



Australian Government
Department of Industry, Science,
Energy and Resources

Anti-Dumping Commission

Exporter Questionnaire – Chinese Exporters

Case number: 557

Product: Certain Copper Tube

From: The People's Republic of China and the Republic of Korea

Investigation period: 1 July 2019 to 30 June 2020 (the period)

Response due by: 12 October 2020

Email enquiries to: investigations2@adcommission.gov.au

Anti-Dumping Commission website: www.adcommission.gov.au

Responses to the exporter questionnaire must be submitted via SIGBOX. Please contact the Commission on the above email address to request access to SIGBOX.

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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	√
Section B Export sales to Australia	√
Section C Exported goods & like goods	√
Section D Domestic sales	√
Section E Due allowance	√
Section F Third country sales	√
Section G Cost to make and sell	√
Section H Particular market situation	√
Section I Countervailing	√
Section J Chinese market	√
Section K Production and production costs	√
Section L Australian market	√
Section J Chinese market for copper tube	√
Exporter's Declaration	√
Non-confidential version of this response	√

Attachments	Please tick if you have provided spreadsheet
B-2 Australian sales	√
B-4 Upwards sales	√
B-5 Upwards selling expenses	√
D-2 Domestic sales	√
F-2 Third country sales	√
G-3 Domestic CTM	√
G-4.1 SG&A listing	√
G-4.2 Dom SG&A calculation	√
G-5 Australian CTM	√

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G-7.2 Raw material CTM	N/A
G-7.4 Raw material purchases	√
G-8 Upwards costs	√
I-1 Company Turnover	√
I-2 Raw Material Purchases (if required)	√
I-3 Income Tax	√
I-4 Grants	√
I-5 Preferential loans	√
I-6 Tariff and VAT exemptions	√
I-7 Debt to equity swaps	N/A
I-8 Unpaid dividends	N/A

I :AILIANG

ZHEJIANG HAILIANG CO.,LTD

ZhujiCity Zhejiang Prowice

Tel: 0086-575-87655323

Fax: 0086-575-87062362

Exporter's Declaration

I hereby declare that **ZHEJIANG HAILIANG CO., LTD.** 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 : Jiang Lirong

Signature

蒋利荣

Position in

Company : Manager of Zhejiang Hailiang Co., Ltd.

Date : 30 October 2020



SECTION A COMPANY INFORMATION

A-1 Company representative and location

1. Please nominate a contact person within your company:

Name: Ms. Xu Haiying

Position in the company: Manager of International Trade Department

Telephone: []

E-mail address: []

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

Name:

Address:

Telephone:

E-mail address:

Name:

Address:

Telephone:

E-mail address:

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.

RESPONSE:

The domicile and headquarter of Zhejiang Hailiang is at No. 386, Jiefang Road, Diankou Town, Zhuji City, Zhejiang Province, P.R. China.

Factory of the goods is at No. 466, Zhongyang Road, Diankou Town, Zhuji City, Zhejiang Province, P.R. China.

Financial records related to production and sales of the goods are stored at the factory, while those related to activities of headquarter are stored at the headquarter.

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

RESPONSE:

Please refer to the response to the question A-1.3.

A-2 Company information

1. What is the legal name of your business?

RESPONSE:

Zhejiang Hailiang Co., Ltd. ("Zhejiang Hailiang").

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

RESPONSE:

Zhejiang Hailiang does not trade under a different name or brand.

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

RESPONSE:

Zhejiang Hailiang was not known by other legal or trading name.

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

RESPONSE:

The composition of current board of directors of Zhejiang Hailiang is as follows:

Title	Name
Chairman	Zhu Zhangquan
Director	Chen Dong
Director	Jin Gang
Director	Jiang Limin
Director	Qian Ziqiang
Director	Chen Shucui
Independent director	Fan Shunke
Independent director	Deng Chuan
Independent director	Liu Guojian

The changes in the last two years:

Name	Title	Date	Change
Feng Luming	Director	16/09/2019	Expiration of the term of office
Jiang Shaojun	Director	16/09/2019	Expiration of the term of office
Zhang Jingzhong	Independent director	16/09/2019	Expiration of the term of office
Ye Xuefang	Independent director	06/12/2018	Expiration of the term of office
Deng Chuan	Independent director	06/12/2018	Take office

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

RESPONSE:

Attachment A-1.5(a) is Affiliation Chart showing Zhejiang Hailiang's ownership structure, in which shareholders owning 5% or more shares in Zhejiang Hailiang have been named out, the rest shareholders are combined in "other minor shareholders".

Only those subsidiaries which are involved in sales of the goods are named out in Attachment A-1.5(a). For a detailed list of related companies and their functions, please refer to Attachment A-1.5(b).

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 shareholders²

If no, please provide:

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

RESPONSE:

² 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.

Zhejiang Hailiang is a public company listed on Shenzhen Stock Exchange.

At the end of POI, principle shareholders of Zhejiang Hailiang are:

Shareholder	Holding ratio (%)
Hailiang Group Co., Ltd.	40.01%
Z & P Enterprises LLC	10.92%
Zhejiang Hailiang Charity Foundation	5.14%

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.

RESPONSE:

Zhejiang Hailiang is mainly engaged in the research & development, manufacturing and sales of [].

Zhejiang Hailiang mainly sells to [].

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.

RESPONSE:

Zhejiang Hailiang is the producer and domestic seller of the goods.

When exporting to foreign markets, Zhejiang Hailiang exports through [], which is 100% directly owned by Zhejiang Hailiang. Zhejiang Hailiang negotiates directly with foreign customers and determines the export price; goods are shipped directly from Zhejiang Hailiang to foreign customers. []

[] (detailed sales process is provided in response to Section B-1). Therefore, Zhejiang Hailiang should be recognized as the actual exporter, while [].

9. Provide your company's internal organisation chart.

RESPONSE:

Please refer to Attachment A-2.9.

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

The function of each department is self-explanatory according to the name of department, please refer to Attachment A-2.9.

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

RESPONSE:

Zhejiang Hailiang does not have brochures.

A-3 General accounting information

1. What is your financial accounting period?

RESPONSE:

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The financial accounting period starts on January 1st, ends on December 31st.

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

RESPONSE:

The financial accounts is audited by Wuyige Certified Public Accountants LLP.

3. What currency are your accounts kept in?

RESPONSE:

The accounts are kept in RMB.

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

RESPONSE:

Zhejiang Hailiang uses SAP system.

5. What is the name of your sales system?

RESPONSE:

Zhejiang Hailiang uses SAP system.

6. What is the name of your production system?

RESPONSE:

Zhejiang Hailiang uses SAP system.

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.

RESPONSE:

Data of financial accounting, sales, and production are recorded in SAP system.

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

RESPONSE:

Zhejiang Hailiang follows the generally accepted accounting principles of China.

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

RESPONSE:

The changes to accounting policies are explained in details in auditor's reports. Please refer to Attachment A-4.1.

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.

RESPONSE:

Please refer to **Attachment A-4.1** in which the auditor's reports for 2018 and 2019, of Zhejiang Hailiang and [], are provided.

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.

RESPONSE:

Financial statements of Zhejiang Hailiang and [] are audited and auditor's reports are provided as Attachment A-4.1, therefore, this question is not applicable.

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.

RESPONSE:

Zhejiang Hailiang has the setting of profit centres in its SAP system. There are six profit centres, and the code of each centre is listed below:

Profit centre	Code
[]	[]
[]	[]
[]	[]
[]	[]
[]	[]
[]	[]

Only [] is involved with the production and sales of the goods. Its profit & loss statements are provided as Attachment A-4.3.

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.

RESPONSE:

Zhejiang Hailiang provides (1) income statement of first half 2019; (2) income statement of year 2019; and (3) income statement of first half 2020. Please refer to Attachment A-4.4.

The SAP could not directly generate income statement of POI, for it stretches across two financial accounting years.

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

RESPONSE:

Trial balance for period from July 2019 to December 2019 and from January 2020 to June 2020 is provided as Attachment A-4.5. SAP cannot generate trial balance for period which covers two financial years, therefore, the trial balance for the POI can only be provided in two separate periods.

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

RESPONSE:

The chart of accounts are provided as **Attachment A-4.6**.

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

RESPONSE:

To illustrate the export channel to Australia, Zhejiang Hailiang provides the **Attachment B-1 Australian Export Channel**.

Zhejiang Hailiang, the producer & exporter of the goods under concern, negotiates sales terms, such as prices, products specification, quantity, etc., with its Australian customers. Customers then issue the purchase order to Zhejiang Hailiang for confirmation. Zhejiang Hailiang confirms the purchase order, and []. After that, Zhejiang Hailiang arranges the production. Upon the completion of production, Zhejiang Hailiang packs the goods and ships them to the customer.

Zhejiang Hailiang usually adopts FOB and CIF term when exports to Australia. The goods are transported to port from Zhejiang's factory and delivered on the board. Under CIF term, Zhejiang Hailiang undertakes the ocean freight for carriage to named port and ocean insurance for goods while in transit.

[

]

Upon the receipt of invoice and based on the mutual agreed payment term, the Australian customers will make the payment to [].

Information redacted relates to detailed sales process conducted by Zhejiang Hailiang which includes business confidential information.

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?

RESPONSE:

Zhejiang Hailiang invoices to Australian customers in US dollar ("USD"). [], Zhejiang Hailiang would also adopt Australian dollar ("AUD").

Australian customers pay to [] in invoiced currency. [] has different bank accounts to accept remittance in different currencies.

Exchange rate in accounting system is the one published by People's Bank of China ("PBOC") on the first working day of each month, and monthly updated.

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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.

RESPONSE:

Zhejiang Hailiang has one related customer in Australia, i.e. []. The selling price offered to [] has no difference with that to unrelated customer.

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

RESPONSE:

Sales are not made according to price list.

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.

RESPONSE:

Zhejiang Hailiang does not offer different selling prices to different distribution channels.

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.

RESPONSE:

Zhejiang Hailiang did not provide on-invoice discount or off-invoice rebates to its Australian customer during the POI.

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.

RESPONSE:

Zhejiang Hailiang did not provide credit or debit notes to its Australian customer during the POI.

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:
- What date are you claiming as the date of sale?
 - Why does this date best reflect the material terms of sale?

RESPONSE:

Zhejiang Hailiang does not challenge the use of invoice date as 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.

RESPONSE:

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Zhejiang Hailiang has prepared the **Attachment B-2** per instruction.

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

RESPONSE:

Please refer to [Attachment B-2.2 Source List](#).

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.

RESPONSE:

Zhejiang Hailiang has prepared the required documents for the two largest invoices by value of the goods, i.e. [] and [], as [Attachment B-3](#).

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.

RESPONSE:

Please refer to [annotation in Attachment B-3](#).

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.

RESPONSE:

Please refer to [Attachment B-4 Upwards Sales](#).

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.

RESPONSE:

[Income statements of profit centres are provided as Attachment B-4.2](#).

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.

RESPONSE:

Please refer to [Attachment B-4.2](#) and [column E in Attachment B-4](#).

B-5 Reconciliation of direct selling expenses to financial accounts

1. Please complete the worksheet named “**B-5 Upwards selling expense**” to demonstrate that the direct selling expenses (e.g. Inland transport) in B-2 and D-2 are complete.
 - You must provide this list in electronic format using the template provided.
 - Please use the currency that your accounts are kept in.
 - If you have used formulas to complete this worksheet, these formulas must be retained.

RESPONSE:

Please refer to Attachment B-5.

Zhejiang Hailiang would like to explain that there is difficulty in reconciling the direct selling expenses reported in Attachment B-2 and D-2 to that recorded in financial records of POI.

The main reason is that the adjustment in Attachment B-2 and D-2 is reported per transaction, but at most of the time, it is not booked in the same month as the transaction. Zhejiang Hailiang books these expenses when it receives invoices from the supplier, for example, inland freight carrier. However, the carrier would not issue the invoice per each shipment, it usually issues invoice for the total shipments of one month; and such invoice is issued one or two months later. Hence, it is not possible to reconcile the adjustments reported in worksheet with the direct sales expenses booked within the POI.

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.

RESPONSE:

Please refer to the response to section B-5.1.

3. For any amount in the “B-5 Upwards selling expense” worksheet that is hard coded (i.e. not a formula), please cross-reference by providing:
 - the name of the source document, including the relevant page number, in column C of the worksheet; and
 - highlight or annotate the amount shown in the source document.

RESPONSE:

Please refer to the response to section B-5.1.

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.

RESPONSE:

The goods exported from Zhejiang Hailiang to Australia include plumbing tubes, refrigeration tubes and engineering tubes. Detailed information has been reported in Attachment B-2.

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.

RESPONSE:

MCCs of the goods exported to Australia by Zhejiang Hailiang during the POI are:

SN	MCC
1	P-B-U-U-S-P
2	P-B-L-U-S-P
3	P-H-U-U-S-P
4	R-H-U-C-S-P
5	P-B-U-C-S-P
6	P-H-U-C-S-P
7	P-B-L-C-S-P
8	R-H-U-U-S-P
9	R-B-U-C-S-P
10	E-H-U-U-S-P
11	E-S-U-U-S-P
12	R-S-U-C-S-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.

RESPONSE:

The goods sold domestically by Zhejiang Hailiang include plumbing tubes, refrigeration tubes and engineering tubes. Detailed information has been reported in Attachment D-2.

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.

RESPONSE:

MCCs of the goods sold domestically by Zhejiang Hailiang during the POI are:

SN	MCC
1	E-H-U-U-S-P
2	R-B-U-U-S-P
3	R-H-U-U-S-P
4	P-H-U-U-S-P
5	R-B-U-C-S-P
6	P-H-L-U-S-P
7	R-H-U-C-S-P
8	E-H-U-C-S-P
9	P-H-U-C-S-P
10	P-B-U-C-S-P
11	P-B-U-U-S-P
12	E-B-U-U-S-P
13	E-B-U-C-S-P
14	P-B-L-U-S-P
15	R-S-U-U-S-P
16	R-S-U-C-S-P
17	P-S-U-U-S-P
18	P-S-U-C-S-P
19	E-S-U-U-S-P
20	E-S-U-C-S-P

C-3 Consideration of additional MCC subcategories applying to outside diameter, wall thickness and/or length

At this stage, the Commission has not included MCC categories relating to outside diameter, wall thickness or length in this questionnaire. At the time of issuing this questionnaire the Commission has not determined appropriate subcategories for these characteristics. However, this questionnaire requires exporters to provide information on these characteristics in relation to both domestic and export sales. The Commission invites submissions from interested parties on the appropriate subcategories, if any, that should apply to outside diameter, wall thickness or length of the goods in relation to determining the MCC structure.

1. Provide a list of the relevant subcategories that your company considers that should apply to:
 - Outside diameter;
 - Wall thickness;
 - Length

RESPONSE:

Zhejiang Hailiang recommends that the comparison between domestic and Australian sales should be made between the same specifications, including outside diameter, wall thickness and length, if required.

Besides, Zhejiang Hailiang would like to make suggestion on the composition of MCC. When organizing the cost sheet G-3 and G-5, Zhejiang Hailiang noticed there is a difficulty in reporting MCC as required, for the category "Cap". As introduced before, Zhejiang Hailiang adopts SAP system in its financial accounting. In SAP, product is assigned with its exclusive material code, and cost is accounted based on material code. In preparing the G-3 and G-5, Zhejiang Hailiang relied on the cost reports exported from SAP, and used the material code to identify relevant MCC. The material code

encompass detailed product characteristics which is used to prepare the MCC (for detailed explanation, please refer to section C-4 below), but it does not include whether the cap is used. Including cap or not is a requirement from the customers. So, for a material code, it may have cap and it may not, based on what the customer requires. Therefore, in sales table B-2 and D-2, Zhejiang Hailiang could organize the complete MCC, because technician staff would know for each transactions that whether the customer asks for using caps, but it is impossible to identify, in cost table, which material code uses cap.

Zhejiang Hailiang believes the same situation would happen to other parties as well. Therefore, Zhejiang Hailiang would like to suggest that “cap or not” should not be taken as one of the components of MCC. The price differences regarding the usage of cap could be offset by reporting and adjusting cap’s cost as packing materials in Attachment B-2 and D-2, as Zhejiang Hailiang has already done.

Based on the above argument, Zhejiang Hailiang inserts a new column named “Matching MCC” in Attachment B-2, D-2, G-3 and G-5 to report MCC which does not include “Cap” as a factor.

C-4 Internal product codes

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

If yes:

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

If no:

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

RESPONSE:

Zhejiang Hailiang uses SAP system. In SAP system, the product code, i.e. material code, is adopted. Material code consists of [].

There are several material groups defined in the SAP system, but []. Zhejiang Hailiang prepares **Attachment C-3.1(a)** (Material Group in SAP) for ADC’s reference.

Following the []

].

Take material code [] as an example.

Material code	Material Group	Material Description in CN	Material Descriptio in EN
[]	[]	[]	[]

The material description tells that it is a []

]. It is a goods under consideration.

Export goods are []

].

Attachment C-3.1(b) is provided to show the matchup between material code and MCC. Please note that, as explained in response to question C-3.1, Zhejiang Hailiang added in a column to report **Matching MCC** which does not include the factor of “Cap”.

SECTION D DOMESTIC SALES

D-1 Domestic sales process

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

RESPONSE:

In the domestic market, Zhejiang Hailiang negotiates price directly with its customers. The price is set by considering [

].

Zhejiang Hailiang [

].

When a customer has intention to purchase goods from Zhejiang Hailiang, it shall [

].

After receiving the [

].

Invoicing is made [].

Zhejiang Hailiang [

].

Information redacted relates to detailed sales process conducted by Zhejiang Hailiang which includes business confidential information.

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.

RESPONSE:

During the POI, Zhejiang Hailiang only had one transaction with one of its related company, []]. Zhejiang Hailiang determines the selling price with its related customers according to the market situation and cost to make and sell, []].

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

RESPONSE:

Zhejiang Hailiang does not use price list in the domestic market.

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.

RESPONSE:

Zhejiang Hailiang's selling prices does not vary according to the distribution channel.

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.

RESPONSE:

Zhejiang Hailiang may give its customers [

].

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.

RESPONSE:

Zhejiang Hailiang did not issue credit or debit notes to the customer or associate of the customer in relation to the sales 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?

RESPONSE:

Zhejiang Hailiang does not claim for a different 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.

RESPONSE:

Please refer to **Attachment D-2 Domestic Sales**.

In the column "Nominal Quantity", Zhejiang Hailiang reports the **unit nominal quantity** and retains the calculation formula. [

].

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

RESPONSE:

Please refer to **Attachment D-2.2 Source List**.

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.

RESPONSE:

Zhejiang Hailiang has prepared the required documents for the two largest invoices by value of the goods, i.e. [] and [], as **Attachment D-3**.

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.

RESPONSE:

Please refer to annotation in Attachment D-3.

D-4 Reconciliation of sales to financial accounts

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

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

RESPONSE:

Please refer to Attachment B-4.

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

RESPONSE:

Zhejiang Hailiang provides credit terms to its domestic customers, including rolling credit facilities. Payment term agreed between Zhejiang Hailiang and relevant domestic customers has been reported line by line in Attachment D-2. Further, as required in this section, Zhejiang Hailiang also provides the calculation sheet of average credit term for each domestic customers. Please refer to Attachment E-1.1(a) Domestic Average credit term.

- (b) Do you have short term borrowings or an overdraft facility? If yes, what is the interest rate, or average of interest rates?

RESPONSE:

Zhejiang Hailiang has short term borrowing.

Attachment E-1.1(b) is provided to calculate the weighted average interest rate of RMB short-term borrowing.

- (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?

RESPONSE:

Zhejiang Hailiang has RMB term deposits.

Attachment E-1.1(c) is provided to calculate the weighted average interest rate of term deposits.

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

RESPONSE:

Credit is granted to Australian customers in relation to sales of the goods, but it is not granted on a rolling basis.

- (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?

RESPONSE:

Zhejiang Hailiang has short-term borrowing in USD.

Attachment E-1.2(b) is provided to calculate the weighted average interest rate of RMB short-term borrowing.

Zhejiang Hailiang does not have term deposit/bonds in USD during the POI.

E-2 Packaging

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

RESPONSE:

There are two types of packing method used for domestic sales of like goods: (1) [] and (2) []. The main difference between the two kinds of packaging is the use of []. Besides, whether or not to use caps in the packaging would affect the cost of packing.

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

RESPONSE:

There are two types of packing method used for Australian sales of like goods: (1) [] and (2) []. The main difference between the two kinds of packaging is the use of []. Besides, whether or not to use caps in the packaging would affect the cost of packing.

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

RESPONSE:

There are no distinct differences between packaging of domestic sales and export sales to Australia, provided that the same kind of packing is used.

A minor difference existed between domestic sales and export sales to Australia, in [], is that [].

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?

RESPONSE:

Zhejiang Hailiang transports sales of like goods to certain domestic customers. Zhejiang Hailiang has a manual record of transport in which each delivery to customers is recorded, with the information of amount of freight. When preparing D-2, Zhejiang Hailiang uses this manual record to identify the freight for each delivered transaction.

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

RESPONSE:

Both CIF and FOB are adopted when exporting to Australia.

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?

RESPONSE:

Inland Transport and Port Charges reported in B-2 is reported based on actual invoice issued by the carrier or agent.

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?

RESPONSE:

Ocean Freight reported in B-2 is reported based on actual invoice issued by the carrier.

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?

RESPONSE:

Marine insurance is calculated by the following formula:

Marine insurance = []

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?

RESPONSE:

Australian sales does not adopt DDP or other similar incoterms, therefore, Zhejiang Hailiang is not obliged to undertake import charges such as delivered duty, importation costs and so on.

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.

RESPONSE:

Zhejiang Hailiang does not provide sales commissions to domestic sales of like goods.

When exporting to Australia, []

].

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?

RESPONSE:

The VAT rate applied to like goods sold in domestic market is [] during the POI. When exporting to foreign markets, []

].

The VAT payable in relation to a domestic sale is recognized along with the sales revenue of such a sale. The amount of VAT payable would be booked as a credit entry. The domestic sales value reported in Attachment D-2 is already the value without VAT.

Zhejiang Hailiang does not receive VAT refund neither for domestic like goods or the goods.

Zhejiang Hailiang's exported goods are []

].

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

RESPONSE:

[] occurred for certain domestic customers and are reported in D-2.

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

RESPONSE:

There were no other direct selling expenses incurred 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.

RESPONSE:

No other adjustment claims.

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.

RESPONSE:

Sales processes to third countries are not different from that to Australia.

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.

RESPONSE:

There are []. They are [].

The selling prices to related customers have no difference from that to unrelated customers. Zhejiang Hailiang adopts pricing method [].

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?

RESPONSE:

Zhejiang Hailiang does not challenge the use of invoice date as 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.

RESPONSE:

Please refer to Attachment F-2 Third Country Sales.

2. Provide a table listing the source of the data for each column in the export sales listing (F-2.1).

RESPONSE:

Please refer to Attachment D-2.2 Source List.

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.

RESPONSE:

There are no such differences.

SECTION G COST TO MAKE AND SELL

G-1. Production process

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

RESPONSE:

Please refer to G-1.1 for the production process for the goods.

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

RESPONSE:

There are [

].

[

]

Information redacted relates to raw material purchases made by Zhejiang Hailiang which includes business confidential information.

G-2. Cost accounting practices

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

RESPONSE:

Zhejiang Hailiang's cost accounting system is a module intergrated within the SAP. SAP adopts standard costing method, and the cost differences between standard and actual cost are allocated at the monthly end by the SAP system.

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.

RESPONSE:

Cost reported in G-3 and G-5 is actual cost, not standard one.

All variances have been allocated to the goods. The variances are allocated based on the [

].

There were no significant or unusual cost variances occurred during the period.

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.

RESPONSE:

PUBLIC RECORD

As explained in response to section A-4.3, Zhejiang Hailiang has 6 profit centres in its SAP and only [] involves the production of the goods. Therefore, Zhejiang Hailiang provides the cost centres of the [] here as Attachment G-2.3.

Cost centres are classified as “main cost centres” and “auxiliary cost centres”. The main cost centres are used to collect the cost which could directly attribute to certain products; while the auxiliary cost centres are used to collect the cost incurred by auxiliary department which cannot be traced directly or in full to the product. Cost collected in auxiliary cost centres are usually allocated to products in accordance with [].

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

RESPONSE:

SAP records production costs to the level of material code.

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

RESPONSE:

There are no such differences.

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

RESPONSE:

Zhejiang Hailiang has not engaged in any start-up operation 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)?

RESPONSE:

Weighted average method is used to value raw material, work-in-process and finished goods inventories.

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

RESPONSE:

[]. Zhejiang Hailiang called the damaged or sub-standard copper products as []. The cost is measured using [].

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

RESPONSE:

[].

There are no by-products or joint products generated in the production.

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

RESPONSE:

There are no management fees or corporate allocations charged to Zhejiang Hailiang by parent or related companies.

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.

RESPONSE:

Attachment G-3 is prepared as required for domestic CTM.

As explained in Section C-3.1, the material code which Zhejiang Hailiang relied on to report cost of production and identify factors of MCC does not include the information of "capping", and whether or not to use cap is determined by customers' requirement, and is not related to material code. Zhejiang Hailiang reports "U" for all material codes under the "Cap" component. In order to associate MCC in G-3/5 with that in B-2 and D-2, Zhejiang Hailiang inserts a column to report "Matching MCC" which does not include the factor of "Capping".

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

RESPONSE:

Please refer to Attachment G-3.2.

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.

RESPONSE:

Please refer to Attachment G-4.1.

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.

RESPONSE:

Please refer to Attachment G-4.2.

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.

RESPONSE:

Attachment G-5 is prepared as required for Australian CTM.

[

].

[

].

[

].

Information redacted relates to cost of production of Zhejiang Hailiang which includes business confidential information

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

RESPONSE:

Please refer to Attachment G-5.2

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

RESPONSE:

As explained in response to section G-2.4 above, SAP records production costs to the level of material code. Zhejiang Hailiang reported in G-3 domestic CTM and G-5 Australian CTM the production costs exported directly from SAP on material code basis, by organizing and summarizing them into each MCC and in quarterly fashion.

The allocation is not made manually but is running by the SAP system.

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.

RESPONSE:

As explained in response to section G-6.1, the cost reported in G-3 and G-5 is directly exported from SAP system. The allocation is not made manually but is running by the SAP system.

G-7 Major raw material costs

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

RESPONSE:

The major raw materials are [].

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.

RESPONSE:

Raw materials are not sourced as part of an integrated production process or from a subsidiary company that Zhejiang Hailiang exercises control.

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.

RESPONSE:

According to G-3, the cathode copper takes [] as a proportion of total cost to make, and scrap copper takes [].

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.

RESPONSE:

Please refer to Attachment G-7.4 Raw Material Purchases.

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

RESPONSE:

Please refer to Attachment G-7.5 Source List.

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

RESPONSE:

For [], Zhejiang Hailiang provides the invoices for the largest transactions by value separately for [], as well as the proof of payment. Please refer to Attachment G-7.6.

[], since Zhejiang Hailiang's payment are made for both the raw material and other products, the amount of payment is larger than the invoice value of the raw material.

The Attachment G-7.4 is prepared based on the report exported from SAP, by operating the transaction code []. The report includes all the purchase invoices from suppliers during certain period. In this report, the purchase quantity and actual value of raw materials are recorded, and it can trace back to invoices received from the suppliers, as demonstrated by invoices provided in Attachment G-7.6.

However, [

].

Information redacted relates to cost accounting practices of Zhejiang Hailiang which includes business confidential information

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.

RESPONSE:

There are [

].

A separate column is provided in Attachment G-7.4 to identify related supplier.

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.

RESPONSE:

Please refer to Attachment G-8 Upwards Costs.

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.

RESPONSE:

Income statements of profit centres are provided as Attachment B-4.2.

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.

RESPONSE:

Please refer to Attachment B-4.2 and column D in Attachment G-8.

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.

PUBLIC RECORD

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

RESPONSE:

Please refer to Attachment G-9.

SECTION H PARTICULAR MARKET SITUATION

H-1 Reporting requirements

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

RESPONSE:

As Introduced, Zhejiang Hailiang is a Sino-Foreign Joint Venture Limited company registered in 2001 in China in accordance with the Company Law of China. Zhejiang Hailiang was listed on the Shenzhen Stock Exchange on January 16th, 2008, stock code: 00220, in compliance with laws and regulations including *Company Law of the People's Republic of China*, *Securities Law of the People's Republic of China*, *Code of Corporate Governance for Listed Companies*, *Rules Governing the Listing of Shares on Shenzhen Stock Exchange*, etc. Zhejiang Hailiang provides the aforesaid laws and rules at Attachment H-1.1.1 through H-1.1.4.

As a public listed company, Zhejiang Hailiang operates under market conditions, and complies with relevant laws and regulations. The interactions of Zhejiang Hailiang's business with the Government of China have been generally introduced below as requested in this question:

- (a) reporting requirements;

RESPONSE:

Zhejiang Hailiang only submit certain reports to the relevant administrative departments in accordance with relevant laws and regulations. For examples, Zhejiang Hailiang needs to file tax return to the Tax Bureau and need to file operation statistic to the Statistic Bureau.

- (b) payment of taxes;

RESPONSE:

Zhejiang Hailiang needs to file the Tax return to Tax Bureau, and pay different kinds of taxes, including but not limited to income tax, VAT tax, etc., to relevant administrative departments, in accordance with the Company Law and other relevant laws and regulations.

- (c) senior management representation within your business;

RESPONSE:

In accordance with the Company law and the Articles of Association ("AOA"), Zhejiang Hailiang's directors and supervisors are nominated by the shareholders and elected in the shareholders' meeting. The Chairman of directors are elected by the directors in the meeting of the board of directors. The General Manager, Vice General Managers, the secretary of the board and the Chief Financial Officer are appointed by the Board of directors. Such rules and procedures are in line with the Company Law. Please refer to the AOA of Zhejiang Hailiang provided as Attachment H-1.2.

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

RESPONSE:

Zhejiang Hailiang is private owned company and is not subject to the supervision by the SASAC or a body under the control of SASAC.

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

RESPONSE:

Zhejiang Hailiang's business decisions are determined by the Board of directors or by the resolutions of shareholder's meeting in accordance with the AOA. Such rules and procedures are in line with the Company Law.

- (f) licensing;

RESPONSE:

No special licensing is requested for Zhejiang Hailiang's business operation.

- (g) restrictions on land use;

RESPONSE:

The land use right of Zhejiang Hailiang is in line with the Land Administrative Law of China.

- (h) provision of loans; or

RESPONSE:

There is no restriction or preferential loan from Government. Zhejiang Hailiang applies for loans from different banks per its own business credit or guaranty.

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

RESPONSE:

Zhejiang Hailiang applies grants, awards or other funds in accordance with relevant laws, regulations or ordinances.

H-2 Business structure, ownership and management

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

RESPONSE:

Zhejiang Hailiang is a public listed company, and most shares are held private person or private parties, and it is not a state-owned company.

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

RESPONSE:

Members of the Seventh Session of Board of Directors are listed as follows,

No.	Name	Position	Whether a CPC Member	Position in Other Related Companies
1	朱张泉 Zhu Zhangquan	Chairman of the board	Yes	Director of Hailiang Group Co., Ltd, Zhejiang Haibo Microfinance Co., Ltd., Zhejiang Hailiang Investment Co., Ltd.; Manager and executive director of Guangdong Zhejiang Hailiang Copper Industry Co., Ltd. And Zhejiang Copper Processing Research Institute Co., Ltd.
2	陈东 Chen Dong	Director	No	Chairman of Zhejiang Hailiang Otto Copper Tube (Guangdong) Co., Ltd., Shanghai Zhejiang Hailiang Copper Co., Ltd.; Director/Executive Director of Zhejiang Hailiang Environmental Materials Co., Ltd., Ningbo Zhejiang Hailiang Copper Industry Co., Ltd., ZHEJIANG HAILIANG (ANHUI) COPPER CO.,LTD., Zhejiang Haibo Microfinance Co., Ltd., Chongqing Zhejiang Hailiang Copper Industry Co., Ltd.
3	金刚 Jin Gang	Director	No	N/A
4	蒋利民 Jiang Limin	Director	Yes	Director of Ningbo Dunshi Investment Co., Ltd., Zhejiang Haibo Microfinance Co., Ltd., Inner Mongolia Zhejiang Hailiang Real Estate Development Co., Ltd., ; Manager and executive manager of Chongqing Zhejiang Hailiang International Trade Co., Ltd., Chongqing Zhejiang Hailiang Metal Materials Co., Ltd.,
5	钱自强 Qian Ziqiang	Director	Yes	Director of Zhejiang Hailiang Otto Copper Tube (Guangdong) Co., Ltd.,
6	陈淑翠 Chen Shucui (Leave after the end of IP)	Director	Yes	N/A
7	范顺科 Fan Shunke	Independent director	Yes	N/A

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8	邓川 Deng Chuan	Independent director	Yes	N/A
9	刘国健 Liu Guojian	Independent director	Yes	N/A

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

RESPONSE:

Please refer to response to question 2 above.

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

RESPONSE:

None of the Board of Directors or Board of Shareholders representatives, employees are affiliated with the Government of China.

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

RESPONSE:

Please see response to question 2 above. Some of the board directors are member of Chinese Communist Party ("CCP"). Zhejiang Hailiang has its own CCP organization, and these CCP directors only take positions in its own CCP organization and do not take position in other any CCP organizations out of Zhejiang Hailiang.

With respect to this question, Zhejiang Hailiang further emphasizes issues as below:

First, the CCP is not a governmental authority. Instead, like the parties in other countries in the United States, the CCP is only a political party.

Second, in China, CCP organizations exist in private domestic companies as well as Sino-foreign joint ventures and wholly foreign-owned companies. Foreign companies such as Carrefour, Standard Chartered Bank, Nokia Siemens, Hyundai and Canon have all formed CCP Committees in their China operations, some dating back to the 1990's.

In Zhejiang Hailiang or other private companies and Sino-foreign joint ventures in China, the CCP cannot project direct authority over the operation of the company. The only direct action the CCP can take is refusing the appointment of a new party secretary of the private company party organization. The CCP has no other authority to interfere with the operation of private company. Both the private company and the party organization within the private company are funded by corporate funds and the appointment of key individuals is controlled by the company's owners. The CCP, or the government, does not fund the enterprise or otherwise control any of the company's funds and the party organization cannot appoint or dismiss board members or managers.

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Third, private companies or Sino-foreign joint ventures must follow Chinese law, including the Company Law. The Company Law is the fundamental law regulating a company's organization structure and its conduct. Critical provisions include:

Article 36: stipulates that the shareholders' meeting of a limited liability company is the authority of the company and shall exercise its powers according to this Law;

Article 37: stipulates that the shareholders' meeting shall determine all the significant operational issues and plans for the company;

Article 46: stipulates that the board of directors shall be responsible for the shareholders' meeting and shall implement the resolutions made at the shareholders' meetings, as well as manage daily business operations;

Article 49: stipulates that the manager shall be responsible for the board of directors and oversee the daily management of the company;

Article 147: stipulates that the directors, supervisors, and senior managers shall comply with the laws, administrative regulations, and bylaws. They shall bear the obligations of fidelity and diligence to the company.

These provisions demonstrate that a company's shareholders, directors, and managers are solely responsible for the company's internal operation and that it is unlawful for external organizations and authorities to interfere.

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

RESPONSE:

None of the Board of Directors or Board of Shareholders representatives, employees are appointed, managed or recommended by the Government of China.

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

RESPONSE:

Please refer to Attachment A-1.5(a) and Attachment A-1.5(b)

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

RESPONSE:

There are not significant changes in the ownership structure of Zhejiang Hailiang's business during the period.

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

RESPONSE:

There are not any positions within your business that are appointments or designated to act on behalf of Government of China authorities

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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.

RESPONSE:

There are not any requirements in law and in practice to have government representation at any level of Zhejiang Hailiang's business.

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

RESPONSE:

Zhejiang Hailiang is a publicly listed company in Shenzhen Stock Exchange, for governing laws and rules of the stock exchange, please refer to Attachment H-1.1.2 through H-1.1.4

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

RESPONSE:

The monthly trading volume and average monthly trading price of Zhejiang Hailiang's listed security are provided as below:

Date	Trading Volume (10,000 Shares)	Trading Value (10,000 Yuan)	Unit Price (Yuan/Share)
2019-07-31	15,153.68	154,279.67	10.18
2019-08-30	11,737.18	121,488.97	10.35
2019-09-30	15,107.55	158,251.94	10.48
2019-10-31	6,640.06	66,302.98	9.99
2019-11-29	10,676.78	106,233.67	9.95
2019-12-31	13,765.59	137,358.96	9.98
2020-01-23	8,938.63	92,221.03	10.32
2020-02-28	11,180.25	103,655.34	9.27
2020-03-31	7,055.15	64,486.32	9.14
2020-04-30	7,749.48	72,767.23	9.39
2020-05-29	4,101.01	37,145.65	9.06
2020-06-30	5,065.64	45,724.96	9.03

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

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RESPONSE:

In accordance with the Company law provided as Attachment H-1.1.1 and the Articles of Association (“AOA”) provided as Attachment H-1.2, Zhejiang Hailiang’s directors and supervisors are nominated by the shareholders and elected in the shareholders’ meeting. The Chairman of directors are elected by the directors in the meeting of the board of directors. The General Manager, Vice General Managers, the secretary of the board and the Chief Financial Officer are appointed by the Board of directors. Such rules and procedures are in line with the Company Law.

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

RESPONSE :

No.

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

RESPONSE:

Zhejiang Hailiang does not have price committee.

H-3 Licensing

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

RESPONSE :

Please refer to Exhibit H-3.1 for the *Business License and Certificate of Approval for Establishment of Enterprise with Foreign Investment* of Zhejiang Hailiang valid during the Investigation Period.

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

RESPONSE:

The Business license is issued by Market Supervision Administration of Zhejiang Province.

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

RESPONSE :

According to Article 6 and 7 of the *Company Law and Administrative Regulations of the People's Republic of China on Company Registration*, business licenses would be issued to newly-established companies and may be amended in event of amendment of companies.

For newly-established company who have met the requirements set out in the Company Law, to obtain business license, it should prepare relevant documents to the authority, such as application form specifying the information of proposed company, the minutes of first meeting of the shareholders’ meeting, AOA, I.D. of shareholders, etc. The authority would conduct formal review and examination on the correctness and accuracy of the documents submitted and if it confirms there is no false statements or missing documents, it would issue the business licenses. The procedure normally takes less than 1 week.

When there is changes in name, domicile, registered capital, representative of the company, etc., the company should also apply for amended business license. The company shall submit relevant documents to the authority, such as application form specifying the situation and reason of amendment, resolution of shareholder’s meeting or board of directors, etc. The authority would also conduct formal review and examination on the correctness and accuracy of the documents submitted

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and if it confirms there is no false statements or missing documents, it would issue the business licenses. The procedure normally takes less than 1 week.

Please refer to Attachment H-1.1.1 and Attachment H-3.3 for the *Company Law and Administrative Regulations of the People's Republic of China on Company Registration*.

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

RESPONSE :

Basically, the documents supplied should be complete, accurate which meets the formal and substantive requirement for registration of establishing or amendment according to law.

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

RESPONSE :

Please refer to Attachment H-3.5 for *Administrative Provisions on Business Scope Registration for Enterprises*.

Normally, the scope of business on the business license is generally indicative. There is no restriction imposed on the scope business and enterprises may decide the scope of business indicated on the business license, provided that the scope is consistent with the AOA and expressed under normative terms. In case of changes to the business scope, the enterprise shall revise the Articles of Association and apply to the enterprise registration authority for registration of such changes. For certain business which subject to approval in advance otherwise specified by laws and regulations, for example, production or sale of hazardous chemical products, or franchised products, it should obtain qualification from relevant authority.

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

RESPONSE :

The sanctions would be determined depending on the seriousness of the circumstances. For severe circumstances, such as conduct businesses such as franchised products, business subject to approval otherwise stipulated by laws, the sanctions includes issuing a warning, confiscating any illegal gains, or imposing a fine of up to three times the amount of the illegal gains with the maximum being CNY30,000, and if there are no illegal gains, the competent authority may impose a fine of up to CNY10,000.

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

RESPONSE :

With the business license, the enterprise is entitled to carry out its business according to law.

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

RESPONSE :

Please refer to Attachment H-3.2. The business license will be revoked by the registration authority under circumstances of severe breach of procedural or substantive rules of law or public order, including: (1) the registration of a company is obtained through falsification of the registered capital and circumstance is severe; (2) the registration of a company is acquired through a false certificate or other deceptive means and circumstance is severe; (3) a company fails to start the business after six months of its establishment without justifiable reasons or has ceased the business for more than six

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months in succession after it started the business; (4) the business item fall within the items that shall be examined and approved as prescribed by laws, administrative regulations or decisions of the State Council, but the company has engaged in relevant business operations without approval, and the circumstance is severe; (5) a company forges, alters, leases, lends or transfers its business license and the circumstance is severe; (6) a company engages in serious illegal acts that may threaten the state security and social public interests by taking advantage of the title of the company.

Under the following circumstances, the supervising authority of institutions in charge of asset assessment, asset verification or authentication may revoke the business license of such institution, which would disqualify such institutions:

if an institution in charge of asset assessment, asset verification or authentication provides any false material intentionally or due to gross negligence, the authority in charge may revoke its

H-4 Decision-making, planning and reporting

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

RESPONSE:

For decision making structure, please refer to Attachment H-1.2 for the AOA.

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

RESPONSE:

There are not any government of China who input into Zhejiang Hailiang's decision-making process respecting manufacture, marketing and sale of the goods.

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

RESPONSE:

There are not any government departments/offices that are involved, either directly or indirectly, in Zhejiang Hailiang's manufacture, sale or purchase of the goods

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

RESPONSE:

Only tax return report and statistic report are requested to report to the local Tax Bureau and local Statistic Bureau respectively.

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

RESPONSE:

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Please refer to Attachment H-4.5 for the last two FYPs of Zhejiang Province. Because the content of the FYPs is very extensive, which contains more than 130 pages in total, Zhejiang Hailiang submits the index of the two FYPs and English translation translated through <https://translate.google.com> for the purpose of cooperation. Zhejiang Hailiang would like to provide more accurate translation on the particular chapters or sections if requested by the investigating Authority.

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

RESPONSE:

Zhejiang Hailiang does not have any five-year plans and only set its internal development plans with respect to the operation performance plans. Such plans did not need to be submitted to be reviewed or approved by the government of China.

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

RESPONSE:

Please refer to Attachment H-4.7.

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

RESPONSE:

The Company's main raw materials are the []. As the copper processing enterprise, Zhejiang Hailiang's pricing policy is the [] and the main profit pattern is to gain gross profit by means of the relatively stable processing fee.

Meanwhile, Zhejiang Hailiang fulfilled the steady operation philosophy: [].

The company strictly implemented []

].

Every time Zhejiang Hailiang []

].

[]

].

Information redacted refers business mode of Zhejiang Hailiang, and is therefore business confidential.

H-5 Financial and investment activities

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

RESPONSE:

During the IP, Zhejiang Hailiang issued convertible bond at Shenzhen Stock Exchange starting from November 20, 2019 at amount of 3.15 billion Yuan. Please refer to Attachment H-4.7 for the No.4 Resolution of the Seventh Session of the Board, which specified the issuance of convertible debt.

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

The nominal interest rates are: year 1-0.3%, year 2-0.6%, year 3-1.0%, year 4-1.5%, year 5-1.8% and year 6-2.0%. Currently, at the first year of issuance, the interest rate is 0.3%.

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

RESPONSE:

No.

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.

RESPONSE:

Zhejiang Hailiang has issued convertible corporate bonds for raising funds for the construction of its projects which may be converted into equity at the discretion of the creditors. There is no guarantee provided by the government.

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

RESPONSE:

Not applicable.

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).

RESPONSE:

No.

H-6 Government policy on the industry

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

- a. copy of the documentation and a translation in English;

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- b. documentation concerning the Government of China or any association of the Government of China's notification of the measures concerning the goods to your company during the period.

RESPONSE:

Per Zhejiang Hailiang's best understanding, there are not any Government of China opinions, directives, decrees, promulgations, measures, etc. concerning industry of the goods that were put in place or operating during the period.

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

RESPONSE:

Per Zhejiang Hailiang's best understanding, there are not any Government of China measures specially concerning the industry of the goods in the regions, provinces or special economic zones where Zhejiang Hailiang is located. There are not specific request or specific limitation on the industrial policy, market entry criteria, environment enforcement, management of land utilization, financing, investigation and inspection of expansion facilities, or import licensing for the raw materials related to the goods under consideration.

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

RESPONSE:

To the best knowledge of Zhejiang Hailiang, the identified producers of goods under consideration are not explicitly mentioned in any central, provincial, or local government five-year plans, policy, investment guide, catalogue, or any other government planning or policy documents during the POI.

The main purpose of government's industrial plans and/or policies is to provide a framework for economic and social development over the period of the plan. These provide notices of the focus of the GOC policies over the plan period. The plans are not self-executing, but require each responsible agency to take action within its jurisdiction as appropriate to effect implementation. Plans may be used by commercial enterprises to anticipate the direction of the economy and economic development and to make informed investments according to the anticipated direction. Zhejiang Hailiang was not requested to provide information relevant to any plans, policies or measures.

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

RESPONSE:

As explained in above question, Zhejiang Hailiang did not provide information relating to assessments of the implementation of the plan, policy or measure.

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

RESPONSE:

Zhejiang Hailiang were not designated as “pillar,” “encouraged,” “honourable,” or any other designation.

To the best knowledge of Zhejiang Hailiang, “Pillar,” “encouraged,” “honourable,” etc. are not defined legal terms under Chinese law, and industries are not regulated based on these categories. Unless a particular term is followed by a listing of the particular industry or industries included in the category covered by the term, the usage of the terms does not direct certain policies or measures at a specific industry or category of industry.

H-7 Taxation

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

RESPONSE:

There were not any 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? RESPONSE:

The VAT rebate applicable to the product under consideration is [] during the POI. Zhejiang Hailiang's export operation are under [], which is conducted based on a []. []

].

Information redacted refers business mode of Zhejiang Hailiang, and is therefore business confidential.

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

RESPONSE:

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There been not any changes to the VAT rebate applicable to exports of the good under consideration in the last 5 years.

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

RESPONSE:

Zhejiang Hailiang is 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.

RESPONSE:

The domestic sales department and international sales departments of Zhejiang Hailiang negotiate the sales terms, prices and other contract provisions for the sales of the goods.

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

RESPONSE:

Please refer to the response to question H-4.8 above. There are not any Government of China involvement in your business' pricing decisions, and the goods are not subject to Government of China direct or indirect pricing or government guidance pricing

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

RESPONSE:

Zhejiang Hailiang does not coordinate the selling prices or supply of the goods with other domestic producers or any Government of China departments.

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

RESPONSE:

Zhejiang Hailiang does not provide information or data to the Government of China, other government officials or commercial/industry organisations, including those outside of China, which report on the industry.

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

RESPONSE:

Zhejiang Hailiang does not provide price data to any other person at the provincial, regional or special economic zone level of government.

H-9 Industry associations

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

RESPONSE:

Zhejiang Hailiang is the member of China Nonferrous Metals Industry Association ("CNIA"). CNIA is a national and industrial non-profit social organization formed voluntarily by enterprises, units, social organizations engaged in economic activities in regard to nonferrous metals. CNIA is not a government unit, and its operation is not involved by the government.

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

RESPONSE:

The membership is voluntary. The main function of the CNIA includes:

- 1) to promote the national laws, regulations, guidelines, and policies relevant to economic and trade, and guide and supervise members' law-abiding operations;
- 2) to study the development of the economy and trade of the industry, reflect the situation, opinions and demands of the industry and its members to the relevant administrative government departments, and provide consultation and suggestions for the government to formulate relevant policies;
- 3) to coordinate the economic activities of enterprises in the industry, coordinate and resolve related disputes among member enterprises, and promote industry self-discipline; Collect, research, and exchange economic information and related economic information in the industry, and provide information consulting services for members;
- 4) to organizing members to respond to foreign trade remedy investigations against commodities in the industry; to collect information on dumping and other unfair competition behaviors of related foreign products in China and report to relevant government departments;
- 5) to develop contacts and exchanges with international commodity organizations and international industry organizations, and establish business partnerships. Participate in international commodity organizations on behalf of the industry and attend relevant international professional conferences;
- 6) to organize and organize members to participate in domestic and foreign exhibitions and seminars to the needs of market and industry development, and organize members to carry out foreign publicity, market research, trade negotiations, economic and technological exchanges, training and other trade promotion activity.

Basically, all main functions above are voluntary to the members, and all members operate their business independently. CNIA is not a government unit, and its operation is not involved by the government.

H-10 Statistics submission/recording

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

RESPONSE:

Zhejiang Hailiang makes submission of periodic statistic report to the China Bureau of Statistic in accordance with Statistics Law of the People's Republic of China provided as Attachment H-10.1.

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The purpose of statistics report is to facilitate statistical investigations into and analysis of, provide statistical data and advice on, and exercise statistical supervision of economic and social development. Please refer to Attachment H-10.2 for a sample Statistic Report submitted in June 2020 for type of information submitted.

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

RESPONSE:

Attached please see Attachment H-10.2 for a sample Statistic Report submitted in June 2020.

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

RESPONSE:

The Statistic Bureau does not approve or assess the submission.

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

explanation. **RESPONSE:**

The Statistic Bureau provides further request in case the statistic report is not completely submitted or is not in line with the format request.

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?

RESPONSE:

Any part of Zhejiang Hailiang's production is not subject to any national/regional industrial policy or guidance.

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

RESPONSE:

Not applicable. The main purpose of government's industrial plans and/or policies is to provide a framework for economic and social development over the period of the plan. These provide notices of the focus of the GOC policies over the plan period. The plans are not self-executing, but require each responsible agency to take action within its jurisdiction as appropriate to effect implementation. Plans may be used by commercial enterprises to anticipate the direction of the economy and economic development and to make informed investments according to the anticipated direction. Zhejiang Hailiang was not requested to provide information relevant to any plans, policies or measures.

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

RESPONSE:

PUBLIC RECORD

There are not any other restrictions (e.g., geographic/regional, downstream, use, etc.) to the sale of the goods and/or like goods manufactured by Zhejiang Hailiang that may be imposed by the Government of China.

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.

RESPONSE:

Please refer to Attachment D-2 for domestic customers of the like goods, in which the location and “whether SIE” is provided in separate columns.

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.

RESPONSE :

There are not any restrictions and/or conditions in relation to the quality or quantity of the production of the goods placed upon Zhejiang Hailiang’s business.

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

RESPONSE :

Please see Exhibit H-3.1 for the *Certificate of Approval for Establishment of Enterprise with Foreign Investment*, with which Zhejiang Hailiang is qualified to conduct export business. To the knowledge of Zhejiang Hailiang, according to Article 9 of *Foreign Trade Law of the People's Republic of China*, to conduct import/export business, enterprises in China do not have to obtain approval from government authority, rather, they should only make registration for record. Please refer to Attachment H-11.6 for *Foreign Trade Law of the People's Republic of China*.

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

RESPONSE :

The goods sold by Zhejiang Hailiang 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.

RESPONSE :

There are not any other restrictions (e.g., geographic/regional, downstream, end use) placed upon Zhejiang Hailiang 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.

RESPONSE :

Zhejiang Hailiang did not invested new production lines of the product under consideration. However, Zhejiang Hailiang continued adjusting and improving the production efficiency of the existing production lines and the capacity slightly improved over the last 5 years.

PUBLIC RECORD

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?

RESPONSE:

Zhejiang Hailiang's business does not benefit from any concession on the purchase of any utility service. Please refer to the relevant responses in Section I Countervailing.

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 China during the period.

RESPONSE:

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

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

RESPONSE:

Zhejiang Hailiang's business has not been subjected to any direct or indirect price guidance or controls by the Government of China during the period, with respect to raw material inputs.

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

RESPONSE:

Zhejiang Hailiang's business has not been encountered any price guidance or controls established by regional, provincial or special economic zone officials and/or organisations.

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.

RESPONSE:

Please refer to the response to question H-4.8 above.

There are not any restrictions, limitations, or other considerations imposed on Zhejiang Hailiang's business.

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

RESPONSE:

Domestic market is a highly competitive market, and there are no price leaders in this market.

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.

RESPONSE:

Zhenjiang Zhejiang Hailiang does not have a pricing committee.

PUBLIC RECORD

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.

RESPONSE :

Zhenjiang Zhejiang Hailiang does not have a pricing committee.

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

RESPONSE :

Please refer to the response to question H-4.8 above.

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.

RESPONSE :

There are not any region and/or province laws and regulations in each region the same with respect to pricing of the goods.

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.

RESPONSE :

There are not any government approval on adding capacity of copper processing business. Zhejiang Hailiang determined its capacity adjustment in accordance with the market situation and its own business performance and prospective planning.

There are not specific approval process on joint ventures in this industry, and there are only general requirements requested in the Company Law and Foreign Investment Law.

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.

RESPONSE :

Unless Zhejiang Hailiang's decisions with respect to adding capacity and/or joints ventures violates the relevant requirements in the relevant laws or regulations, the corresponding government administrative departments have the right to request modifications.

H-14 Raw materials

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

RESPONSE :

Please refer to Zhejiang Hailiang's response to questions in Section I-2 below. There were certain raw materials purchased from [

].

PUBLIC RECORD

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

RESPONSE:

Please refer to Zhejiang Hailiang's response to questions in Section I-2 below. As submitted in Zhejiang Hailiang's Response, Zhejiang Hailiang purchased certain raw materials from State Invested Companies. However, Zhejiang Hailiang submits that, transactions with suppliers who are SIE are also made under market conditions, which is the same as transactions with private parties.

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

RESPONSE:

The major raw materials for producing subject copper tubes are [] and []. For materials imported under the [], the import duty rate are as follows:

	Tariff Code	Provisional Rate (Applied Rate)	MFN Rate	General Rate
[]	[]	0%	2%	11%
	[]	0%	2%	11%
[]	[]	1.5%	1.5%	11
	[]	0%	1.5%	11%

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

RESPONSE:

As mentioned in response to questions under Section H-4, to avoid fluctuation of copper prices, [

].

Information redacted refers business mode of Zhejiang Hailiang, and is therefore business confidential.

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.

RESPONSE:

Please refer to Zhejiang Hailiang's response to questions in Section I-2. The selection of suppliers is driven by factors such as quality, availability, lead times, etc.

6. If any of your raw materials for the goods and/or like goods are imported by your business, or related businesses:

- a. Provide details including a description of the raw material imported, the supplier and country of origin.
- b. Explain the process required to import the raw materials (e.g. obtaining an import licence, import declarations).
- c. Provide details of any conditions to importing the raw materials (e.g. customs and/or quarantine).
- d. Are you eligible for a duty drawback? If yes, provide details.

RESPONSE:

PUBLIC RECORD

Please refer to Zhejiang Hailiang's response to questions in Section I-2. The selection of suppliers is driven by factors such as quality, availability, lead times, etc.

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?
 - a. 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.
 - b. If there is a difference in selling prices between related and unrelated parties, please provide reasons as to why.

RESPONSE:

Zhejiang Hailiang would also [] in domestic market. While the selling price are based on market situation and the cost of purchasing and production, there is generally no difference between affiliated customers, if any, and unaffiliated parties.

SECTION I COUNTERVAILING

The following programs are being investigated:

No.	Program name	Type
1	Preferential Tax Policies for Enterprises with Foreign Investment (FIEs) Established in Special Economic Zones (SEZs) (excluding Shanghai Pudong Area)	Tax
2	Preferential Tax Policies for FIEs Established in the Coastal Economic Open Areas and in the Economic and Technological Development Zones	Tax
3	Preferential Tax Policies for FIEs Established in the Pudong Area of Shanghai	Tax
4	Preferential Tax Policies in the Western Regions	Tax
5	Corporate Income Tax Exemption and/or Reduction in SEZs and other Designated Areas	Tax
6	Local Income Tax Exemption and/or Reduction in SEZs and other Designated Areas	Tax
7	Exemption/Reduction of Special Land Tax and Land Use Fees in SEZs and Other Designated Areas	Tax
8	Tariff and Value-added Tax (VAT) Exemptions on Imported Materials and Equipment in SEZs and other Designated Areas in Guangdong	Tariff and VAT
9	Income Tax Refunds where Profits are Re-invested in SEZs and other Designated Areas	Tax
10	Preferential Tax Program for FIEs Recognized as HNTEs (High and New Technology Enterprises)	Tax
11	Preferential Tax Policies for FIEs which are Technology Intensive and Knowledge Intensive	Tax
12	Services or Goods provided by Government or public bodies at the preferential prices to enterprises located in SEZs and other designated areas	Provision of goods
13	VAT Exemptions for the Central Region	VAT
14	Tax over-refunds or over-exemptions for the water, electricity and gas consumed in the Export Processing Zone	Tax
15	Custom Duty Exemption and VAT Exemption for machinery, equipment, construction materials imported into the Export Processing Zone for the construction of production facilities (such as factory and warehouse) in the zone	Tariff and VAT
16	Custom Duty Exemption and VAT Exemption for machinery, equipment, moulds/dies and the corresponding repairing parts imported into the Export Processing Zone and used for the production by Enterprises in the zone	Tariff and VAT
17	Custom Duty over-refund or over-exemption and VAT over-refund or over-exemption for raw materials, parts, packaging materials and consumable materials imported into the Export Processing Zone and used for the production of exported goods in the zone	Tariff and VAT
18	Export Duty Refund or Exemption for the exported goods produced in the Export Processing Zone and exported from the zone	Tariff and VAT
19	VAT Refunds or Exemptions for the domestically purchased machinery, equipment and construction materials used for the production of exported goods and the construction of production facilities in the Export Processing Zone	Tariff and VAT
20	Loans and Interest Subsidies Provided Under the Northeast Revitalization Program	Loan
21	Export Seller's Credit for High- and New-Technology Products by China EMIX Bank	Loan

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No.	Program name	Type
22	Preferential Loan for the National/Provincial Key Science & Technology Industrialization Projects, High Technology Industrialization Projects, Science & Technology Achievements Commercialization Projects, Modern Equipment Manufacturing Industry and key Information Technology Industrialization Projects by Liaoning Governments	Loan
23	Innovation Fund for Medium and Small Business	Grant
24	Special fund for developing trade through science and technology of Guangdong Province	Grant
25	Special Funds for Foreign Economic and Technical Cooperation	Grant
26	Innovative Experimental Enterprise Grant	Grant
27	Superstar Enterprise Grant	Grant
28	Awards to Enterprises Whose Products Qualify for "Well-Known Trademarks of China" or "Famous Brands of China"	Grant
29	Export Brand Development Fund	Grant
30	Provincial Scientific Development Plan Fund	Grant
31	Technical Renovation Loan Interest Discount Fund	Grant
32	National Innovation Fund for Technology Based Firms	Grant
33	Guangdong - Hong Kong Technology Cooperation Funding Scheme	Grant
34	Grants for Encouraging the Establishment of Headquarters and Regional Headquarters with Foreign Investment	Grant
35	Innovative Small and Medium-Sized Enterprise Grants	Grant
36	Product Quality Grant	Grant
37	2009 Energy-Saving Fund	Grant
38	Grants for Export Activities	Grant
39	Grants for International Certification	Grant
40	Emission Reduction and Energy-Saving Award (Special Funds for Reduction of Pollutant Emission)	Grant
41	Emission Reduction and Energy-Saving Award (Advanced Units within Top 30 Electricity Consumption Enterprises in the Competition of Energy- Saving contest)	Grant
42	Grant for Market Promotion and Trade Development (Shandong)	Grant
43	Grant - Assistance for Exhibition Booth Fees (Shandong)	Grant
44	Grant - Patent Application Assistance	Grant
45	Grant - State Service Industry Development Fund	Grant
46	Cleaning-production Qualified Enterprise Reward (Subsidy of Audit Fees for Key Enterprises Cleaning Production)	Grant
47	Grant - Provisional Industry Promotion Special Fund	Grant
48	Grant - Financial Subsidies from Wei Hai City Gao Cun Town Government	Grant
49	Grant - Water Pollution Control Special Fund for Taihu Lake	Grant
50	Grant - Provincial Foreign Economy and Trade Development Special Fund	Grant
51	Grant - Special Supporting Fund for Commercialization of Technological Innovation and Research Findings	Grant
52	Resources Conservation and Environment Protection Grant (Funds for Pollution Sources Monitoring Facilities in 2011)	Grant

PUBLIC RECORD

No.	Program name	Type
53	Grant - Wendeng Government (Shandong)	Grant
54	Enterprise Technology Centres	Grant
55	Allowance to Pay Loan Interest	Grant
56	Supporting Fund for Non-Refundable Export Tax Loss	Grant
57	International Market Fund for Export Companies	Grant
58	International Market Fund for Small and Medium-sized Export Companies	Grant
59	Business Development Overseas Support Fund	Grant
60	Refund from Government for Participating in Trade Fair	Grant
61	Grant - Special Fund for Fostering Stable Growth of Foreign Trade	Grant
62	Reimbursement of Anti-dumping and/or Countervailing Legal Expenses by the Local Governments	Grant
63	Financial Special Fund for Supporting High and New Technology Industry Development Project	Grant
64	Subsidy for Promoting Energy-Saving Buildings	Grant
65	Subsidy for the Technology Development	Grant
66	Awards for the Contributions to Local Economy and Industry Development	Grant
67	Beijing Industrial Development Fund	Grant
68	Grants, Loans, and Other Incentives for Development of Famous Brands, China Top World Brands or other well-known Brands	Grant
69	Shunde Famous Brands	Grant
70	Guangdong Supporting Fund	Grant
71	Zhabei District "Save Energy Reduce Emission Team" Award	Grant
72	"Five Points, One Line" Program of Liaoning Province	Grant
73	State Special Fund for Promoting Key Industries and Innovation Technologies	Grant
74	Fund for SME (small and medium size enterprises) Bank-Enterprise Cooperation Projects by Guangdong Governments	Grant
75	Special Fund for Significant Science and Technology by Guangdong Governments	Grant
76	Fund for Economic, Scientific and Technology Development by the Government of Foshan City	Grant
77	Provincial Fund for Fiscal and Technological Innovation by Guangdong Governments	Grant
78	Provincial Loan Discount Special Fund for SMEs by Guangdong Governments	Grant
79	"Large and Excellent" Enterprises Grant	Grant
80	Advanced Science/Technology Enterprise Grant (Advanced Units for Safety Production in Fengxian District)	Grant
81	Award for Excellent Enterprise (First Prize within Top 100 Enterprises in Situan Town for Year 2012)	Grant
82	Foshan City Government Technology Renovation and Technology Innovation Special Fund Grants	Grant
83	Nanhai District Grants to State and Provincial Enterprise Technology Centers and Engineering Technology R&D Centers	Grant

PUBLIC RECORD

No.	Program name	Type
84	Supporting Fund for the Projects Used to Resolve the Important Technological Issues for Enterprises' Production and R&D by Liaoning Governments	Grant
85	Technology Innovation Fund for Science & Technology Type SMEs by Liaoning Governments	Grant
86	Supporting Fund for the Application Technology Research in the Overseas R&D Institution/Branch by Liaoning Governments	Grant
87	Special Supporting Fund and Special Loan Assistance by Chinese Ministry of Science & Technology for revitalizing the Northeast old industrial base	Grant
88	Special Supporting Fund for Key Projects of "500 Strong Enterprises in Contemporary Industries" by Guangdong Governments	Grant
89	Fund for Supporting Strategic Emerging Industries by Guangdong Governments	Grant
90	Medium Size and Small Size Enterprises Development Special Fund	Grant
91	Medium Size and Small Size Trading Enterprises Development Special Fund	Grant
92	Special Fund for Export Credit Insurance by Guangdong Governments	Grant
93	Supporting Fund for Converting the Industry Technology Achievements/Findings by Beijing Governments	Grant
94	Special Development Fund for Beijing Cultural Innovation Industry	Grant
95	Supporting Fund for Becoming Publicly Listed Company	Grant
96	Supporting Fund for the "Working Capital" Loan Interest	Grant
97	Award for Maintaining the Growth by Beijing Governments	Grant
98	Award by Beijing Technology Trading Encouraging Centre	Grant
99	Award by Shanghai Songjiang Economic Committee	Grant
100	Supporting Fund for the Development from Guangzhou Local Governments	Grant
101	Interest Assistance for Technology Renovation Projects by Liaoning Governments	Grant
102	Interest Assistance for the Application of Information Technology by Liaoning Governments	Grant
103	Loan Guarantee Fund for Science & Technology Enterprises by Liaoning Governments	Grant
104	Fund for Optimizing Import and Export Structure of Mechanical Electronics and High and New Technology Products	Grant
105	Special Fund for Pollution Control of Three Rivers, Three Lakes, and the Songhua River	Grant
106	Repaying Foreign Currency Loan by Refunded VAT	Loan
107	Government Export Subsidy and Product Innovation Subsidy in Shandong Province	Grant
108	Export Assistance Grant	Grant
109	Research & Development (R&D) Assistance Grant	Grant
110	Foreign Trade Promotion Award	Grant
111	Financial Assistance for an Overseas Market Survey	Grant
112	Supporting fund provided to Service Outsourcing Enterprises for the Establishment of their Brands and the Acquisition of their International Qualification Accreditations	Grant
113	Liaoning High-tech Products & Equipment Exports Interest Assistance	Grant

PUBLIC RECORD

No.	Program name	Type
114	Grant for Developing International Markets for SMEs in Zhejiang	Grant
115	Grant for Developing International Markets and Capital Clearing Fund for SMEs in Zhejiang	Grant
116	Export Credit for Insurance Premium in Zhejiang	Grant
117	Property Tax Reduction of Urban Land Use for Companies Who Provide Employment to People with Disabilities in Zhejiang	Tax
118	Support for the Development of Welfare Enterprises and Promoting the Employment of Persons with Disabilities in Zhuji City.	Grant
119	Subsidy for Certification of Clean and Green Production in Zhejiang (Funds for Cleaning Production Demonstration Enterprises)	Grant
120	Subsidy for Construction Projects in the Developmental and Experimental Zone in Zhuji City	Grant
121	Policy to Promote Industrial Restructuring and Upgrading, and Enhance the Level of Economic Development in Dianko Township (Funds for Fulfill Incentive Policies on Industry for the Year 2011	Grant
122	Policy to Promote Industrial Restructuring and Upgrading, and Enhance the Level of Economic Development in Dianko Township (Incentives of Circular Economy in 2011	Grant
123	Funds for Standardizing Industrial Systems in the Nonferrous Metals Industry	Grant
124	Award for Science and Technology in Shaoxing City	Grant
125	Policy to Accelerate the Development of Modern Logistics Industry in Zhuji City	Grant
126	Grant for Industrial Transformation and Upgrading of Major Science and Technology Projects in Zhuji City	Grant
127	Funds for Science and Technology Award	Grant
128	Award to Science and Technology Enterprises in Zhuji City	Grant
129	Funds for Science and Technology Award of Zhuji City	Grant
130	Funds for Patent Award	Grant
131	Funds for Key Innovation Team	Grant
132	Special Fund for Fair Trade in Import and Export Zhejiang	Grant
133	Subsidies to Full-time Environmental Monitoring Officer	Grant
134	Grant for Research and Development Centers in the Provincial-level High-Tech Enterprises in Zhejiang	Grant
135	Special Financial Fund for Industrial Transformation and Upgrading in Zhejiang (Brand Awards)	Grant
136	Award for Outstanding Industrial Products and New Technologies in Zhejiang	Grant
137	Grant for the Implementation of Quality and Technical Inspection in Zhejiang	Grant
138	Award for Advanced Companies and Individuals in the Recognition of Key Projects and Investment in Tonglin City	Grant
139	Grant to Promote and Accelerate the Economic Development in the Copper Industry in Tonglin City	Grant
140	Financial Incentives to Promote Economic Development in Tonglin City	Grant
141	One-Time Financial Support to Hailiang Copper Co., Ltd.	Grant
142	Special Funds for Use in the Open Economy (Award for Open Economy)	Grant
143	Special Funds for Use in the Open Economy (Reduction/Exemption of Water Conservancy Fund)	Grant

PUBLIC RECORD

No.	Program name	Type
144	Grant to Promote Economic Innovation and Enhance Development (Award for Refinancing by Rationed Shares)	Grant
145	Grant to Promote Economic Innovation and Enhance Development (Incentives of Industrial Economic Policies in 2011)	Grant
146	Grant to Promote Economic Innovation and Enhance Development (Funds for Award of Innovation Carrier)	Grant
147	Grant to Promote Economic Innovation and Enhance Development (Funds for Award of Talent for the Year 2012)	Grant
148	Funds for Scientific and Technology Project for the Year 2011 in Zhuji City	Grant
149	Grant for Scientific and Technological Projects Which Passed Appraisal and Certification in Zhuji City (Funds for City-Grade Project in 2012)	Grant
150	Grant for Scientific and Technological Projects Which Passed Appraisal and Certification in Zhuji City (Funds for Award of Scientific & Technological Achievements through Identification/Review and Project of National Torch, Spark, Key New Product Program)	Grant
151	Support for the Development of Welfare Enterprises to Promote the Employment of Persons with Disabilities in Zhuji City	Grant
152	Preferential Tax Policies for Advanced Technology Enterprises with Foreign Investment	Tax
153	Reduced Tax Rate for Productive FIEs Scheduled to Operate for a Period Not Less Than 10 Years	Tax
154	Tax Preference Available to Companies that Operate at a Small Profit	Tax
155	Preferential Tax Policies for Foreign Invested Export Enterprises	Tax
156	Preferential Tax Policies for the Research and Development of FIEs (Tax offsets for Research and Development)	Tax
157	Preferential Tax Policies for FIEs and Foreign Enterprises Which Have Establishments or Places in China and are Engaged in Production or Business Operations Purchasing Domestically Produced Equipment	Tax
158	Preferential Tax Policies for Domestic Enterprises Purchasing Domestically Produced Equipment for Technology Upgrading Purpose	Tax
159	Income Tax Refund for Re-investment of FIE Profits by Foreign Investors	Tax
160	VAT and Income Tax Exemption/Reduction for Enterprises Adopting Debt-to-Equity Swaps	Tax
161	Corporate Income Tax Reduction for New High-Technology Enterprises	Tax
162	Income Tax Credits on Purchases of Domestically Produced Equipment	Tax
163	Preferential Tax Programs for Encouraged Industries or Projects	Tax
164	Exemption from City Maintenance and Construction Taxes and Education Fee Surcharges for FIEs	Tax
165	Tax Offset for R&D Expenses in Guangdong Province	Tax
166	Accelerated Depreciation on Fixed Assets	Tax
167	Preferential Tax Treatment for the Technology Development Expenses by Liaoning Governments	Tax
168	Accelerated Depreciation on Intangible Assets for Industrial Enterprises in Northeast Region	Tax
169	Exemption of Tariff and Import VAT for the Imported Technologies and Equipment.	Tariff and VAT
170	Relief from Duties and Taxes on Imported Material and Other Manufacturing Inputs	Tariff and VAT
171	Reduction, Exemption or Refund of Land Use Fees, Land Rental Rates and Land Purchase/Transfer Prices	Tax
172	Deed Tax Exemptions for Land Transferred through Merger or Restructuring	Tax

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No.	Program name	Type
173	Raw Materials Provided by the Government at Less than Fair Market Value	Provision of goods
174	Utilities Provided by the Government at Less than Fair Market Value	Provision of goods
175	Debt to Equity Swaps	Equity
176	Exemptions for SOEs from Distributing Dividends to the State	Equity
177	Tax offsets for the investment in the acquisition of special facilities for environmental protection, energy and water conservation and work safety etc.	Tax
178	Preferential Loans From State-Owned Banks	Loan

Program Table

I-1 General

1. Complete the worksheet named **“I-1 Company turnover”**

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

RESPONSE:

Please refer to Attachment **I-1 Company turnover** for the requested information.

I-2 Provision of goods at less than adequate remuneration

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

RESPONSE:

The major raw material for the production of copper tubes of Zhejiang Hailiang is [].
Zhejiang Hailiang would also use [] in the production of certain copper tubes.

2. Complete the worksheet named **“I-2 Raw Material Purchases”** for your purchases of

- Copper cathode and/or
- Scrap Copper

RESPONSE:

Please refer to **Attachment I-2 Raw Material Purchases** for the requested information.

During the investigation period, the inputs used by Zhejiang Hailiang for production of copper tubes destined for foreign markets, including Australian market are [], which are [

].

[

].

More specifically, [

].

The domestic operation of Zhejiang Hailiang is made [

].

Zhejiang Hailiang submits that, in view of the fact that (1) [

]; (2) [

]; (3) [

].

Zhejiang Hailiang also notes that in the application, the applicant quotes the statement of reason (“SOR”) concerning final determination in the dumping of certain copper tube exported from Brazil, Greece, China, Korea and Mexico and the subsidisation of exports from China published by Canadian investigating authority, the CBSA. In fact, based on information and comments provided by Zhejiang Hailiang, the CBSA noted in the SOR that, “the benefits that ZJ Zhejiang Hailiang received under Program 167 were not attributable to subject goods exported to Canada and were therefore, not included in the amount of subsidy determined for ZJ Zhejiang Hailiang”.²

Since Zhejiang Hailiang has consistently maintained such mode for a long time period, and submitted the same information in this questionnaire response, Zhejiang Hailiang request the commission to make the same determination regarding program 173.

Information redacted refers business mode of Zhejiang Hailiang, and is therefore business confidential.

3. For all suppliers and manufacturers of raw materials listed in “I-2 Raw Material Purchases” or “G-7.2 Raw material CTM”, provide an explanation and any evidence to support your categorisation of whether the company is a State Invested Enterprise (SIE)

RESPONSE:

During its daily operation, Zhejiang Hailiang does not distinguish suppliers of raw materials by its ownership. In preparation of the questionnaire response, for Chinese registered suppliers, Zhejiang Hailiang extracts a list of suppliers of [] and [] during the investigation period and verifies whether any supplier is an SIE through the “National Enterprise Credit Information Publicity System” (NECIPS); Please refer to Attachment I-2.3 for a sample screenshot of search result in the NECIPS.

² See Non-confidential Attachment C-1.1 to the Application, paragraph 176, at page 31. The program 167 referred to in the SOR is titled “Raw Materials Provided by the Government at Less than Fair Market Value”

PUBLIC RECORD

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

RESPONSE:

Please refer to Attachment I-2.4 for a sample agreement with one of the state-invested supplier.

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

RESPONSE:

Zhejiang Hailiang purchases both [] and [] for the production of copper tubes. The decisions to purchase imported raw materials are made as a result of the following issues: (1) As the price of goods is set under the principle of [], and foreign customers would prefer LME copper price as the base price of raw materials, materials imported from international market would better reflects the international price and meets the requirements copper price from customers; (2) quality (e.g. purity, grade, chemical properties) of materials; (3) specific requirement of the customers on raw materials; (4) the ability of supplying of materials.

6. Did your business or any company/entity related to your business receive any benefit under the following programs during the investigation period plus the two preceding years?

Programs: 12, 173 and 174. (Refer Section I – Countervailing, for full names of programs).

RESPONSE:

As explained above and below, Zhejiang Hailiang did not benefit from these programs.

7. Does your business purchase any goods/services from SOEs/SIEs, e.g., raw materials, energy (electricity, gas etc.), water, other utilities, etc?
Complete the worksheet named “I-2a Electricity Purchases”.

RESPONSE:

Please refer to Attachment I-2 and Attachment I-2a for detailed information on purchase of raw materials and electricity, where the information of state-owned and state-invested suppliers has been identified. Zhejiang Hailiang submits that, even if there are materials and electricity supplied by state-owned and state-invested suppliers, the price of materials purchased is determined based on market condition and the fee rates of electricity is consistent with the rates published in the electricity schedule. Therefore, there is no any reduction of price received by Zhejiang Hailiang.

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

RESPONSE:

As explained above, there is no any reduction of price received by Zhejiang Hailiang.

I-3 Preferential tax policies

1. Complete the worksheet named “I-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.

RESPONSE:

Please refer to **Attachment I-3 Income Tax** for the requested information. Please note that, as indicated from the annual tax return provided as Attachment I-3.1, due to the adjustment of taxable

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income and offset of taxable income by losses carry forward from previous years, there is no taxable income of Zhejiang Hailiang in year 2019 and therefore there is no enterprise income tax payable by Zhejiang Hailiang in this year. According to the *Enterprise Income Tax Law of the PRC* provided in I-3, the offset of taxable income by loss carried forward from previous year is available to all companies in China.

2. Did your business or any company/entity related to your business receive any benefit under the following income tax programs during the investigation period plus the two preceding years?

Programs 1, 2, 3, 4, 5, 6, 7,9, 10, 11, 14, 117, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163 164, 165, 166, 167, 168, 171, 172 and 177. (Refer Section I – Countervailing, for full names of programs).

RESPONSE:

According to information available to Zhejiang Hailiang, Zhejiang Hailiang is eligible for []. However, as noted in Attachment I-3.3, due to the adjustment of taxable income and offset of taxable income by losses carry forward from previous years, there were actually no taxable income and therefore no benefit has otherwise been conferred by []. For Program 171, Zhejiang Hailiang received [] during the IP. The receipt of this refund has been recognized as grant from government by Hailiang and reported in Attachment I-4.

3. 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.

RESPONSE:

Please refer to Attachment I-3.3.

4. 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.

RESPONSE:

Please refer to Attachment I-3.4.

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

RESPONSE:

The general corporate tax rate applicable in PRC during the investigation period and previous two financial years is 25%.

6. Did your company pay less than the general tax rate for enterprises referred to in question I-3.5? RESPONSE:

Zhejiang Hailiang is eligible [], the benefit under this program is conferred by []

[]. Therefore, Zhejiang Hailiang did not pay less than the general tax rate. In addition, as explained above, Zhejiang Hailiang did not benefit from this program.

If yes:

- What tax rate did your company pay?
- 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?
- What is the name of the program?
- What is the name of the authority granting your company the reduced tax rate?
- What is the eligibility criteria to benefit from the reduced tax rate?

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- 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.

I-4 Financial grants

1. Complete the worksheet named "I-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.

RESPONSE:

Please refer to [Attachment I-4 Grants](#) for the grants received by Zhejiang Hailiang during the specified period. Because for programs of financial grants listed in the table at the top of Section I, there is no sufficient information describing the program in addition to the name, it is difficult for Zhejiang Hailiang to match the grants it received with the programs listed.

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.

RESPONSE:

Please refer to [Attachment I-4.2.1](#) and [Attachment I-4.2.2](#).

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.

RESPONSE:

During the investigation period and the two preceding financial years, i.e., 2018 and 2019, Zhejiang Hailiang received grants from government of various level. Because for programs of financial grants listed in the table at the top of Section I, there is no sufficient information describing the program in addition to the name, it is difficult for Zhejiang Hailiang to match the grants it received with the programs listed. Please refer to [Attachment I-4](#).

4. For each of the grants listed in I-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.

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- 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.

RESPONSE:

For grants reported in **Attachment I-4** received during the investigation period, Zhejiang Hailiang does not challenge the countervailability of these programs.

In additions, as indicated in Attachment I-4.2.1 and Attachment I-4.2.2, Zhejiang Hailiang received [payments for return of commission charge of payment of individual tax totalling 507,611.59 Yuan on October 1, 2019 and May 25, 2020] during the IP. Zhejiang Hailiang submits that to all enterprises withholding and pay individual tax in China are available to these [] according to Article 17 of the Individual Income Tax Law of the People's Republic of China, see Attachment I-4.4. Therefore Zhejiang Hailiang submits that the [] shall not be found as countervailable subsidy.

I-5 Preferential loans and interest rates

1. Complete the worksheet named "I-5 Loans".

- In this worksheet, please provide details in the table for each loan obtained on preferential terms. You must provide this information in an electronic format using the template provided in the worksheet.
- Did your business or any company/entity related to your business receive any benefit under the following programs during the investigation period plus the two preceding years?

Programs: 20, 21, 22, 31, 55, 68, 78, 87, 96, 103, 106, and 178.

RESPONSE:

Please refer to **Attachment I-5 Loans** for the requested information. Zhejiang Hailiang confirms that it has not received any benefit under the program 20, 21, 22, 31, 55, 68, 78, 106.

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

RESPONSE:

Please refer to the list of banks and financial entities issuing loans to Zhejiang Hailiang provided as Attachment I-5.2 for the information of ownership structure.

Zhejiang Hailiang submits that, for loans issued by banks or financial entities not invested directly or indirectly by Government of China, the Commission should not find these loans constitute subsidy, because these loans are not granted by any "public body" within the meaning of Australian laws and the SCM Agreement.

3. In the case of each loan from government-owned or controlled, please explain the reason for borrowing from such a bank rather than a commercial bank. What are the differences in the terms and conditions of loans between the government and commercial banks?

RESPONSE:

As indicated in Attachment I-5 and Attachment I-5.2, Zhejiang Hailiang received loans from several types of banks and financial entities. These banks and financial entities can be classified into state-owned policy banks, state-owned commercial banks, joint-stock commercial Banks which have certain percentage of state-owned share, foreign banks and private financial entities. Please refer to Attachment I-5.3 for a copy of sample loan agreement between Zhejiang Hailiang and the state-owned bank.

Zhejiang Hailiang submits that, generally, there is no major differences between terms and conditions of loans between each type of banks. As indicated from the sample agreement provided in

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Attachment I-5.3, even for loans from state-owned banks, the terms and conditions of loans are still concluded based on normal market conditions and through fair negotiation, and the interest rates are set based on market situation. Therefore, there would be no benefit which Zhejiang Hailiang could enjoy from loans issued from these state-owned banks.

Therefore, the reason for borrowing from state-owned bank would normally be line of credits, the procedure and time for issuing loans, etc.

4. 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.

RESPONSE:

Due to the large number of loans reported in Attachment I-5, Zhejiang Hailiang is currently unable to collect and translate all agreements for each loan. Zhejiang Hailiang provide the sample agreement for the loan with the largest amount in EUR as Attachment I-5.3.

5. 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.

RESPONSE:

To the knowledge of Zhejiang Hailiang, there is no such loans issued to Zhejiang Hailiang based on any goals specified in any government plan or development program.

I-6 Tariff and VAT exemptions on imported materials and equipment

1. Complete the worksheet named "I-6 Tariff and VAT".

It is the Commission's understanding that certain enterprises in China are eligible for exemption from the payment of import duty and import VAT on imported inputs, technologies and machinery, for example: Programs 8, 15, 16, 17, 18, 19, 169, 170.

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

RESPONSE:

Please refer to **Attachment I-6 Tariff and VAT** for details of imported equipment. Zhejiang Hailiang did not benefit from exemption of tariff or VAT for imported equipment from January 2018 to the end of the IP.

For imported materials, as stated above, [

].

[

].

As such, it is not appropriate to consider such an exemption as benefit. For the detailed illustration of this claim, please refer to the response to Section I-2.

Further, Although Zhejiang Hailiang received VAT refund for exported goods in 2019, However, in numerous prior investigations by other countries or regions, all investigating authorities have concluded there is no excessive VAT refund in China and the VAT refund is not a subsidy program because it cannot meet the "financial contribution" requirement, which is clarified by footnote 1 of the SCM Agreement. The VAT refund is also not limited, by law or in fact, to any enterprise or group of enterprises, or to any industry or group of industries.

Based on the above, Zhejiang Hailiang did not benefit from the listed programs and the following question is not applicable.

Information redacted refers business mode of Zhejiang Hailiang, and is therefore business confidential.

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.
3. Describe the application and approval procedures for obtaining a benefit under the program.
4. Where applicable, provide copies of the application form or other documentation used to apply for the program, all attachments and all contractual agreements entered into between your business and the Government of China in relation to the program.
5. Outline the fees charged to or expenses incurred by your business in receiving the program.
6. Outline the eligibility criteria your business had to meet in order to receive benefits under this program.
7. State whether your eligibility for the program was conditional on one or more of the following criteria:
 - (a) whether or not your business exports 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.
8. If the benefit was provided in relation to a specific activity or project of your entity, please identify the activity and provide supporting documentation.
9. What records does your business keep regarding each of the benefits received under this program? Provide copies of any records kept in relation to the program.
10. Indicate where benefits under this program can be found in your accounting system (i.e. specify the ledgers or journals) and financial statements.
11. 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.
12. Has your company received exemption from payment of or refunds of import duty and import VAT for imported material inputs at any time that were used in the production of the goods during the investigation period? If yes, provide the following information:
 - (a) description of imported product;

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- (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.

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

14. Explain how the Government of China determined the percentage rate of duty exemption.

Please note that goods consumed in the production of exported goods (inputs) include:

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

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

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 China 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.

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

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.

I-7 Debt-to-equity swaps

RESPONSE:

Zhejiang Hailiang submits that, during the investigation period plus the two preceding years, Zhejiang Hailiang did not conduct debt-to-equity swaps for any of its outstanding loans to the GOC or to the SOCBs. Therefore, questions in this section below are not applicable to Zhejiang Hailiang.

1. Complete the worksheet named "I-7 Debt-to-equity"
2. Did your business or any company/entity related to your business receive any benefit under the following programs during the investigation period plus the two preceding years?

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Programs: 160 and 175.

3. Describe in detail each transaction with all the steps leading to the debt cancellation in exchange for equity, including the role of all of the government and non-government entities involved in each transaction.
4. On a loan by loan basis, provide the following:
 - a. the amount of the outstanding loans due by your company directly or indirectly to the GOC or to State-owned Commercial Banks (SOCBs) cancelled and swapped for equity
 - b. the terms of the loans and the interest due on the loan
 - c. the duration and maturity of the loan
 - d. the amount of late interest payments or other arrears on the loan
 - e. the amount of the interest saved
 - f. the amount of equity received in exchange by the GOC directly or through controlled corporations such as Asset Management Companies (AMCs)
 - g. the number of shares issued
 - h. a description of the shares (e.g. common shares, preferred shares)
 - i. the nominal value of the shares
 - j. the company's debt-to-equity ratio before and after the swap
 - k. the dates of the transactions

Also provide the following information for each "swapped" debt:

5. How did your company determine the amount of equity to be issued and the per share price to be paid?
6. Explain how the transaction was reflected in the financial statements and provide underlying evidence.
7. The source of funds to finance these transactions, including the percentage of public vs. private sources.
8. How the proceeds from the debt-for-equity swap were used by your company.
9. Provide the relevant original loan contracts between your company and the GOC or SOCBs and any contracts, legal documents, and other relevant correspondence containing details on the debt for equity transaction.
10. Provide documentation relevant to the decision concerning each debt for equity transaction, including in particular all the documents detailing the rationale for the transaction and the underlying financial details, e.g. the relevant rate of return sought by the lender and/or shareholders, the projections of sales and earnings relating to the company operations prior to the debt for equity conversion, etc.
11. Provide internal company documents relating to the debt-for-equity transactions, such as Board of Directors' approval decisions and minutes, Board of Supervisors' approval decisions and minutes, Shareholders' meetings approval decisions and minutes etc.
12. Provide documentation relevant to the decision as to the source of funds to finance your operations, e.g., debt vs. equity financing and private vs. government sources.
13. Explain in detail how was the amount of equity to be issued in exchange for debt determined and the per share price to be paid. If the shares involved in the swap were publicly traded, please provide the relevant prices at the moment of the transaction.
14. Explain the expected commercial rate of return on equity sought by the government and its calculation and provide any study and analysis carried out by independent parties on this issue.
15. Provide a list of all equity investments made by private (i.e. non-government) entities contemporaneous with the government's investment or debt-to-equity swap, if any. Please provide the dates, the numbers of shares, the amount paid per share for each purchase, and a description of the rights and preferences of the equity interests received by these private entities and how these differ from the rights and preferences of the equity interests received or held by the government.
16. Provide a list of any attempt made by your company to obtain private equity investment and/or agreements involving private equity investments which were then not finalised for whatever reasons. Describe the circumstances of these attempts and/or agreements, and the reasons they were not achieved.
17. Please provide complete, translated audited financial statements for the year of each government equity investment for each of the government entities involved in the transactions, including SOCBs and AMCs. The financial statements should include the complete set of statements, e.g.,

income statement, balance sheet, statement of change in equity footnotes, and must be accompanied by the auditors' opinion.

18. Please calculate the following financial ratios for your company for each year in which an equity investment was received and for the preceding three years: current ratio, quick ratio, gross profit, operating profits, net profits, return on equity, debt-to-equity, debt-to-assets, interest/debt coverage, and cash flow to debt.

I-8 Unpaid dividends

RESPONSE:

Zhejiang Hailiang submits that as explained in Section A, it is not a state-owned company and therefore it's not subject to any rule or policy regarding the distribution of dividends by state-owned enterprises. Therefore, questions in this section below are not applicable to Zhejiang Hailiang.

1. Complete the worksheet named "I-8 Unpaid dividends".

The Commission understands that according to GOC policy, state-owned enterprises including the companies producing/exporting the goods under consideration do not have to pay dividends to the government as their owner, even when they earn profits.

1. Did your business or any company/entity related to your business receive any benefit under the following programs during the investigation period?

Program 176.

Please provide the following information:

2. The relevant provisions on distribution of dividends contained in the legislation, in administrative documents, and in any other official documents.
3. The practice and policy on dividend distributions contained in your company documents, including the by-laws, resolutions of the shareholders or the board of directors, minutes of the meeting, shareholders' agreements etc.
4. A list of all dividend distributions to Government entities effected by your company during the investigation period and for the years 2016, 2017, 2018, 2019 and 2020, detailing:
 - a) the description of the dividend transactions
 - b) the date of the dividend transactions
 - c) a description of the various categories of shares involved (e.g. common shares, preference shares, special classes of shares etc.)
 - d) the specific rights attached to the shares
 - e) the amount distributed as dividends per each category of share
 - f) the per-share dividend paid out for each category of share
 - g) the number and class of shares held by the government
 - h) the percentage of profits distributed per each class of share to the GOC
 - i) any taxes paid or payable on these dividend distributions.
5. Provide a copy of the relevant resolutions adopted by the shareholders' meeting or the board of directors deliberating the relevant dividend distribution.
6. A list of any dividend distributions effected by your company to private shareholders during the investigation period and for the years 2016, 2017, 2018, 2019 and 2020, detailing:
 - a) the amounts distributed as dividends
 - b) the number of shares held by private investors
 - c) a description of the shares and of their attached rights (e.g. common shares, preferred shares) giving rise to the dividend distributions
 - d) the percentage of profits distributed per each class of share to the private investors, and
 - e) the dividend per share distributed per each class of share.
7. What was the amount of retained earnings since the year 2012 available for distribution to shareholders of the different classes of shares?

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8. A list of investments in fixed assets affected since the year 2012 financed out of retained earnings or other profits otherwise available for distribution to shareholders in previous years used to finance these investments.
9. All internal company documents relevant to your decision as to the source of funds to finance your operations, e.g., debt vs. equity financing and private vs. government sources.
10. A detailed description of the accounting treatment and the company policy concerning dividend distributions, retained earnings, and use of the proceeds otherwise available for dividend distribution. Please attach relevant underlying financial statements and records and other relevant evidence.

I-9 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).

RESPONSE:

The factories, sales offices and other offices related to business of Zhejiang Hailiang are all located in Zhejiang Province.

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

RESPONSE:

In preparing for response, Zhejiang Hailiang identifies several programs in the form of grants from which it has benefited during the IP, while these programs have not been identified by the questionnaire. Please refer to Attachment I-4.

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

RESPONSE:

Please refer to Attachment I-4.

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

RESPONSE:

Please refer to Attachment I-4. These programs are in types of grants.

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

RESPONSE:

Please refer to Attachment I-4. For these grants received during the IP, Zhejiang Hailiang does not challenge their countervailability.

5. Indicate whether your company benefited from any of the listed programs during the period.
6. Indicate which goods you produced that benefited from the program (e.g. the program may have benefited all production or only certain products that have undergone research and development).
7. Describe the application and approval procedures for obtaining a benefit under the program.

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

If the program terminated has been substituted for by another program, identify the program and answer all the questions in Part I-5 in relation to this programme.

SECTION J CHINESE MARKET FOR COPPER TUBE

J-1 Prevailing conditions of competition in the Chinese market

7. Describe the Chinese market for the goods and the prevailing conditions of competition within the market, including:
- (s) Provide an overall description of the market in China which explains its main characteristics and trends over the past five years;

RESPONSE:

Per Zhejiang Hailiang's understanding of Chinese market. In last 5 years, the domestic market demand is stable and the domestic market supply increased smoothly. The market players continued to diversify and the competition in domestic market is complete. There are less than 10 large copper processing companies, and more than 30 medium and small copper processing companies in copper tube processing market.

- (t) Provide the sources of demand for the goods in China, including the categories of customers, users or consumers of the product;

RESPONSE:

Zhejiang Hailiang does not have the sources of the exact demand data of copper tube in Chinese market, and can only provide general information regarding the categories of customers, users or consumers of the product.

The major customers are the producers in household appliances industry. Copper tubes are mainly consumed for production of Air conditions, refrigerators, washing machines, water heaters, moisture ejectors and other household appliances involved in heat exchange process.

Copper tubes are also consumed for downstream copper products, such as copper tube fittings.

In addition, copper tubes are used as conductor material in communication engineering market and as drainage materials in construction market.

- (u) Provide an estimated proportion (%) of sales revenue from each of those sources of demand listed in (b);

RESPONSE:

Zhejiang Hailiang's customers purchase the goods mainly for refrigeration industry, accounting for almost []. The second demand is for plumbing, taking about [] of the total sales. The rest is for engineering purposes.

- (v) Describe the factors that influence consumption/demand variability in China, such as seasonal fluctuations, factors contributing to overall market growth or decline, government regulation, and developments in technology affecting either demand or production;

RESPONSE:

The demand of copper tube is influenced by the seasonal fluctuation of the demand of household appliances. Normally the period from November to May is the peak production season of copper tube and September to October is the off season of copper tubes.

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The consumption/demand variability in domestic market is not subject to government regulations.

- (w) Describe any market segmentations in China; such as geographic or product segmentations;

RESPONSE:

There are not apparent geographic market segmentations in domestic market. In accordance with different uses, there are apparent product segmentations, which includes household appliance market, further processing market, construction market and communication engineering market.

- (x) Provide an estimated proportion of sales revenue from each of the market segments listed in (e);

RESPONSE:

About [] of revenue is from household appliance market; [] from construction market. The rest is from engineering market.

- (y) Describe the way in which Chinese and imported goods compete in the Chinese

market; **RESPONSE:**

Chinese products can basically satisfy the normal demand in domestic market, and the imported products are only used to satisfy some specific product request, such as high purity products, and special grade products.

In general, the Chinese products do not directly compete with imported products in domestic market.

- (z) Describe the ways that the goods are marketed and distributed in the Chinese market; and

RESPONSE:

In domestic market, Zhejiang Hailiang sells to downstream users, such as the household appliance producers, and also sells to different levels of distributors.

- (aa) Describe any other factors that are relevant to characteristics or influences on the Chinese market for the goods.

RESPONSE:

The competition in domestic market is fierce.

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

(i). RESPONSE:

The above responses are according to Zhejiang Hailiang's own understanding of the domestic market and its own data analysis of domestic sale. Zhejiang Hailiang is not aware of the public market reports or analysis regarding Chinese domestic copper tube processing market.

PUBLIC RECORD

8. Provide a diagram which describes the Chinese 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 Chinese market.

RESPONSE:

In domestic market, Zhejiang Hailiang mainly sold to distributor and industry users. As explained in response to section D-1.4, Zhejiang Hailiang's selling prices does not vary according to the distribution channel, and there is no major difference between different levels of trade or distribution channels.

9. Describe the commercially significant market participants in the Chinese 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.

RESPONSE:

Per Zhejiang Hailiang's understanding, Zhejiang Hailiang, Ningbo Jintian Copper (Group) Co., Ltd , Golden Dragon Precise Copper Tube Group Inc. and CNMC Albetter Copper Co., Ltd. Guangdong Jingyi Metal Co., Ltd "(JIEA) are the main copper tube producers in Chinese markets. All of them are public listed companies and most of them are private-owned companies.

10. Identify the names of commercially significant importers in the Chinese 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 Chinese market, if known.

RESPONSE:

Zhejiang Hailiang is not aware of the importers of copper tubes.

11. Describe the regulatory framework of the Chinese 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.

RESPONSE:

There are not any regulatory framework of the Chinese market specifically for copper tubes as it relates to competition policy, taxation, product standards and the range of the goods.

12. Describe any entry restrictions for new participants into the Chinese 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).

RESPONSE:

Per the best understanding of Zhejiang Hailiang, there are not any entry restrictions for new participants into the Chinese copper tube processing market.

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

J-2 Goods in the Chinese market

7. Generally describe the range of goods offered for sale in the Chinese 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.

RESPONSE:

The goods offered by Zhejiang Hailiang for sale in domestic market including copper tubes in straight and coils.

For producers in Chinese domestic market, there are not significant differences in quality and technical support, but the main producers can provide a wider range of product to the customers and has the ability to satisfy the demands of the customers in both peak season and off season. There are some famous bands in Chinese market and it may slightly affect the price in Chinese market.

8. Describe the end uses of the goods in the Chinese market from all sources.

RESPONSE:

Please refer to response to question J-1.1(b) above.

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

RESPONSE:

The preferences are listed in order as below:

- 9) price differences;
- 10) supply/availability differences;
- 11) quality differences;
- 12) technical support differences;
- 13) the prevalence of private labels/customer brands;
- 14) the prevalence of generic or plain labels;
- 15) the prevalence of premium labels; and
- 16) product segmentation.

10. Identify if there are any commercially significant market substitutes in the Chinese market for the goods.

RESPONSE:

PUBLIC RECORD

In household appliance industry, copper tubes may be substituted by aluminium tubes for cost reducing consideration. Such substitution cannot satisfy the application request perfectly, and can only be used for low grade and low price products.

11. Identify if there are any commercially significant market complements in the Chinese market for the goods.

RESPONSE:

Per Zhejiang Hailiang's understanding, there are not any commercially significant market complements in Chinese market in near future.

12. Have there been any changes in market or consumer preferences in the Chinese 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.

RESPONSE:

The market is very stable in last five years and there are not significant changes in consumer preferences.

J-3 Relationship between price and cost

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

- (c) The proportion of your company's sales revenue derived from sales of the goods in China; and
- (d) The proportion of your company's profit derived from sales of the goods in China.

In responding to question 1 please provide evidence supporting calculations.

RESPONSE:

During the POI, there is sales revenue of [] generated from the sales of the goods, in which the domestic sales account for [58%], valued []. Domestic sales are important to Zhejiang Hailiang, providing that the percentage of domestic market has exceeded [] of the total sales.

Zhejiang Hailiang does not calculate the profit that generated from domestic market.

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

RESPONSE:

Zhejiang Hailiang is the biggest producer in Chinese market, but Zhejiang Hailiang is not the price leader and still needs to compete with other suppliers in Chinese market.

The domestic market is mainly determined by the demand and supply in the domestic market, and the control of processing cost of individual companies.

18. 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 China. 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.

PUBLIC RECORD

RESPONSE:

Please refer to answer to question H-4.8 above.

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

RESPONSE:

Please refer to answer to question H-4.8 above.

20. How frequently are your Chinese 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.

RESPONSE:

Please refer to answer to question H-4.8 above.

21. Rank the following factors in terms of their influence on your pricing decisions in the Chinese 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]

RESPONSE:

The above factors in terms of their influence on pricing decisions in the Chinese market are ranked as below.

- 13) Cost to make and sell the goods
- 14) Desired profit
- 15) Competitors' prices
- 16) Value of the order
- 17) Volume of the order
- 18) Value of forward orders
- 19) Volume of forward orders
- 20) Customer relationship management
- 21) Purchase price of raw materials
- 22) Supplier relationship management

PUBLIC RECORD

23) Level of inventory

24) Brand attributes

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

RESPONSE:

Please refer to answer to question H-4.8 above. Zhejiang Hailiang maintains profit margin for the goods sold.

23. Do you offer price reductions (e.g., commissions, discounts, rebates, allowances or credit notes) in the Chinese 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.

RESPONSE:

Please refer to Zhejiang Hailiang's response to section D-1.5 and D-1.6.

24. Do you offer bundled pricing in the Chinese 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.

RESPONSE:

Zhejiang Hailiang does not offer bundled pricing in the Chinese market.

25. Does the volume of sales to a customer or the size of an order influence your selling price in China? 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.

RESPONSE:

Zhejiang Hailiang does not arrange production for inventory, and only arranges production in accordance with orders from customers. Each order for production must satisfy the minimum quantity request. Normally the minimum quantity request of one single material code of goods is [], and the minimum quantity request of one order is [].

In the annual agreement, Zhejiang Hailiang will negotiate [] with client by considering the estimated quantity in the annual agreement. For each production order under the same annual agreement, the [] are the same.

26. Does your organisation/business entity use sales contracts in the Chinese market? If yes:

RESPONSE:

Yes, Zhejiang Hailiang uses sales contracts in the Chinese market.

(h) What proportion of your sales revenue would come from contracted sales versus uncontracted sales?

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RESPONSE:

Almost all the sales revenue come from contracted sales.

- (i) Do you offer exclusivity contracts? If yes, what proportion of your sales revenue would come from exclusivity contracts?

RESPONSE:

Zhejiang Hailiang does not offer exclusivity contracts.

- (j) How frequently are sales contracts renegotiated?

RESPONSE:

Sales contracts are renegotiated annually.

- (k) How frequently are price reviews conducted between contracts?

RESPONSE:

The [] are reviewed annually along with the update of sales contracts.

- (l) 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.

RESPONSE:

No.

- (m) Do changes in your costs to make and sell enable you to review prices for customers within contracts?

RESPONSE:

Changes in the costs to make and sell will affect the [] in future contracts, but will not affect the [] agreed in the existing contracts.

- (n) 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.

RESPONSE:

Zhejiang Hailiang signs annual agreement with all of its domestic customers. For copy of contracts, please refer to Attachment D-3.

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

RESPONSE:

Zhejiang Halliang does not use price list in domestic market.

PUBLIC RECORD

28. How do you differentiate pricing for different products/models of the goods in the Chinese 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.

RESPONSE:

As answered to question H-4.8 above, each material code of the goods has different [].

29. Do you tier or segment your Chinese customers for the goods in terms of pricing? If yes, provide:
- (d) a general description of how this is done;
 - (e) list the factors that influence pricing differentiation in different tiers or segments; and
 - (f) 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.

RESPONSE:

Zhejiang Hailiang does not tier the domestic customers for the goods in terms of pricing.

30. Do you sell the goods to related entities in China? 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.

RESPONSE:

Zhejiang Hailiang sells the goods to related entities in China. There is no different price policy to related entities and unrelated entities.

J-4 Marketing and sales support in the Chinese market

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

RESPONSE:

As the biggest supplier in Chinese market, Zhejiang Hailiang has established long-term cooperation with most customers. Zhejiang Hailiang provides high quality and competitive price to domestic customers.

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

RESPONSE:

Zhejiang Hailiang does not conduct brand segmentation in the Chinese market.

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

PUBLIC RECORD

RESPONSE:

Zhejiang Hailiang does not advertise or promotion campaigns its goods in domestic market. Zhejiang Hailiang has established the reputation of its product in domestic market.

9. How many people are in your Chinese 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.

RESPONSE:

Zhejiang Hailiang has more than 10 domestic staffs in its domestic sales department. They are remunerated monthly in accordance with the labour contract. They are offered performance pay based on sales.

10. 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.

RESPONSE:

As explained in answer to question H-4.8, the sales staffs negotiate prices with domestic customers in accordance with the reference [] and [], and the market situation.

SECTION K PRODUCTION AND PRODUCTION COSTS

K-1 Production of the goods

8. 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.

RESPONSE:

Zhejiang Hailiang determine and arrange its production according to the purchase order from the customers. Please refer to Attachment K-1.1 for a sample screenshot of a purchase order in the SAP.

9. 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.

RESPONSE:

Zhejiang Hailiang determine and arrange its production according to the purchase order from the customers. Zhejiang Hailiang does not produce for inventory.

10. Do you have warehousing facilities for the goods? If no, what do you do with excess inventory? If yes:
- (d) What is the volume capacity of these facilities?
 - (e) What was the monthly amount of inventory maintained during the investigation period?
 - (f) 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.

RESPONSE:

Zhejiang Hailiang does not produce for inventory and only arrange production per purchase orders. The finished product will be temperately stored in the workshop for shipment.

11. 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.

RESPONSE:

Please refer to answer to question H-11.9 above.

12. 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.

RESPONSE:

Zhejiang Hailiang purchases [] as materials to make the copper tubes. Zhejiang Hailiang itself does not produce the inputs of the goods. Therefore, this question is not applicable. Please refer to capacity document.

13. 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.

PUBLIC RECORD

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

There are not significant investments in the past five years to either upgrade, refurbish or build any of the plants used in the production of the goods in the past 5 years.

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

RESPONSE:

Zhejiang Hailiang does not produce management reports on production costs.

SECTION L AUSTRALIAN MARKET FOR COPPER TUBE

L-1 Prevailing conditions of competition in the Australian market

7. Describe the Australian market for the goods and the prevailing conditions of competition within the market, including:
- (bb) Provide an overall description of the Australian market for the goods which explains its main characteristics and trends over the past five years;
 - (cc) Provide the sources of demand for the goods in Australia, including the categories of customers, users or consumers of the product;
 - (dd) Provide an estimated proportion (%) of sales revenue from each of those sources of demand listed in (b);
 - (ee) 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;
 - (ff) Describe any market segmentations in Australia; such as geographic or product segmentations;
 - (gg) Provide an estimated proportion of sales revenue from each of the market segments listed in (e);
 - (hh) Describe the way in which Australian manufactured, Chinese and other imported goods compete in the Australian market;
 - (ii) Describe the ways that the goods are marketed and distributed in the Australian market; and
 - (jj) 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). **RESPONSE:**

Per Zhejiang Hailiang's best understanding, the total market demand in Australia market is about 20,000 MT per year. Except the supply from domestic industry, the domestic market are mainly supplied by imports from Korea and China.

Zhejiang Hailiang just established its affiliated trading company in Australia in 2019 and it is still studying the market situation.

8. 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.

RESPONSE:

In Australian market, Zhejiang Hailiang sold to resellers such as distributor, retailer, wholesaler and trader. It also sold some products to industrial users. As explained in response to section B-1.5, Zhejiang Hailiang's selling prices does not vary according to the distribution channel, and there is no major difference between different levels of trade or distribution channels.

9. 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.

RESPONSE:

Zhejiang Hailiang is not aware of the significant market participants in the Australian market.

10. 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.

RESPONSE:

Except the domestic customer of Zhejiang Hailiang Australia, Zhejiang Hailiang is not aware of significant importers in the Australian market.

11. 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.

RESPONSE:

Zhejiang Hailiang is not aware of the regulatory framework of the Australian market for the goods.

12. 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.

RESPONSE:

Per the understanding of Zhejiang Hailiang, there are not any entry limitation for the imported goods.

L-2 Goods in the Australian market

7. 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:

RESPONSE:

In general, Zhejiang Hailiang does not know any difference between the product imported from Zhejiang Hailiang and the products manufactured by domestic industry.

- 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.

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

RESPONSE:

Per the understanding of Zhejiang Hailiang, the main use of the goods in Australian market is for air-conditions and heating and drainage systems in construction industry.

9. 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.

RESPONSE:

Zhejiang Hailiang is not aware of the answer of this question.

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

RESPONSE:

Zhejiang Hailiang is not aware of the answer of this question.

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

RESPONSE:

Zhejiang Hailiang is not aware of the answer of this question.

12. 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.

RESPONSE:

Zhejiang Hailiang is not aware of the answer of this question.

L-3 Relationship between price and cost in Australia

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

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

RESPONSE:

During the POI, there is sales revenue of [] generated from the sales of the goods, in which the Australian sales account for [], valued []. Comparing to total export sales during the POI, Australian sales account for []. Australian market is an important market to Zhejiang Hailiang.

Zhejiang Hailiang does not calculate the profit that generated from Australian market

17. 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.

RESPONSE:

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Zhejiang Hailiang is only one small exporter to Australian market, and it is not the price leader in Australian market. Zhejiang Hailiang believes the domestic producers are price leaders in Australian market, and the competition is complete.

18. 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.

RESPONSE:

Zhejiang Hailiang is only an exporter to Australian market, and it is not the price leader in Australian market. Zhejiang Hailiang believes the domestic producers are price leaders in Australian market, and the competition is complete.

19. 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.

RESPONSE:

Please refer to the answer to question H-4.8 above.

20. 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.

RESPONSE:

As explained in above questions, the [] will be reviewed once a year or every two years. The international sales department will negotiate price with the Australian customers by considering the market situation, the [], the profit estimation and the market prices from competitors.

The sales staffs can freely determine the [] with the customers if it is higher than the []. Only the sale manager can determine the [] with the customers if the proposed fee is between the [] and the []. The manager of international department is Mr. Wu Changming.

21. 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]

RESPONSE:

PUBLIC RECORD

The following factors are ranked as below:

- 13) Cost to make and sell the goods
 - 14) Desired profit
 - 15) Competitors' prices
 - 16) Value of the order
 - 17) Volume of the order
 - 18) Value of forward orders
 - 19) Volume of forward orders
 - 20) Purchase price of raw materials
 - 21) Level of inventory
 - 22) Customer relationship management
 - 23) Supplier relationship management
 - 24) Brand attributes
22. 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.

RESPONSE:

The [] must be higher than the [].

23. 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.

RESPONSE:

Please refer to Zhejiang Hailiang's response to section B-1.6, B-1.7 and E-4.1.

24. 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.

RESPONSE:

Zhejiang Hailiang does not offer bundled pricing in the Australian market.

25. 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.

RESPONSE:

Yes. The minimum quantity request of one single material code of goods is [], and the minimum quantity request of one order is []. If the order is below the minimum request, Zhejiang Hailiang will consider to charge extra fees beyond the normal [].

PUBLIC RECORD

26. Does your organisation/business entity use sales contracts in the Australian market? If yes:
(h) What proportion of your sales revenue would come from contracted sales versus uncontracted sales?

RESPONSE:

All the sale revenue in Australian market comes from sales contract.

(i) Do you offer exclusivity contracts? If yes, what proportion of your sales revenue would come from exclusivity contracts?

RESPONSE:

No.

(j) How frequently are sales contracts renegotiated?

RESPONSE:

Zhejiang Hailiang normally set sales contract annually.

(k) How frequently are price reviews conducted between contracts?

RESPONSE:

The agreed [] will not be reviewed during the contract period.

(l) 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.

RESPONSE:

No.

(m) Do changes in your costs to make and sell enable you to review prices for customers within contracts?

RESPONSE:

No.

(n) Provide a list of the customers under contract during the investigation period and copies of the two largest contracts in terms of sales revenue.

RESPONSE:

During the POI, Zhejiang Hailiang issued sales confirmation to its customers. For required contracts, please refer to Attachment B-3.

27. 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.

RESPONSE:

No price list is used in Australian market.

28. 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.

RESPONSE:

As answered to question H-4.8 above, each material code of the goods has different [].

29. Do you tier or segment your Australian customers for the goods in terms of pricing? If yes, provide:
(d) a general description of how this is done;
(e) list the factors that influence pricing differentiation in different tiers or segments; and
(f) 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.

RESPONSE:

No.

30. 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.

RESPONSE:

Yes. There is no difference in setting price to related entity and unrelated entities in Australia.

L-4 Marketing and sales support in the Australian market

6. 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.).

RESPONSE:

Zhejiang Hailiang established Zhejiang Hailiang Australia in Australia in the end of year 2019. Except that, Zhejiang Hailiang did not have specific marketing move in Australian market during the POI. Zhejiang Hailiang has its stable group of customers, and Zhejiang Hailiang did not use market strategy to expand its shares in Australian market.

7. 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.

RESPONSE:

No. Zhejiang Hailiang does not conduct brand segmentation in the Australian market.

8. 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.

PUBLIC RECORD

RESPONSE:

Zhejiang Hailiang did not make advertising of the goods in Australian market over the past five years. As explained above, Zhejiang Hailiang has its stable group of customers, and Zhejiang Hailiang did not use market strategy to expand its shares in Australian market.

9. 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.

RESPONSE:

Zhejiang Hailiang does not have specific Australian sales team. Zhejiang Hailiang's sales staff are in China, at its headquarter.

Zhejiang Hailiang Australia has one sales manager in Australia, and it also employs three local agents to assist its sales in Australia.

10. 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.

RESPONSE:

As explained in answer to question H-4.8, the sales staffs negotiate prices with customers in accordance with the [] and [], and the market situation.