



# Exporter Questionnaire

## THE SOCIALIST REPUBLIC OF VIETNAM

**Case number:** 550

**Product:** Precision pipe and tube steel

**From:** The People's Republic of China, the Republic of Korea, Taiwan and the Socialist Republic of Vietnam

**Investigation period:** 1 January 2019 to 31 December 2019

**Response due by:** Thursday 7 May 2020

**Return completed questionnaire to:**  
[investigations3@adcommission.gov.au](mailto:investigations3@adcommission.gov.au)

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

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## INSTRUCTIONS

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

The Anti-Dumping Commission (the Commission) is conducting an investigation into precision pipe and tube steel (the goods) exported to Australia from the People's Republic of China (China), the Republic of Korea (Korea), Taiwan and the Socialist Republic of Vietnam (Vietnam).

The Commission will use the information you provide to determine normal values and export prices over the investigation period (the period). This information will determine whether precision pipe and tube steel is dumped. The Commission will also use the information you provide to determine whether precision pipe and tube steel exported to Australia from Vietnam has been in receipt of countervailable subsidies over the period.

### If you do not manufacture the goods

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

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

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

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

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

### Extension requests

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

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

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

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

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

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

### **Submitting a response to the exporter questionnaire**

Responses to the exporter questionnaire should be lodged 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 (dumping) and or non-cooperative exporter (countervailing).

### **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, if this option is available to the Commission, to your company to verify your questionnaire response for completeness, relevance and accuracy.

However, on 20 March 2020, the Commission published *Anti-Dumping Notice No. 2020/029*,<sup>1</sup> advising that onsite exporter verification activities have been temporarily suspended until further notice as a result of the COVID-19 pandemic.

The Commission remains committed to ensuring that data submitted by parties is complete, relevant and accurate. If an onsite visit is not possible, the Commission may elect to undertake alternative verification activities. This includes but is not limited to remote verification, desktop assessments or delaying verification activities until such time as onsite verification is possible. The Commission will continue to monitor current events and assess when the suspension of onsite exporter verification activities can be lifted.

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<sup>1</sup> [https://www.industry.gov.au/sites/default/files/adcp/public-record/notice\\_adn\\_-\\_adn\\_2020-029\\_-\\_temporary\\_suspension\\_of\\_international\\_onsite\\_verification\\_0.pdf](https://www.industry.gov.au/sites/default/files/adcp/public-record/notice_adn_-_adn_2020-029_-_temporary_suspension_of_international_onsite_verification_0.pdf)

## PUBLIC RECORD VERSION

A verification visit, or any verification activity 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.

Onsite verification is usually conducted over 4 days, remote and desktop verification may take a longer period of time. In complex cases, a verification visit, if conducted, may be scheduled over 5 days. A desktop verification may require a longer period.

Any verification activity 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, should an onsite visit be possible, 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 activity.

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

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

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

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

- All questions in this exporter questionnaire must be completed. If a question is not applicable to your situation, please answer the question with "Not Applicable" and provide an explanation as to why.
- All questions must be answered in English. An English translation must be provided for documents not originally in English.
- 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 Commission to request access to SIGBOX if required.

## CHECKLIST

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

Section	Please tick if you have responded to all questions
Section A Company information	<input type="checkbox"/>
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 Proper Comparison	<input type="checkbox"/>
Section J Proper Comparison – Production AND Production Costs	<input type="checkbox"/>
Section K Proper Comparison – Australian Market	<input type="checkbox"/>

**PUBLIC RECORD VERSION**

Section L Countervailing	<input type="checkbox"/>
Exporter's declaration	<input type="checkbox"/>
Non-confidential version of this response	<input type="checkbox"/>

<b>Attachments</b>	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"/>
B-6 Historical sales	<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 VERSION**

G-8 Upwards costs	?
G-9 Capacity utilisation	?
L-1 Company turnover	?
L-2 Provision of goods	?
L-3 Income tax	?
L-4 Grants	?
L-5 VAT and tariff transactions	?
L-6 Preferential loans	?

## GOODS UNDER CONSIDERATION

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:

*Certain electric resistance welded pipe and tube made of carbon steel, whether or not including alloys, comprising circular, rectangular and square hollow sections in metallic coated and non-metallic coated finishes. Metallic finish types for the goods include galvanised and aluminised. Non-metallic finishes include hot-rolled and cold-rolled.*

*Sizes of the goods are, for circular products, those equal to or less than 21 millimetre ("mm") in outside diameter. Also included are air heater tubes to Australian Standard (AS) 2556, up to and including 101.6 mm outside diameter.*

*For rectangular and square products, those with a thickness of less than 1.6 mm (being a perimeter up to and including 260 mm).*

*Included within the goods are end-configurations such as plain, square-faced and other (e.g. threaded, swaged and shouldered).*

*The goods include all electric resistance welded pipe and tube made of steel meeting the above description of the goods (and inclusions), including whether the pipe or tube meets a specific structural standard or is used in structural applications.*

*Oval and other shaped hollow sections which are not circular, rectangular or square, are excluded from the goods.*

### Tariff Classification

The goods may be classified in Schedule 3 to the *Customs Tariff Act 1995* as follows:

Tariff Subheading	Statistical Code	Description
7306	OTHER TUBES, PIPES AND HOLLOW PROFILES (FOR EXAMPLE, OPEN SEAM OR WELDED, RIVETED OR SIMILARLY CLOSED), OF IRON OR STEEL:	
7306.30.00	Other, welded, of circular cross-section, of iron or non-alloy steel:	
	30	Not exceeding 21 mm external diameter
7306.50.00		
	45	<i>Other, welded, of circular cross-section, of other alloy steel</i>
7306.6	Other, welded, of non-circular cross-section	
7306.61.00	<i>Of square or rectangular cross-section, of iron or non-alloy steel, not exceeding 279.4 mm perimeter:</i>	
	21	Wall thickness not exceeding 2 mm

**Model Control Code**

Details of the model control code (MCC) structure for the goods are 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.

	Category	Sub-Category	Identifier	Sales Data	Cost Data
1	Prime	Prime	P	Mandatory	Not applicable
		Non-Prime	N		
2	<b>Steel Base/Type</b> * Batch Hot Dipped Galvanised abbreviated as 'Batch HDG'; Electro Galvanised abbreviated as 'EG'; Continuously Galvanised abbreviated as 'CG'; Mild Steel Galvabond as 'MSGB'.	Hot Roll	H	Mandatory	Mandatory
		Cold roll (Semi Bright)	C		
		Galvanised (Batch HDG,EG,CG or MSGB)	G		
		Other (e.g. alloy steel)	A		
3	Steel Grade	C200	1	Mandatory	Mandatory
		C250	2		
		C350	3		
		C450	4		
		Other	5		
4	Surface Protection	Oiled	O	Mandatory	Mandatory
		Clear or painted	P		
		No oil or paint	N		
5	Coating Mass	<20 g/m <sup>2</sup> (including none)	1	Mandatory	Mandatory
		≥20 g/m <sup>2</sup> to <100 g/m <sup>2</sup>	2		
		≥100 g/m <sup>2</sup> to <275 g/m <sup>2</sup>	3		
		≥275 g/m <sup>2</sup>	4		
6	Shape	Circular	C	Mandatory	Mandatory
		Rectangular or Square	R		
7	<b>Circular size</b> * outside diameter	Not circular	N	Mandatory	Mandatory
		≤16 mm	1		

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	** Circular products with an outside diameter between >21 mm to ≤101.6 mm which are not air heater tubes are not the goods.	>16 mm to ≤21 mm	2		
		>21 mm to ≤101.6 mm (Air Heater Tubes)	3		
<b>8</b>	<b>Rectangular/Square size</b> * outside perimeter	Not rectangular/square	N	Mandatory	Mandatory
		≤40 mm	1		
		>40 mm to ≤80 mm	2		
		>80 mm to ≤260 mm	3		
<b>9</b>	<b>Thickness</b>	<1.6 mm	A	Mandatory	Mandatory
		≥1.6 mm to <3.2 mm	B		
		≥3.2 mm	C		
<b>10</b>	<b>Length</b>	≤4 m	1	Mandatory	Optional
		>4m to ≤8 m	2		
		>8 m to ≤12.0 m	3		
		>12.0 m	4		
<b>11</b>	End configuration	Plain end	P	Optional	Optional
		Threaded/flanged/swaged	T		
		Other (e.g. square faced)	O		

In constructing a MCC, use a "-" between each category. For example: **P-H-2-O-1-C-1-N-A-3-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 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.

## SECTION A COMPANY INFORMATION

### A-1 Company representative and location

1. Please nominate a contact person within your company:

Name:  
Position in the company:  
Telephone:  
E-mail address:

**Answer:**

Name: [REDACTED]  
Position in the company: Legal Counsel  
Telephone: [REDACTED]  
E-mail address: [REDACTED]

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

Name:  
Address:  
Telephone:  
E-mail address:

**Answer:**

Name: Troy Morrow  
Postal: PO Box 3291, Nerang BC Q 4211  
Phone: +61 7 5527 4101  
Mobile: +61 419782205  
Email: troy@lentro.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.

**Answer:** Hoang Village, Lac Dao Commune, Van Lam District, Hung Yen Province - Vietnam.

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

**Answer:** Hoang Village, Lac Dao Commune, Van Lam District, Hung Yen Province - Vietnam.

### A-2 Company information

1. What is the legal name of your business?

**Answer:** CHINH DAI INDUSTRIAL COMPANY LIMITED

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

**Answer:** Not applicable.

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

**Answer:** Not applicable.

4. Provide a list of your current board of directors and any changes in the last two years.

**Answer:**

The current Board of Director members are:

- [REDACTED]  
- [REDACTED]

- [REDACTED]  
- [REDACTED]  
- [REDACTED]

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

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

**Answer:** No, our company is not part of a group.

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>2</sup>

If no, please provide:

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

**Answer:**

No, our company is a private business.

The shareholders are [REDACTED]

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.

**Answer:**

Our company's main business activities are included below:

- Manufacturing and trading of metal products such as steel coils, steel wire, steel plates, steel sheets, steel pipes, purlin, hollow section steel, etc, including all kinds of surfaces: black or zinc coated and painted.
- Producing and trading metal products such as metal roofing sheets, metal structures, etc.

The main products of the company are:

- Cold rolled steel coils
- Zinc coated steel coils
- Galvanized purlin
- Galvanized steel pipes
- Fabricated products

The main markets of the company are:

- Export: Australia, [REDACTED] [Other Foreign Markets]
- Domestic regions: Northern and Central Vietnam

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

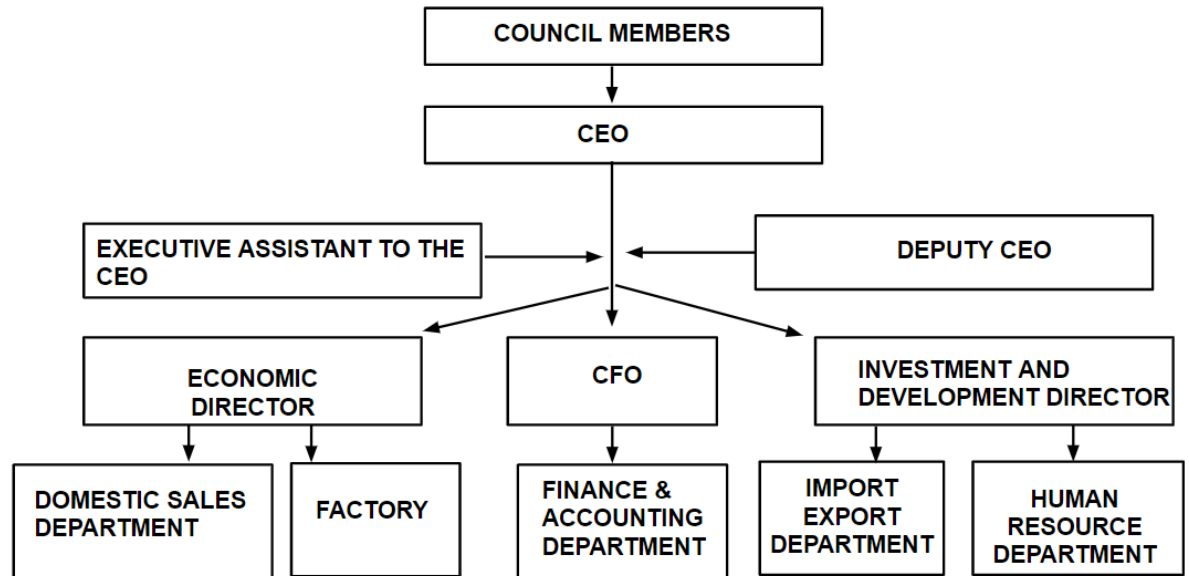
- (a) produce or manufacture;  
(b) sell in the domestic market;  
(c) export to Australia; and  
(d) export to countries other than Australia.

**Answer:** Our business performs all 4 functions.

9. Provide your company's internal organisation chart.

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<sup>2</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.



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

**Answer:**

Functions of each department and division within the company internal organization are as follows:

- Human Resource Department: managing personnel of the whole company, implementing administrative regulations for departments, taking care of employees' benefits.
- Accounting Department: managing the finance of the company, managing accounting records according to standards and law provisions.
- Domestic Sales Department: implementing domestic sales policies, expanding the market, managing customers, promoting the development of domestic products.
- Import-Export Department: performing tasks related to purchasing imported goods, selling goods exported to foreign markets, researching and developing products, carrying out import and export procedures in accordance with the provisions of law.
- Factory Department: organizing the production of goods, packaging and delivery of goods, consulting issues related to factory equipment.

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

**Answer:** Yes. Please see our company's product brochure and catalogue attached.

**A-3 General accounting information**

1. What is your financial accounting period?

**Answer:** The fiscal year begins on January 1, and ends on December 31

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

**Answer:** The company's financial statements are annually audited by APEC Auditing and Consulting Co., Ltd.

Auditor: Phan Thanh Tu - issued the Certificate of Business Registration Audit No. 1225-2018-095-1  
Do Ngoc Hoa issued the Certificate of Business Registration Audit No. 0595-2018-095-1

3. What currency are your accounts kept in?

**Answer:** The accounting and financial statements are kept in Vietnam Dong (VND).

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

**Answer:** ERP system of Bravo

5. What is the name of your sales system?

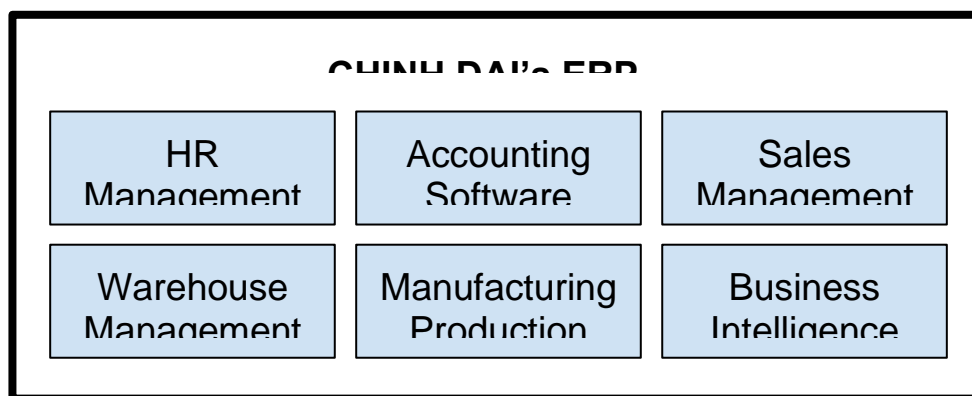
**Answer:** ERP system of Bravo

6. What is the name of your production system?

**Answer:** ERP system of Bravo

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

**Answer:** The company used a closed software system called Bravo to manage all of the company's business operations, from human resources management, salaries, purchases, accounting, sales, to production. The data and information of the systems are closed and processed by electronic software, not manual, helping the company leaders to quickly grasp production and business activities as well as the financial situation.



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

**Answer:** The system of financial books and statements as well as accounting of arising economic operations strictly follow Vietnamese accounting standards and current Vietnamese enterprise accounting regime.

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

**Answer:** There have not been any changes to our accounting practices and/or policies over the last two years.

## A-4 Financial Documents

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

**Answer:** Please see our two most recently completed annual reports attached.

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.

**Answer:** Not applicable as our financial statements have been audited.



**PUBLIC RECORD VERSION**

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.

**Answer:** No, our company doesn't maintain different profit centres. Our company operates as a comprehensive, unified system. All parts and departments are operated under a centralized model, all products manufactured and consumed are summarized under one business result during the period of the company. Although the costs of direct production involved in creating each type of product are separate, the selling price of each product is also determined. However, the general costs related to management and sales are not separate, therefore, the business results at the end of each period are calculated for all production and business activities

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.

**Answer:** Not applicable as our company's financial year that is from January 1 to December 31, is the same as the investigation period.

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

**Answer:** Please see the excel file attached

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

**Answer:** Please see the excel file attached

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

## SECTION B

### EXPORT SALES TO AUSTRALIA

#### B-1 Australian export sales process

1. Provide details (and diagrams if appropriate) of the export sales process of your company and 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

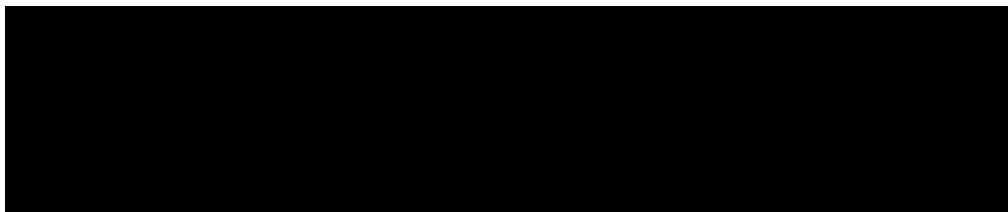
**Answer:**

- a) Marketing and advertising activities: Not applicable as we don't have any marketing and advertising activities to Australia
  - b) Price determination and/or negotiation process
    - i) Receive the customer's inquiry
    - ii) Release the price quote for the inquiry
    - iii) Finalize the selling price to proceed after price negotiation
  - c) Order placement process
    - i) Receive the customer's purchase order (email confirmation)
    - ii) Estimate lead time to be proposed on contract
    - iii) Generate a sale contract for the customer to review and sign.
    - iv) Fulfill the payment term (money deposit or bank's letter of credit) for the contract to become active.
  - d) Order fulfilment process and lead time
    - i) Place an order with mill
    - ii) Mill to arrange the rolling plan for the contract
    - iii) Product inspection for shipping approval
  - e) Delivery terms and process  
Our company has been using the two options below:
    - i) FOB shipment: inform the buyer to book a vessel and then coordinate with the factory for container loading.
    - ii) CFR/CIF shipment: inform buyer of cargo readiness, book a vessel, then coordinate with the factory to load the goods into a container(s)
  - f) Invoicing process
    - i) The final invoice is generated after the goods are loaded to the container. It can be based on actual weight or theoretical weight.
  - g) Payment terms and process:  
Our company has been using the two options below:
    - 1) Telegraphic Transfer: sending a copy of the documents to the customer and request for payment
    - 2) Letter of Credit: presenting a copy of the documents to the banks to request for payment.
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?

**Answer:**

We invoice our Australian customers in USD.

Our customers arrange payment into a foreign currency denominated account as below:



[Bank Account Details]

We don't use forward contracts to lock in the foreign exchange rate relating to the export sales. The exchange rate when selling to the customers and the exchange rate when the actual payment is arranged are calculated with the buying rate of Vietcombank. The exchange rate is updated on a daily basis.

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

**Answer:** Chinh Dai Steel Technology Co., Ltd. is related to our company and it also exports the goods to Australia. The selling price for this company is provided based on a specific inquiry using the cost-plus pricing.

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

**Answer:** No, sales are not in accordance with price lists as it varies depending on the purchase order's requirements and contract volume.

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

**Answer:** The export price varies depending on the cost of raw material, price negotiation with each customer, regardless of the commercial level.

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.

**Answer:** No, we didn't 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.

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

**Answer:** No, we didn't provide 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?

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?

**Answer:** We agreed that the invoice date is taken to be the date of sale.

## B-2 Australian sales listing

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

- This worksheet lists all sales (i.e. transaction by transaction) exported to Australia of the goods invoiced within the period. This includes exports to Australia sold through a domestic customer.
- 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.

**Answer:** Please refer to the “B-2 Australian Sales”.

### **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.*

**Answer:** Please refer to the Folder Attachment: “B3- Sample export 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.

**Answer:** Please refer to the “B-4 Upwards sales”.

### **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.

## PUBLIC RECORD VERSION

- 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 expenses” 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.

**Answer:** Please refer to the “B-5 Upwards selling expense”.

### **B-6 Historical sales listing**

1. Complete the worksheet named “B-6 Historical sales”
  - This worksheet lists the totals of all sales for each product code exported to Australia of the goods in each calendar year for 2016, 2017 and 2018. This includes exports to Australia sold through a domestic customer.
  - You must provide this list in electronic format using the template provided.

2. Provide a table listing the source of the data for each column in the “B-6 Historical sales” listing.

**Answer:** Please refer to the “B-6 Historical sales”.

## SECTION C

### EXPORTED GOODS & LIKE GOODS

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

#### C-1 Models exported to Australia

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

**Answer:** During the review period, the goods that are under investigation are the galvanized pipes, of variety outside diameters, wall thicknesses and length, in accordance with ASTM A500 Grade A.

- RHS/SHS (square and rectangular hollow section)
- CHS (circular hollow section/round pipe)

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

**Answer:** Please find the list of MCCs of the goods exported to Australia below:

No.	MCC of Australia Sales
1	P-H-2-N-3-C-2-N-A-2-P
2	P-G-2-N-3-R-N-2-A-2-P
3	P-G-2-N-3-R-N-3-A-2-P

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

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

**Answer:** The goods under consideration sold on the domestic market are non-galvanized (black pipe) and galvanized structural steel pipes, which may be circular or square or rectangular, with the steel grade of JIS G3466 STKR 290 and JIS G3444 STK 290 (equivalent ASTM A500 grade A; AS/NZS AS1163:2016 C250). The goods under consideration sold on the domestic market are normally no oil or paint and plain ended.

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

**Answer:** Please find the list of MCCs of the goods sold on the domestic market.

No.	MCC of Domestic Market
1	P-G-2-N-3-C-3-N-A-2-P
2	P-G-2-N-3-C-3-N-B-2-P
3	P-G-2-N-3-C-3-N-B-1-P
4	P-G-2-N-3-R-N-3-A-2-P
5	P-G-2-N-3-R-N-3-A-1-P
6	P-G-2-N-3-R-N-2-A-2-P
7	P-G-2-N-3-R-N-3-B-2-P
8	P-G-2-N-3-R-N-3-B-1-P
9	P-H-2-N-3-R-N-3-A-2-P

### C-3 Internal product codes

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

If yes:

- 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.
- Provide details on how you mapped the product or SKU codes to the MCC for the purpose of completing this questionnaire.
- Provide a table of showing the product or SKU codes for each MCC.

If no:

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

**Answer:** Our company has been using warehouse management software that has a capability to generate a QR code with an unique product code embedded for each bundle of the goods. The characteristics of the goods including product dimension, thickness, length, standard, coating and thickness are encoded into the product code. This product code is printed on the tag of each bundle of product. It serves the purpose of tracking and tracing. Each QR code (same as packing number) represents a unique category of the products.

Once the code is scanned, the scanner will return the packing number which is generated on our accounting system. So, we can track:

- Size of product (SHS, RHS, CHS, Oval... all of our product) Dimension A (mm) x Dimension B (mm) x Thickness (mm) / Length (m) mapped to "6. Shape" and "7. Circular Size" and "8. Rectangular Square size" and "9. Thickness" and "10. Length" MCC field
- Standard is mapped to Steel Grade MCC field
- Zinc coated thickness is mapped to Coating Mass MCC field

**PUBLIC RECORD VERSION**

For the purpose of MCC reporting for this submission, we have relied on various sources of information held in the company's system. Please see **Exhibit C-3** for a table showing the data source and method we have relied on in preparing each of the product characteristics of the MCCs in this submission.



## 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
    - i. Field trip (customer visit)
    - ii. Customer gifts
    - iii. Brochures
    - iv. Websites
    - v. Press relations
    - vi. Participation in events and trade fairs
  - (b) Price determination and/or negotiation process
    - i. Receive customers' inquiry
    - ii. Offer a selling price
    - iii. Finalize the price to proceed.
  - (c) Order placement process
    - i. Create a sale contract upon a purchase order
    - ii. Log an order to the sale management system
  - (d) Order fulfilment process and lead time
    - i. Manufacture the order if there is no product in stock.
  - (e) Delivery terms and process
    - i. Delivery terms: ex-work
    - ii. Ex-work: the customer receives goods at our factory warehouse.
  - (f) Invoicing process
    - i. Invoice by theoretical weight.
  - (g) Payment terms and process
    - i. Payment term: 45 days.
2. Are any domestic customers related to your company? If yes, please provide a list of each related customer and provide details on how the selling price is set.

**Answer:** Chinh Dai Steel Technology Co., Ltd. is related to our company and it also exports the goods to Australia. The selling price for this company is provided based on a specific inquiry using the cost-plus pricing.

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

**Answer:** Sales are somewhat in accordance with price lists. It may vary depending on price negotiation with each customer and market situation.

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

**Answer:** The domestic selling price varies depending on the price negotiation with each customer, regardless of the commercial level.

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.

**Answer:** Yes, our company provides on-invoice discounts to the domestic customers. The discount depends on the quantity each customer takes every month.

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

**Answer:** No, we didn't issue any credit or debit notes (directly or indirectly) to the customer or associate of the customer in relation to the sale of the like goods during the period.

7. 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?

**Answer:** We agreed that the invoice date is taken to be the date of sale.

## D-2 Domestic sales listing

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

**Answer:** Please refer to the "D-2 Domestic sales".

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

**Answer:** The data sources of columns in the "D-2 domestic sales" are from our internal Sales Management System (Bravo).

## D-3 Sample domestic sales documents

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

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

**Answer:** Please refer to the Folder Attachment/ D3- Sample domestic documents

Two largest invoices: [REDACTED] [Customer names]

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

**Answer:** We annotate the documents with the row number of the sales in the "D-2 Domestic sales" as reference.

## 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.

**PUBLIC RECORD VERSION**

- If you have used formulas to complete this worksheet, these formulas must be retained.

**Answer:** Please refer to the “B-4 Upwards sales”.

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?

**Answer:** The company provides finance to customers who buy products. This is revolving credit.

(a) - Record of receivable turnover cycle

- Average credit worksheet for each customer.

(b) No.

(c) No.

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?

**Answer:**

No, we don't provide credit to any Australian customers in relation to sales of the goods.

#### E-2 Packaging

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

**Answer:** For the domestic market, each pipe is packed in a bundle and wrapping with metal straps. It may be covered with tarpaulin during transportation to protect the goods from rain.

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

**Answer:** For the export market, each pipe is packed in a bundle and wrapping with metal straps. It may be covered with tarpaulin to prevent the goods from container sweat at additional fee to the buyers.

3. If there are distinct differences in packaging between your domestic and export sales:
  - (a) Provide details of the differences

- (b) Calculate the weighted average packaging cost for each model sold on the domestic market
- (c) Calculate the weighted average packaging cost for each model exported to Australia

**Answer:** There are no distinct differences in packaging between our domestic and export sales.

### E-3 Delivery

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

**Answer:** The domestic customers are required to pick up the goods at our factory's warehouse.

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

**Answer:** FOB, CFR or CIF

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?

**Answer:**

Domestic transport is recorded in columns [23] and [23.1] of the B-2 spreadsheet based on actual invoice.

Port charges are calculated in column [24] of worksheet B-2 based on actual incurred invoices

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?

**Answer:** Port charges are calculated in column [17] of worksheet B-2 based on actual incurred invoices

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?

**Answer:** Marine insurance is calculated in column [18] of worksheet B-2 based on actual incurred invoice

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?

**Answer:** No tax incurred

### E-4 Other direct selling expenses

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

**Answer:** No we don't provide sales commissions for the domestic sales of like goods and/or export sales of the goods.

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

**Answer:** There is a Value Added Tax (VAT) of 10% on the domestic goods meanwhile there is no VAT on the export goods.

No VAT is given in the reports related to the sale of goods such as tables B2 - D2 or F2. This tax amount is recorded in the VAT account of the Financial Statements.

No, we don't receive a VAT refund in relation to sales of the goods and/or like goods.

Yes, when our company imports raw materials to produce export orders, it is exempt from import tax (if any) and VAT on imported goods when goods are imported into Vietnam.

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

**Answer:** There aren't any other direct selling expenses in relation to the domestic sales of like goods.

4. Are there any other direct selling expenses incurred by your company in relation to export sales of the goods to Australia?
  - These direct selling expenses must be included in the reconciliation of direct selling expenses in B-5

**Answer:** No, we don't have other direct selling expenses incurred by our company in relation to export sales of the goods to Australia.

## E-5 Other adjustment claims

1. Are there any other adjustments required to ensure a fair comparison between the export price and the normal value (based on domestic sales, costs and/or third country sales)? If yes, provide details.
  - 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.

**Answer:** In comparison with the export goods, there are adjustments related to warehousing and credit terms for the goods in the domestic market.

## SECTION F

### THIRD COUNTRY SALES

#### F-1 Third country sales process

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

**Answer:** No, our company has the same sales processes to all oversea markets.

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

**Answer:** No, there aren't any third country customers related to our company.

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?

**Answer:** We agreed that the invoice date is taken to be the date of sale.

#### 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).

**Answer:** Please refer to the "F-2 Third country sales"

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

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

**Answer:** No, there are no differences in sales to third countries which may affect their comparison to export sales to Australia.

## SECTION G

### COST TO MAKE AND SELL

#### G-1. Production process

- 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.

PRODUCTION PROCESS	PRODUCT	SCRAP
<b>PRODUCTION PLAN</b>		
↓		
<b>INPUT MATERIAL -SLITTING AND PICKLING</b>	HRC MATERIAL	SCRAP AFTER SLITTING HRC
↓		
<b>COLD ROLLING</b>	COLD ROLLED COIL	SCRAP AFTER ROLLING
↓		
<b>ANNEALING AND GALVANIZING</b>	GALVANIZED COIL	
↓		
<b>SLITTING PRE-GAL COIL AND ROLLING PIPE</b>	PRE-GAL PIPE	SCRAP PIPE
↓		
<b>QUALITY ASSURANCE</b>		
↓		
<b>PACKING AND DELIVERY</b>		

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

**Answer:** None of our suppliers is related to our company.



## G-2. Cost accounting practices

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

**Answer:** Our company's cost accounting system is based on the actual cost.

2. If your company uses standard costs:

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

**Answer:** Not applicable.

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.

**Answer:** Not applicable.

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

**Answer:** Our company's cost accounting system normally records production costs on each of the production processes.

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

**Answer:** No, there aren't costs for the management accounting purposes valued differently to financial accounting purposes.

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.

**Answer:** No, our company hasn't engaged in any start-up operations in relation to the goods.

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)?

**Answer:** The method of valuation for raw material, work-in-process and finished goods inventories is by weighted average

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

**Answer:** Damaged or sub-standard goods are categorized to different groups of products such as low grades and scrap. Each group is stored at different areas within our warehouse and sold to the local buyers whenever we have a highest bidder.

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

**Answer:** There isn't a valuation method for scrap. It is sold to the local buyers when the price is reasonable.

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

**Answer:** There aren't management fees/corporate allocations charged to our 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.

**Answer:** Please refer to the "G-3 Domestic CTM".

2. Provide a table listing the source of the data for each column of the "G-3 Domestic CTM" listing.

### 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.

**Answer:** Please refer to the "G-4.1 SG&A listing".

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

**Answer:** Please refer to the "G-4.2 Domestic SG&A calculation".

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

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

**Answer:** Please refer to the "G-5 Australian CTM".

2. Provide a table listing the source of the data for each column of the “G-5 Australian CTM” listing.

## 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
  - (b) Labour
  - (c) Manufacturing overheads
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.

## G-7 Major raw material costs

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

**Answer:** The main materials to produce the goods are hot rolled coil and zinc.

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

**Answer:** In addition to hot-rolled coil, the galvanized coil material can be a raw material to produce the goods. We produce the galvanized coil ourselves by having a cold-rolled coil going through a zinc bath. Please refer to the “G-7.2 Raw material CTM”.

3. Using the domestic cost data in “G-3 Domestic CTM” (use “G-5 Australian CTM” if you have no domestic production of like goods), calculate the weighted average percentage of each raw material cost (listed in G-7.1) as a proportion of total cost to make.

**Answer:** On average, the cost of hot-rolled coil material and the cost of zinc are 88% and 4% respectively of total cost to make.

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.

**Answer:** Please refer to the G-7.4

5. Provide a table listing the source of the data for each column of the “G-7.4 Raw material purchases” listing.

**Answer:** The raw material purchases are retained in our accounting software system.

6. For each raw material:

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

**Answer:** No, none of the suppliers is related to our company.

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

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

**Answer:** Table G8

## **G-9 Capacity Utilisation**

4. Please complete the worksheet named “G-9 Capacity Utilisation”.
  - You must provide this list in electronic format using the template provided.
  - If you have used formulas to complete this worksheet, these formulas must be retained.

**Answer:** Table G9

## SECTION H

### PARTICULAR MARKET SITUATION

The applicant has claimed that the situation in the market of the country of export is such that sales in that market are not suitable for use in determining normal value. The information provided in sections H, I J and K will assist the Commission to better understand the Vietnamese and Australian markets and to assess whether sales in the Vietnamese market are suitable for determining a normal value.

#### H-1 Reporting requirements

1. Describe generally all interaction that your business has with the Government of Vietnam at all levels, including (but not limited to):
  - (a) reporting requirements;
  - (b) payment of taxes;
  - (c) senior management representation within your business;
  - (d) approval/negotiation of business decisions (e.g. investment decisions, management decisions, pricing decisions, production decisions, sales decisions);
  - (e) licensing;
  - (f) restrictions on land use;
  - (g) provision of loans; or
  - (h) provision of grants, awards or other funds.

**Answer:**

Our business has various interactions with the Government of Vietnam including:

- Register our business entity
- Acquire manufacturing certificates
- Comply taxes' obligations
- Submit regular reports to multiple departments. See details in the section H-4

#### 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 Government of Vietnam (either through direct ownership or through association).

**Answer:** Chinh Dai Industrial is a privately owned company that is not wholly or partially owned by the Government of Vietnam

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

**Answer:**

- [REDACTED]
- [REDACTED]

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

**Answer:**

- [REDACTED]
- [REDACTED]

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 Vietnam (at any level, from any agency, party, or otherwise associated entity)? If yes, identify the individuals, their role on that Board and their affiliation with the Government of Vietnam.

**Answer:** No. We have no members participating in Board of Directors or Board of Shareholders representatives, employees, or being affiliated with the Government of Vietnam.

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 Government of Vietnam? If yes, identify their name and title and indicate their position at the board level.

**Answer:** No. Our Boards don't have any representatives from the Government of Vietnam.

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 Vietnam? If yes, identify any relevant government department(s) they are affiliated with.

**Answer:** No. The Government of Vietnam never appointed, managed or recommended any members of our Boards.

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 Vietnam;
  - employees of your business;
  - foreign investors; or
  - other (please specify).

**Answer:**

- [REDACTED] (Chairman) - 60% of ownership
- [REDACTED] Director) - 40% of ownership

All members are Vietnamese individuals, no representatives of the Government of Vietnam or foreign investors.

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

**Answer:** None. There are no changes in the ownership of our business during the period.

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

**Answer:** None. There are no positions within our organization that are appointments or designated to act on behalf of Government of Vietnam authorities.

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

**Answer:** None. There are no changes in the ownership of our business during the period.

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

**Answer:** Not applicable. Our business is a private company.

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

**Answer:** Not applicable. Our business is a private company.

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

**Answer:** The company's Chairman and the leadership team are responsible for overseeing the performance of the entire company employees including senior managers.

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

**Answer:** We have no senior managers holding positions in any Government of Vietnam departments, organizations or Chambers of Commerce.

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

**Answer:** Our business doesn't have a pricing committee. The pricing decision is centralized and solely made by the company's chairman and/or director.

### H-3 Licensing

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

**Answer:** Please refer to the folder "H-3".

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

**Answer:** Depending on the location of the head office, the Business Registration Office of the provincial Department of Planning and Investment is responsible for issuing the license. In our case, it is the Business Registration Office of the Department of Planning and Investment of Hung Yen Province as the head office of the company is located in Hung Yen Province.

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

**Answer:** The registration application of a limited liability company should be submitted to the Business Registration Office of the Department of Planning and Investment of Hung Yen Province.

The application must include :

- Application form for business registration.
- The company's charter.
- A list of members.
- Copies of the ID card or other ID papers of members being individuals.

Normally, the business licence will be granted within a week or so.

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

**Answer:** Members who are citizens of Vietnam, the registered enterprise has a clear headquarter, the capital contribution should be made after the business registration is completed

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

**Answer:** There is no restriction on our business imposed by the license. Companies are free to engage in the business lines that are not prohibited by law. There are some conditional business lines which require some additional conditions to be met before we engage in these business lines. According to the laws, multi-member limited liability companies like ours must not issue shares.

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

**Answer:** We do not intend to act outside the scope of our business license. To our knowledge, if we act outside the scope of our business license, but still within the scope allowed by law, a fine will be imposed.

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

**Answer:** Under the laws, the company will have the following rights once the license is given:

- Engage in the business lines that are not prohibited by law.
- Exercise business autonomy; decide on organizational structure, business lines, and location; change the scale and business lines.
- Decide on the method of raising and using capital.
- Find markets, customers, and sign contracts proactively.
- Engage in export and import.
- Hire employees to serve the business.
- Apply science and technologies to improve business efficiency and competitiveness.
- Own, use, and dispose of assets of the enterprise.
- Refuse to provide resources against the law.
- Lodge complaints and denunciations in accordance with regulations of law on complaints and denunciations.
- Participate in proceedings in accordance with laws.
- Other rights prescribed by relevant laws.

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

**Answer:** The business license can be revoked in the following cases:

- The information provided in the application for company registration is false;
- The company is established by persons banned from company establishment as prescribed in Clause 2 Article 18 of Company Law;
- The company's business operation is suspended for 01 year without notifying the business registration authority and tax authority;
- The company fails to submit reports as prescribed in Point c Clause 1 Article 209 of Company Law to the business registration authority within 06 months from the deadline or from the receipt of a written request;
- Other cases decided by the Court.
- In our case, the Business Registration Office of the Department of Planning and Investment of Hung Yen Province has the authority to revoke the license.

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

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

**Answer:** Our company leadership decides production output and sales volume per month. From that high level goals, the related departments will be assigned with their own goals to proceed:

- a. Factories
- b. Domestic sales department
- c. Import and Export department
- d. Finance and Accounting department
- e. Human resources department
- f. Business profits are retained until the end of the year and then distributed back to our company as working capital.

The sale orders/contracts are logged into our internal system by the Export department. The monthly volume for the domestic market is provided by the Domestic Sales department.

The company's Chairman assigns the monthly manufacturing volume to the mills' directors based on the other departments' inputs. He also signs off the purchase of raw materials (Hot-Rolled Coil) given the material pricing, quantity and supplier provided by the Finance department.



Upon receipt of the materials, our mill director schedules their monthly and weekly rolling plan to ensure the minimum stock quantity for the domestic market and for the signed exporting contracts.

For the exporting contracts, the products are shipped soon after being rolled in order to meet the contractual obligations. For the domestic market, the products are rolled and stocked inside the factories' warehouses. All in-stock products are stored inside to eliminate weather impact and regularly checked by on-duty warehouse staff to ensure premium quality. Domestic customers are used to purchase in-stock goods.

The contract payments are managed within our Financial accounting system and regularly reported to the Finance Director and our Chairman. The business profit is reinvested to the company to drive development and create a cash buffer for unplanned contingencies including Covid-19.

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

**Answer:** Not applicable. The Government of Vietnam has no input into our company's decision-making process respecting the manufacture, marketing and sale of the goods.

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

**Answer:** Department of Taxation  
Department of Labour, War Invalids and Social Affairs  
Department of Customs  
Department of Industry and Trade  
Department of Natural Resources and Environment  
Department of Science and Technology

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

**Answer:**

ID	Report name
1	Monthly statement of value added tax to the Department of Taxation (Tờ khai thuế VAT hàng tháng)
2	Natural resource consumption tax to the Department of Taxation (Thuế tài nguyên)
3	Quarterly report on the use of invoices to the Department of Taxation (Báo cáo tình hình sử dụng hóa đơn hàng quý)
4	Annual Financial Statement to the Department of Taxation (Báo cáo tài chính hàng năm)
5	Company Income tax Finalisation report to the Department of Taxation (Báo cáo quyết toán thuế thu nhập doanh nghiệp)

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6	Personal Income Tax Finalisation report to the Department of Taxation (Quyết toán thuế thu nhập cá nhân)
7	Natural resource consumption tax Finalisation report to the Department of Taxation (Quyết toán thuế tài nguyên)
8	Non-Agricultural Land use tax report to the Department of Taxation (Báo cáo thuế sử dụng đất phi nông nghiệp)
9	Finalisation report to the Department of Customs on the use of raw materials for production of export goods (Báo cáo quyết toán nguyên vật liệu sản xuất xuất khẩu hàng năm cho Hải quan)
10	Report to the Department of Statistics on Production activities (Báo cáo hoạt động sản xuất kinh doanh cho Cục thống kê)
11	Report to social security agency on the change of number of employees to Department of Labour, War Invalids and Social Affairs (Báo cáo tăng giảm lao động cho cơ quan bảo hiểm)
12	Environment Report to the Department of Natural Resources and Environment (Báo cáo môi trường cho Sở Tài Nguyên)
13	Chemical safety report to the Department of Industry and Trade (Báo cáo an toàn hóa chất cho Sở Công Thương)
14	Radiation Safety report to the Department of Science and Technology (Báo cáo an toàn bức xạ cho Sở Khoa Học)
15	Energy Report to the Department of Industry and Trade (Báo cáo năng lượng cho Sở Công Thương)
16	Fire protection report to the Department of Public Security (Báo cáo phòng cháy chữa cháy cho Công An)

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

**Answer:** There wasn't any Board of Shareholders meetings that happened during the period,


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

**Answer:** Pricing decision is centralized and solely made by the company's chairman/director. We retain no records or meeting notes of the decisions made over the period.

## H-5 Financial and investment activities

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

**Answer:** Yes. Our business borrows capital from multiple sources. The major lenders are below:

1. 
2. 
3. 
4. 
5. 

[Bank Names]

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

**Answer:** Interest rates:

Business owners lending: Interest rate = 0

Lending banks: The average interest rate of the past 5 years is about 7%.

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

**Answer:** No, all loans are determined based on agreement

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:

- a. explain what instruments were used;
- b. identify the type (e.g. government guarantee) and provider of the security; and
- c. explain the reasons for raising the capital.

**Answer:** No. Our business hasn't raised any capital using issuance of shares, preferential shares, rights issue, bonds, warrants, debentures, subordinated loans or any other debt and/or equity instruments in the last 5 years

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

**Answer:** N/A. The company has deposited money at banks, but these are deposits to ensure the use of credit lines at banks.

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

**Answer:** No. Our business has not invested in either government or non-government debt securities.

## H-6 Government policy on the industry

1. Are there any Government of Vietnam opinions, directives, decrees, promulgations, measures, etc. concerning the industry of the goods that were put in place or operating during the period? If yes, please provide:

- (a) copy of the documentation and a translation in English;
- (b) documentation concerning the Government of Vietnam or any association of the Government of Vietnam's notification of the measures concerning the goods to your company during the period.

**Answer:** The Government of Vietnam does not have any specific incentives, policies or measures for the precision steel pipe industry under investigation. The precision steel pipe industry has never been considered as a priority and spearhead industry of the Government.

2. Provide information concerning the name of any Government of Vietnam departments, bureaus or agencies responsible for the administration of all Government of Vietnam 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 utilisation;
  - investigation and inspection of expansion facilities;
  - import licensing for raw materials relating to the goods under consideration.

**Answer:** There are no state agencies (central or local) responsible for implementing or managing these policies or measures.

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

**Answer:** The Government of Vietnam does not have any specific incentives, policies or measures for the precision steel pipe industry under investigation. Therefore, there are no state agencies (central or local) responsible for implementing or managing these policies or measures. Therefore, the business plays no role in the planning or policy process for the steel pipe industry and does not apply in this case.

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

**Answer:** Steel industry plans or socio-economic development strategies only provide information about the overall picture of the development of the steel industry and that can be a source of information that companies can refer to when deciding to invest, produce or do business in a certain field. These plans and strategies do not bring any incentives or impose any obligations on the business. Therefore, there is no business to implement these plans or strategies and there is no performance evaluation.

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

**Answer::** Companies operating only in accordance with the law (For example, business law, investment, land, taxes, ..). These laws are valid for all businesses operating in all areas. Violating the law will have sanctions to handle.

6. How has the Government of Vietnam's *Steel Master Plan* or *Industrial Development Strategy* impacted on your business and how do you ensure compliance with this policy?

**Answer:** The Government of Vietnam does not have any specific incentives, policies or measures for the precision steel pipe industry under investigation. The precision steel pipe industry has never been considered as a priority and spearhead industry of the Government.

## H-7 Taxation

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

**Answer:** There were no export taxes on the exports of the goods during the period

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

**Answer:** There was no VAT rebate applicable to exports of the goods during the period

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) a detailed chronological history of the value-added tax rebate rates;
- (b) products affected;
- (c) the effective dates of the rate changes;
- (d) fully translated copies of any Government of Vietnam notices regarding these changes, including the relevant appendices.

**Answer:** There was no change in the VAT rebate applicable to exports of the goods in the last 5 years.

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

**Answer:** We are not aware of any tax changes being planned that would impact the industry

## H-8 Sales Terms

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

**Answer:** [REDACTED] (Import & Export Director) is the person who authorizes the sales terms, prices and other contract provisions for the sale of the goods by our business.

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

**Answer:** The selling prices of the goods under consideration are determined by various factors including the cost of raw material, manufacturing expense, management expense and profit margin. The Government of Vietnam has never been involved or had any guidance in our business' pricing decisions.

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

**Answer:** No. Our company doesn't coordinate the selling prices of supply of the goods with other domestic producers or any Government of Vietnam departments.

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

**Answer:** We only provide the reports that are mentioned in the section H-1 to the Government of Vietnam's departments and ministries as required.

5. Explain whether your business provides price data to any other person at any level of government.

**Answer:** No. Our business doesn't share price data with outsiders as this is confidential information.

## 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 Vietnam with the associations.

**Answer:** Yes. Our business is a member of the Vietnam Steel Association (VSA).

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 Vietnam concerning the industry.

**Answer:** The VSA membership is voluntary. VSA is the non-governmental organization and its members consist of iron and steel producers, and distribution agencies, who engage in steel processing and sales, voluntarily participate. The association promotes cooperation among the members and organizes seminars and workshops for the members. It provides steel-related information via the monthly publishing VSA's newsletter. Annually, the association organizes business delegations to visit,

## H-10 Statistics submission/recording

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

**Answer:** Yes, our company makes 3 reports to the General Statistics Office of Vietnam and/or any other government organisation. These statistical reports are about general manufacturing, market trends and investment activities.

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

**Answer:** please see the files in the folder "H-10".

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

**Answer:** No, the General Statistics Office of Vietnam doesn't take any further actions.

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

**Answer:** No, the General Statistics Office of Vietnam doesn't take any further actions.

## H-11 Production/output

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

**Answer:** Yes. The factory production is subject to industrial policies including:

1. Assessment and accreditation of industrial machineries to ensure safety including crane, forklift, air tank, boiler, weight scale..etc.
2. Our factories are required to comply with the fire protection requirements from the Department of Public Security. Regular training is conducted for all employees about fire safety.
3. Regular environmental assessment is mandatorily conducted within the factory area.
4. Regular safety training is mandatory for factory operators and employees.
5. Regular employee health assessment is mandatorily conducted for all factory staff.
6. Regular assessment on chemical safety is mandatorily conducted. Annual report is required.

**PUBLIC RECORD VERSION**

7. Regular assessment on radiation and nuclear safety is mandatorily conducted. Annual report is required.
8. Selling products are required to comply with labeling requirements from the department of market surveillance.

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

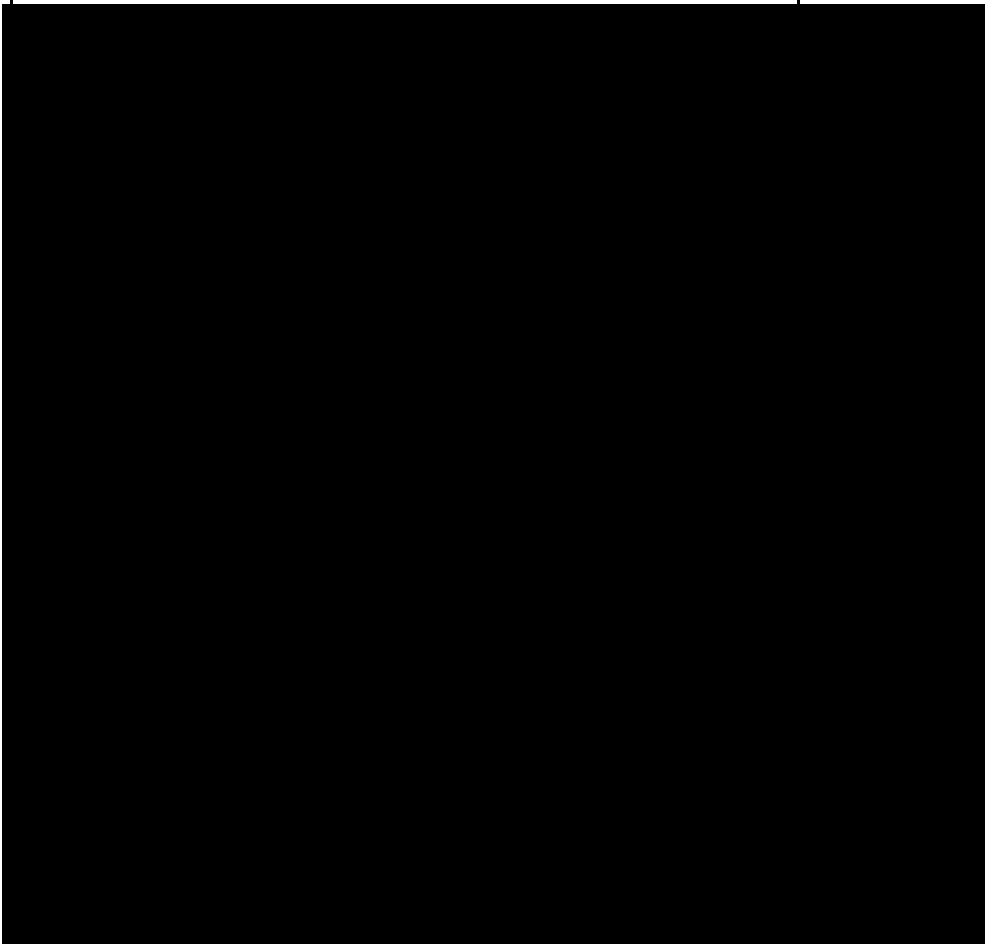
**Answer:** Our business has always complied with the required policies and guidelines. When a policy is implemented or changed, we assign appropriate staff to attend training and fulfill the policy's requirements.

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 Vietnam.

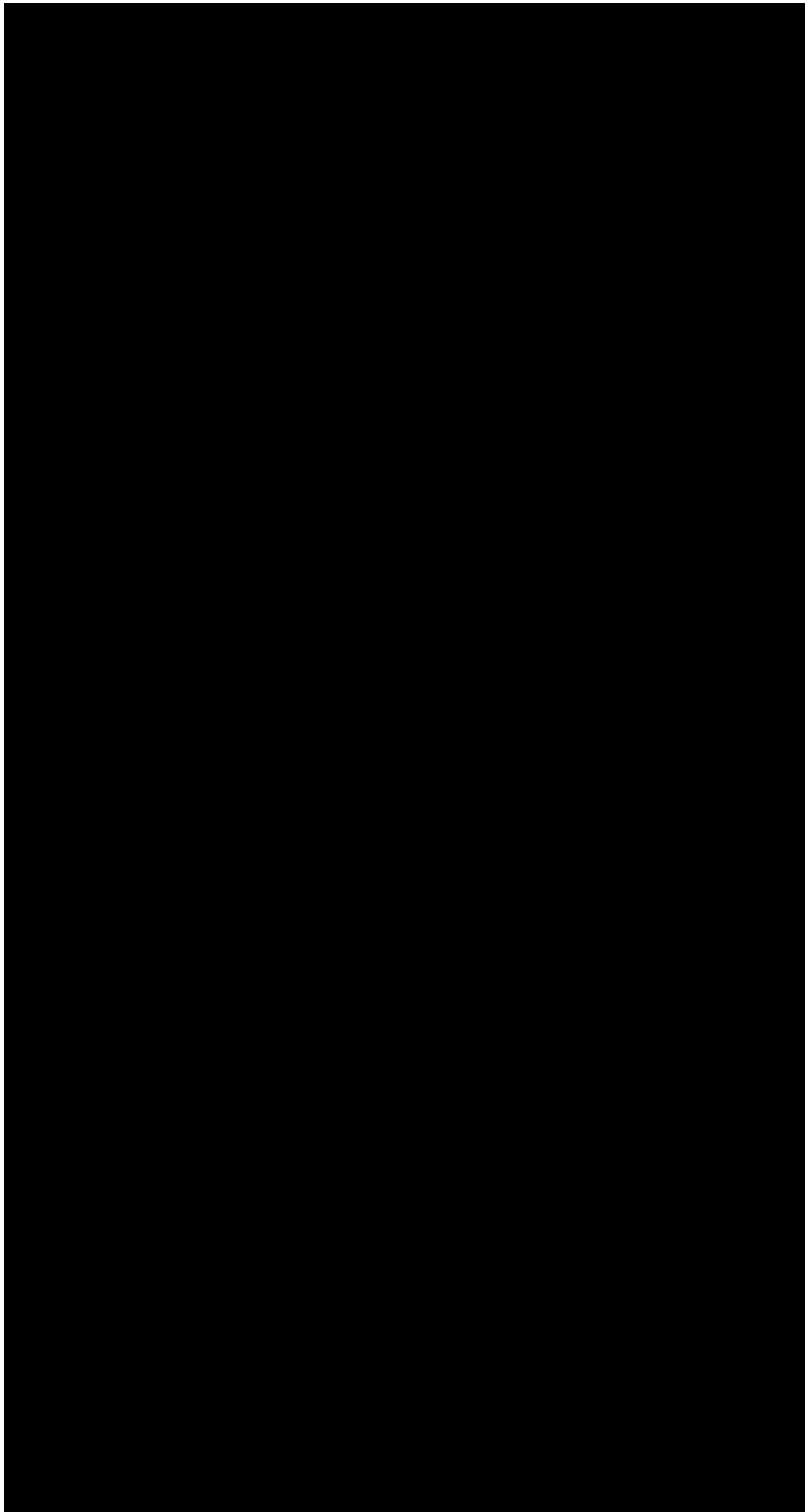
**Answer:** There is no other restrictions imposed by the Government of Vietnam to the sale of the goods and/or like goods

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

**Answer:**

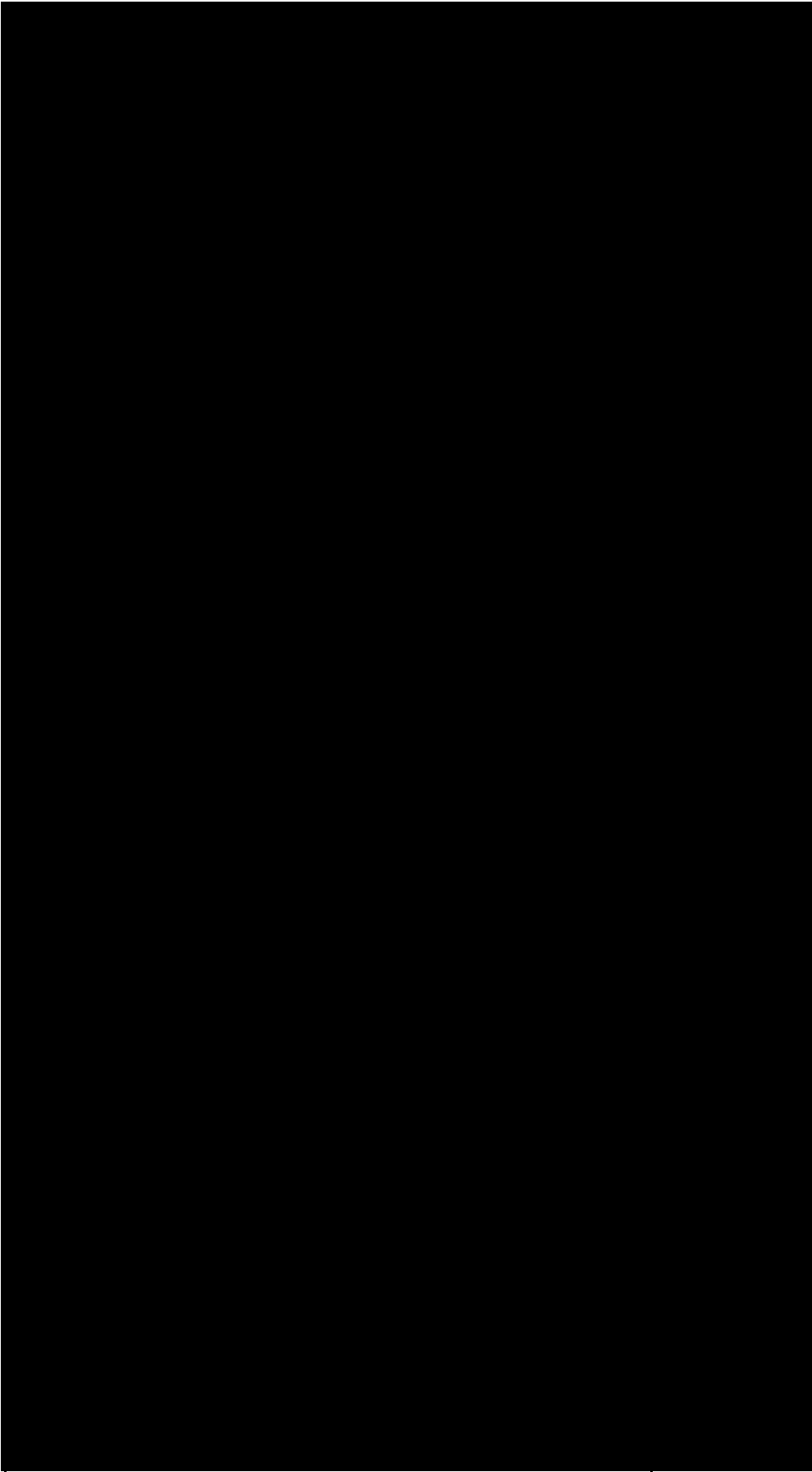
Domestic Customers	Location (City & Province)	State- Invested Enterprise?
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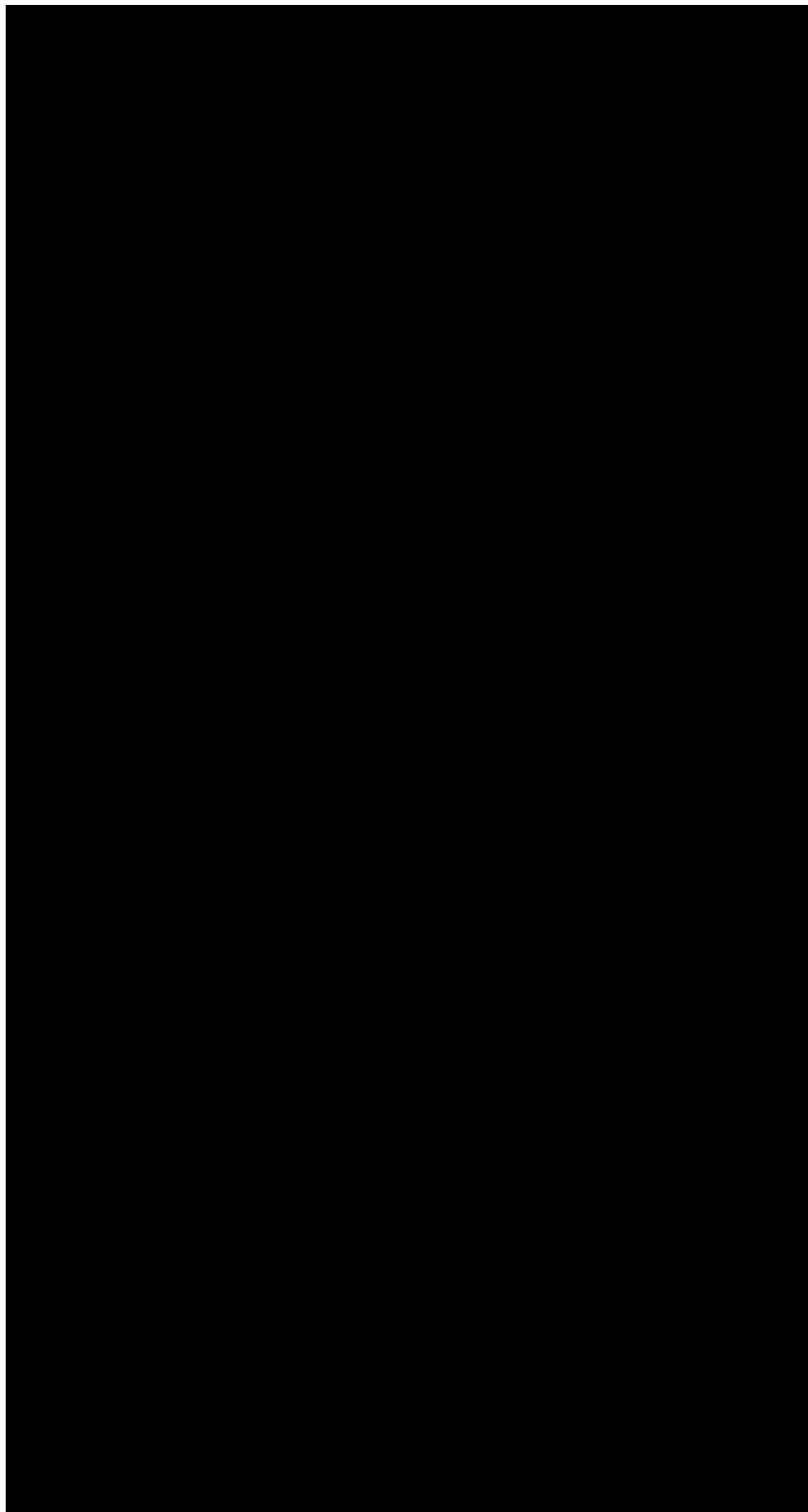
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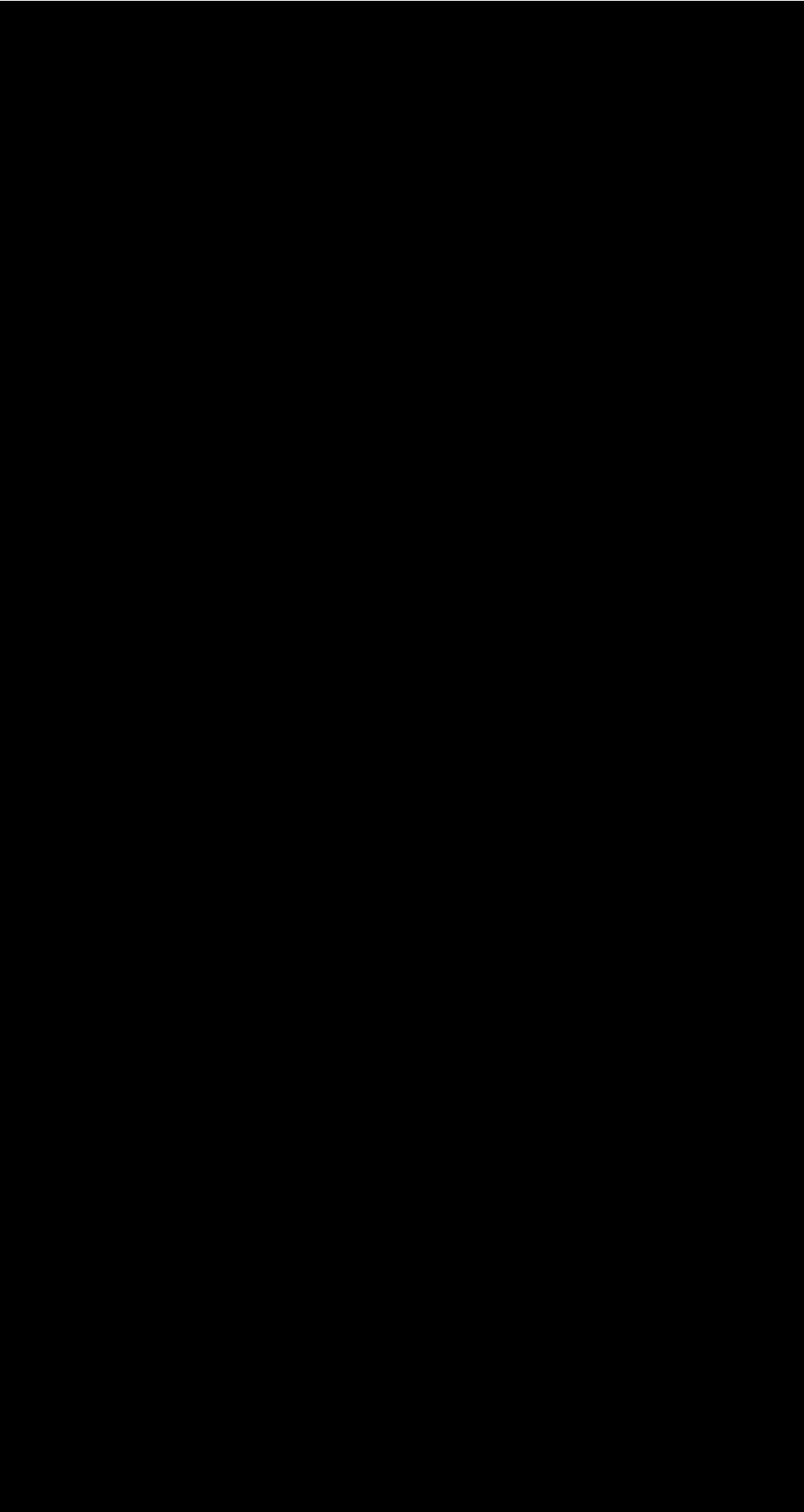
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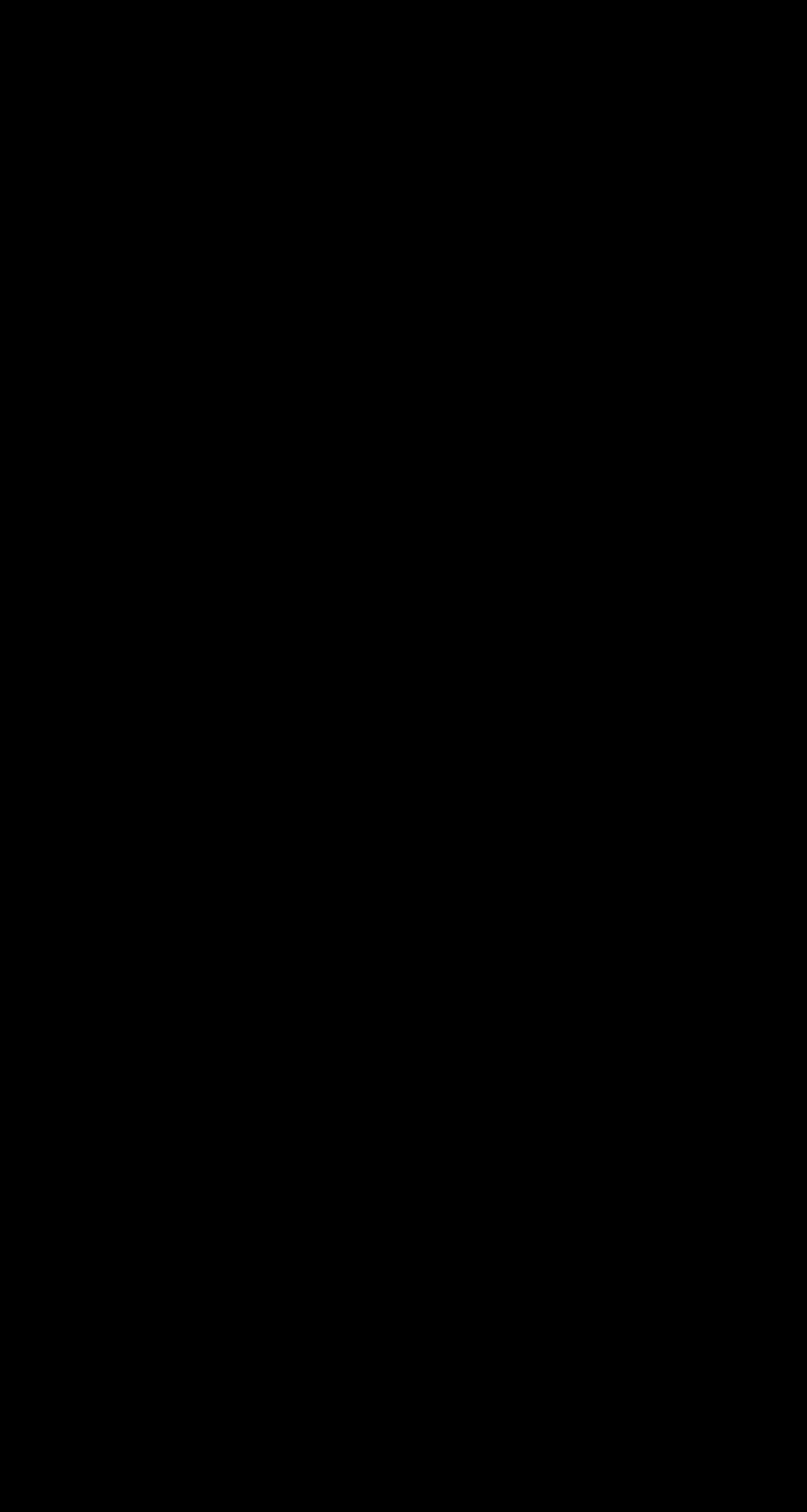
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5. Are there any restrictions and/or conditions in relation to the quality or quantity of the production of the goods placed upon your business? If yes, provide details.

**Answer:** There is no restriction and/or condition to the quality or quantity of the production of the goods.

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

**Answer:** No. Our business doesn't require an export licence.

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

**Answer:** No. The goods sold by our business are not subject to any export restrictions and/or limits during the previous 5 years.

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

**Answer:** No. There is no other restriction placed upon our business on the sale of the goods.

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

**Answer:** Over the last 5 years, our company has increased from one to two galvanizing lines, improved the production capacity of slitting, pickling and pipe forming lines

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?

**Answer:** No. Our business doesn't benefit from any concession on the purchase of any utility services.

## **H-12 Sales price**

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

**Answer:** No. Our business has not been subjected to any direct or indirect price guidance or controls by the Government of Vietnam during the period.

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

**Answer:** No. Our business did not receive any direct or indirect price guidance or controls by the Government of Vietnam during the period with respect to raw material inputs.

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

**Answer:** No. Our business has not encountered any price guidance or controls established by regional or provincial officials and/or organizations.

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.

**Answer:** The selling prices of the goods under consideration are determined by various factors including the cost of raw material, manufacturing expense, management expense and profit margin. The Government of Vietnam has never been involved or had any guidance in our business' pricing decisions.

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

**Answer:** Our business does not consider any organisation/business entity as the price leader of the goods.

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.

**Answer:** No. Our business doesn't have a 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.

**Answer:** Not applicable.

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

**Answer:**

[REDACTED] (Economic Director) for the domestic market.  
[REDACTED] (Import and Export Director) for the export market.

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.

**Answer:** Not applicable as our company has production facilities of the goods in the same town of the Hung Yen province.

### H-13 Adding capacity and/or joint ventures

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

**Answer:** Our business submits the capacity expansion request to the Department of Science and Technology of Hung Yen province. The department reviews the request and makes a decision on whether to approve or reject the request.

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

**Answer:** The government doesn't have the right to request modifications in the terms of adding capacity and/or joint venture after granting the approval.

### H-15 Raw materials

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

**Answer:** No. Our raw material suppliers are not related or affiliated with our business.

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

**Answer:** No. Our business doesn't purchase from the SIEs.

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

**Answer:**

Hot rolled steel products: Import tax = 0%  
Non-alloy cold-rolled steel products: Import tax = 7%  
Galvanized steel coil: Import tax may be from 5-20%

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

**Answer:** The purchase price for raw materials is provided by suppliers and it can vary. It depends on the time of purchase, global economy situation, steel standards and specifications.

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

**Answer:** Our business typically purchases raw materials twice a month based on our factory capacity, cash flow and credit limit. We purchase raw materials from multiple suppliers in various countries such as [REDACTED] [Country Names] We choose a supplier based on their current selling price, material standard and delivery time.



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.

**Answer:**

(a) Detailed list of items G-7.2

(b) When there is an arrival notice of the cargos, the company will proactively declare customs and pay taxes as designated by the customs declaration; confirm payment with the bank to get a set of documents to pick up goods.

(c) Conditions for importing in 2019:

For non-alloy HRC: Carrying out inspection procedures with the unit that the organizers recognize is fully functional as Vinacontrol, customs clearance procedures, with a certificate of conformity of the newly approved inspection unit.

For the remaining materials: Customs clearance

(d) The company is eligible for tax refund, but due to its continuous operation, both paying VAT on imported goods and paying VAT on sales, the company registers to implement deduct VAT with the state.

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.

**Answer:**

Our business manufactures steel pipe including the goods under investigation from the hot-rolled coil and galvanized coil material. We manufacture the galvanized coil in-house and sell this product to domestic customers and export customers. These customers are not related to our business. The pricing is determined by the cost of goods sold, profit margin and the current market situation. The selling pricing may vary between customers depending on volume and payment term.

## SECTION I

### VIETNAMESE MARKET

#### I-1 Prevailing conditions of competition in the Vietnamese market

1. Describe the Vietnamese market for the goods and the prevailing conditions of competition within the market, including:
  - (a) Provide an overall description of the market in Vietnam which explains its main characteristics and trends over the past five years;
  - (b) Provide the sources of demand for the goods in Vietnam, including the categories of customers, users or consumers of the product;
  - (c) Provide an estimated proportion (%) of sales revenue from each of those sources of demand listed in (b);
  - (d) Describe the factors that influence consumption/demand variability in Vietnam, such as seasonal fluctuations, factors contributing to overall market growth or decline, government regulation, and developments in technology affecting either demand or production;
  - (e) Describe any market segmentations in Vietnam; such as geographic or product segmentations;
  - (f) Provide an estimated proportion of sales revenue from each of the market segments listed in (e);
  - (g) Describe the way in which Vietnamese and imported goods compete in the Vietnamese market;
  - (h) Describe the ways that the goods are marketed and distributed in the Vietnamese market; and
  - (i) Describe any other factors that are relevant to characteristics or influences on the Vietnamese market for the goods.

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

The production of steel pipe in Vietnam has been growing from 1.548 million metric tons in 2015 to 2.516 million metric tons in 2019. The consumption of steel pipe in Vietnam has been growing as well from 1.395 million metric tons in 2015 to 2.020 million metric tons in 2019. Though we don't have the exact statistics for the percentage of the goods within the steel pipe, we think the consumption for the goods has been growing at the same rate of the steel pipe consumption.

VIETNAM STEEL ASSOCIATION						
					<i>Unit: 1,000 Ton</i>	
No.	STEEL PIPE	Year 2015	Year 2016	Year 2017	Year 2018	Year 2019
A	Production	1,548	2,061	2,307	2,493	2,516
B	Import	218	237	323	361	361
C	Export	371	511	645	905	857
D	<b>Consumption (A+B-C)</b>	<b>1,395</b>	<b>1,787</b>	<b>1,985</b>	<b>1,949</b>	<b>2,020</b>
	<b>Growth Rate (%)</b>		<b>28%</b>	<b>11%</b>	<b>-2%</b>	<b>4%</b>

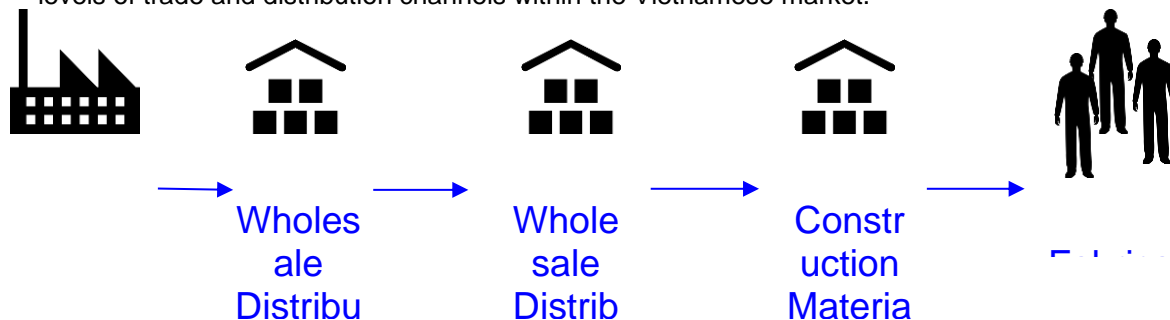
As far as we understand, the products with such a thin wall thickness are typically used for the light structures such as patio, fences, and the furniture application. We estimate that the light structural application may take as much as 90% of sales revenue while the remaining share is for furniture and other applications.

The Vietnamese market demand changes throughout the year with a peak around December/January and a trough around June/July because of the rainy season. Vietnam is splitted into two separate

geographic market segments: northern and southern territories. The two segments share a similar proportion of sales revenue.

According to our knowledge, these products are mostly served by local manufacturers. Since there are many manufacturers that are capable of offering the goods in the Vietnamese market, imported goods have a very slim chance to compete due to longer delivery time. The local manufacturers produce the goods and store them in their warehouses. The Vietnamese distributors typically buy in bulk directly at warehouses and deliver the goods to their customers throughout Vietnam.

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



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

**Answer:** At the first level of trade (manufacturer), there are number of manufacturers offering the goods in the Vietnamese market including [REDACTED] (31.5% of the total market share in 2019), [REDACTED] (15.25%), [REDACTED] (9.59%). These manufacturers that are major players in the Vietnam market, may share a similar range of customers (distributors level I).

There are many more participants at the level 1 of distribution such as [REDACTED]

[REDACTED] As all companies are private and therefore, their information is not publicly disclosed, it is not clear about the market share of each participant on the level I and level II.

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

**Answer:** As the goods can be locally produced and there are multiple manufacturers that can offer such products, there are no commercially significant importers in the Vietnamese market to our limited knowledge.

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

**Answer:** The goods are covered under the 10% Value Added Tax (VAT) required by the Department of Taxation. There are no other regulatory frameworks including standards, competition policy that are enforced on the goods.

6. Describe any entry restrictions for new participants into the Vietnamese market for the goods. Your response could include information on:

- resource ownership;
- patents and copyrights;
- licenses;
- barriers to entry;
- import restrictions; and
- government regulations(including the effect of those government regulations).

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

**Answer:** As far as we know, there is no barrier of entry for new participants into the Vietnamese market for the goods. In fact, we see more and more participants (both local and foreign invested companies including Australian) in the market and experience much more competition.

## I-2 Goods in the Vietnamese market

1. Generally describe the range of goods offered for sale in the Vietnamese market. The description should include all like goods, including those produced by your company. Your description could include information about:

- quality differences;
- price differences;
- supply/availability differences;
- technical support differences;
- the prevalence of private labels/customer brands;
- the prevalence of generic or plain labels;
- the prevalence of premium labels; and
- product segmentation.

**Answer:** The goods offered for sale in the Vietnamese market are manufactured using the same machinery, same manufacturing process and quality control process as the export goods. In terms of quality, our domestic goods are similar to our export goods. We however can't comment on the quality of domestic goods from other manufacturers.

The price for goods offered to the Vietnamese market is mainly driven by the price of raw material (hot-rolled coil) and the market trend. For example, the future outlook dimmed in Q4 2019 causing the domestic price of the goods to drop significantly at a fast pace. The domestic customers started to slow down purchasing and assess the market situation. The Vietnamese manufacturers were financially impacted because their domestic selling price was then lower than the cost of goods sold. Some even had to sell at a loss to maintain enough cash flow for the business continuity and hope to gain back in the future when the future market comes back up. Since the export goods are manufactured to an order, therefore the export price remained less sensitive to the outlook of the future market.

The Vietnamese manufacturers sometimes change their product slightly so that it appeals to and meets the needs of different groups of customers such as coating thickness, packaging and cut-to-length.

The domestic price of the goods vary between manufacturers. For example, [REDACTED]

The domestic goods however typically have longer warehouse life than the export goods because the domestic customers prefer in-stock products.

The Vietnamese manufacturers strictly follow the Vietnam government's requirement on product labeling. Our company does not offer private labels or customer brands on our domestic products.

Though there is no defined warranty policy, Vietnamese manufacturers often allow customers to return the goods within a reasonable amount of time in case of quality claim. In other cases, they may apply a discount to an invoice to support customers.

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

**Answer:** Goods are typically used for construction projects and furniture application.

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

**Answer:** In an descending order of importance, the key product attributes that influence purchasing decisions in Vietnamese market includes:

1. Product availability
2. Pricing
3. Time of delivery
4. Cost of transportation
5. Brand quality

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

**Answer:** There is no commercially significant market substitute in the Vietnamese market for the goods.

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

**Answer:** There is no commercially significant market complement in the Vietnamese market for the goods.

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

**Answer:** In the last five years, the Vietnamese steel market has become more mature. The consumer motivation of demand on product availability, product quality and customer service is becoming more pressing.

### I-3 Relationship between price and cost

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

*In responding to question 1 please provide evidence supporting calculations.*

**Answer:** The Vietnamese market plays a crucial role in our business operations. According to our financial statement of 2019, the revenue from the domestic market is about 90% of our total sales. In terms of steel quantity, the Vietnamese market took about 90% of our total steel consumption in 2019.

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

**Answer:** No we are not the price leader for the goods in the Vietnamese market. To our limited knowledge, [REDACTED] is typically the price leader because they have been in the market for

a longer period of time. They are also a publicly traded company and in addition, they have a much larger budget for marketing to customers.

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

**Answer:** Our domestic pricing strategy is a mix of dynamic pricing, cost-plus pricing and competition-based pricing in an descending order of importance. The selling prices of the goods for the Vietnamese market is solely set by the company's chairman or director. Our company retains no records or meeting notes on the pricing decisions made over the period.

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

**Answer:** The selling prices of the goods for the Vietnamese market is solely made by the company's chairman or director. We retain no records or meeting notes of the decisions made over the period.

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

**Answer:** The selling prices of the goods for the Vietnamese market is solely made by the company's chairman or director. We retain no records or meeting notes of the decisions made over the period.

6. Rank the following factors in terms of their influence on your pricing decisions in the Vietnamese market, with the most important factor ranked first and the least important factor ranked last:
- Competitors' prices
  - Purchase price of raw materials
  - Cost to make and sell the goods
  - Level of inventory
  - Value of the order
  - Volume of the order
  - Value of forward orders
  - Volume of forward orders
  - Customer relationship management
  - Supplier relationship management
  - Desired profit
  - Brand attributes
  - Other [please define what this factor is in your response]

**Answer:** In the descending order of important factors on our pricing decisions in the Vietnamese market:

1. Purchase price of raw materials
2. Cost to make and sell the goods
3. Volume of the order
4. Competitors' prices
5. Brand's attributes
6. Level of inventory
7. Desired profit
8. Customer relationship management
9. Value of the order
10. Supplier relationship management
11. Value of forward orders
12. Volume of forward orders

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

**Answer:** The selling price in the Vietnamese market is based on multiple factors. Costs to make and sell is one of the critical factors to establish the selling price. The Vietnamese market has a surplus of manufacturers and it is also very price sensitive to the change of future material price. Even though we strive to maintain our profit margin, there have been multiple times that the profit card is not in our favor.

2019 is the greatest example as the global market growth this year recorded its weakest pace since the global financial crisis a decade ago. The escalation of U.S and China trade wars caused the surge of cheap China steel to the Vietnamese market. Meanwhile, Vietnamese steel enterprises have increased their steel production capacity since the end of 2018. The world steel prices were in a strong downtrend due to oversupply. The picture of the domestic steel industry in 2019 was generally gloomy and the profit margin results, due to high raw material prices, global trade war and oversupply, were low and even negative for several months.

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

**Answer:** We have been offering price reductions in several methods such as volume discount in the Vietnamese market.

In order to meet the volume discount, the buyer must have been a repeating customer that regularly purchases a large volume of products from our company.

The volume discount criteria are:

- Have a long-term business relationships with our company
- Have a large monthly purchase volume

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

**Answer:** We do not offer bundle pricing in the Vietnamese market.

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

**Answer:** Our company offers volume discounts to customers in Vietnam. Please refer to the D-3 folder.

11. Does your organisation/business entity use sales contracts in the Vietnamese market? If yes:
- (a) What proportion of your sales revenue would come from contracted sales versus uncontracted sales?
  - (b) Do you offer exclusivity contracts? If yes, what proportion of your sales revenue would come from exclusivity contracts?
  - (c) How frequently are sales contracts renegotiated?
  - (d) How frequently are price reviews conducted between contracts?
  - (e) Do you provide opportunities for price reviews for customers within contracts? If yes, provide a description of the process and an explanation of the circumstances that might lead to a price review.
  - (f) Do changes in your costs to make and sell enable you to review prices for customers within contracts?
  - (g) Provide a list of the customers under contract during the investigation period and copies of the two largest contracts in terms of sales revenue. Provide a complete translation of the documents.

**Answer:** Yes our company uses 100% sales contracts in the Vietnamese market. We have no exclusivity contracts.

The sale contract is rarely renegotiated once confirmed unless a claim is submitted and sales allowances is required.

The price review is always conducted by the customers between contracts as they always want to make sure they secure the most competitive pricing. Once a contract is secured, the price is not reviewed again unless there is a contract adjustment such as steel grade/standard or delivery method change.

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

**Answer:** We don't use a price list for the goods used in the Vietnamese market since our pricing dynamically changes depending on various factors such as market situation, cost of material and market competition.

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

**Answer:** The different products/models in general can have different pricings based on the cost of manufacturing. For example, if the products are made using a higher material grade, we can offer at higher prices than the one with a normal material specification. For example - if the products are at short length, we may charge the customer at a higher pricing to cover the extra cutting cost.

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

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

**Answer:** We don't tier or segment our Vietnamese customers for the goods in terms of pricing.



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

**Answer:** Our company sells the goods to our trading entity: Chinh Dai Steel Technology Company Ltd as they will handle the exporting of the goods to Australia and other markets. The prices varied and were calculated depending on the cost of raw material and manufacturing. About 12% of our sales revenue is to this trading company.

#### **I-4 Marketing and sales support in the Vietnamese market**

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

**Answer:** Our company implements several marketing strategies in the Vietnamese market including:

- Digital marketing: Search Engine Optimization, Content marketing,
- Referral marketing
- Offline marketing: trade shows and industry events.

Our value proposition in the Vietnamese market includes a trustworthy brand with competitive pricing.

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

**Answer:** Our company does not conduct brand segmentation in the Vietnamese market for the goods.

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

**Answer:** Our company has not used any advertising activities of the goods including promotion campaigns over the past five years. The goods under investigation have been very popular to customers and our company has been in the Vietnamese steel industry for more than 20 years. Therefore, it is unnecessary to educate the market or end users.

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

**Answer:** Our company's sales team has 7 people in total and they are all based in our factory office. Salary compensation includes a fixed salary and sales performance salary.



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

**Answer:** The selling prices of the goods for the Vietnamese market is solely made by the company's chairman or director. The sales staff are responsible for managing relationships with their assigned customers, answering their questions, fulfilling the customers' contracts and handling product quality/quantity claims.

## SECTION J

### PRODUCTION AND PRODUCTION COSTS

#### J-1 Production of the goods

1. Describe how your company determines its volume of production for the goods, product mix of production and the factors that contribute to these decisions. How frequently are production volumes determined for the goods? How frequently is the product mix determined for the goods? Provide copies of internal documents which support your claims in response to this question.

**Answer:** Our company determines the volume of production based on the capacity of factories, market outlook and market competition in Vietnam. For the export goods, our company follows the Make-to-order policy as the production of an order begins only after a confirmed contract is received. Our factory leadership gathers all needed information as mentioned above and generates a production plan. The volume of production and product mix of production are reviewed and decided on a weekly basis. Please see the example of our production plan below.



2. What lead times are typically needed to adjust volumes of production for the goods? Provide copies of internal documents which support your claims in response to this question.

**Answer:** The lead times needed to adjust volumes of production for the goods can vary from a week to a couple of months depending on the contract requirements on material specification, the adjusted volumes and the current factory capacity. As there is not a fixed policy and any changes in goods production are typically reviewed on a case-by-case basis, our company therefore doesn't have any internal documents to support.

3. Do you have warehousing facilities for the goods? If no, what do you do with excess inventory? If yes:
  - (a) What is the volume capacity of these facilities?

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- (b) What was the monthly amount of inventory maintained during the investigation period?
- (c) What is the average period of time that inventory is retained (describe how this is calculated)?

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

**Answer:** Yes, we have warehousing facilities that have the volume capacity of [REDACTED] metric tons. Our company typically maintains [REDACTED] tons of all steel products in inventory. The average period of time that inventory is retained is approximately [REDACTED] days in our warehouses. Since we use the inventory management software to generate product tags, we can track how long a product has been stored. It is based on the dates of the warehouse's receipt note and delivery note.

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

**Answer:** No, there haven't been any changes to the type of capital or technology utilised by our company in the manufacturing of the goods in the last five years.

- 5. For each plant capable of producing inputs that could be utilised to make the goods, provide the date that production facility came into operation and the production capacity of the plant over the past five years. The production capacity should be based on an actual production capacity, not a budgeted production capacity. Provide copies of internal documents which support your claims in response to this question.

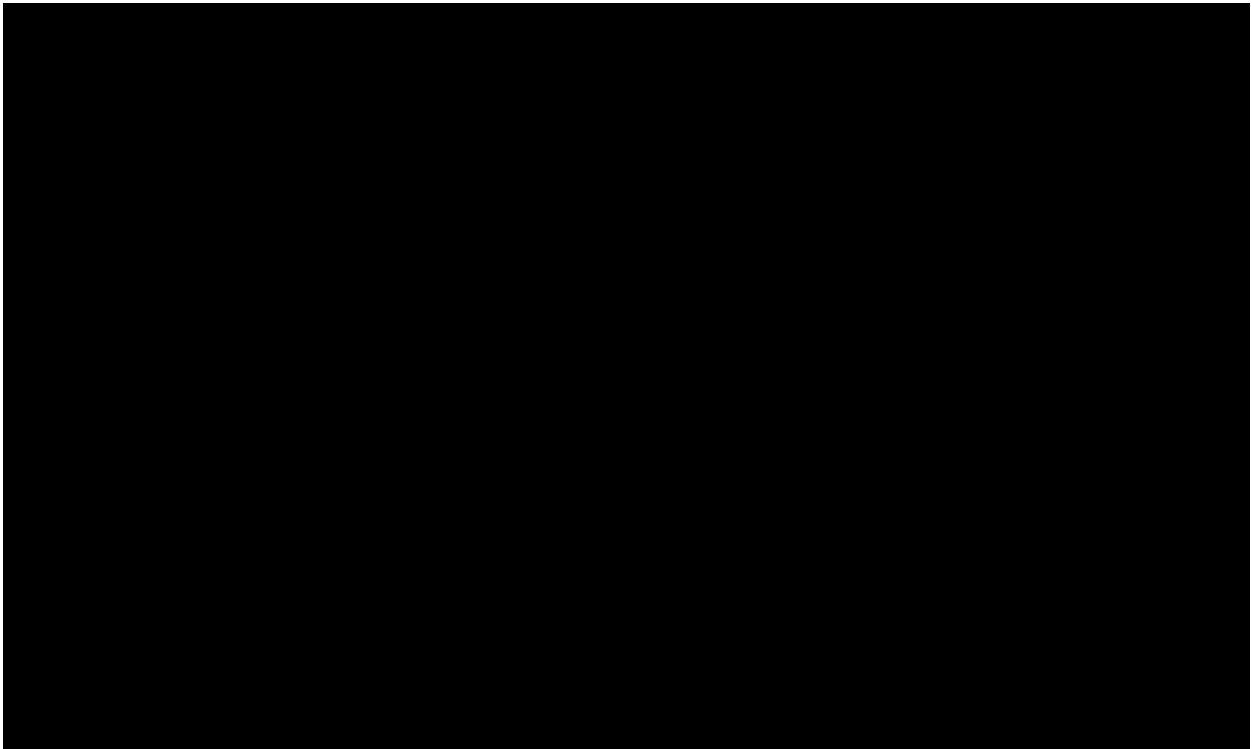
**Answer:** The production facility that produces galvanized coils - inputs for the goods, came into operation in 2010. The production capacity of this plant is currently at [REDACTED] metric tons and has been increased gradually from [REDACTED] metric tons since 2015.

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

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

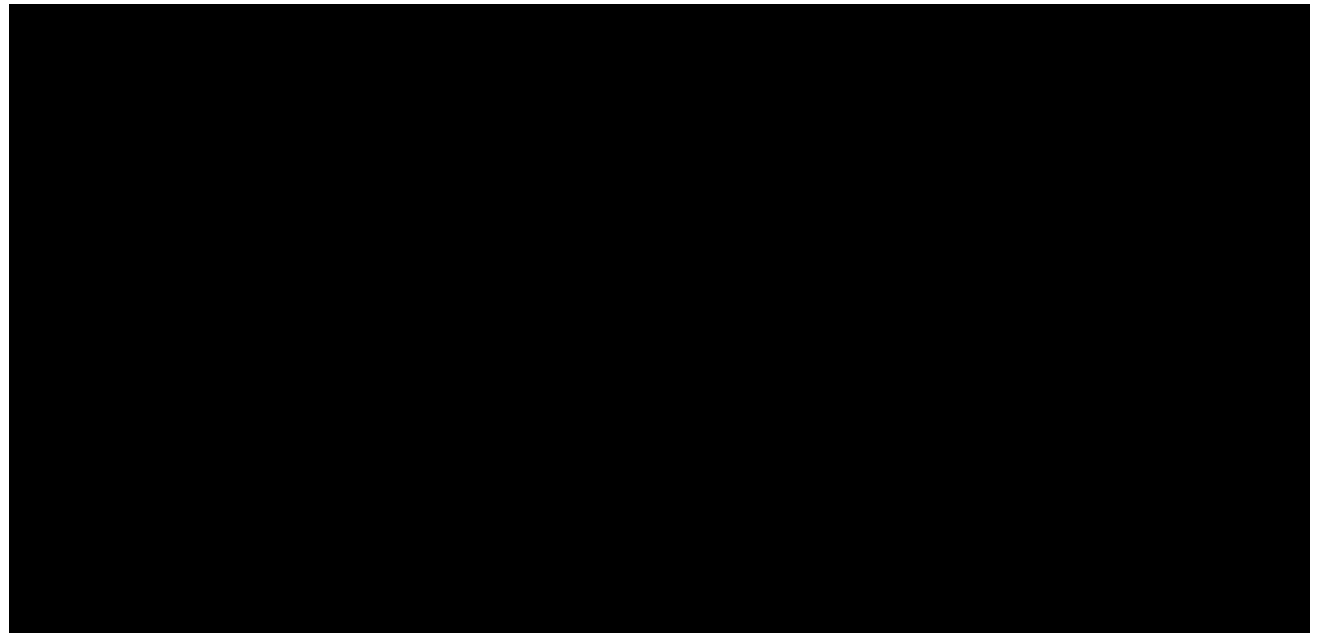
**Answer:** We implemented a new galvanizing line in our current factory plant in [REDACTED] that is capable of producing galvanized steel coils. The coils are then slitted into mini coils and are roll-formed to make the goods.

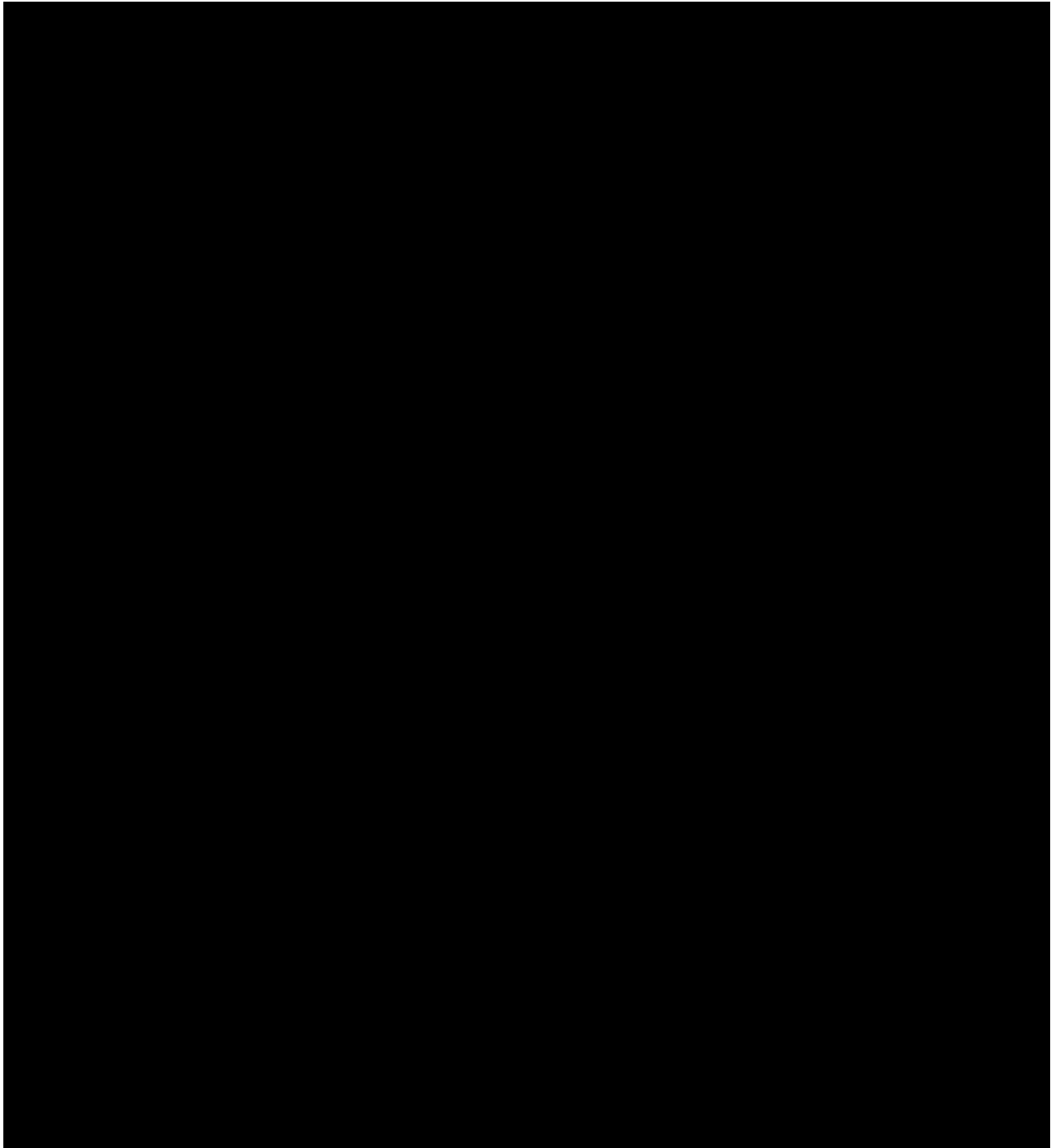
In the past five years, our factory has invested [REDACTED] new pipe-forming machines to replace outdated ones that are capable of producing the goods.



7. Confirm whether management reports are prepared on production costs. If yes:
- (a) specify how often these cost reports are prepared;
  - (b) describe the level of detail in those reports and whether they enable the establishment of costs of producing the goods; and
  - (c) specify to whom within the company these reports are provided; and
  - (d) provide copies of these reports for each month of the investigation period.

**Answer:** The management report is prepared once a month for the company leadership including chairman and directors. The report provides high-level insight into the costs on each production process and the total costs on the final products.





## SECTION K

### AUSTRALIAN MARKET

#### K-1 Prevailing conditions of competition in the Australian market

1. Describe the Australian market for the goods and the prevailing conditions of competition within the market, including:
  - (a) Provide an overall description of the Australian market for the goods which explains its main characteristics and trends over the past five years;
  - (b) Provide the sources of demand for the goods in Australia, including the categories of customers, users or consumers of the product;
  - (c) Provide an estimated proportion (%) of sales revenue from each of those sources of demand listed in (b);
  - (d) Describe the factors that influence consumption/demand variability in Australia, such as seasonal fluctuations, factors contributing to overall market growth or decline, government regulation, and developments in technology affecting either demand or production;
  - (e) Describe any market segmentations in Australia; such as geographic or product segmentations;
  - (f) Provide an estimated proportion of sales revenue from each of the market segments listed in (e);
  - (g) Describe the way in which Australian manufactured, Vietnamese and other imported goods compete in the Australian market;
  - (h) Describe the ways that the goods are marketed and distributed in the Australian market; and
  - (i) Describe any other factors that are relevant to characteristics or influences on the market for the goods in Australia.

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

**Answer:** To our limited knowledge, the demand for the goods in Australia is much lower than other goods. In 2019, the volume of the goods was only [REDACTED] metric tons. According to our sales data, the total volume of goods has been only [REDACTED] metric tons over the last 3 years.

Our company sold these goods to Australian wholesale distributors at the total invoice of [REDACTED] in 2019 according to the section B-2 in our Excel questionnaire.

To our limited knowledge, the consumption of the goods were heavily influenced by weather and market conditions. In 2019, Australia experienced one of the most severe droughts in history. As a result, the demand for the goods was much lower than 2018 according to the section B-6 in our Excel questionnaire.

As far as we understand, local manufacturers are price leaders of the goods. The price of import products is normally set to be lower than the local price. In order to be competitive, the imported goods must not only have a good quality but also meet the scheduled delivery time.

We suspect that the goods once delivered to our wholesale distributors in Australia are either directly sold to their customers or stored in their warehouses.

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

**Answer:** We don't have a good knowledge of the Australian market structure for the goods as our company only interacts with customers on the high-up level of the supply chain.

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

- an estimation of the market share of each participant.

**Answer:** Our company doesn't have a full knowledge of the local Australian market for the goods and therefore, we don't know which company is a significant market participant and its market share.

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

**Answer:** According to our B-2 Australian sales data, [REDACTED] are the most significant importers in terms of imported volume. However, we have no information about other importers or other countries and their level of trade in the Australian market.

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

**Answer:** Our company doesn't have a strong understanding of the regulatory framework of the Australian market for the goods related to competition policy and taxation. We have a good grasp of the product standard for the goods as the Australian market requires a similar standard to our other markets.

6. Describe any entry restrictions for new participants into the Australian market for the goods. Your response could include information on:

- resource ownership;
- patents and copyrights;
- licenses;
- barriers to entry;
- import restrictions; and
- government regulations(including the effect of those government regulations).

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

**Answer:** We are not aware of any entry restrictions for new participants into the Australian market for the goods.

## K-2 Goods in the Australian market

1. Generally describe the range of the goods offered for sale in the Australian market. The description should include all goods under consideration including those produced by your company. Your description could include information about:

- quality differences;
- price differences;
- supply/availability differences;
- technical support differences;
- the prevalence of private labels/customer brands;
- the prevalence of generic or plain labels;
- the prevalence of premium labels; and
- product segmentation.

**Answer:** In general, products that are offered for sale in the Australian market can be divided into two segments: full-spec and non-spec. The full-spec goods means that steel pipes must comply with the AS/NZ1163:2016 C350 or AS/NZ1163:2016 C250 specifications while the non-spec goods which are under consideration don't have to. Therefore, the non-spec goods are manufactured using the similar requirements as products for our Vietnamese market and other markets. We can't comment on the product quality and price from other manufacturers.

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

**Answer:** We suspect that they are also used for lightweight structural projects such as patio and fence. However, we don't exactly know the end of uses of the goods in the Australian market as we only interact with the wholesale distributor level.

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



**Answer:** We believe that consistent product quality, competitive pricing and timing of delivery are the key product attributes in the descending order of importance.

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

**Answer:** We think that wood can be a substitute in lightweight structural projects but we don't know whether it is commercially significant or not in the Australian market for the goods

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

**Answer:** We don't know if there are any commercially significant market complements in the Australian market for the goods.

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

**Answer:** We don't know if there have been any changes in market or consumer preferences in the Australian market for the goods in the last five years.

### K-3 Relationship between price and cost in Australia

1. Describe the importance of the Australian market to your company's operations. In your response describe:

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

*In responding to question 1 please provide evidence supporting calculations.*

**Answer:** Though the proportion of our company's sales revenue derived from sales of the goods in Australia is very minimal, the Australian market still plays an important role in our company's overall operations as it takes [REDACTED] of our entire sales revenue for our export markets.

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

**Answer:** Our company isn't the price leader for the goods in the Australian market. As far as we understand, Australian customers consider locally made products higher quality and therefore higher price. Some customers only purchase Australia-made products.

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

**Answer:** For the Australian market, our company determines a product pricing using competition-based pricing and cost-plus pricing strategies in the descending order of importance. For example, our pricing is often set in between the price of locally made product and the cost-plus-margin price.

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

**Answer:** The selling prices of the goods under consideration are determined by various factors including the cost of raw material, cost of production, management expense and profit margin.

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

**Answer:** The selling prices of the goods for the Australian market is solely made by the company's chairman or director. The selling price is being reviewed once a month for repeating orders (monthly pricing) or reviewed if a new inquiry is submitted.

6. Rank the following factors in terms of their influence on your pricing decisions in the Australian market, with the most important factor ranked first and the least important factor ranked last:
- Competitors' prices
  - Purchase price of raw materials
  - Cost to make and sell the goods
  - Level of inventory
  - Value of the order
  - Volume of the order
  - Value of forward orders
  - Volume of forward orders
  - Customer relationship management
  - Supplier relationship management
  - Desired profit
  - Brand attributes
  - Other [please define what this factor is in your response]

**Answer:** In the descending order of important factors on our pricing decisions in the Australian market:

1. Purchase price of raw materials
2. Cost to make and sell the goods
3. Volume of the order
4. Competitors' prices
5. Brand's attributes
6. Level of inventory
7. Desired profit
8. Customer relationship management
9. Value of the order
10. Supplier relationship management
11. Value of forward orders
12. Volume of forward orders

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

**Answer:** The selling price in the Australian market is based on multiple factors. The cost to make and sell is one of the critical factors to establish the selling price. As we purchase the goods upon a secured order, we typically maintain a profit margin for our sales. However, there are cases when we need to apply a discount to a contract to compensate for a customer's quality claim.

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

**Answer:** As mentioned earlier, Australian market always demands a consistent product quality. Our company offers price reductions in the method of discounts in the Australian market to compensate our customer when a quality issue arises.

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

**Answer:** No we don't offer bundled pricing in the Australian market.

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

**Answer:** The volume of sales or the size of an order don't have a significant influence on the selling price.

11. Does your organisation/business entity use sales contracts in the Australian market? If yes:
- (a) What proportion of your sales revenue would come from contracted sales versus uncontracted sales?
  - (b) Do you offer exclusivity contracts? If yes, what proportion of your sales revenue would come from exclusivity contracts?
  - (c) How frequently are sales contracts renegotiated?
  - (d) How frequently are price reviews conducted between contracts?
  - (e) Do you provide opportunities for price reviews for customers within contracts? If yes, provide a description of the process and an explanation of the circumstances that might lead to a price review.
  - (f) Do changes in your costs to make and sell enable you to review prices for customers within contracts?
  - (g) Provide a list of the customers under contract during the investigation period and copies of the two largest contracts in terms of sales revenue.

**Answer:** Yes, our company always uses sales contracts but doesn't offer exclusive contracts in the Australian market. Our company offers a ballpark pricing to Australian customers on a monthly basis for normal products and the selling price may vary depending on a specific purchase order and its product requirements. The sales contracts are normally not renegotiated once it is mutually signed. Below are the customers under contract during the investigation period:



The two largest contracts are provided in the section B-3.

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

**Answer:** Our company offers different pricings to Australian customers upon receiving their specific inquiries and the purchase orders' requirements.

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

**Answer:** We differentiate pricing between the product specifications in the Australian market. For example: our company typically offers a higher price for the products that are compliant with the AS/NZ1163:2016 standard than for the products that are compliant with the ASTM A500. The price is also higher if a product is under minimum order quantity and can't be combined for producing or there are other product requirements needed such as cut-to-length, custom marking, thicker zinc coating and bundle wrapping.

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

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

**Answer:** No, we don't tier or segment our Australian customers for the goods in terms of pricing.

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

**Answer:** No, we don't sell the goods to related entities in Australia.

#### K-4 Marketing and sales support in the Australian market

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

**Answer:** Our company has no marketing activities for the goods in the Australian market. Our customers that are major wholesale distributors, have actively reached out to us for their inquiries.

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

**Answer:** Our company doesn't conduct brand segmentation in the Australian market for the goods.

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

**Answer:** Not applicable as our company hasn't done any advertisements or promotion campaigns of the goods over the past five years.

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

**Answer:** Our company's export team for Australia is located in Hanoi, Vietnam. We have one person that is in charge of the Australian market and is on a fixed pay salary.

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

**Answer:** The selling prices of the goods when negotiating sales with customers is solely made by the company's chairman or director. The selling price is determined by the purchase price of the goods, management expense and profit margin. An Export staff who is responsible for the Australian market, is mainly in charge of managing relationships with the assigned customers, answering their questions, fulfilling the customers' contracts and handling product quality/quantity claims.

## SECTION L COUNTERVAILING

The following programs are being investigated:

Category	Program number	Program name
Less than adequate remuneration (LTAR)	22	Acquisition of State Assets at Less Than Fair Market Value
Grant	2	Support for the Implementation of Projects Manufacturing Priority Industrial Products (Updating Programme III of 2003-2004)
	3	Investment Incentives Contingent upon Export Performance For Domestic Businesses (Updating Programme IV of 2003-2004)
	4	Other Investment Incentives for Domestic Businesses (Updating Program V of Period 2003-2004)
	5	Investment Incentives Contingent upon Export Performance for Foreign Invested Enterprises (Updating Programme VI of the Period 2003-2004)
	6	Other Investment Incentives for Foreign Invested Enterprises (Updating Programme VII for Period 2003-2004)
	7	Preferential Investment Credit for Development Contingent upon Export Criteria (Updating Programme VIII of Period 2003-2004)
	8	Preferential Development Credit for Investment Contingent Upon Localisation Ratios (Updating Programme IX of Period 2003-2004)

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	9	Other Preferential Investment Credit for Development (Updating Program X of Period 2003-2004)
	10	Export Promotion
	11	Trade Promotion (Updating of Programme XIII of Period 2003-2004)
	12	Support for Mechanical Products (Updating Program XV of Period 2003-2004)
	13	Support for Shipbuilding Industry (Updating of Programme XV of Period 2003-2004)
	14	Assistance for Commercial Development in Mountainous, Island and Ethnic Minority Areas (Updating Programme XVI of Period 2003-2004)
	15	Assistance to Enterprises Facing Difficulties due to objective reasons
	16	Incentives for Investment Projects in Science and Technology (Updating Programme XVIII of Period 2003-2004)
	20	Grants to Firms that Employ More than 50 Employees
	21	Investment Support (consisting of two separate programs)
Preferential Loan	23	Export & Import Support in the Form of Preferential Loans, Guarantees, and Factoring (consisting of five separate programs)
	24	Export Support Loans at Preferential Rates
	25	Interest Rate Support Program under the State Bank of Vietnam

**PUBLIC RECORD VERSION**

	26	Preferential Lending under the Viet Bank Export Loan Program
Tax	18	Incentives on corporate income tax for enterprises operating in regions or sectors entitled to incentives
	19	Incentives on non-agricultural land use
	27	Accelerated Depreciation of Fixed Assets
	28	Additional Income Tax Preferences for Exporters
	29	Enterprise Income Tax Exemption/Reduction for Business Expansion and Intensive Investment Projects
	30	Enterprise Income Tax Preferences, Exemptions, and Reductions (consisting of seven separate programs)
	31	Establishments Dealing with Exported Goods
	32	Exemption of Import Tax on Equipment and Machinery Imported to Create Fixed Assets
	33	Exemptions/reductions of Land Rent, Tax, and Levies (consisting of five separate programs)
	34	Land-Use Levy Exemptions/Reductions
	35	Preferential Income Tax Rates for Enterprises within Economic Zones or Industrial Parks
	36	Preferential Provisions for Carry-forward of Losses
	37	Tax Exemptions and Reductions for Encouraged Sectors
	38	Tax Exemptions and Reductions for Foreign-Invested Enterprises

	39	Tax Exemptions and Reductions for Investment in Disadvantaged Regions
	40	Tax Exemptions and Reductions for Investments in Economic Zones or High-Tech Industrial Parks
	41	Tax Preferences for Investors Producing and/or Dealing in Export Goods
Tariff Policy	1	Preferential Import Tariff Rates contingent upon Localisation Ratios with respect to products and Parts of Mechanical-Electric-Electronic Industries (updating Programme II of Notification of Subsidies period 2003-2004)
	17	Preferential Import Tariff Rates for enterprises investing in regions or sectors entitled to investment incentives
	42	Excessive Duty Exemptions for Imported Raw Materials for Exported Goods
	43	Exemptions of Import Duty (consisting of seven separate programs)
	44	Refund of Import Duties

## L-1 General

- Complete the worksheet named "L-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.

**Answer:** Please refer to the "L-1 Company turnover".

## L-2 Provision of goods

The Commission understands that the Government of Vietnam has supported a program entitled Acquisition of State Assets at Less Than Fair Market Value.

- Complete the worksheet named "L-2 Provision of goods"
  - This worksheet is a table of the assets (land, equipment, etc.) purchased by the 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.



**Answer:** Not applicable as our company hasn't acquired any state assets at all over the period and the two preceding years. Going back to our establishment, our company also hasn't purchased any state assets.

2. For the assets identified in L-2.1:
  - a. Indicate which goods you produced that benefited from the purchase of the assets.
  - b. Provide a copy of the contract and application form, or any other documentation, relevant to the purchase of the assets.
  - c. Provide evidence of the purchase of the asset.
  - d. Provide evidence of the valuation of the market value of the assets.

**Answer:** Not applicable as our company hasn't acquired any state assets at all over the period and the two preceding years. Going back to our establishment, our company also hasn't purchased any state assets.

### **L-3 Preferential tax programs**

1. Complete the worksheet named "L-3 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.

**Answer:** Please refer to the "L-3 Income Tax"

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.

**Answer:** Please see our annual tax return for the last three financial years attached in the L-3 folder.

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.

**Answer:** Please see our tax payments for the last three financial years attached in the L-3 folder.

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?

**Answer:** Please refer to the "L-3 Income Tax". The general tax rate has been 20%.

5. Did your company pay less than the general tax rate for enterprises referred to in question I-3.4?  
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.

**Answer:** Our company has been always compliant with the tax obligation that is publicly required by the Department of Taxation of Vietnam. We don't pay less than the general tax rate.

## L-4 Financial grants

1. Complete the worksheet named "L-4 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.

**Answer:** Not applicable as our company has not received any grants from the government of Vietnam over the period plus the two preceding years.

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.

**Answer:** Please refer to our non-operating income and/or other business income ledgers of 2017, 2018 and 2019 attached in the folder L-4.

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.

**Answer:** Not applicable as our company has not received any grants from the government of Vietnam over the period plus the two preceding years.

4. For each of the grants listed in L-4.3:
  - a. What is the name of the grant?
  - b. What is the name of the authority providing the grant?
  - c. What is the eligibility criteria to receive the grant?
  - d. Is the grant directly related to the goods under consideration, export sales to Australia and/or export sales generally?
  - e. Provide details of the application process.
  - f. Provide a copy of the blank application form. If the documents are not in English, please provide a translation of the documents.
  - g. 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.
  - h. 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.
  - i. Provide proof of payment of your company receiving the grant (e.g. bank statements).
  - j. Provide a copy of the accounting journal entries relating to the grant.
  - k. Outline the fees charged to, or expenses incurred by your business for purposes of receiving the grant.

**Answer:** Not applicable as our company has not received any grants from the government of Vietnam over the period plus the two preceding years.

## L-5 Tariff and VAT exemptions on imported materials and

## equipment

If your business or any company/entity related to your business received benefits under any program that provided an exemption from the payment of import duty and import VAT during the review period, please answer the following questions.

1. Please complete worksheet "L-5 VAT and tariff transactions".

**Answer:** Please refer to the "L-5 VAT and tariff transactions".

2. Provide complete details involving the amount of the VAT refund received, including whether the refund was received in a lump sum or multiple instalments.

**Answer:** Our company hasn't received any VAT refund.

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

**Answer:** Not applicable as our company never filed VAT refund.

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

**Answer:** Not applicable as our company never filed the application form or other documentation to apply for the program.

5. Outline the fees charged to or expenses incurred by your business in receiving the program.

**Answer:** Not applicable as our company never filed the application form or other documentation to apply for the program.

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

**Answer:** Not applicable as our company never filed the application form or other documentation to apply for the program.

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

- (a) whether or not your business exports internationally, 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.

**Answer:** Not applicable as our company never participated in the program and therefore, we have no understanding of its eligibility and requirements.

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

**Answer:** Not applicable as our company never participated in the program.

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

**Answer:** Not applicable as our company never participated in the program.

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

**Answer:** Not applicable as our company never participated in the program.

11. Were the materials and/or equipment that were entitled to a refund of VAT used in the production of the goods during the investigation period? If yes, provide the following information:

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

**Answer:** Not applicable as our company never participated in the program.

12. Has your company received exemption from payment of or refunds of import duty and import VAT for imported material inputs (e.g. hot rolled coil, coking coal and coke) at any time that were used in the production of the goods during the investigation 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.

**Answer:** Our company receives import tax and VAT exemption only for the imported material input that is used for the export purpose. Please see the entries from row 31 to row 35 in the "L-5 VAT and tariff transactions".

13. Explain if (and how) the Government of Vietnam 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).

**Answer:** Annually, CDI must issue the reports on the production of exported goods and submit them to the Department of Vietnam Customs office. According to the Department process, they are required to make post-customs clearance inspection visits at the enterprises to audit the actual production of goods imported for trade and export (including the loss ratio attained). This is their critical activity to properly control export-import activities, prevent smuggling and trade fraud, and help prevent revenue losses for the Vietnamese government.

14. Explain how the Government of Vietnam 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.

**Answer:** Our accounting method is based on a weighted average. The costs of raw materials, auxiliary materials and other production inputs are recorded on average of the production output. Our company has been declaring tax exemption on only the main imported raw materials (Hot Rolled Coil) for the exporting purpose which are separated during production. It is difficult to clearly separate the other auxiliary materials as mentioned in item (b) for export production or other production.

15. Provide a representative sample of copies of import entry documents (for example: bill of entry, invoice from supplier, etc.) for each type of importation covering duty-exempt inputs and duty-paid inputs imported for use in the manufacturing of the subject goods.

**Answer:** Please refer to the L-5 folder.

16. In addition to the import entry documents, you must also provide copies, if applicable, of any applications submitted to and/or approval document received from the Government of Vietnam 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.

**Answer:** There are not any required applications or approval documents from the Government of Vietnam 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.

We only need to declare it on the import customs declaration form and state the purpose of the material. The declaration form can be found in the L-5 folder.

17. Provide copies of reports and audits by the Government of Vietnam 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.

**Answer:** Please refer to the L-5 folder.

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

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?

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

**Answer:** To our limited knowledge, the input tax exemption for export production is still active and ongoing.

## L-6 Preferential Loans/Financial Assistance

It is the Commission's understanding that certain enterprises in Vietnam benefit from low (subsidised) interest rates or credit facilities from state owned commercial banks and government banks.

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

**Answer:** Our company is a private and limited liability business with 2 shareholders. The company's capital for operation are primarily from the two sources:

- Charter capital and loans from the company's shareholders.
- Bank loans

Provide answers to the following questions in the worksheet "L-6 Preferential Loans".

2. Provide a list of all the loans provided to your company from banks and financial institutions which have not been fully reimbursed by the end of the investigation period.

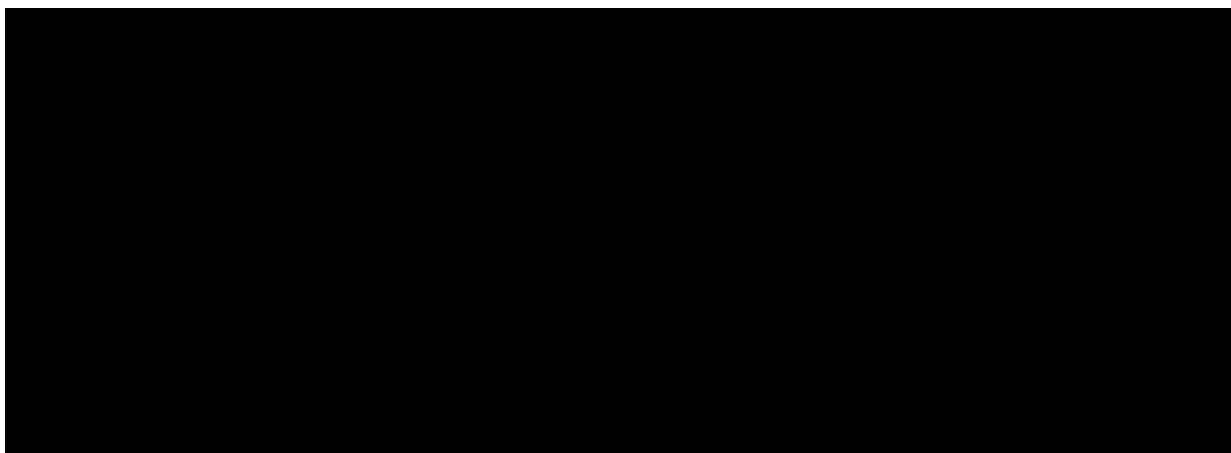
**Answer:** Please refer to the “L-6 Preferential Loans”.

3. Provide specific details of the loan, including the start date of the loan, the principal amount of the loan, terms and conditions of the loan, purpose of the loan, the repayment terms/frequency, repayment amount, interest rate, interest type (e.g. fixed, variable etc.), if the loan has been redrawn any time during its duration, please provide the redraw date, amount and the reason for redraw.

**Answer:** Please refer to the detail excel file in the attachment folder of L-6

4. Indicate whether each bank is domestically or foreign-owned and give the percentage of government ownership of each bank (including ownership by entities owned or controlled by a government).

**Answer:**



5. In the case of each loan from a government-owned or controlled bank, 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?

**Answer:** Our company chooses multiple banks to finance our purchase of raw materials. In Vietnam, Government banks have a wider network and stronger reputation than commercial banks that are more favored by sellers. Terms and conditions of loans between the government and commercial banks are similar.

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.

**Answer:** Our company chooses multiple banks to finance our purchase of raw materials including hot rolled coil and zinc. The loans are used only to finance the production purpose and can't be used to invest in fixed assets.

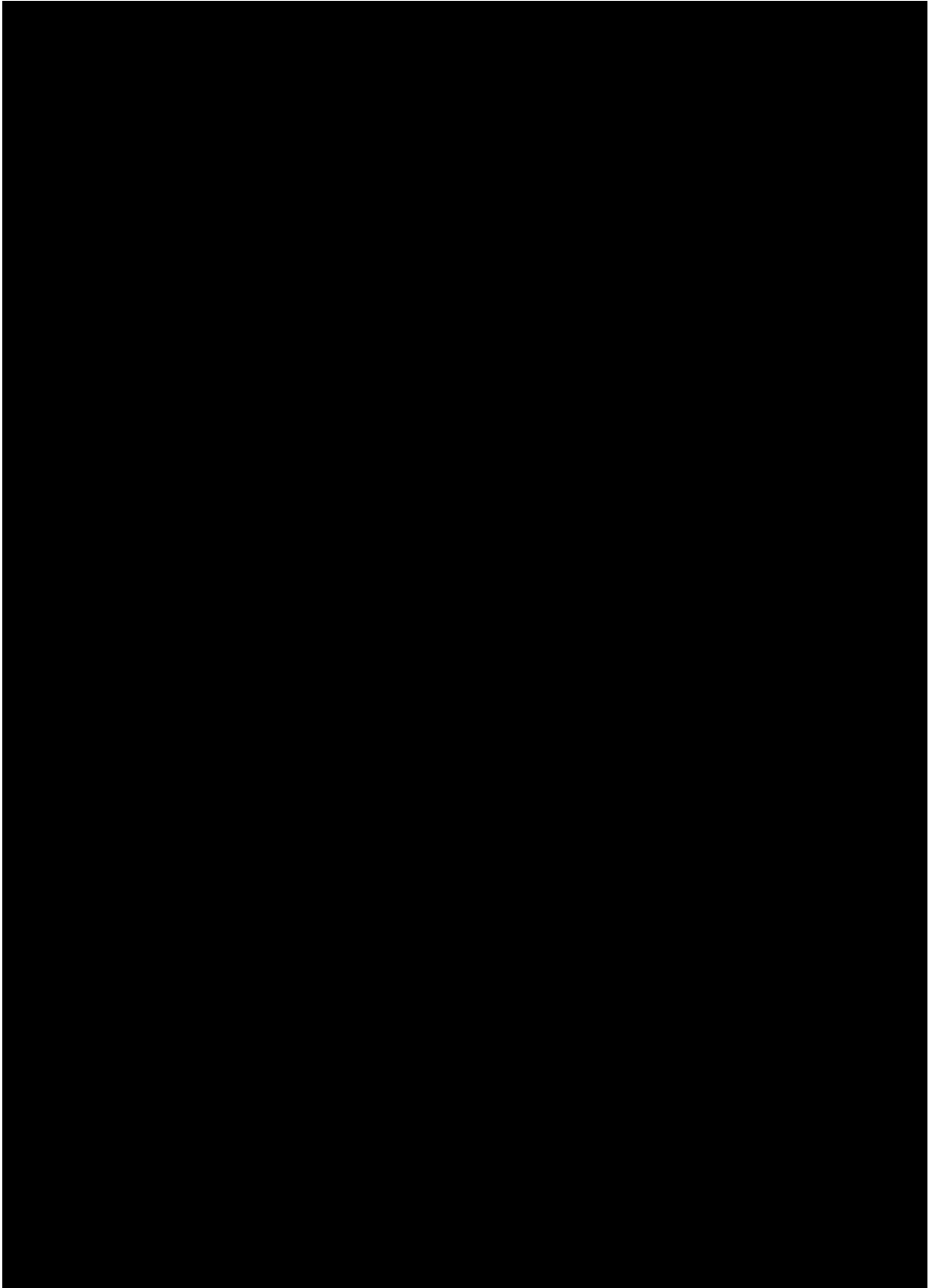
General loan applying process:

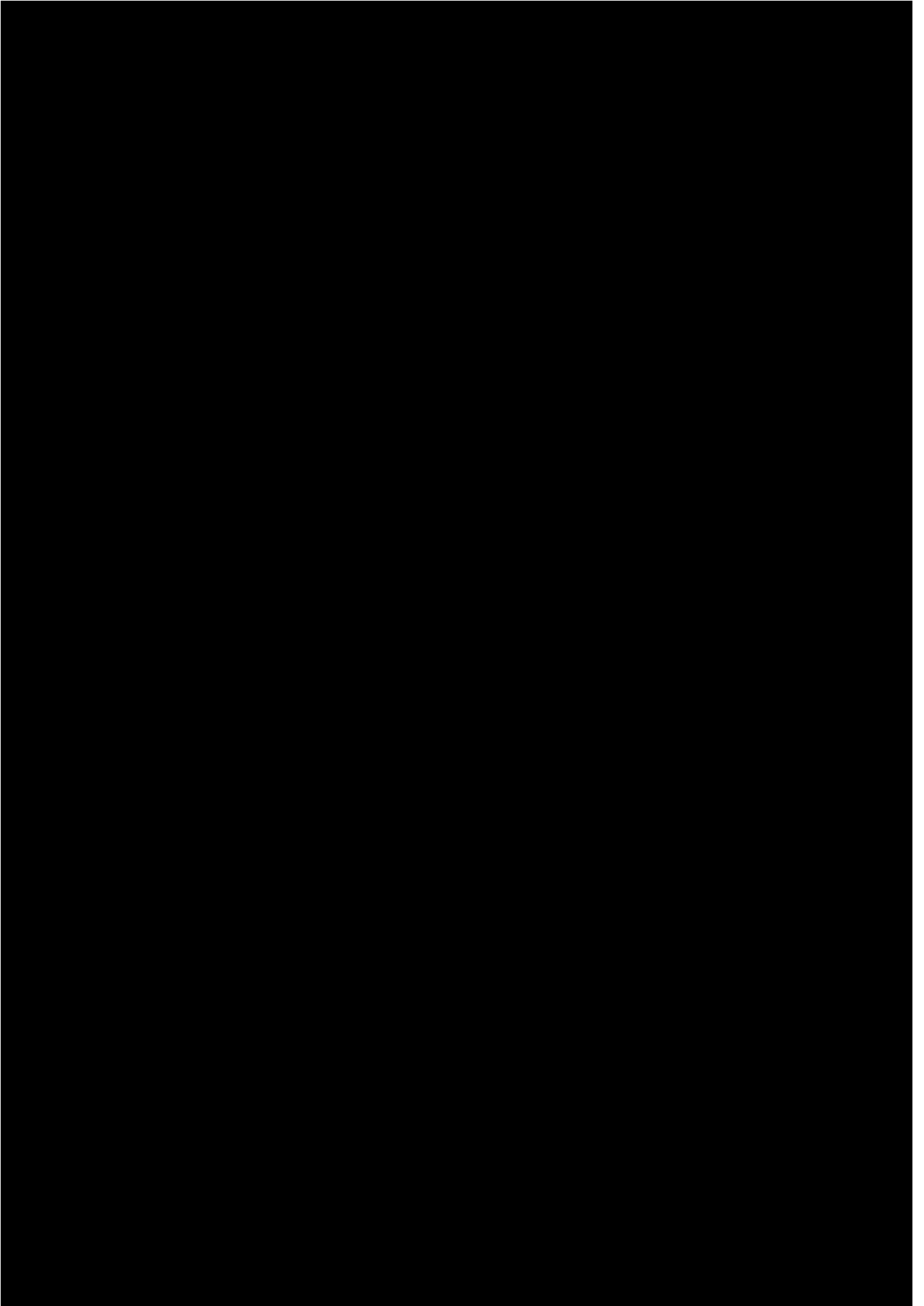
- Company's shareholders come to a mutual decision about having additional working capital for production.
- Company prepares the loan application form provided by bank(s)
- Company files the application and other related documents including recent financial statements.
- Bank appraiser is assigned after receiving the application. He/she will make an on-site visit to our company including office, production facilities to gain an understanding about business operations.

**PUBLIC RECORD VERSION**

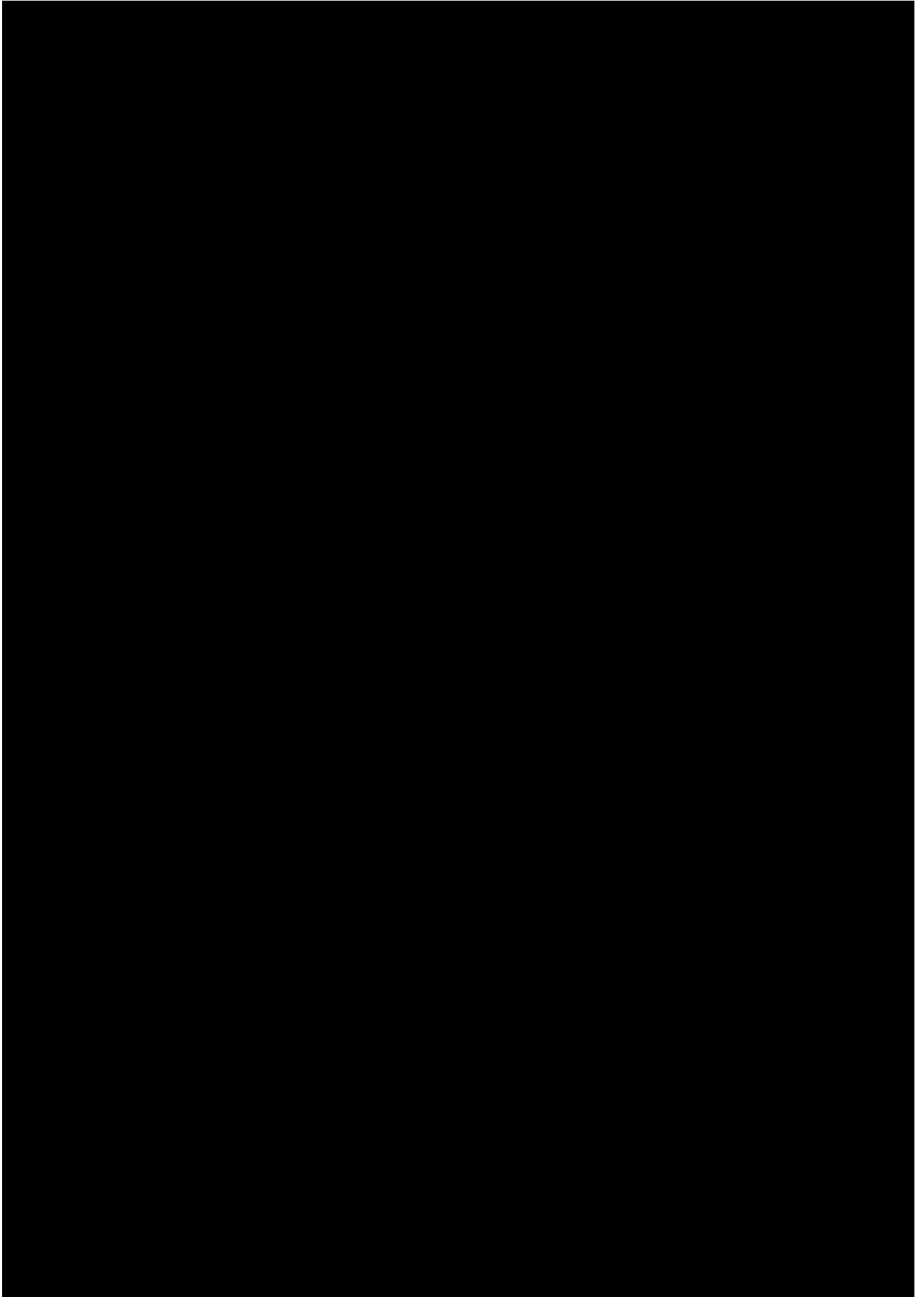
- After reviewing all submitted documents and information from the on-site visit(s), the bank (lender) will make the final decision about the loan application and required conditions for the approved loan application.

Please see some lending conditions below:









7. For each of the loans listed, provide copies of signed loan agreements between the bank which provided the loan and company which was the addressee of the loan specifying the conditions of the loan such as amount, term of repayment, interest rate etc. Also provide a copy of your application for the loan.

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

**Answer:** please refer to the folder attachment of L6-7

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.

**Answer:** The objective of a business loan is to purchase raw materials for production, with no purpose in relation to any government development program or plan. There are no copies or any related documents

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.

**Answer:** There is no third party involvement such as government departments, local councils, party committees.

10. In the “L-6 Preferential Loans” spreadsheet, provide the information requested on guarantees for the loans provided to your company.

**Answer:** There is no concessional loan.

11. Please give details of all loan applications during the investigation period which were refused. Provide the name of the bank, the amount of the loan requested and the reasons for refusal.

**Answer:** No loan applications were denied

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.

**Answer:** Not applicable.

## L-7 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).

**Answer:** Hung Yen Province

2. Are you aware of any programs of the Government of Vietnam, 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.)

**Answer:** We are not aware of any programs of the Government of Vietnam, any of its agencies or any other authorised body that benefits manufacturers of the goods that have not been accounted for in this questionnaire.

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

**Answer:** Not applicable as we are not aware of any programs.

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 at below-market rates; or
  - any other form of assistance.

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

**Answer:** Not applicable as we are not aware of any programs.

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

**Answer:** Not applicable as we are not aware of any programs.

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

**Answer:** Not applicable as we are not aware of any programs.

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

**Answer:** Not applicable as we are not aware of any programs.

8. Where applicable, provide copies of the application form or other documentation used to apply for the program, all attachments, all contractual agreements entered into between your business and the Government of Vietnam and any other official governing documentation in relation to the program<sup>3</sup> (including a translation in English).

**Answer:** Not applicable as we are not aware of any programs.

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

**Answer:** Not applicable as we are not aware of any programs.

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

**Answer:** Not applicable as we are not aware of any programs.

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.

**Answer:** Not applicable as we are not aware of any programs.

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.

**Answer:** Not applicable as we are not aware of any programs.

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.

**Answer:** Not applicable as we are not aware of any programs.

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

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<sup>3</sup> A link to an active website setting out the relevant official governing documentation is also acceptable.

**PUBLIC RECORD VERSION**

**Answer:** Not applicable as we are not aware of any programs.

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

**Answer:** Not applicable as we are not aware of any programs.

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?

**Answer:** Not applicable as we are not aware of any programs.

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

## **EXPORTER'S DECLARATION**

I hereby declare that....[CHINH DAI INDUSTRIAL COMPANY LTD](#)....(company)  
have completed the attached questionnaire and, having made due inquiry, certify that the information  
contained in this submission is complete and correct to the best of my knowledge and belief.

**Name** :.....

**Signature** :.....

**Position in**

**Company** :.....

**Date** :.....

## APPENDIX

### GLOSSARY OF TERMS

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

#### Adjustments

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

Examples of adjustments that may be made include: *sales occurring at different times* (it is sometimes necessary to compare domestic and export sales made at different times - in these circumstances an adjustment may be made to reflect price movements during that time); *specification differences; packaging; taxes; level of trade; advertising; 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

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 carriage paid to
CIP	carriage and insurance paid to the terms CPT and CIP are used as alternatives to CFR and CIF where the goods are carried by air, road, rail etc.
DAF	delivered at frontier (goods carried by rail or road and cleared for export at the named place at the frontier. Pay costs until delivered at the frontier plus any discharge costs incurred to place the goods at the customer's disposal)
DES	delivered ex ship (goods made available to the buyer on board the ship uncleared for import at



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

### **The period**

A period 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.

**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.