

Received
14 Jan 2013

International Trade Remedies Branch
SUBSIDY INVESTIGATION
EXPORTER QUESTIONNAIRE - CHINA

PRODUCT CONCERNED: ZINC COATED (GALVANISED) STEEL
AND ALUMINIUM ZINC COATED STEEL
FROM THE PEOPLE'S REPUBLIC OF
CHINA

INVESTIGATION PERIOD: 1 JULY 2011 TO 30 JUNE 2012

RESPONSE DUE BY: 4 JANUARY 2013

ADDRESS FOR RESPONSE: International Trade Remedies Branch
Australian Customs and Border
Protection Service
5 Constitution Avenue
Canberra act 2601
Australia
Attention: Director Operations 2

CASE MANAGER: Mr Sanjay Sharma
TELEPHONE: +61-2-6275-8008
FAX: +61-2-6275-6990
EMAIL: itrops2@customs.gov.au

Please note that a non-confidential version of the reply to this questionnaire must also be provided at the same time as submitting the confidential version.

**ZONGCHENG – CHINA
PUBLIC VERSION – JANUARY 2013**

TABLE OF CONTENTS

Table of contents.....	2
Abbreviations	3
Background and General Instructions	4
Section A - Company structure and operations.....	15
Section B - Sales to Australia (export price).....	28
Section C – Countervailing.....	35
Section D – Exporter/Producer’s declaration	51
Glossary of Terms.....	53

**ZONGCHENG – CHINA
PUBLIC RECORD VERSION – JANUARY 2013**

ABBREVIATIONS

Abbreviation / short form	Full reference
ACDN	Australian Customs Dumping Notice
the Act	Customs Act 1901
the applicant	BlueScope Steel Limited
AS	Australian Standard
BlueScope	BlueScope Steel Limited
China	People's Republic of China
CON 193	International Trade Remedies Branch Consideration Report 193
Customs and Border Protection	Australian Customs and Border Protection Service
the Division	Division 2 of Part XVB of the Customs Act 1901
FOB	free-on-board
GOC	Government of China
the goods	the goods subject to the applications (zinc coated (galvanised) steel and aluminium zinc coated steel)
INV 190a and INV 190b	Investigation 190a (dumping of aluminium zinc coated steel exported from China, Korea and Taiwan); Investigation 190b (dumping of zinc coated (galvanised) steel exported from China, Korea and Taiwan)
The Minister	the Minister for Home Affairs
SEF	statement of essential facts
SIE	state invested enterprises
WTO	World Trade Organisation

**ZONGCHENG – CHINA
PUBLIC RECORD VERSION – JANUARY 2013**

BACKGROUND AND GENERAL INSTRUCTIONS

1. Background

On 26 November 2012, Customs and Border Protection initiated countervailing investigations in respect of¹:

- galvanised steel exported to Australia from the People’s Republic of China (China); and
- aluminium zinc coated steel exported to Australia from China.

BlueScope alleged that the Australian industry has suffered material injury caused by galvanised steel and aluminium zinc coated steel exported to Australia from China at subsidised prices.

A notice advising initiation of the investigations was published in *The Australian* on 26 November 2012. Australian Customs and Border Protection Dumping Notice (ACDN) No. 2012/56 outlining the details of the investigation, and the procedures to be followed during the investigations can be accessed on Customs and Border Protection website at www.customs.gov.au.

Note that the countervailing investigations are in addition to the current investigations by Customs and Border Protection into the alleged **dumping** of the goods described above exported from China, Korea and Taiwan, INV 190a and INV 190b refer. These investigations were initiated on 5 September 2012 and are ongoing.

2. The goods the subject of the applications

Description

(i) Galvanised steel

The imported goods the subject of the Galvanised Steel Application are:

“flat rolled products of iron and non-alloy steel of a width less than 600mm and, equal to or greater than 600mm, plated or coated with zinc”².

The application covers galvanised steel of any width. The application stated that trade and other names often used to describe galvanised steel, include:

- “GALVABOND®” steel;
- “ZINCFORM®” steel;

¹ *Application for Countervailing Duties for Galvanised Steel exported from China* (Galvanised Steel Application) received on 18 October 2012; and *Application for Countervailing Duties for Aluminium Zinc Coated Steel exported from China* (Aluminium Zinc Coated Steel Application) received on 18 October 2012.

² Galvanised Steel Application, page 10.

**ZONGCHENG – CHINA
PUBLIC RECORD VERSION – JANUARY 2013**

- “GALVASPAN®” steel;
- “ZINCHITEN®” steel;
- “ZINCANNEAL” steel;
- “ZINCSEAL” steel;
- Galv;
- GI;
- Hot Dip Zinc coated steel;
- Hot Dip Zinc/iron alloy coated steel; and
- Galvanneal.

The application noted that the amount of zinc coating on the steel is described as its coating mass and is nominated in grams per meter squared (g/m²) with the prefix being Z (*Zinc*) or ZF (*Zinc converted to a Zinc/Iron alloy coating*). The applicant claims that the common coating masses used for zinc coating are: Z350, Z275, Z200, Z100, and for zinc/iron alloy coating are: ZF100, ZF80 and ZF30 or equivalents based on international standards and naming conventions.

(ii) Aluminium zinc coated steel

The imported goods the subject of the Aluminium Zinc Coated Steel Application are:

*“flat rolled products of iron and non-alloy steel of a width equal to or greater than 600mm, plated or coated with aluminium-zinc alloys, **not painted** whether or not including resin coating”³.*

The application stated that trade and other names often used to describe aluminium zinc coated steel, include:

- ZINCALUME® steel;
- GALVALUME® steel;
- Aluzinc, Supalume, Superlume, ZAM, GALFAN;
- Zinc aluminium coated steel;
- Aluminium zinc coated steel;
- Alu-Zinc Steel sheet in Coils;
- Al/Zn; and
- Hot Dipped 55% Aluminium-Zinc Alloy coated steel sheet in coil.

The application noted that the amount of aluminium zinc coating on the steel is described as its coating mass and is nominated in g/m² with the prefix being AZ (*Aluminium Zinc*). The applicant claims that the common coating masses used are: AZ200, AZ150, AZ100, and AZ70.

Product standards

The applications stated that:

³ Aluminium Zinc Coated Steel Application, page 10.

**ZONGCHENG – CHINA
PUBLIC RECORD VERSION – JANUARY 2013**

“Typically each Australian and International Standard has a range of steel grades nominated as Commercial, Formable or Structural grades. The commercial/formable grades are those with mechanical properties suitable for general pressing and forming whereas the structural grades are those with guaranteed minimum properties that structural engineers utilize in the design of their final product designs”⁴.

(i) Australia

The applications state that the Australian and New Zealand Standard Industrial Classification Code applicable to galvanised steel and aluminium zinc coated steel is category 2711.

(ii) International

The applications state that there are a number of relevant International Standards for galvanised steel and aluminium zinc coated steel products (figures 1 and 2 refer) that cover a range of products through specific grade designations, including the recommended or guaranteed properties of each of these product grades.

International Standards	Product Grade Names
General and Commercial Grades	
AS/NZS 1397	G1, G2
ASTM A 653/A 653M	CS type A, B and C
EN10346	DX51D, DX52D
JIS 3302	SGCC, SGHC
Forming, Pressing & Drawing Grades	
AS/NZS 1397	G3
ASTM A 653/A 653M	FS, DS type A and B
EN10346	DX53D, DX54D
JIS 3302	SGCD, SGCDL,
Structural Grades	
AS/NZS 1397	G250, G300, G350, G450, G500, G550
ASTM A 653/A 653M	33 (230), 37 (255), 40 (275), 50 (340), 55 (380), 80 (550)
EN10346	S220GD, S250GD, S280GD, S320GD, S350GD, S550GD
JIS 3302	SGC340, SGC400, SGC440, SGC490, SGC570 SGH340, SGH400, SGH440, SGH490, SGH570

⁴ Galvanised Steel Application, page 12.

ZONGCHENG – CHINA
PUBLIC RECORD VERSION – JANUARY 2013

Figure 1: International Standards for galvanised steel⁵

International Standards	Product Grades
<i>General and Commercial Grades</i>	
AS/NZS 1397	G1, G2
ASTM A792	CS, type A, B and C
EN10346	DX51D, DX52D
JIS 3321	SGLCC
<i>Forming, Pressing & Drawing Grades</i>	
AS/NZS 1397	G3
ASTM A792	FS, DS
EN10346	DX53D, DX54D
JIS 3321	SGLCD, SGLCDD
<i>Structural Grades</i>	
AS/NZS 1397	G250, G300, G350, G450, G500, G550
ASTM A792	33 (230), 37 (255), 40 (275), 50 (340), 55 (380), 80 (550)
EN10346	S220GD, S250GD, S280GD, S320GD, S350GD, S550GD
JIS 3321	SGLC400, SGLC440, SGLC490, SGLC570

Figure 2: International Standards for aluminium zinc steel⁶**Tariff classification**(i) Galvanised steel

The application states that galvanised steel is classified to tariff subheadings 7210.49.00 (and statistical codes 55, 56, 57 and 58) and 7212.30.00 (and statistical code 61) of Schedule 3 to the *Customs Tariff Act 1995* (Tariff Act). Based on the information provided in the application, Customs and Border Protection's Trade Policy Branch confirmed that galvanised steel is correctly classified to these tariff subheadings.

Imports from China are subject to the DCS duty rate which is free.

There are several Tariff Concession Orders (TCOs) applicable to the relevant tariff classification subheading 7210.49.00, which covers galvanised steel (figure 2 refers).

TC No.	Description

⁵ Galvanised Steel Application, page 11.

⁶ Aluminium Zinc Coated Steel Application, page 11.

ZONGCHENG – CHINA
PUBLIC RECORD VERSION – JANUARY 2013

TC 0939596	STEEL, COIL, hot dip zinc coated, complying with Japanese Industrial Standard JIS G 3302:2007, having ALL of the following: (a) yield strength NOT less than 275 N/mm ² and NOT greater than 380 N/mm ² ; (b) tensile strength NOT less than 440 N/mm ² ; (c) elongation NOT less than 29% and NOT greater than 41%; (d) coating mass NOT less than 45 g/m ² and NOT greater than 65 g/m ² ; (e) thickness NOT less than 1.14 mm and NOT greater than 1.26 mm; (f) width NOT less than 1590 mm and NOT greater than 1605 mm
TC 9612218	STEEL, flat rolled non alloy, hot dipped galvanized, having ANY of the following: (a) differential coating mass on each side; (b) additional iron base alloy electroplated outer coatings; (c) width exceeding 1525 mm; (d) a minimum ultimate tensile strength of 340 MPa

Figure 2: TCOs applicable to tariff subheading 7210.49.00

Customs and Border Protection notes that the applications did not specify that TCOs in respect of the goods were applicable. Customs and Border Protection considers the relevance of the TCOs to the goods the subject of the application for galvanised steel requires further investigation.

(ii) Aluminium zinc coated steel

The application states that aluminium zinc coated steel is classified to tariff subheading 7210.61.00 (and statistical codes 60, 61, and 62) of Schedule 3 to the Tariff Act. Based on the information provided in the application, Customs and Border Protection's Trade Policy Branch confirmed that the goods are correctly classified to this tariff subheading.

Imports from China are subject to the DCS duty rate which is free.

There are no TCOs applicable to the relevant tariff classification subheading for aluminium zinc coated steel.

3. Investigation period

The amount of any subsidy in relation to galvanised steel and aluminium zinc coated steel exported to Australia from China will be determined on the basis of an investigation period from 1 July 2011 to 30 June 2012 (hereinafter referred to as 'the investigation period').

In order to permit the allocation of certain types of subsidy to the investigation period, information relating to earlier periods is also requested in certain sections below.

Customs and Border Protection will examine details of the Australian market from 1 July 2007 for injury analysis purposes.

**ZONGCHENG – CHINA
PUBLIC RECORD VERSION – JANUARY 2013**

4. Why you have been asked to fill out this questionnaire

Either the application, an importer of galvanised steel and/or aluminium zinc coated steel or data contained within Customs and Border Protection's import database has identified you as a potential exporter of galvanised steel and/or aluminium zinc coated steel to Australia during the investigation period.

Consequently, Customs and Border Protection has forwarded you this questionnaire and the associated spreadsheet '*Exporter Questionnaire – Galvanised Steel and Aluminium Zinc Coated Steel*' to provide you with the opportunity to participate and cooperate with its investigation.

Customs and Border Protection may use information provided by exporters to determine:

- export prices of the goods over the investigation period; and
- whether a countervailable subsidy has been received in respect of the goods from the Government of China (GOC).

Customs and Border Protection may use the information you provide to determine whether galvanised steel and aluminium zinc coated steel exported by your company to Australia was subsidised.

You may make separate submissions concerning any other matter relevant to Customs and Border Protection's inquiries.

Customs and Border Protection investigation will be carried out under the provisions of Part XVB of the Act. These provisions reflect the World Trade Organisation (WTO) *Agreement on Subsidies and Countervailing Measures*.

Please note that the subsidy sections of this questionnaire focus on 29 identified programs that Customs and Border Protection is specifically investigating at this stage. However, Customs and Border Protection may also investigate any additional subsidy program(s) that it considers may warrant investigation if additional information comes to light.

Any additional questions (relating to either the investigation into alleged countervailable subsidies) will be posed to participating exporters in the form of supplementary questionnaires.

A separate questionnaire will be sent to the GOC. That questionnaire focuses on gathering information from the GOC related to subsidies.

5. Exporters cooperating with the dumping investigations (INV 190a and/or INV 190b)

ZONGCHENG – CHINA
PUBLIC RECORD VERSION – JANUARY 2013

Note that the subsidy investigations are separate investigations to the ongoing investigations into the alleged dumping of the products from China, Korea and Taiwan (INV 190a and INV 190b). If you have completed an exporter questionnaire in relation to the dumping investigations, and wish to continue to cooperate with the subsidy investigations, you must also complete this questionnaire.

There are certain sections in this questionnaire that are duplicated in the dumping questionnaire that you are not required to complete again. These sections are noted at the relevant points.

If you are unsure about whether you need to complete a question or not please contact the case manager as soon as possible for clarification.

6. What happens if you do not respond to this questionnaire?

You do not have to complete the questionnaire. However, if you do not respond Customs and Border Protection may be required to rely on information supplied by other parties in making its assessments as to whether galvanised steel and aluminium zinc coated steel exported to Australia was subsidised (this may include information supplied by the Australian industry).

If you do not provide all of the information sought, or if you do not allow Customs and Border Protection to verify the information you provide (see below), we may deem that you did not cooperate with the investigation.

It is Customs and Border Protection's objective to arrive at a recommendation to the Minister based on a full knowledge of all relevant facts. This can only be achieved if exporters cooperate. Customs and Border Protection considers that your interests would be best served by fully completing the questionnaire.

7. If you decide to respond

Should you choose to provide a response to this questionnaire, please note the following.

For Official Use Only and Public Record Version

If you choose to respond to this questionnaire, you are required to lodge a confidential and a public record version of your submission by the due date (the due date is specified on the front cover).

In submitting these versions, please ensure that each page of the information you provide is clearly marked either "FOR OFFICIAL USE ONLY" or "PUBLIC RECORD" in the header and footer.

**ZONGCHENG – CHINA
PUBLIC RECORD VERSION – JANUARY 2013**

All information provided to Customs and Border Protection in for official use only will be treated confidentially. The public record version of your submission will be placed on the public file. The public record is available to all interested parties who may comment on the material on the public file. Other interested parties have the opportunity to comment on issues you have raised and information you have provided.

It is not expected that the public record version of your submission would include commercially sensitive information. However it must contain sufficient detail to allow a reasonable understanding of the substance of the confidential version. If, for some reason, you cannot produce a non-confidential version, please contact the investigation Case Manager.

You can access the public record electronically online at www.customs.gov.au (follow the sub links to anti-dumping, current cases and public record).

Declaration

You are required to make a declaration that the information contained in your submitted questionnaire is complete and correct. You must return the signed declaration of an authorised official at Section C of this questionnaire with your response.

Consultants/parties acting on your behalf

If you intend to have another party acting on your behalf please advise Customs and Border Protection of the relevant details.

Customs and Border Protection will generally require written authorisation from exporters and manufacturers for any party acting on its behalf.

8. Due date for response

Manufacturers and exporters are requested to respond to this questionnaire and return it to Customs and Border Protection within the time specified on the cover.

There is a statutory time limit imposed for the investigation. Customs and Border Protection may not be able to consider submissions received after the due date if to do so would prevent meeting the statutory reporting requirements.

Customs and Border Protection encourages you to make contact with the Case Manager (see contact details on front cover) if you need any assistance in completing the questionnaire.

If you intend to lodge a submission but cannot do so by the due date please advise the Case Manager as soon as possible.

In considering whether or not to grant an extension of time, regard is had to the following:

ZONGCHENG – CHINA
PUBLIC RECORD VERSION – JANUARY 2013

- a) difficulties in translation of documentation, including the exporter questionnaire;
- b) availability of key staff;
- c) public holidays; or
- d) any circumstance outside the company's control.

Customs and Border Protection may consider granting a small extension of time for lodgement of your submission if you provide a sufficient reason as outlined above.

You may lodge your response by mailing it to the address for lodgement shown on the front cover of this questionnaire, with data requested in electronic format on an included CD-ROM.

Alternatively you are welcome to lodge your response by email. The email address for lodgement is shown on the front cover of this questionnaire. If you lodge by email you are still required to provide a 'for official use only' and a public file version of your submission by the due date.

9. Verification of the information that you supply

After you have submitted the questionnaire and Customs and Border Protection is satisfied that the information you have provided is sufficiently complete and warrants verification, Customs and Border Protection may seek to visit your company to verify the information provided.

Once the information you have provided is verified, Customs and Border Protection can rely on that information in forming its conclusions in relation to the inquiry.

Verification visits may take several days.

During this verification, we will seek to examine in detail your company's records in respect of the goods and will ask for copies of documents relating to the manufacture and sale of the goods. You will need to ensure that any supplementary material such as spreadsheets, calculations etc that you used to prepare or compile your response are available. We will need to consult with your staff, particularly your financial controller (or accountant) and your domestic and export sales people. We may also need to see your factory, in which case we will need to consult with your operational managers.

After gathering the information we will prepare a report of the visit.

We will provide you with a draft of the report and then respond to any questions that you may want to ask. We will also ask you to assist in the preparation of a public record version of the report.

10. General instructions for preparing your response

- When answering the questionnaire please carefully read all instructions. Customs and Border Protection requires a response to all sections of this questionnaire. Please provide an explanation if a question is not relevant to your situation.

ZONGCHENG – CHINA
PUBLIC RECORD VERSION – JANUARY 2013

- All documents and source material submitted in response to this questionnaire, including financial statements, must be translated into English.
- Answer questions in the order presented in the questionnaire. Please ensure that information submitted conforms to the requested format and is clearly labelled. Please repeat the question to which you are responding and place your answer below it.
- Identify source documents and advise where they are kept. During on-site verification you should be prepared to substantiate all the information you have submitted. Every part of the response should be traceable to company documents that are used in the ordinary course of business.
- You should retain all work sheets used in answering the questionnaire, in particular those linking the information supplied with management and accounting records. This will help to verify the information.
- Clearly identify all units of measurement and currencies used. Apply the same measurement consistently throughout your response to the questionnaire.

11. Instructions on providing electronic data

- It is important that, where requested, information is submitted in electronic format on a CD-ROM.
- Alternatively electronic data can be submitted directly by email to the email address shown on the front cover of this questionnaire.
- The data must be created as spreadsheet files, preferably in Microsoft Excel 2010, 2007 or 2003, or alternatively in an Excel compatible format (for example, Excel can normally access data in Dbase or as an ASCII file).
- The Excel files must be compatible to the USA version.
- If you cannot present electronic data in the requested format contact the investigation Case Manager as soon as possible.
- Responses to questions should be as accurate and complete as possible, and attach all relevant supporting documents, even where not specifically requested in this questionnaire.

Please note that answers such as "Not Applicable" or an answer that only refers to an exhibit or an attachment may not be considered by Customs and Border Protection to be adequate. We therefore suggest that in answering the questions you outline the key elements of your response in the primary submission document, rather than merely pointing to supporting documents of varying degrees of relevance and reliability as your answer.

12. Further information

Before you respond to the questionnaire you should read all the documentation that we have included with this questionnaire, including:

- the booklet *Australia's Anti-Dumping and Countervailing Administration*;
- Australian Customs Dumping Notice 2012/56 notifying the initiation of the investigation; and
- the Glossary of Terms within this questionnaire.

**ZONGCHENG – CHINA
PUBLIC RECORD VERSION – JANUARY 2013**

It is also recommended that you access and read the public file version of BlueScope's application, which is available online on the Electronic Public Record (You can access the public record electronically online at www.customs.gov.au (follow the sub links to anti-dumping, current cases and public record).

If you require further assistance, or you are having difficulties completing your submission, please contact the investigation Case Manager.

Please note that Customs and Border Protection may send you a supplementary questionnaire if it needs to clarify matters provided by you in response to this questionnaire or to seek new information.

**ZONGCHENG – CHINA
PUBLIC RECORD VERSION – JANUARY 2013**

SECTION A - COMPANY STRUCTURE AND OPERATIONS

This section requests information relating to company details and financial reports.

NOTE – If you have already provided the following information as part of your response to the questionnaire for the dumping investigations (INV 190a and/or INV 190b) you do not need to provide it again. Please just advise this fact in your response.

A-1 IDENTITY AND COMMUNICATION

Please nominate a person within your company who can be contacted for the purposes of this investigation:

Head office:

Name:
Position in the company:
Address: *No. 568 Wuxing Road, Jiangyin, China*
Telephone: *+86 510 8160 1001 (8300)*
Facsimile number: *+86 510 8160 1000*
E-mail address of contact person:

Factory:

Address: *No. 568 Wuxing Road, Jiangyin, China*
Telephone: *+86 510 8160 1001*
Facsimile number: *+86 510 8160 1000*
E-mail address of contact person:

A-2 REPRESENTATIVE OF THE COMPANY FOR THE PURPOSE OF INVESTIGATION

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

Name: M J HOWARD
Organisation:
Position:
Address:
Telephone:
Facsimile/Telex number:
E-mail address of contact person: jack@itada.com.au

Note that in nominating a representative, Customs and Border Protection will assume that confidential material relating to your company in this investigation may be freely released to, or discussed with, that representative.

**ZONGCHENG – CHINA
PUBLIC RECORD VERSION – JANUARY 2013**

A-3 COMPANY INFORMATION

1. What is the legal name of your business? What kind of entity is it (eg. company, partnership, sole trader)? Please provide details of any other business names that you use to export and/or sell goods.

Response:

Jiangyin Zongcheng Steel Co., Ltd. (hereinafter referred to as “Zongcheng” or “the Company”) is the legal name of our business. Zongcheng was originally established on March 2nd, 2004 as a wholly foreign owned enterprise.

Zongcheng has no other business name to export or sell goods.

2. Who are the owners and/or principal shareholders? Provide details of shareholding percentages for joint owners and/or principal shareholders. (List all shareholders able to cast, or control the casting of, 5% or more of the maximum amount of votes that could be cast at a general meeting of your company).

Response:

Please refer to Exhibit 1 for Shareholders of Zongcheng submitted in AD response.

Please refer to Exhibit 2 for World-Wide Corporate Structure and the final holders of the Company submitted in AD response.

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

Response:

Zongcheng is a subsidiary of Shang Shing Steel Holdings, L.L.C. (Delaware, USA).

Please refer to Exhibit 2 World-Wide Corporate Structure for the principle shareholders of the Company submitted in AD response.

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

Response:

Please refer to Exhibit 2 World-Wide Corporate Structure for affiliations of Zongcheng submitted in AD response.

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

Response:

Please refer to Exhibit 2 for World-Wide Corporate Structure submitted in AD response.

**ZONGCHENG – CHINA
PUBLIC RECORD VERSION – JANUARY 2013**

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

Response:

This question is not applicable since there is no such allocation charged to Zongcheng by our parent or related company.

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

Response:

Zongcheng is a manufacturer and exporter of the subject merchandise.

The scopes of business are production of galvanized and high anti-corrosive aluminium zinc alloy plate, coated steel. We also act as wholesaler, import and export of hot-rolled coil, pickling coil and cold-rolled coil.

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

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

Response:

This question is not applicable since Zongcheng produces and performs all the sales of subject merchandise by itself.

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

Response:

Please refer to Exhibit 3 for company organizational chart submitted in AD response. The functions performed in the main department can be described as follows:

1) Production Department

Production Department is responsible for produce and manufacture, quality control and warehouse.

2) Administration Department I

The Department is responsible for purchases, product management, transportation and safety security.

3) Administration Department II

**ZONGCHENG – CHINA
PUBLIC RECORD VERSION – JANUARY 2013**

The Department is responsible for personnel, sales, accounting and information management.

10. Provide a list of your business' Board of Directors, Managing Director (or CEO) and Senior Executives.

Response:

<i>Position</i>	<i>Name</i>
<i>Chief of Director</i>	
<i>Director</i>	
<i>Director</i>	
<i>CEO (General Manager)</i>	
<i>Vice President</i>	
<i>Executive Vice President</i>	
<i>Assist Vice President</i>	
<i>Assist President</i>	

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

Response:

Please note Zongcheng did not publish annual report since it is not a public listed company in China.

Please refer to Exhibit 4 for product brochure of Zongcheng submitted in AD response.

12. Are any of your company's operations in a Special Economic Area, Economic and Technical Development Zone, Bonded Zone, Export Processing Zone, High Technology Industrial Development Zone, the Western Regions, or any other similarly designated area?

Response:

Zongcheng is located in an Economic Development Zone.

13. If your answer to question A-3.12 above is 'yes':

- advise if any benefits (e.g. grants, reduced liabilities on commercial interest rates, etc) from the GOC (including central, provincial, municipal, county or any other level of government) accrue to your company because of being located in such an area;
- please explain the nature of the operations, identify the specific zone(s) [or other area(s)] and provide a brief overview of all of the benefits of operating within the specified zone(s) or area(s).

Response:

Zongcheng did not receive above mentioned benefits from the GOC.

**ZONGCHENG – CHINA
PUBLIC RECORD VERSION – JANUARY 2013**

Explanation provided on VAT arrangement and status.

14. Provide details of all transactions between your company and all related parties. For example:

- Suppling/selling completed or partially completed products.
- Suppling/selling raw materials.
- Performing management functions (including any financial functions).
- Processing (including toll processing) of any raw materials, intermediary or completed products.
- Trading in products/materials supplied by related parties.

Response:

There are no supplies, sales, performing management, processing or trading business with related parties during the IP.

Zongcheng only borrow from its parent company during the I.P. and details provided.

A-4 GENERAL ACCOUNTING/ADMINISTRATION INFORMATION

1. Indicate your accounting period.

Response:

The Company's accounting period is from January 1st to December 31th of the calendar year.

2. Indicate the address where the financial records are held.

Response:

The financial records are held at No. 568 Wuxing Road, Jiangyin City, Jiangsu Province, China.

3. Provide the following financial documents for the two most recently completed financial years plus all subsequent monthly, quarterly or half yearly statements:

- chart of accounts;
- audited consolidated and unconsolidated financial statements (including all footnotes and the auditor's opinion);
- internal financial statements, income statements (profit and loss reports), or management accounts, that are prepared and maintained in the normal course of business for the goods under investigation.

These documents should relate to:

**ZONGCHENG – CHINA
PUBLIC RECORD VERSION – JANUARY 2013**

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

Response:

Please refer to Exhibit 5 for Chart of Accounts and Exhibit 6 for all audited financial statement for 2010 and 2011 plus all subsequent quarterly or semi annual financial statements submitted in AD response.

Further explanation on internal financials provided.

4. If you are not required to have the accounts audited, provide the unaudited financial statements for the two most recently completed financial years, together with your relevant taxation returns. Any subsequent monthly, quarterly or half yearly statements should also be provided.

Response:

This question is not applicable since the financial statements have been audited yearly.

Zongcheng also provides quarterly financial statement from 2010 to 2011.

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

Response:

Zongcheng's financial accounting practices are in accordance with "GAAP" practice in China.

6. Describe:

The significant accounting policies that govern your system of accounting, in particular:

- the method of valuation for raw material, work-in-process, and finished goods inventories (eg last in first out –LIFO, first in first out- FIFO, weighted average);

Response:

Inventories are accounted for using the actual costing method. In determining the cost of inventories transferred out or issued for use, the actual costs are determined by a weighted average method.

Inventories are measured at the lower of cost and net realizable value.

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

Response:

**ZONGCHENG – CHINA
PUBLIC RECORD VERSION – JANUARY 2013**

The cost calculation method is briefly described as below:

(1) The cost of manufacturing of each workshop, for example raw materials, direct and indirect labour, energy and overhead etc. are first recorded and accumulated on the workshop level.

(2) The cost of manufacturing for general manufacture department is allocated to each workshop by a fixed rate:

(3) The total workshop cost (including allocated cost of general manufacture department) of “finished goods” of the previous workshop/stage, is transferred into the next workshop/stage as the raw materials input.

(4) In all of the production stages (including hot dipped alum-zinc workshop), the calculation of the unit cost of the finished goods are describe as below:

*Per unit cost of the finished goods = Total cost of manufacturing of finished goods /
Production quantity (in MT) of the finished goods*

Detail also provided on the unit cost per “model”.

- valuation methods for damaged or sub-standard goods generated at the various stages of production;
- valuation methods for scrap, by products, or joint products;

Response:

Wastage, scrap and sub-standard goods were disposed and its sales revenue was reported as “Sales from Other Operations”. As for damaged or sub-standard goods, Zongcheng sold it a lower price and reported as “Sales from Main Operations”.

- valuation and revaluation methods for fixed assets;

Response:

Fixed assets and tangible assets that are,

(a) ∩ are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; (b) ∩ have a useful life more than one year; and (c) ∩ have a relatively high unit price. Fixed assets are recorded at actual cost on acquisition. Depreciation is provided to write off the cost of each category of fixed assets over their estimated useful lives from the month after they are put into use, using the straight-line method.

**ZONGCHENG – CHINA
PUBLIC RECORD VERSION – JANUARY 2013**

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

Response:

The estimated residual value, useful life and annual depreciation rate of each category of fixed assets are as follows:

<i>Category of Fixed Assets</i>	<i>Useful Life</i>	<i>Annual Depreciation Rate</i>
<i>Office Equipment</i>		
<i>Transportation Equipment</i>		
<i>Machinery Equipment</i>		
<i>Buildings</i>		
<i>Others</i>		

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

Response:

Zongcheng adopts Renminbi (“RMB”) as its reporting/functional currency. All transactions in currencies other than RMB, except for the accounting treatment of paid-in capital, are recorded in RMB translated at the market exchange mid-rate (hereinafter referred to as “market exchange rate”) ruling on the first day of the transaction month as promulgated by the People’s Bank of China. At the end of each month, monetary items denominated in non-reporting/functional currencies are adjusted at the market exchange mid-rate ruling on the transaction day as promulgated by the People’s Bank of China, and the exchange gains and losses arising from adopting different year-end exchange rates and booking exchange rates during the year have been included in the current year’s profit and loss account, except for those attributable to foreign currency borrowings that have been taken out specifically for the construction of fixed assets, which are capitalized as part of the fixed asset costs.

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

Response:

**ZONGCHENG – CHINA
PUBLIC RECORD VERSION – JANUARY 2013**

At the balance sheet date, foreign-currency monetary assets and liabilities are re-valued by using prevailing exchange rates and the exchange differences are recognized in profit or loss.

At the balance sheet date, foreign-currency nonmonetary assets (such as equity instruments) and liabilities that are measured at historical cost are re-valued by using prevailing exchange rates.

- inclusion of general expenses and/or interest;

Response:

General and administrative expenses and/or interest expense are booked according to actual cost and accrual basis.

- provisions for bad or doubtful debts, and treatment thereof in your accounts;

Response:

Bad debt is accounted for using the allowance method and provided according to the recoverability of receivables at the year-end. The appropriate percentages of provision for bad debts relating to receivable accounts are reasonably determined based on relevant information such as past experience, actual financial position and cash flows of the debtors, as well as other relevant information.

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

Response:

The question is not applicable, since there are no idle equipment and/or plant shut-downs expense occurred during IP.

- costs of plant closure;

Response:

This question is not applicable since Zongcheng has not incurred plant closure.

- restructuring costs;

Response:

This question is not applicable since Zongcheng has not incurred restructuring.

**ZONGCHENG – CHINA
PUBLIC RECORD VERSION – JANUARY 2013**

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

Response:

Please refer to the description about valuation methods for scrap, by products, or joint products.

- effects of inflation on financial statement information.

Response:

The question is not applicable, since Zongcheng has not incurred the effects of inflation.

7. In the event that any of the accounting methods used by your company have changed over the last two years provide an explanation of the changes, the date of change, and the reasons for it.

Response:

Zongcheng's accounting methods did not change over the last two financial years.

A-5 INCOME STATEMENT

Complete the spreadsheet entitled '**Income statement**' within the '*Exporter Questionnaire – Galvanised Steel and Aluminium Zinc Coated Steel*' provided alongside this questionnaire.

Response:

Zongcheng report the income statement of "Total Company" and "Aluminium Zinc Coated Steel".

Please refer to Exhibit 7 for Income Statement submitted in AD response.

Provide the completed spreadsheet in electronic format on CD-ROM (or via email) with your response. If formulas are used to calculate the field within this sheet, please ensure they remain included in the submitted version.

Response:

Zongcheng completed the spread sheet and kept the formulas in this working sheet.

Explain how costs have been allocated between all products and the goods within these calculations.

Response:

ZONGCHENG – CHINA
PUBLIC RECORD VERSION – JANUARY 2013

As explained in our previous response, all product of the Company are based on the weighted average cost of production in the financial statement. The costs allocated to GUC are determined by quantity and coefficient of production. The direct selling expenses are allocated by specific identification; other items are allocated by net sales.

This information will be used to verify the completeness of cost data that you provide. If, because of your company's structure, the allocations would not be helpful in this process, please explain why this is the case.

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

Response:

According to the reconciliation of the main operation income from financial statement to sales database, Zongcheng has added two columns called "main operation income" and "other operation income" for reconciliation purpose.

A-6 SALES

Complete the spreadsheet entitled '**Turnover**' within the '*Exporter Questionnaire – Galvanised Steel and Aluminium Zinc Coated Steel*' provided alongside this questionnaire.

Response:

Zongcheng segregate the spread sheet as "Total Company" and "Aluminium Zinc Coated Steel".

Please refer to Exhibit 8 for Turnover submitted in AD response.

Provide the completed spreadsheet in electronic format on CD-ROM (or via email) with your response. If formulas are used to calculate the field within this sheet, please ensure they remain included in the submitted version.

Response:

Zongcheng completed the spread sheet and kept the formulas in the spread sheet.

In completing the sheet, use the currency in which your accounts are kept. This information will be used to verify the cost allocations to the goods.

Response:

Zongcheng used the currency RMB in accounts and kept in the spread sheet.

Also, you should be prepared to demonstrate that sales data shown for the goods is a complete record by linking total sales of these goods to relevant financial statements.

**ZONGCHENG – CHINA
PUBLIC RECORD VERSION – JANUARY 2013**

Response:

Zongcheng reconciled the sales of subject goods in “Turnover” with sales data from domestic, Australia and third countries to sales database.

Please refer to Exhibit 9 for sales reconciliation submitted in AD response.

A-7 PRODUCTION PROCESS AND CAPACITY

- Describe the production process for the GUC. 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 Exhibit 22 for production process flowchart submitted in AD response.

Scrap or by-products that result from producing the GUC as following:

<i>Process</i>	<i>Scrap or by-product</i>
<i>Pickling</i>	
<i>Cold-Rolled</i>	
<i>Galvanized</i>	

- Complete the spreadsheet entitled ‘**Production**’ within the ‘*Exporter Questionnaire – Galvanised Steel and Aluminium Zinc Coated Steel* provided alongside this questionnaire.’

Response:

Please refer to Exhibit 23 for Production submitted in AD response.

The formula to calculate the production capacity is as follow:

*1) Monthly Production Capacity = Average Quantities per Hour * .. Hours * .. Days/Month*

*..... MT = MT * hours * Days*

*2) Yearly Production Capacity = Monthly Production Capacity * 12 Months*

**ZONGCHENG – CHINA
PUBLIC RECORD VERSION – JANUARY 2013**

..... *MT = MT * 12 Months*

Provide the completed spreadsheet in electronic format on CD-ROM (or via email) with your response. If formulas are used to calculate the field within this sheet, please ensure they remain included in the submitted version.

Response:

Zongcheng completed this spreadsheet and kept the formulas in this sheet

Above files please refer to CD-ROM of AD response.

**ZONGCHENG – CHINA
PUBLIC RECORD VERSION – JANUARY 2013**

SECTION B - SALES TO AUSTRALIA (EXPORT PRICE)

NOTE – If you have already provided the following information as part of your response to the questionnaire for the dumping investigations (INV 190a and/or INV 190b) you do not need to provide it again. Please just advise this fact in your response.

This section requests information concerning your export practices and prices to Australia. You should include costs incurred beyond ex-factory.

Export prices are usually assessed at FOB point, but Customs and Border Protection may also compare prices at another level (e.g. ex factory).

*You should report prices of **all GUC shipped to Australia during the investigation period**.*

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

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

Response:

There are customers Zongcheng shipped during the investigation period.

Details provided.

B-2 For each customer identified in B1 please provide the following information.

- (a) Describe how the goods are sent to each customer in Australia, including a diagram if required.

Detailed Response provided..

- (b) Identify each party in the distribution chain and describe the functions performed by them. Where commissions are paid indicate whether it is a pre or post exportation expense having regard to the date of sale.

Detailed Response provided :

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

**ZONGCHENG – CHINA
PUBLIC RECORD VERSION – JANUARY 2013**

Response:

The ownership of the goods at each stage is depended on the delivery term namely FOB or CFR etc.

- (d) Describe any agency or distributor agreements or other contracts entered into in relation to the Australian market (supply copy of the agreement if possible).

Response:

This question is not applicable since Zongcheng has no agency or distributor agreements or other contracts entered into in relation to the Australian market.

- (e) Explain in detail the process by which you negotiate price, receive orders, deliver, invoice and receive payment. If export prices are based on price lists supply copies of those lists.

Detailed Response provided on the normal process comprising:

1) Price negotiation:

2) Order acceptance and confirmation:

3) Documentation and Delivery:

4) Payment :

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

Response:

Zongcheng is not related to any Australian customer.

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

Response:

Australian customer provided detail.

**ZONGCHENG – CHINA
PUBLIC RECORD VERSION – JANUARY 2013**

- B-3** Do your export selling prices vary according to the distribution channel identified? If so, provide details. Real differences in trade levels are characterised by consistent and distinct differences in functions and prices.

Response:

There is no difference based on trade levels.

- B-4** Complete the spreadsheet entitled '**Australian sales**' within the *Galvanised steel and aluminium zinc coated steel Exporter Questionnaire – accompanying spreadsheet* provided alongside this questionnaire.

Response:

Please refer to the Exhibit 10 for Australian sales submitted in AD response.

This spreadsheet is to list **all** shipments (i.e. transaction by transaction) to Australia **of the GUC** (do not include non-GUC items) in the investigation period.

Response:

Zongcheng has previously provided details on all shipments to Australia of the GUC in the investigation period.

Provide the completed spreadsheet in electronic format on CD-ROM (or via email) with your response. If formulas are used to calculate the field within this sheet, please ensure they remain included in the submitted version.

Response:

Zongcheng completed the spread sheet and kept the formulas within this sheet. In order to match identical or similar subject merchandise between Australia and domestic sales markets, we assigned, on the basis of applications, forms, grades, qualities, thickness, width and coating mass, to use in product code's matching control number system (hereinafter refer as "PCN").

Please refer to Exhibit 11 for PCN description submitted in AD response.

The below table provides information as to what is meant by each column heading within the spreadsheet.

Column heading	Explanation
Customer name	names of your customers
Level of trade	the level of trade of your customers in Australia
Model/grade/type	commercial model/grade or type
Product code	code used in your records for the model/grade/type identified. Explain the product codes in your submission.

ZONGCHENG – CHINA
PUBLIC RECORD VERSION – JANUARY 2013

Product type	identify the finish product of the Galvanised steel and aluminium zinc coated steel sold
Invoice number	invoice number
Invoice date	invoice date
Date of sale	refer to the explanation at the beginning of this section. If you consider that a date <i>other than</i> the invoice date best establishes the material terms of sale, report that date. For example, order confirmation, contract, or purchase order date.
Order number	if applicable, show order confirmation, contract or purchase order number if you have shown a date other than invoice date as being the date of sale.
Shipping terms	Delivery terms e.g. CIF, C&F, FOB, DDP (in accordance with Incoterms)
Payment terms	agreed payment terms e.g. 60 days=60 etc
Quantity	Quantity in units shown on the invoice. Show basis e.g. kg.
Gross invoice value	gross invoice value shown on invoice <i>in the currency of sale, excluding taxes.</i>
Discounts	if applicable, the amount of any discount deducted on the invoice on each transaction. If a % discount applies show that % discount applying in another column.
Rebates	The amount of any deferred rebates or allowances paid to the importer in the currency of sale.
Other charges	any other charges, or price reductions, that affects the net invoice value. Insert additional columns and provide a description.
Invoice currency	the currency used on the invoice
Exchange rate	Indicate the exchange rate used to convert the currency of the sale to the currency used in your accounting system
Net invoice value	the net invoice value expressed in your domestic currency as it is entered in your accounting system
Other discounts	The actual amount of discounts not deducted from the invoice. Show a separate column for each type of discount.
Ocean freight**	the actual amount of ocean freight incurred on each export shipment listed.
Marine insurance	Amount of marine insurance
FOB export price**	the free on board price at the port of shipment.
Packing*	Packing expenses
Inland transportation costs*	inland transportation costs included in the selling price. For export sales this is the inland freight from factory to port in the country of export.

**ZONGCHENG – CHINA
PUBLIC RECORD VERSION – JANUARY 2013**

Handling, loading & ancillary expenses*	handling, loading & ancillary expenses. For example, terminal handling, export inspection, wharfage & other port charges, container tax, document fees & customs brokers fees, clearance fees, bank charges, letter of credit fees, & other ancillary charges incurred in the exporting country.
Warranty & guarantee expenses*	warranty & guarantee expenses
Technical assistance & other services*	expenses for after sale services, such as technical assistance or installation costs.
Commissions*	Commissions paid. If more than one type is paid insert additional columns of data. Indicate in your response to question B2 whether the commission is a pre or post exportation expense having regard to the date of sale.
Other factors*	any other costs, charges or expenses incurred in relation to the exports to Australia (include additional columns as required). See question B5.

Notes

** FOB export price and Ocean Freight:

FOB export price: An FOB export price must be calculated for each shipment - regardless of the shipping terms. FOB price includes inland transportation to the port of exportation, inland insurance, handling, and loading charges. It excludes post exportation expenses such as ocean freight and insurance. Use a formula to show the method of the calculation on each line of the export sales spreadsheet.

Ocean freight: as ocean freight is a significant cost it is important that the actual amount of ocean freight incurred on each exportation be reported. If estimates must be made you must explain the reasons and set out the basis - estimates must reflect changes in freight rates over the investigation period.

Freight allocations must be checked for consistency.

Response:

Please refer to our submission of sales listing provided in AD Response.

- B-5** If there are any other costs, charges or expenses incurred in respect of the exports listed above which have not been identified in the table above, add a column within the 'Australian sales' spreadsheet (see "other factors" in question B-4) for each item, and provide a description of each item. For example, other selling expenses (direct or indirect) incurred in relation to the export sales to Australia.

Response:

**ZONGCHENG – CHINA
PUBLIC RECORD VERSION – JANUARY 2013**

Zongcheng has no other costs, charges or expenses incurred in respect of the exports listed above.

- B-6** For each type of discount, rebate, or allowance offered on export sales to Australia:
- provide a description; and
 - explain the terms and conditions that must be met by the importer to obtain the discount.

Where the amounts of these discounts, rebates etc are not identified on the sales invoice, explain how you calculated the amount shown in your response to question B4. If they vary by customer or level provide an explanation.

Response:

Zongcheng did not offer discount, rebate or allowance on export sales to Australia.

- B-7** If you have issued credit notes (directly or indirectly) to the customers in Australia, in relation to the invoices listed in the detailed transaction by transaction listing in response to question B4, provide details of each credit note if the credited amount has **not** been reported as a discount or rebate.

Response:

Zongcheng has not issued credit notes on sales to Australia.

- B-8** 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. For example:

Import duties	Amount of import duty paid in Australia
Inland transport	Amount of inland transportation expenses within Australia included in the selling price
Other costs	Customs and Border Protection brokers, port and other costs incurred (itemise)

Response:

Zongcheng had no DDP sales to Australia.

- B-9** Select two shipments of each product (*galvanised steel and aluminium zinc coated steel*), in different quarters of the investigation period, and provide a complete set of all of the documentation related to the export sale. For example:
- the importer's purchase order, order confirmation, and contract of sale;
 - commercial invoice;

**ZONGCHENG – CHINA
PUBLIC RECORD VERSION – JANUARY 2013**

- bill of lading, export permit;
- freight invoices in relation to movement of the goods from factory to Australia, including inland freight contract;
- marine insurance expenses; and
- letter of credit, and bank documentation, proving payment.

Customs and Border Protection will select additional shipments for payment verification at the time of the visit.

Response:

Zongcheng has selected two samples- invoice numbers.....

Please refer to Exhibit 12 for Australia sample (1) and Exhibit 13 for Australia sample (2) submitted in AD response.

**ZONGCHENG – CHINA
PUBLIC RECORD VERSION – JANUARY 2013**

SECTION C – COUNTERVAILING

The applicant alleges that producers in China of galvanised steel and aluminium zinc coated steel, and upstream suppliers have benefited from a number of subsidies granted by the GOC (meaning any level of government – refer to the Glossary of Terms for further information), and that these subsidies are countervailable.

INVESTIGATED PROGRAMS

The following are programs that Customs and Border Protection is currently investigating:

Program Number	Program Name
RAW MATERIAL PROVIDED BY GOVERNMENT AT LESS THAN ADEQUATE REMUNERATION	
1	Hot rolled steel provided by government at less than adequate remuneration
2	Coking coal provided by government at less than adequate remuneration
3	Coke provided by government at less than adequate remuneration
PREFERENTIAL INCOME TAX PROGRAMS	
4	Preferential Tax Policies for Enterprises with Foreign Investment Established in the Coastal Economic Open Areas and Economic and Technological Development Zones
5	Preferential Tax Policies for Foreign Invested Enterprises– Reduced Tax Rate for Productive Foreign Invested Enterprises scheduled to operate for a period of not less than 10 years
6	Preferential Tax Policies for Enterprises with Foreign Investment Established in Special Economic Zones (excluding Shanghai Pudong area)
7	Preferential Tax Policies for Enterprises with Foreign Investment Established in Pudong area of Shanghai
8	Preferential Tax Policies in the Western Regions
9	Land Use Tax Deduction
10	Preferential Tax Policies for High and New Technology Enterprises
TARIFF AND VAT EXEMPTIONS ON IMPORTED MATERIALS AND EQUIPMENT	
11	Tariff and value-added tax (VAT) Exemptions on Imported Materials and

**ZONGCHENG – CHINA
PUBLIC RECORD VERSION – JANUARY 2013**

	Equipment
--	-----------

GRANTS	
12	One-time Awards to Enterprises Whose Products Qualify for 'Well-Known Trademarks of China' and 'Famous Brands of China'
13	Matching Funds for International Market Development for Small and Medium Enterprises
14	Superstar Enterprise Grant
15	Research & Development (R&D) Assistance Grant
16	Patent Award of Guangdong Province
17	Innovative Experimental Enterprise Grant
18	Special Support Fund for Non State-Owned Enterprises
19	Venture Investment Fund of Hi-Tech Industry
20	Grants for Encouraging the Establishment of Headquarters and Regional Headquarters with Foreign Investment.
21	Grant for key enterprises in equipment manufacturing industry of Zhongshan
22	Water Conservancy Fund Deduction
23	Wuxing District Freight Assistance
24	Huzhou City Public Listing Grant
25	Huzhou City Quality Award
26	Huzhou Industry Enterprise Transformation & Upgrade Development Fund
27	Wuxing District Public List Grant
28	Anti-dumping Respondent Assistance
29	Technology Project Assistance

**ZONGCHENG – CHINA
PUBLIC RECORD VERSION – JANUARY 2013**

**PART C-1 RAW MATERIAL PROVIDED BY GOVERNMENT AT LESS THAN
ADEQUATE REMUNERATION (PROGRAMS 1-3)**

The applicant claims that public bodies (in the form of state-invested enterprises (SIEs)) are supplying hot rolled coil, coking coal and coke directly or indirectly, to manufacturers of galvanised steel and aluminium zinc coated steel at less than adequate remuneration.

Please answer the following questions in relation to your purchases of hot rolled coil, coking coal and coke between 1 July 2011 to 30 June 2012.

1. Describe the nature of your production process for galvanised steel and/or aluminium zinc coated steel, including all raw materials used by your company in the process.

Response:

Please refer to Exhibit 22 for production process flowchart submitted in AD response.

2. Does your business or related business purchase hot rolled coil, coking coal or coke in the manufacture of galvanised steel and/or aluminium zinc coated steel?

Response:

Zongcheng is a purchaser of HRC. Zongcheng does not purchase Coking Coal or Coke.

3. Provide a list, including a contact name and address, of all your suppliers and manufacturers of hot rolled coil, coking coal and coke, including those purchased through related businesses. Indicate whether the supplier and manufacturer is a SIE and evidence supporting this.

Response:

Please refer to Exhibit S-1 for suppliers list.

Please note Zongcheng did not purchase coking coal or coke and had no purchases through related business.

4. Complete the attached spreadsheet entitled '**Raw Material Purchases**' within the '*Exporter Questionnaire – Galvanised Steel and Aluminium Zinc Coated Steel*' – provided alongside this questionnaire (i.e. transaction by transaction) for all purchases of hot rolled coil, coking coal and coke. Provide the completed spreadsheet in electronic format with your response.

Response:

Please refer to Exhibit S-2 for relevant raw material purchases.

Please note Zongcheng did not use coking coal and coke.

**ZONGCHENG – CHINA
PUBLIC RECORD VERSION – JANUARY 2013**

(NB if your company is purchasing more than one material type (HRC, Coking Coal and Coke), please provide your responses in three separate spreadsheets).

5. Did your business receive any reduction/reduced price for the purchase of these raw materials 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 raw material.

Response:

Zongcheng did not receive any reduction/reduced price for the purchase of its raw material during the investigation period.

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

Response:

Please refer to Exhibit S-3.

7. Did your business import any raw materials during the investigation period? If yes, please provide details of all such imports, including date, source, type, amount, price and name of country.

Response:

Zongcheng did not import any raw materials during the investigation period.

8. Explain the reasons for your business' decision to purchase imported over domestic raw materials, including the key factors affecting the decision such as price, availability etc.

Response:

The question is not applicable, since Zongcheng did not import any raw materials during the investigation period.

**ZONGCHENG – CHINA
PUBLIC RECORD VERSION – JANUARY 2013**

PART C-2 PREFERENTIAL INCOME TAX PROGRAMS (PROGRAMS 5-10)

1. Did your business or any company/entity related to your business receive any benefit⁷ under the following five programs during the investigation period (1 July 2011 to 30 June 2012):

Program 4: Preferential Tax Policies for Enterprises with Foreign Investment Established in the Coastal Economic Open Areas and in Economic and Technological Development Zones

Program 5: Preferential Tax Policies for Foreign Invested Enterprises - Reduced Tax Rate for Productive Foreign Invested Enterprises scheduled to operate for a period not less than 10 years

Program 6: Preferential Tax Policies for Enterprises with Foreign Investment Established in Special Economic Zones (excluding Shanghai Pudong area)

Program 7: Preferential Tax Policies for Enterprises with Foreign Investment Established in Pudong area of Shanghai

Program 8: Preferential Tax Policies in the Western Regions

Program 9: Land Use Tax Deduction

Program 10: Preferential Tax Policies for High and New Technology Enterprises

Response:

Zongcheng did not receive any benefit from any of the above described programs.

Zongcheng has outlined its financial operating status since its beginning.

Please refer to Exhibit S-4 for Corporate Income Tax Returns.

2. It is our understanding that the general tax rate for enterprises in China from 1 July 2011 was 25%. Confirm whether this is correct and if not, please identify the general tax rate for enterprises in China from 1 July 2011.

Response:

The description is correct.

The general tax rate for enterprises in China from 1 July 2011 was 25%.

3. For each taxation year since 2007, complete the attached spreadsheet entitled 'Income Tax' 'Exporter Questionnaire – Galvanised Steel and Aluminium Zinc Coated Steel' - provided alongside this questionnaire

Response:

Please refer to Exhibit S-4 for corporate income tax.

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

**ZONGCHENG – CHINA
PUBLIC RECORD VERSION – JANUARY 2013**

4. Provide a copy, bearing the official stamp of the appropriate level of the GOC of all
- corporate income tax acknowledgement form(s) and the income tax return(s) that your company filed since 2007; and
 - income tax instalment payment receipts, and all applicable income tax forms and schedules since 2007.

Note: If your company did not file an income tax return since 2007, provide an explanation stating the reasons why you were exempt from filing such a return and the applicable section[s] of the Income Tax Act under which you were exempt from doing so.

Response:

Zongcheng has provided income tax returns from 2007 to 2012 Half Year.

Please refer to Exhibit S-5 (1) to (10) for income tax return from 2008 to 2012 Half Year with Chinese and English versions.

5. If your business currently pays corporate income tax at a rate less than the general tax rate, or paid at a rate less than that during the investigation period, please indicate whether the reduced rate relates to any of the preferential income tax programs identified above.

Response:

Zongcheng has not paid corporate income tax at a rate less than the general tax rate.

Please refer to Exhibit S-4 for corporate income tax.

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

Response:

As previously explained Zongcheng has not paid corporate income tax at a rate less than the general tax rate.

Please refer to our responses stated previously.

7. Please answer the following questions for each program identified at questions 5 and 6 above:

Explanatory Response provided:

- i. Provide complete details of the amount of the benefit received, including whether it was received in total or in instalments.

Response:

**ZONGCHENG – CHINA
PUBLIC RECORD VERSION – JANUARY 2013**

The question is not applicable, Zongcheng did not receive benefit from program 5.

- ii. 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).

Response:

The goods produced by Zongcheng did not benefit from the described programs.

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

Response:

Since Zongcheng is a foreign invested enterprise, therefore it qualified program 5. But there is no application and approval procedures under the program.

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

Response:

Zongcheng is a foreign invested enterprise ,and is therefore eligible for program 5.

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

Response:

If there are any fees payable based on eligibility, no fees have been charged to, or expenses incurred by Zongcheng, for purposes of receiving any benefit from the program.

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

Response:

The eligibility criteria is the Company itself must be a foreign investment enterprise.

- vii. 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.

Response:

**ZONGCHENG – CHINA
PUBLIC RECORD VERSION – JANUARY 2013**

For reasons provided this question is not considered applicable to Zongcheng.

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

Response:

The question is not considered applicable to Zongcheng.

- ix. 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.

Response:

The question is not applicable, since Zongcheng has had accumulated deficit since the corporation commenced, therefore Zongcheng cannot benefit under “Two free three halve” at a reduced rate.

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

Response:

The question is not considered applicable to Zongcheng.

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

Response:

Zongcheng understands Program 5 is still under operation.

- xii. 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?

Response:

Based on above response Program 5 has not been terminated

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

Response:

Program 5 is still considered to be operative.

**ZONGCHENG – CHINA
PUBLIC RECORD VERSION – JANUARY 2013**

PART C-3 TARIFF AND VAT EXEMPTIONS ON IMPORTED MATERIALS AND
EQUIPMENTS (PROGRAM 11)

It is our understanding that certain enterprises in China are eligible for exemption from the payment of import duty and import VAT on imported inputs, technologies and machinery.

If your business or any company/entity related to your business received benefits under any such program during the period 1 July 2007 to 30 June 2012, please answer the following questions.

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

Response:

Please note Zongcheng did not have receive VAT refund.

. Please refer to Exhibit S-6 for VAT reporting.

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

Response:

Step1. Zongcheng needs to complete relevant application forms supported by imporedt equipment list

to.....(authority)

Step2. When approved Zongcheng received the appropriate concessions on import duty.

Please refer to Exhibit S-3 for list of imported equipment with concessional import duty.

Please note that import duty concession on eligible equipment applies to Australian manufacturers such as the applicant in this investigation.

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

Response:

Please note the application form is designed by the relevant authority as advised in official record version.

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

**ZONGCHENG – CHINA
PUBLIC RECORD VERSION – JANUARY 2013**

Response:

If there any fees payable ,no such fees or expenses have been incurred by Zongcheng for purposes of benefitting from the program

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

Response:

The eligibility criteria are as following:

- (1) The Company's investment items should in accordance with the encouragement and restriction in foreign investment industry.*
- (2) The equipments are for self-use and not for resale purpose.*

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

- a) whether or not your business exports or has increased its exports;
- b) the use of domestic rather than imported inputs;
- c) the industry to which your business belongs; or
- d) the region in which your business is located.

Response:

*The program fits Criteria (c).....detail provided.
Please refer to Exhibit S-7.*

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

Response:

Zongcheng was eligible for concessional import duty on equipment to produce relevant steel products as previously outlined.

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

Response:

Please note Zongcheng imported the equipment at the approved concessional duty.

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

Response:

The imported equipment is accounted for at cost.

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

**ZONGCHENG – CHINA
PUBLIC RECORD VERSION – JANUARY 2013**

Response:

The program is understood to still be in operation.

11. If the program has been terminated, please provide details (when, why). When is the last date that your business could apply for or claim benefits under the program? When is the last date that your business could receive benefits under the program?

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

Response:

The question is not applicable, since the program is considered to be in operation.

12. 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.

Response:

Please note Zongcheng only imported production equipment during the IP and not any raw materials.

Please refer to Exhibit S-6 for VAT reporting.

13. Has your company received exemption from payment of or refunds of import duty and import VAT for imported material inputs (e.g. hot rolled coil, coking coal and coke) at any time that were used in the production of the goods during the investigation period? If yes, provide the following information:
- (a) description of imported product;
 - (b) country of origin;
 - (c) quantity of imported product;
 - (d) purchase price;
 - (e) terms of purchase (e.g. FOB, CIF);
 - (f) ocean freight;
 - (g) value for duty of imported product;
 - (h) regular rate of taxes and duties;
 - (i) concessionary rate of taxes and duties;
 - (j) amount of duties and taxes normally applicable;
 - (k) amount of duties and taxes paid;
 - (l) amount of duties and taxes exempt;
 - (m) date of importation;
 - (n) tariff classification number;
 - (o) customs entry number; and
 - (p) application fee.

**ZONGCHENG – CHINA
PUBLIC RECORD VERSION – JANUARY 2013**

Response:

The question is not considered applicable, since Zongcheng did not import any raw materials during the IP.

14. Explain if (and how) the GOC determines which imported inputs are consumed by your business in the production of the subject goods and in what amounts, and the amount of duty paid or payable on the inputs (including any allowance for waste).

Explain how the GOC determined the percentage rate of duty exemption.

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

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

Response:

The question is not considered applicable, since Zongcheng did not import any raw materials during the IP.

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.

Response:

Please note Zongcheng did not import any raw materials during the IP.

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 GOC relating to the exemption from the payment of import duty and import VAT on imported inputs and in relation to the VAT that is refunded on the exportation of the subject goods.

Response:

Please note Zongcheng did not import any raw materials during the IP.

17. Provide copies of reports and audits by the GOC authority responsible for administering the duty rebate or duty drawback scheme with respect to the verification of the importation and use of inputs and the remittance or drawback of the related duty paid or payable.

Response:

Please refer to Exhibit S-3 for imported equipment with reduced import duty and Exhibit S-7 for foreign investment conformation.

**ZONGCHENG – CHINA
PUBLIC RECORD VERSION – JANUARY 2013**

PART C-4 GRANTS (PROGRAMS 12-29)

It is Customs and Border Protection's understanding that the GOC may be providing grants to enterprises in China including the following identified programs:

Program 12: One-time Awards to Enterprises Whose Products Qualify for 'Well-Known Trademarks of China' and 'Famous Brands of China'

Program 13: Matching Funds for International Market Development for Small and Medium Enterprises

Program 14: Superstar Enterprise Grant

Program 15: Research & Development (R&D) Assistance Grant

Program 16: Patent Award of Guangdong Province

Program 17: Innovative Experimental Enterprise Grant

Program 18: Special Support Fund for Non State-Owned Enterprises

Program 19: Venture Investment Fund of Hi-Tech Industry

Program 20: Grants for Encouraging the Establishment of Headquarters and Regional Headquarters with Foreign Investment.

Program 21: Grant for key enterprises in equipment manufacturing industry of Zhongshan

Program 22: Water Conservancy Fund Deduction

Program 23: Wuxing District Freight Assistance

Program 24: Huzhou City Public Listing Grant

Program 25: Huzhou City Quality Award

Program 26: Huzhou Industry Enterprise Transformation & Upgrade Development Fund

Program 27: Wuxing District Public List Grant

Program 28: Anti-dumping Respondent Assistance

Program 29: Technology Project Assistance

Response:

Zongcheng did not benefit from any of the above mentioned programs.

Re Question No 2,(any other grant etc) please note Zongcheng received the following during the IP:

<i>Date</i>	<i>Voucher No.</i>	<i>Description</i>	<i>Department</i>	<i>Value (RMB)</i>

Please refer to Exhibit S-8 for subsidy documents.

**ZONGCHENG – CHINA
PUBLIC RECORD VERSION – JANUARY 2013**

1. Did your business or any company/entity related to your business receive any benefit under the above programs during the period 1 July 2011 to 30 June 2012?

Response:

The question is considered to be not applicable, since no company/entity related to Zongcheng received any benefit from above mentioned programs during the IP.

2. Did your business receive benefits under any other grant (including awards, prizes, funds) program during the period 1 July 2011 to 30 June 2012?

Response:

Please refer to above table and Exhibit S-8 for relevant documents.

3. Provide copies of management reports showing your business' non-operating income (or another ledger account) during the period 1 July 2011 to 30 June 2012 and highlight the entry referring to income from the grants identified above.

Response:

Please refer to Exhibit S-8 .

For each program identified in your answers above:

- i. Provide complete details involving the amount of the grant received, including whether the grant was received in a lump sum or multiple instalments.

Response:

The amounts received as per the details provided were Lump sum amounts

- ii. 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).

Response:

Benefited from above mentioned programs are not for specific goods.

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

Response:

No application or approvals were required.

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

Response:

Based on responses to the above this question is not applicable

**ZONGCHENG – CHINA
PUBLIC RECORD VERSION – JANUARY 2013**

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

Response:

There were no fees charged to, or expenses incurred by Zongcheng for the purposes of receiving the program in question.

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

Response:

The question is not considered applicable, since the programs received by Zongcheng did not require any application procedure.

- vii. 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.

Response:

Based on above responses this question is not considered applicable

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

Response:

The benefit was not provided in relation to a specific activity or project.

- ix. 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.

Response:

Zongcheng recorded the benefits in non-operation revenue.

Please refer to Exhibit S-8 for documents.

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

Response:

Zongcheng recorded the benefits in non-operation revenue account.

Please refer to Exhibit S-8 for documents.

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

ZONGCHENG – CHINA
PUBLIC RECORD VERSION – JANUARY 2013

Response:

Terminated.

- xii. 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.

Response:

Terminated in 2011.

Zongcheng is not aware of any substitution.

- xiii. Identify the body responsible for administering the grant.

Response:

Details provided in Official record version.

- xiv. Identify the date of approval of the grant and the date the grant was received.

Response:

Relevant details provided in Official record version.

- xv. Indicate where the grant was accounted for on your business' financial statements.

Response:

Zongcheng recorded the benefits in non-operation revenue and in turn recorded in the Income Statement.

ZONGCHENG – CHINA
PUBLIC RECORD VERSION – JANUARY 2013

SECTION D – EXPORTER/PRODUCER'S DECLARATION

I hereby declare that. Jiangyin Zongcheng Steel Co., Ltd. (company) did, during the investigation period export the goods and 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.

or

I hereby declare that. Jiangyin Zongcheng Steel Co., Ltd. (company) did, during the investigation period, produce the goods which were exported to Australia by another company and have completed the attached questionnaire and, having made due inquiry, certify that the information contained in this submission is complete and correct to the best of my knowledge and belief.

Name :

Signature : _____

Position in
Company :

Date : Jan 1st,2013

Response:

Please refer to the declaration form submitted in the response.

**ZONGCHENG – CHINA
PUBLIC RECORD VERSION – JANUARY 2013**

ZONGCHENG – CHINA
PUBLIC RECORD VERSION – JANUARY 2013

GLOSSARY OF TERMS

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

Arms length

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

Benefit

As further defined in relation to the definition of the term 'subsidy' below, 'benefit' may include:

- a direct transfer of funds;
- the acceptance of liabilities (e.g debts or other liabilities), whether actual or potential, of your enterprise;
- the forgoing, or non-collection, of revenue (other than an allowable exemption or remission) that was otherwise due (e.g. reduced rate of income tax, waiving certain other taxes);
- the provision of goods or services otherwise than in the course of providing normal infrastructure; or
- the purchase of goods

by the Government of China (GOC) (at any level), a public body of the GOC, or a private body entrusted by the GOC to carry out GOC functions.

Country of origin

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

Export price

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

Exporting country

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

**ZONGCHENG – CHINA
PUBLIC RECORD VERSION – JANUARY 2013**

Factory overheads

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

Foreign Invested Enterprise (FIE)

An FIE may be:

1. Chinese-foreign equity joint venture:

Joint venture between a Chinese company, enterprise, or other business organisation and a foreign company, enterprise, business organisation or individual set up in the form of a Chinese limited liability company.

The characteristics of a Chinese-foreign equity joint venture are joint investment, joint operation, and the participants share profits, risks and losses in proportion to their respective contributions to the registered capital of the joint venture.

The proportion of the investment by the foreign party is no less than 25% in the registered capital of equity joint venture.

2. Chinese-foreign contractual joint venture:

A joint venture established between foreign enterprises and other economic organisations or individuals, and Chinese enterprises or other economic organisations within the territory of China. The rights and obligations of each party are determined in accordance with the agreement specified in the contractual joint venture contract. The investment or conditions for cooperation contributed by the Chinese and foreign parties may be provided in cash or in kind, or may include the right to the use of land, industrial property rights, non-patent technology or other property rights.

3. Wholly foreign owned enterprises:

A wholly foreign owned enterprise is established by foreign enterprises and other economic organisations or by individuals pursuant to the Chinese laws within the territory of China. All of the wholly foreign owned enterprise's capital is invested by foreign investors. It may also be referred to as a Foreign Enterprise (FE).

Incoterms

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

EXW ex works (the seller's minimum obligation as costs relate to goods being made available at the sellers premises)

**ZONGCHENG – CHINA
PUBLIC RECORD VERSION – JANUARY 2013**

FCA	free carrier (main carriage not paid by seller. Pay costs until such time that the goods have been delivered at the named point into custody of a carrier named by the seller. Customs and Border Protection formalities, taxes etc paid if required)
FAS	free alongside ship (main carriage not paid by seller. Deliver the goods alongside the ship)
FOB	free on board (main carriage not paid by seller. Deliver the goods on board, provide export clearance if required, pay loading costs to the point the goods have passed the ship's rail, pay customs formalities, taxes etc payable upon exportation)
CFR	cost and freight (main carriage paid by seller. Pay all costs until delivered as well as freight, loading and unloading, pay customs formalities, taxes etc payable upon exportation)
CIF	cost, insurance and freight (main carriage paid by seller. Pay all costs as under CFR as well as marine insurance) the terms CFR and CIF are only used where goods are carried by sea or waterway transport
CPT	carriage paid to
CIP	carriage and insurance paid to the terms CPT and CIP are used as alternatives to CFR and CIF where the goods are carried by air, road, rail etc

Like goods

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

Selling, general and administration expenses (SG&A)

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

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

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

Special Economic Zone (SEZ)

**ZONGCHENG – CHINA
PUBLIC RECORD VERSION – JANUARY 2013**

Refers to a Special Economic Area, Economic and Technical Development Zone, Bonded Zone, Export Processing Zone, High Technology Industrial Development Zone, or any other designated area where benefits from the GOC (including central, provincial, municipal or county government) accrue to a company because of being located in such an area.

State Owned Enterprises (SOE)

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

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

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

of which there are several types.

For the purposes of this questionnaire, SOE refers to any and all of the above types of enterprises.

Subsidy

In relation to goods that are exported to Australia, means:

(a) a financial contribution:

- (1) by a government of the country or export or country of origin of those goods; or
- (2) by a public body of that country or of which government is a member; or
- (3) by a private body entrusted or directed by that government or public body to carry out a governmental function;

that is made in connection with the production, manufacture or export of those goods and that involves:

- (4) a direct transfer of funds from that government or body to the enterprise by whom the goods are produced, manufactured or exported; or
- (5) a direct transfer of funds from that government or body to that enterprise contingent upon particular circumstances occurring; or
- (6) the acceptance of liabilities, whether actual or potential, of that enterprise by that government body; or

**ZONGCHENG – CHINA
PUBLIC RECORD VERSION – JANUARY 2013**

- (7) the forgoing, or non-collection, of revenue (other than an allowable exemption or remission) due to that government or body by that enterprise; or
 - (8) the provision by that government or body of goods or services to that enterprise otherwise than in the course of providing normal infrastructure; or
 - (9) the purchase by that government or body of goods provided by that enterprise; or
- (b) any form of income or price support as referred to in Article XVI of the General Agreement Tariffs and Trade 1994, that is received from such a government or body;

if that financial contribution or income or price support confers a benefit in relation to those goods.