



Exporter Questionnaire

Product: Alloy Round Steel Bars

From: China

Period of Investigation: 1 October 2015 - 30 September 2016

Response due by: March 2, 2017

Important note: The timeliness of your response is important. Please refer below for more information.

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Return completed questionnaire to: Operations1 @ adcommission.gov.au
OR

Anti-Dumping Commission
GPO Box 1632
Melbourne
Victoria 3000
Australia

Attention: Director Operations 1

GOODS UNDER CONSIDERATION

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

Hot-rolled solid sections of 'alloy steel', having round or near-round cross-sectional dimensions of not less than 9.5 millimetres (mm) and not greater than 98.5 mm, not in coil.

For the purpose of the description of the goods the subject of this application, 'alloy steel' here means steel containing a chemical composition that at least meets or exceeds the minimum chemical element proportions specified in Note (f) "Other alloy steel" to Chapter 72 under Schedule 3 of the *Customs Tariff Act 1995* ("the Tariff") as appearing on the date of this application.

Commonly identified as 'rod', 'round bar', 'engineering bar', 'spring steel', 'alloy bar', 'high alloy bar', 'silico-manganese bar', 'grinding rod' or 'bar used for the production of grinding media', the goods covered by this application include all round or near-round hot-rolled solid sections of alloy steel bar meeting the above description of the goods regardless of the particular grade, coating, or minor modification of bar-end finish (including but not limited to, painting or chamfering).

Goods excluded from this application are:

- round or near-round hot rolled solid steel sections composed of:
 - 'stainless steel' as defined under Note (e) "Stainless steel" to the Tariff; or
 - 'high-speed steel' as defined under Note (d) "High speed steel" to the Tariff;
- steel reinforcing bar containing indentations, ribs, grooves or other deformations produced during the rolling process;
- steel rod in coil;
- chromium plated steel; and
- solid sections of steel which may be square, rectangular or hexagonal in cross-section.

Tariff classification

The goods are currently classified to the following tariff subheadings and statistical codes of Schedule 3 to the *Customs Tariff Act 1995*:

Tariff code	Statistical code	Unit	Description	Duty rate
72282010	44	Tonnes	Alloy bars, silico-manganese steel, flattened circles	5% DCS ¹ : 4% DCT ² : 5%
72282090	47	Tonnes	Other alloy bars, silico-manganese steel	5% DCS: 4% DCT: 5%
72283010	70	Tonnes	Alloy bars, high alloy steel, flattened circles	5% DCS: 4% DCT: 5%
72283090 ³	41	Tonnes	Other alloy bars	5% DCS: Free DCT: Free
72286010	72	Tonnes	Other alloy bars, high alloy, flattened circles	5% DCS: 4% DCT: 5%
72286090	55	Tonnes	Other alloy bar	5% DCS: Free DCT: Free

The rate of duty applicable to goods exported from China under the above classifications is currently zero per cent as a result of the *China Australia Free Trade Agreement*.⁴

¹ 'DCS' denotes the rate for countries and places listed in Part 4 of Schedule 1 of the *Customs Tariff Act 1995*.

² 'DCT' denotes the rate for Hong Kong, the Republic of Korea, Singapore and Taiwan.

³ Operative since 1 July 2015.

⁴ <https://ftaportal.dfat.gov.au> refers.

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PUBLIC RECORD

INSTRUCTIONS

Why you have been asked to fill out this questionnaire?

The Anti-Dumping Commission (the Commission) is responsible for investigating the allegation that alloy round steel bars (alloy bars) have been exported to Australia from China at prices less than their normal value and that the dumping has caused material injury to the Australian industry

The Commission will use the information you provide to determine normal values and export prices over the investigation period. This information will determine whether alloy bar is dumped. You may make separate submissions concerning any other matter, for example injury.

The Commission investigation will be carried out under the provisions of the Part XVB of the *Customs Act 1901*.

What happens if you do not respond to this questionnaire?

You do not have to complete the questionnaire. However, if you do not respond, do not provide all of the information sought, do not provide information within a reasonable time period, or do not allow the Commission to verify the information, we may deem you uncooperative. In that case the Commission may be required to rely on information supplied by other parties (possibly information supplied by the Australian industry). In that case we may assess a dumping margin for your company based upon normal values that may be the highest determined in your country during the investigation period.

It is in your interest, therefore, to provide a complete and accurate submission, capable of verification.

Due date for response

Manufacturers and exporters are requested to respond to this questionnaire and return it to the Commission within the time specified on the cover page.

The Commissioner must consider the direction from the Minister for Industry, Innovation and Science as set out in the *Customs (Extensions of Time and Non-cooperation) Direction 2015* (the Direction). This Direction sets out the particular considerations that the Commissioner must take into account when:

- deciding whether a longer period is reasonably required or practicable under subsection 269TC(6) and 269TC(9) of the *Customs Act 1901* (the Act), or considering whether to allow any interested party a longer period to give any response;
- considering an insufficient response from an interested party;
- determining whether to have regard to a late response;
- determining whether an exporter is an uncooperative exporter;
- determining whether or not an entity is a non-cooperative entity for the purposes of section 269TAACA; and
- determining whether an entity has significantly impeded a case.

The full text of the Direction and the accompanying explanatory statement is available on the Comlaw website at www.comlaw.gov.au. This and other reforms to Australia's anti-dumping system are explained in Anti-Dumping Notice 2015/129, available on the Commission's website at www.adcommission.gov.au.

Confidential and non-confidential submissions

You are required to lodge one confidential version (for official use only) and one non-confidential version (for public record) of your submission by the due date.

Please ensure that *each page* of information you provide is clearly marked either "FOR OFFICIAL USE ONLY" or "PUBLIC RECORD".

All information provided to the Commission in confidence will be treated accordingly. The non-confidential version of your submission will be placed on the public record.

Please note, Australia's anti-dumping and countervailing legislation requires that to the extent that information given to the Commission is claimed to be confidential or whose publication would adversely affect a business or commercial interest, the person giving the information must ensure that a summary of that information contains sufficient detail to allow a reasonable understanding of the substance of the information, but does not breach confidentiality nor adversely affect those interests.

The legislation allows that a person is not required to provide a summary for the public record if the Commission can be satisfied that no such summary can be given that would allow a reasonable understanding of the substance of the information. However, such a summary would add considerably to an interested party's understanding of information contained in a document.

As provided for in Australia's anti-dumping and countervailing legislation, all submissions are required to have a bracketed explanation of deleted or blacked out information for the non-confidential version of the submission. Note that if such an explanation is not provided, the Commission may disregard the information in the submission. An example of a statement to accompany deleted/blacked out text is:

[explanation of cost allocation through the divisions].

If, for some reason, you cannot produce a non-confidential summary, please contact the investigation case manager.

Exporter's declaration

At section I, you are required to make a declaration that the information contained in your submission is complete and correct. Alternatively, if you did not export the goods during the period of investigation, you may make a declaration to that effect.

You must return a signed declaration with your response to the questionnaire.

Verification of the information that you supply

The Commission will seek to verify the information provided in your submission. Where there are a large number of exporters, the Commission may have to verify information from selected exporters only. The purpose of the visit is to verify the information submitted in response to this questionnaire. It is not meant to be a chance for you to provide new or additional information. The Commission expects your response to the questionnaire to be complete and accurate.

Verification visits take several days. We will want 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. 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 you have. We will ask you to prepare a non-confidential copy of the report for the public record.

If you do not manufacture the goods

You may export but not produce or manufacture the goods (for example, you are a trading company, broker, or vendor dealing in the goods).

In such cases it is important that you forward a copy of this questionnaire to the relevant manufacturers **immediately**. You should also inform the investigation case officer of the contact details for these manufacturers.

You should complete those sections of the questionnaire that you are reasonably able to complete. If, for example, you are unable to supply details of production costs, you should clearly explain why the section does not apply to your company.

If you do not export the goods

Depending on the arrangement for sale of the goods to Australia through an intermediary, the Commission will have to determine who is the exporter of the goods for the purpose of this investigation.

In any case, information (such as cost of production data) supplied by the manufacturer will be relevant to establishing the normal value of the goods. In the absence of verified information, the Commission may use other available information. This information may result in a decision less favourable to your company.

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 goods under consideration (the goods).
- 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.
- Section G** Costs to make and sell, for exports to Australia and for the domestic market.
- Section H** Particular Market Situation.
- Section I** Your declaration.
- Section J** A checklist.

Appendix 1 A glossary of terms used in this questionnaire

Some general instructions for preparing your response

- When answering the questionnaire please carefully read all instructions. The Commission requires a response to *all* sections of this questionnaire. Please provide an explanation if a question is not relevant to your situation.
- 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.
- We recommend that you retain all work sheets used in answering the questionnaire, in particular those linking the information supplied with management and accounting records. This will help us to verify the information.
- Clearly identify all units of measurement and currencies used. Apply the same measurement consistently throughout your response to the questionnaire.

Instructions on providing electronic data

- It is important that information is submitted in electronic format.
- Electronic data should be emailed or submitted on a CD-ROM, in IBM/MS-DOS format, or another operating system whose disk format is compatible with this MS-DOS version.
- The data must be created as spreadsheet files, preferably in Microsoft Excel, 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 officer as soon as possible.

Further information

Before you respond to the questionnaire you should read all the documentation enclosed with this application including the applicant's non-confidential submission and the Anti-Dumping Notice notifying the initiation of the investigation. We also advise that you read the attached glossary of terms.

If you require further assistance, or you are having difficulties completing your submission, please contact the investigation case manager. The Commission will need to know the reasons.

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: Daye Special Steel Co., Ltd.

Name: **Mr. Tao WU**

Position in the company: **Sales manager**

Address: **316 Huangshi ave, Huangshi, Hubei, China**

Telephone: **【LIMITED INFORMATION】**

Facsimile number: **【LIMITED INFORMATION】**

E-mail address of contact person: **【LIMITED INFORMATION】**

Factory: Daye Special Steel Co., Ltd.

Address: **316 Huangshi ave, Huangshi, Hubei, China**

Telephone: **【LIMITED INFORMATION】**

Facsimile number: **【LIMITED INFORMATION】**

E-mail address of contact person: **【LIMITED INFORMATION】**

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: **Allbright Law(Beijing) Office**

Mr. Qing SONG, Mr. Lan JIANG, Mr. Qiang SHI

Address: **Level 6, Office Tower C1, The Towers, Oriental Plaza, No.1, East Chang An Avenue, Dong Cheng District, Beijing P.R.C**

Telephone: **【LIMITED INFORMATION】**

Facsimile/Telex number: **【LIMITED INFORMATION】**

E-mail address of contact person: **【LIMITED INFORMATION】**

Note that in nominating a representative, the Commission 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: Our legal name is Daye Special Steel Co., Ltd. (hereinafter as “Daye Special Steel” or “the Company”). It is a public company by shares. The Company has no other business name.

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: Please refer to Exhibit A-3.5 Associated corporate structure.

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

Answer: Please refer to Exhibit A-3.5 Associated corporate structure.

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

Answer: Please refer to Exhibit A-3.5 Associated corporate structure.

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

Answer: Please refer to Exhibit A-3.5 Associated corporate structure.

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

Answer: There is no such management fees/corporate allocations.

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

Answer: The Company is a producer of the goods under consideration.

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

- produce or manufacture
- sell in the domestic market

- export to Australia, and
- export to countries other than Australia.

Answer: The Company performs all the functions in relation to the goods under consideration.

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

Answer: Please refer to Exhibit A-3.9 for the requested information.

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

Answer: Please refer to Exhibit A-3.10 for the product brochures, and Exhibit A-4.3.2 for the audited report.

A-4 General accounting/administration information

1. Indicate your accounting period.

Answer: The accounting period is from January 1st through December 31th.

2. Indicate the address where the company's financial records are held.

Answer: The Company's financial records are kept at 316 Huangshi ave, Huangshi, Hubei, China.

3. Please 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;

Answer: Please refer to Exhibit A-4.3.1 for the chart of accounts.

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

Answer: Please refer to Exhibit A-4.3.2 for the audited reports of financial year 2015. Normally, the audited report is released by March for previous financial year. The audit of the financial statements of 2016 is expected to be completed by end of March.

- 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 consideration.

These documents should relate to:

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

Answer: Please refer to Exhibit A-4.3.3 for the Monthly financial statements of financial year 2016 of the Company.

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 taxation returns. Any subsequent monthly, quarterly or half yearly statements should also be provided.

Answer: The Company is required to have the financial statements audited.

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

Answer: The Company's accounting practice is consistent with the generally accepted accounting principles in China.

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 (e.g. last in first out –LIFO, first in first out- FIFO, weighted average);

Answer: The inventories of raw material, work-in-process, and finished goods are valued with actual cost when acquiring and valued by the 【LIMITED INFORMATION】 method for delivery.

- costing methods, including the method (e.g. 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: The company uses 【LIMITED INFORMATION】 method and calculates the cost by tones based on actual costs.

- valuation methods for damaged or sub-standard goods generated at the various stages of production;

Answer: Damaged or sub-standard goods generated at the various stages of production are recycled and calculated as the cost.

- valuation methods for scrap, by products, or joint products;

Answer: Scrap are all valued based on market price. If there are any by products or joint products, they will also calculated based on market price.

- valuation and revaluation methods for fixed assets;

Answer: Fixed assets are recognised when it is probable that the related economic benefits will flow into the Company and the costs can be reliably measured. Fixed assets purchased or constructed by the Company are initially measured at cost at the time of acquisition.

Subsequent expenditures incurred for a fixed asset are included in the cost of the fixed asset when it is probable that the associated economic benefits will flow to the Company and the related cost can be reliably measured. The carrying amount of the replaced part is derecognised. All the other subsequent expenditures are recognised in profit or loss in the period in which they are incurred.

- average useful life for each class of production equipment and depreciation method and rate used for each;

Answer: Please refer to the following table for average useful life for each class of production equipment and depreciation method :

Class	Depreciation meth	Life expectancy	Annual depreation
Machinery equipment	【LIMITED INFORMATION】	【LIMITED INFORMATION】	【LIMITED INFORMATION】
Means of transportation	【LIMITED INFORMATION】	【LIMITED INFORMATION】	【LIMITED INFORMATION】
Computers and electronic devi	【LIMITED INFORMATION】	【LIMITED INFORMATION】	【LIMITED INFORMATION】

- treatment of foreign exchange gains and losses arising from transactions;

Answer: Foreign currency transactions are translated into RMB using the exchange rates prevailing at the dates of the transactions.

- treatment of foreign exchange gains/losses arising from the translation of balance sheet items;

Answer: Monetary items denominated in foreign currencies are translated into RMB using the spot exchange rates on the balance sheet date.

- inclusion of general expenses and/or interest;

Answer: The general expenses and/or interest are recognized as current profit and loss.

- provisions for bad or doubtful debts;

Answer: The method of providing for bad debts of significant amounts (over RMB 【LIMITED INFORMATION】)

- expenses for idle equipment and/or plant shut-downs;

Answer: Not applicable

- costs of plant closure;

Answer: Not applicable.

- restructuring costs;

Answer: Not applicable.

- by-products and scrap materials resulting from your company's production process; and
-

Answer: The scrap materials are recycled and write off the cost of production.

-

effects of inflation on financial statement information.

Answer: Not applicable.

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: There is no change for accounting methods over the last two years.

A-5 Income statement

Please fill in the following table. It requires information concerning all products produced and for the goods under consideration (*'goods under consideration'* (the goods) is defined in the Glossary of Terms in the appendix to this form). You should explain how costs have been allocated.

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.

Prepare this information on a spreadsheet named "**Income statement**".

Answer: Please refer to **Table A-5 for the requested information.**

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.

A-6 Sales

State your company's net turnover (after returns and all discounts), and free of duties and taxes. Use the currency in which your accounts are kept, in the following format:

Prepare this information in a spreadsheet named "TURNOVER".

Answer: Please refer to **Table A-6 for the requested information.**

This information will be used to verify the cost allocations to the goods under consideration 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.

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 the Commission may also compare prices at the ex-factory level.

*You should report prices of **all** goods under consideration (the goods) **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 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;
address;
contact name and phone/fax number where known; and
trade level (for example: distributor, wholesaler, retailer, end user, original equipment).

Answer: Please refer to Exhibit B-1 for the requested information.

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.

Answer: The goods were sent from China to Australia directly.

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(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.

Answer: Our company is the exporting producer which performs the manufacture and sales function in the distribution chain. There are no commissions paid.

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

Answer: The ownership of the goods transferred as per the delivery terms of each specific transaction. Please refer to **Table B-4 "Australia sales" for the delivery terms of the export sales to Australia.**

- (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).

Answer: There are no such agency or distributor agreements.

- (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.

Answer: The Company and customers negotiated the sales price based on market situation. For each transaction, the Company received orders from customers. The Company **【LIMITED INFORMATION】 with the customers. The Company does not use price lists.**

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

Answer: The Company is not related to its Australian customers and there are no financial or other arrangements with the Australian customers.

- (g) Details of the forward orders of the goods under consideration (include quantities, values and scheduled shipping dates).

Answer: The Company and customers agreed the sales price based on market situation and the delivery of goods are arranged as per the agreement.

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.

Answer: The export prices are not different according to the distribution channel.

B-4 Prepare a spreadsheet named “Australian sales” listing all shipments (i.e. transaction by transaction) to Australia of the goods under consideration in the investigation period. You must provide this list in electronic format. Include the following export related information:

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.
Applicable standard	If applicable, indicate the standard to which the goods are produced, i.e. AS/NZS, JIS etc. Please submit a complete English language version of every single specification standard for which you have.
Cross-sectional dimension	Indicate the cross-sectional dimension in millimetres (mm)
Chromium, %	Indicate the aim chemistry of the goods in terms of percentage chromium, %.
Prime/Non-Prime Product	Indicate whether the good is prime or non-prime (secondary) product
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 <i>other than</i> the invoice date best establishes the material terms of sale, report that date. For example, order confirmation, contract, or purchase order date.
Quarter	The quarter that the date of sale occurred
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 e.g. kg.
Gross invoice value	gross invoice value shown on invoice <i>in the currency of sale, excluding taxes.</i>
Discounts on the invoice	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.
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

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	currency used in your accounting system
Net invoice value in the currency of the exporting country	the net invoice value expressed in your domestic currency as it is entered in your accounting system
Rebates or other allowances	the amount of any deferred rebates or allowances paid to the importer in the currency of sale
Quantity discounts	the actual amount of quantity discounts not deducted from the invoice. Show a separate column for each type of quantity 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.
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.

** 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.

Answer: Please refer to Exhibit B-4 for the requested information.

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 (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.

Answer: There are no other costs, charges or expenses incurred except those have been reported in Exhibit B-4.

B-6 For each type of discount, rebate, 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.

Answer: There is [LIMITED INFORMATION] export sales to Australia.

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.

Answer: Not applicable.

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 brokers, port and other costs incurred (itemise)

Answer: Not applicable.

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;

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- 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.

The Commission will select additional shipments for payment verification at the time of the visit.

Answer: Please refer to [Exhibit B-9](#) for the export sales document of two shipments.

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.

Answer: Please refer to **Exhibit A-3.10** for the product brochure.

C-2 List each type of goods exported to Australia (these types should cover all types listed in spreadsheet “**Australian sales**” – see section B of this questionnaire).

Answer: Please find the table below for each type of goods exported to Australia.

Product code	Technical standard	Cross-sectional dimension
【LIMITED INFORMATION】		

C-3 If you sell like goods on the domestic market, for each 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 (i.e. the like goods – see explanation in glossary) are not identical to goods exported to Australia.

(a) Compliance Standards

(b) Cross-sectional diameter

(c) Prime vs. Non-Prime (secondary) Merchandise

(d) Chemical specifications of each model of the goods exported to Australia

(e) Chemical specifications of each model of the goods sold on the domestic market of the country of export

(f) Other categories promoting comparability (please specify separately for each)

Answer: Please refer to **Table C-3 for the comparison between subject goods exported to Australia and like goods sold domestically.**

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.

Answer: Please refer to **Exhibit C-4 for the Technical and illustrative material.**

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 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 officer **before** completing the questionnaire. If the case officer agrees that it is not possible to obtain a complete listing he or she will consider a method for sampling that meets the Commission requirements. If agreement cannot be reached as to the appropriate method the Commission may not visit your company.*

The Commission 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 officer who will explain the information the Commission 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;
- information concerning the functions/activities performed by each party in the distribution chain; and
- a copy of any agency or distributor agreements, or contracts entered into.

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.

Answer: The Company produces and sells the like goods to domestic customers.

【LIMITED INFORMATION】

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.

Answer: There is usually no such difference according to the distribution channel, but for some big customers, we sign long-term supply agreement.

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.

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

Answer: 【LIMITED INFORMATION】

D-4 Prepare a spreadsheet named “**domestic sales**” listing **all** sales of like goods made during the investigation period. The listing must be provided on a CD-ROM. Include all of the following information.

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 of the goods
Product code	code used in your records for the model/grade/type of the goods identified. Explain the product codes in your submission.
Applicable standard	If applicable, indicate the standard to which the goods are produced, i.e. GB/T or AISI/SAE etc. Please submit a complete English language version of every single specification standard for which you have.
Cross-sectional dimension	Indicate the cross-sectional dimension in millimetres (mm)
Chromium, %	Indicate the aim chemistry of the goods in terms of percentage chromium, %.
Prime/Non-Prime Product	Indicate whether the good is prime or non-prime (secondary) product
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 <i>other than</i> the invoice date best establishes the material terms of sale and should be used, report that date. For example, order confirmation, contract, or purchase order date.
Quarter	The quarter that the date of sale occurred
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	e.g. ex-factory, free on truck, delivered into store
Payment terms	payment terms agreed with the customer e.g. 60 days=60 etc
Quantity	quantity in units shown on the invoice e.g. kg.
Gross Invoice value	gross value shown on invoice <i>in the currency of sale</i> , net of taxes.
Discounts on the Invoice	the amount of any discount deducted on the invoice on each transaction. If a % discount applies show that % discount applying in another column.

Other charges	any other charges, or price reductions, that affect the net invoice value. Insert additional columns and provide description.
Net invoice value in the currency of the exporting country	the net invoice value expressed in your domestic currency as recorded in your accounting system
Rebates or other Allowances	the actual amount of any deferred rebates or allowances in the currency of sale
Quantity discounts	the actual amount of quantity discounts not deducted from the invoice. Show a separate column for each type of quantity 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.

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

Answer: Please refer to Table D-4 for the table domestic sales.

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.

Answer: There is no such costs, charges or expenses other than those reported in Table D-4.

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

- provide a description; and
- 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.

Answer: There is [LIMITED INFORMATION] of like goods.

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.)

The Commission will select additional sales for verification at the time of our visit.

Answer: Please refer to Exhibit D-7 for the two sets of document in relation to two domestic sales.

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 (i.e. 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. The Commission 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 the Commission 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. The Commission 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.

Answer: The Company reports the inland freight on accrued basis. Please refer to Table B-4 "Australia sales" and Exhibit B-9 "export sales document".

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.

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.
-

Answer: The Company reported the handling expense in Table B-4 by amount actually incurred, which covers the port charges, document fees, customs brokers fees and etc.

3. Credit

The cost of extending credit on export sales is not included in the amounts quantified at question B4. However, the Commission 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.

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.

Answer: [Limited information]

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**'.

Answer: There is [LIMITED INFORMATION] between domestic and export sales.

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.

Answer: No such commissions for export sales.

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.

Answer: No such service occurred during the POI.

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.

Answer: 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 period of investigation (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.

Answer: The exchange currency is published by the People's Bank of China, Please refer to **Exhibit E-1.8 for Currency Conversion.**

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.

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 (i.e. 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.

Answer: Please refer to the **Exhibit C-4 for the adjustment about physical characteristics.**

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;
- 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;

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 adjustments can also be made for the drawback payable on the substituted domestic materials, provided the total amount of the drawback does not exceed the total duty paid.

Answer: The VAT rate of the subject goods sold in domestic market is 【LIMITED INFORMATION】 . The export of the subject goods during the POI was subject to refund of VAT of 【LIMITED INFORMATION】 . The export VAT refund is calculated based on the 【LIMITED INFORMATION】 price.

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.

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);
- 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.

Answer: Not applicable.

4. Credit

The cost of extending credit on domestic sales is not included in the amounts quantified at question D-4. However, the Commission 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 borrowings 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 system⁵, the average credit period may be determined as follows:

1. *Calculate an accounts receivable turnover ratio*

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.

⁵ 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.

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:

Answer:

【LIMITED INFORMATION】 .

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.

Answer: Please refer to Exhibit table D-4 by amount actually incurred, and Exhibit D-7 Domestic sales document.

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.

Answer: For many of the transactions, such charges are included in the total cost.

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**”.

Answer: Not applicable.

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.

Answer: Not applicable.

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.

Answer: Not applicable.

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*.

Answer: Not applicable.

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.

SECTION F

EXPORT SALES TO COUNTRIES OTHER THAN AUSTRALIA (THIRD COUNTRY SALES)

Your response to this part of the questionnaire may be used by the Commission 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. The Commission 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 Using the column names and column descriptions below provide a summary of your export sales to countries other than Australia.

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 e.g. 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 e.g. 60 days=60 etc
Shipment terms	Typical shipment terms to customers in the third country e.g. CIF, FOB, ex-factory, DDP etc.

Supply this information in spreadsheet file named "Third country"

Answer: Please refer to **Table F-1** for the table Third country.

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

Answer: There are differences in product type, cross-sectional diameter between the subject goods and like goods exported to third countries.

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 goods under consideration (the goods) - i.e 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 (the goods) 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 goods. Provide a flowchart of the process. Include details of all products manufactured using the same production facilities as those used for the goods. Also specify all scrap or by-products that result from producing the goods.

Answer: Please refer to Exhibit G-1 for the flowchart of production process of the subject goods. The Company is an integrated producer of special steel which
【LIMITED INFORMATION】 .

G-2. Provide information about your company's total production in the following table:

Answer: Please refer to **Table G-2 for the table Production.**

G-3. 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.

Answer: The financial department uses **【LIMITED INFORMATION】 financial software and **【LIMITED INFORMATION】** software.**

- 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 (i.e differences between standard and actual production costs) have been allocated to the goods - and describe how those variances have been allocated.

Answer: The Company does not adopt standard cost method.

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

Answer: There are no such cost variances during the investigation period.

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

Answer: The direct cost centres include **【LIMITED INFORMATION】 which are responsible for steel making and further processing the steel, and the Alloy Round Steel Bars factory which is responsible for make the steel into Alloy Round Steel Bars.**

- 5 For each profit/cost centre describe in detail the methods that your company normally uses to allocate costs to the goods under consideration. 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.

Answer: The costs incurred in each direct cost centre are attributed to each direct centre on actual base.

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

Answer: The Company's cost accounting system records the production costs for different categories of products, which are differentiated by various factors including **【LIMITED INFORMATION】 .**

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

Answer: There is no such kind of difference, so the question is not applicable.

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

Answer: The Company did not engage in any start-up operations in relation to the goods under consideration.

- 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 in its accounting records.

Answer: The Company did not engage in any start-up operations, so the question is not applicable.

G-4 Cost to make and sell on domestic market

This information is relevant to testing whether domestic sales are in the ordinary course of trade.⁶

- 1 Prepare this information in a spreadsheet named "**Domestic CTMS**".
- 2 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: Please refer to Table G-4 "Domestic CTMS"

G-5 Cost to make and sell goods under consideration (goods exported to Australia)

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

- 1 Prepare this information in a spreadsheet named "**Australian CTMS**".

⁶ The Commission 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.

Answer: Please see attached **Table G-5 "Australian CTMS".**

- 2 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.
- 3 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.
- 4 In calculating the unit cost to make and sell, provide an explanation if the allocation method used (e.g. number, or weight etc) to determine the unit cost differs from the prior practice of your company.

G-6 Major raw material costs

List major raw material costs, which individually account for 10% or more of the total production cost. Please also include all raw material costs related to alloys, even if they account for less than 10% 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 (e.g. market prices, transfer prices, or actual cost of production).

Answer: The only major raw material which individually account for 【 LIMITED INFORMATION 】 % or more of the total production cost is steel billet.

The materials are sourced from 【 LIMITED INFORMATION 】 .

All purchase prices of steel billets are market prices.

Where the major input is produced by an associate of your company the Commission 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.

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 *Customs 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.

Important note: If the major input is sourced as part of an integrated production process you should provide detailed information on the full costs of production of that input.

SECTION H – PARTICULAR MARKET SITUATION

The applicants claim that a 'market situation' exists in respect of alloy bars from China due to government influence on both the prices of the goods and the major raw material inputs used in the manufacture of the goods.

The existence of a 'market situation' could affect the Commission's approach to calculating normal value within its dumping 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, the Commission 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, the Commission will also send questionnaires to the Government of China and continue to examine information available from third-party sources.

It may be necessary for the Commission 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 Government of China's involvement in the business of your company.

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

PART H-3 - Requests information concerning the alloy bar 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 Government of China'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 Government of China's interaction with your businesses.

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

- a) reporting requirements;

Answer: The Company has the obligation to file the financial statements to the taxation authorities so that the authorities could calculate and review the amount of taxes that should be levied on the Company.

- b) payment of taxes;

Answer: The Company has the obligation to pay 【LIMITED INFORMATION】 to the taxation authorities.

- c) senior management representation within your business;

Answer: The senior management representation within the Company has no involvement with the GOC or Chinese Communist Party (CCP).

- d) supervision by the State-owned Assets Supervision and Administration Commission (SASAC) or a body under the control of SASAC.

Answer: The Company is not under the supervision of SASAC.

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

Answer: The Company makes its own business decisions and there is no government involved.

- f) licensing;

Answer: The Company only needs business license.

- g) restrictions on land use;

Answer: There is no special restrictions on land use.

- h) provision of loans; or

Answer: The Company did not receive loans from the government or any preferential loans.

- i) provision of grants, awards or other funds.

Answer: The Company received very limited amount of grants (about 【LIMITED INFORMATION】 CNY, accounting for 【LIMITED INFORMATION】 of the business income).

2. Business structure, ownership and management

- a) Indicate whether your company is a state-owned or state-invested enterprise (SIE) (refer to the Glossary of Terms for definition).

Answer: The Company is a state-owned enterprise.

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

Indicate the names of common directors and officers between yours and related businesses, where applicable.

Answer: The Board of Directors of the Company includes: 【LIMITED INFORMATION】 .

【LIMITED INFORMATION】 and 【LIMITED INFORMATION】 are members of the Boards of the shareholder companies of the Company.

- 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 Government of China (at any level, from any agency, party, or otherwise associated entity, including SASAC)?

If so, identify the individuals, their role on that Board and their affiliation with the Government of China.

Answer: No member is representative, employee or otherwise affiliated with the GOC.

- 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.

Answer: There's no representative from the CCP in the Company's Board of Directors.

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

Answer: There are no such members of the Board being appointed, managed or recommended by the Government of China.

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

Answer: The two largest shareholders, i.e. 【 LIMITED INFORMATION 】 . and 【 LIMITED INFORMATION 】 owns 29.95% shares and 【 LIMITED INFORMATION 】 shares respectively of the Company.

- g) Provide the details of any significant changes in the ownership structure of your business during the investigation period.

Answer: There are no such significant changes during the investigation period.

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

Answer: There is no such position that are appointments or designated to act on behalf of Government of China authorities.

- 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.

Answer: To the best of the Company's knowledge there is no such requirement in law or in practice.

- 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.

Answer: The rules are stipulated in the Company Law of the People's Republic of China. The Company is listed on Shenzhen Stock Exchange.

- k) Provide the monthly trading volume and average monthly trading price of your listed security between 1 July 2014 and 30 June 2015.

Answer: Please find below the requested information:

Month	Trading value (CNY)	Trading volume	Average price
2014-07	【 LIMITED INFORMATIO	【 LIMITED INFORMATIO	【 LIMITED INFORMAT

2014-08	【LIMITED INFORMATIO	【LIMITED INFORMATIO	【LIMITED INFORMAT
2014-09	【LIMITED INFORMATIO	【LIMITED INFORMATIO	【LIMITED INFORMAT
2014-10	【LIMITED INFORMATIO	【LIMITED INFORMATIO	【LIMITED INFORMAT
2014-11	【LIMITED INFORMATIO	【LIMITED INFORMATIO	【LIMITED INFORMAT
2014-12	【LIMITED INFORMATIO	【LIMITED INFORMATIO	【LIMITED INFORMAT
2015-01	【LIMITED INFORMATIO	【LIMITED INFORMATIO	【LIMITED INFORMAT
2015-02	【LIMITED INFORMATIO	【LIMITED INFORMATIO	【LIMITED INFORMAT
2015-03	【LIMITED INFORMATIO	【LIMITED INFORMATIO	【LIMITED INFORMAT
2015-04	【LIMITED INFORMATIO	【LIMITED INFORMATIO	【LIMITED INFORMAT
2015-05	【LIMITED INFORMATIO	【LIMITED INFORMATIO	【LIMITED INFORMAT
2015-06	【LIMITED INFORMATIO	【LIMITED INFORMATIO	【LIMITED INFORMAT

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

Answer: The Board of Directors has the right to reward, fire or discipline the senior managers.

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

Answer: Mr. 【 LIMITED INFORMATION 】 is the President of the 【 LIMITED INFORMATION 】 is a private organization established and organized by special steel companies.

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

Answer: The Company has no pricing committee.

3. Licensing

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

Answer: Please refer to Exhibit H-1.3.a for the business license.

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

Answer: The responsible registration authority is Administration for Industry and Commerce of 【 LIMITED INFORMATION 】 .

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

Answer: Generally, it is to submit an application with materials set forth below for applying for the license: 【 LIMITED INFORMATION 】

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

Answer: There is no special requirement or condition to obtain the license.

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

Answer: The Company has to operate within the business scope provided in the Business License.

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

Answer: If the Company operates outside the scope of its business without notifying the Registration Authority, the administration authority will stop it according to the law and confiscate the illegal income. If the behaviour of the company violates the criminal law, the company shall be investigated for criminal responsibility accordingly.

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

Answer: As indicated in the Business License, the Company is able to do business in relation to 【LIMITED INFORMATION】

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

Answer: If the Company is involved in illegal activities, or goes bankrupt or it engages in fraudulent business practices or forges documents or alters the Business License or transfers, lends or rents the Business License, etc., the Business License can be revoked by the Registration Authority.

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:
- (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.

Answer: Decision is normally made by the general manager and relevant department managers, based on the market condition.

- The arrangements of production are based on the customers' orders. The sales department will evaluate the prices to ensure the profitability by considering the cost of production.
 - The general manager and relevant department managers such as production department and supplying department are responsible for the production and the purchase of inputs.
 - Labour force is normally secured from the labour market on the basis of mutual needs.
 - Utilities are secured by agreement or contracts with the relevant suppliers.
 - Profit is distributed in accordance with the Company's articles of association.
- b) Provide a description of any Government of China input into the decision-making process respecting your manufacture, marketing and sale of steel products.

Answer: There is no involvement of Government of China in the decision-making process respecting your manufacture, marketing and sale of steel products.

- 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.

Answer: There is no involvement of Government of China in the decision-making process respecting your manufacture, marketing and sale of steel products.

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

Answer: The Company has to file the enterprise VAT return, enterprise income tax return and VAT refund return to the local relevant tax authorities.

- 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.

Answer: The Company is not aware of such Five Year Plans.

- 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 Government of China (including the National Development and Reform Commission).

Answer: The Company has no five-year plans.

- g) Provide copies of the minutes of your Board of Directors and Board of Shareholders meetings over the investigation period.

Answer: Please refer to Exhibit H-1.4.g for the minutes of Boards of Directors and Board of Shareholders.

- h) Provide copies of the notes to company meetings where pricing decisions on steel products have been made over the investigation period.

Answer: The Company does not hold meetings to make pricing decisions on steel products. As mentioned above, decision making process is, done by the general manager and relevant department managers based on the market conditions.

5. Financial and investment activities

- a) How is your business debt funded? Provide a list of all major lenders.

Answer: The Company get the loans from financial market, namely commercial banks. The major lender in 2016 is the 【LIMITED INFORMATION】

- b) What is the rate of interest paid by your business on all debt instruments over the last 5 years?

Answer: The average loan interest rates over the last 5 years, i.e. 2012-2016, are 【LIMITED INFORMATION】

%, 【 LIMITED INFORMATION 】 %, 【 LIMITED INFORMATION 】 %, 【 LIMITED INFORMATION 】 % and 【LIMITED INFORMATION】 % respectively.

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

Answer: The Company did not benefit from any concessional interest rates in the last 5 years.

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

Answer: The Company did not raise capital during the last 5 years.

- e) Does your business have policies on how cash reserves are to be invested? If so, provide details.

Answer: The Company does not have such policy.

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

Answer: The Company does not have such investment.

PART H-2 GOVERNMENT OF CHINA MEASURES IN THE IRON AND STEEL SECTOR

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

1. Are there any other Government of China opinions, directives, decrees, promulgations, measures, etc. concerning the iron and steel industry/sector that were put in place or operating during the investigation period; for example but not limited to, the National Steel Policy (NSP), the Blueprint for the Steel Industry Adjustment and Revitalization and the Directory Catalogue on Readjustment of Industrial structure?

If yes, please provide a copy of that documentation and a translation as well. Also provide documentation concerning the Government of China or any association of the Government of China's notification of the measures concerning steel to your company over the investigation period.

Answer: The Company is not aware of any above mentioned documents regarding steel industry.

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

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.

Answer: The Company is not aware of any government measures regarding steel industry.

3. National Steel Policy

The Commission 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.

Answer: The Company is not aware of the said National Steel Policy. Therefore, the following questions are not applicable.

- a) Explain in detail how the policy and any updates regarding the policy were communicated to your company.
- b) 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.
- c) 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.
- d) Do you have designated officials that have provided direction to your company regarding the Government of China's measures and how to proceed with your current project or future plans within the scope of the policy?
- e) Explain in detail if there are additional directives or measures from the Government of China that have been communicated to your company, since the inception of the policy.
- f) Explain in detail whether the policy has ever impacted your company's investment plans. This may 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.
- g) Explain the ongoing mechanism used by the Government of China to measure your company's compliance with the policy directives and/or guidelines.
- h) 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.
 - 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.

- Identify any Government of China 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.
 - 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?
- i) Describe the role of the National Development and Reform Commission in terms of communicating, implementing and overseeing policies governing the steel sector, including but not limited to, China's National Steel Policy.

4. Other government approvals

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

Answer: The Company is not aware of other government approvals, therefore, the questions are not applicable.

- a) Explain whether your company has undertaken an approval process through the Government of China for any steel investments in the last 10 years.
- b) Explain whether any applicable investments received the necessary approval and if so, provide documentation confirming this approval.
- c) If your investment was not approved, provide the reasons given for the refusal.
- d) Describe the process your company has to follow to obtain these approvals.
- e) Provide a translated copy of the application form along with the original Chinese version.
- 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.

5. The restructure of the iron and steel industry in China

The Commission is aware of the GOC's *Guidelines on tackling severe overcapacity problem*. The following questions relate to these guidelines:

- a) Explain in detail if there were any directives or measures from the GOC that have been communicated to your business since the inception of these guidelines?

Answer: There was no directive or measure from the GOC that have been communicated to the Company.

- b) Identify the Government department, association or company official that communicated these guidelines or any related measures to your business.

Answer: Not applicable.

- c) Identify the Government department, association or company and names of officials who are responsible for the administration of these guidelines.

Answer: Not applicable.

- d) Explain in detail how these guidelines have or might impact on your business. This may include reference to specific measures considered or taken by your business. Such items may include but are not limited to items such as project approval process, credit and loans terms (including any preferential interest rates), the environmental issues, discounted rate of energy and raw materials (iron and steel, pre-alloyed product etc).

Answer: Not applicable.

- e) Explain any on-going mechanism used by the GOC to measure your business compliance with the policy directives and/or guidelines.

Answer: Not applicable.

PART H-3 THE ALLOY BAR SECTOR

The information requested in this part will assist in providing a better understanding of the Government of China measures and your business' sales and production of alloy bars.

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

1. Export quotas and licensing

Answer: There is no export quotas or licensing applicable to alloy bar sector.

- a) Are alloy bars sold by your company subject to any export quotas?

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

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

- b) If alloy bars are not presently subject to export quotas, indicate if quotas existed during the investigation period and when and why they were removed.
- c) Identify which Government of China agency legislates and monitors any such quotas.
- d) Has the Government of China set any targets or limits regarding the quantity of alloy bars that you may sell on the domestic or export markets? If so, provide details.
- e) Are there any export licence requirements for alloy bars? If so, provide details.

2. Taxation

- a) Were there any export taxes on the exports of alloy bars during the investigation period?

Answer: There are no export taxes regarding alloy bar sector.

- b) What was the VAT rebate applicable to alloy bar exports during the investigation period?

Answer: The VAT rebate rate is 【LIMITED INFORMATION】 during the investigation period.

- c) Have there been any changes to the value-added tax rebate applicable to steel exports in the last 5 years? If yes, provide:
- 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 Government of China notices regarding these changes, including the relevant appendices.

Answer: There are 【LIMITED INFORMATION】 applicable to steel exports in the last 5 years.

- d) Please provide details of any taxes and tariff (rates and rebates) applicable to coking coal and coke as well as iron ore and scrap steel.

Answer: The Company purchases raw materials 【LIMITED INFORMATION】 and is not aware of tariff applicable.

- e) Please provide details of any other taxes and tariff (rates and rebates) applicable to alloyed bar specifically.

Answer: The Company is not aware of any other taxes and tariff applicable to alloy bar.

- f) Are you aware of any tax changes being planned that would impact the alloy bar sector?

Answer: The Company is not aware of such changes.

3. Sales terms

- a) Identify the person who authorises the sales terms, prices and other contract provisions for the sale of alloy bars by your business.

Answer: The sales departments are responsible for the determination of sales terms, prices other contract provisions for the sale of alloy bars.

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

Answer: The Company and customers negotiated and agreed the price based on market situations. There is no involvement of Government of China in pricing decisions of the Company.

- c) Does your business coordinate the selling prices or supply of alloy bars with other domestic steel and steel product producers, any Government of China departments, or the China Iron and Steel Association? If so, provide details.

Answer: The Company does not coordinate the selling prices or supply of alloy bars with other domestic steel and steel product producers, Government of China departments, or the China Iron and Steel Association.

- d) Explain whether your business provides alloy bar price information/data to the Government of China, 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.

Answer: The Company does not provide any alloy bar price information/data to the Government of China, the China Iron and Steel Association (CISA), other government officials or commercial/industry organisations.

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

Answer: The Company does not provide any alloy bar price data to any other person at the provincial, regional or special economic zone level of government.

4. Industry associations

- 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 Government of China with the associations.

Answer: The Company is not a member of CISA or regional Iron & Steel Associations.

- b) If your business is a member of an industry association, indicate whether this membership is voluntary or compulsory. Explain the functions that the association provides for your business. Explain in detail the role of the association with respect to the directives as provided by the GOC concerning the iron and steel industry.

Answer: 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 Government of China with the association.

Answer: The Company is not a member of any other industry association.

- 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 Government of China concerning the steel industry.

Answer: Not applicable.

6. Statistics submission/recording

Answer: The Company does not make submissions, thus the following questions are not applicable.

- a) Indicate if your business makes submissions⁷ 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.
- 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.
- c) Do the organisations approve or assess your submission? If yes, provide a detailed explanation.
- d) Do the organisations provide feedback on your submission? If yes, provide a detailed explanation.

7. Manufacturing inputs

- a) Is there a price difference in purchase price for raw materials (i.e. coking coal, coke, iron ore and scrap steel or other raw material involved in the manufacture of alloy bars) between your suppliers?

Answer: The purchase price varies because the prices are agreed by and between the Company and suppliers based on market conditions.

- b) Is there a price difference between purchase price of raw materials from SIEs/SOEs and non-SIEs/SOEs? Provide explanation.

Answer: The price varies based on the market conditions.

- c) If your supplier is based outside China, what import duty rate is applied on the raw materials (i.e. iron and steel or other raw material)?

Answer: All the raw materials are purchased 【LIMITED INFORMATION】 , therefore, this question is not applicable.

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

Answer: There is no such benefit.

8. Regional differences

- 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.

⁷ For example, monthly data relating to sales, production and costs.

Answer: The production facilities are located in 【LIMITED INFORMATION】 , therefore, this question is not applicable.

9. Alloy bar production/output during the investigation period

- a) Is any part of your production of alloy bars 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.

Answer: The Company is not aware of such industrial policy.

- b) To what extent are any of the policies/guidelines identified in a) applicable to your business?

Answer: The Company is not aware of such industrial policy.

- c) Where applicable, how did your business respond to the policies/guidelines?

Answer: The Company is not aware of such industrial policy.

- d) Provide details regarding any other restrictions (e.g., geographic/regional, downstream, use, etc.) to the sale of alloy bars that may be imposed by the Government of China.

Answer: There are no such restrictions.

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

Answer: Please refer to the reply to Section D for the requested information.

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

Answer: There are no such restrictions or conditions.

- g) Does your business require an export licence? If so, provide details.

Answer: There is no such requirement.

- h) Are the goods sold by your business subject to any export restrictions

and/or limits during the previous 5 year? If so, provide details.

Answer: There are no such restrictions during the previous 5 years.

- i) Provide details regarding any other restrictions (e.g., geographic/regional, downstream, end use) placed upon your business on the sale of the goods.

Answer: The Company is not aware of any other restrictions.

- j) Have there been any changes to your production capacity of the goods over the last 5 years? If so, provide details.

Answer: There have been no changes to production capacity over the last 5 years.

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 iron and steel prices.

Answer: The Company is not aware of no such guidance.

- 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 and steel, etc.).

Answer: The Company is not aware of no such guidance.

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

Answer: The Company has not encountered any price guidance or controls established by regional, provincial or special economic zone officials and/or organisations.

- d) Describe in detail how the selling price of the goods is determined. In particular, provide details of any restrictions, limitations, or other considerations imposed on your business.

Answer: The selling price is agreed by and between the Company and customers based on market conditions. The Company is not aware of any restrictions, limitations, or other considerations imposed.

- e) Which organisation/business entity do you consider as the price leader of the goods?

Answer: There is no such entity.

- f) Does your business have a pricing committee in respect of the goods? If so provide the names and positions of all members of the Committee.

Answer: There is no such price committee.

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

Answer: There is no such price committee.

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

Answer: The sales departments are responsible for the determination of sales terms, prices other contract provisions for the sales of goods.

- i) If you have production facilities of the goods in more than one region and/or province, are the laws and regulations in each region the same with respect to pricing of the goods? If not, provide details on the differences.

Answer: All the production facilities of the Company are located in one region. Therefore, this question is not applicable.

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.

Answer: The Company did not raise capacity in recent years.

- 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.

Answer: The Company did not raise capacity in recent years. Therefore, this question is not applicable.

12. Steel billet (Purchased)

Only answer the following questions if your business, or related businesses, purchase steel billet

Answer: The Company did not purchase steel billet from un-related company.

- a) Provide a detailed listing of your steel billet purchases by completing the 'Steel Billet Purchases' tab of the attached spreadsheet.
- b) Do you have more than one supplier of steel billet? If so, provide an explanation of the reasons of price differences between these suppliers?
- c) Describe in detail your business' purchase procedures of steel billet and the considerations in selecting a supplier. If it is by tenders, provide details of the criteria/conditions.
- d) If steel billet is imported by your business, or related businesses:
 - i. Provide details including a description of the steel billet imported, the supplier and country of origin.
 - ii. Explain the process required to import steel billet (e.g. obtaining an import licence, import declarations).
 - iii. Provide details of any conditions to importing the steel billet (e.g. customs and/or quarantine).
 - iv. Is your business eligible for a duty drawback? If so, provide details.
- e) Do you have more than one supplier of the raw materials? If so, provide an explanation of the reasons of price differences between these suppliers?
- f) Describe in detail your business' purchase procedures of the raw materials and the considerations in selecting a supplier. If it is by tenders, provide details of the criteria/conditions.
- g) If any of your raw materials for the production of billet or alloy bar are imported by your business, or related businesses:
 - i. Provide details including a description of the raw material imported, the supplier and country of origin.
 - ii. Explain the process required to import the raw materials (e.g. obtaining an import licence, import declarations).
 - iii. Provide details of any conditions to importing the raw materials (e.g. customs and/or quarantine).
 - v. Are you eligible for a duty drawback? If so, provide details.

13. Steel billet (Sales)

Only answer the following questions if your business, or related businesses, sell steel billet

Answer: The Company is not involved of sales of steel billet.

- a) Sales and production
 - i. Provide a list of all your domestic customers of steel billet and indicate whether each customer is an SIE.
 - ii. Are you required to obtain approval or a licence to sell steel billet? If so, provide details.

- iii. Are there any restrictions and/or conditions in relation to the quality or quantity of the production of steel billet placed upon your business? If so, provide details.
 - iv. Do you have an export licence for exports of steel billet? If so, provide details.
 - v. Is steel billet sold by your business subject to any export restrictions and/or limits during the previous 5 year? If so, provide details.
 - vi. Provide details regarding any other restrictions (e.g., geographic/regional, downstream, end use) placed upon your business on the sale of steel billet.
 - vii. Have there been any changes to your production capacity of steel billet over the last 5 years? If so, provide details.
- b) Selling price
- a. Describe in detail how the selling price of steel billet is determined. In particular, provide details of any restrictions, limitations, or other considerations faced by your business.
 - b. Which organisation/business entities do you consider as the price leader of steel billet?
 - c. Does your business have a pricing committee in respect of steel billet? If so provide the names and positions of all members of the Committee.
 - d. How often does the pricing committee meet to discuss selling prices of steel billet? Provide the minutes or any other relevant documents of all meetings of the pricing committee during the investigation period.
 - e. Identify the person who authorises the sales terms, prices and other contract provisions for the sale of steel billet by your business.
 - f. If you have production facilities of steel billet in more than one region and/or province, are the laws and regulations in each region the same with respect to pricing of steel billet? If not, provide details on the differences.
 - g. If you have customers of steel billet located in more than one region and/or province, are the selling prices of these products different? If so, explain the reasons on the differences.

14. Raw material purchases

Only answer the following questions if your business, or related businesses, manufacture steel billet

- a) Provide a detailed listing of your raw material purchases (e.g. iron ore, steel scrap, coking coal, lime) involved in the manufacture of alloy bars by completing the Raw Material Purchases tab of the attached spreadsheet).

Answer: Please refer to **Table H-3.14 for the Table Raw Material Purchase.**

- b) Do you have more than one supplier of the raw materials? If so, provide an explanation of the reasons of price differences between these suppliers?

Answer: The purchase prices varied due to the market conditions.

- c) Describe in detail your business' purchase procedures of the raw materials and the considerations in selecting a supplier. If it is by tenders, provide details of the criteria/conditions.

Answer: The supplying and purchase department is responsible for the purchase of raw materials. The Company selects the supplier based on price, quality and supplier capacity.

- d) If any of your raw materials for the production of steel billet or alloy bar are imported by your business, or related businesses:
- i. Provide details including a description of the raw material imported, the supplier and country of origin.
 - ii. Explain the process required to import the raw materials (e.g. obtaining an import licence, import declarations).
 - iii. Provide details of any conditions to importing the raw materials (e.g. customs and/or quarantine).
 - iv. Are you eligible for a duty drawback? If so, provide details.

Answer: Please refer to **Table H-3.14 for the Table Raw Material Purchase.**