



**Australian Government**  
Department of Industry,  
Innovation and Science

**Anti-Dumping  
Commission**

---

## **Exporter Questionnaire**

**Case number:** 520

**Product:** Certain grinding balls

**From:** The People's Republic of China (China)

**Review period:** 1 July 2018 to 30 June 2019 (the period)

**Response due by:** 11 September 2019

**Case manager:** Ben Merlin

**Phone:** +61 3 8539 2408

**Return completed questionnaire to:**  
investigations1@adcommission.gov.au

**Anti-Dumping Commission website:** [www.adcommission.gov.au](http://www.adcommission.gov.au)

# TABLE OF CONTENTS

<b>TABLE OF CONTENTS</b>	<b>2</b>
<b>INSTRUCTIONS</b>	<b>4</b>
<b>CHECKLIST</b>	<b>7</b>
<b>GOODS UNDER CONSIDERATION / GOODS SUBJECT TO ANTI-DUMPING MEASURES</b>	<b>10</b>
<b>SECTION A COMPANY INFORMATION</b>	<b>11</b>
A-1 COMPANY REPRESENTATIVE AND LOCATION	11
A-2 COMPANY INFORMATION	11
A-3 GENERAL ACCOUNTING INFORMATION	14
A-4 FINANCIAL DOCUMENTS	15
<b>SECTION B EXPORT SALES TO AUSTRALIA</b>	<b>16</b>
B-1 AUSTRALIAN EXPORT SALES PROCESS	16
B-2 AUSTRALIAN SALES LISTING	16
B-3 SAMPLE EXPORT DOCUMENTS	17
B-4 RECONCILIATION OF SALES TO FINANCIAL ACCOUNTS	17
B-5 RECONCILIATION OF DIRECT SELLING EXPENSES TO FINANCIAL ACCOUNTS	17
<b>SECTION C EXPORTED GOODS &amp; LIKE GOODS</b>	<b>19</b>
C-1 MODELS EXPORTED TO AUSTRALIA	19
C-2 MODELS SOLD IN THE DOMESTIC MARKET	20
C-3 INTERNAL PRODUCT CODES	21
<b>SECTION D DOMESTIC SALES</b>	<b>22</b>
D-1 DOMESTIC SALES PROCESS	22
D-2 DOMESTIC SALES LISTING	24
D-3 SAMPLE DOMESTIC SALES DOCUMENTS	24
D-4 RECONCILIATION OF SALES TO FINANCIAL ACCOUNTS	25
<b>SECTION E DUE ALLOWANCE</b>	<b>26</b>
E-1 CREDIT EXPENSE	26
E-2 PACKAGING	26
E-3 DELIVERY	27
E-4 OTHER DIRECT SELLING EXPENSES	28
E-5 OTHER ADJUSTMENT CLAIMS	29
<b>SECTION F THIRD COUNTRY SALES</b>	<b>30</b>
F-1 THIRD COUNTRY SALES PROCESS	30
F-2 THIRD COUNTRY SALES LISTING	30
F-3 DIFFERENCES IN SALES TO THIRD COUNTRIES	30
<b>SECTION G COST TO MAKE AND SELL</b>	<b>31</b>
G-1. PRODUCTION PROCESS	31
G-2. COST ACCOUNTING PRACTICES	31
G-3 COST TO MAKE ON DOMESTIC MARKET	33
G-4 SELLING, GENERAL & ADMINISTRATION EXPENSES	33
G-5 COST TO MAKE THE GOODS EXPORTED TO AUSTRALIA	34
G-6 COST ALLOCATION METHODOLOGY	34
G-7 MAJOR RAW MATERIAL COSTS	35
G-8 RECONCILIATION OF COST TO MAKE TO AUDITED FINANCIAL STATEMENTS	36
G-9 CAPACITY UTILISATION	36
<b>SECTION H PARTICULAR MARKET SITUATION</b>	<b>37</b>
H-1 REPORTING REQUIREMENTS	37
H-2 BUSINESS STRUCTURE, OWNERSHIP AND MANAGEMENT	37
H-3 LICENSING	39

## PUBLIC RECORD

H-4	DECISION-MAKING, PLANNING AND REPORTING.....	40
H-5	FINANCIAL AND INVESTMENT ACTIVITIES.....	41
H-6	GOVERNMENT POLICY ON THE INDUSTRY .....	42
H-7	TAXATION .....	43
H-8	SALES TERMS .....	43
H-9	INDUSTRY ASSOCIATIONS.....	44
H-10	STATISTICS SUBMISSION/RECORDING .....	44
H-11	REGIONAL DIFFERENCES.....	45
H-12	PRODUCTION/OUTPUT .....	45
H-13	SALES PRICE .....	46
H-14	ADDING CAPACITY AND/OR JOINT VENTURES .....	47
H-15	RAW MATERIALS.....	47
H-16	EXPORT QUOTAS .....	49
<b>SECTION I COUNTERVAILING .....</b>		<b>50</b>
I-1	GENERAL .....	51
I-2	PREFERENTIAL TAX POLICIES (PROGRAMS 3-5).....	52
I-3	FINANCIAL GRANTS (PROGRAMS 7-18, 20-28, 30-43 AND 48-54).....	53
I-4	TARIFF AND VAT EXEMPTIONS (PROGRAMS 6 AND 29).....	54
I-5	PREFERENTIAL LOANS AND INTEREST RATES (PROGRAM 47) .....	56
I-6	OTHER PROGRAMS .....	57
<b>EXPORTER'S DECLARATION .....</b>		<b>60</b>
<b>APPENDIX GLOSSARY OF TERMS .....</b>		<b>61</b>

## INSTRUCTIONS

### Why you have been asked to fill out this questionnaire?

The Anti-Dumping Commission (the Commission) is conducting a review into certain grinding balls exported to Australia from the People's Republic of China(China).

The Commission will use the information you provide to determine normal values and export prices over the review period (the period). This information will determine whether certain grinding balls(grinding balls) are dumped.

### If you do not manufacture the goods

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

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

### What happens if you do not respond to this questionnaire?

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

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

### Extension requests

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

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

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

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

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

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

### Submitting a response to the exporter questionnaire

## PUBLIC RECORD

Responses to the exporter questionnaire should be lodged by email listed on the cover page. In submitting the response to the exporter questionnaire, you must answer all questions, include all attachments and spreadsheets, and provide a non-confidential version of your response to this exporter questionnaire.

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

### **Confidential and non-confidential responses**

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

All information provided to the Commission in confidence will be treated accordingly. The non-confidential version of your submission will be placed on the public record, and must contain sufficient detail to allow a reasonable understanding of the substance of the information, but does not breach confidentiality nor adversely affect those interests.

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

All submissions are required to have a bracketed explanation of deleted or blacked out information for the non-confidential version of the submission. An example of a statement to accompany deleted/blacked out text is:

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

If such an explanation is not provided, the Commission may disregard the information in the submission. Where the public record version of your response to the exporter questionnaire does not contain sufficient detail, your company may be deemed to have significantly impeded the case and be deemed an uncooperative exporter.

### **Verification of the information that you supply**

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

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

Any verification visit typically commences approximately 2 to 4 weeks after the due date of the response to the exporter questionnaire. To assist with planning of a verification visit, please contact the case manager as soon as possible for a potential verification date to be scheduled.

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

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

A report will be prepared following the verification visit, which details the outcomes of the visit. This report will be placed on the public record and may include the publication of the preliminarily-

## PUBLIC RECORD

assessed dumping margin. The Commission considers that the dumping margin is not confidential information, but rather an aggregate figure derived from confidential data.

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

The Commission may elect to undertake an alternative verification methodology than an on-site verification to satisfy itself of the completeness, relevance and accuracy of the data.

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

### **Important instructions for preparing your response**

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

## CHECKLIST

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

Section	Please tick if you have responded to all questions															
<p>The goods under consideration (the goods) i.e. the goods exported to Australia, allegedly at dumped prices and/or in receipt of countervailable subsidies, are:</p> <p>Ferrous grinding balls, typically used for the comminution of metalliferous ores: whether or not containing alloys; cast or forged; with diameters in the range 22 mm to 170 mm (inclusive).</p> <p>The following description are excluded from measures: stainless steel balls; precision balls that have been machined and/or polished; and</p> <ul style="list-style-type: none"> <li>ball bearings.</li> <li></li> <li>Model Control Code</li> <li></li> <li>Details of the model control code (MCC) structure for the goods are detailed in the table below. Export sales data (Section B-2), domestic sales data (Section D-2) and cost to make and sell data (Section G-3, G-4 &amp; G-5) submitted in this response must follow this MCC structure. At a minimum, the data must report sales and cost data separately for each of the mandatory MCC categories identified by the Commission.</li> <li></li> </ul> <table border="1"> <thead> <tr> <th>Item</th> <th>Category</th> <th>Sub-category</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Production method</td> <td>Cast</td> </tr> <tr> <td></td> <td></td> <td>Forged</td> </tr> <tr> <td>2</td> <td>Diameter</td> <td>Diameter in mm</td> </tr> <tr> <td>3</td> <td>Product code</td> <td>Internal grade/model</td> </tr> </tbody> </table> <p>In constructing a MCC, use a "-" between each category. For example: C-100-X would indicate cast grinding balls with a 100 mm diameter and grade/model 'X'.</p> <p>The MCCs will be used to model match export models to the identical or comparable domestic models. In addition, the MCCs will be used to</p>	Item	Category	Sub-category	1	Production method	Cast			Forged	2	Diameter	Diameter in mm	3	Product code	Internal grade/model	<input type="checkbox"/>
Item	Category	Sub-category														
1	Production method	Cast														
		Forged														
2	Diameter	Diameter in mm														
3	Product code	Internal grade/model														

## PUBLIC RECORD

<p>determine the profitability of domestic sales in the ordinary course of trade test by comparing domestic selling prices to the corresponding cost to make and sell. The MCC may also be used to compare the export price to the cost to make the exported model as part of the constructed normal value.</p> <p>If there are models manufactured and sold by your company that do not align within the MCC structure above, this should be raised by lodging a submission with the Commission as soon as is practicable, but no later than the time this questionnaire is due, otherwise the response may be deemed deficient.</p> <p>Section A Company information</p>	
Section B Export sales to Australia	<input type="checkbox"/>
Section C Exported goods & like goods	<input type="checkbox"/>
Section D Domestic sales	<input type="checkbox"/>
Section E Due allowance	<input type="checkbox"/>
Section F Third country sales	<input type="checkbox"/>
Section G Cost to make and sell	<input type="checkbox"/>
Section H Particular market situation	<input type="checkbox"/>
Section I Countervailing	<input type="checkbox"/>
Exporter's declaration	<input type="checkbox"/>
Non-confidential version of this response	<input type="checkbox"/>

Attachments	Please tick if you have provided spreadsheet
B-2 Australian sales	<input type="checkbox"/>
B-4 Upwards sales	<input type="checkbox"/>
B-5 Upwards selling expenses	<input type="checkbox"/>
D-2 Domestic sales	<input type="checkbox"/>
F-2 Third country sales	<input type="checkbox"/>
G-3 Domestic CTM	<input type="checkbox"/>
G-4.1 SG&A listing	<input type="checkbox"/>
G-4.2 Dom SG&A calculation	<input type="checkbox"/>
G-5 Australian CTM	<input type="checkbox"/>
G-7.2 Raw material CTM	<input type="checkbox"/>
G-7.4 Raw material purchases	<input type="checkbox"/>



## PUBLIC RECORD

G-8 Upwards costs	<input type="checkbox"/>
G-9 Capacity utilisation	<input type="checkbox"/>
I-1 Company turnover	<input type="checkbox"/>
I-2 Income tax	<input type="checkbox"/>
I-3 Grants	<input type="checkbox"/>
I-4 Tariff and VAT	<input type="checkbox"/>
I-5 Preferential loans	<input type="checkbox"/>

## GOODS UNDER CONSIDERATION / GOODS SUBJECT TO ANTI-DUMPING MEASURES

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

Ferrous grinding balls, typically used for the comminution of metalliferous ores:

- whether or not containing alloys;
- cast or forged;
- with diameters in the range 22 mm to 170 mm (inclusive).

The following description are excluded from measures:

- stainless steel balls;
- precision balls that have been machined and/or polished; and
- ball bearings.

### Model Control Code

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

Item	Category	Sub-category	Identifier	Sales Data	Cost data	Key category
1	Production method	Cast	C	Mandatory	Mandatory	Yes
		Forged	F			
2	Diameter	Diameter in mm	### <sup>1</sup>	Mandatory	Mandatory	No
3	Product code	Internal grade/model	### <sup>2</sup>	Mandatory	Optional	No

In constructing a MCC, use a "-" between each category. For example: C-100-X would indicate cast grinding balls with a 100 mm diameter and grade/model 'X'.

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

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

<sup>1</sup> Use a separate identifier for each diameter, e.g. 25mm, 30mm 35mm etc. The Commission may group certain categories of diameter in formulating a final MCC.

<sup>2</sup> The 'product code' category, if applicable, refers to the company's internal identifier for the model, grade or type of the goods, differentiated by the chemical composition of the grinding ball.

## SECTION A COMPANY INFORMATION

### A-1 Company representative and location

1. Please nominate a contact person within your company:  
Name: Yang, Lihua (Michael Yang)  
Position in the company: Sales Director  
Telephone: +86 136 0626 9280  
E-mail address: michael@sinogrinding.com.au
2. If you have appointed a representative, provide the their contact details:  
Name: Russell Wiese  
Address: Level 5, 114 William Street, Melbourne, Victoria  
Telephone: 03 8602 9231  
E-mail address: rwiese@huntvic.com.au

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

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

Our address is:  
No. 288, Xitang Rd, Tangqiao town, Zhangjiagang City, Suzhou City, Jiangsu Province, PRC  
215611

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

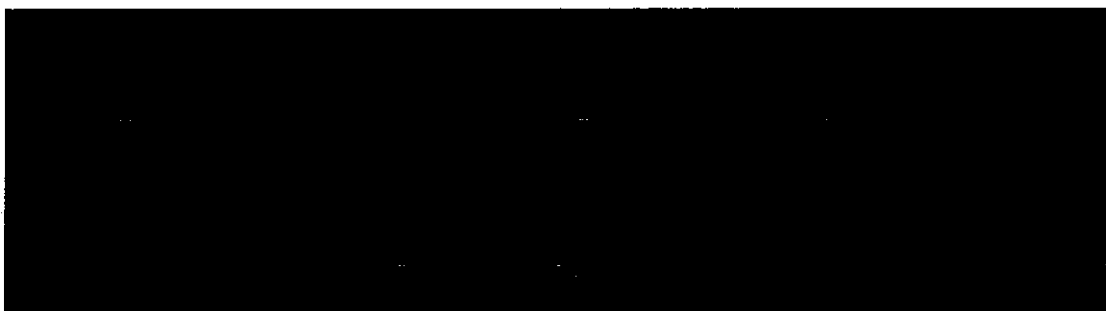
Our address is:  
No. 288, Xitang Rd, Tangqiao town, Zhangjiagang City, Suzhou City, Jiangsu Province, PRC  
215611

### A-2 Company information

1. What is the legal name of your business?  
Jiangsu Yute Grinding International Co Ltd (**Yute**)
2. Does your company trade under a different name and/or brand? If yes, provide details.  
No.
3. Was your company ever known by a different legal and/or trading name? If yes, provide details  
No.
4. Provide a list of your current board of directors and any changes in the last two years.  
Before September 17<sup>th</sup>, 2018:  
Mr. Yin, Xuefei, General Manager;  
Mr. Ni, Jianfeng, Deputy GM, Supervisor;  
After September 17<sup>th</sup>, 2018:  
Mr. Peng, Pai, Executive Director;  
Mr. Yin, Xuefei, General Manager;  
Mr. Ni, Jianfeng, Deputy GM, Supervisor;
5. Is your company part of a group (e.g. parent company with subsidiaries, common ownership, joint-ventures)? If yes, provide:

## PUBLIC RECORD

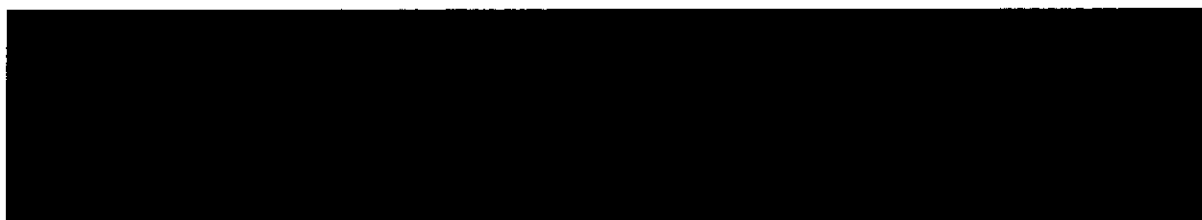
- (a) A diagram showing the complete ownership structure; and
- (b) A list of all related companies and its functions



### [Details of company structure]

6. Is your company or parent company publically listed?  
If yes, please provide:
- (a) The stock exchange where it is listed; and
  - (b) Any principle shareholders<sup>3</sup>
- If no, please provide:
- (a) A list of all principal shareholders and the shareholding percentages.

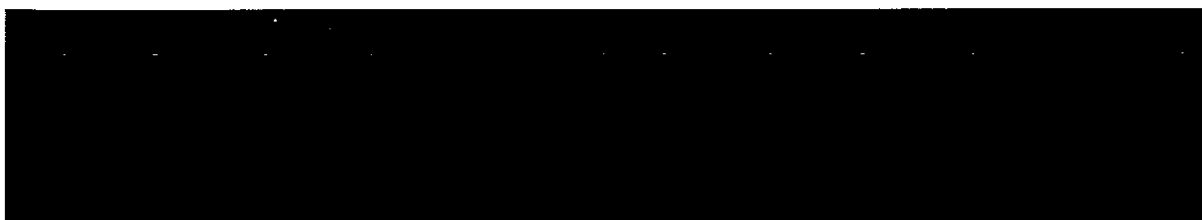
Neither Yute or BSGI are publically listed.



### [Details of Yute shareholders]

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

Yute is a forged ball manufacturer. Yute design and produces high performance grinding balls with grinding ball size from 25mm through to 160mm. Grinding balls sized 25mm – 80mm are hot rolled grinding balls and grinding balls sized 90mm – 160mm are hammer forged grinding balls.



---

<sup>3</sup> Principal shareholders are those who are able to cast, or control the casting of, 5% or more of the maximum amount of votes that could be cast at a general meeting of your company.

**[Details of export markets and Yute sales process]**

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

- (a) produce or manufacture;
- (b) sell in the domestic market;
- (c) export to Australia; and
- (d) export to countries other than Australia.

Yute produce and/or manufacturer all grinding balls at Yute plant.

The domestic market sales are conducted fully by Yute (although it does sell to BSGI).

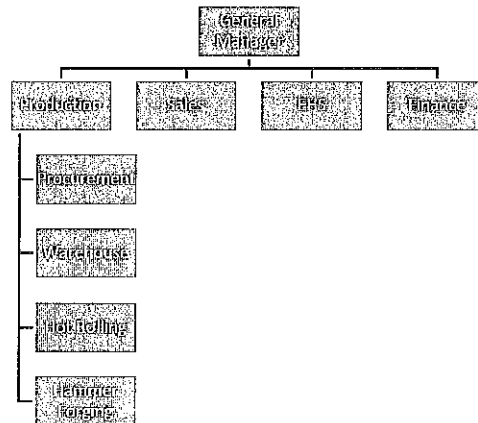
International sales may be made directly to the foreign customer by Yute or alternatively, Yute may make a sale with BSGI which will contract with and sell to the foreign customer. For those customers who contract with Yute, exporting will be done through Yute directly.

For North America, Indonesia, Philippines and Laos, most of the sales are through BSGI, although some of the exporting was through Yute directly.

There were no Australia sales during the period. This includes directly by Yute or via BSGI.

When goods produced by Yute were previously exported to Australia, the exports were by Yute directly.

9. Provide your company's internal organisation chart.  
Please see our organisation chart as *Figure 1 Organisation Chart*.



**Figure 1 Organisation Chart**

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

General Manager, response for the whole company operational activities. [REDACTED] is the General Manager;

Sales department is responsible for all sales activities, customer's relationship management and after sales services; [REDACTED] is leading the sales department;

EHS department is response for managing whole company's environment, health and safety. [REDACTED] is the EHS manager;

Finance department is response for accounting and invoicing activities [REDACTED] is the Finance Manager;

## PUBLIC RECORD

Production department is response for ball making, warehousing and delivering. [REDACTED]  
[REDACTED] is leading the department.

- The Hot Rolling section is responsible for 20mm – 80mm grinding ball manufacturing
- The hammer forging section is responsible for 90mm – 160mm grinding ball manufacturing.
- The Procurement section is responsible for all out sourced material/services, such as raw material (steel bar), packaging, transportation, etc.

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

Please see Attachment A-2.11 Yute Company Brochure for our company brochures and A-2.11 SinoGrinding brochure 180824 for oversea marketing.

### A-3 General accounting information

1. What is your financial accounting period?

Our accounting period from 1<sup>st</sup> January through 31<sup>st</sup> December of the year.

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

Yes, we are audited annually by third party accountants. The auditor for the Year 2018 was Jiangsu Haitian Accounting Co. Ltd.

3. What currency are your accounts kept in?

CNY.

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

We are using a Chinese made accounting system, Yongyou T3.

5. What is the name of your sales system?

We do not use any sales system other than sales being manually entered into Yongyou T3.

6. What is the name of your production system?

We don't use any production system other than costs being entered manually into Yongyou T3.

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

All production data, such as material in and out records, finished products in and out records will be recorded manually and kept accordingly.

All the information will be provided to the accounting department for the purpose of maintaining financial records in the accounting system (Yongyou T3).

The auditors will verify the manual records and system recorded data, to ensure that all the manual records and inputted data are matching.

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

Our accounting practices is DO NOT differ from general accounting principles in China.

## PUBLIC RECORD

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

There were not any changes in the last two years in our accounting practices.

### A-4 Financial Documents

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

Please see Attachment A-4.1 Yute Audit Report 2017 and 2018 and BSGI audit report 2017 and 2018,

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

Not applicable. All financial reports are audited by third party.

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

Not applicable. We don't maintain different profit centers.

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

The period of investigation is different from our financial period. The Income statements covering the most recent financial and period can be found at Attachment A-4.4 Period Income Statements.

5. Please provide a copy of your company's trial balance (in Excel) covering the period and the most recent financial year.
- Please see Attachment A-4.5 Balance Sheet of 201906 and A-4.5 Balance Sheet of 2018.

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

Please see chart of Accounts in Attachment A-4.6 Chart of Accounts.

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

## SECTION B

### EXPORT SALES TO AUSTRALIA

If your company exported low or no volumes of the goods to Australia during the review period, please contact the case manager as soon as possible. You may be required to complete this section (and G-5) as it relates to export sales to a country other than Australia. You may also be asked other supplementary questions. Extensions will not be granted as a result of delays in contacting the case manager in this regard.

#### B-1 Australian export sales process

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

During the investigation period there have been no exports to Australia. Please see attached section B completed in respect of export sales to the US during the investigation period.

2. In what currency do you invoice your customers for goods exported to Australia? If it is not in your local currency:
  - (a) Do your customers pay you into a foreign currency denominated account? If yes, provide details;
  - (b) Do you use forward contracts to lock in the foreign exchange rate relating to the export sales? If yes, provide details;
  - (c) How is the exchange rate determined in your accounting system and how often is it updated?
3. Are there any customers of the goods exported to Australia related to your company? If yes, please provide a list of each related customer and provide details on how the selling price is set.
4. If sales are in accordance with price lists or price extras list, provide copies of these lists.
5. Do your export selling prices vary according to the distribution channel identified? If yes, provide details. Real differences in trade levels are characterised by consistent and distinct differences in functions and prices.
6. Did you provide on-invoice discounts and/or off-invoice rebates to any customer or an associate of the customer in relation to the sale of the goods exported to Australia during the period? If yes, provide a description and explain the terms and conditions that must be met by the customer to obtain the discount.
7. Did you issue any credit or debit notes (directly or indirectly) to the customer or associate of the customer in relation to the sale of the goods exported to Australia during the period? If yes, provide details of the credit/debit notes including the reasons the credit/debit notes were issued.
8. The invoice date will normally be taken to be the date of sale. If you are making a claim that a different date should be taken as the date of sale:
  - (a) What date are you claiming as the date of sale?
  - (b) Why does this date best reflect the material terms of sale?

#### B-2 Australian sales listing

1. Complete the worksheet named "B-2 Australian sales"



## PUBLIC RECORD

- This worksheet lists all sales (i.e. transaction by transaction) exported to Australia of the goods invoiced within the period. This includes exports to Australia sold through a domestic customer.
- If you have claimed in B-1.8 that the date of sale is one other than the invoice date, then add the sales within your claimed date of sale.
- You must provide this list in electronic format using the template provided.
- If you have used formulas to complete this worksheet, these formulas must be retained.
- If there are any direct selling expenses incurred in respect of the exports to Australia not listed in the spreadsheet, add a column. For example, if the delivery terms make you responsible for arrival of the goods at an agreed point within Australia (e.g. delivered duty paid), insert additional columns in the spreadsheet for all other costs incurred.

2. Provide a table listing the source of the data for each column in the "B-2 Australian sales" listing.

### B-3 Sample export documents

1. Select the two largest invoices by value and provide the following documentation:

- Contracts
- Purchase order and order confirmation
- Commercial invoice and packing list
- Proof of payment and accounts receivable ledger
- Documents showing bank charges
- Invoices for inland transport
- Invoices for port handling and other export charges
- Bill of lading
- Invoices for ocean freight & marine insurance (if applicable)
- Country of origin certificates (if applicable)

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

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

### B-4 Reconciliation of sales to financial accounts

1. Please complete the worksheet named "B-4 Upwards sales" to demonstrate that the sales listings in B-2, D-2 and F-2 are complete.

- You must provide this list in electronic format using the template provided.
- Please use the currency that your accounts are kept in.
- If you have used formulas to complete this worksheet, these formulas must be retained.

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

3. For any amount in the "B-4 Upwards sales" worksheet that is hard coded (i.e. not a formula), please cross-reference by providing:

- the name of the source document, including the relevant page number, in column D of the worksheet; and
- highlight or annotate the amount shown in the source document.

### B-5 Reconciliation of direct selling expenses to financial accounts

1. Please complete the worksheet named "B-5 Upwards selling expense" to demonstrate that the direct selling expenses (e.g. Inland transport) in B-2 and D-2 are complete.

- You must provide this list in electronic format using the template provided.
- Please use the currency that your accounts are kept in.
- If you have used formulas to complete this worksheet, these formulas must be retained.

## PUBLIC RECORD

2. Please provide all documents, other than those in A-4, B-2 and D-2, required to complete the "B-5 Upwards selling expense" worksheet. If the documents include spreadsheets, all formulas used must be retained.
3. For any amount in the "B-5 Upwards selling expense" worksheet that is hard coded (i.e. not a formula), please cross-reference by providing:
  - the name of the source document, including the relevant page number, in column C of the worksheet; and
  - highlight or annotate the amount shown in the source document.

## SECTION C

### EXPORTED GOODS & LIKE GOODS

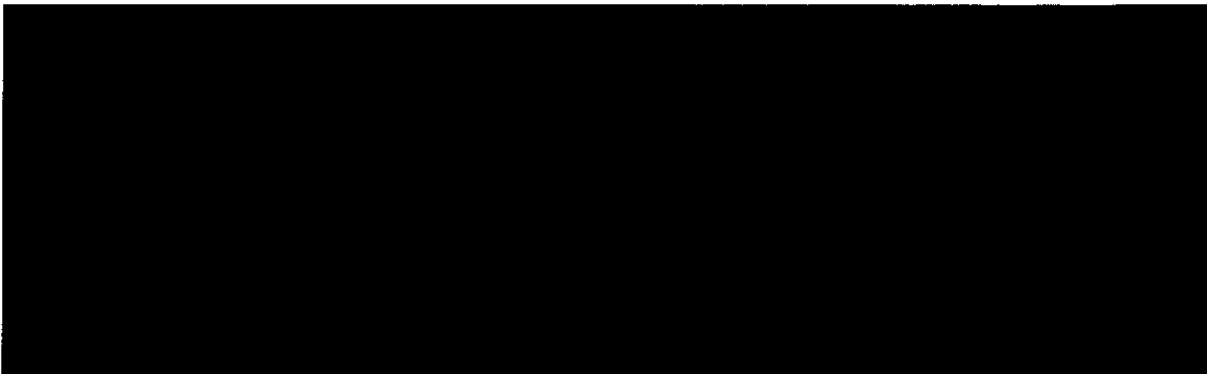
The Commission considers the MCC structure in and of itself is not likely to be commercially sensitive information. Any claim that disclosing the MCC information is confidential or would adversely affect your business or commercial interests must be raised by lodging a submission as soon as practicable,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

#### C-1 Models exported to Australia

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

Yute did not export any goods to Australia during the period. The goods that Yute previously exported to Australia previously and sold domestically and to third countries during the period are set out below.

Yute is producing and selling many different types of forged balls, from size 20mm through 160mm. Carbon range from [REDACTED] Chrome range from [REDACTED] Full models list as below table.



#### [Technical details of products produced by Yute]

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

Please check below table for the whole list of MCC (Table 1 MCC List).

MCC	SIZE (MM)	GRADE
F-20-F	20	F
F-20-0	20	0
F-25-F	25	F
F-25-0	25	0
F-30-F	30	F
F-30-0	30	0
F-40-F	40	F
F-40-0	40	0
F-50-F	50	F
F-50-0	50	0

## PUBLIC RECORD

F-60-F	60	F
F-60-0	60	0
F-61-F	61	F
F-61-0	61	0
F-65-F	65	F
F-65-0	65	0
F-75-F	75	F
F-75-0	75	0
F-78-F	78	F
F-78-0	78	0
F-80-F	80	F
F-80-0	80	0
F-90-F	90	F
F-90-0	90	0
F-94-F	94	F
F-94-0	94	0
F-100-F	100	F
F-100-0	100	0
F-115-F	115	F
F-115-0	115	0
F-120-F	120	F
F-120-0	120	0
F-125-F	125	F
F-125-0	125	0
F-133-F	133	F
F-133-0	133	0
F-140-F	140	F
F-140-0	140	0
F-150-F	150	F
F-150-0	150	0
F-160-F	160	F
F-160-0	160	0

**Table 1 MCC List**

### **C-2 Models sold in the domestic market**

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

Our product sold to domestic market are exactly the same as the products listed in C-1.1 (see **Error! Reference source not found.** for detail list of products).

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

Our MCCs for domestic sales are the same as listed in Section C-1.2, please see *Table 1 MCC List* for the full MCC list

**C-3 Internal product codes**

1. Does your company use product codes or stock keeping unit (SKU) codes?

If yes:

- (a) Provide details of the product or SKU coding system for the goods, such as a legend or key of the meaning for each code within the product or SKU code.
- (b) Provide details on how you mapped the product or SKU codes to the MCC for the purpose of completing this questionnaire.
- (c) Provide a table of showing the product or SKU codes for each MCC.

If no:

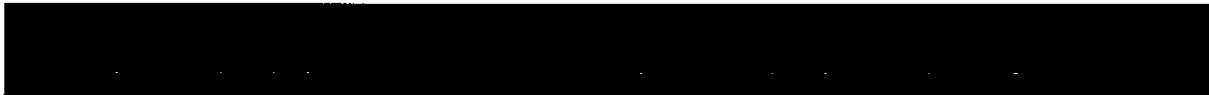
- (a) Provide details on the method used to identify the MCC in the sales and cost spreadsheets.

We don't use SKU codes in our production and accounting system.

The detail comparison table could be found as below:

GRADE CODE IN MCC CODE	INTERNAL CODE
F	Finished Product, including raw material, ball making and packing, etc.
0	OEM Product, customer provide raw material and Yute make and deliver the balls.

As can be seen, the difference between the 2 internal codes is whether the customer or Yute is responsible for procuring the grinding bar used to produce the grinding balls. This significantly impacts the cost of production and the price charged by Yute.

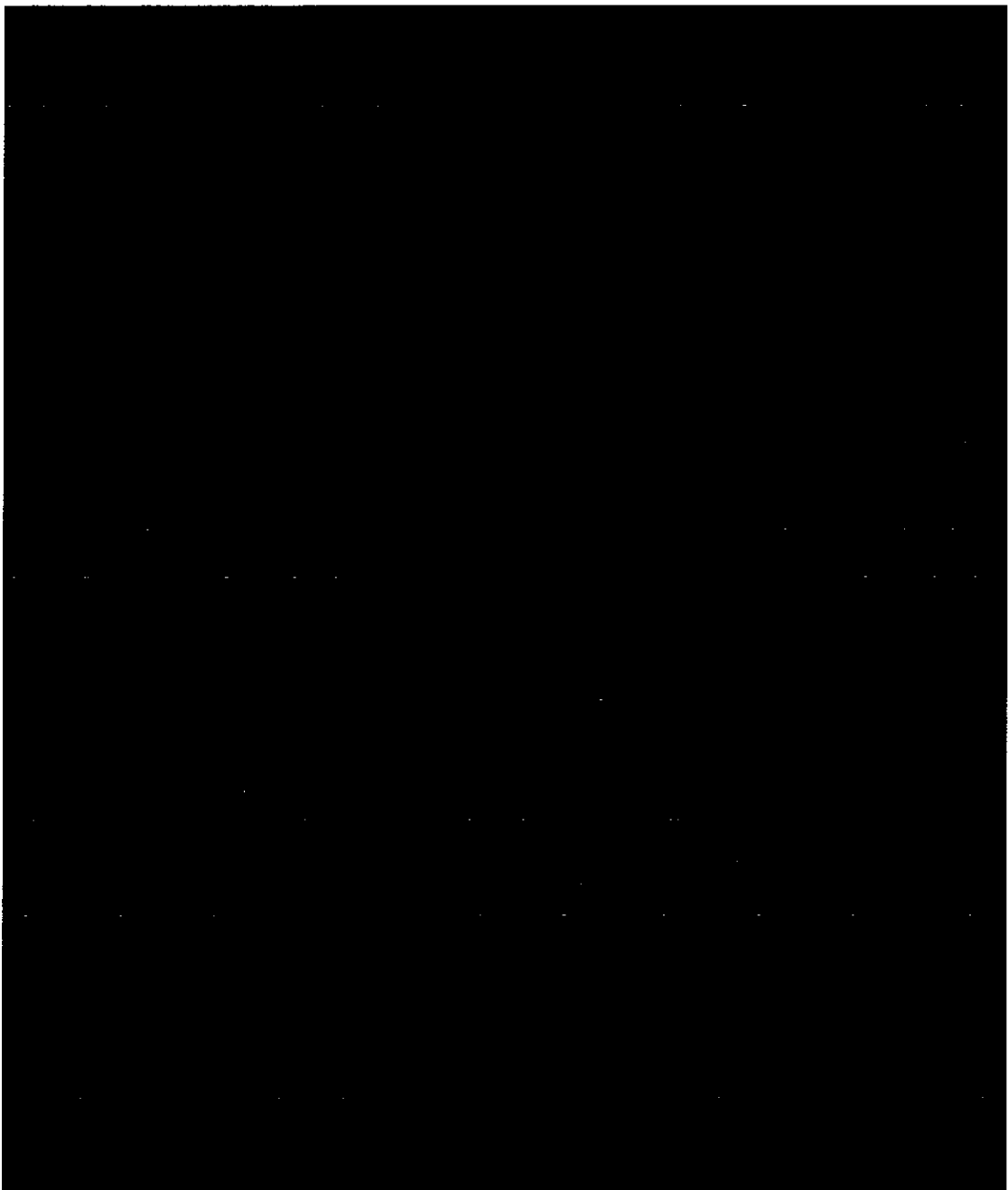


[Detail of factors that impact price and cost of manufacture]

## SECTION D DOMESTIC SALES

### D-1 Domestic sales process

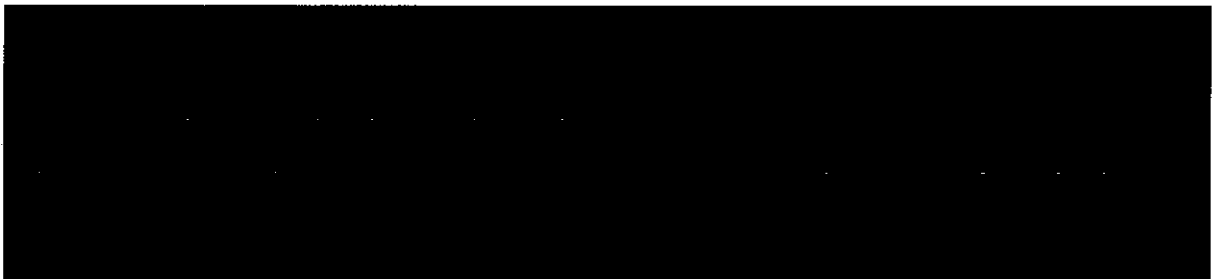
1. Provide details (and diagrams if appropriate) of the domestic sales process of your company and any other related entities including:
  - (a) Marketing and advertising activities
  - (b) Price determination and/or negotiation process
  - (c) Order placement process
  - (d) Order fulfilment process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





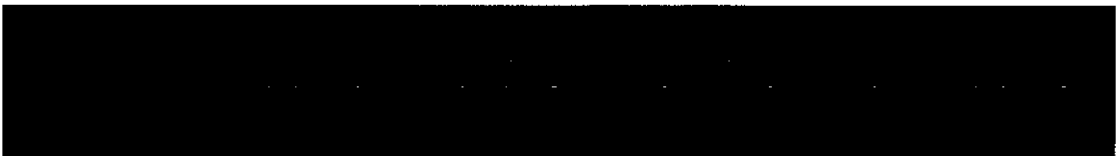
**[Description of domestic processes regarding obtaining customs, setting prices, production capacity and timeframes and commercial terms of sale]**

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



**[Description of how prices are set with related party customers]**

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



**[Details regarding the setting and notification of prices]**

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

## PUBLIC RECORD

Not applicable.  
We don't use any distributors in domestic market.

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

Not applicable.  
We don't offer any kind of discounts to our domestic customers. All prices we invoiced must be 100% paid.

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

Not applicable.  
No credit notes will be made from us to our customers.

7. The invoice date will normally be taken to be the date of sale. If you are making a claim that a different date should be taken as the date of sale:
- What date are you claiming as the date of sale?
  - Why does this date best reflect the material terms of sale?

The date of sale should be the invoice date. This is because for the majority of cases the invoice date reflect the date of supply of the goods this also coincides with the customers obligation to pay for the goods.

### D-2 Domestic sales listing

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

### D-3 Sample domestic sales documents

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

Please see Attachment D-3.1 Sample Contract [REDACTED] and invoices [REDACTED] [REDACTED] (all of which are equally the largest invoice) and related documents. Please note that there are 20 related dispatch notices. We have attached Chinese copies of all 20. However, only the first 5 have been translated. Please let us know if you would like the other 15 translated.



## PUBLIC RECORD

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

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

Please see the attachment labelled "Data Source". Please let us know if this does not provide sufficient explanation..

### **D-4 Reconciliation of sales to financial accounts**

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

1. Please complete the worksheet named "B-4 Upwards sales" to demonstrate that the sales listings in D-2 and F-2 are complete.
  - You must provide this list in electronic format using the template provided.
  - Please use the currency that your accounts are kept in.
  - If you have used formulas to complete this worksheet, these formulas must be retained.
2. Please provide all documents, other than those in A-4, D-2 and F-2, required to complete the "B-4 Upwards sales" worksheet. If the documents include spreadsheets, all formulas used must be retained.
3. For any amount in the "B-4 Upwards sales" worksheet that is hard coded (i.e. not a formula), please cross-reference by providing:
  - the name of the source document, including the relevant page number, in column D of the worksheet; and
  - highlight or annotate the amount shown in the source document.

## SECTION E

### DUE ALLOWANCE

#### E-1 Credit expense

1. Do you provide credit to any domestic customers in relation to sales of like goods (i.e. payment terms that are not on a cash or pre-payment basis)? If yes:
  - (a) Do you provide a rolling credit facility to your domestic customers (i.e. no specific payment terms agreed at the time of sale)? If yes:
    - i. Calculate the accounts receivable turnover for each domestic customer (credit sales divided by the average accounts receivable).
    - ii. Calculate the average credit term for each domestic customer by dividing 365 by the accounts receivable turnover
  - (b) Do you have short term borrowings or an overdraft facility? If yes, what is the interest rate, or average of interest rates?
  - (c) Do you have term deposits or other cash product (e.g. bonds)? If yes, what is the interest rate, or average of interest rates?



#### [Description of credit terms]

2. Do you provide credit to any Australian customers in relation to sales of the goods (i.e. payment terms that are not on a cash or pre-payment basis)? If yes:
  - (a) Do you provide a rolling credit facility to your Australian customers (i.e. no specific payment terms agreed at the time of sale)? If yes:
    - i. Calculate the accounts receivable turnover for each domestic customer (credit sales divided by the average accounts receivable).
    - ii. Calculate the average credit term for each domestic customer by dividing 365 by the accounts receivable turnover
  - (b) If your Australian customers pay you into a foreign currency denominated account (question B-1.2(a) refers):
    - i. Do you have short term borrowings or an overdraft facility denominated in the same foreign currency? If yes, what is the interest rate, or average of interest rates?
    - ii. What is the interest rate, or average of interest rates, applying to term deposits or other cash product (e.g. bonds) denominated in the same foreign currency? If yes, what is the interest rate, or average of interest rates?



#### [Description of credit terms and company finances]

#### E-2 Packaging

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

## PUBLIC RECORD

Most of our domestic customers are asking for packaging in bags. One bag will contain 1(one) ton of grinding balls.

Some of our domestic clients will ask for packaging in drums. Drum packaging could differ as per customer requirement. A drum could have 0.8 ton to 0.93 ton balls depends on customer requirement.

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

It depends on customers' requirement.

Packaging can be in bags, or drums. A bag normally have 1(one) ton of balls, if customers want 2(two) tons bag, a special note must be made in the contract/order.

Customers may also ask for drum packaging, the ball weight in the drum must be specified in the contract/drum. The weight of balls in a drum could be from 0.8 tons to 0.93 tons, also up to customers' requirement.

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

Not Applicable.

There is no difference between oversea and domestic sales packages.

### E-3 Delivery

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

Yes, some of the domestic sales need to be delivered to customers' location.

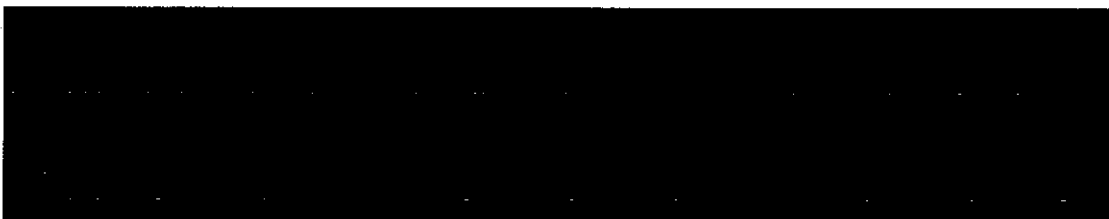


#### [Detail of price setting]

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

Our delivery terms to USA are: FOB Shanghai.

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



#### [Detail of transportation costs and calculations]

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

If the terms include ocean freight, we will put the ocean freight cost into final product price. The ocean cost could be vary from shipment to shipment. While making the quotation, the ocean freight will be a separate column from product price.

## PUBLIC RECORD

We don't have sales to Australia during the period. There was no ocean freight in respect of US sales as they were sold on FOB terms.

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

Not Applicable.

We don't have sales to Australia during the period. There was no marine insurance payable by Yute in respect of US sales as all sales were on an FOB basis.



### [Detail on how insurance cost is calculated]

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

Not Applicable.

We don't have sales to Australia during the period. All sales to the US were on FOB terms.

In any event, there is no export duty payable and our customer will always pay the import duty.

## E-4 Other direct selling expenses

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

Not Applicable.

We do not pay commissions for either domestic or export sales.

2. Are there any differences in tax liability between domestic and export sales? If yes, provide details, for example:

- What is the rate of value-added tax (VAT) on sales of the goods and like goods?
- How is VAT accounted for in your records in relation to sales of the goods and like goods?
- Do you receive a VAT refund in relation to sales of the goods and/or like goods?
- Do you receive a remission or drawback of import duties on inputs consumed in the productions of the goods or like goods?

Till July 1<sup>st</sup> 2019, the applicable VAT was 13%. For export business, our product (HS: 7326.11.00) has 13% rebate rate. For domestic sales, there is no rebate or refund of any kind. There is no remission or drawback on our products as all materials are domestically sourced.

The VAT exclusive revenue is recorded in accounts receivable. The VAT amount is recorded in accounts payable.

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

- These direct selling expenses must be included in the reconciliation of direct selling expenses in B-5

Not Applicable.

There is not any other direct selling expenses.

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

- These direct selling expenses must be included in the reconciliation of direct selling expenses in B-5

Not Applicable.

There are not any other direct selling expenses.

### **E-5 Other adjustment claims**

1. Are there any other adjustments required to ensure a fair comparison between the export price and the normal value (based on domestic sales, costs and/or third country sales)? If yes, provide details.
  - An adjustment will only be made where there is evidence that the difference affects price comparability.
  - Refer to Chapter 15 of the *Dumping and Subsidy Manual (November 2018)* for more information.

Not Applicable.

## SECTION F

### THIRD COUNTRY SALES

#### F-1 Third country sales process

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

There is no difference between Australian, US and third country sales process.

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

The end user in all third countries is unrelated to Jute. However, sales to exports markets will often be via a related company such as BSGI or Sino Grinding International Pty Ltd.

3. The invoice date will normally be taken to be the date of sale. If you are making a claim that a different date should be taken as the date of sale:
  - (a) What date are you claiming as the date of sale?
  - (b) Why does this date best reflects the material terms of sale?

Our invoice date is normally the same as sales date.

#### F-2 Third country sales listing

1. Complete the worksheet named "F-2 Third country sales"
  - This worksheet lists all export sales, summarised by country and customer, to third countries of like goods invoiced within the period.
  - If you have claimed in F-1.3 that the date of sale is one other than the invoice date, then add sales with your claimed date of sale.
  - You must provide this list in electronic format using the template provided.
  - If you have used formulas to complete this worksheet, these formulas must be retained.
2. Provide a table listing the source of the data for each column in the export sales listing (F-2.1). Please see the attachment labelled "Data source".

#### F-3 Differences in sales to third countries

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

Not Applicable.

There is no difference between Australian, US and third country sales.

## SECTION G

### COST TO MAKE AND SELL

#### G-1. Production process

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



#### [Details of internal production process]

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

None of our suppliers have any relationship with our company.

#### G-2. Cost accounting practices

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

Our accounting system is based on actual costs.

## PUBLIC RECORD

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

Not Applicable.

Our accounting system is based on actual costs.

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

Not applicable.

Our company don't have any other cost centres.

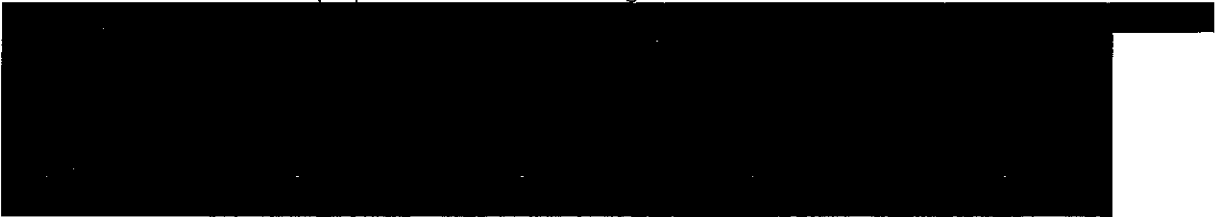
4. To what level of product specificity (models, grades etc.) does your company's cost accounting system normally record production costs?

We record our production costs altogether at monthly bases.

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

Our company doesn't have any management accounting valued differently to financial accounting. For the purpose of this response, management has estimated per-unit costs of labor and manufacturing overhead for each production line. See response to question G-6 for additional detail.


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



### [Details of proposed expansion]

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

The incoming raw material (steel bar) quantity is precisely weighed at the supplier's premises and our factory will sample a few bundles to weight using electrical scale. If the weight value at Yute matches the label weight of the bundle, we accept it and put it into warehouse records. If the weight deviates, we will discuss with suppliers and determine the correct weight. We haven't found any deviation since the start of the plant.

Then the steel bar will be processed and kept in the storage. We estimate the Work-In-Process (WIP) using manual records. We will calculate the output of the process based on steel bar consumption with an average factor of processed product. 





**[Details of internal accounting policies]**

The finished product inventory also follows the same method. [REDACTED]

**[Details of internal accounting policies]**

All the steel bar usage are tracked using the FIFO method.

While packing, we use an electric scale to weigh each package, which is requested by customers. E.g., 1(one) ton net for 1(one) bag and 0.8 ~0.93 ton net for drums.

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

All damaged or sub-standard goods generated at all stages will be treated as scrap steel and sold. There is no valuable method as no inventory of these goods is recorded. The actual sale amount will be recorded as revenue.

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

There is no by products or joint products generated.

All scrap will be treated as scrap steel and sold. There is no valuable method as no inventory of these goods is recorded. The actual sale amount will be recorded as revenue.

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

We do not pay any management fees to any of shareholders or the parent company.

**G-3 Cost to make on domestic market**

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

**G-4 Selling, General & Administration expenses**

1. Complete the worksheet named "G-4.1 SG&A listing".
  - This worksheet lists all selling, general and administration expenses by account code for the most recent accounting period and the period.
  - You must provide this list in electronic format using the template provided.
  - If you have used formulas to complete this worksheet, these formulas must be retained.

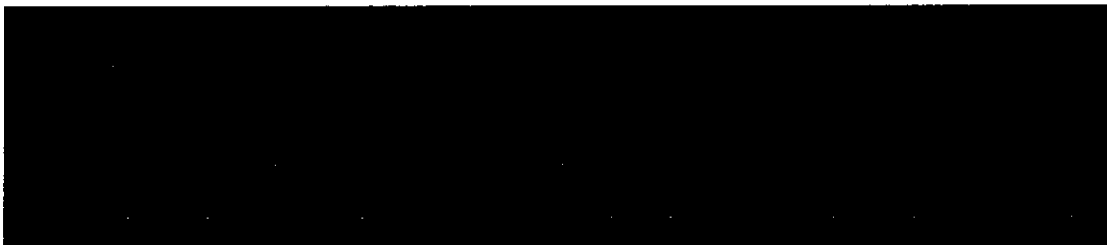
2. Complete the worksheet named "G-4.2 Domestic SG&A calculation".
  - This worksheet calculates the unit domestic SG&A for each MCC.
  - You must provide this list in electronic format using the template provided.
  - Please use the formulas provided.

### **G-5 Cost to make the goods exported to Australia**

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

### **G-6 Cost allocation methodology**

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



**[Details of internal accounting policies]**

- (b) Labour
- (c) Manufacturing overheads



**[Details of internal accounting policies]**

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



[Details of the cost of manufacture and internal accounting policies]

## G-7 Major raw material costs

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

We only use special alloy steel bar as our raw material.

2. Are any raw materials sourced as part of an integrated production process or from a subsidiary company which your company exercise control? If yes, complete the worksheet named "G-7.2 Raw material CTM" for these raw materials.
  - This worksheet lists the quarterly cost to make the raw material manufactured within the period.
  - The costs must be based on actual cost of production (i.e. not standard costs or cost of goods sold).
  - If any imputation tax (e.g. value-added tax) is payable on the purchase of goods or services to manufacture the raw material, report the costs excluding the imputation tax. All other taxes payable (e.g. import duty) must be included as 'other costs' if not already included, for example, under material costs.
  - You must provide this list in electronic format using the template provided.
  - If you have used formulas to complete this worksheet, these formulas must be retained.
- No.
3. Using the domestic cost data in "G-3 Domestic CTM", calculate the weighted average percentage of each raw material cost (listed in G-7.1) as a proportion of total cost to make.

Please see the spreadsheet labelled G-7.3 RM Proportion of CTM.

4. For each raw material identified in G-7.3 which individually account for 10% or more of the total cost to make, complete the worksheet named "G-7.4 Raw material purchases"
  - This worksheet lists all raw material purchases (i.e. transaction by transaction) purchased by your company within the period.
  - You must provide this list in electronic format using the template provided.
  - If you have used formulas to complete this worksheet, these formulas must be retained.
5. Provide a table listing the source of the data for each column of the "G-7.4 Raw material purchases" listing.

Please see the attachment labelled "Data source".

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

## PUBLIC RECORD

- (b) Reconcile the total value listed in "G-7.4 Raw material purchases" listing to relevant purchase ledgers or trial balances in your accounting system. Provide copies of all documents used to demonstrate the reconciliation.

Please find Attachment G-7.6 Two largest raw material purchasing records for detail.

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

No.

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

1. Please complete the worksheet named "G-8 Upwards costs" to demonstrate that the cost listings in G-3 and G-5 are complete.
  - You must provide this list in electronic format using the template provided.
  - Please use the currency that your accounts are kept in.
  - If you have used formulas to complete this worksheet, these formulas must be retained.
2. Please provide any documents, other than those in A-4, G-3 and G-5, required to complete the "G-8 Upwards costs" worksheet.
3. For any amount that is hard coded (i.e. not a formula), please cross-reference by providing:
  - the name of the source document, including the relevant page number, in column D of the worksheet; and
  - highlight or annotate the amount shown in the source document.

### **G-9 Capacity Utilisation**

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

## SECTION H

### PARTICULAR MARKET SITUATION

#### H-1 Reporting requirements

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

Our company was required to obtain a business license to carry on its activities.

Our company is asked to report on the followings:

- Monthly Tax declaration report
- Monthly Safety Records

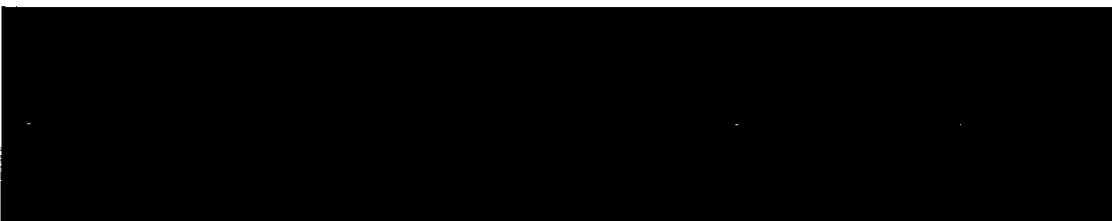
And there are no any other reports required by the Government.

#### H-2 Business structure, ownership and management

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

Our company is not a State-Owned or State-Invested Enterprise.

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



##### [Details of Yute shareholders]

Our company's Board of Directors as below:

Mr. Peng, Pai, Executive Director;  
Mr. Yin, Xuefei, General Manager;  
Mr. Ni, Jianfeng, Deputy GM, Supervisor;

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



## PUBLIC RECORD

### [Details of shareholders of Yute and related companies]

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

None of our members of Board, shareholders and employees is affiliated with the Government of China.

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

Not Applicable.

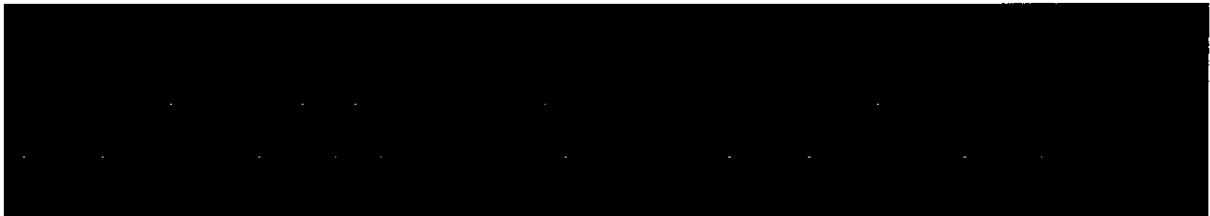
Our Company or any other entities our business is related to, Board of Directors or Board of Shareholders don't have a representative from the Chinese Communist Party (CCP).

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

Not Applicable.

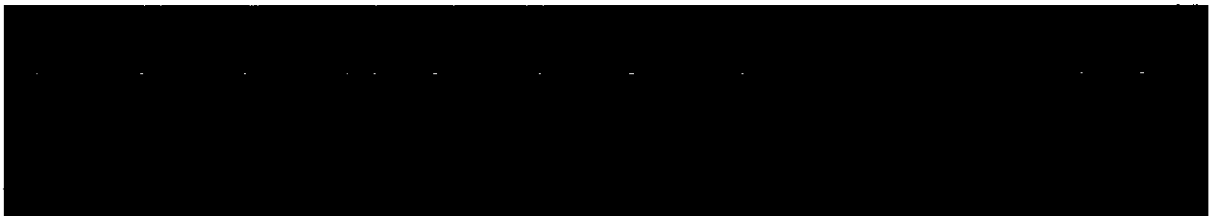
The Government of China doesn't appoint, manage or recommend anyone to our company and our related entities.

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



### [Details of Yute shareholders – No shareholders have any affiliations with the Government of China]

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



### [Detail of Yute shareholding]

## PUBLIC RECORD

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

Not Applicable.

There is no such a position in our business, that is appointed or designated to act on behalf of the Government of China authorities.

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

Not Applicable.

There is no such a requirement in law or in practice to have government representation at any level of our business.

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

Not Applicable.

We are not publicly listed.

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

Not Applicable.

We are not publicly listed.

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

The Board of Directors.

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

Not Applicable.

None of our company's senior managers is working or holding any position in any Government of China departments or organisations, associations or Chambers of Commerce.

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

Mr. Yin, Xuefei, the General Manager;  
Mr. Yang, Lihua, the Sales Director;

### H-3 Licensing

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

Please see Attachment H-3.1 Business License.

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

Administrative Approval Bureau of Zhangjiagang

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

Main procedures involved in applying for the business license are:

- Company Name verification;
- Submitting related documents to the authority (including business scope, Articles of Company, investor(s) list, etc.);
- Verification of business scope to see if a prior permission required;

## PUBLIC RECORD

- Company seal stamp making;
- Opening company bank account.

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

Not Applicable.

We didn't see any any requirements or conditions that must be met in order to obtain the business license.

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

We are licensed to produce, sell and export forged balls. We are restricted from engaging in activities other than this.

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

There hasn't been any sanction imposed on our business in the past. We only do what are defined in our business license, which is producing and selling forged balls.

If a company acts outside of its business scope it needs to apply for a change of scope. If this does not occur the company may receive a warning and direction to apply for a change of scope within a specified time. A failure to comply with this could result in fines of up to RMB100,000. Further, if the out of scope activities required any qualification approval, failure to obtain such approval could result in cancellation of the licence.

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

There is nothing special in our company in terms of rights or benefits conferred to our business under the license.

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

We don't know under which circumstance that our business license will be revoked and who is the authority to revoke the license.

### H-4 Decision-making, planning and reporting

1. Provide a description of your business' decision-making structure in general and in respect of the goods. This should identify the persons or bodies primarily responsible for deciding:

- a. what goods are produced;
- b. how the goods are produced;
- c. how levels of inputs such as raw materials, labour and energy are set and secured;
- d. how the use of your outputs, such as product mix, is determined; and
- e. how your business' profit is distributed.

Our company's decision-making is as below:

General Manager, Mr. Yin, Xuefei is response for the all production and sales activities. GM will make decisions on selling price, raw material purchasing, RM inventory control and general administrations.

Our Vice GM, Mr. Ni, Jianfeng is taking full responsibility for productions, including production plan, control parameters, operators management, etc.

The Board will have the annual meeting, making important decisions, such as strategy of the company, product types, etc.

There is no involvement of the Government of China in the decision making process.

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



## PUBLIC RECORD

There is not any Government of China input into our decision-making process respecting our manufacture, marketing and sale of the goods.

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

There are no any government departments/offices that are involved, either directly or indirectly, in your manufacture, sale or purchase of the goods.

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

Below list (*Table 2 Reports to Government*) is the reports list that we must submit to the Government of China periodically:

Report Name	Government department	Frequency
Safety Records	Bureau of Safety and Supervision	Every Month
Tax Declaration	Bureau of Taxation	Every Month

**Table 2 Reports to Government**

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

We couldn't find any 5-years Plan of the city we are located.

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

We don't have any kind of 5-years plan as the market worldwide so volatile and unpredictable.

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

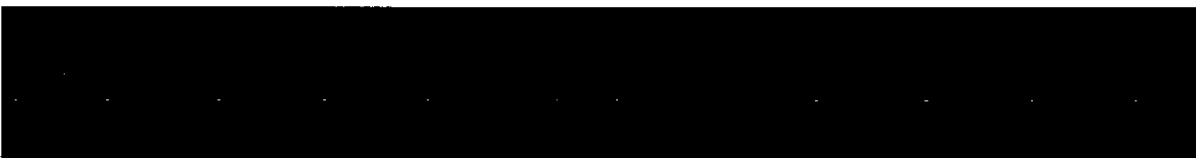
For the period we have identified minutes of one board meeting. Please see Attachment H-4.7 Board Meeting Minutes.

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

No written records have been identified.

## H-5 Financial and investment activities

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



### [Details of Yute external financing]

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

Please refer Attachment H-5.2 Loan Interest Rate History for detail.

## PUBLIC RECORD

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

[Details of finance expense]

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

The last capital increase was in 2018. Beijing Sino Grinding PTY LTD injected the money and became the largest shareholder.

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

Our company does not have any policies on how to manage cash reserves.

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

Our company did not invest any other organisation.

### H-6 Government policy on the industry

1. Are there any Government of China opinions, directives, decrees, promulgations, measures, etc. concerning industry of the goods that were put in place or operating during the period? If yes, please provide:
- copy of the documentation and a translation in English;
  - documentation concerning the Government of China or any association of the Government of China's notification of the measures concerning the goods to your company during the period.

We didn't receive any opinions, directives, decrees, promulgations, measures, etc. from Government of China during the period.

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

Our company did not contact any of above functional office, and no officers from above listed has come to us. We don't know any of the bodies listed.

## PUBLIC RECORD

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

We have no idea of how Government of China develop the industrial plan.

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

We have no idea of how Government of China develop the industrial plan, or policy or measures.

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

No officers ever said that to us that we are a "pillar" or similar ones.

## H-7 Taxation

1. Were there any export taxes on the exports of the goods during the period?

There are no export taxes on the exports of grinding balls.

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

There were two stages during the period (*Table 3 Rebate Rate*):

Period	Rebate(%)
January 1 <sup>st</sup> 2014 ~ September 14 <sup>th</sup> 2018	5%
September 15 <sup>th</sup> 2018 ~ June 30 <sup>th</sup> 2019	13%

**Table 3 Rebate Rate**

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

Please find *Table 3 Rebate Rate* for the record of rebate change on our products (HS Code: 7326.11.0000).

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

No. We only become aware of the tax changes after it's be published.

## H-8 Sales Terms

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

The General Manager, Mr. Yin, Xuefei is the person who authorize the sales terms.

## PUBLIC RECORD

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

Please see B-1 and D-1 for information on price setting. The selling price is determined by our company, there is no any Government of China influence in our price decision process.

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

Our company never coordinate selling price with any other grinding ball manufacturers or Government of China.

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

We never provide our selling price, information or data to the government unless the Government of China requires.

The Government may ask our company to provide general financial data for the purpose of economic census.

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

We never provide our price information to any person from government.

### H-9 Industry associations

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

Our company doesn't join any kind of business or industry association.

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

Our company doesn't join any kind of business or industry association.

### H-10 Statistics submission/recording

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

We submit Income Statements and Balance Sheets to local Bureau of Statistics every month.

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

Please see Attachment H-10.2 Monthly report to Statistic Bureau 201906 for our report submitted in July.

## PUBLIC RECORD

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

Our company hasn't received any feedback from Bureau of Statistics.

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

Not Applicable.

Our company hasn't received any feedback from Bureau of Statistics.

### H-11 Regional differences

1. 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.

Our company doesn't have other locations that is making grinding balls.

### H-12 Production/output

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

Our products are not covered by any national or regional industrial policy.

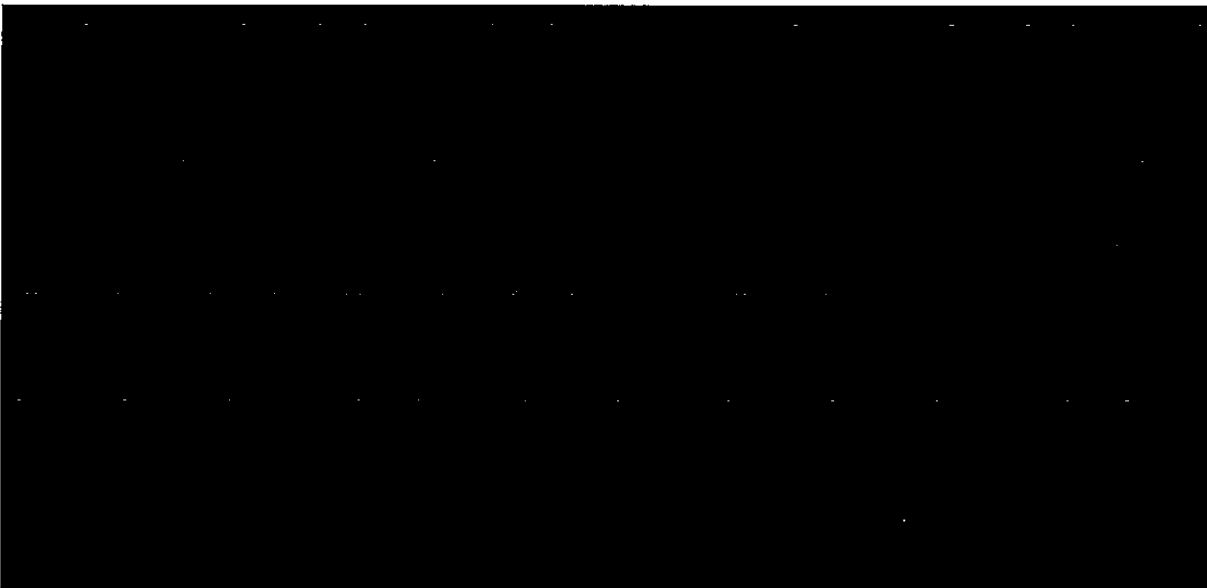
2. Where applicable, how did your business respond to the policies/guidelines?

Not Applicable.

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

There is no restrictions in production and selling our grinding balls.

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



[Domestic customer list]

## PUBLIC RECORD

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

There are not any restrictions applied on our products.

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

No. There is no license requirement. However, Jute is a registered exporter, see attachment H-12.6.

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

There are not any restrictions applied on our products.

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

There are not any restrictions applied on our products.

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

No.

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

No. We do not receive any benefit from any utility services.

### H-13 Sales price

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

Not Applicable.

There is not any kind of price guidance or controls on our products.

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

No. There is not any kind of price guidance or controls on raw material inputs.

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

No. There is not any kind of price guidance or controls on our products.

4. 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.

Please see B-1 and D-1.

There is not any restrictions, limitations or other considerations imposed to our business.

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

## PUBLIC RECORD

We have no idea of our competitor's price level and we cannot answer this question. But there are many lower price forged ball manufacturers in Shangdong province, which are making very lower quality balls.

We also believe that MolyCop is abusing its global dominance to influence the prices and sales of grinding balls.

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

No. Our company don't have the pricing committee.

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

Not Applicable.

Our company don't have the pricing committee.

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

The General Manager, Mr. Yin, Xuefei is the person who authorise the sales terms, prices and other contract provisions.

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

Not Applicable.

Our company don't have any other production facilities.

### H-14 Adding capacity and/or joint ventures

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

We understand that the government will evaluate the expansion project on following aspects:

- a. Environment impact;
- b. Health & Safety Evaluation;

2. Does the government have the right to request modifications in the terms of adding capacity and/or joint ventures? If yes, provide a detailed explanation.

If the evaluation of the expansion project was to fail, the Government will give advices for modification. If the whole project design was qualified, the approval would be granted to our company.

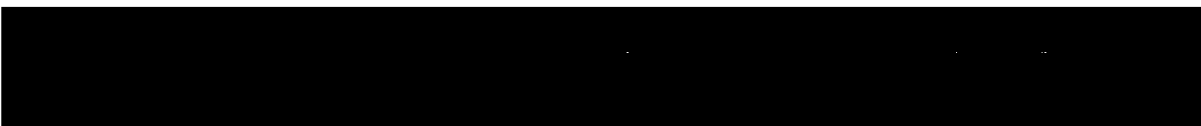
### H-15 Raw materials

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

Not applicable.

Our company don't invest any other companies.

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



[Details of raw material supplier]

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

No suppliers are based outside of China.

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

[List of suppliers and comparison of price]

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

[Details of approach taken to selecting raw material supplier]

6. If any of your raw materials for the goods and/or like goods are imported by your business, or related businesses:
- Provide details including a description of the raw material imported, the supplier and country of origin.
  - Explain the process required to import the raw materials (e.g. obtaining an import licence, import declarations).
  - Provide details of any conditions to importing the raw materials (e.g. customs and/or quarantine).
  - Are you eligible for a duty drawback? If yes, provide details.

Not Applicable.

We never use imported raw material.

7. Do you, or a business associated with you, sell any of the raw materials used to manufacture the goods and/or like goods, or sell the semi-processed goods?
- Please provide a description of the raw material or semi-processed goods which are sold, including whether they are domestic or export transactions, to related or unrelated parties, and how the selling price is determined.
  - If there is a difference in selling prices between related and unrelated parties, please provide reasons as to why.

Not Applicable.

We don't sell semi-product, raw materials.



## H-16 Export quotas

1. Are grinding balls sold by your company subject to any export quotas? If so, explain why grinding balls are subject to quotas and the method by which the quotas are allocated.

Not Applicable.

There are not quotas on grinding balls.

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

Not Applicable.

There are not quotas on grinding balls.

2. If grinding balls are not presently subject to export quotas, indicate if quotas existed during the investigation period and when and why they were removed.

Not Applicable.

There are not, and have not been, quotas on grinding balls.

## SECTION I COUNTERVAILING

The following programs are being investigated:

Program Number	Program Name	Program Type
3	Preferential Tax Policies in the Western Regions	Income Tax
4	Land Use Tax deduction	Income Tax
5	Preferential Tax Policies for High and New Technology Enterprises	Income Tax
6	Tariff and VAT Exemptions on Imported Materials and Equipment	Tariff & VAT
7	One-Time Awards to Enterprises Whose Products Qualify for "Well-Known TradeMarks of China" and "Famous Brands of China"	Grant
8	Matching Funds for International Market Development for Small and Medium Enterprises	Grant
9	Superstar Enterprise Grant	Grant
10	Research & Development ("R&D") Grant	Grant
11	Innovative Experimental Enterprise Grant	Grant
12	Special Support Fund for Non-State Owned Enterprises	Grant
13	Venture Investment Fund of Hi-Tech Industry	Grant
14	Grants for Encouraging the Establishment of Headquarters and Regional Headquarters with Foreign Investment	Grant
15	Grant for key enterprises in equipment manufacturing industry of Zhongshan	Grant
16	Water Conservancy Fund Deduction	Grant
17	Anti-Dumping Respondent assistance	Grant
18	Technology Project assistance	Grant
20	Environmental Protection Grant	Grant
21	High and New Technology Grant	Grant
22	Independent Innovation and High-Tech Industrialisation Program	Grant
23	Environmental Prize	Grant
24	Provincial emerging industry and key industry development special fund	Grant
25	Environmental Protection Fund	Grant
26	Intellectual Property licensing	Grant

# PUBLIC RECORD

Program Number	Program Name	Program Type
27	Financial resources construction special fund	Grant
28	Reducing pollution discharging and environmental improvement assessment award	Grant
29	Comprehensive utilisation of resources – VAT refund upon collection	Tariff & VAT
30	Grant of elimination of out dated capacity	Grant
31	Grant from Technology Bureau	Grant
34	Patent Award of Guangdong Province	Grant
35	Wuxing District Freight Assistance	Grant
36	Huzhou City Public Listing Grant	Grant
37	Huzhou City Quality Award	Grant
38	Huzhou Industry Enterprise Transformation & Upgrade Development Fund	Grant
39	Wuxing District Public List Grant	Grant
40	Transformation technique grant for rolling machine	Grant
41	Grant for Industrial enterprise energy management - centre construction demonstration project Year 2009	Grant
42	Key industry revitalization infrastructure spending in 2010	Grant
43	Jinzhou District Research and Development Assistance Program	Grant
47	Preferential loans and interest rates	Preferential Loans
48	International trade increase project fund	Grant
49	Industrial economy reform and development fund	Grant
50	Sales revenue increase award	Grant
51	Tax contribution award	Grant
52	Energy and recyclable economy program	Grant
53	National controlled essential pollutant source supervision system third party operation and maintenance subsidy program	Grant
54	Scientific program awards in high and new scientific zone	Grant

## I-1 General

1. Complete the worksheet named "I-1 Company turnover".
  - This worksheet is a table of the total company revenue over the period and split into:
    - Total revenue for Australian sales, domestic sales and third country sales
    - Revenue of the goods for Australian sales, domestic sales and third country sales
  - You must provide this table in electronic format using the template provided.
  - If you have used formulas to complete this worksheet, these formulas must be retained.

## I-2 Preferential tax policies (Programs 3–5)

1. Complete the worksheet named "I-2 Income Tax".
  - This worksheet is a table of your company's income tax liability over the last three financial years.
  - You must provide this table in electronic format using the template provided.
  - If you have used formulas to complete this worksheet, these formulas must be retained.

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

Please refer to Attachment I-2.2 Tax Return

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

Please see attachment I-2.3.

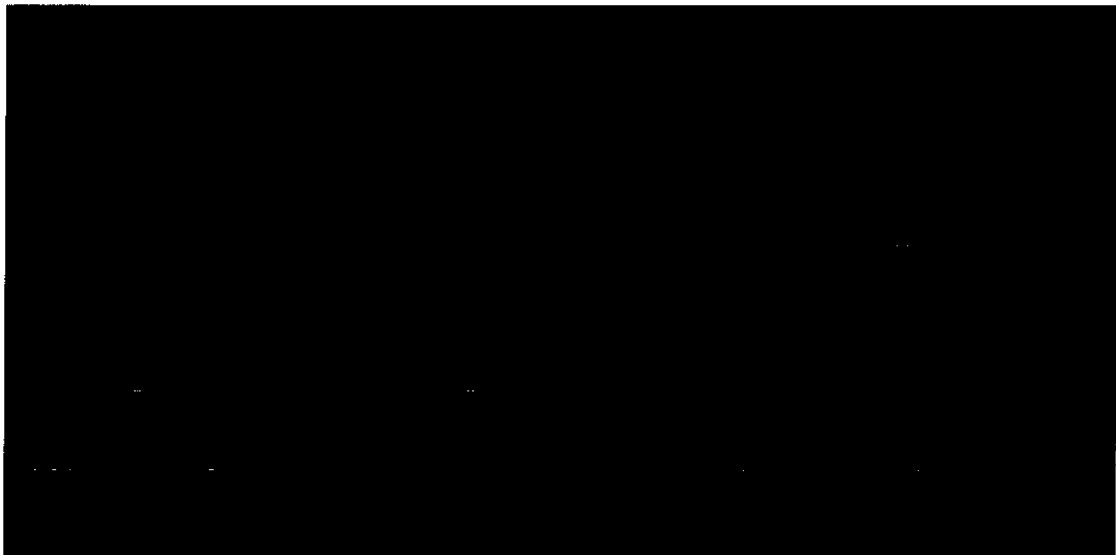
4. What is the general tax rate for enterprises (also referred to as the company or corporate tax rate) during the previous two financial years?

VAT, 16% since May 1<sup>st</sup> 2018 till March 31<sup>st</sup> 2019; 13% since April 1<sup>st</sup> till now.  
Income Tax, 25% during the period.

5. Did your company pay less than the general tax rate for enterprises referred to in question I-2.4?  
If yes:

- a. What tax rate did your company pay?
- b. Was the reduction in the tax paid or payable related to any of the preferential income tax programs in the table at the top of Section I Countervailing above?
- c. What is the name of the program?
- d. What is the name of the authority granting your company the reduced tax rate?
- e. What is the eligibility criteria to benefit from the reduced tax rate?
- f. Provide details of the application process
- g. Provide a copy of the blank application form. If the documents are not in English, please provide a translation of the documents.
- h. Provide a copy of your company's completed application form, including all attachments to the application form. If the documents are not in English, please provide a translation of the documents.
- i. Provide a copy of any confirmation or other correspondence from the authority approving your company for the reduction in tax rate. If the documents are not in English, please provide a translation of the documents.
- j. Outline the fees charged to, or expenses incurred by your business for purposes of receiving the program.





[Details of Yute tax rate and process undertaken to obtain a preferential tax rate]

### **I-3 Financial grants (Programs 7–18, 20-28, 30–43 and 48–54)**

1. Complete the worksheet named "I-3 Grants".
  - This worksheet is a table of the grants received by company over the period plus the two preceding years.
  - You must provide this table in electronic format using the template provided.
  - If you have used formulas to complete this worksheet, these formulas must be retained.

Completed

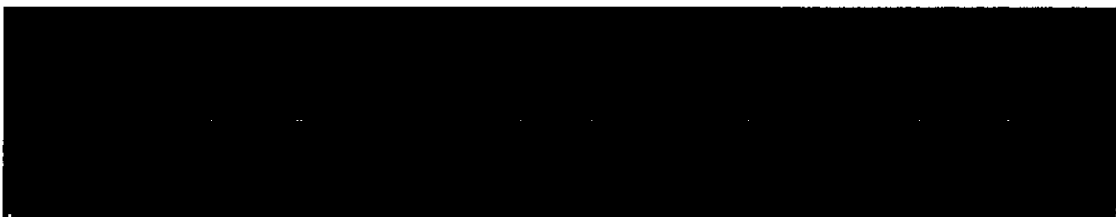
2. Provide a copy of your company's non-operating income and/or other business income ledgers, extracted directly from your accounting system, for the period covering the period plus the 2 preceding years.

Please check Attachment I-3.2 Non-operating Income for the list of no-operating incomes.

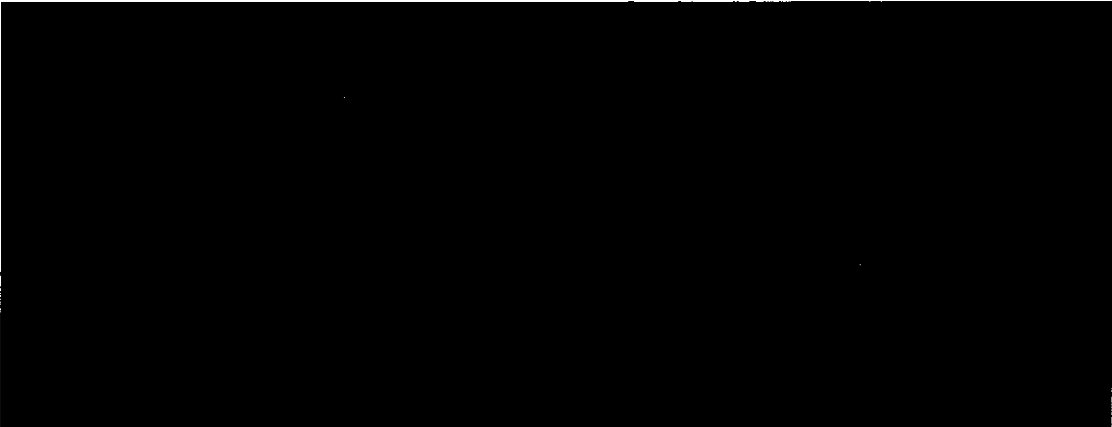


[Details of non-operating income]

3. Did your company receive any grants (or any other financial contribution) from any level of government during the period plus the two preceding years?  
If yes:
  - a. Were any of the grants related to any program listed in the table at the top of Section I above? If yes, identify the program.
  - b. Were any of the grants related to programs not listed in the table at the top of Section I above? If yes, provide the names of the programs.



**[Details of any grants obtained by Yute]**

4. For each of the grants listed in I-3.3:
- What is the name of the grant?
  - What is the name of the authority providing the grant?
  - What is the eligibility criteria to receive the grant?
  - Is the grant directly related to the goods under consideration, export sales to Australia and/or export sales generally?
  - Provide details of the application process.
  - Provide a copy of the blank application form. If the documents are not in English, please provide a translation of the documents.
  - Provide a copy of your company's completed application form, including all attachments to the application form. If the documents are not in English, please provide a translation of the documents.
  - Provide a copy of any confirmation or other correspondence from the authority approving the grant. If the documents are not in English, please provide a translation of the documents.
  - Provide proof of payment of your company receiving the grant (e.g. bank statements).
  - Provide a copy of the accounting journal entries relating to the grant.
  - Outline the fees charged to, or expenses incurred by your business for purposes of receiving the grant.
- 

**[Details of grants applied for by Yute]**

**I-4 Tariff and VAT Exemptions (Programs 6 and 29)**

Complete the worksheet named "I-4 Tariff and VAT".

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

Not Applicable.

Our company didn't receive any benefit under any such program during the period.

- Provide complete details involving the amount of the VAT refund received, including whether the refund was received in a lump sum or multiple instalments.
- Describe the application and approval procedures for obtaining a benefit under the program.
- 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.

## PUBLIC RECORD

4. Outline the fees charged to, or expenses incurred by your business for purposes of receiving the program.
5. Outline the eligibility criteria your business had to meet in order to receive benefits under this program.
6. 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. If the benefit was provided in relation to a specific activity or project of your entity, please identify the activity and provide supporting documentation.
8. What records does your business keep regarding each of the benefits received under this program? Provide copies of any records kept in relation to the program.
9. Indicate where benefits under this program can be found in your accounting system (i.e., specify the ledgers or journals) and financial statements.
10. To your knowledge, does the program still operate or has it been terminated?
11. If the program has been terminated, please provide details (when, why). When is the last date that your business could apply for or claim benefits under the program? When is the last date that your business could receive benefits under the program?
12. If the program terminated has been substituted for by another program, identify the program.
13. Were the materials and/or equipment that were entitled to a refund of VAT used in the production of the goods during the period? If yes, provide the following information:
  - (a) type of inputs;
  - (b) cost of inputs;
  - (c) quantity of inputs; and
  - (d) amount of VAT refunded.
14. 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 period? If yes, provide the following information:
  - (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 duties;
  - (i) concessionary rate of taxes and duties;
  - (j) amount of duties and taxes normally applicable;
  - (k) amount of duties and taxes paid;
  - (l) amount of duties and taxes exempt;
  - (m) date of importation;
  - (n) tariff classification number;
  - (o) customs entry number; and
  - (p) application fee.

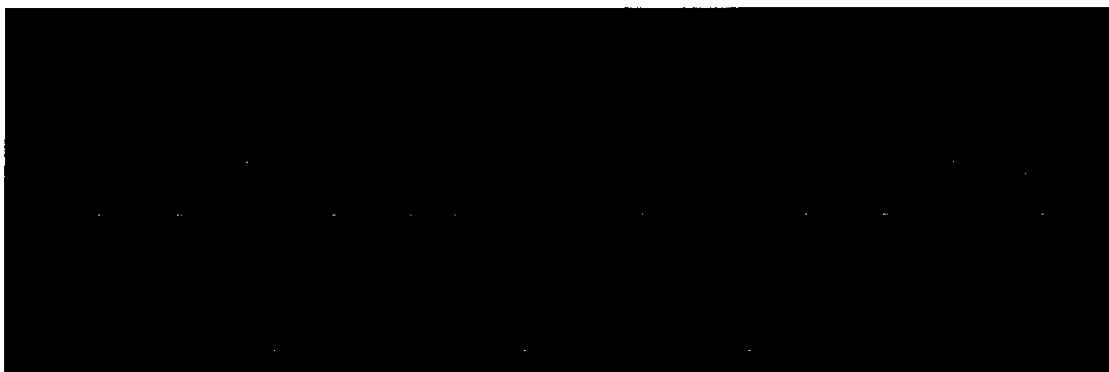
## PUBLIC RECORD

15. Explain if (and how) the GOC determines which imported inputs are consumed by your business in the production of the subject goods and in what amounts, and the amount of duty paid or payable on the inputs (including any allowance for waste).
16. Explain how the GOC determined the percentage rate of duty exemption.  
  
Please note that goods consumed in the production of exported goods (inputs) include:
  - (a) goods incorporated into the exported goods; and
  - (b) energy, fuel, oil and catalysts that are used or consumed in the production of the exported goods.
17. Provide a representative sample of copies of import entry documents (for example: bill of entry, invoice from supplier, etc.) for each type of importation covering duty-exempt inputs and duty-paid inputs imported for use in the manufacturing of the subject goods.
18. In addition to the import entry documents, also provide copies, if applicable, of any applications submitted to and/or approval document received from the GOC relating to the exemption from the payment of import duty and import VAT on imported inputs and in relation to the VAT that is refunded on the exportation of the subject goods.
19. Provide copies of reports and audits by the GOC authority responsible for administering the duty rebate or duty drawback scheme with respect to the verification of the importation and use of inputs and the remittance or drawback of the related duty paid or payable.

### **I-5 Preferential Loans and Interest Rates (Program 47)**

Complete the worksheet named "I-5 Loans".

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



#### **[Details of Yute financing]**

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



## PUBLIC RECORD

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

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 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.

### I-6 Other Programs

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).

Our company only has 1(one) factory in Jiangsu Province, that include manufacturing, sales, administration, etc.

2. Are you aware of any programs — of the GOC, any of its agencies or any other authorised body — that benefits manufacturers of the goods that have not been accounted for in this questionnaire? Provide the name of those programs you are aware of (even if your company is not eligible to receive benefit under the program.)

We have no idea of any other programs, except as detailed above.

3. Indicate the location of the program by region, province or municipal level.

Not Applicable.

Our company has no idea of any other programs.

## PUBLIC RECORD

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

Not Applicable.

Our company has no idea of any other programs.

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

Not Applicable.

5. Indicate whether your company benefited from any of the listed programs during the period.

Not Applicable.

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

Not Applicable.

7. Describe the application and approval procedures for obtaining a benefit under the program.

Not Applicable.

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

Not Applicable.

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

Not Applicable.

10. Outline the eligibility criteria your business had to meet in order to receive benefits under this program.

Not Applicable.

11. State whether your eligibility for the program was conditional on one or more of the following criteria:

- 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.

Not Applicable.

12. If the benefit was provided in relation to a specific activity or project of your entity, please identify the activity and provide supporting documentation.

Not Applicable.

## PUBLIC RECORD

13. What records does your business keep regarding each of the benefits received under this program? Provide copies of any records kept in relation to the program.

Not Applicable.

14. Indicate where benefits under this program can be found in your accounting system (i.e., specify the ledgers or journals) and financial statements.

Not Applicable.

15. To your knowledge, does the program still operate or has it been terminated?

Not Applicable.

16. If the program has been terminated, please provide details (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?

Not Applicable.

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

Not Applicable.

## EXPORTER'S DECLARATION

I hereby declare that Jiangsu Yute Grinding International Co Ltd  
has completed the attached questionnaire and, having made due inquiry, certify that the  
information contained in this submission is complete and correct to the best of my knowledge  
and belief.

**Name** :..Lihua Yang.....

**Signature** :.....

**Position in**

**Company** :...Sales Director.....

**Date** :.....

## APPENDIX

# GLOSSARY OF TERMS

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

### **Adjustments**

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

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

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

### **Arms length**

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

### **Constructed value**

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

### **Cost of production/manufacturing**

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

### **Cost to make and sell**

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

### **Country of origin**

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

### **Date of sale**

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

### **Direct labour cost**

## PUBLIC RECORD

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

### Dumping

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

### Dumping margin

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

### Export price

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

### Exporting country

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

### Factory overheads

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

### Goods under consideration (the goods)

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

### Incoterms

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

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

## PUBLIC RECORD

	the named port of destination. Pay all costs incurred in placed at the disposal of the buyer, pay customs formalities, taxes etc. payable upon exportation, and where necessary for transit through another country)
DDU	delivered duty unpaid (Pay all costs for carriage to the agreed point, pay customs formalities, taxes etc. payable upon exportation, and where necessary for transit through another country)
DDP	delivered duty paid (goods made available at the named place in the country of importation – all risks and costs being incurred by the seller including duties, taxes etc. incurred upon importation)

### **The period**

A period 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 or that, although not alike in all respects have characteristics closely resembling those of the goods. The term 'like goods' also refers to the goods produced by the Australian industry allegedly being injured by dumped imports.

### **Normal value**

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

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

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

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

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

### **Ordinary course of trade**

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

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

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

## PUBLIC RECORD

### **Selling, general and administration expenses (SG&A)**

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

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

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



## **SECTION B**

### **EXPORT SALES TO UNITED STATES OF AMERICAN**

If your company exported low or no volumes of the goods to Australia during the review period, please contact the case manager as soon as possible. You may be required to complete this section (and G-5) as it relates to export sales to a country other than Australia. You may also be asked other supplementary questions. Extensions will not be granted as a result of delays in contacting the case manager in this regard.

#### **B-1            USA export sales process**

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



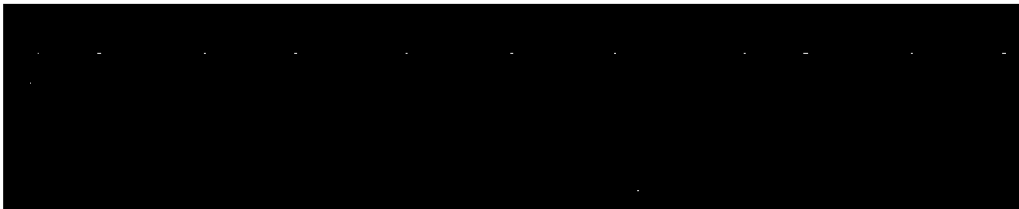
**[Description of processes regarding obtaining customs, setting prices, production capacity and timeframes and commercial terms of sale for US exports]**

2. In what currency do you invoice your customers for goods exported to USA? If it is not in your local currency:
- (a) Do your customers pay you into a foreign currency denominated account? If yes, provide details;
  - (b) Do you use forward contracts to lock in the foreign exchange rate relating to the export sales? If yes, provide details;
  - (c) How is the exchange rate determined in your accounting system and how often is it updated?



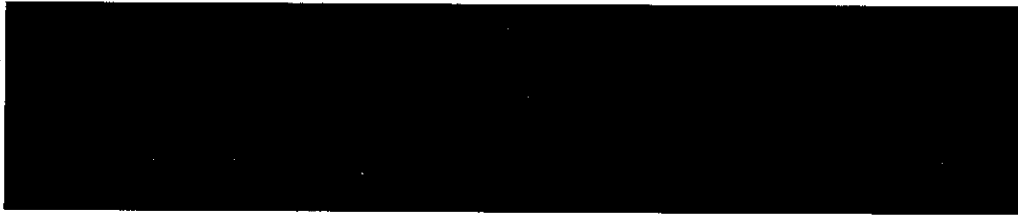
**[Details of approach to foreign exchange in respect of sales to the US]**

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



**[Details of sales to third parties and how price is set]**

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



**[Details of price setting and the use of price lists]**

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



**[Details of distribution channel to the US]**

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

We don't have any extra discount or rebate of the invoice value.

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

No, we did not offer any credit or debit notes to any customers.

8. The invoice date will normally be taken to be the date of sale. If you are making a claim that a different date should be taken as the date of sale:

(a) What date are you claiming as the date of sale?

(b) Why does this date best reflect the material terms of sale?

A sale is generally recognised in our accounting systems when the goods are exported. Our invoice is issued when the bill of lading is issued. As a result, the date of sale normally is the same as invoice date. However, it can be a few days later than invoice date due to customs clearance purpose.

## B-2 USA sales listing

1. Complete the worksheet named "B-2 USA sales"
  - This worksheet lists all sales (i.e. transaction by transaction) exported to Australia of the goods invoiced within the period. This includes exports to Australia sold through a domestic customer.
  - If you have claimed in B-1.8 that the date of sale is one other than the invoice date, then add the sales within your claimed date of sale.
  - You must provide this list in electronic format using the template provided.
  - If you have used formulas to complete this worksheet, these formulas must be retained.
  - If there are any direct selling expenses incurred in respect of the exports to Australia not listed in the spreadsheet, add a column. For example, if the delivery terms make you responsible for arrival of the goods at an agreed point within Australia (e.g. delivered duty paid), insert additional columns in the spreadsheet for all other costs incurred.
2. Provide a table listing the source of the data for each column in the "B-2 Australian sales" listing.

Please see the attachment labelled "Data source".

## B-3 Sample export documents

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

Please [REDACTED] for the contract, [REDACTED]  
[REDACTED] and [REDACTED]  
[REDACTED] for invoices and packing list, [REDACTED]  
[REDACTED] and [REDACTED]  
[REDACTED] for Bill of Lading and related logistic invoices and payment notifications..

### [Contract details]

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

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

Please see the attached labelled "data source". Please let us know if further information is required.

## **B-4 Reconciliation of sales to financial accounts**

1. Please complete the worksheet named "B-4 Upwards sales" to demonstrate that the sales listings in B-2, D-2 and F-2 are complete.
  - You must provide this list in electronic format using the template provided.
  - Please use the currency that your accounts are kept in.
  - If you have used formulas to complete this worksheet, these formulas must be retained.
2. Please provide all documents, other than those in A-4, B-2 and D-2, required to complete the "B-4 Upwards sales" worksheet. If the documents include spreadsheets, all formulas used must be retained.
3. For any amount in the "B-4 Upwards sales" worksheet that is hard coded (i.e. not a formula), please cross-reference by providing:
  - the name of the source document, including the relevant page number, in column D of the worksheet; and
  - highlight or annotate the amount shown in the source document.

## **B-5 Reconciliation of direct selling expenses to financial accounts**

1. Please complete the worksheet named "B-5 Upwards selling expense" to demonstrate that the direct selling expenses (e.g. Inland transport) in B-2 and D-2 are complete.
  - You must provide this list in electronic format using the template provided.
  - Please use the currency that your accounts are kept in.
  - If you have used formulas to complete this worksheet, these formulas must be retained.
2. Please provide all documents, other than those in A-4, B-2 and D-2, required to complete the "B-5 Upwards selling expense" worksheet. If the documents include spreadsheets, all formulas used must be retained.
3. For any amount in the "B-5 Upwards selling expense" worksheet that is hard coded (i.e. not a formula), please cross-reference by providing:
  - the name of the source document, including the relevant page number, in column C of the worksheet; and
  - highlight or annotate the amount shown in the source document.



FOR OFFICIAL USE ONLY / PUBLIC RECORD

## EXPORTER'S DECLARATION

I hereby declare that Jiangsu Yute Grinding International Co Ltd  
has completed the attached questionnaire and, having made due inquiry, certify that the  
information contained in this submission is complete and correct to the best of my knowledge  
and belief.

Name :..Lihua Yang.....

Signature :.....

Position in

Company :...Sales Director.....

Date :.....2009/9/11.....