If export prices are based on price lists supply copies of those lists.

PUBLIC
FILE
104

The prices are negotiated with customers through emails or phones, the orders are received by emails or faxes, the invoices are issued by emails (proforma copies) and with goods together (formal copies). The payment are made by T/T (telegraphic transfer). We do not have price lists

(f) State whether your firm is related to any of its Australian customers. Give details of any financial or other arrangements (eg free goods, rebates, or promotional subsidies) with the customers in Australia (including parties representing either your firm or the customers).

We do not have relationship with the above customers. We do not have abovementioned arrangements with the above customers

(g) Details of the forward orders of the GUC (include quantities, values and scheduled shipping dates).

All the goods under consideration (GUC), we do not have special treatment with non-GUC

B-3 Do your export selling prices vary according to the distribution channel identified? If so, provide details. Real differences in trade levels are characterised by consistent and distinct differences in functions and prices.

We do not differentiate price according to distribution channel

B-4 Complete the spreadsheet entitled '**Australian sales**' within the *HSS Exporter Questionnaire – CHINA – accompanying spreadsheet* provided alongside this questionnaire.

Answer: Please see the tab named "Australian Sales-GUC' which includes the information needed by self-tailored format

This spreadsheet is to list **all** shipments (i.e. transaction by transaction) to Australia **of the GUC** (do not include non-GUC items) in the investigation period.

Provide the completed spreadsheet in electronic format on CD-ROM (or via email) with your response. If formulas are used to calculate the field within this sheet, please ensure they remain included in the submitted version.

The below table provides information as to what is meant by each column heading within the spreadsheet.

Column heading	**Explanation**
Customer name	names of your customers
Level of trade	the level of trade of your customers in Australia
Model/grade/type	commercial model/grade or type
Product code	code used in your records for the model/grade/type identified. Explain the product codes in your submission.
Finish	identify the finish of the HSS sold
Invoice number	invoice number
Invoice date	invoice date

PUBLIC
FILE
103

Date of sale	refer to the explanation at the beginning of this section. If you consider that a date *other than* the invoice date best establishes the material terms of sale, report that date. For example, order confirmation, contract, or purchase order date.
Order number	if applicable, show order confirmation, contract or purchase order number if you have shown a date other than invoice date as being the date of sale.
Shipping terms	Delivery terms eg. CIF, C&F, FOB, DDP (in accordance with Incoterms)
Payment terms	agreed payment terms eg. 60 days=60 etc
Quantity	Quantity in units shown on the invoice. Show basis eg kg.
Gross invoice value	gross invoice value shown on invoice *in the currency of sale, excluding taxes.*
Discounts	if applicable, the amount of any discount deducted on the invoice on each transaction. If a % discount applies show that % discount applying in another column.
Rebates	The amount of any deferred rebates or allowances paid to the importer in the currency of sale.
Other charges	any other charges, or price reductions, that affect the net invoice value. Insert additional columns and provide a description.
Invoice currency	the currency used on the invoice
Exchange rate	Indicate the exchange rate used to convert the currency of the sale to the currency used in your accounting system
Net invoice value	the net invoice value expressed in your domestic currency as it is entered in your accounting system
Other discounts	The actual amount of discounts not deducted from the invoice. Show a separate column for each type of discount.
Ocean freight**	the actual amount of ocean freight incurred on each export shipment listed.
Marine insurance	Amount of marine insurance
FOB export price**	the free on board price at the port of shipment.
Packing*	Packing expenses
Inland transportation costs*	inland transportation costs included in the selling price. For export sales this is the inland freight from factory to port in the country of export.
Handling, loading & ancillary expenses*	handling, loading & ancillary expenses. For example, terminal handling, export inspection, wharfage & other port charges, container tax, document fees & customs brokers fees, clearance fees, bank charges, letter of credit fees, & other ancillary charges incurred in the exporting country.
Warranty & guarantee expenses*	warranty & guarantee expenses
Technical assistance & other services*	expenses for after sale services, such as technical assistance or installation costs.

PUBLIC
FILE
102

Commissions*	Commissions paid. If more than one type is paid insert additional columns of data. Indicate in your response to question B2 whether the commission is a pre or post exportation expense having regard to the date of sale.
Other factors*	**any other** costs, charges or expenses incurred in relation to the exports to Australia (include additional columns as required). See question B5.

Notes

** FOB export price and Ocean Freight:

FOB export price: An FOB export price must be calculated for each shipment - regardless of the shipping terms. FOB price includes inland transportation to the port of exportation, inland insurance, handling, and loading charges. It excludes post exportation expenses such as ocean freight and insurance. Use a formula to show the method of the calculation on each line of the export sales spreadsheet.

Ocean freight: as ocean freight is a significant cost it is important that the actual amount of ocean freight incurred on each exportation be reported. If estimates must be made you must explain the reasons and set out the basis - estimates must reflect changes in freight rates over the investigation period.

Freight allocations must be checked for consistency.

All of these costs are further explained in section E-1.

B-5 If there are any other costs, charges or expenses incurred in respect of the exports listed above which have not been identified in the table above, add a column within the 'Australian sales' spreadsheet (see "other factors" in question B-4) for each item, and provide a description of each item. For example, other selling expenses (direct or indirect) incurred in relation to the export sales to Australia.

We did not make such accurate statistics to allocate the export expense on every product included in every export invoice. However, we could supply the overall allocation of exporting expenses in an appropriate place of the questionnaire

B-6 For each type of discount, rebate, or allowance offered on export sales to Australia:

- provide a description; and
- explain the terms and conditions that must be met by the importer to obtain the discount.

Where the amounts of these discounts, rebates etc are not identified on the sales invoice, explain how you calculated the amount shown in your response to question B4. If they vary by customer or level provide an explanation.

We do not have any type of discount, rebate and allowances offered on export sales to Australia, and all the selling prices are determined according then cost and margin pursuit

PUBLIC
FILE
101

B-7 If you have issued credit notes (directly or indirectly) to the customers in Australia, in relation to the invoices listed in the detailed transaction by transaction listing in response to question B4, provide details of each credit note if the credited amount has **not** been reported as a discount or rebate.

We did not issue credit notes during the transaction history with Australian customers

B-8 If the delivery terms make you responsible for arrival of the goods at an agreed point within Australia (eg. delivered duty paid), insert additional columns in the spreadsheet for all other costs incurred. For example:

Import duties	Amount of import duty paid in Australia
Inland transport	Amount of inland transportation expenses within Australia included in the selling price
Other costs	Customs and Border Protection brokers, port and other costs incurred (itemise)

Not applicable, as the delivery terms did not make us responsible for arrival of the goods at an agreed point with Australia

B-9 Select two shipments, in different quarters of the investigation period, and provide a complete set of all of the documentation related to the export sale. For example:

- the importer's purchase order, order confirmation, and contract of sale;
- commercial invoice;
- bill of lading, export permit;
- freight invoices in relation to movement of the goods from factory to Australia, including inland freight contract;
- marine insurance expenses; and
- letter of credit, and bank documentation, proving payment.

Customs and Border Protection will select additional shipments for payment verification at the time of the visit.

Please check the email post to you for the above infomation

PUBLIC FILE 100

SECTION C – EXPORTED GOODS & LIKE GOODS

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

Please refer to the spreadsheet, named 'Australian Sales-All'. We have listed all export sales during the investigation period'

C-2 List each model/type of the good exported to Australia (these models should cover all models listed in spreadsheet "**Australian Sales**" – See section B of this questionnaire).

Please refer to the spreadsheet, named 'Australian Sales-All'. We have listed all export sales during the investigation period'

C-3 If you sell like goods on the domestic market, for each model/type that your company has exported to Australia during the investigation period, list the most comparable model(s) sold domestically and provide a detailed explanation of the differences where those goods sold domestically (ie. the like goods – see explanation in glossary) are not identical to the goods exported to Australia.

This should be done by completing the spreadsheet entitled '**Like goods**' within the *HSS Exporter Questionnaire – CHINA – accompanying spreadsheet* provided alongside this questionnaire, detailing as follows:

Please refer to the spreadsheet named 'domestic sales-GUC'. We have listed all GUC domestically sold. And please refer to the spreadsheet named 'domestic sales', we have listed all goods domestically sold.

EXPORTED MODEL	DOMESTIC MODEL	IDENTICAL?	DIFFERENCES
Product code of each model of the goods exported to Australia	Product code of comparable model sold on the domestic market of the country of export	If goods are identical indicate "YES". Otherwise "NO"	Where the good exported to Australia is not identical to the like goods, describe the specification differences. If it is impractical to detail specification differences in this table refer to documents which outline differences

C-4 Please provide any technical and illustrative material that may be helpful in identifying or classifying the goods that your company sells on the domestic market.

Please find the spreadsheets

PUBLIC
FILE
99

SECTION D - DOMESTIC SALES

This section seeks information about the sales arrangements and prices in the domestic market of the country of export.

All domestic sales ***of like goods to the GUC*** *made during the investigation period must be listed transaction by transaction. If there is an extraordinarily large volume of sales data and you are unable to provide the complete listing electronically you* ***must*** *contact the Case Manager* ***before*** *completing the questionnaire.*

If the Case Manager agrees that it is not possible to obtain a complete listing he or she will consider a method for sampling that meets Customs and Border Protection requirements. If agreement cannot be reached as to the appropriate method Customs and Border Protection may not visit your company.

Customs and Border Protection will normally take the invoice date as being the date of sale in order to determine which sales fall within the investigation period.

If, in response to question B4 (Sales to Australia, Export Price), you have reported that the date of sale is not the invoice date and you consider that this alternative date should be used when comparing domestic and export prices you ***must*** *provide information on domestic selling prices for a matching period - even if doing so means that such domestic sales data predates the commencement of the investigation period.*

If you do not have any domestic sales of like goods you must contact the Case Manager who will explain the information Customs and Border Protection requires for determining a normal value using alternative methods.

D-1 Provide:

- a detailed description of your distribution channels to domestic customers, including a diagram if appropriate;

  We usually sell products to a trading company in Beijing targeting domestic market, while we sell to other retailers. So we do not have a complicated distribution channels to explain

- information concerning the functions/activities performed by each party in the distribution chain; and

  The trading company in Beijing has arm length business relationship with us, and we do not have sophisticated self-managed distribution channels to sell our products in domestic market

- a copy of any agency or distributor agreements, or contracts entered into.

  N/A

If any of the customers listed are associated with your business, provide details of that association. Describe the effect, if any, that association has upon the price. N/A

D-2 Do your domestic selling prices vary according to the distribution channel identified? If so, provide details. Real differences in trade levels are characterised by consistent and distinct differences in functions and prices.

PUBLIC FILE 98

The pricing is purely decided by then market situation and particular costing and margin analysis. So the selling prices do not vary according to the distribution channel as we do not have sophisticatedly established channels

D-3 Explain in detail the sales process, including:

- the way in which you set the price, receive orders, make delivery, invoice and finally receive payment; and the terms of the sales; and
- whether price includes the cost of delivery to customer.

We discuss and set prices with customers by telephone or fax. Then we receive orders through emails or fax. We the orders are agreed by both parties, we collect 30% of deposit and arrange the production. We the production is finished, we will call customers to pick up their goods with cash or bank check. We deliver the goods out with invoices together. Most domestic sales are on C.O.D (cash on delivery basis) and the delivery expenses are burdened by the customers

If sales are in accordance with price lists, provide copies of the price lists.

D-4 Complete the spreadsheet entitled '**Domestic sales**' within the *HSS Exporter Questionnaire – CHINA – accompanying spreadsheet* provided alongside this questionnaire.

Please find the attached spreadsheet in the attachments

This spreadsheet is to list **all domestic sales of like goods** (i.e. transaction by transaction) in the investigation period (do not include non-GUC items).

Provide the completed spreadsheet in electronic format on CD-ROM (or via email) with your response. If formulas are used to calculate the field within this sheet, please ensure they remain included in the submitted version.

The below table provides information as to what is meant by each column heading within the spreadsheet.

Column Heading	**Explanation.**
Customer name	names of your customers. If an English version of the name is not easily produced from your automated systems show a customer code number and in a separate table list each code and name.
Level of trade	the level of trade of your domestic customer
Model/grade/type	commercial model/grade or type
Product code	code used in your records for the model/grade/type identified. Explain the product codes in your submission.
Finish	The finish of the HSS
Invoice number	invoice number
Invoice date	invoice date
Date of sale	refer to the explanation at the beginning of this section. If you consider that a date *other than* the invoice date best establishes the material terms of sale and should be used, report that date. For example, order confirmation, contract, or purchase

PUBLIC FILE 97

	order date.
Order number	show order confirmation, contract or purchase order number if you have shown a date other than invoice date as being the date of sale.
Delivery terms	eg ex factory, free on truck, delivered into store
Payment terms	payment terms agreed with the customer eg. 60 days=60 etc
Quantity	quantity in units shown on the invoice eg kg.
Gross Invoice value	gross value shown on invoice *in the currency of sale*, net of taxes.
Discounts	the amount of any discount deducted on the invoice on each transaction. If a % discount applies show that % discount applying in another column.
Rebates	The amount of any deferred rebates or allowances paid to the importer in the currency of sale.
Net invoice value	the net invoice value expressed in your domestic currency as recorded in your accounting system
Other discounts	The actual amount of discounts not deducted from the invoice. Show a separate column for each type of discount.
Packing*	packing expenses
Inland transportation Costs*	amount of inland transportation costs included in the selling price.
Handling, loading And ancillary Expenses*	handling, loading & ancillary expenses.
Warranty & Guarantee expenses*	warranty & guarantee expenses
Technical assistance & other services*	expenses for after sale services such as technical assistance or installation costs.
Commissions*	commissions paid. If more than one type is paid insert additional columns of data.
Other factors*	**any other** costs, charges or expenses incurred in relation to the domestic sales (include additional columns as required). See question D5.

Notes
Costs marked with * are explained in section E-2.

D-5 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-4 above add a column for each item (see "other factors"). For example, certain other selling expenses incurred.

We will disclose the expense allocation in an appropriate place of the completed questionnaire

D-6 For each type of commission, discount, rebate, allowance offered on domestic sales of like goods:

- provide a description; and

PUBLIC
FILE
96

- explain the terms and conditions that must be met by the customer to qualify for payment.

Where the amounts of these discounts, rebates etc are not identified on the sales invoice, explain how you calculated the amounts shown in your response to question D4.

If you have issued credit notes, directly or indirectly to the customers, provide details if the credited amount has **not** been reported as a discount or rebate.

N/A as we do not have the commission, discount, rebate and allowance and credit notes

D-7 Select two domestic sales, in different quarters of the investigation period, that are at the same level of trade as the export sales.

Provide a complete set of documentation for those two sales. Include, for example:

- purchase order
- order acceptance
- commercial invoice
- discounts or rebates applicable
- credit/debit notes
- long or short term contract of sale
- inland freight contract
- bank documentation showing proof of payment

Customs and Border Protection will select additional sales for verification at the time of our visit.

Please check the electronic attachments

PUBLIC
FILE
95

SECTION E - FAIR COMPARISON

Section B sought information about the export prices to Australia and Section D sought information about prices on your domestic market for like goods (ie. the normal value).

Where the normal value and the export price are not comparable adjustments may be made. This section informs you of the fair comparison principle and asks you to quantify the amount of any adjustment.

As prices are being compared, the purpose of the adjustments is to eliminate factors that have unequally modified the prices to be compared.

To be able to quantify the level of any adjustment it will usually be necessary to examine cost differences between sales in different markets. Customs and Border Protection must be satisfied that those costs are likely to have influenced price. In practice, this means that the expense item for which an adjustment is claimed should have a close nexus to the sale. For example, the cost is incurred because of the sale, or because the cost is related to the sale terms and conditions.

Conversely, where there is not a direct relationship between the expense item and the sale a greater burden is placed upon the claimant to demonstrate that prices have been affected, or are likely to have been affected, by the expense item. In the absence of such evidence Customs and Border Protection may disallow the adjustment.

Where possible, the adjustment should be based upon actual costs incurred when making the relevant sales. However, if such specific expense information is unavailable cost allocations may be considered. In this case, the party making the adjustment claim must demonstrate that the allocation method reasonably estimates costs incurred.

A party seeking an adjustment has the obligation to substantiate the claim by relevant evidence that would allow a full analysis of the circumstances, and the accounting data, relating to the claim.

The investigation must be completed within strict time limits therefore you must supply information concerning claims for adjustments in a timely manner. Where an exporter has knowledge of the material substantiating an adjustment claim that material is to be available at the time of the verification visit. Customs and Border Protection will not consider new claims made after the verification visit.

E-1 COSTS ASSOCIATED WITH EXPORT SALES

(These cost adjustments will relate to your responses made at question B-4, '**Australian Sales**')

1. Transportation

Explain how you have quantified the amount of inland transportation associated with the export sale (**"Inland transportation costs**"). Identify the general ledger account where the expense is located. If the amount has been determined from contractual arrangements, not from an account item, provide details and evidence of payment.

<u>We do not burden the inland transportation costs in almost export transactions</u>

PUBLIC
FILE
94

2. **Handling, loading and ancillary expenses**

List all charges that are included in the export price and explain how they have been quantified (**"Handling, loading & ancillary expenses"**). Identify the general ledger account where the expenses are located. If the amounts have been determined using actual observations, not from a relevant account item, provide details.

We include all the expenses related to export in 'Selling expenses', the sub-categories include 'port expenses' 'insurance expenses' 'international freight expenses' and 'others'. However, we did not allocate them by transaction in the B4 spreadsheet

The various export related ancillary costs are identified in the table at question B4, for example:

- terminal handling;
- wharfage and other port charges;
- container taxes;
- document fees and customs brokers fees;
- clearance fees;
- bank charges, letter of credit fees
- other ancillary charges.

3. **Credit**

The cost of extending credit on export sales is not included in the amounts quantified at question B4. However, Customs and Border Protection will examine whether a credit adjustment is warranted and determine the amount. Provide applicable interest rates over each month of the investigation period. Explain the nature of the interest rates most applicable to these export sales eg, short term borrowing in the currency concerned.

We did not extend credit term regarding the export transactions during the investigation period. Interest rates or other related factors does not matter therefore

If your accounts receivable shows that the average number of collection days differs from the payment terms shown in the sales listing, *and if* export prices are influenced by this longer or shorter period, calculate the average number of collection days. See also item 4 in section E-2 below.

Not applicable because the collection days are accordance with the credit term

4. **Packing costs**

List material and labour costs associated with packing the export product. Describe how the packing method differs from sales on the domestic market, for each model. Report the amount in the listing in the column headed '**Packing**'.

We do not summarize the packing expenses separately. Rather, we put the packaging materials in expenses and do not allocate labour of packaging to cost

PUBLIC
FILE
93

5. Commissions

For any commissions paid in relation to the export sales to Australia:

- provide a description; and
- explain the terms and conditions that must be met.

Report the amount in the sales listing in question B-4 under the column headed **"Commissions".** Identify the general ledger account where the expense is located.

Not applicable as we do not offer commission to any party

6. Warranties, guarantees, and after sales services

List the costs incurred. Show relevant sales contracts. Show how you calculated the expenses (**"Warranty & guarantee expenses"** and **"Technical assistance & other services"**), including the basis of any allocations. Include a record of expenses incurred. Technical services include costs for the service, repair, or consultation. Where these expenses are closely related to the sales in question, an adjustment will be considered. Identify the ledger account where the expense is located.

Not applicable

7. Other factors

There may be other factors for which an adjustment is required if the costs affect price comparability – these are identified in the column headed **"Other factors"**. For example, other variable or fixed selling expenses, including salesmen's salaries, salesmen's travel expenses, advertising and promotion, samples and entertainment expenses. Your consideration of questions asked at Section G, concerning domestic and export costs, would have alerted you to such other factors.

Not applicable

8. Currency conversions

In comparing export and domestic prices a currency conversion is required. Fluctuations in exchange rates can only be taken into account when there has been a 'sustained' movement during the investigation period (see article 2.4.1 of the WTO Agreement). The purpose is to allow exporters 60 days to adjust export prices to reflect 'sustained' movements. Such a claim requires detailed information on exchange movements in your country over a long period that includes the investigation period.

We do not adjust export price, rather we put all the exchange gain/loss into the financial expenses, and we do not allocate that expenses among transactions

E-2 COSTS ASSOCIATED WITH DOMESTIC SALES

(These cost adjustments will relate to your responses made at question D-4, **"domestic sales"**)

The following items are not separately identified in the amounts quantified at question D-4. However you should consider whether any are applicable.

PUBLIC
FILE
92

1. **Physical characteristics**

The adjustment recognises that differences such as quality, chemical composition, structure or design, mean that goods are not identical and the differences can be quantified in order to ensure fair comparison.

The amount of the adjustment shall be based upon the market value of the difference, but where this is not possible the adjustment shall be based upon the difference in cost plus the gross profit mark-up (ie. an amount for selling general and administrative costs (S G & A) plus profit).

The adjustment is based upon actual physical differences in the goods being compared and upon the manufacturing cost data. Identify the physical differences between each model. State the source of your data.

We employed higher quality of raw materials to produce the GUC targeting Australian market, while relatively lower quality for those materials put into the products sold domestically. The differences are in terms of galvanized layer thickness, smoothness, steel quality of black steel band, etc

2. **Import charges and indirect taxes**

If exports to Australia:

- are partially or fully exempt from internal taxes and duties that are borne by the like goods in domestic sales (or on the materials and components physically incorporated in the goods), or
- if such internal taxes and duties have been paid and are later remitted upon exportation to Australia;

the price of like goods must be adjusted downwards by the amount of the taxes and duties.

The taxes and duties include sales, excise, turnover, value added, franchise, stamp, transfer, border, and excise taxes. Direct taxes such as corporate income tax are not included as such taxes do not apply to the transactions.

Adjustment for drawback is not made in every situation where drawback has been received. Where an adjustment for drawback is appropriate you must provide information showing the import duty borne by the domestic sales. (That is, it is not sufficient to show the drawback amount and the export sales quantity to Australia. For example, you may calculate the duty borne on domestic sales by quantifying the total amount of import duty paid and subtracting the duty refunded on exports to all countries. The difference, when divided by the domestic sales volume, is the amount of the adjustment).

In substantiating the drawback claim the following information is required:

- a copy of the relevant statutes/regulations authorising duty exemption or remission, translated into English;
- the amount of the duties and taxes refunded upon *exportation* and an explanation how the amounts were calculated and apportioned to the exported goods;

PUBLIC FILE 41

- an explanation as to how you calculated the amount of duty payable on imported materials is borne by the goods sold *domestically* but is not borne by the exports to Australia;

Export companies of China can enjoy partial refund of VAT (value added tax) after they get approval from tax authorities. From the opening of 2011, the Company applied to be treated in that way, so that export VAT for exported goods are exempted accordingly from that time point

Substitution drawback systems

Annex 3 of the WTO Agreement on Subsidies provides: *"Drawback systems can allow for the refund or drawback of import duties on inputs which are consumed in the production process of another product and where the export of this latter product contains domestic inputs having the same quality and characteristics as those substituted for the imported inputs"*

If such a scheme operates in the country of export please provide **full** details about the operation of the scheme as well as providing the information requested above

Not applicable, because we do not participate any of such scheme

3. Level of trade

Question D-4 asks you to indicate the level of trade to the domestic customer. To claim an adjustment for level of trade differences you will need to quantify the amount by which level of trade influences price.

Trade level is the level a company occupies in the distribution chain. The trade level to which that company in turn sells the goods and the functions carried out distinguish a level of trade. Examples are producer, national distributor, regional distributor, wholesaler, retailer, end user, and original equipment manufacturer.

It may not be possible to compare export prices and domestic prices at the same level of trade. Where relevant sales of like goods at the next level of trade must be used to determine normal values an adjustment for the difference in level of trade may be required where it is shown that the difference affects price comparability.

The information needs to establish that there are real trade level differences, not merely nominal differences. Real trade level differences are characterised by a consistent pattern of price differences between the levels and by a difference in functions performed. If there is no real trade level differences all sales are treated as being at the same level of trade.

A real difference in level of trade (may be adjusted for using either of the following methods:

(a) *costs arising from different functions*: the amount of the costs, expenses etc incurred by the seller in domestic sales of the like goods resulting from activities that would not be performed were the domestic sales made at the same level as that of the importer.

This requires the following information:

- a detailed description of each sales activity performed in selling to your domestic customers (for example sales personnel, travel, advertising, entertainment etc);

PUBLIC FILE 90

- the cost of carrying out these activities in respect of like goods;
- for each activity, whether your firm carries out the same activity when selling to importers in Australia;
- an explanation as to why you consider that you are entitled to a level of trade adjustment.

or

(b) *level discount*: the amount of the discount granted to purchasers who are at the same level of trade as the importer in Australia. This is determined by an examination of price differences between the two levels of trade in the exporter's domestic market, for example sales of like goods by other vendors or sales of the same general category of goods by the exporter. For this method to be used it is important that a clear pattern of pricing be established for the differing trade levels. Such pattern is demonstrated by a general availability of the discounts to the level - isolated instances would not establish a pattern of availability.

Level of trade does not materially affect the selling price to domestic customers. All prices for every specific transaction are determined case by case with reference of then market situation

4. Credit

The cost of extending credit on domestic sales is not included in the amounts quantified at question D-4. However, Customs and Border Protection will examine whether a credit adjustment is warranted and determine the amount. An adjustment for credit is to be made even if funds are not borrowed to finance the accounts receivable.

The interest rate on domestic sales in order of preference is:

- the rate, or average of rates, applying on actual short term borrowing's by the company; or
- the prime interest rate prevailing for commercial loans in the country for credit terms that most closely approximate the credit terms on which the sales were made; or
- such other rate considered appropriate in the circumstances.

Provide the applicable interest rate over each month of the investigation period.

If your accounts receivable shows that the average number of collection days differs from the payment terms shown in the sales listing, and if domestic prices are influenced by this longer or shorter period, calculate the average number of collection days.

Where there is no fixed credit period agreed at the time of sale the period of credit is determined on the facts available. For example, where payment is made using an open account system,[1] the average credit period may be determined as follows:

1. *Calculate an accounts receivable turnover ratio*

[1] Under an open account system, following payment the balance of the amount owing is carried into the next period. Payment amounts may vary from one period to the next, with the result that the amount owing varies.

PUBLIC FILE 89

This ratio equals the total credit sales divided by average accounts receivable. (It is a measure of how many times the average receivables balance is converted into cash during the year).

In calculating the accounts receivable turnover ratio, credit sales should be used in the numerator whenever the amount is available from the financial statements. Otherwise net sales revenue may be used in the numerator.

An average accounts receivable over the year is used in the denominator. This may be calculated by:

- using opening accounts receivable at beginning of period plus closing accounts receivable at end of period divided by 2, or
- total monthly receivables divided by 12.

2. *Calculate the average credit period*

The average credit period equals 365 divided by the accounts receivable turnover ratio determined above at 1.

The resulting average credit period should be tested against randomly selected transactions to support the approximation.

The following items are identified in the amounts quantified at question D-4:

We do not extend credit, we do not employ the sales polices such as commissions, warranties, guarantees, etc. For other selling expenses, our accounting system does not allocate them to products in every selling transactions, rather we record them in expenses account

5. Transportation

Explain how you have quantified the amount of inland transportation associated with the domestic sales (**"Inland transportation Costs"**). Identify the general ledger account where the expense is located. If the amount has been determined from contractual arrangements, not from an account item, provide details and evidence of payment.

We do not burden the inland transportation costs in almost export transactions

6. Handling, loading and ancillary expenses

List all charges that are included in the domestic price and explain how they have been quantified (**"Handling, loading and ancillary Expenses"**). Identify the general ledger account where the expense is located. If the amounts have been determined using actual observations, not from a relevant account item, provide details.

We include all the expenses related to export in 'Selling expenses', the sub-categories include 'port expenses' 'insurance expenses' 'international freight expenses' and 'others'. However, we did not allocate them by transaction in the B4 spreadsheet

PUBLIC FILE 88

7. Packing

List material and labour costs associated with packing the domestically sold product. Describe how the packing method differs from sales on the domestic market, for each model. Report the amount in the listing in the column headed **"Packing"**.

We do not summarize the packing expenses separately. Rather, we put the packaging materials in expenses and do not allocate labour of packaging to cost

8. Commissions

For any commissions paid in relation to the domestic sales:

- provide a description
- explain the terms and conditions that must be met.

Report the amount in the sales listing under the column headed "**Commissions**". Identify the general ledger account where the expense is located.

N/A

9. Warranties, guarantees, and after sales services

List the costs incurred. Show relevant sales contracts. Show how you calculated the expenses (**"Warranty & Guarantee expenses"** and **"Technical assistance & other services"**), including the basis of any allocations. Include a record of expenses incurred. Technical services include costs for the service, repair, or consultation. Where these expenses are closely related to the sales in question, an adjustment will be considered. Identify the ledger account where the expense is located.

N/A

10. Other factors

There may be other factors for which an adjustment is required if the costs affect price comparability – these are identified in the column headed **"Other factors"**. List the factors and show how each has been quantified in per unit terms. For example:

- *inventory carrying cost*: describe how the products are stored prior to sale and show data relating to the average length of time in inventory. Indicate the interest rate used;
- *warehousing expense*: an expense incurred at the distribution point;
- *royalty and patent fees*: describe each payment as a result of production or sale, including the key terms of the agreement;
- *advertising*; and
- *bad debt*.

N/A

PUBLIC
FILE
87

E-3 DUPLICATION

In calculating the amount of the adjustments you must ensure that there is no duplication.

For example:

- adjustments for level of trade, quantity or other discounts may overlap, or
- calculation of the amount of the difference for level of trade may be based upon selling expenses such as salesperson's salaries, promotion expenses, commissions, and travel expenses.

Separate adjustment items must avoid duplication.

An adjustment for quantities may not be granted unless the effect on prices for quantity differences is identified and separated from the effect on prices for level of trade differences.

PUBLIC
FILE
86

SECTION F - EXPORT SALES TO COUNTRIES OTHER THAN AUSTRALIA

Your response to this part of the questionnaire may be used by Customs and Border Protection to select sales to a third country that may be suitable for comparison with exports to Australia.

Sales to third countries may be used as the basis for normal value in certain circumstances. Customs and Border Protection may seek more detailed information on particular third country sales where such sales are likely to be used as the basis for determining normal value.

F-1 Complete the spreadsheet entitled '**Third country sales**' within the *HSS Exporter Questionnaire – CHINA – accompanying spreadsheet* provided alongside this questionnaire.

This spreadsheet is to list **all export sales of like goods** (i.e. transaction by transaction) to countries other than Australia in the investigation period (do not include non-GUC items).

Provide the completed spreadsheet in electronic format on CD-ROM (or via email) with your response. If formulas are used to calculate the field within this sheet, please ensure they remain included in the submitted version.

The below table provides information as to what is meant by each column heading within the spreadsheet.

Column heading	Explanation
Country	Name of the country that you exported like goods to over the investigation period.
Number of customers	The number of different customers that your company has sold like goods to in the third country over the investigation period.
Level of trade	The level of trade that you export like goods to in the third country.
Quantity	Indicate quantity, in units, exported to the third country over the investigation period.
Unit of quantity	Show unit of quantity eg kg
Value of sales	Show net sales value to all customers in third country over the investigation period
Currency	Currency in which you have expressed data in column SALES
Payment terms	Typical payment terms with customer(s) in the country eg. 60 days=60 etc
Shipment terms	Typical shipment terms to customers in the third country eg CIF, FOB, ex-factory, DDP etc.

F-2 Please identify any differences in sales to third countries which may affect their comparison to export sales to Australia.

We did not sell any products to overseas other than Australian market during the investigation period

PUBLIC
FILE
85

SECTION G - COSTING INFORMATION AND CONSTRUCTED VALUE

The information that you supply in response to this section of the questionnaire will be used for various purposes including:

- *testing the profitability of sales of like goods on the domestic market;*
- *determining a constructed normal value of the GUC - ie of the goods exported to Australia; and*
- *making certain adjustments to the normal value.*

You will need to provide the cost of production of both the exported goods (GUC) and for the like goods sold on the domestic market. You will also need to provide the selling, general, and administration costs relating to goods sold on the domestic market; the finance expenses; and any other expenses (eg. non-operating expenses not included elsewhere) associated with the goods.

In your response please include a worksheet showing how the selling, general, and administration expenses; the finance expenses; and any other expenses have been calculated.

If, in response to question B4 (Sales to Australia, Export Price) you:

- *reported that the date of sale is not the invoice date and consider that this alternative date should be used when comparing domestic and export prices, and*
- *provided information on domestic selling prices for a matching period as required in the introduction to Section D (Domestic Sales)*

you must provide cost data over the same period as these sales even if doing so means that such cost data predates the commencement of the investigation period.

At any verification meeting you must be prepared to reconcile the costs shown to the accounting records used to prepare the financial statements.

G-1 PRODUCTION PROCESS AND CAPACITY

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

Please find the production process of steel pipes as attachments. We use some steel pipes to further processes to produce fences. During the process, steel scraps will be generated with very limited quantity

PUBLIC
FILE
84

3. Complete the spreadsheet entitled '**Production**' within the *HSS Exporter Questionnaire – CHINA – accompanying spreadsheet* provided alongside this questionnaire.

   Finished

   Provide the completed spreadsheet in electronic format on CD-ROM (or via email) with your response. If formulas are used to calculate the field within this sheet, please ensure they remain included in the submitted version.

PUBLIC
FILE
83

G-2. COST ACCOUNTING PRACTICES

1. Outline the management accounting system that you maintain and explain how that cost accounting information is reconciled to your audited financial statements.

   Management's accounting system allocate major and auxiliary materials into products and assemble labor, depreciation and other expenses to respective profit & loss accounts without detailed allocation to all the transactions. As we do not have financial statements audited, so there does not exist the necessity of the reconciliation

2. Is your company's cost accounting system based on standard (budgeted) costs? State whether standard costs were used in your responses to this questionnaire. If they were state whether all variances (ie differences between standard and actual production costs) have been allocated to the goods - and describe how those variances have been allocated.

   The company's cost is based on actual costs, so there does not exist any problem about the allocation of variances

3. Provide details of any significant or unusual cost variances that occurred during the investigation period.

   There is no cost variance

4. Describe the profit/cost centres in your company's cost accounting system.

   We have only one profit/cost centres and there is no sub-centers

5. For each profit/cost centre describe in detail the methods that your company normally uses to allocate costs to the GUC. In particular specify how, and over what period, expenses are amortised or depreciated, and how allowances are made for capital expenditures and other development costs.

   We have only one profit/cost centre, costing approaches has been elaborated in previous questions' answers

6. Describe the level of product specificity (models, grades etc) that your company's cost accounting system records production costs.

   The direct (major and auxiliary) materials of products are allocated to every product, while the labour cost, depreciation expenses, etc. are still assembled in the financial statement level only

7. List and explain all production costs incurred by your company which are valued differently for cost accounting purposes than for financial accounting purposes.

   No difference exists

8. State whether your company engaged in any start-up operations in relation to the GUC. Describe in detail the start-up operation giving dates (actual or projected) of each stage of the start-up operation.

   Not applicable

PUBLIC FILE 82

9. State the total cost of the start-up operation and the way that your company has treated the costs of the start-up operation it its accounting records.

Not applicable

G-3 COST TO MAKE AND SELL ON DOMESTIC MARKET

This information is relevant to testing whether domestic sales are in the ordinary course of trade.[2]

1. Complete the spreadsheet entitled '**Domestic CTMS**' within the *HSS Exporter Questionnaire – CHINA – accompanying spreadsheet* provided alongside this questionnaire.

Answer: Finished

Provide the completed spreadsheet in electronic format on CD-ROM (or via email) with your response. If formulas are used to calculate the field within this sheet, please ensure they remain included in the submitted version.

In doing so, provide the actual unit cost to make and sell each model/type (identified in Section C) of the like goods sold on the domestic market.

Provide this cost data for each quarter over the investigation period. If your company calculates costs monthly, provide monthly costs.

Indicate the source of cost information (account numbers etc) and/or methods used to allocate cost to the goods. Provide documentation and worksheets supporting your calculations.

Answer: The material cost and overhead is allocated according to production quantity, while the general expenses (selling, administrative etc.) are allocated by gross sales amount

If you are unable to supply this information in this format, please contact the Case Manager for this investigation at the address shown on the cover of this questionnaire.

Please specify unit of currency. RMB

G-4 COST TO MAKE AND SELL GOODS UNDER CONSIDERATION (GOODS EXPORTED TO AUSTRALIA)

Complete the spreadsheet entitled '**Australian CTMS**' within the *HSS Exporter Questionnaire – CHINA – accompanying spreadsheet* provided alongside this questionnaire.

Answer: Finished

Provide the completed spreadsheet in electronic format on CD-ROM (or via email) with your response. If formulas are used to calculate the field within this sheet, please ensure they remain included in the submitted version.

In doing so, provide the actual unit cost to make and sell each model/type (identified in Section C) of the like goods sold on the domestic market.

[2] Customs and Border Protection applies the tests set out in s.269TAAD of the *Customs Act 1901* to determine whether goods are in ordinary course of trade. These provisions reflect the WTO Anti-Dumping Agreement – see Article 2.2.1.

PUBLIC FILE 8.1

Provide this cost data for each quarter over the investigation period. If your company calculates costs monthly, provide monthly costs.

Indicate the source of cost information (account numbers etc) and/or methods used to allocate cost to the goods. Provide documentation and worksheets supporting your calculations.

Answer: The material cost and overhead is allocated according to production quantity, while the general expenses (selling, administrative etc.) are allocated by gross sales amount

If you are unable to supply this information in this format, please contact the Case Manager for this investigation at the address shown on the cover of this questionnaire.

Please specify unit of currency. RMB

The information is relevant to calculating the normal values based on costs. It is also relevant to calculating certain adjustments to the normal value.

G-5 Where there are cost differences between goods sold to the domestic market and those sold for export, give reasons and supporting evidence for these differences.

We allocate materials and production costs into self-made products according to the weights. We allocated selling, administrative and financial expenses to all self-made and purchased products according to weights

G-6 Give details and an explanation of any significant differences between the costs shown, and the costs as normally determined in accordance with your general accounting system. Reference should be made to any differences arising from movements in inventory levels and variances arising under standard costing methods.

Not applicable

G-7 In calculating the unit cost to make and sell, provide an explanation if the allocation method used (eg number, or weight etc) to determine the unit cost differs from the prior practice of your company.

Not applicable

G-8 List major raw material costs, which individually account for 10% or more of the total production cost.

For these major inputs:

- identify materials sourced in-house and from associated entities;
- identify the supplier; and
- show the basis of valuing the major raw materials in the costs of production you have shown for the goods (eg market prices, transfer prices, or actual cost of production).

Where the major input is produced by an associate of your company Customs and Border Protection will compare your purchase price to a normal market price. If the associate provides information on the cost of production for that input such cost data may also be considered.

PUBLIC
FILE
80

Normal market price is taken to be the price normally available in the market (having regard to market size, whether the input is normally purchased at 'spot prices' or under long term contracts etc).

The term associate is defined in section 269TAA of the Act. Included in that definition are companies controlled by the same parent company (a company that controls 5% or more of the shares of another is taken to be an associated company); companies controlled by the other company; and companies having the same person in the board of directors.

If the major input is purchased or supplied from an integrated production process you should provide detailed information on the full costs of production of that input.

There is only one major raw material for our products, that is steel band. All of that were purchased from non-associated entities, and valued by moving average costing method. The materials are not purchased from an integrated production process

PUBLIC
FILE
79

SECTION H – PARTICULAR MARKET SITUATION

The applicants claim that a 'market situation' exists in respect of HSS from China due to government influence on both the prices of the goods and the major raw material inputs (HRC and/or narrow strip – collectively referred to as hot rolled steel or HRS) used in the manufacture of the goods.

The existence of a 'market situation' could affect Customs and Border Protection's approach to calculating normal value within its duping assessment.

In broad terms, it is generally the case that the normal value of the goods is the price paid for like goods sold for home consumption in the country of export. One of the exceptions to using domestic selling prices for this purpose provides that the domestic selling prices are not an appropriate basis for normal value if the Minister is satisfied that a situation in the market has rendered domestic selling prices unsuitable for establishing normal values (i.e. a 'particular market situation' exists).

One of these situations may be where the domestic selling prices in the country of export have been materially affected by government influence rendering those prices unsuitable for use in establishing normal values.

Through this questionnaire, Customs and Border Protection is providing producers/exporters of the subject goods in China the opportunity to supply evidence that the sector under investigation is operating under market conditions. In examining the matter, Customs and Border Protection will also send questionnaires to the GOC and continue to examine information available from third-party sources.

It may be necessary for Customs and Border Protection to request additional information following receipt and review of your response.

There are three parts to this section:

PART H-1 - Requests information concerning the organisation of your company and the GOC's involvement in the business of your company.

PART H-2 - Requests information concerning the GOC's measures with respect to the steel industry in China.

PART H-3 - Requests information concerning the HSS sector in the region where your company is located.

PART H-1 GENERAL INFORMATION

The information requested in this part will provide an overview of your corporate organisation and the GOC's involvement in your business. In addition to your response to each of the questions, all necessary supporting documentation is requested.

1. Specific questions are asked throughout this questionnaire in relation to the GOC's interaction with your businesses.

However, please generally describe all interaction that your business has with the GOC at all levels, including (but not limited to):

a) reporting requirements;

PUBLIC FILE 78

b) payment of taxes;

c) senior management representation within your business;

d) approval/negotiation of business decisions (e.g. investment decisions, management decisions, pricing decisions, production decisions, sales decisions);

e) licensing;

f) restrictions on land use;

g) provision of loans; or

h) provision of grants, awards or other funds.

2. Business structure, ownership and management

a) Indicate whether your company is an SOE (refer to the Glossary of Terms for definition). No

b) List the Board of Directors and Board of Shareholders of your business and all other entities/businesses your business is related to. Please refer to the previous section of company background for details. The company is an independent company without any related entities or businesses

Indicate the names of common directors and officers between yours and related businesses, where applicable. Not applicable

c) Are any members of your business' (and/or all other entities your business is related to) Board of Directors or Board of Shareholders representatives, employees, or otherwise affiliated with the GOC (at any level, from any agency, party, or otherwise associated entity, including SASAC)? NO

If so, identify the individuals, their role on that Board and their affiliation with the GOC. Not applicable

d) 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 so, identify their name and title and indicate their position at the board level. No representative from the CCP in the Company

e) Are any members of your business' (and/or all other entities your business is related to) Board of Directors or Board of Shareholders appointed, managed or recommended by the GOC? If so, identify the government department(s) they represent. No

f) Indicate who owns what percentage of all shares in your business and identify whether they are: Please refer to the previous section of company background for details of the shareholders and all of them are the employees of this company

- an affiliate, representative, agency or otherwise representative of the GOC;
- employees of your business;
- foreign investors; or

PUBLIC FILE 77

- other (please specify).

g) Provide the details of any significant changes in the ownership structure of your business during the investigation period. Not applicable

h) Identify any positions within your business that are appointments or designated to act on behalf of GOC authorities. Not applicable

i) 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. Not applicable

j) If your business is a publicly-traded company, what are the rules regarding the issuance of shares by your business? Identify any stock exchanges on which your business is listed. Not applicable, the Company is a private company

k) Who has the ability to reward, fire or discipline your business' senior managers? General manager, who is also one of the individual shareholders

l) Do any of your company's senior managers hold positions in any GOC departments or organisations, associations or Chambers of Commerce? If so describe the nature of these positions. No

m) Provide the names and positions of your company's pricing committee. We do not have such a committee

3. Licensing

a) Provide a copy of your business license(s). Please see the attachement

b) Identify the GOC departments or offices responsible for issuing the license(s). The license is issued by State Administration for Industry & Commerce of PRC.

c) Describe the procedures involved in applying for the license(s). Normal procedures regulated by the authority including provide the details of shareholding, shared capital, business category, business scope, location, etc. After that, the licence will be issued within regulated term

d) Describe any requirements or conditions that must be met in order to obtain the license(s). Details such as business location, business scope, capital paid-up, person taking the ultimate legal responsibility need to be clarified and legal

e) Describe and explain any restrictions imposed on your business by the business license(s). The business carried on much fall in the scope regulated by the authority issuing the license

f) Describe any sanctions imposed on your business if you act outside the scope of your business license(s). The business will be probably paused or stopped by legal action taken by the authority

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

PUBLIC
FILE
76

h) Describe the circumstances under which your business license(s) can be revoked, and who has the authority to revoke the license(s). When the business is out of the scope regulated or the person taking the ultimate legal responsibility break the law related to the business. The State Administration of Industry and Commerce has the right to revoke

4. Decision-making, planning and reporting

a) Provide a description of your business' decision-making structure in general and in respect of steel products. This should identify the persons or bodies primarily responsible for deciding: The decision about the following aspects are determined by the management (including general manager, production manager, sales manager) through sharing knowledge, information and discussion

(i) what goods are produced;
(ii) how the goods are produced;
(iii) how levels of inputs such as raw materials, labour and energy are set and secured;
(iv) how the use of your outputs, such as how your product mix is determined; and
(v) how your business' profit is distributed, etc., is determined.

b) Provide a description of any GOC input into the decision-making process respecting your manufacture, marketing and sale of steel products. Not applicable, as the management (without representative from GOC or CCP) make every decision independently

c) Provide a list of all government departments/offices that are involved, either directly or indirectly, in your manufacture, sale or purchase of steel products. Not applicable

d) List and describe all reports that must be submitted to the GOC periodically by your company, and identify the government department/office where each report is filed. The Company is not required to report any additional information to GOC except general requirements such as tax return

e) 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. Not available

f) Does your business develop any five-year plans or similar planning documents? If so, provide copies of these plans and advise whether these plans have been submitted, reviewed or approved by the GOC (including the National Development and Reform Commission). Not applicable

g) Provide copies of the minutes of your Board of Directors and Board of Shareholders meetings over the investigation period. No such documents in writing available

h) Provide copies of the notes to company meetings where pricing decisions on steel products have been made over the investigation period. No such documents in writing available

PART H-2 GOC MEASURES IN THE STEEL SECTOR

PUBLIC
FILE
73

The information requested in this part will allow for a better understanding of the GOC's measures in respect of steel in China, in addition to your response to each of the questions, all necessary supporting documentation is requested.

1. Are there any other GOC opinions, directives, decrees, promulgations, measures, etc. concerning the steel industry/sector that were put in place or operating during the investigation period? No knowledge available from us

   If yes, please provide a copy of that documentation and a translation as well. Also provide documentation concerning the GOC or any association of the GOC's notification of the measures concerning steel to your company over the investigation period. No knowledge available from us

2. Provide information concerning the name of any GOC departments, bureaus or agencies responsible for the administration of all GOC measures concerning the steel industry in the regions, provinces or special economic zones where your company is located. No knowledge available from us

   Ensure that your response includes contact information regarding the following areas:

   - industrial policy and guidance on the steel industry sector;
   - market entry criteria for the steel industry sector;
   - environmental enforcement for the steel industry sector;
   - management of land utilization;
   - the China Banking Regulatory Commission for the steel industry sector;
   - investigation and inspection of new steel expansion facilities;
   - the section in the National Development and Reform Commission that is responsible for the steel industry sector; and
   - import licensing for iron ore, steel and other steel raw materials.

3. **National Steel Policy**

   Customs and Border Protection is aware of the 2005 *National Steel Policy* (also referred to as the Steel and Iron Industry Development Policy, as well as by several other titles). The following questions relate to that policy.

   b) Explain in detail how the policy and any updates regarding the policy were communicated to your company. No such communication

   c) Identify the government department, association, or company official that communicated this policy or any related measures, to your company as well as the government office or association and the names of the officials who are responsible for the administration of this policy. Not applicable

   d) Explain in detail the information that has been provided to you from official and unofficial channels concerning action to be taken by your company in relation to the policy. Not applicable

   e) Do you have designated officials that have provided direction to your company regarding the GOC's measures and how to proceed with your current project or future plans within the scope of the policy? No

   f) Explain in detail if there are additional directives or measures from the GOC that have been communicated to your company, since the inception of the policy. No

PUBLIC
FILE
74

g) Explain in detail whether the policy has ever impacted your company's investment plans. This many include reference to specific measures considered or taken by your company to address issues and/or objectives raised by the policy. Such items may include but are not limited to items such as project approval process, credit and loans (including discounted interest payments), the environment, the scale of production, energy use, raw material inputs etc. No

h) Explain the ongoing mechanism used by the GOC to measure your company's compliance with the policy directives and/or guidelines. Not applicalbe

i) The policy includes directives and/or guidelines that permit authorities to limit the supply of water, power, land and bank loans etc. to steel producers, which do not meet the objectives of the policy.

- Explain in detail whether your company's expansion or investment plans have ever been or may be impacted by these criteria. Not applicable
- Explain the procedure to be followed by a steel company in making a request for approval of a steel investment for an existing steel enterprise or new steel enterprise. No knowledge available from us
- Identify any GOC bodies at the regional or provincial level that have the responsibility to grant the approval, or refuse approval regarding an investment in the steel sector. No knowledge available from us
- Are review and approval decisions regarding investments in the steel sector made by the central government or are they delegated to the regional or provincial level? No knowledge available from us

j) Describe the role of the NDRC in terms of communicating, implementing and overseeing policies governing the steel sector, including but not limited to, China's National Steel Policy. No knowledge available from us

4. Other government approvals

The below questions address the approvals that are necessary from various GOC agencies, including the National Development and Reform Commission, in order to continue or initiate steel investments.

a) Explain whether your company has undertaken an approval process through the GOC for any steel investments in the last 10 years. Not applicable

b) Explain whether any applicable investments received the necessary approval and if so, provide documentation confirming this approval. No knowledge available from us

c) If your investment was not approved, provide the reasons given for the refusal. Not applicable

PUBLIC FILE 73

d) Describe the process your company has to follow to obtain these approvals. Not applicable

e) Provide a translated copy of the application form along with the original Chinese version. Not applicable

f) Identify the office that sent communication of these requirements to your company along with the office address, contact names, phone numbers and fax numbers. Not applicable

5. Steel industry rationalisation

The below questions address the efforts of the GOC to rationalise the steel industry sector in China through a combination of closures and consolidations of steel making assets.

a) Describe to what extent, if any, your company has been directed, encouraged or requested to merge or consolidate operations with one or several other steel in China either by the National Development and Reform Commission or any other entities. Not applicable

b) Describe to what extent, if any, a facility owned by your company has ever been identified by the GOC as a candidate for closure within the next two years. Not applicable

PART H-3 THE HSS SECTOR

The information requested in this part will assist in providing a better understanding of the GOC measures and your business' sales and production of HSS.

In addition to your narrative response to each of the questions, all necessary supporting documentation is requested.

1. Export quotas and licensing

a) Are HSS sold by your company subject to any export quotas? No

If so, explain why HSS are subject to quotas and the method by which the quotas are allocated.

Does this process involve any GOC participation in determining the selling prices of the goods? If so, explain.

b) If HSS is not presently subject to export quotas, indicate if quotas existed during the investigation period and when and why they were removed. Not applicable

c) Identify which GOC agency legislates and monitors any such quotas. No knowledge available from us

d) Has the GOC set any targets or limits regarding the quantity of HSS that you may sell on the domestic or export markets? If so, provide details. Not applicable

e) Are there any export licence requirements for HSS? If so, provide details. Not applicable

PUBLIC
FILE
72

2. Taxation

a) Were there any export taxes on the exports of HSS during the investigation period? No

b) What was the VAT rebate applicable to HSS exports during the investigation period? 9% from Oct 2010 – Jun 2011, for Jul 2010 – Sep 2011,it is zero. But the rebate has not been actually refunded yet

c) Have there been any changes to the value-added tax rebate applicable to steel exports in the last 5 years? If yes, provide: there was only one change occurred as abovementioned. That affects all products we exported. Effective date is 1 Oct 2010. Currently, we have not the notice available

i. a detailed chronological history of the value-added tax rebate rates;
ii. products affected;
iii. the effective dates of the rate changes;
iv. fully translated copies of any GOC notices regarding these changes, including the relevant appendices.

d) Are you aware of any tax changes being planned that would impact the HSS sector? No

3. Sales terms

a) Identify the person who authorises the sales terms, prices and other contract provisions for the sale of HSS by your business. The management

b) Explain how the selling prices of HSS by your business are determined, including any GOC involvement in your business' pricing decisions, and indicate if the goods are subject to GOC direct or indirect pricing or government guidance pricing. Determined by the management independently without any involvement from the GOC

c) Does your business coordinate the selling prices or supply of HSS with other domestic steel and steel product producers, any GOC departments, or the China Iron and Steel Association? If so, provide details. Not Applicable

d) Explain whether your business provides HSS price information/data to the GOC, the China Iron and Steel Association (CISA), other government officials or commercial/industry organisations, including those outside of China, which report on the steel sector. No

e) Explain whether your business provides HSS price data to any other person at the provincial, regional or special economic zone level of government. No

4. Involvement with CISA

a) Is your business a member of CISA or regional Iron & Steel Associations? If so, explain your business' relationship with the association and the involvement of the GOC with the CISA. No

PUBLIC FILE 71

b) If your business is a member of the CISA, indicate whether this membership is voluntary or compulsory. Explain the functions that the CISA provides for your business. Explain in detail the role of the CISA with respect to the directives as provided by the GOC concerning the steel industry. Not applicable

5. Other industry associations

a) Is your business a member of any other industry associations? If so, explain your business' relationship with the association and the involvement of the GOC with the association. No

b) If your business is a member of another industry association, indicate whether this membership is voluntary or compulsory. Explain the functions that the association provides for your business. Explain in detail the role of the association with respect to the directives as provided by the GOC concerning the steel industry. Not applicable

6. Statistics submission/recording

a) Indicate if your business makes submissions[3] to the Chinese Bureau of Statistics and/or any other government organisation. If yes, explain the purpose of these submissions and the type of information submitted. No

b) Provide a recent example of a submission that has been made to the Bureau of Statistics and/or any other government organisation. For example, monthly data relating to sales, production and costs. Not applicable

c) Do the organisations approve or assess your submission? If yes, provide a detailed explanation. Not applicable

d) Do the organisations provide feedback on your submission? If yes, provide a detailed explanation. Not applicable

7. Raw material supply

a) Is there a price difference in purchase price for raw materials (i.e. hot-rolled steel or other raw material) between your suppliers? No material difference exists

b) Is there a price difference between purchase price of raw materials from SOEs and non-SOEs? Provide explanation. No material difference exists

Note: the applicant alleges that producers in China of HSS have benefited from the provision of primary steel by the GOC at less than fair market value (see Program 20 in Section I of this questionnaire).

Further questions regarding primary steel supply and pricing are asked in Section I of this questionnaire. Your responses to these questions are relevant to the assessment of whether a market situation exists. Ensure responses to these questions are complete.

8. Regional differences

[3] For example, monthly data relating to sales, production and costs.

PUBLIC
FILE
70

a) If you have production facilities in more than one region/province, are the laws and regulations in each region the same with respect to pricing? Provide details on any regional differences. Not applicable, only in one region/province (Tianjin China)

9. HSS production/output during the investigation period

a) Is any part of your production of HSS subject to any national/regional industrial policy or guidance? If so, provide details including a background of the policy/guidance and explain any restriction imposed by the policy/guidance. No

b) To what extent are any of the policies/guidelines identified in a) applicable to your business? Not applicable

c) Where applicable, how did your business respond to the policies/guidelines? Not applicable

d) Provide details regarding any other restrictions (e.g., geographic/regional, downstream, use, etc.) to the sale of HSS that may be imposed by the GOC. Not applicable

10. Sales price during the investigation period

a) Explain whether your business has been subjected to any direct or indirect price guidance or controls by the GOC during the investigation period, with respect to domestic steel prices. No

b) Explain whether your business has been subjected to any direct or indirect price guidance or controls by the GOC during the investigation period, with respect to raw material inputs (i.e. iron ore, coal, billet, hot-rolled steel, etc.). No

c) Explain whether your business has encountered any price guidance or controls established by regional, provincial or special economic zone officials and/or organisations. No

11. Adding capacity and/or joint ventures

a) Provide a detailed explanation with respect to the government approval process on adding capacity and/or joint ventures in relation to your business. Not applicable

b) 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. Not applicable

PUBLIC
FILE
69

SECTION I – COUNTERVAILING

The applicant alleges that producers in China of HSS and upstream suppliers have benefited from a number of subsidies granted by the GOC (meaning any level of government – refer to the Glossary of Terms for further information), and that these subsidies are countervailable.

INVESTIGATED PROGRAMS

The following are programs that Customs and Border Protection is currently investigating:

Program 1: Preferential Tax Policies for Enterprises with Foreign Investment Established in the Coastal Economic Open Areas and Economic and Technological Development Zones

Program 2: **One**-time Awards to Enterprises Whose Products Qualify for 'Well-Known Trademarks of China' and 'Famous Brands of China'

Program 3: Provincial Scientific Development Plan Fund

Program 4: Export Brand Development Fund

Program 5: Matching Funds for International Market Development for Small and Medium Enterprises

Program 6: Superstar Enterprise Grant

Program 7: Research & Development (R&D) Assistance Grant

Program 8: Patent Award of Guangdong Province

Program 9: Training Program for Rural Surplus Labour Force Transfer Employment

Program 10: Preferential Tax Policies for Foreign Invested Enterprises– Reduced Tax Rate for Productive Foreign Invested Enterprises scheduled to operate for a period of not less than 10 years

Program 11: Preferential Tax Policies for Enterprises with Foreign Investment Established in Special Economic Zones (excluding Shanghai Pudong area)

Program 12: Preferential Tax Policies for Enterprises with Foreign Investment Established in Pudong area of Shanghai

Program 13: Preferential Tax Policies in the Western Regions

Program 14: Tariff and VAT Exemptions on Imported Materials and Equipments

Program 15: Innovative Experimental Enterprise Grant

Program 16: Special Support Fund for Non State-Owned Enterprises

Program 17: Venture Investment Fund of Hi-Tech Industry

Program 18: Grants for Encouraging the Establishment of Headquarters and Regional Headquarters with Foreign Investment.

Program 19: Grant for key enterprises in equipment manufacturing industry of Zhongshan

Program 20: Hot rolled steel provided by government at less than fair market value

Please answer the questions within parts I-1 to I-3 in relation to these programs.

PUBLIC FILE 68

PART I-1 PREFERENTIAL INCOME TAX PROGRAMS (PROGRAMS 1, 10, 11, 12 AND 13)

1. Did your business or any company/entity related to your business receive any benefit[4] under the following five programs during the investigation period (1 July 2010 to 30 June 2011):

   Program 1: Preferential Tax Policies for Enterprises with Foreign Investment Established in the Coastal Economic Open Areas and in Economic and Technological Development Zones No

   Program 10: Preferential Tax Policies for Foreign Invested Enterprises - Reduced Tax Rate for Productive Foreign Invested Enterprises scheduled to operate for a period not less than 10 years No

   Program 11: Preferential Tax Policies for Enterprises with Foreign Investment Established in Special Economic Zones (excluding Shanghai Pudong area) No

   Program 12: Preferential Tax Policies for Enterprises with Foreign Investment Established in Pudong area of Shanghai No

   Program 13: Preferential Tax Policies in the Western Regions No

2. It is our understanding that the general tax rate for enterprises in China from 1 July 2010 was 25%. Confirm whether this is correct and if not, please identify the general tax rate for enterprises in China from 1 July 2010. Correct

3. If your business currently pays corporate income tax at a rate less than 25% (or whatever the rate of general tax is as discussed above) , or paid at a rate less than that during the investigation period, please indicate whether the reduced rate relates to any of the preferential income tax programs identified above. Not applicable

4. If the income tax rate of less than the general rate does not relate to any of the programs identified above, please provide an explanation for the reduced income tax rate and answer the questions in Part I-1 above in relation to the income tax rate reduction. Not applicable

For **each program** that you have identified above as conferring benefit on your entity, answer the following.

5. Provide complete details of the amount of the benefit received, including whether it was received in total or in instalments. Not applicable

6. Indicate which goods you produced that benefited from the program (e.g. the program may have benefited all production, or only certain products that have undergone research and development). Not applicable

7. Describe the application and approval procedures for obtaining a benefit under the program. Not applicable

[4] Refer to the Glossary of Terms for a definition of benefit in this context.

PUBLIC
FILE
67

8. Where applicable, provide copies of the application form or other documentation used to apply for the program, all attachments and all contractual agreements entered into between your business and the GOC in relation to the program. Not applicable

9. Outline the fees charged to, or expenses incurred by your business for purposes of receiving the program. Not applicable

10. Outline the eligibility criteria your business had to meet in order to receive benefits under this program. Not applicable

11. State whether your eligibility for the program was conditional on one or more of the following criteria: Not applicable

    a) whether or not your business exports or has increased its exports;
    b) the use of domestic rather than imported inputs;
    c) the industry to which your business belongs; or
    d) the region in which your business is located.

12. If the benefit was provided in relation to a specific activity or project of your entity, please identify the activity and provide supporting documentation. Not applicable

13. What records does your business keep regarding each of the benefits received under this program? Provide copies of any records kept in relation to the program. Not applicable

14. Indicate where benefits under this program can be found in your accounting system (i.e., specify the ledgers or journals) and financial statements. Not applicable

15. To your knowledge, does the program still operate or has it been terminated? Not applicable

16. If the program has been terminated, please provide details (when, why). When is the last date that your business could apply for or claim benefits under the program? When is the last date that your business could receive benefits under the program? Not applicable

    If the program terminated has been substituted for by another program, identify the program and answer all the questions in Part I-1 in relation to this programme. Not applicable

17. For each taxation year, complete the table below.

    Prepare this information in the attached spreadsheet named "**Income Tax**" included as part of the *HSS Exporter Questionnaire – CHINA – accompanying spreadsheet* provided alongside this questionnaire.

18. Provide a copy, bearing the official stamp of the appropriate level of the GOC of all Finished

    - corporate income tax acknowledgement form(s) and the income tax return(s) that your company filed for the 2008, 2009 and 2010 tax years; and
    - income tax instalment payment receipts, and all applicable income tax forms and schedules for the 2008, 2009 and 2010 tax years.

PUBLIC
FILE
66

Note: If your company did not file an income tax return in any of the tax years indicated, provide an explanation stating the reasons why you were exempt from filing such a return and the applicable section[s] of the Income Tax Act under which you were exempt from doing so.

PART I-2 GRANTS (PROGRAMS 2-9 AND 15-19)

It is Customs and Border Protection 's understanding that the GOC may be providing grants to enterprises in China including the following identified programs:

Program 2: One-time Awards to Enterprises Whose Products Qualify for 'Well-Known Trademarks of China' and 'Famous Brands of China'

Program 3: Provincial Scientific Development Plan Fund

Program 4: Export Brand Development Fund

Program 5: Matching Funds for International Market Development for Small and Medium Enterprises

Program 6: Superstar Enterprise Grant

Program 7: Research & Development (R&D) Assistance Grant

Program 8: Patent Award of Guangdong Province

Program 9: Training Program for Rural Surplus Labour Force Transfer Employment

Program 15: Innovative Experimental Enterprise Grant

Program 16: Special Support Fund for Non State-Owned Enterprises

Program 17: Venture Investment Fund of Hi-Tech Industry

Program 18: Grants for Encouraging the Establishment of Headquarters and Regional Headquarters with Foreign Investment.

Program 19: Grant for key enterprises in equipment manufacturing industry of Zhongshan

1. Did your business or any company/entity related to your business receive any benefit under the above programs during the period **1 July 2011 to 30 June 2011**. NO

2. Did your business receive benefits under any other grant (including awards, prizes, funds) program during the period 1 July 2011 to 30 June 2011? YES

For each program identified in your answer to I-2.1 and I-2.2 above, answer the following.

3. Provide complete details involving the amount of the grant received, including whether the grant was received in a lump sum or multiple instalments. [redacted] and [redacted] received from [redacted] as miscellaneous stimulus, both of them are of lump sum payment

4. Indicate which goods you produced that benefited from the program (e.g. the program may have benefited all production, or only certain products that have undergone research and development) For all production

5. Describe the application and approval procedures for obtaining a benefit under the program. Just received the money because the Company is qualified

PUBLIC
FILE
65

6. Where applicable, provide copies of the application form or other documentation used to apply for the program, all attachments and all contractual agreements entered into between your business and the GOC in relation to the program. Not applicable

7. Outline the fees charged to, or expenses incurred by your business for purposes of receiving the program. Not applicable

8. Outline the eligibility criteria your business had to meet in order to receive benefits under this program. No knowledge available from us

9. State whether your eligibility for the program was conditional on one or more of the following criteria: No knowledge available from us
   a) whether or not your business exports or has increased its exports;
   b) the use of domestic rather than imported inputs;
   c) the industry to which your business belongs; or
   d) the region in which your business is located.

10. If the benefit was provided in relation to a specific activity or project of your entity, please identify the activity and provide supporting documentation. Not Applicable

11. What records does your business keep regarding each of the benefits received under this program? Provide copies of any records kept in relation to the program. Only payment slip and invoices from the authority

12. Indicate where benefits under this program can be found in your accounting system (i.e., specify the ledgers or journals) and financial statements. Within extraordinary gains/losses

13. To your knowledge, does the program still operate or has it been terminated? No knowledge available from us

14. If the program has been terminated, please provide details (when, why). When is the last date that your business could apply for or claim benefits under the program? When is the last date that your business could receive benefits under the program? No knowledge available from us

    If the program terminated has been substituted for by another program, identify the program and answer all the questions in Part I-1 in relation to this programme. No knowledge available from us

15. Identify the body responsible for administering the grant. Fiscal Bureau

16. Identify the date of approval of the grant and the date the grant was received. No knowledge available from us

17. Indicate where the grant was accounted for on your business' financial statements. Within extraordinary gains/losses

PART I-3 TARIFF AND VAT EXEMPTIONS ON IMPORTED MATERIALS AND EQUIPMENTS (PROGRAM 14)

It is our understanding that certain enterprises in China are eligible for exemption from the payment of import duty and import VAT on imported inputs, technologies and machinery.

If your business or any company/entity related to your business received benefits under any such program during the period **1 July 2001 to 30 June 2011**, please answer the following questions.

1. Provide complete details involving the amount of the VAT refund received, including whether the refund was received in a lump sum or multiple instalments. Not applicable

2. Describe the application and approval procedures for obtaining a benefit under the program. Not applicable

3. Where applicable, provide copies of the application form or other documentation used to apply for the program, all attachments and all contractual agreements entered into between your business and the GOC in relation to the program. Not applicable

4. Outline the fees charged to, or expenses incurred by your business for purposes of receiving the program. Not applicable

5. Outline the eligibility criteria your business had to meet in order to receive benefits under this program. Not applicable

6. State whether your eligibility for the program was conditional on one or more of the following criteria: Not applicable

   a) whether or not your business exports or has increased its exports;
   b) the use of domestic rather than imported inputs;
   c) the industry to which your business belongs; or
   d) the region in which your business is located.

7. If the benefit was provided in relation to a specific activity or project of your entity, please identify the activity and provide supporting documentation. Not applicable

8. What records does your business keep regarding each of the benefits received under this program? Provide copies of any records kept in relation to the program. Not applicable

9. Indicate where benefits under this program can be found in your accounting system (i.e., specify the ledgers or journals) and financial statements. Not applicable

10. To your knowledge, does the program still operate or has it been terminated? Not applicable

11. If the program has been terminated, please provide details (when, why). When is the last date that your business could apply for or claim benefits under the program? When is the last date that your business could receive benefits under the program? Not applicable

    If the program terminated has been substituted for by another program, identify the program and answer all the questions in Part I-1 in relation to this programme. Not applicable

12. Were the materials and/or equipment that were entitled to a refund of VAT used in the e production of the goods during the investigation period? If yes, provide the following information: Not applicable

PUBLIC
FILE
63

(a) type of inputs;
(b) cost of inputs;
(c) quantity of inputs; and
(d) amount of VAT refunded.

13. Has your company received exemption from payment of or refunds of import duty and import VAT for imported material inputs (e.g. HRC, HRS, narrow strip, etc.) at any time that were used in the production of the goods during the investigation period? If yes, provide the following information: Not applicable

(a) description of imported product;
(b) country of origin;
(c) quantity of imported product;
(d) purchase price;
(e) terms of purchase (f.o.b., c.i.f., etc);
(f) ocean freight;
(g) value for duty of imported product;
(h) regular rate of taxes and duties;
(i) concessionary rate of taxes and duties;
(j) amount of duties and taxes normally applicable;
(k) amount of duties and taxes paid;
(l) amount of duties and taxes exempt;
(m) date of importation;
(n) tariff classification number;
(o) customs entry number; and
(p) application fee.

14. Explain if (and how) the GOC determines which imported inputs are consumed by your business in the production of the subject goods and in what amounts, and the amount of duty paid or payable on the inputs (including any allowance for waste). Not applicable

Please explain how the GOC determined the percentage rate of duty exemption.

Please note that goods consumed in the production of exported goods (inputs) include:
(a) goods incorporated into the exported goods; and
(b) energy, fuel, oil and catalysts that are used or consumed in the production of the exported goods.

15. Provide a representative sample of copies of import entry documents (for example: bill of entry, invoice from supplier, etc.) for each type of importation covering duty-exempt inputs and duty-paid inputs imported for use in the manufacturing of the subject goods. Not applicable

16. In addition to the import entry documents, you must also provide copies, if applicable, of any applications submitted to and/or approval document received from the GOC relating to the exemption from the payment of import duty and import VAT on imported inputs and in relation to the VAT that is refunded on the exportation of the subject goods. Not applicable

17. Provide copies of reports and audits by the GOC authority responsible for administering the duty rebate or duty drawback scheme with respect to the verification of the importation and use of inputs and the remittance or drawback of the related duty paid or payable. Not applicable

PUBLIC
FILE
62

PART I-4 HOT ROLLED STEEL PROVIDED BY GOVERNMENT AT LESS THAN FAIR MARKET VALUE (PROGRAM 20)

The applicant claims that public bodies (in the form of state-owned enterprises (SOEs)) are supplying hot rolled steel, directly or indirectly, to manufacturers of HSS at less than fair value.

In this questionnaire, the term 'hot rolled steel' (HRS) refers to both hot rolled coil (HRC) and narrow strip.

The term SOE is defined in the glossary of this questionnaire.

In relation to this program, provide the following information.

1. Did your business or any company/entity related to your business receive any benefit under the above program during the period **1 July 2011 to 30 June 2011**. No

2. Does your business purchase any goods/services from SOEs, e.g., raw materials (including HRS), energy, water, other utilities, etc? Yes

3. Provide a list, including a contact name and address, of all your suppliers of HRS. Indicate whether the supplier is a SOE.

   We have only one SOE supplier for HRS, which is Supplier A, the address is xxxxxxx

4. Provide a listing showing the purchase price of HRS from each supplier during each month of the investigation period.

   Finished

   Prepare this information in the attached spreadsheet named "**HRS Purchases**" included as part of the *HSS Exporter Questionnaire – CHINA – accompanying spreadsheet* provided alongside this questionnaire.

   Please add more space for additional suppliers and HSR categories as required.

5. Did your business receive any reduction/reduced price for the purchase of these goods/services during the investigation period? If so, describe the eligibility criteria that your business had to meet in order to qualify for any reduction in the price paid for the goods/services. No

6. Provide copies of all contractual agreements that detail the obligations of the SOE and your business with reference to the granting and receipt of the assistance/benefits. Not applicable

7. Did your business import any raw material during the investigation period? If yes, please provide details of all such imports, including date, source, type, amount and price. No

8. Explain the reason/s for your business' decision to purchase imported over domestic raw materials, including the key factors affecting the decision such as price, availability etc. Not applicable

PUBLIC
FILE
61

PART I-5 ANY OTHER PROGRAMS

If the GOC, any of its agencies or any other authorised body has provided any other benefit[5] under any other assistance programs to your entity not previously addressed, identify the program(s).

This may have included:

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

For **each program** that you have identified above as conferring benefit on your entity, answer the following.

1. Indicate which goods you produced that benefited from the program (e.g. the program may have benefited all production, or only certain products that have undergone research and development). Not applicable

2. Describe the application and approval procedures for obtaining a benefit under the program. Not applicable

3. Where applicable, provide copies of the application form or other documentation used to apply for the program, all attachments and all contractual agreements entered into between your business and the GOC in relation to the program. Not applicable

4. Outline the fees charged to, or expenses incurred by your business for purposes of receiving the program. Not applicable

5. Outline the eligibility criteria your business had to meet in order to receive benefits under this program. Not applicable

6. State whether your eligibility for the program was conditional on one or more of the following criteria: Not applicable

   a) whether or not your business exports or has increased its exports;
   b) the use of domestic rather than imported inputs;
   c) the industry to which your business belongs; or
   d) the region in which your business is located.

7. If the benefit was provided in relation to a specific activity or project of your entity, please identify the activity and provide supporting documentation. Not applicable

8. What records does your business keep regarding each of the benefits received under this program? Provide copies of any records kept in relation to the program. Not applicable

[5] Refer to the Glossary of Terms for a definition of benefit in this context.

PUBLIC
FILE
60

9. Indicate where benefits under this program can be found in your accounting system (i.e., specify the ledgers or journals) and financial statements. Not applicable

10. To your knowledge, does the program still operate or has it been terminated? Not applicable

11. If the program has been terminated, please provide details (when, why). When is the last date that your business could apply for or claim benefits under the program? When is the last date that your business could receive benefits under the program? Not applicable

    If the program terminated has been substituted for by another program, identify the program and answer all the questions in Part I-1 in relation to this programme.

PUBLIC
FILE
59

SECTION J – EXPORTER/PRODUCER'S DECLARATION

I hereby declare that Tianjin Jinshengde Steel Tube Product Co Ltd...(company)
did, during the investigation period export the GUC and 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 :.....Edwards Fang.....

Signature :.....Edwards Fang.....

Position in Company :...On behalf of the management.....

Date :.....2 November 2011.....

PUBLIC FILE 58

SECTION K - CHECKLIST

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

on	Please tick if you have responded to all questions
Section A – general information	☐ ✓
Section B – export price	☐ ✓
Section C – like goods	☐ ✓
Section D – domestic price	☐ ✓
Section E – fair comparison	☐ ✓
Section F – exports to third countries	☐ ✓
Section G – costing information	☐ ✓
Section H – particular market situation	☐ ✓
Section I – countervailing	☐ ✓
Section J – declaration	☐ ✓

ıta	Please tick if you have provided spreadsheet
INCOME STATEMENT	☐ ✓
TURNOVER – sales summary	☐ ✓
AUSTRALIAN SALES – list of sales to Australia	☐ ✓
DOMESTIC SALES – list of all domestic sales of like goods	☐ ✓
THIRD COUNTRY – third country sales	☐ ✓
PRODUCTION – production figures	☐ ✓
DOMESTIC COSTS – costs of goods sold domestically	☐ ✓
AUSTRALIAN COSTS – costs of goods sold to Australia	☐ ✓
HRS PURCHASES – purchase cost of HRS during the investigation period	☐ ✓
INCOME TAX – details of income tax paid for the last 3 financial years	☐ ✓