



PUBLIC

EXPORTER QUESTIONNAIRE

CERTAIN RAILWAY WHEELS EXPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA

Period of Inquiry: 1 JANUARY – 31 DECEMBER 2017

Response due by: **25 MAY 2018**

Important note: The Commissioner will reject all requests for a longer period to provide a response to this exporter questionnaire received after this date. Extensions requested before this date will *only* be agreed to where necessary and reasonable.

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Anti-Dumping
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RETURN OF QUESTIONNAIRE DETAILS

By mail
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THE GOODS UNDER CONSIDERATION

Goods Description

The goods under consideration (“the goods”) i.e. the goods exported to Australia at allegedly at dumped and subsidised prices are:

Forged and rolled steel, high hardness, nominal 38-inch (or 966 mm to 970 mm) diameter, railway wheels, whether or not including alloys (railway wheels).

Axles and other components are excluded from the goods coverage.

Additional information

The railway wheels are manufactured in accordance with relevant user defined specifications and drawings, and are used on rail carriages used to transport iron ore.

The railway wheels have the following typical characteristics:

- 38 inch or 966 mm to 970 mm diameter and of similar overall dimensional tolerances and shape;
- manufactured from a high carbon steel with the addition of micro alloying elements to achieve hardness and mechanical properties as defined in the user specifications;
- manufactured using a forging and rolling process in accordance with defined standards;
- suitable to operate at axle loads above 36 metric tonnes; and
- a multi-wear rim.

The wheels are manufactured in accordance with specifications established by users. The applicant states that the wheel specifications may be slightly modified and renamed to suit the specific manufacturer’s production process, however, all railway wheels will typically be manufactured in accordance with the iron ore producer’s specifications.

Tariff classification

The goods are generally, but not exclusively, classified to the following tariff classification in Schedule 3 to the *Customs Tariff Act 1995*:

- 8607.19.00 (statistical code 20)¹

This tariff classification and statistical code may include goods that are both subject and not subject to this investigation. The listing of this tariff classification and statistical code is for convenience or reference only and does not form part of the goods description. Please refer to the goods description for authoritative detail regarding goods, the subject of this investigation.

¹ This statistical code became active from 1 July 2015, and relates specifically to wheels. Previously, these goods were classified to statistical code 17, which was inclusive of a broader range of good types.

BACKGROUND AND GENERAL INSTRUCTIONS

Why you have been asked to fill out this questionnaire?

The Anti-Dumping Commission (the Commission) is responsible for investigating the allegations that railway wheels have been exported to Australia from China at prices less than their normal value (ie dumping), that producers of such railway wheels have received countervailable subsidies and that such dumping and subsidisation have caused material injury to the Australian industry.

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

The Commission inquiry 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), and it may assess a dumping margin and subsidy 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 response, 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 follow 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 2017/95**, available on the Commission's website at www.adcommission.gov.au. Manufacturers and exporters are requested to respond to this questionnaire and return it to the Commission within the time specified on the cover page. There is a statutory time limit imposed for the investigation. The Commission may not be able to consider responses received after the due date.

If you cannot lodge your response by the due date please advise the inquiry Case Manager (identified on the front page of this document) as soon as possible.

Confidential and non-confidential responses

You are required to lodge one confidential version (for official use only) and one non-confidential version (for public record) of your response 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 response 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 responses are required to have an explanation of deleted or blacked out information for the non-confidential version of the response. Note that if such an explanation is not provided, the Commission may disregard the information in the response. 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 Case Manager.

Exporter's declaration

At Section J, you are required to make a declaration that the information contained in your response 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 response. Where there are a large number of exporters, the Commission may have to verify information from selected exporters only. The purpose of a verification 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 Case Manager 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, for example 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 inquiry 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	Market Situation.
Section I	Countervailing
Section J	Exporter's Declaration
Section K	Exporter Questionnaire response 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 you consider 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 or USB, or via email.
- 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). Excel files must be compatible with the USA version.
- An Excel workbook, “**Exporter Questionnaire spreadsheets – Railway wheels (China)**” accompanies this questionnaire and forms a template for your response to the data requested. The workbook is referred to throughout this questionnaire. This workbook should be completed and used to provide the requested data where possible.
- If you cannot present electronic data in the requested format contact the inquiry Case Manager as soon as possible.

Further information

Before you respond to the questionnaire you should read all the key documentation related to this application including the applicant's non-confidential response and the Anti-Dumping Notice notifying the initiation of the investigation. These documents are available on the Commission's website, www.adcommision.gov.au

We also advise that you read the attached glossary of terms.

If you require further assistance, or you are having difficulties completing your response, please contact the 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 inquiry:

Head Office:

Name: Wang Hongbing

Position in the company: Deputy Chief of Market Management Section of Marketing Department

Address: No. 8 Jiuhuaxilu, Maanshan, Anhui Province, China

Telephone: +86-555-2876881

Facsimile number:

E-mail address of contact person: masteelwhb@sina.com

Factory:

Address: Middle Section of Tianmen Avenue, Maanshan, Anhui Province, China

Telephone: +86-555-2877317

Facsimile number: +86-555-2884465

E-mail address of contact person: xiangqian@masteelwheel.com

A-2 Representative of the company for the purpose of inquiry

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

Name: Andrew Percival

Kevin Reilly

Position: Principal

Principal

Address: Percival Legal
1 Rickard Ave
Mosman
NSW 2088

GTR Consulting
2 Julianne Close
Bolwarra Heights
NSW 2320

Telephone: +61 425 221 036

+61 411 439 366

E-mail: andrew.percival@percivallegal.com.au

kevin@gtrconsulting.com.au

Name: Ren Yongzhong (Beijing DeHeng Law Offices)

Address: 12th Floor, Tower B, Focus Place, No. 19 Finance Street, Beijing

Telephone: +86-10-52682899

Facsimile/Telex number:

E-mail address of contact person: renyz@dehenglaw.com

Note that in nominating a representative, the Commission will assume that confidential material relating to your company in this inquiry 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.

RESPONSE:

Company name: **Maanshan Iron and Steel Co., Ltd.** (hereinafter referred to as 'Ma Steel')

Ma Steel is a joint stock company listed on Shanghai Stock Exchange and Hong Kong Exchange.

Maanshan Iron and Steel Co., Ltd. is the only name being used in business activities.

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).

RESPONSE:

The principal shareholders holding more than 5% shares of Ma Steel are:

Shareholder	Shares	Percentage
Magang (Group) Holding Co., Ltd.	3,506,467,456	45.54%
Hong Kong Securities Clearing Nominees Limited	1,714,016,900	22.26%

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

RESPONSE:

The controlling shareholder of Ma Steel is Magang (Group) Holding Co., Ltd., the sponsor of which is State-owned Assets Supervision and Administration Commission of the People's Government of Anhui Province.

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

RESPONSE:

The State-owned Assets Supervision and Administration Commission of the People's Government of Anhui Province is a government's department and doesn't have shareholders.

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

RESPONSE:

Please refer to exhibit [A-3-5 Corporate Structure](#) [CONFIDENTIAL].

Exhibit A-3-5 is confidential because it contains detailed information regarding Ma Steel's associated relationship with other companies, which cannot be published to the public.

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

RESPONSE:

There were no such fees or allocations charged to Ma Steel during the IP.

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

RESPONSE:

Ma Steel's major businesses are production and sales of iron and steel products; the main production processes include iron making, steel making, steel rolling, etc. Major product of the Company is steel, which can be roughly divided into three types, i.e. plates, long products and wheels and axles.

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 that perform each function:

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

RESPONSE:

Ma Steel performs all of the functions mentioned in the question.

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

RESPONSE:

Please refer to exhibit [A-3-9 Organization Chart](#) [CONFIDENTIAL].

Exhibit A-3-9 is confidential because it is about Ma Steel's internal arrangements of production, research, and sales. Through Exhibit A-3-9, one can get the whole picture of Ma Steel's departments and inner structure, which is pure confidential.

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

RESPONSE:

Please refer to exhibit [A-3-10 Brochures](#).

PUBLIC

Annual reports are provided as [A-4-3-2 2017 Auditor's Report-Ma Steel](#) and [A-4-3-3 2016 Auditor's Report-Ma Steel](#).

A-4 General accounting/administration information

1. Indicate your accounting period.

RESPONSE:

The accounting period is from January 1st to December 31st.

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

RESPONSE:

The financial records of the current and last year are kept in the financial department.

Those financial records of the period before last year are kept in the archives department of Ma Steel.

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

RESPONSE:

Please refer to exhibits [A-4-3-1 Chart of Accounts](#) [CONFIDENTIAL], [A-4-3-2 2017 Auditor's Report](#), [A-4-3-3 2016 Auditor's Report](#), and [A-4-3-4 2018 First Quarter Report](#).

There are no other internal financial statements.

Exhibit [A-4-3-1](#) is confidential because it provides some detailed information in Ma Steel's accounting practices and ERP systems.

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.

RESPONSE:

The financial accounts of Ma Steel have been audited.

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

RESPONSE:

Ma Steel's accounting practices are in accordance with the general accepted accounting principles of 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 (eg last in first out –LIFO, first in first out- FIFO, weighted average);

RESPONSE:

Inventories include raw materials, work in progress, finished goods and spare parts.

Inventories are initially recognised at cost, which comprises purchase cost, processing cost, and other costs. Costs of delivered inventories, other than construction contracts and spare parts, are determined on the weighted average basis. Costs of general spare parts, lower valued consumables and packing materials are charged to profit or loss when issued; accident spare parts are amortised in 8 years with 4% residual rate; Large rolls on rolling mills are amortised according to the grinding amount.

Inventories are accounted for using the perpetual inventory system.

At the end of each reporting period, inventories shall be measured at the lower of cost and net realizable value. If the cost is in excess of the amounts expected to be realized from their sale or use, provision for inventories is recognised in profit or loss. When the circumstances that previously caused inventories to be written down below cost no longer exist and the net realizable value is higher than the carrying amount, the original amount of the write-down is reversed and charged to profit or loss.

Net realizable value is the estimated selling price on normal business terms deducted by the estimated costs to completion, the estimated selling expenses and related taxes. Provision is considered on a category basis for raw materials, and on an individual basis for finished goods. And for the inventories sold, the carrying amount of the inventory should be recognised as an expense in the period in which revenue was recognised, and the inventory provision should be written back accordingly, and the current period's cost of sales should be reversed.

- costing methods, including the method (eg by tonnes, units, revenue, direct costs etc) of allocating costs shared with other goods or processes (such as front office cost, infrastructure cost etc);

RESPONSE:

Direct cost is recorded directly to each production order. Indirect cost is first collected in cost centres, and then allocated to production order according to allocation coefficient and actual production quantity. SG&A is allocated based on the sales revenue.

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

RESPONSE:

Standard cost determined in accordance with market value.

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

RESPONSE:

Standard cost determined in accordance with market value.

- valuation and revaluation methods for fixed assets;

RESPONSE:

Property, plant and equipment are initially recorded taking discard expenses into consideration. The purchase cost of fixed assets comprises its purchase price, related taxes, and any directly attributable expenditure for bringing the asset to its working condition for its intended use.

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

RESPONSE:

Except for the land abroad purchased by an overseas subsidiary of the Group, depreciation is calculated on the straight-line basis. The estimated useful lives, estimated residual values, and the annual depreciation rates of each category of fixed assets are as follows:

	Estimated useful life	Estimated residual value	Annual depreciation rate
Buildings	10 – 30 years	3%	3.2 – 9.7%
Plant and machinery	10 – 15 years	3%	6.5 – 9.7%
Office equipment	5 – 10 years	3%	9.7 – 19.4%
Motor vehicles	5 – 8 years	3%	12.1 – 19.4%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately.

Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

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

RESPONSE:

Ma Steel only bought foreign exchange for raw materials importation and foreign currency debts repayment, but not for arbitrage.

Foreign exchange gains and losses incurred in relation to foreign currency assets and liabilities. Every quarter, Ma Steel values the foreign exchange for foreign currency assets and liabilities, and recognizes the differences into financial expenses, and finally into profit or losses.

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

RESPONSE:

Foreign currency transactions are initially recorded using the functional currency rates ruling at the dates of the transactions. Monetary items denominated in foreign currencies are translated into functional currencies at the rates of exchange ruling at the end of reporting period. The resulting exchange differences are recognised in profit or loss, except those arising from the principals and interest on foreign currency borrowings specifically for the purpose of acquisition, construction or production of qualifying assets. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated into functional currencies using the foreign exchange rates at the transaction date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated using the foreign exchange rates at the date the fair value is determined, and the exchange differences are recognised in profit or loss or other comprehensive income.

- inclusion of general expenses and/or interest;

RESPONSE:

Please refer to the relevant part of Ma Steel's notes to the financial statements.

- provisions for bad or doubtful debts;

RESPONSE:

The Group assesses bad debt provision as follows:

(1) Receivables that are individually significant and of which bad debt provision is assessed individually.

The Group regards receivables as significant if its carrying amounts exceed RMB2 million. Provision for bad debts are recognised if the receivables' present value of estimated future cash flows is less than its carrying amount.

(2) Receivables that are individually insignificant, but of which bad debt provision is assessed individually.

When there is objective evidence that the Group could not collect receivables as original terms stated, provision for bad debts are recognised if the receivables' present value of estimated future cash flows is less than its carrying amount.

(3) Receivables of which bad debt provision is assessed in portfolios based on credit risk characteristics.

Receivables with no bad debt provision when assessing individually should be assessed for bad debt provision in portfolios based on credit risk characteristics. Receivables with recognised bad debt provision loss shall not be assessed in portfolios based on credit risk characteristics.

The Group applies aging as credit risk characteristic to determine the receivable portfolios, and the percentage of provision for bad debts based on the aging analysis is as follows:

Percentage of bad debt provision	
Within 1 year	0%
1 to 2 years	10%
2 to 3 years	20%
More than 3 years	50%

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

RESPONSE:

The depreciation of idle equipment is recorded.

There were no such expenses for plant shut-downs.

- costs of plant closure;

RESPONSE:

There was no such cost.

- restructuring costs;

RESPONSE:

There was no such cost.

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

RESPONSE:

By-products and scrap materials, if any, are valued in standard cost and are used to write off the main product's production cost. The company doesn't record the cost of by products and scrap materials.

- effects of inflation on financial statement information.

RESPONSE:

Due to the absent of hyperinflation, its effect on financial statements has not been considered.

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.

RESPONSE:

For Year 2017

Change in Presentation of Gain/Loss from Disposal of Assets

As required by the Notice of the Ministry of Finance on Revising and Circulating General Corporate Financial Statement Formats (Financial Accounting [2017] No.30), the Group presents gain/loss from disposal of assets as a new item above operating profit in the income statement, and the gain/loss from disposal of non-current assets which was previously recorded in non-operating income and non -operating expenses is included in this new item. The Group has represented the comparative income statement. This change to accounting policies has no impact on the consolidated and company net profit and shareholders' equity.

Change in Presentation of Government Grants

As required by the Notice on Revising and Circulating Enterprise Accounting Standards No.16 Government Grants (Financial Accounting [2017] No.15), the Group presents the other income item separately above operating profit in the income statement , and government grants related to daily activities are stated under other income instead of non -operating income ; in line with the standards, the Group has applied the prospective approach to government grants existing prior to 1 January 2017, and adjusted government grants received between 1 January 2017 and the effective date of the standards (12 June 2017) accordingly. Items disclosed in other income, operating profit and non -operating income in 2016 are different from those in 2017, but this has no impact on consolidated and company net profit in 2016 and 2017.

Change in Presentation of Discontinued Operations

As required by the Notice on Circulating Enterprise Accounting Standards No.42-Non-current Assets Held for Sale, Disposal Groups and Discontinued Operations (Financial Accounting [2017] No.13), the Group adds two items below net profit in the income statement, net profit from continuing operations and net profit from discontinued operations, to state profit or loss from continuing operation and profit or loss from discontinued operations. Since the Group had no discontinued operation in 2017, this change in accounting standards has no impact on consolidated and company net profit stated in the income statement for the year of 2017 and 2016 based on operations continuity.

For Year 2016

Changes in accounting policies

Changes in tax disclosure

In 2016, the Group adjusted the "business tax and surcharges" item in the statement of profit or loss to "tax and surcharges" in accordance with the requirements of "Value Added Tax Accounting Treatment Regulations" (Accounting [2016] No. 22). The real estate tax, land usage tax, vehicle and vessel tax, stamp tax and other related taxes relating to operating activities since 1 May 2016 were recorded in "tax and surcharges" item instead of "general administrative expenses"; those occurred before 1 May 2016 were still recorded in "general administrative expenses". As a result of the above requirements, the contents disclosed in "tax and surcharges" and "general administrative expenses" in 2016 were different from those in 2015, but there was no impact on net profit and shareholders' equity for 2016 and 2015.

Changes in accounting estimates

In accordance with the CAS 4 – Fixed Assets and CAS 28 – Changes in Accounting Policy and Estimate and Correction of Errors, the subsidiary of the Group, Anhui Changjiang Iron and Steel

Co., Ltd. (“Anhui Changjiang Iron and Steel”) adjusted the useful life of fixed assets to ensure the adjusted useful life to meet the estimates on the period that the future economic benefits by considering actual useful life of the fixed assets accordingly. The new useful life applied from 1 April 2016 by adopting prospective method. On 14 March 2016, the change was approved by the board of directors in “Resolution of the Board of Directors of Changjiang Iron and Steel [2016] No.2”. On 30 March 2016, the change was also reviewed and approved by the board of directors of the Company in “Resolution of the Board of Directors of the Company [2016] No. 3”.

Since 1 April 2016, Anhui Changjiang Iron and Steel has made the following adjustments to the depreciable life of fixed assets:

Items	Estimated useful life before adjustment (year)	Estimated useful life after adjustment (year)	Remark
Buildings	20	30	Increased 10 years
Plant and machinery	10	15	Increased 5 years
Motor vehicles	5	8	Increased 3 years
Office (electronic) equipment	10	5	Decreased 5 years

The above changes of accounting estimates have the following impacts on the financial statement of the year ended 31 December 2016:

The Group

2016	Before changes in accounting estimates	Change in useful life	After changes in accounting estimates
	Closing balance/ transaction amount during the year		Closing balance/ transaction amount during the year
Carrying amount of fixed assets	35,413,406,163	109,195,552	35,522,601,715
Depreciation	3,486,961,669	(109,195,552)	3,377,766,117
Total profit	1,259,379,988	109,195,552	1,368,575,540
Income tax	84,581,346	27,298,888	111,880,234
Net profit	1,174,798,642	81,896,664	1,256,695,306
Accumulated loss	(272,465,286)	81,896,664	(190,568,622)

For detailed information, please refer to exhibits [A-4-3-2 2017 Auditor’s Report](#) and [A-4-3-3 2016 Auditor’s Report](#).

A-5 Income statement

Complete the spreadsheet '**Income statement**' in the **Exporter Questionnaire spreadsheets – Railway wheels (China)** workbook.

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

You will note that the spreadsheet 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 between the goods and other products produced.

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.

RESPONSE:

Please refer to spreadsheet [1-Income Statement](#) [CONFIDENTIAL].

Spreadsheet [1-Income Statement](#) contains Ma Steel's business data which is by nature confidential.

A-6 Sales

Complete the spreadsheet 'Turnover' in the **Exporter Questionnaire spreadsheets – Railway wheels (China)** workbook.

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

This requires you to 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.

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.

RESPONSE:

Please refer to spreadsheet [2-Turnover](#) [CONFIDENTIAL].

Spreadsheet [2-Turnover](#) contains Ma Steel's business data which is by nature confidential.

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, or another level if considered appropriate.

*You should report prices of **all** goods under consideration (the goods) **shipped** to Australia during the inquiry 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 inquiry period.*

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

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

RESPONSE:

Name	Address	Contact	Tel	Trade Level
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Information covered by black is confidential because it is about Ma Steel's clients in Australia.

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.

RESPONSE:

The sales process is same for each customer. The whole sales process usually includes the following steps:

Ma Steel receives an enquiry from its customer → creates an enquiry paper in Manufacturing Execution System (MES system) → R&D measures the production cost → Price Scrutiny Panel assesses the price and makes an offer → Security and Manufacturing Department determines the date of delivery → the customer places an order → Ma Steel signs the contract with the customer and arranges the production → goods are finished and delivered → the customer pays to Ma Steel.

- (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.

RESPONSE:

Regarding the export of the product concerned to Australia, there are only two parties involved. One is Ma Steel, the producer and exporter of the product concerned, the other is importer which is also the end-user of the product concerned, i.e. [REDACTED].

Commissions are not existed in the sales concerned.

Information covered by black regards Ma Steel's clients and is confidential.

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

RESPONSE:

[REDACTED]

[REDACTED]

[REDACTED]

Information covered by black is about Ma Steel's clients and its sales terms to those clients, hence it is confidential.

- (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).

RESPONSE:

As it has been explained in response to section B-2-(b) that no agent or distributor has involved in the exportation, there are no such kinds of 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.

RESPONSE:

There are usually two ways to settle the price of the product concerned:

(1) Bidding. After winning a bid for contract on wheels supply, Ma Steel confirms the date of delivery with the customer. Then the customer gives Ma Steel an order, based on that Ma Steel arranges the production. After the production is done, Ma Steel prepares for the transport of goods. Then the customer pays according to the payment term.

(2) Negotiation. Ma Steel negotiates the price of goods with a customer. After the price is settled, Ma Steel confirms the date of delivery with the customer. Then the customer gives Ma Steel an order, based on that Ma Steel arranges the production. After the production is done, Ma Steel prepares for the transport of goods. Then the customer pays according to the payment term.

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

RESPONSE:

Ma Steel is not related to any of its Australian customers.

Maanshan Iron and Steel (Australia) Pty Ltd. (hereinafter referred to as Ma Steel Australia) is a subsidiary of Ma Steel, which was established in Australia in September 2004. Ma Steel Australia's main business activity is to

Information covered by black is about Ma Steel Australia's business in Australia and its activities in relation to one of Ma Steel's clients. The information is confidential.

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

RESPONSE:

There are no forward orders of the product concerned.

- 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.

RESPONSE:

There were no such variances.

B-4 Australian sales data

Complete the 'Australian sales' spreadsheet in the **Exporter Questionnaire spreadsheets – Railway wheels (China)** workbook.

This data should be provided on a transaction by transaction basis.

The below table provides some explanation of the data requested in the Australian sales spreadsheet.

Column heading	Explanation
Customer name	names of your customers
Level of trade	the level of trade of your customers in Australia
Model/grade/type	commercial model/grade or type
Product code	code used in your records for the model/grade/type identified. Explain the product codes in your submission.
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 e.g. CIF, C&F, FOB, DDP (in accordance with Incoterms)
Payment terms	agreed payment terms e.g. 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 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.

Notes

* These costs are further explained in section E-1.

** 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 inquiry period.

Freight allocations must be checked for consistency

RESPONSE:

Please refer to the spreadsheet [4-Australian Sales](#) [CONFIDENTIAL].

The spreadsheet [4-Australian Sales](#) is confidential because it contains detailed information regarding Ma Steel's sales on Australian Market during the IP.

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.

RESPONSE:

We have added columns with titles to explain the nature of the expenses.

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.

RESPONSE:

There were no discounts, rebates or allowances in the sales of the goods.

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.

RESPONSE:

Ma Steel didn't issue credit notes to the customers in Australia during the IP.

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)

RESPONSE:

The expenses incurred under the DDP have already been provided in the spreadsheet.

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

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

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

RESPONSE:

Please refer to exhibits [B-9-1 MGE17-RTG-1-02G \[CONFIDENTIAL\]](#) and [B-9-2 MGE17-BHP-1-2 \[CONFIDENTIAL\]](#).

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The exhibits are confidential because they contain the documents between Ma Steel and its customers.

SECTION C - EXPORTED GOODS & LIKE GOODS

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

RESPONSE:

Please refer to exhibit [C-1 Wheels Specification \(Australia\)](#) [CONFIDENTIAL].

Exhibit C-1 is confidential because it contains detailed specification and technical data of Ma Steel's products sold on Australian market.

- 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).

RESPONSE:

Goods exported to Australia include [REDACTED].

Information covered by black is confidential because it is the types of goods exported to Australia by Ma Steel which also contains information regarding Ma Steel's clients.

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

An example of how this information can be presented is provided in the below table.

EXPORTED TYPE	DOMESTIC TYPE	IDENTICAL?	DIFFERENCES
Product code of each model of the GUC exported to Australia	Product code of comparable model sold on the domestic market of the country of export	If goods are identical indicate "YES". Otherwise "NO"	Where the good exported to Australia is not identical to the like goods in terms of: GRADE; SIZE; WALL THICKNESS; SHAPE; FINISH, describe the specification differences. If it is impractical to detail specification differences in this table refer to and provide documents which outline differences

RESPONSE:

On the domestic market, there were no comparable products sold.

In this regard, Ma Steel notes that the “*goods under consideration*” is described by Comsteel in its application as:

‘Forged and rolled steel, high hardness, nominal 38-inch (or 966 mm to 970 mm) diameter, railway wheels, whether or not including alloys (railway wheels).

Axles and other components are excluded from the goods coverage.’

The exporter questionnaire provided by the Anti-Dumping Commission lists a number of characteristics of the “*goods under consideration*” but notes, as stated in Comsteel’s application that the railway wheels exported to Australia are bespoke wheels manufactured to the specifications of end-users and not some generic form of railway wheels. Ma Steel understands, and this is confirmed in Comsteel’s application, that it manufactures “*identical*” railway wheels.

Consequently, the “*goods under consideration*” are not “*forged and rolled steel, high hardness, nominal 38-inch (or 966 mm to 970 mm) diameter, railway wheels, whether or not including alloys (railway wheels)*” but the railway wheels that meet the specifications of Australian end-users. It is the latter that constitute the “*goods under consideration*” and it is those goods that allegedly are causing material injury to the Australian industry and not some generic description of the imported goods and relevant to not only the injury analysis but also for the purposes of sections 269TG(1) and (2) of the *Customs Act 1901*.

It also is relevant to any ‘normal value’ calculation. While Ma Steel does manufacture and sell railway wheels for the Chinese domestic market, those railway wheels are materially different to those exported to Australia in terms of physical specifications (e.g. height, width, weight, composition, etc. of the wheels), the performance characteristics of such wheels, which are not for use in the Australian market, the terms and conditions, volume and end-users supplied of such wheels to the domestic market, etc. Such wheels do not have characteristic that “*closely resemble*” the wheels exported to Australia (i.e. the “*goods under consideration*”). Further, to make adjustments to ensure a “*fair comparison*” would need to include adjustments that account for all such differences, which would require extensive adjustments and information to support such adjustments.

Before embarking on any such task or any other methodology to calculate normal values and incurring the associated costs, it is necessary to precisely identify what are the “*goods under consideration*”, as well as to enable a proper injury analysis. Ma Steel understands that issue has been raised by CCCME in its submission to the Anti-Dumping Commission. Ma Steel request that the Anti-Dumping Commission provides it with further guidance in this matter.

Ma Steel is willing and available to discuss this matter with the Anti-Dumping Commission and to co-operate and provide information in a timely manner to assist the Anti-Dumping Commission in this regard.

Further, Ma Steel considers that information provided in its response to the Anti-Dumping Commission’s exporter questionnaire properly and accurately responds to each question posed in the questionnaire and provides sufficient information to calculate a normal value.”

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.

RESPONSE:

On the domestic market, there were no comparable products sold. See above.

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 inquiry period must be listed transaction by transaction. If there is an extraordinarily large volume of sales data and you are unable to provide the complete listing electronically you **must** contact the Case Manager **before** completing the questionnaire. If the Case Manager agrees that it is not possible to obtain a complete listing he or she will consider a method for sampling that meets the Commission's 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 inquiry period.*
- If you do not have any domestic sales of like goods you must contact the Case Manager who will explain the information the Commission requires for determining a normal value using alternative methods.*

RESPONSE:

During the IP, there were no like goods sold on the domestic market. Therefore, this section is not applicable to Ma Steel. See above.

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.

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.

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.

D-4 Domestic sales data

Complete the '**Domestic sales**' spreadsheet in the **Exporter Questionnaire spreadsheets – Railway wheels (China)** workbook.

This data should be provided on a transaction by transaction basis.

The below table provides some explanation of the data requested in the Domestic sales spreadsheet.

Column heading	Explanation
Customer name	names of your customers. If an English version of the name is not easily produced from your automated systems show a customer code number and in a separate table list each code and name.
Level of trade	the level of trade of your domestic customer
Model/grade/type	commercial model/grade or type 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.
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	handling, loading & ancillary expenses.

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And 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.

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.

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.

D-7 Select two domestic sales, in different quarters of the inquiry 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.

SECTION E - FAIR COMPARISON

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

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

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

To be able to quantify the level of any adjustment it will usually be necessary to examine cost differences between sales in different markets. 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 inquiry 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.

RESPONSE:

The inland transportation expenses arose when transporting the goods from the factory to Shanghai Port. Ma Steel appointed a logistics company to do the transport. The logistics company usually settled the transportation charges with Ma Steel once a month and issued VAT invoices to Ma Steel.

Since the payment and settlement was not done transaction-by-transaction, it is impossible to trace the expenses to each commercial invoice. In order to allocate the cost, Ma Steel collected the total transportation expenses from the factory to Shanghai Port in year 2017 as well as the total quantities transported. Then, Ma Steel calculated the average price it costed to transport a ton of goods from the factory to Shanghai Port, and this average price is used to calculate the inland transportation expenses for each transaction.

The allocation process is showed in spreadsheet [5-Packing and Inland Transportation](#) [CONFIDENTIAL].

It shall be mentioned that Ma Steel collected only the expenses and quantities that was from the factory to Shanghai Port. In exhibits [B-9-1 MGE17-RTG-1-02G](#) [CONFIDENTIAL] and [B-9-2 MGE17-BHP-1-2](#) [CONFIDENTIAL], the VAT Invoices of inland transportation provided contains expenses and quantities to Tianshun Port, which can be found on the Detailed List. Hence, the expenses and quantities in relation to Tianshun Port shall be deducted from the total VAT invoice values. In this way, the VAT invoice value and quantities can be matched with that in the spreadsheet [5-Packing and Inland Transportation](#) [CONFIDENTIAL].

The inland transportation is located in SG&A.

Spreadsheet [5-Packing and Inland Transportation](#) is confidential because it contains costs and expenses in relation to Ma Steel's exportation.

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.

RESPONSE:

The handling charges existed in transactions with FOB or DDP terms. For each transaction, the international logistics company would issue an VAT invoice to Ma Steel. The price and tax amount are showed on the VAT invoice.

The handling charges are located in SG&A.

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 inquiry 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.

RESPONSE:

Ma steel doesn't claim for the adjustment.

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**'.

RESPONSE:

The calculation of packing costs is provided in the spreadsheet [5-Packing and Inland Transportation](#) [CONFIDENTIAL].

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.

RESPONSE:

There were no commissions paid in relation to exports to Australia during the IP.

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.

RESPONSE:

There were no such costs during the IP.

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.

RESPONSE:

Ma Steel reported the expenses incurred under the DDP terms, such as, import duty, customs clearance fee and so on, in spreadsheet [4-Australian Sales](#) [CONFIDENTIAL].

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 inquiry (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 inquiry period.

RESPONSE:

Ma Steel doesn’t claim for such adjustment.

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.

RESPONSE:

Since there were no like goods sold on domestic market during the IP, this part is not applicable.

However, subject to the Ant-Dumping Commission’s response to submissions regarding the actual ‘*goods under consideration*’ there may be extensive adjustments and information to support such adjustments required, which may take considerable time and cost to prepare.

Ma Steel is willing and available to discuss this matter with the Anti-Dumping Commission and to co-operate and provide information in a timely manner to assist the Anti-Dumping Commission in this regard.

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 (SG&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.

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.

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 are 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.

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

Provide the applicable interest rate over each month of the inquiry 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 system², 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.

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:

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.

² 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.

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.

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**”.

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.

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.

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.*

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.

RESPONSE:

Since there were no like goods sold on domestic market during the IP, this part is not applicable. See earlier above.

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 Third country sales data

Complete the 'Third country' spreadsheet in the **Exporter Questionnaire spreadsheets – Railway wheels (China)** workbook.

This data should be provided on a summary basis.

The below table provides some explanation of the data requested in the Third country spreadsheet.

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

RESPONSE:

Please refer to spreadsheet [8-Third Country](#) [CONFIDENTIAL] for above mentioned information.

The spreadsheet [8-Third Country](#) is confidential because it contains detailed information regarding Ma Steel's sales on Foreign Markets except Australia during the IP.

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

RESPONSE:

During the IP, there were like goods sold to third country by Ma Steel which matched with the description of the investigated goods. A comparison of specification between goods exported to Australia and to third countries has been provided as exhibit F-2 Wheels Specification Comparison [CONFIDENTIAL].

Exhibit F-2 Wheels Specification Comparison is confidential because it contains detailed specification and technical data of Ma Steel's products sold on foreign markets.

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) - ie of the goods exported to Australia; and*
- *making certain adjustments to the normal value.*

You will need to provide the cost of production of both the exported goods (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 inquiry 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

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.

RESPONSE:

For production process, please refer to exhibit [G-1 Production Process \[CONFIDENTIAL\]](#).

The production facilities used for the goods can be used to produce other wheels.

There is no by-product. The scrap is steel scrap.

[Exhibit G-1](#) shows the production process of Ma Steel and cannot be revealed to the public.

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

	PREVIOUS FINANCIAL YEAR	MOST RECENT FINANCIAL YEAR	Investigation Period
A – Production capacity (e.g. kg, tonnes)*			
B – Actual production in volume (e.g. kg, tonnes)			
C – Capacity utilisation (%) (B/A x 100)			

* rather than showing a 'name-plate' optimal capacity it is more meaningful to show the maximum level of production that may reasonably be attained under normal operating conditions. For example assuming: normal levels of maintenance and repair; a number of shifts and hours of operation that is not abnormally high; and a typical production mix.

Provide this information on a spreadsheet named "**Production**".

RESPONSE:

Please refer to the spreadsheet [9-Production](#) [CONFIDENTIAL].

Spreadsheet [9-Production](#) reveals the production capacity and actual production of Ma Steel which is by nature confidential.

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.

RESPONSE:

The management accounting system is embedded in the SAP system.

Ma Steel adopts the Standard Costing which means the system records the cost of raw materials, labour, inventory and so on based on the actual production quantity and the predetermined estimated unit cost, while the variances between actual costs and standard costs are located in special accounts. At the end of a period, those variances accumulated will be allocated to relevant items, thus the cost information will be adjusted to actual costing which is reconciled to the financial statements.

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

RESPONSE:

Ma Steel adopts the Standard Costing and has used it in response to this questionnaire.

Variances have been allocated to the goods. Variances were recorded in accounts designed specifically to collect those variances between actual costs and standard costs, and at the end of a period, those variances would be traced back to the finished goods and allocated between inventories and goods sold. The calculation process is run by SAP system.

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

RESPONSE:

There were no such cost variances.

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

RESPONSE:

For wheel division, there are five main cost centres, i.e. marketing management, plant management, auxiliary production, direct production and plant production.

For detailed listing, please refer to exhibit [G-3-4 Cost Centres of Wheel Division](#) [CONFIDENTIAL].

Exhibit [G-3-4](#) cannot be revealed to the public because not only does it show the detailed setting of cost centres of Wheel Division, it also contains some information regarding Ma Steel's production arrangement.

- 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.

RESPONSE:

Direct cost is recorded to each production order, while indirect cost recorded and collected first in cost centres. At the end of a month, the cost in cost centre will be allocated to each production order. Manufacturing department is responsible for determining the allocation coefficient based on the technology and craft difficulties in relation to the production of each product. The coefficient is used to allocate cost in cost centre to each product.

Amortisation and depreciation are made at the end of a period.

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

RESPONSE:

Ma Steel's cost accounting system records the cost in accordance with the material code.

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

RESPONSE:

There were no such cost differences.

- 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.

RESPONSE:

There were no start-up operations in relation to the goods under consideration in the IP.

- 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.

RESPONSE:

There were no start-up operations in relation to the goods under consideration in the IP.

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.³

RESPONSE:

Since during the IP, there were no like goods that were sold on domestic market. This part of information is inapplicable.

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

	Quarter X	Quarter X	Quarter X	Quarter X	Investigation Period
Like Domestic Model/Type – from spreadsheet LIKE GOOD (section C-3)					
Material Costs ¹					
Direct Labour					
Manufacturing Overheads					
Other Costs ²					
Total Cost to Make					
Production Volume					
Unit Cost to Make					
Selling Costs					
Administration Costs					
Financial Costs					
Delivery Expenses ³					
Other Costs ³					
Total SG&A					
Sales Volume					
Unit SG&A					
Unit Cost to Make and Sell					

¹ Identify each cost separately. Include indirect material costs as a separate item only if not included in manufacturing overheads.

² Relating to costs of production only; identify each cost separately.

³ Identify each cost separately. Please ensure non-operating expenses **that relate to the goods under consideration** are included. Where gains/losses due to foreign currency exchange are incurred, please provide detail of the amounts separately for transaction and translation gains/losses.

³ 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.

Provide this information for each quarter (or month if your company calculates costs on a monthly basis) and over the period of the investigation.

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

Please specify unit of currency.

- 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.

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**".

	Quarter X	Quarter X	Quarter X	Quarter X	Investigation Period
Model/Type exported to Australia – from spreadsheet LIKEGOOD					
Material Costs ¹					
Direct Labour					
Manufacturing Overheads					
Other Costs ²					
Total Cost to Make					
Production Volume					
Unit Cost to Make					
Selling Costs					
Administration Costs					
Financial Costs					
Delivery Expenses ³					
Other Costs ³					
Total SG&A					
Sales Volume					
Unit SG&A					

Unit Cost to Make and Sell					
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¹ Identify each cost separately. Include indirect material costs as a separate item only if not included in manufacturing overheads.

² Relating to costs of production only; identify each cost separately.

³ Identify each cost separately. Please ensure non-operating expenses **that relate to the goods** are included. Where gains/losses due to foreign currency exchange are incurred, please provide detail of the amounts separately for transaction and translation gains/losses.

Provide this information for each quarter (or month if your company calculates costs on a monthly basis) and over the period of the investigation.

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

Please specify unit of currency.

RESPONSE:

Please refer to spreadsheet [Australian CTMS \[CONFIDENTIAL\]](#).

Spreadsheet [Australian CTMS](#) contains detailed information regarding Ma Steel's cost to make and sell of the goods under concerned, which is by nature confidential.

- 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.

RESPONSE:

Since there were no sales of like goods sold on domestic market during the IP. This question is not applicable.

- 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.

RESPONSE:

Since the cost is extracted from the SAP system, there are no differences between costs shown and costs in accounting system.

- 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.

RESPONSE:

Ma Steel's management accounting system only records the cost to make. The SG&A is allocated in accordance with the ratio of relevant SG&A expenses against total COGS.

G-6 Major raw material costs

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

For these major inputs:

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

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

RESPONSE:

The product under consideration is made from blank wheel which is produced by Ma Steel using steel billet. And steel billet is also made by Ma Steel from iron ore. Iron ore is purchased from suppliers. Information regarding raw materials, suppliers and purchases in the IP is provided in spreadsheet [13-Raw Materials Purchases](#) [CONFIDENTIAL].

Raw materials purchased from outside are valued at the purchasing prices. During the IP, Ma Steel purchased some iron ore from [REDACTED]. It also purchased small amount of iron ore from [REDACTED]. Steel scrap is purchased from [REDACTED]. For more information, please refer to spreadsheet [13-Raw Materials Purchases](#) [CONFIDENTIAL]. Ma Steel is a public company listed on Hong Kong Stock Exchange, hence the related party transactions between Ma Steel and suppliers must be assessed by independent financial consultant to ensure the fairness. Whether it is related or unrelated purchase of raw materials, the price of which is at fair value.

The costs of steel billets and blank wheels are the actual costs incurred.

In order to reflect detailed information regarding the production cost of the goods under consideration, three spreadsheets respectively for cost of manufacturing of steel billet, blank wheel and product under consideration are provided. Please refer to spreadsheets 11-COM Steel Billet, 11-COM Blank Wheel, and 12-COM Finished Wheel [CONFIDENTIAL].

Spreadsheet 13-Raw Materials Purchases is confidential because it contains information of raw materials, suppliers and other related information.

Spreadsheets 11-COM Steel Billet, 11-COM Blank Wheel, and 12-COM Finished Wheel contains detailed information regarding Ma Steel's cost to make of the goods under concerned and its raw materials, which is by nature confidential.

Information covered by black is confidential because it provides detailed information regarding Ma Steel's related-parties transaction which is by nature confidential.

SECTION H – PARTICULAR MARKET SITUATION

The applicants claim that a 'market situation' exists in China in respect of railway wheels 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 such domestic selling prices for this purpose is 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 inquiry 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 railway wheels industry in China.
- PART H-3 - Requests information concerning the railway wheels 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 describe generally all interaction that your business has with the Government of China at all levels, including (but not limited to):

- a) reporting requirements;
- b) payment of taxes;
- c) senior management representation within your business;
- d) supervision by the State-owned Assets Supervision and Administration Commission (SASAC) or a body under the control of SASAC.
- e) approval/negotiation of business decisions (e.g. investment decisions, management decisions, pricing decisions, production decisions, sales decisions);
- f) licensing;
- g) restrictions on land use;
- h) provision of loans; or
- i) provision of grants, awards or other funds.

RESPONSE:

Ma Steel is an independent company listed on both Shanghai Stock Exchange and Hong Kong Stock Exchange. Ma Steel is responsible for its own administration and operation activities and acts abiding by its Articles of Association. Decisions are made by either the Shareholders' General Meeting or the Board of Directors in accordance with the Articles of Association.

The Government of China (GOC) passes and enforces laws, makes policies, collects taxes, operates border and customs controls, enters into trade agreements with other countries, and carries out all of the other functions customarily associated with the running of a sovereign state. There are no specific government policies on the "wheels" and no involvements of GOC into Ma Steel's production, operation and business activities.

According to relevant provisions of laws, Ma Steel shall report periodically to the Bureau of Statistics about its operation status, and the sample of such reports has been provided in response to certain questions in this section.

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).

RESPONSE:

Ma Steel is a sino-foreign joint stock company.

The main shareholders have been listed in response to section A-3-2.

- 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.

RESPONSE:

Ma Steel established the Shareholder's General Meeting which is composed of the whole shareholders. The members of the board of directors of Ma Steel are:

NAME	TITLE
Ding Yi	Chairman
Qian Haifan	Director
Zhang Wenyang	Director
Ren Tianbao	Director
Zhang Chunxia	Independent Director
Zhu Shaofang	Independent Director
Wang Xianzhu	Independent Director

Ma Steel's parent company, i.e. Magang (Group) Holding Co., Ltd., is 100% controlled by State-owned Assets Supervision and Administration Commission of the People's Government of Anhui Province. It doesn't have the Board of Shareholders. Members of its Board of Directors are:

NAME	TITLE
Wei Yao	Chairman
Ding Yi	Director
Chen Dongsheng	Director
Qian Haifan	Director
Lu Kecong	Director
Zhang Wusheng	Director

Since there are several related companies, it is impractical to list all of their members of board of directors and board of shareholders.

Ding Yi (chairman) is also the chairman of Masteel Group Financial Co., Ltd. and the director of Magang (Group) Holding Co., Ltd. and Ma Steel Group Investment Co., Ltd. He is also the general manager of Magang (Group) Holding Co., Ltd.

Qian Haifan (director) is also the chairman of Ma Steel (Hefei) Iron & Steel Co., Ltd. and the director of Magang (Group) Holding Co., Ltd. and Ma Steel Group Investment Co., Ltd.

Ren Tianbao (director) is the deputy general manager of Magang (Group) Holding Co., Ltd.

Lu Kecong is the deputy general manager of Ma Steel, who is also the director of Magang (Group) Holding Co., Ltd.

- 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.

RESPONSE:

There were no such situations for Ma Steel during the IP.

- 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.

RESPONSE:

There were no such situations for Ma Steel during the IP.

- 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.

RESPONSE:

There were no such situations for Ma Steel during the IP.

- 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).

RESPONSE:

Shareholders	Shares	Percentage	Character
Magang (Group) Holding Co., Ltd.	3,506,467,456	45.54	State-owned

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Hong Kong Securities Clearing Nominees Limited	1,714,016,900	22.26	Unknown
Central Huijin Assets Management Co., Ltd.	142,155,000	1.85	Unknown
Haitong Securities Co., Ltd.	35,027,700	0.45	Unknown
Beijing Haoqing Fortune Investment Management Co., Ltd. – Haoqing Steady Value No. 8 Investment Fund	33,756,512	0.44	Unknown
China Life Insurance Co., Ltd. – Tradition – General Insurance - 005L - CT001 Hu	20,766,599	0.27	Unknown
Li Xiaozhong	16,464,955	0.21	Unknown
Jin Zheng Trade Co., Ltd.	15,701,600	0.2	Unknown
China International Capital Co., Ltd.	13,166,000	0.17	Unknown
China Resources Shengguotou Trust Co., Ltd. – Run Zhi Xin No. 50 Trust Plan of Assembled Funds.	12,897,000	0.17	Unknown

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

RESPONSE:

There were no such significant changes during the IP.

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

RESPONSE:

There were no such positions as mentioned in the question.

- 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.

RESPONSE:

There are no such requirements.

- 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.

RESPONSE:

Ma Steel is listed on Shanghai Stock Exchange and Hong Kong Stock Exchange, and its issuance of shares shall obey the rules of Shanghai Stock Exchange and Hong Kong Stock Exchange.

- k) Provide the monthly trading volume and average monthly trading price of your listed security between 1 January and 31 December 2017.

RESPONSE:

Date	Shanghai Stock Exchange		Hong Kong Stock Exchange	
	Trading volume (millions shares/month)	Trading price (CNY/share)	Trading volume (millions shares/month)	Trading price (HKD/share)
Jan. 2017	767	3.03	428	2.55
Feb. 2017	1294	3.36	522	2.80
Mar. 2017	1147	3.37	498	2.94
Apr. 2017	932	3.29	310	2.77
May 2017	688	3.17	433	2.71
Jun. 2017	846	3.4	476	2.93
Jul. 2017	2721	4.09	678	3.50
Aug. 2017	3647	5.05	1161	4.04
Sep. 2017	2875	5.03	692	4.00
Oct. 2017	1322	4.43	441	3.84
Nov. 2017	2202	4.38	612	3.67
Dec. 2017	1634	4.42	296	3.70

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

RESPONSE:

The Board of Directors has the ability.

- 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.

RESPONSE:

Yan Kailong is a supervisor of Ma Steel's and the deputy manager of cold rolling general plant (a manufacturing unit of Ma Steel's), and he is also the deputy chairman of the labour union of Maanshan city.

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

RESPONSE:

Ma Steel doesn't have pricing committee.

3. Licensing

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

RESPONSE:

Please refer to exhibit [H-1-3 Business License](#).

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

RESPONSE:

Administration of Industry and Commerce of Anhui Province.

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

RESPONSE:

According to *Administrative Regulations of the People's Republic of China on Administration of Company Registration* (hereinafter referred to Company Registration Regulations), companies intending to apply for Business License shall follow those steps:

1. Reservation of name shall be made prior to establishment of a company;
2. An application for establishment registration shall be submitted to the company registration authorities;
3. The company registration authorities shall issue a Business License to companies established pursuant to the law.

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

RESPONSE:

According to the Company Registration Regulations, in order to obtain the Business License, the following documents should be submitted to the company registration authorities:

1. An application form for establishment registration signed by the company's legal representative;
2. Proof of appointment of representative or entrust of agent by the board of directors;
3. The company's Articles of Association;
4. Proof of entity status or natural person identity document of the promoters;
5. A document stating the name and address of the company's directors, supervisors, and managers, and proof of relevant appointment, election, or employment;
6. Appointment document and identity document of the company's legal representative;
7. Notice on reservation of the enterprise's name;
8. Proof of the company's premise;

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

RESPONSE:

Company shall act within the business scope described in the business license.

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

RESPONSE:

According to the Company Registration Regulations, where a company fails to undergo the relevant modification registration in accordance with this regulation, the company registration authority shall order the company to make correction within a stipulated period; if the company fails to do so, a fine ranging from CNY10,000.00 to CNY100,000.00 shall be imposed. In particular, if the companies modified business scope includes any item which must be reported for approval in accordance with any laws, administrative regulations, or the decisions of the State Council, the company engages in the relevant business without obtaining such approval, and the circumstances of violation are serious, the company registration authority shall revoke its business license.

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

RESPONSE:

Business License is a certificate for companies to conduct business activities. From the date of issuance, companies obtain the legal right of operation in the business scope thus certified.

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

RESPONSE:

According to the Company Law of China, under any of the following situations with a serious circumstance, the company registration authority shall revoke the company's business license:

1. Where anyone obtains the registration of a company by fabricating a registered capital, submitting false materials or by any other fraudulent means to conceal any important facts;
2. Where any company fails to start its business operation six months after it is established without justifiable reasons or suspends its business operations on its own initiative for consecutively six months after it has started business operations;
3. Where a company conducts any serious illegal activities in the name of the company, which may endanger the security of the state or the public interest;
4. Where a company engages in a business scope for which approval is necessary and the company hasn't got such approval.

4. Decision-making, planning and reporting

- a) Provide a description of your business' decision-making structure in general and in respect of railway wheels. 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.

RESPONSE:

Marketing Department arranges a monthly meeting to make plans for production and sales. Manufacturing Department is responsible for decisions regarding which product is to be produced and how to produce. Purchasing Department, factories, and Power Control Department focuses respectively on raw materials, labours and power.

The structure of product range will be adjusted based on the market situation and economic benefits.

The board of directors is responsible for formulating profit distribution proposals, and the Shareholders' General Meeting is responsible for considering and approving the profit distribution plan.

- b) Provide a description of any Government of China input into the decision-making process respecting your manufacture, marketing and sale of railway wheels.

RESPONSE:

There were no inputs of Government of China into the decision-making process of Ma Steel during the IP.

- c) Provide a list of all government departments/offices that are involved, either directly or indirectly, in your manufacture, sale or purchase of railway wheels.

RESPONSE:

There were no such departments or offices during the IP.

- 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.

RESPONSE:

Ma Steel shall make periodical reports to the Bureau of Statistics of Anhui Province. The reports of financial situation and of gross value of industrial production and sales and output of major products are submitted monthly. The reports of main industrial product sales and inventories are submitted quarterly.

The sample of such report is provided as exhibit [H-3-5b Sample of Statistics Report](#) [CONFIDENTIAL].

Exhibit [H-3-5b](#) is confidential because it contains information regarding Ma Steel's financial situations and detailed information regarding production and operation.

- 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.

RESPONSE:

Ma Steel doesn't know any of such 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).

RESPONSE:

Ma Steel doesn't develop such plans.

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

RESPONSE:

Two copies of the decision announcements of the Shareholders' General Meeting and the Board of Directors are provided as exhibit H-1-4g Decision Announcements.

Other announcements published by Ma Steel can be found on the website: http://www.hkex.com.hk/Market-Data/Securities-Prices/Equities/Equities-Quote?sym=323&sc_lang=en.

- h) Provide copies of the notes to company meetings where pricing decisions on railway wheels have been made over the inquiry period.

RESPONSE:

The wheel division has a Price Scrutiny Panel which determines railway wheels' price. Price Scrutiny Panel discusses and determines the price of the goods where necessary. There were no notes kept for such decisions. The panel's decision is recorded in the MES system once the price is determined.

5. Financial and investment activities

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

RESPONSE:

Business debts are borrowed from commercial banks, mainly from Industrial and Commercial Bank of China, Bank of China, China Construction Bank, Agricultural Bank of China, and the Export-Import Bank of China.

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

RESPONSE:

The interest rates paid by Ma Steel are in accordance with the benchmark issued by the People's Bank of China (PBOC).

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

RESPONSE:

In October 2015, Ma Steel got a

. The loan can only be used on Ma Steel's

Information covered by black is confidential because it reveals inner financial activities of Ma Steel.

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

RESPONSE:

In order to increase the working capital and to adjust the debt structure, Ma Steel issued in the past five years.

Those debts were guaranteed by

Information covered by black is confidential because it reveals inner financial activities of Ma Steel.

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

RESPONSE:

Ma Steel doesn't have such policies.

- 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).

RESPONSE:

There were no such investments during the IP.

PART H-2 GOVERNMENT OF CHINA MEASURES IN THE RAILWAY WHEEL SECTOR

The information requested in this part will allow for a better understanding of the Government of China's measures in respect of railway wheels 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 railway wheel industry/sector that were put in place or operating during the investigation period?

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 railway wheels to your company over the inquiry period.

RESPONSE:

There were no such policies as mentioned in the question during the IP.

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 railway wheel 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 railway wheels sector;
- market entry criteria for the railway wheel industry sector;
- environmental enforcement for the railway wheel industry sector;
- management of land utilization;
- the China Banking Regulatory Commission for the railway wheel industry sector;
- investigation and inspection of new railway wheel expansion facilities;
- the section in the National Development and Reform Commission that is responsible for the railway wheel industry sector; and
- import licensing for raw materials relating to railway wheel manufacture.

RESPONSE:

There were no such departments that specifically regulated the above activities of railway wheel industry.

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

RESPONSE:

Ma Steel didn't participate in any plans or policies as described in the question during the IP.

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

RESPONSE:

Ma Steel didn't provide such information during the IP.

5. Has the Government of China designated your company and/or industry as "pillar," "encouraged," "honorable," or any other designation? If so, please answer the following questions.

- (a) Explain the purpose of these designations, the criteria for receiving any such designation, and the benefits or obligations that arise from each such designation.
- (b) Is there any connection between these designations and five-year plans or other industrial and/or economic policies or administrative measures?
- (c) Please describe any instances in which your company cited Government of China plans, policies, or measures as support for receiving the financing that you report.

RESPONSE:

Ma Steel hasn't been given those designations by the Government of China.

PART H-3 THE RAILWAY WHEEL 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 railway wheels.

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

1. Taxation

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

RESPONSE:

There were no export taxes on the exports of railway wheels during the IP.

- b) What was the VAT rebate applicable to railway wheel exports during the investigation period?

RESPONSE:

The exportation of railway wheels was exempt from VAT during the IP.

- c) Have there been any changes to the value-added tax rebate applicable to railway wheel 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.

RESPONSE:

There were no changes in the last five years.

- d) Are you aware of any tax changes being planned that would impact the railway wheel sector?

RESPONSE:

From 1st May 2018, the VAT rate for manufacturing industry will decrease from 17% to 16%.

2. Sales terms

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

RESPONSE:

The Price Scrutiny Panel is responsible for prices, sales terms and other cases regarding the sales of goods under concerned. The members of the panel include the principals of wheel division, sales department, R&D, and general management department.

- b) Explain how the selling prices of railway wheels 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.

RESPONSE:

In order to determine the price, firstly, the R&D department will calculate the cost of the product of certain specification based on the consideration of raw materials, technology standard, and production. Then the Price Scrutiny Panel will, based on the cost of product, together with market situations, interest, profit and so on, determine the selling price of the product.

There are no involvements of the government in the process of price determination, and the goods are not subject to any pricing or government guidance from the Government of China.

- c) Does your business coordinate the selling prices or supply of railway wheels with other domestic producers or any Government of China departments? If so, provide details.

RESPONSE:

Ma Steel doesn't coordinate the selling prices or supply of railway wheels with other producers or government departments.

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

RESPONSE:

Ma Steel doesn't provide information or data to the Government of China, other government officials or commercial/industry organisations, including those outside of China, which report on the railway wheel sector.

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

RESPONSE:

Ma Steel doesn't provide railway wheel price data to any other person at the provincial, regional or special economic zone level of government.

3. Industry associations

- a) Is your business a member of any business associations? If so, explain your business' relationship with the association and the involvement of the Government of China with the associations.

RESPONSE:

Ma Steel is the vice-president of China Iron & Steel Association (CISA).

CISA is an independent association of iron & steel industry. There is no involvement of government in CISA's activities.

- 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 Government of China concerning the railway wheel industry.

RESPONSE:

The membership is voluntary.

CISA follows scientific development view and provides services to the enterprises, the industry, and the society. It is dedicated to maintaining the overall interests and legal rights of the member companies, and continuously improving the competitiveness of the Chinese steel industry in the domestic and overseas market.

Besides of practicing its obligations, CISA never involves the business activities of Ma Steel.

4. 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.

RESPONSE:

Ma Steel is also a member of China Railway Association (CRA).

China Railway Association is an independent association. There is no involvement of government in CRA's activities.

- 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 railway wheel industry.

RESPONSE:

The membership is voluntary.

CRA aims to provide service to its members without any involvements into the business activities of Ma Steel.

5. Statistics submission/recording

- a) Indicate if your business makes submissions⁴ 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.

RESPONSE:

Every month, Ma Steel reports to the Bureau of Statistics about its operation statistics.

Every quarter, Ma Steel reports to the Bureau of Statistics about its sales of main products and inventories.

- 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.

RESPONSE:

Please refer to the exhibit [H-3-5b Sample of Statistics Report](#) [CONFIDENTIAL].

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

RESPONSE:

The Bureau of Statistics examines the statistics report submitted.

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

⁴ For example, monthly data relating to sales, production and costs.

RESPONSE:

The Bureau of Statistics doesn't provide feedback.

6. Manufacturing inputs

- a) Is there a price difference in purchase price for raw materials between your suppliers?

RESPONSE:

Price differences existed because the quality and the grade of raw materials differed between different suppliers.

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

RESPONSE:

There were no such differences. The nature of suppliers doesn't affect the price of raw materials.

- c) If your supplier is based outside China, what import duty rate is applied on the raw materials?

RESPONSE:

The import duty rate is zero.

- 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?

RESPONSE:

Ma Steel doesn't benefit from any concession on the purchase of utility services.

7. 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.

RESPONSE:

Ma Steel doesn't have facilities in other regions or provinces.

8. Railway wheel production/output during the investigation period

- a) Is any part of your production of railway wheels 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.

RESPONSE:

Ma Steel's production of railway wheels is not subject to any national/regional industrial policy or guidance.

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

RESPONSE:

Since Ma Steel's production of railway wheels is not subject to any national/regional industrial policy or guidance, this question is not applicable.

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

RESPONSE:

Since Ma Steel's production of railway wheels is not subject to any national/regional industrial policy or guidance, this question is not applicable.

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

RESPONSE:

There were no such restrictions during the IP.

- 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.

RESPONSE:

On domestic market, there were no like goods sold during the IP. Hence, Ma Steel didn't fill the domestic sales spreadsheet. However, the list of domestic customers of wheels not included in the scope of product under concerned is still provided as exhibit H-3-8e List of Domestic Customers [CONFIDENTIAL].

Exhibit H-3-8e is confidential because it is about Ma Steel's domestic clients which is by nature confidential.

- 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.

RESPONSE:

There are no such restrictions or conditions.

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

RESPONSE:

The export licence is not required.

- 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.

RESPONSE:

There were no such restrictions or limits 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.

RESPONSE:

There are no such restrictions.

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

RESPONSE:

There were no changes in the last 5 years.

9. Sales price during the inquiry period

- a) Explain whether your business has been subjected to any direct or indirect price guidance or controls by the Government of China during the inquiry period.

RESPONSE:

Ma Steel's business has not been subjected to any direct or indirect price guidance or controls by the Government of China during the inquiry period.

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

RESPONSE:

Ma Steel's raw material inputs have not been subjected to any direct or indirect price guidance or controls by the Government of China during the inquiry period.

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

RESPONSE:

Ma Steel's business 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.

RESPONSE:

In order to determine the price, firstly, the R&D department will calculate the cost of the product of certain specification based on the consideration of raw materials, technology standard, and production. Then the Price Scrutiny Panel will, based on the cost of product, together with market situations, interest, profit and so on, determine the selling price of the product.

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

RESPONSE:

Ma Steel doesn't recognize such organization or business 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.

RESPONSE:

Ma Steel doesn't have a pricing committee. The department which can determine the price is the Price Scrutiny Panel with the following members:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Information covered by black is a member list of Ma Steel's Price Scrutiny Panel, and it is commercially confidential.

- 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 inquiry period.

RESPONSE:

There is no fixed time for pricing meeting. The Price Scrutiny Panel discusses the price when necessary.

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

RESPONSE:

It is the Price Scrutiny Panel who authorises the sales terms, prices, and other contract provisions.

- 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.

RESPONSE:

Ma Steel doesn't have production facilities of the goods in more than one region and/or province.

10. 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.

RESPONSE:

There isn't government approval process on adding capacity or joint venture in relation to Ma Steel's business.

- 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.

RESPONSE:

The government hasn't the right to request modifications in the terms of adding capacity or joint ventures.

11. Raw material purchases

- a) Provide a detailed listing of your raw material purchases (e.g. steel billet, iron ore, coking coal) by completing the Raw Material Purchases tab of the attached spreadsheet).

RESPONSE:

Please refer to the spreadsheet [13-Raw Material Purchases](#) [CONFIDENTIAL].

- 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? Are any of the suppliers related or affiliated with you? Are any of the suppliers SOEs/SIEs (wholly or partially owned)?

RESPONSE:

Ma Steel has more than one suppliers of the raw materials. The quality and the grade of raw materials cause the differences in prices.

The nature and affiliation of those suppliers is provided in the spreadsheet [13-Raw Material Purchases](#) [CONFIDENTIAL].

- 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.

RESPONSE:

The purchase processes, respectively for long-term contract and spot purchase, are attached, please see the exhibit [H-3-11c Purchase Procedures of the Raw Materials](#) [CONFIDENTIAL].

In the situation of choosing suppliers, Ma Steel usually considers the business reputation, operation achievement, capital strength, and risk control of a supplier.

Exhibit [H-3-11c](#) contains detailed information regarding Ma Steel's purchases of raw materials, therefore it is commercially confidential.

- d) If any of your raw materials for railway wheels 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.

RESPONSE:

Please refer to the spreadsheet [13-Raw Material Purchases](#) [CONFIDENTIAL].

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

RESPONSE:

Please refer to attached exhibit [H-3-11c Purchase Procedures of the Raw Materials](#) [CONFIDENTIAL].

- iii. Provide details of any conditions to importing the raw materials (e.g. customs and/or quarantine).

RESPONSE:

The imported raw materials have to be examined by the customs of China before clearance.

- iv. Are you eligible for a duty drawback? If so, provide details.

RESPONSE:

Ma Steel is not eligible for a duty drawback.

SECTION I – COUNTERVAILING

The following subsidy programs are the subjects of a countervailing duty notice in respect of railway wheels exported to Australia:

THE FOLLOWING PROGRAMS ARE BEING INVESTIGATED

Category	Program (number and description)
Part C-1: Provision of goods (Programs 1-4)	1. Billet provided by the Government of China at less than adequate remuneration
	2. Coking coal provided by the Government of China at less than adequate remuneration
	3. Coke provided by the Government of China at less than adequate remuneration
	4. Electricity provided by the Government of China at less than adequate remuneration
Part C-2: Preferential tax policies (Programs 5-9)	5. Preferential Tax Policies for High and New Technology Enterprises
	6. Preferential Tax Policies in the Western Regions
	7. Land Use Tax Deduction
	8. Tariff and VAT Exemptions on Imported Materials and Equipment
	9. VAT refund on comprehensive utilisation of resources
Part C-3: Financial grants (Programs 10-42)	10. One-time Awards to Enterprises Whose Products Qualify for “Well-Known Trademarks of China” and “Famous Brands of China”
	11. Matching Funds for International Market Development for small and medium size enterprises (SMEs)
	12. Superstar Enterprise Grant
	13. Research and Development (R&D) Assistance Grant
	14. Patent Award of Guangdong Province
	15. Innovative Experimental Enterprise Grant
	16. Special Support Fund for Non-State-Owned Enterprises
	17. Venture Investment Fund of Hi-Tech Industry
	18. Grants for Encouraging the Establishment of Headquarters and Regional Headquarters with Foreign Investment
	19. Grant for Key Enterprises in Equipment Manufacturing Industry of Zhongshan
	20. Water Conservancy Fund Deduction
	21. Wuxing District Freight Assistance
	22. Huzhou City Public Listing Grant
	23. Huzhou City Quality Award
	24. Huzhou Industry Enterprise Transformation & Upgrade Development Fund
	25. Wuxing District Public List Grant
	26. Anti-dumping Respondent Assistance
	27. Technology Project Assistance

Category	Program (number and description)
	28. Transformation technique grant for rolling machine
	29. Grant for Industrial enterprise energy management - centre construction demonstration project Year 2009
	30. Key industry revitalization infrastructure spending in 2010
	31. Provincial emerging industry and key industry development special fund
	32. Environmental protection grant
	33. Environmental protection fund
	34. Intellectual property licensing
	35. Financial resources construction - special fund
	36. Reducing pollution discharging and environment improvement assessment award
	37. Grant for elimination of out dated capacity
	38. Grant from Technology Bureau
	39. High and New technology Enterprise Grant
	40. Independent Innovation and High Tech Industrialization Program
	41. Environmental Prize
	42. Jinzhou District Research and Development Assistance Program
Part C-4: Equity programs (Programs 43-45)	43. Debt for equity swaps
	44. Equity infusions
	45. Unpaid dividends
Part C-5: Preferential loans (Program 46)	46. Preferential loans and interest rates to producers/exporters of railway wheels
Part C-6: Miscellaneous programs (Programs 47-88)	47. Compensation for land purchasing and storage
	48. Technological transformation fund for Phase II Silicon Steel Project
	49. Subsidy for land use rights in the new zone (Block No. 31836 & 31837)
	50. Subsidy for developing emerging strategic industries in Anhui Province
	51. New-zone Thermal Power Plant CCPP system engineering
	52. EMU Steel wheel production line project
	53. Cold-rolled sheet project
	54. Relocation compensation for transportation company
	55. Exhaust gas power generation projects of - Steel blast furnace- 1# - 4# coke dry quenching
	56. Dezincification engineering of zinc dust and mud rotary hearth furnace for 3rd iron plant
	57. National subsidy for slag muck processing and recycling engineering (AD201050406)

Category	Program (number and description)
	58. Subsidy for construction by Wuhu Technique
	59. 6# full burning blast furnace gas boiler works
	60. Municipal environmental protection subsidies for desulfurisation engineering of 3rd iron plant's sintering flue gas
	61. 5# and 6# coke dust removal project
	62. Fix assets subsidy for thin plate project
	63. Flue gas curtailment project for 1st iron plant's blast furnace
	64. Subsidy for technology advancement from open-hearth furnace to converter for 1st steel plant
	65. Rolled wheel works
	66. Pulse clarifier anti-pollution
	67. Environmental funds for desulfurisation project of 3rd iron plant's flue gas (BOT)
	68. National environmental fund for flue gas treatment by 3rd steel plant (AI201150304)
	69. Subsidies for environmental protection funds of smoke desulfurisation plant
	70. No. 3 general factory thermoelectricity plant 135MW generators
	71. New zone coking-field project
	72. Comprehensive utilisation of water resources
	73. Subsidy for Masteel new-zone CDQ project
	74. Subsidy for material modification of high-speed wheel and axle
	75. Environmental protection subsidy for the thermal power plant Denitrification
	76. Subsidies for environmental protection funds of smoke desulfurisation project No.2 iron general factory 2# sintering machine
	77. Subsidies for environmental protection funds of smoke desulfurisation project No.2 iron general factory 3# sintering machine
	78. Interest subsidy for rail industrialisation project of Masteel
	79. Development and reform subsidy
	80. Development fund of efficient and economical construction steel technology
	81. Technology development fund by Ministry of science and technology
	82. Intelligent manufacturing fund for Ma-steel Rail Transportation
	83. Subsidy for Maanshan railway industry
	84. Comprehensive utilisation of gas for power generation of a thermal power plant
	85. Environmental subsidy for biochemical water upgrade project of coke old area upgration project of coke old
	86. Government subsidy for desulphurisation and denitrification of gases project of a thermal power plant
	87. Government subsidy for dust elimination of hot metal pouring on converter roof
	88. Others

PART C-1 PROVISION OF INPUTS AT LESS THAN ADEQUATE REMUNERATION

Programs 1 – 3: Raw materials (Steel Billet, Coking Coal and Coke)

The applicant claims that public bodies (in the form of state-invested enterprises (SIEs⁵)) are supplying raw materials (steel billet, coking coal, coke), directly or indirectly, to manufacturers of railway wheels at less than fair value:

Program 1: Billet provided by the Government of China at less than adequate remuneration

Program 2: Coking coal provided by the Government of China at less than adequate remuneration

Program 3: Coke provided by the Government of China at less than adequate remuneration

In relation to these programs, provide the following information.

1. Describe the nature of your production process for railway wheels, including an itemised list of all raw materials used by your company in the process.

RESPONSE:

Please refer to [Exhibit I-1 Production Process](#) [CONFIDENTIAL].

Exhibit I-1 is confidential because it contains detailed information regarding to the production of Ma Steel's products, which is by natural confidential.

2. Did your business or any company/entity related to your business receive any benefit under the above programs during the period **1 January to 31 December 2017**? If yes, provide details.

RESPONSE:

Ma Steel didn't receive any benefit under the above programs during the period.

3. Does your business purchase any raw materials (e.g. steel billet, coking coal, coke) in the manufacture of railway wheels?

RESPONSE:

Ma Steel purchased raw materials including ore and coking coal in the manufacture of railway wheels. For more details, please refer to the spreadsheet [13-Raw Material Purchases](#) [CONFIDENTIAL].

Spreadsheet 13-Raw Material Purchases is confidential because it contains suppliers and business date of Ma Steel.

⁵ For the purpose of this questionnaire State Owned enterprise (SOE) and State Invested Enterprise (SIE) are together referred to as SIE. The term SIE is defined in the glossary of this questionnaire.

Provide responses to Question 4 and Questions 5 – 7 in the tables provided on the “**Raw Materials Purchases**” tab on the attached “**Exporter Questionnaire spreadsheets – Railway wheels (China)**”.

4. Provide data on a transaction-by-transaction basis, for all purchases of raw materials during the period 1 January to 31 December 2017. This data should be provided for all purchases, not only those of Chinese origin (i.e. include imported materials as well). In the list, please be sure provide a contact name and address, of all your suppliers of raw materials and indicate whether the supplier is a SIE.

Please add more space for additional suppliers and/or categories of product as required.

RESPONSE:

Please refer to the spreadsheet [13-Raw Material Purchases](#) [CONFIDENTIAL].

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

RESPONSE:

Ma Steel didn't receive reduction or reduced price for the purchase of goods or services during the investigation period, so this question is not applicable.

6. Provide copies of all contractual agreements that detail the obligations of the SIE and your business with reference to the granting and receipt of the assistance/benefits.

RESPONSE:

As we have mentioned before, Ma Steel didn't receive any grants or benefits, so this question is not applicable.

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

RESPONSE:

Please refer to the spreadsheet [13-Raw Material Purchases](#) [CONFIDENTIAL].

Program 4: Electricity

The applicant claims that public bodies (in the form of state invested enterprises (SIEs)) are supplying electricity, directly or indirectly, to manufacturers of railway wheels at less than adequate remuneration.

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

RESPONSE:

Ma Steel purchased electricity to manufacture railway wheels.

Please answer Questions 2 - 5 in relation to your purchases of electricity from **1 January to 31 December 2017** in the “**Electricity**” tab in the “**Exporter Questionnaire spreadsheets – Railway wheels (China)**” workbook.

2. Provide all individual payments your company made for electricity during the investigation period and **provide copies of invoices and evidence of payment for each**. In the transaction list, be sure to provide a list, including a contact name and address, of all your suppliers of electricity, including those purchased through related businesses and indicate whether the supplier is a SIE and provide evidence supporting this.

RESPONSE:

Please refer to the spreadsheet 14-Electricity [CONFIDENTIAL].

Spreadsheet 14-Electricity is confidential because it contains price and amount of electricity which should be regarded as Ma Steel’s business data.

We provide two sets of electricity invoices and payment certifications. Other invoices and payments are available for on-site verification. Please refer to Exhibit I-2 Electricity Documents [CONFIDENTIAL].

Exhibit I-2 is confidential because of the same reason as Spreadsheet 14-Electricity.

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

RESPONSE:

Ma Steel didn’t receive any reduction or reduced price for the purchase of electricity. This question is not applicable.

4. Provide copies of all contractual agreements that detail the obligations of the SIE and your business with reference to the granting and receipt of the assistance/benefits.

RESPONSE:

As we have mentioned before, Ma Steel didn’t receive any of such reduction or reduced price. This question is not applicable.

5. It is understood that the Government of China (GOC) determines the price for electricity in China (refer China’s Accession to the WTO document where prices

for utilities are confirmed as subject to governmental control). How does the price of electricity in your province differ to the price established by the GOC?

RESPONSE:

Ma Steel doesn't know.

PART C-2 PREFERENTIAL TAX PROGRAMS

Programs 5 – 7: Preferential income tax programs

Please complete questions 1 and 5 – 16 in the “**Income Tax Programs**” tab on the attached “**Exporter Questionnaire spreadsheets – Railway wheels (China)**”.

1. Did your business or any company/entity related to your business receive any benefit⁶ under the following income tax programs identified above during the investigation period (1 January to 31 December 2017).

Program 5: Preferential Tax Policies for High and New Technology Enterprises

Program 6: Preferential Tax Policies in the Western Regions

Program 7: Land Use Tax Deduction

RESPONSE:

Ma Steel didn't receive any of the income tax programs mentioned above during the investigation period.

2. It is our understanding that the general tax rate for enterprises in China from 1 July 2010 was 25%. Confirm whether this is correct and if not, please identify the general tax rate for enterprises in China from 1 July 2010, indicating any changes in the taxation rate over the period July 2010 – December 2017.

RESPONSE:

According to Enterprise Income Tax Law of People's Republic of China, the general tax rate for enterprises is 25% and it hasn't changed till now.

3. If your business currently pays corporate income tax at a rate less than 25% (or whatever the rate of general tax is as discussed above), or paid at a rate less than that during the investigation period, please indicate whether the reduced rate relates to any of the preferential income tax programs identified above.

RESPONSE:

Ma Steel currently pays corporate income tax at 25%. This question is not applicable.

4. If the income tax rate of less than the general rate does not relate to any of the programs identified above, please provide an explanation for the reduced

⁶ Refer to the Glossary of Terms for a definition of benefit in this context.

income tax rate and answer the questions in Part C-2 (1) above in relation to the income tax rate reduction.

RESPONSE:

As we have mentioned before, Ma Steel currently pays corporate income tax at the general rate (25%). This question is not applicable.

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

RESPONSE:

As we have mentioned before, Ma Steel currently pays corporate income tax at the general rate (25%). Question 5-16 are not applicable.

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

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

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

17. For each taxation year from 2013 to 2017, complete the "Income Tax" tab in the "**Exporter Questionnaire spreadsheets – Railway wheels (China)**" workbook.

RESPONSE:

Please refer to the spreadsheet [15-Income Tax Programs](#) [CONFIDENTIAL] and [16-Income Tax](#) [CONFIDENTIAL].

Spreadsheet [15-Income Tax Programs](#) and [16-Income Tax](#) are confidential because they reflect the income of Ma Steel.

18. Provide a copy, bearing the official stamp of the appropriate level of the GOC of all
 - corporate income tax acknowledgement form(s) and the income tax return(s) that your company filed for the 2013, 2014, 2015, 2016 and 2017 tax years; and
 - income tax instalment payment receipts, and all applicable income tax forms and schedules for the 2013, 2014, 2015, 2016 and 2017 tax years.

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

RESPONSE:

Please refer to [Exhibit I-3 Income Tax Return and Payment](#) [CONFIDENTIAL].

Exhibit I-3 is confidential because it contains financial data of Ma Steel.

Programs 8 - 9: Tariff and VAT Exemptions on Imported Materials and Equipment

It is our understanding that certain enterprises in China are eligible for exemption from the payment of import duty and import VAT on imported inputs, technologies and machinery, and VAT refunds on certain resources in the form of the following programs:

Program 8: Tariff and VAT Exemptions on Imported Materials and Equipment

Program 9: VAT refund on comprehensive utilisation of resources

If your business or any company/entity related to your business received benefits under any such program during the period 1 January 2007 to 31 December 2017, please answer the following questions.

RESPONSE:

Ma Steel didn't receive benefits under any such program during the period 1 January 2007 to 31 December 2017. The following questions are not applicable.

For the following questions, please provide responses to questions in the "**VAT and Tariff Programs**" tab in the "**Exporter Questionnaire spreadsheets – Railway wheels (China)**" workbook.

1. Did your company receive any benefit under the programs listed above or any other program related to Tariff or VAT exemptions or refunds?
2. What type of benefit was received:
 - a. Tariff exemption,
 - b. Tariff refund,
 - c. VAT exemption, or
 - d. VAT refund?
3. What was the amount of benefit received?
4. Was the benefit received as a lump sum payment or in multiple instalments?
5. Describe the application and approval procedures for obtaining a benefit under the program.
6. Where applicable, provide copies of the application form or other documentation used to apply for the program, all attachments and all contractual agreements entered into between your business and the GOC in relation to the program.
7. Outline the fees charged to, or expenses incurred by your business for purposes of receiving the program.
8. Outline the eligibility criteria your business had to meet in order to receive benefits under this program.

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

For the following questions, please provide responses to questions in the "**VAT and Tariff Transactions**" tab in the "**Exporter Questionnaire spreadsheets – Railway wheels (China)**" workbook.

RESPONSE:

Ma Steel didn't enjoy VAT refund or exemption of import duty and import VAT during the period 1 January 2007 to 31 December 2017. The following questions are not applicable.

16. Were the materials and/or equipment that were entitled to a refund of VAT used in the production of the goods during the investigation period? If yes, provide the following information for each item that received a refund:
 - (a) type of inputs;
 - (b) cost of inputs;
 - (c) quantity of inputs; and
 - (d) amount of VAT refunded.
17. Has your company received exemption from payment of or refunds of import duty and import VAT for imported material inputs at any time that were used in

the production of the goods during the investigation period? If yes, provide the following information for each transaction:

- (a) description of imported product;
 - (b) country of origin;
 - (c) quantity of imported product;
 - (d) purchase price;
 - (e) terms of purchase (e.g. FOB, CIF);
 - (f) ocean freight;
 - (g) value for duty of imported product;
 - (h) regular rate of taxes and/or duties;
 - (i) concessionary rate of taxes and/or duties;
 - (j) amount of duties and taxes normally applicable;
 - (k) amount of duties and taxes paid;
 - (l) amount of duties and taxes exempt;
 - (m) date of importation;
 - (n) tariff classification number;
 - (o) customs entry number; and
 - (p) application fee.
18. Provide sample documents for two items from two different quarters in the investigation period included in your response to Question 17. The sample documents should include:
- a. copies of import entry documents (for example: bill of entry, invoice from supplier, etc.) for each type of importation covering duty-exempt inputs and duty-paid inputs imported for use in the manufacturing of the subject goods,
 - b. any applications submitted to and/or approval document received from the GOC relating to the exemption from the payment of import duty and import VAT on imported inputs and in relation to the VAT that is refunded on the exportation of the subject goods.
 - c. copies of reports and audits by the GOC authority responsible for administering the duty rebate or duty drawback scheme with respect to the verification of the importation and use of inputs and the remittance or drawback of the related duty paid or payable.

PART C-3 GRANTS

The Commission understands that the Government of China may be providing grants to enterprises in China including the following programs:

- Program 10:** One-time Awards to Enterprises Whose Products Qualify for “Well-Known Trademarks of China” and “Famous Brands of China”;
- Program 11:** Matching Funds for International Market Development for small and medium size enterprises (SMEs)
- Program 12:** Superstar Enterprise Grant
- Program 13:** Research and Development (R&D) Assistance Grant
- Program 14:** Patent Award of Guangdong Province
- Program 15:** Innovative Experimental Enterprise Grant
- Program 16:** Special Support Fund for Non-State-Owned Enterprises

- Program 17:** Venture Investment Fund of Hi-Tech Industry
- Program 18:** Grants for Encouraging the Establishment of Headquarters and Regional Headquarters with Foreign Investment
- Program 19:** Grant for Key Enterprises in Equipment Manufacturing Industry of Zhongshan
- Program 20:** Water Conservancy Fund Deduction
- Program 21:** Wuxing District Freight Assistance
- Program 22:** Huzhou City Public Listing Grant
- Program 23:** Huzhou City Quality Award
- Program 24:** Huzhou Industry Enterprise Transformation & Upgrade Development Fund
- Program 25:** Wuxing District Public List Grant
- Program 26:** Anti-dumping Respondent Assistance
- Program 27:** Technology Project Assistance
- Program 28:** Transformation technique grant for rolling machine
- Program 29:** Grant for Industrial enterprise energy management - centre construction demonstration project Year 2009
- Program 30:** Key industry revitalization infrastructure spending in 2010
- Program 31:** Provincial emerging industry and key industry development special fund
- Program 32:** Environmental protection grant
- Program 33:** Environmental protection fund
- Program 34:** Intellectual property licensing
- Program 35:** Financial resources construction - special fund
- Program 36:** Reducing pollution discharging and environment improvement assessment award
- Program 37:** Grant for elimination of out dated capacity
- Program 38:** Grant from Technology Bureau
- Program 39:** High and New technology Enterprise Grant
- Program 40:** Independent Innovation and High Tech Industrialization Program
- Program 41:** Environmental Prize
- Program 42:** Jinzhou District Research and Development Assistance Program

For the following questions, please provide responses to questions in the "Grants" tab in the "**Exporter Questionnaire spreadsheets – Railway wheels (China)**" workbook.

RESPONSE:

We find out that the grants Ma Steel received benefits from during the period 1 January 2012 to 31 December 2017 do not match the programs listed above completely.

For example, Program 32 (Environmental protection grant), Program 33 (Environmental protection fund), Program 36 (Reducing pollution discharging and environment improvement assessment award) and Program 41 (Environmental Prize) are grants related to environmental protection. Ma Steel received Environmental Assistance from Environmental Protection Bureau of Ma'anshan. However, this subsidy can hardly be classified as one of the above individual programs.

To illustrate this issue more clearly, we provide all the information that we can get in the spreadsheet 12-Subsidy List of 2017 [CONFIDENTIAL] and the spreadsheet 19-Grants [CONFIDENTIAL].

Spreadsheet 12-Subsidy List of 2017 and 19-Grants are confidential because they contain the specific information and amount of subsidy that Ma Steel received.

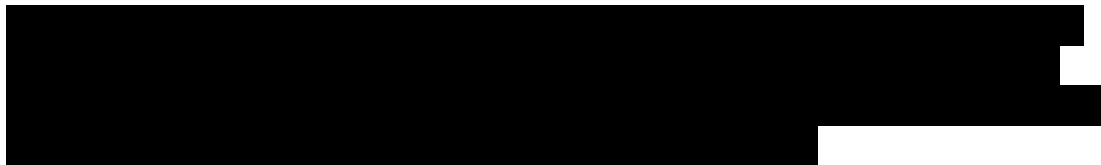
1. Spreadsheet Subsidy List of 2017



2. Spreadsheet Grants



We have answered as many questions as we can in the spreadsheet. However, not all the programs listed in the spreadsheet have documentation used to apply for the program or attachments/contractual agreements in relation to the program. Therefore, it is difficult to answer some of the questions according to the documents available.



Information covered by black is about the programs of subsidy that Ma Steel enjoyed, hence it is confidential.

1. Did your business or any company/entity related to your business receive any benefit under the above programs during the period **1 January 2012 to 31 December 2017**?
2. Did your business receive benefits under any other grant (including awards, prizes, funds) program during the period **1 January 2012 to 31 December 2017**?

For each program identified in your answer to 1 and 2 above, answer the following questions:

3. Provide complete details involving the amount of the grant received, including whether the grant was received in a lump sum or multiple instalments.
4. Indicate which goods you produced that benefited from the program (e.g. the program may have benefited all production, or only certain products that have undergone research and development).
5. Describe the application and approval procedures for obtaining a benefit under the program.

6. Where applicable, provide copies of the application form or other documentation used to apply for the program, all attachments and all contractual agreements entered into between your business and the Government of China in relation to the program.

RESPONSE:

Please refer to [Exhibit I-4 Documents of Grants](#) [CONFIDENTIAL].

Exhibit I-4 is confidential because the documents it contains indicate the specific information and amount of subsidy that Ma Steel received.

We have tried our best to provide as many documents as possible. However, not all the programs listed in the spreadsheet have documentation used to apply for the program or attachments/contractual agreements in relation to the program. We have listed all the documents that we can get in [Exhibit I-4 Documents of Grants](#) [CONFIDENTIAL].

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

If the program terminated has been substituted for by another program, identify

the program and answer all the questions in Part I-1 in relation to this programme.

15. Identify the body responsible for administering the grant.
16. Identify the date of approval of the grant and the date the grant was received.
17. Indicate where the grant was accounted for on your business' financial statements.

PART C-4 EQUITY PROGRAMS

The Commission understands that the Government of China may be providing assistance in the form of equity programs that may constitute countervailable subsidies for Chinese suppliers of railway wheels. These programs are:

Program 43: Debt for equity swaps

Program 44: Equity infusions

Program 45: Unpaid dividends

Program 43: Debt for equity swaps

According to the applicant, the debt for equity swap was a measure used in the financial restructuring of China's State-owned steelmakers to State-owned commercial banks (SOCBs). Pursuant to the *Regulations on Financial Asset Management Companies (promulgated by decree on 20 November 2000)*, the State Council established four Asset Management Companies (AMCs) that were directed to purchase certain non-performing loans from SOCBs. The four AMCs were supervised and managed by the People's Bank of China, China's Ministry of Finance and the China Securities Regulatory Commission. One of the authorised business activities available for the management of non-performing loans purchased by the AMCs was the debt for equity swap. A debt for equity swap is a transaction in which a creditor, in this case an AMC, forgives some or all of a company's debt in exchange for equity in the company.

Provide complete replies to the following questions with regard to debt-for-equity transactions concerning your company and any other related company from 1 January 2007 to 31 December 2017.

RESPONSE:

There was no debt-for-equity transaction concerning Ma Steel during 1 January 2007 to 31 December 2017, so the following questions are not applicable.

1. Describe in detail each transaction with all the steps leading to the debt cancellation in exchange for equity, including the role of all of the government and non-government entities involved in each transaction (e.g. AMCs, SOCBs, steel companies).

Provide answers to Questions 2 – 14 and Question 16 in the tab labelled “**Debt-to-equity**” in the attached file named “**Exporter Questionnaire spreadsheets – Railway wheels (China)**”.

2. On a loan by loan basis, provide the following:
 - a. The amount of the outstanding loans due by your company directly or indirectly to the GOC or to SOCBs cancelled and swapped for equity,
 - b. the terms of the loans and the interest due on the loan,
 - c. the duration and maturity of the loan,
 - d. the amount of late interest payments or other arrears on the loan, and
 - e. the amount of the interest saved.
 - f. the amount of equity received in exchange by the GOC directly or through controlled corporations such as the AMCs,
 - g. the number of shares issued,
 - h. a description of the shares (e.g. common shares, preferred shares),
 - i. the nominal value of the shares,
 - j. and the company's debt-to-equity ratio before and after the swap.
 - k. the dates of the transactions.

Also, provide the following information for each “swapped” debt:

3. How did your company determine the amount of equity to be issued and the per share price to be paid?
4. Explain how the transaction was reflected in the financial statements and provide underlying evidence.
5. The source of funds to finance these transactions, including the percentage of public vs. private sources.
6. How the proceeds from the debt-for-equity swap were used by your company.
7. Provide the relevant original loan contracts between the steel company and the GOC or SOCBs and any contracts, legal documents, and other relevant correspondence containing details on the debt for equity transaction.
8. Provide documentation relevant to the decision concerning each debt for equity transaction, including in particular all the documents detailing the rationale for the transaction and the underlying financial details, e.g. the relevant rate of return sought by the lender and/or shareholders, the projections of sales and earnings relating to the company operations prior to the debt for equity conversion, etc.
9. Provide internal company documents relating to the debt-for-equity transactions, such as Board of Directors' approval decisions and minutes, Board of Supervisors' approval decisions and minutes, Shareholders' meetings approval decisions and minutes etc.

10. Provide documentation relevant to the decision as to the source of funds to finance your operations, e.g., debt vs. equity financing and private vs. government sources.
11. Explain in detail how was the amount of equity to be issued in exchange for debt determined and the per share price to be paid. If the shares involved in the swap were publicly traded, please provide the relevant prices at the moment of the transaction.
12. Explain the expected commercial rate of return on equity sought by the government and its calculation and provide any study and analysis carried out by independent parties on this issue.
13. Provide a list of all equity investments made by private (i.e. non-government) entities contemporaneous with the government's investment or debt-to-equity swap, if any. Please provide the dates, the numbers of shares, the amount paid per share for each purchase, and a description of the rights and preferences of the equity interests received by these private entities and how these differ from the rights and preferences of the equity interests received or held by the government.
14. Provide a list of any attempt made by your company to obtain private equity investment and/or agreements involving private equity investments which were then not finalised for whatever reasons. Describe the circumstances of these attempts and/or agreements, and the reasons they were not achieved.
15. Please provide complete, translated audited financial statements for the year of each government equity investment for each of the government entities involved in the transactions, including SOCBs and AMCs. The financial statements should include the complete set of statements, e.g., income statement, balance sheet, statement of change in equity footnotes, and must be accompanied by the auditors' opinion.
16. Please calculate the following financial ratios for your company for each year in which an equity investment was received and for the preceding three years: current ratio, quick ratio, gross profit, operating profits, net profits, return on equity, debt-to-equity, debt-to-assets, interest/debt coverage, and cash flow to debt.

Program 44: Equity infusions

The applicant alleges that the GOC has provided over the years substantial amounts of cash to steel companies producing/exporting the product under investigation through equity infusions. It is alleged that under this arrangement, the GOC acquires shares in companies in which it was already the main shareholder without acquiring additional shareholder rights.

With regard to equity infusions into your company involving directly or indirectly the GOC and/or SOCBs and/or SIEs, please provide the following information for any such arrangements occurring from 2007 until 31 December 2017.

Please provide answers to the following questions in the attachment named ***"Exporter Questionnaire spreadsheets – Railway wheels (China)"*** on the tab labelled **"Equity infusions"**.

RESPONSE:

There was no equity infusion concerning Ma Steel during 1 January 2007 to 31 December 2017, so the following questions are not applicable.

1. For Government Equity infusions, please provide the following information regarding the share issue for the equity infusion:
 - (a) the consideration paid,
 - (b) the amount of equity received by the GOC,
 - (c) the name of the GoC entity receiving the shares (can be directly or through controlled corporations),
 - (d) the number of shares issued,
 - (e) a description of the shares (e.g. common shares, preferred shares), and
 - (f) and the date of each transaction.
2. Provide all documentation relevant to your decision concerning each equity infusion, including documents detailing the rationale for the transactions and all of the underlying financial details, e.g. the relevant rate of return sought by the investor(s), projections of sales and earnings relating to the company operations prior to the equity infusion, etc.
3. Provide details of:
 - (a) How did your company determined the amount of equity to be issued and the per share price to be paid?
 - (b) How the transaction was reflected in the financial statements and provide underlying evidence?
 - (c) The source of funds to finance these transactions, including the percentage of public vs. private sources.
 - (d) How the proceeds from the share issued were used by your company?
 - (e) If the shares of the company involved were publicly traded, what was the relevant price at the moment of the equity infusion?
 - (f) What was the expected commercial rate of return on equity sought by the government entity?
 - (g) How did it calculate its expected rate of return? Provide any study and analysis carried out by independent parties.
4. For equity investments made by Government, provide details of private (i.e. non-government entities) equity investments made contemporaneously with the Government's equity infusion, including:
 - (a) the dates,
 - (b) the numbers of shares,
 - (c) the amount paid per share for each purchase,
 - (d) a description of the rights and preferences of the equity interests received by these private entities,
 - (e) how these differ from the rights and preferences of the equity interests received or held by the government, and
 - (f) a description of the circumstances and of any agreements related to these private equity purchases including the role played by the government or

entities controlled or owned by the government in the negotiation and/or fulfilling of said agreements.

Agreements, notes, or other information related to these purchases should be provided.

5. Provide a list of any attempt made by your company to obtain private equity investment and/or agreements involving private equity investments which were then not finalised for whatever reasons. Describe the circumstances of these attempts and/or agreements, and the reasons they were not achieved.
6. Please calculate the following financial ratios for your company for each year in which an equity investment was received and for the preceding three years: current ratio, quick ratio, gross profit, operating profits, net profits, return on equity, debt-to-equity, debt-to-assets, interest/debt coverage, and cash flow to debt.

Program 45: Unpaid dividends

The Commission understands that according to GOC policy, SIEs including the steel companies producing/exporting the goods under consideration do not have to pay dividends to the government as their owner, even when they earn profits. The applicant claims that unpaid dividends should be considered as a disguised grant or as revenue forgone because the GOC does not collect dividends that are normally paid to private investors on their shares.

Please provide the following information:

RESPONSE:

Unpaid dividends didn't exist during 1 January 2007 to 31 December 2017, so the following questions are not applicable.

1. The relevant provisions on distribution of dividends contained in the legislation, in administrative documents, and in any other official documents.
2. The practice and policy on dividend distributions contained in your company documents, including the by-laws, resolutions of the shareholders or the board of directors, minutes of the meeting, shareholders' agreements etc.

For the following questions, please answer the questions in the “**Unpaid dividends**” tabs of the workbook “**Exporter Questionnaire spreadsheets – Railway wheels (China)**”.

3. A list of all dividend distributions to Government entities effected by your company during the investigation period and for the years 2013, 2014, 2015 and 2016, detailing:
 - a) the description of the dividend transactions,
 - b) the date of the dividend transactions
 - c) the a description of the various categories of shares involved (e.g. common shares, preference shares, special classes of shares etc.)
 - d) the specific rights attached to the shares,

- e) the amount distributed as dividends per each category of share,
 - f) the per-share dividend paid out for each category of share,
 - g) the number and class of shares held by the government,
 - h) the percentage of profits distributed per each class of share to the GOC, and
 - i) any taxes paid or payable on these dividend distributions.
4. Provide a copy of the relevant resolutions adopted by the shareholders' meeting or the board of directors deliberating the relevant dividend distribution.
5. A list of any dividend distributions effected by your company to private shareholders during the investigation period and for the years 2013, 2014, 2015 and 2016, detailing:
- a) the amounts distributed as dividends,
 - b) the number of shares held by private investors,
 - c) a description of the shares and of their attached rights (e.g. common shares, preferred shares) giving rise to the dividend distributions,
 - d) the percentage of profits distributed per each class of share to the private investors, and
 - e) the dividend per share distributed per each class of share.
6. What was the amount of profits available for dividend distribution by your company for the years 2013, 2014, 2015, 2016 and 2017?
7. What was the amount of retained earnings since the year 2007 available for distribution to shareholders of the different classes of shares?
8. A list of investments in fixed assets affected since the year 2007 financed out of retained earnings or other profits otherwise available for distribution to shareholders in previous years used to finance these investments. (Please format as necessary).
9. All internal company documents relevant to your decision as to the source of funds to finance your operations, e.g., debt vs. equity financing and private vs. government sources.
10. A detailed description of the accounting treatment and the company policy concerning dividend distributions, retained earnings, and use of the proceeds otherwise available for dividend distribution. Please attach relevant underlying financial statements and records and other relevant evidence.

PART C-5 PREFERENTIAL LOANS AND INTEREST RATES

Program 46: Preferential loans and interest rates to producers/exporters of railway wheels

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

If your business or any company/entity related to your business received benefits under any such program during the period 1 January 2013 to 31 December 2017, please answer the following questions.

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

RESPONSE:

Ma Steel got necessary financial resources through loans and the issuance of bonds.

Provide answers to the following questions in "Loans" tab of the "**Exporter Questionnaire spreadsheets – Railway wheels (China)**" workbook attached.

RESPONSE:

Please refer to the spreadsheet [23-Loans outside \[CONFIDENTIAL\]](#) and [23-Loans internal \[CONFIDENTIAL\]](#).

Spreadsheet [23-Loans outside](#) and [23-Loans internal](#) are confidential because they contain the specific financial information of loans that Ma Steel got.

2. Provide a list of all the loans provided to your company from banks and financial institutions which have not been fully reimbursed by the end of the investigation period.
3. Provide specific details of the loan, including the start date of the loan, the principal amount of the loan, terms and conditions of the loan, purpose of the loan, the repayment terms/frequency, repayment amount, interest rate, interest type (e.g. fixed, variable etc), if the loan has been redrawn any time during its duration, please provide the redraw date, amount and the reason for redraw.
4. Indicate whether each bank is Chinese or foreign-owned and give the percentage of government ownership of each bank (including ownership by entities owned or controlled by a government).
5. In the case of each loan from government-owned or controlled, please explain the reason for borrowing from such a bank rather than a commercial bank. What are the differences in the terms and conditions of loans between the government and commercial banks?

6. Explain how the decisions to grant the loan or its conditions are dependent on the purpose of the loan and give details on the process your company went through to apply for the loan. Please provide detail on what conditions or criteria your company needed to fulfil to be granted the loan.
7. For each of the loans listed, provide copies of signed loan agreements between the bank which provided the loan and company which was the addressee of the loan specifying the conditions of the loan such as amount, term of repayment, interest rate etc. Also provide a copy of your application for the loan.

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

Response:

Ma Steel had [REDACTED] during the period 1 January 2013 to 31 December 2017. As a result, it is hard to provide all the copies of loan agreements because of the time limit. We provide [REDACTED] as samples. Other agreements are available for on-site verification. Please refer to [Exhibit I-5 Loan Agreements](#) [CONFIDENTIAL].

Exhibit I-5 is confidential because it contains the specific financial information of loans that Ma Steel got.

Ma Steel didn't receive benefit from low (subsidised) interest rates from state owned commercial banks (SOCB) and government banks [REDACTED] during the period 1 January 2013 to 31 December 2017.

1. Lending rates of loans from SOCB

Lending rates of loans from state owned commercial banks (SOCB) are all based on the benchmark interest rate for loan issued by the People's Bank of China. For more details, please refer to the loan contract of [REDACTED] in [Exhibit I-5 Loan Agreements](#) [CONFIDENTIAL].

2. Lending rates of loans from policy banks (government banks)

[REDACTED] Please refer to the loan contract of [REDACTED] in [Exhibit I-5 Loan Agreements](#) [CONFIDENTIAL].

[REDACTED] For more details, please refer to the loan contract of [REDACTED] in [Exhibit I-5 Loan Agreements \[CONFIDENTIAL\]](#). (We simply mark and translate the main terms and data in this contract because of time limit. If necessary, we can also provide a complete translation version afterwards.)

We also provide [Exhibit I-6 Current Interest Rate Table of RMB](#) for your reference.

Information covered by black is about the institutions that Ma Steel got loans from, hence it is confidential.

8. Please explain whether the granting of the specific loan depended on the link between the purpose of the loan and the goals specified in any government plan or development program. Provide a copy of the laws, regulations, administrative guidelines and any other acts relevant for the operation of this lending with any subsequent amendments. Also include a copy of any governmental or development plan of which the scheme represents a direct implementation.
9. For each loan application, please explain the involvement of third parties such as government departments, local councils, party committees in the whole process since the application for the loan up to the decision whether the loan is granted or not.
10. In the “Loans” spreadsheet, provide the information requested on guarantees for the loans provided to your company.
11. Please give details of all loan applications during the investigation period which were refused; give the name of the bank, the amount of the loan requested and the reasons for refusal.
12. Provide any other information you may deem necessary for the commission to make an assessment on the subsidisation of producers/exporters of the product under investigation. You may adjust the table in the “Loans” tab as necessary to include this additional information.

PART C-6 MISCELLANEOUS PROGRAMS

The Commission is aware that some Chinese steel producers benefitted from the following programs:

Program 47: Compensation for land purchasing and storage

Program 48: Technological transformation fund for Phase II Silicon Steel Project

Program 49: Subsidy for land use rights in the new zone (Block No. 31836 & 31837)

Program 50: Subsidy for developing emerging strategic industries in Anhui Province

Program 51: New-zone Thermal Power Plant CCPP system engineering

- Program 52:** EMU Steel wheel production line project
- Program 53:** Cold-rolled sheet project
- Program 54:** Relocation compensation for transportation company
- Program 55:** Exhaust gas power generation projects of - Steel blast furnace-1# - 4# coke dry quenching
- Program 56:** Dezincification engineering of zinc dust and mud rotary hearth furnace for 3rd iron plant
- Program 57:** National subsidy for slag muck processing and recycling engineering (AD201050406)
- Program 58:** Subsidy for construction by Wuhu Technique
- Program 59:** 6# full burning blast furnace gas boiler works
- Program 60:** Municipal environmental protection subsidies for desulfurisation engineering of 3rd iron plant's sintering flue gas
- Program 61:** 5# and 6# coke dust removal project
- Program 62:** Fix assets subsidy for thin plate project
- Program 63:** Flue gas curtailment project for 1st iron plant's blast furnace
- Program 64:** Subsidy for technology advancement from open-hearth furnace to converter for 1st steel plant
- Program 65:** Rolled wheel works
- Program 66:** Pulse clarifier anti-pollution
- Program 67:** Environmental funds for desulfurisation project of 3rd iron plant's flue gas (BOT)
- Program 68:** National environmental fund for flue gas treatment by 3rd steel plant (AI201150304)
- Program 69:** Subsidies for environmental protection funds of smoke desulfurisation plant
- Program 70:** No. 3 general factory thermoelectricity plant 135MW generators
- Program 71:** New zone coking-field project
- Program 72:** Comprehensive utilisation of water resources
- Program 73:** Subsidy for Masteel new-zone CDQ project
- Program 74:** Subsidy for material modification of high-speed wheel and axle
- Program 75:** Environmental protection subsidy for the thermal power plant Dentrification
- Program 76:** Subsidies for environmental protection funds of smoke desulfurisation project No.2 iron general factory 2# sintering machine
- Program 77:** Subsidies for environmental protection funds of smoke desulfurisation project No.2 iron general factory 3# sintering machine
- Program 78:** Interest subsidy for rail industrialisation project of Masteel
- Program 79:** Development and reform subsidy
- Program 80:** Development fund of efficient and economical construction steel technology
- Program 81:** Technology development fund by Ministry of science and technology
- Program 82:** Intelligent manufacturing fund for Ma-steel Rail Transportation
- Program 83:** Subsidy for Maanshan railway industry
- Program 84:** Comprehensive utilisation of gas for power generation of a thermal power plant
- Program 85:** Environmental subsidy for biochemical water upgrade project of coke old area upgration project of coke old

Program 86: Government subsidy for desulphurisation and denitrification of gases project of a thermal power plant

Program 87: Government subsidy for dust elimination of hot metal pouring on converter roof

Program 88: Other grants

Provide answers to the following questions in the "**Miscellaneous programs**" tab of the "**Exporter Questionnaire spreadsheets – Railway wheels (China)**" workbook attached.

Response:

[REDACTED]

[REDACTED]

We have listed all the grants [REDACTED]
[REDACTED] in the spreadsheet [24-Miscellaneous programs](#)
[CONFIDENTIAL], [REDACTED]

Spreadsheet [24-Miscellaneous programs](#) is confidential because it contains the specific information and amount of subsidy that Ma Steel received

[REDACTED]

Not all the programs listed in the spreadsheet have documentation used to apply for the program or attachments/ contractual agreements in relation to the program. Therefore, it is difficult to answer some of the questions according to the documents available.

Information covered by black is about the programs of subsidy that Ma Steel enjoyed, hence it is confidential.

For **each program** listed above, answer the following.

1. Indicate whether your company benefited from any of the listed programs.
2. If yes, indicate which goods you produced that benefited from the program (e.g. the program may have benefited all production, or only certain products that have undergone research and development).
3. Describe the application and approval procedures for obtaining a benefit under the program.
4. Where applicable, provide copies of the application form or other documentation used to apply for the program, all attachments and all contractual agreements

entered into between your business and the Government of China in relation to the program.

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

If the program terminated has been substituted for by another program, identify the program and answer all the questions in Part C-6 in relation to this programme.

PART C-7 ANY OTHER PROGRAMS

Provide answers to the following questions in the "**Other programs**" tab of the "**Exporter Questionnaire spreadsheets – Railway wheels (China)**" workbook attached.

RESPONSE:

There was no other program concerning Ma Steel during 1 January 2007 to 31 December 2017, so the following questions are not applicable.

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

2. Are you aware of any programs of the Government of China, any of its agencies or any other authorised body, that benefits⁷ manufacturers of railway wheels that have not been accounted for in this questionnaire? Provide the names of those programs you are aware of (even if your company is not eligible to receive benefit under the program.)
3. Indicate the location of the program by region, province or municipal level.
4. Indicate the type of program, for example:
 - a) the provision of grants, awards or prizes;
 - b) the provision of goods or services at a reduced price (e.g. electricity, gas, raw materials, transport);
 - c) the reduction of tax payable including income tax and VAT;
 - d) reduction in land use fees;
 - e) loans from Policy Banks at below-market rates; or
 - f) any other form of assistance.

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

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

⁷ Refer to the Glossary of Terms for a definition of benefit in this context.

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

If the program terminated has been substituted for by another program, identify the program and answer all the questions in Part C-7 in relation to this programme.

SECTION J - EXPORTER'S DECLARATION

☐

I hereby declare that **MAANSHAN IRON AND STEEL CO., LTD.** did, during the period of inquiry export the goods under consideration and have completed the attached questionnaire and, having made due inquiry, certify that the information contained in this response is complete and correct to the best of my knowledge and belief.

☐

I hereby declare that.....(company) did not, during the period of investigation, export the goods under consideration and therefore have not completed the attached questionnaire.

Name : Zhang Feng

Signature :

Position in

Company : Deputy Manager of Marketing Department

Date :

SECTION K - CHECKLIST

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

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

Electronic Data	Please tick if you have provided spreadsheet
INCOME STATEMENT	✓
TURNOVER – sales summary	✓
AUSTRALIAN SALES – list of sales to Australia	✓
LIKE GOODS – comparison of goods sold domestically and exported to Australia	✓
DOMESTIC SALES – list of all domestic sales of like goods	✓
DOMESTIC COSTS – costs of goods sold domestically	✓
AUSTRALIAN COSTS – costs of goods sold to Australia	✓
PRODUCTION – production figures	✓
THIRD COUNTRY – third country sales	✓
RAW MATERIAL PURCHASES	✓
ELECTRICITY	✓
INCOME TAX PROGRAMS	✓
INCOME TAX	✓
VAT & TARIFF PROGRAMS	✓
VAT & TARIFF TRANSACTIONS	✓
GRANTS	✓
DEBT-TO-EQUITY	✓
EQUITY INFUSIONS	✓
UNPAID DIVIDENDS	✓
LOANS	✓
MISCELLANEOUS PROGRAMS	✓
OTHER PROGRAMS	✓

APPENDIX 1 - GLOSSARY OF TERMS

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

Adjustments

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

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

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

Arms length

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

Associated companies and persons

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

(a) both being natural persons:

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

(b) both being bodies corporate:

- (i) both of them are controlled, directly or indirectly, by a third person (whether or not a body corporate); or
- (ii) both of them together control, directly or indirectly, a third body corporate; or

(iii) the same person (whether or not a body corporate) is in a position to cast, or control the casting of, 5% or more of the maximum number of votes that might be cast at a general meeting of each of them; or

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

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

(e) they are members of the same partnership.

Constructed value

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

Cost of production/manufacturing

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

Cost to make and sell (CTMS)

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

Country of origin

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

Date of sale

The Commission will normally use the invoice date as recorded in the exporter or producer's records. Another date may be used if this better reflects the material terms of sale. The questionnaire directs attention to matching data sets of domestic and export sales where some other date is used, as well as matching cost information.

Direct labour cost

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

Dumping

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

Dumping margin

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

Export price

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

Exporting country

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

Enterprise

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

Factory overheads

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

Goods under consideration (the goods)

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

Incoterms

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

EXW	ex works (the seller's minimum obligation as costs relate to goods being made available at the sellers premises)
FCA	free carrier (main carriage not paid by seller. Pay costs until such time that the goods have been delivered at the named point into custody of a carrier named by the seller. Customs formalities, taxes etc paid if required)
FAS	free alongside ship (main carriage not paid by seller. Deliver the goods alongside the ship)

FOB	free on board (main carriage not paid by seller. Deliver the goods on board, provide export clearance if required, pay loading costs to the point the goods have passed the ship's rail, pay customs formalities, taxes etc payable upon exportation)
CFR	cost and freight (main carriage paid by seller. Pay all costs until delivered as well as freight, loading and unloading, pay customs formalities, taxes etc payable upon exportation)
CIF	cost, insurance and freight (main carriage paid by seller. Pay all costs as under CFR as well as marine insurance) the terms CFR and CIF are only used where goods are carried by sea or waterway transport
CPT	carriage paid to
CIP	carriage and insurance paid to the terms CPT and CIP are used as alternatives to CFR and CIF where the goods are carried by air, road, rail etc
DAF	delivered at frontier (goods carried by rail or road and cleared for export at the named place at the frontier. Pay costs until delivered at the frontier plus any discharge costs incurred to place the goods at the customers disposal)
DES	delivered ex ship (goods made available to the buyer on board the ship uncleared for import at the named port of destination. Pay all costs incurred in placed at the disposal of the buyer, pay customs formalities, taxes etc payable upon exportation, and where necessary for transit through another country)
DDU	delivered duty unpaid (Pay all costs for carriage to the agreed point, pay customs formalities, taxes etc payable upon exportation, and where necessary for transit through another country)
DDP	delivered duty paid (goods made available at the named place in the country of importation – all risks and costs being incurred by the seller including duties, taxes etc incurred upon importation)

Inquiry period

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

Like goods

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

Normal value

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

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

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

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

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

Ordinary course of trade

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

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

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

Selling, general and administration expenses (SG&A)

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

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

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

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

State owned or state-invested enterprise (SIE)

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

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

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

of which there are several types.