



Received 28 July 2015

Exporter Questionnaire

Product: Certain aluminium extrusions

From: The People's Republic of China

Continuation inquiry review period: 1 April 2014 to 31 March 2015

Response due by: 27 July 2015

Contact officer: Matthew Williams

Phone: +61 3 8539 2433
Fax: +61 3 8539 2499

E-mail: operations4@adcommission.gov.au

Anti-dumping Commission's website:
www.adcommission.gov.au

Return completed questionnaire to:

Anti-Dumping Commission
GPO Box 1632
Melbourne VIC 3001
AUSTRALIA

Attention: Director Operations 4

TABLE OF CONTENTS

TABLE OF CONTENTS	2
Instructions.....	3
SECTION A – COMPANY STRUCTURE AND OPERATIONS.....	10
A-1 Identity and communication.....	10
A-2 Representative of the company for the purpose of the assessment ...	10
A-3 Company information	10
A-4 General accounting/administration information	13
A-5 Income statement.....	17
A-6 Sales	17
SECTION B – SALES TO AUSTRALIA (EXPORT PRICE).....	18
SECTION C – EXPORTED GOODS & LIKE GOODS	21
SECTION D – DOMESTIC SALES	23
SECTION E – FAIR COMPARISON	26
E-1 Costs associated with export sales	26
E-2 Costs associated with domestic sales	30
E-3 Duplication.....	35
SECTION F – EXPORT SALES TO COUNTRIES OTHER THAN AUSTRALIA (THIRD COUNTRY SALES).....	37
SECTION G – COSTING INFORMATION AND CONSTRUCTED VALUE..	38
G-1. Production process and capacity.....	38
G-2. Cost accounting practices	39
G-3 Cost to make and sell on domestic market.....	40
G-4 Cost to make and sell goods under consideration (exported to Australia) 41	
SECTION H – countervailing.....	43
PART I-1 Preferential income tax programs (programs 10, 16, 17, 18, 47, 48, 49, 50) 45	
PART I-2 Grants and preferential policies (Programs 2, 3, 4, 5, 6, 7, 8, 9, 26, 29, 32, 35)	48
PART I-3 Tariff and VAT Exemptions on Imported Materials and Equipment 51	
PART I-4 Aluminium provided by government at less than fair market value (Program 15).....	54
PART I-6 Preferential loans.....	56
PART I-7 Provision of goods programs – Provision of land use rights, electricity, water, natural gas and heavy oil at less than adequate remuneration	58
PART I-8 Any other programs	60
SECTION I – EXPORTER/PRODUCER’S DECLARATION.....	62
SECTION J - CHECKLIST	63
APPENDIX – GLOSSARY OF TERMS.....	64

INSTRUCTIONS

Why you have been asked to fill out this questionnaire?

The Anti-Dumping Commission (the Commission) is currently conducting a continuation inquiry to determine whether anti-dumping measures applicable to certain aluminium extrusions exported to Australia from China, soon due to expire, should be continued.

The Commission will use the information you provide to determine normal values and export prices over the inquiry period (1 April 2014 to 31 March 2015).

The Commission's inquiry will be carried out under the provisions of Part XVB of the *Customs Act 1901*.

What happens if you do not respond to this questionnaire?

You do not have to complete the questionnaire. However, if you do not respond, or do not provide all of the information sought, the Commission may be required to rely on information from other sources for the purposes of this inquiry.

Due date for response

You are requested to respond to this questionnaire and return it to the Commission within the time specified on the cover page. There is a statutory time limit imposed for the inquiry. The Commission may not be able to consider questionnaires received after the due date.

If you cannot lodge your submission by the due date please advise the investigation case manager as soon as possible.

Confidential and non-confidential submissions

You are required to lodge one confidential version (for official use only) and one non-confidential version (for public record) of your submission by the due date.

Please ensure that *each page* of information you provide is clearly marked either "FOR OFFICIAL USE ONLY" or "PUBLIC RECORD".

All information provided to the Commission in confidence will be treated accordingly. The non-confidential version of your submission will be placed on the public record.

Please note, Australia's anti-dumping and countervailing legislation requires that to the extent that information given to the Commission is claimed to be confidential or whose publication would adversely affect a business or commercial interest, the person giving the information must ensure that a summary of that information contains sufficient detail to allow a reasonable understanding of the substance of the information, but does not breach confidentiality nor adversely affect those interests.

Non-confidential version - 4

The legislation allows that a person is not required to provide a summary for the public record if the Commission can be satisfied that no such summary can be given that would allow a reasonable understanding of the substance of the information. However, such a summary would add considerably to an interested party's understanding of information contained in a document.

As provided for in Australia's anti-dumping and countervailing legislation, all submissions are required to have a bracketed explanation of deleted or blacked out information for the non-confidential version of the submission. Note that if such an explanation is not provided, the Commission may disregard the information in the submission. An example of a statement to accompany deleted/blacked out text is:

[explanation of cost allocation through the divisions].

If, for some reason, you cannot produce a non-confidential summary, please contact the investigation case manager.

Exporter's declaration

At section I, you are required to make a declaration that the information contained in your submission is complete and correct. Alternatively, if you did not export the goods during the period of investigation, you may make a declaration to that effect.

You must return a signed declaration with your response to the questionnaire.

Verification of the information that you supply

The Commission may seek to verify the information provided in your submission. Where there are a large number of exporters, the Commission may have to verify information from selected exporters only. The purpose is to verify the information submitted in response to this questionnaire. It is not meant to be a chance for you to provide new or additional information. The Commission expects your response to the questionnaire to be complete and accurate.

Verification visits may take several days. We will want to examine in detail your company's records in respect of the goods and will ask for copies of documents relating to the manufacture and sale of the goods. We will need to consult with your staff, particularly your financial controller (or accountant) and your domestic and export sales people. We may also need to see your factory, in which case we will need to consult with your operational managers.

After gathering the information we will prepare a report of the visit. We will provide you with a draft of the report and then respond to any questions you have. We will ask you to prepare a non-confidential copy of the report for the public record.

Outline of information required by this questionnaire

Section A	General information relating to your company including financial reports.
Section B	A complete list of your company's exports to Australia over the investigation period.
Section C	A list of goods sold on the domestic market of the country of export goods) that may be compared to the goods under consideration (the goods).
Section D	A detailed list of all of your company's sales of like goods in your domestic market.
Section E	Information to allow a fair comparison between export and domestic prices.
Section F	Information in relation to your company's exports of like goods to countries other than Australia.
Section G	Costs to make and sell, for exports to Australia and for the domestic market.
Section H	Countervailing
Section I	Your declaration.
Section J	A checklist.
Appendix	A glossary of terms used in this questionnaire
Appendix 1	A glossary of terms used in this questionnaire

Some general instructions for preparing your response

- When answering the questionnaire please carefully read all instructions. The Commission requires a response to *all* sections of this questionnaire. Please provide an explanation if a question is not relevant to your situation.
- Answer questions in the order presented in the questionnaire. Please ensure that information submitted conforms to the requested format and is clearly labelled. Please repeat the question to which you are responding and place your answer below it.
- Identify source documents and advise where they are kept. During on-site verification you should be prepared to substantiate all the information you have submitted. Every part of the response should be traceable to company documents that are used in the ordinary course of business.
- We recommend that you retain all work sheets used in answering the questionnaire, in particular those linking the information supplied with management and accounting records. This will help us to verify the information.

Non-confidential version - 6

- Clearly identify all units of measurement and currencies used. Apply the same measurement consistently throughout your response to the questionnaire.

Instructions on providing electronic data

- It is important that information is submitted in electronic format.
- Electronic data should be emailed or submitted on a CD-ROM, in IBM/MS-DOS format, or another operating system whose disk format is compatible with this MS-DOS version.
- The data must be created as spreadsheet files, preferably in Microsoft Excel, or alternatively in an Excel compatible format (for example, Excel can normally access data in Dbase or as an ASCII file).
- The Excel files must be compatible to the USA version.
- If you cannot present electronic data in the requested format contact the investigation case officer as soon as possible.

Goods subject to measures

The goods subject to anti-dumping measures, in the form of dumping and countervailing duty notices, are described as:

Aluminium extrusions produced via an extrusion process, of alloys having metallic elements falling within the alloy designations published by The Aluminium Association commencing with 1, 2, 3, 5, 6 or 7 (or proprietary or other certifying body equivalents), with the finish being as extruded (mill), mechanical, anodized or painted or otherwise coated, whether or not worked, having a wall thickness or diameter greater than 0.5 mm., with a maximum weight per metre of 27 kilograms and a profile or cross-section which fits within a circle having a diameter of 421 mm ("the goods").

The following additional information assists in understanding the goods:

Extrusion is the process of shaping heated material by forcing it through a shaped opening in a die with the material emerging as an elongated piece with the same profile as the die cavity. For greater clarity, the goods do not include goods made by the process of impact extrusion or cold extrusion.

Alloys are metals composed of more than one metallic element. Alloys used in aluminium extrusions contain small amounts (usually less than five percent) of elements such as copper, manganese, silicon, magnesium, or zinc which enable characteristics such as corrosion resistance, increased strength or improved formability to be imparted to the major metallic element, aluminium.

Non-confidential version - 7

Aluminium alloys are produced to specifications in “International Alloy Designations and Chemical Composition Limits for Wrought Aluminum and Wrought Aluminum Alloys” published by The Aluminum Association. It includes all alloy designations - these specifications are known in the industry as “Teal Sheets”). These specifications have equivalent designations issued by other certifying bodies such as the International Standards Organization.

Effects of Alloying Elements

The properties and characteristics of aluminium, such as density, conductivity, corrosion resistance, finish, mechanical properties, and thermal expansion, are modified by the addition of alloying elements. The resulting effect depends upon the principal alloying elements used, as detailed in the table below.

Wrought Alloy Designation	Major Alloying Elements and Typical Alloy Characteristics
1xxx Series	Minimum 99% aluminium High corrosion resistance. Excellent finishability. Easily joined by all methods. Low strength. Poor machinability. Excellent workability. High electrical and thermal conductivity.
2xxx Series	Copper High strength. Relatively low corrosion resistance. Excellent machinability. Heat treatable.
3xxx Series	Manganese Low to medium strength. Good corrosion resistance. Poor machinability. Good workability.
4xxx Series	Silicon Not available as extruded products.
5xxx Series	Magnesium Low to moderate strength. Excellent marine corrosion resistance. Very good weldability.
6xxx Series	Magnesium & Silicon Most popular extrusion alloy class. Good extrudability. Good strength. Good corrosion resistance. Good machinability. Good weldability. Good formability. Heat treatable.
7xxx Series	Zinc Very high strength. Good machinability. Heat treatable.

Source: The Aluminum Association (US)

Profiles and shapes - All aluminium extrusions are produced as either hollow or solid profiles. Hollow profile extrusions generally cost more to produce and obtain higher prices than solid profile extrusions. Extrusions are often produced in standard shapes such as bars, rods, pipes and tubes, angles, channels and tees but they are also produced in customised profiles.

Non-confidential version - 8

Finishes - In addition to 'as extruded' or mill finish, extrusions can be finished mechanically by polishing, buffing or tumbling. Extrusions can have anodized finishes applied by means of an electro-chemical process that forms a durable, porous oxide film on the surface of the aluminium. Also, they can be finished by painting with liquid or powder coatings utilising an electrostatic application process.

For the purposes of this application, aluminium extrusions are further classified into four "finish" types:

- Mill Finish - Plain metal finish, uncoated (i.e. "as extruded from the die");
- Anodised - Surface converted to aluminium oxide (by electrolysis) and may be coloured by electrolytic or chemical dye means;
- Powder Coated - Charged powder particles are sprayed and adhere to electrically grounded surfaces, heated and fused into a smooth coating in a curing oven; and
- Painted or Other Finish - Painted or finished in other surface applications.

Size range - The ability to produce the full range of profiles is determined by the extrusion and ancillary equipment.

"Working" extrusions includes any operation performed other than mechanical, anodized, painted or other finishing, prior to utilisation of the extrusion in a finished product.

Standards - Aluminium extrusions are manufactured to a variety of Australian and International standards. Products exported to Australia are often claimed to comply with one or more of the following standards:

- ASTM B221M-88 (USA);
- BS 1474:1987 (UK); and
- GB/5237.1-2000 (China).

The most common Australian / New Zealand standard is AS/NZ 1866:1997, which specifies requirements for aluminium and aluminium alloy extruded rod, bar, solid and hollow products for general engineering purposes.

The following table is provided to assist in interpreting whether goods are covered by the anti-dumping measures:

< Goods covered by measures >				< Goods not covered by the measures >		
1	2	3	4	5	6	7
Aluminium extrusions	Aluminium extrusions with minor working	Aluminium extrusions that are parts intended for use in intermediate or finished products	Aluminium extrusions that are themselves finished products	Unassembled products containing aluminium extrusions, e.g. 'kits' that at time of import comprise all necessary parts to assemble finished goods	Intermediate or partly assembled products containing aluminium extrusions	Fully assembled finished products containing aluminium extrusions
< Examples >						

Non-confidential version - 9

Mill finish, painted, powder coated, anodised, or otherwise coated aluminium extrusions	Precision cut, machined, punched or drilled aluminium extrusions	Aluminium extrusions designed for use in a door or window	Carpet liner, fence posts, heat sinks	Shower frame kits, window kits, unassembled unitised curtain walls	Unglazed window or door frames	Windows, doors
---	--	---	---------------------------------------	--	--------------------------------	----------------

SECTION A – COMPANY STRUCTURE AND OPERATIONS

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

A-1 Identity and communication

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

Head Office:

Name: [Mr Vincent Wai](#)

Position in the company: [Chief Financial Officer](#)

Address: [Tangerine Garden, Guangshan Road, Licheng Town, Zengcheng City, Guangdong Province, 511300, PRC](#)

Telephone: [853\) 2871 7031 \(English or Chinese\) or \(86\) 20 8263 1030 \(Chinese only\)](#)

Facsimile number: [\(853\) 2871 7003 or \(86\) 20 8266-3183 \(Chinese Only\)](#)

E-mail address of contact person: vincent.wai@palum.com

Factory:

[As above.](#)

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

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

Name: [Mr John Bracic – J.Bracic & Associates Pty Ltd](#)

Address: [PO Box 3026, Manuka ACT 2603](#)

Telephone: [+61 \(0\)499 056 729](#)

Facsimile/Telex number: [N/A](#)

E-mail address of contact person: john@jbracic.com.au

Note that in nominating a representative, the Commission will assume that confidential material relating to your business in this investigation may be freely released to, or discussed with, that representative.

A-3 Company information

1. What is the legal name of your business?

[Reply: PANASIA Aluminium \(China\) Limited \(“PanAsia China”\)](#)

Non-confidential version - 11

What kind of entity is your business? Is it a sole proprietorship, a partnership, a limited liability company, a joint venture, a state-owned enterprise (SOE) (refer to this questionnaire's glossary for a definition of an SOE) or some other type of enterprise?

Reply: PanAsia China is a limited liability company and is a wholly foreign owned subsidiary of PanAsia Aluminium Limited.

Please provide details of any other business names that you use to export and/or sell goods.

Reply: PanAsia China is not an exporter. It produces the GUC for sale for home consumption in China and also sells at factory gate to OPAL for other than home consumption.

2. Who are the owners and/or principal shareholders of your business?

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 business.

Reply: PanAsia China is a wholly foreign owned subsidiary of PanAsia Aluminium Limited.

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

Reply: PanAsia Aluminium Limited is wholly owned by PanAsia Enterprises Group Limited. PanAsia Enterprises Group Limited is wholly owned by [Confidential name of ultimate holding company] Limited.

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

Reply: Please refer to response to A-3.3.

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

Reply: Please refer to Confidential Attachment [A-3.5].

The corporate structure chart is treated as confidential because some detailed private ownership is stated therein, and disclosure of which could damage the interests of the investors.

6. Are any management fees/corporate allocations charged to your business by your parent or related company. If so please explain details of the nature and amount of the charges.

Reply: There are no management fees/ corporate allocations charged to the Company.

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

Non-confidential version - 12

Reply: PanAsia China manufactures the GUC for sale for home consumption in China and sells to OPAL (Macao Commercial Offshore) Limited ("OPAL") for further sale to export markets including Australia.

Part of the sales occurred in the period from April 2014 to July 2014 were firstly sold to Pan Asia Enterprise (Nanyang) Limited ("Pan Asia (Nanyang)") and then to OPAL.

8. Does your business perform all of the following functions in relation to the goods under consideration:

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

If your business does not perform all of these functions, please provide names and addresses of the companies which perform each function:

Reply: No. PanAsia China is a manufacturer of aluminium products and is directly involved in the sale of those goods on the domestic market in China. It does not directly export goods to Australia or other markets. This function is performed by OPAL which is responsible for selling and arranging the exportation of goods.

Please refer to OPAL's questionnaire response for further details.

9. Provide your business' internal organisation chart. Describe the functions performed by each group within the organisation. Include details of the senior management of your business, explaining the role of each member of your senior management team.

Reply: Please refer to Confidential attachment [A-3.9] for the internal organisational chart of PanAsia China.

10. Provide a list of your business' Board of Directors.

Reply: Please refer to Confidential attachment [A-3.10] List of Board of Directors. [Confidential names of directors]

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

Reply: PanAsia China does not prepare any annual report as it is not a publicly listed company. The 2013 Annual Report and 2014 Interim Report of [Confidential name of ultimate holding company] Limited is at Confidential attachment [A-3.11].

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?

Reply: No.

Non-confidential version - 13

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 Government of China (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).

Reply: Not applicable

14. Provide details of all transactions between your company and all related parties. For example:
- Supplying/selling completed or partially completed products.
 - Supplying/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.

Reply: As explained earlier, PanAsia China manufactures aluminium products that are sold to OPAL, a related intermediary involved in selling products to export markets. Please refer to OPAL's questionnaire response for further details.

PanAsia China also sells aluminium products to the following related parties:

- 1) OPLV (Nanyang) Doors and Windows Systems Co Ltd – aluminium products for PRC market
- 2) Guangzhou Rongfu Electronics Co Ltd – electronic products
- 3) PanAsia (Nanyang) – electronic products & exports to overseas

A-4 General accounting/administration information

1. Indicate your accounting period.
Reply: The accounting period is the calendar year, i.e., from 1 January through 31 December.
2. Indicate the address where the financial records are held.
Reply: The financial records of PanAsia China are held at Tangerine Garden, Guangshan Road, Licheng Town, Zengcheng City, Guangdong Province, 511300, PRC.
3. Please provide the following financial documents for the two most recently completed financial years plus all subsequent monthly, quarterly or half yearly statements:
 - chart of accounts;

Non-confidential version - 14

- 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:

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

Reply:

- a) Chart of accounts is at confidential attachment [A-4.3.1];
- b) Audited financial statement for 2013 and 2014 are at confidential attachments[A-4.3.2] and [A-4.3.3];
- c) Internal financial statements for the three months ended 31 March 2015 is at confidential attachment [A-4.3.4]

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.

Reply: Not applicable

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

Reply: PanAsia China follows China Accounting Standards for Foreign Invested Enterprises, which is comprised of the GAAP of CHINA.

6. Describe the significant accounting policies that govern your business' system of accounting, in particular:

- the method of valuation for raw material, work-in-process, and finished goods inventories (e.g. last in first out –LIFO, first in first out- FIFO, weighted average);
- costing methods, including the method (e.g. by tonnes, units, revenue, direct costs etc) of allocating costs shared with other goods or processes (such as front office cost, infrastructure cost etc);

Reply: Inventories are stated at the lower of cost and net realizable value. Cost is determined using the [confidential inventory costing method]. The cost of finished goods and work in progress comprises [confidential components of inventories]. It excludes borrowing costs. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Non-confidential version - 15

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

Reply: [Confidential production process and accounting treatment of scrap].

- valuation and revaluation methods for fixed assets;

Reply: Property, plant and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Reply: Depreciation on fixed assets is calculated using straight-line method to allocate their costs less residual value over their estimated useful lives, as follows:

Class of equipment	Residual value (%)	Estimated useful life	Depreciation rate (%)
Buildings	[Confidential]	[Confidential]	[Confidential]
Machinery	[Confidential]	[Confidential]	[Confidential]
Computer equipment	[Confidential]	[Confidential]	[Confidential]
Transportation equipment	[Confidential]	[Confidential]	[Confidential]

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

Reply: Exchange gains and losses resulting to foreign currency transactions or translation of balance sheet items are expensed or recognized as incurred during the period or at the end of the period respectively.

- inclusion of general expenses and/or interest;

Reply: Interest expenses are expensed as incurred and not capitalised in inventory or fixed assets.

- provisions for bad or doubtful debts;

Non-confidential version - 16

Reply: A provision for impairment of trade and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payment are considered as indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the provision is recognised in the income statement within 'administrative expenses'. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables, Subsequent recoveries of amounts previously written off are credited against "administrative expenses" in the income statement.

PanAsia China has no responsibility for bad or doubtful debts relating to export sales by OPAL.

- expenses for idle equipment and/or plant shut-downs;
- costs of plant closure;
- restructuring costs;

Reply: Normally the expenses, particularly for idle equipment, plant closure, shut-down or restructuring are expensed as incurred. There were no such expenses incurred during the POI for the GUC.

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

Reply: [Confidential production process and accounting treatment of scrap.]

- effects of inflation on financial statement information.

Reply: The effect of inflation on the financial statements is minimal as some of the balances were recorded at amortized cost. For those were recorded at fair value, inflation does not affect their fair values significantly.

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

Reply: There are no changes in accounting methods used by the Company over the last two years.

A-5 Income statement

Please fill in the following table. It requires information concerning all products produced and for the goods subject to measures. You should explain how costs have been allocated.

Prepare this information in the attached spreadsheet named "**Income statement**".

[Reply: Please refer to Confidential attachment \[A-5\] – Income Statement.](#)

A-6 Sales

State your business' net turnover (after returns and all discounts), and free of duties and taxes. Use the currency in which your accounts are kept, in the following format:

Prepare this information in the attached spreadsheet named "**Turnover**".

[Reply: Please refer to Confidential Attachment \[A-6\] – Turnover.](#)

SECTION B – SALES TO AUSTRALIA (EXPORT PRICE)

This section requests information concerning your export practices and prices to Australia. You should include costs incurred beyond ex-factory. Export prices are usually assessed at FOB point, but the Commission may also compare prices at the ex factory level.

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

The invoice date will normally be taken to be the date of sale. If you consider:

- the sale date is not the invoice date (see 'date of sale' column in question B4 below) and;*
- an alternative date should be used when comparing export and domestic prices*

*you **must** provide information in section D on domestic selling prices for a matching period - even if doing so means that such domestic sales data predates the commencement of the Assessment period.*

This section is not applicable as Pan Asia China did not export or ship any GUC to Australia during the investigation period. Please refer to OPAL's questionnaire response for further details relating to Australian exports of aluminium extrusions.

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

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

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

Non-confidential version - 19

- (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).
 - (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.
 - (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).
 - (g) Details of the forward orders of the goods under consideration (include quantities, values and scheduled shipping dates).
- 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.
- B-4** Complete the attached named “**Australian sales**” listing all *shipments* (i.e. *transaction by transaction*) to Australia of the goods under consideration in the importation period. You must provide this list in electronic format. Include the following export related information:
- B-5** If there are any other costs, charges or expenses incurred in respect of the exports listed above which have not been identified in the table above, add a column (see “other factors” in question B-4) for each item, and provide a description of each item. For example, other selling expenses (direct or indirect) incurred in relation to the export sales to Australia.
- B-6** For each type of discount, rebate, allowance offered on export sales to Australia:
- provide a description; and
 - explain the terms and conditions that must be met by the importer to obtain the discount.

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

- 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.

Non-confidential version - 20

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 brokers, port and other costs incurred (itemise)

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

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

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

Please refer to response at B-1

SECTION C – EXPORTED GOODS & LIKE GOODS

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

Reply: Please refer to response at B-1.

- C-2** List each model/type of the good exported to Australia (these models should cover all models listed in spreadsheet “**Australian Sales**” – See section B of this questionnaire).

Reply: Please refer to response at B-1.

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

Provide your response to this question in the attached spreadsheet named “**Like Goods**” detailing as follows:

EXPORTED MODEL	DOMESTIC MODEL	IDENTICAL?	DIFFERENCES
Product code of each model of the goods exported to Australia	Product code of comparable model sold on the domestic market of the country of export	If goods are identical indicate “YES”. Otherwise “NO”	Where the good exported to Australia is not identical to the like goods, describe the specification differences. If it is impractical to detail specification differences in this table refer to documents which outline differences

Reply: Please refer to Confidential attachment[C-3] – Like goods. This spreadsheet is treated as confidential as it contains detailed product information which disclosure of such can cause PanAsia China to be less competitive in the market.

- C-4** Please provide any technical and illustrative material that may be helpful in identifying or classifying the goods that your business sells on the domestic market.

Non-confidential version - 22

Reply: Please refer to Confidential attachment [C-4] for the catalogue of standard aluminium products. Product catalogue is treated as confidential as it contains detailed product information which disclosure of such can cause PanAsia China to be less competitive in the market. As such, the catalogue is only released to specific domestic customers.

SECTION D – DOMESTIC SALES

This section seeks information about the sales arrangements and prices in the domestic market of the country of export.

*All domestic sales made during the importation period must be listed transaction by transaction. If there is an extraordinarily large volume of sales data and you are unable to provide the complete listing electronically you **must** contact the case officer **before** completing the questionnaire. If the case officer agrees that it is not possible to obtain a complete listing he or she will consider a method for sampling that meets the Commission's requirements. If agreement cannot be reached as to the appropriate method the Commission may not visit your business.*

The Commission will normally take the invoice date as being the date of sale in order to determine which sales fall within the assessment period.

*If, in response to question B4 (Sales to Australia, Export Price), you have reported that the date of sale is not the invoice date and you consider that this alternative date should be used when comparing domestic and export prices you **must** provide information on domestic selling prices for a matching period - even if doing so means that such domestic sales data predates the commencement of the assessment period.*

If you do not have any domestic sales of like goods you must contact the case officer who will explain the information the Commission requires for determining a normal value using alternative methods.

D-1 Provide:

- a detailed description of your distribution channels to domestic customers, including a diagram if appropriate;
- information concerning the functions/activities performed by each party in the distribution chain; and
- a copy of any agency or distributor agreements, or contracts entered into.

If any of the customers listed are associated with your business, provide details of that association. Describe the effect, if any, that association has upon the price.

Reply:

Please refer to Confidential attachment [D-1] for the Transaction Flow diagram. This attachment is treated as confidential because it contains detailed sales flow, disclosure of which can cause PanAsia to be less competitive in the market.

PanAsia China has its own sales team to service domestic customers. Customers in domestic markets are mainly [confidential description of level trade].

[Confidential information on agency or and distributor agreements].

PanAsia China sells to the following related customers, who are all fellow subsidiaries of PanAsia China:

[Confidential name of customers]

- D-2** Do your domestic selling prices vary according to the distribution channel identified? If so, provide details. Real differences in trade levels are characterised by consistent and distinct differences in functions and prices.

Reply: Selling prices in domestic market are based on [Confidential description on pricing policy]. The pricing policy is treated as confidential because as disclosure of which can cause PanAsia to be less competitive in the market.

- D-3** Explain in detail the sales process, including:

- the way in which you set the price, receive orders, make delivery, invoice and finally receive payment; and the terms of the sales; and
- whether price includes the cost of delivery to customer.

1. [Confidential procedures on receiving sales orders.]
2. [Confidential pricing policy.]
3. [Confidential production process.]
4. [Confidential goods delivery process.]
5. Customers pay PanAsia China according to agreed sales terms. [Confidential description of nature of PanAsia China's products sold domestically.] PanAsia China does not have price lists for, the like goods nor a discount schedule.

If sales are in accordance with price lists, provide copies of the price lists.

[Confidential pricing policy]

- D-4** Complete the attached named “**Domestic Sales**” listing **all** sales of like goods made during the assessment period. Include all of the following information.

Reply: Please refer to Confidential attachment [D-4] – Domestic sales. This spreadsheet is treated as confidential as it contains detailed sales information which disclosure of which can cause damages to PanAsia China's business.

- D-5** If there are any other costs, charges or expenses incurred in respect of the sales listed which have not been identified in the table in question D-4 above add a column for each item (see “other factors”). For example, certain other selling expenses incurred.

Reply: All costs, expenses or charges incurred in respect of the domestic sale are reported in Confidential attachment [D4]. This information is treated as confidential as it contains detailed cost information which disclosure of which can cause damages to PanAsia China's business.

Non-confidential version - 25

D-6 For each type of commission, discount, rebate, allowance offered on domestic sales of like goods:

- provide a description; and
- explain the terms and conditions that must be met by the customer to qualify for payment.

Where the amounts of these discounts, rebates etc are not identified on the sales invoice, explain how you calculated the amounts shown in your response to question D4.

If you have issued credit notes, directly or indirectly to the customers, provide details if the credited amount has **not** been reported as a discount or rebate.

Reply: PanAsia China [confidential description of commission, discount, rebate, and allowance policy] in relation to domestic sales. This information is treated as confidential as it is part of the pricing policy and sales method that disclosure of which can cause damages to PanAsia China's business.

D-7 Select two domestic sales, in different quarters of the assessment period, that are at the same level of trade as the export sales. Provide a complete set of documentation for those two sales. (Include, for example, purchase order, order acceptance, commercial invoice, discounts or rebates applicable, credit/debit notes, long or short term contract of sale, inland freight contract, bank documentation showing proof of payment.)

The Commission will select additional sales for verification at the time of our visit.

Reply: Please refer to Confidential attachment [D-7].

SECTION E – FAIR COMPARISON

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

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

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

To be able to quantify the level of any adjustment it will usually be necessary to examine cost differences between sales in different markets. The Commission must be satisfied that those costs are likely to have influenced price. In practice, this means that the expense item for which an adjustment is claimed should have a close nexus to the sale. For example, the cost is incurred because of the sale, or because the cost is related to the sale terms and conditions.

Conversely, where there is not a direct relationship between the expense item and the sale a greater burden is placed upon the claimant to demonstrate that prices have been affected, or are likely to have been affected, by the expense item. In the absence of such evidence the Commission may disallow the adjustment.

Where possible, the adjustment should be based upon actual costs incurred when making the relevant sales. However, if such specific expense information is unavailable cost allocations may be considered. In this case, the party making the adjustment claim must demonstrate that the allocation method reasonably estimates costs incurred.

A party seeking an adjustment has the obligation to substantiate the claim by relevant evidence that would allow a full analysis of the circumstances, and the accounting data, relating to the claim.

The investigation must be completed within strict time limits therefore you must supply information concerning claims for adjustments in a timely manner. Where an exporter has knowledge of the material substantiating an adjustment claim that material is to be available at the time of the verification visit. The Commission will not consider new claims made after the verification visit.

E-1 Costs associated with export sales

(These cost adjustments will relate to your responses made at question B-4, 'Australian Sales')

1. Transportation

Explain how you have quantified the amount of inland transportation associated with the export sale ("**Inland transportation costs**").
Identify the general ledger account where the expense is located.

Non-confidential version - 27

If the amount has been determined from contractual arrangements, not from an account item, provide details and evidence of payment.

Reply: PanAsia China sells products destined for export markets to OPAL and Pan Asia (Nanyang) at [confidential delivery terms].

2. Handling, loading and ancillary expenses

List all charges that are included in the export price and explain how they have been quantified (“**Handling, loading & ancillary expenses**”).

Identify the general ledger account where the expenses are located.

If the amounts have been determined using actual observations, not from a relevant account item, provide details.

The various export related ancillary costs are identified in the table at question B4, for example:

- terminal handling;
- wharfage and other port charges;
- container taxes;
- document fees and customs brokers fees;
- clearance fees;
- bank charges, letter of credit fees
- other ancillary charges.

Reply: PanAsia China sells products destined for export markets to OPAL and Pan Asia (Nanyang) at [confidential delivery terms].

3. Credit

The cost of extending credit on export sales is not included in the amounts quantified at question B4. However, the Commission will examine whether a credit adjustment is warranted and determine the amount. Provide applicable interest rates over each month of the assessment period.

Explain the nature of the interest rates most applicable to these export sales e.g., short term borrowing in the currency concerned.

If your accounts receivable shows that the average number of collection days differs from the payment terms shown in the sales listing, *and if* export prices are influenced by this longer or shorter period, calculate the average number of collection days. See also item 4 in section E-2 below.

Reply: PanAsia China [confidential credit period offered to OPAL and PanAsia (Nanyang)].

4. Packing costs

List material and labour costs associated with packing the export product.

Non-confidential version - 28

Describe how the packing method differs from sales on the domestic market, for each model.

Report the amount in the listing in the column headed '**Packing**'.

Reply: PanAsia China is responsible for packing materials and associated labour cost expenses for sale of the GUC to OPAL, Pan Asia (Nanyang) or domestic market. [Confidential description of the difference in packing cost between export and domestic sales.]

The total remaining packing [Confidential packing cost percentage to the total cost.] [Confidential method of allocation of the packing cost to export and domestic goods.] .

5. **Commissions**

For any commissions paid in relation to the export sales to Australia:

- provide a description; and
- explain the terms and conditions that must be met.

Report the amount in the sales listing in question B-4 under the column headed "**Commissions**".

Identify the general ledger account where the expense is located.

Reply: PanAsia China [confidential commission policy.] This information is treated as confidential as it is part of the pricing policy and sales strategy that disclosure of which can cause damages to PanAsia China's business.

6. **Warranties, guarantees, and after sales services**

List the costs incurred associated with warranties, guarantees and after sales services.

Show relevant sales contracts and how you calculated the expenses ("**Warranty & guarantee expenses**" and "**Technical assistance & other services**"), including the basis of any allocations. Include a record of expenses incurred. Technical services include costs for the service, repair, or consultation. Where these expenses are closely related to the sales in question, an adjustment will be considered.

Identify the ledger account where the expense is located.

Reply: PanAsia China [confidential product warranty, policy]. This information is treated as confidential as it is part of the pricing policy and sales strategy that disclosure of which can cause damages to PanAsia China's business.

7. Other factors

There may be other factors for which an adjustment is required if the costs affect price comparability – these are identified in the column headed “**Other factors**”. For example, other variable or fixed selling expenses, including salesmen’s salaries, salesmen’s travel expenses, advertising and promotion, samples and entertainment expenses.

Your consideration of questions asked at Section G, concerning domestic and export costs, would have alerted you to such other factors.

Reply: No such factor is noted.

8. Currency conversions

In comparing export and domestic prices a currency conversion is required. Fluctuations in exchange rates can only be taken into account when there has been a ‘sustained’ movement during the period of investigation (see article 2.4.1 of the WTO Agreement). The purpose is to allow exporters 60 days to adjust export prices to reflect ‘sustained’ movements. Such a claim requires detailed information on exchange movements in your country over a long period that includes the assessment period.

Reply: No such claim is reported.

E-2 Costs associated with domestic sales

(These cost adjustments will relate to your responses made at question D-4, “domestic sales”)

The following items are not separately identified in the amounts quantified at question D-4. However you should consider whether any are applicable.

1. Physical characteristics

The adjustment recognises that differences such as quality, chemical composition, structure or design, mean that goods are not identical and the differences can be quantified in order to ensure fair comparison.

The amount of the adjustment shall be based upon the market value of the difference, but where this is not possible the adjustment shall be based upon the difference in cost plus the gross profit mark-up (i.e. an amount for selling general and administrative costs (S G & A) plus profit). The adjustment is based upon actual physical differences in the goods being compared and upon the manufacturing cost data.

Identify the physical differences between each model. State the source of your data.

Reply: Physical differences do exist between the various products sold to domestic customers and to products sold to OPAL for export to Australia. These tend to be reflected in terms of:

- the relevant alloy;
- surface finish required by customer;
- shape and dimensions of the extruded profile, and
- size.

2. Import charges and indirect taxes

If exports to Australia:

- are partially or fully exempt from internal taxes and duties that are borne by the like goods in domestic sales (or on the materials and components physically incorporated in the goods), or
- if such internal taxes and duties have been paid and are later remitted upon exportation to Australia;

the price of like goods must be adjusted downwards by the amount of the taxes and duties.

The taxes and duties include sales, excise, turnover, value added, franchise, stamp, transfer, border, and excise taxes. Direct taxes such as corporate income tax are not included as such taxes do not apply to the transactions.

Non-confidential version - 31

Adjustment for drawback is not made in every situation where drawback has been received. Where an adjustment for drawback is appropriate you must provide information showing the import duty borne by the domestic sales. (That is, it is not sufficient to show the drawback amount and the export sales quantity to Australia. For example, you may calculate the duty borne on domestic sales by quantifying the total amount of import duty paid and subtracting the duty refunded on exports to all countries. The difference, when divided by the domestic sales volume, is the amount of the adjustment).

In substantiating the drawback claim the following information is required:

- a copy of the relevant statutes/regulations authorising duty exemption or remission, translated into English;
- the amount of the duties and taxes refunded upon *exportation* and an explanation how the amounts were calculated and apportioned to the exported goods;
- an explanation as to how you calculated the amount of duty payable on imported materials is borne by the goods sold *domestically* but is not borne by the exports to Australia;

Substitution drawback systems

Annex 3 of the WTO Agreement on Subsidies provides: *“Drawback systems can allow for the refund or drawback of import duties on inputs which are consumed in the production process of another product and where the export of this latter product contains domestic inputs having the same quality and characteristics as those substituted for the imported inputs”*

If such a scheme operates in the country of export please provide **full** details about the operation of the scheme as well as providing the information requested above.

Reply: PanAsia China is not involved in any drawback of duties or taxes.

3. Level of trade

Question D-4 asks you to indicate the level of trade to the domestic customer. To claim an adjustment for level of trade differences you will need to quantify the amount by which level of trade influences price.

Trade level is the level a company occupies in the distribution chain. The trade level to which that company in turn sells the goods and the functions carried out distinguish a level of trade. Examples are producer, national distributor, regional distributor, wholesaler, retailer, end user, and original equipment manufacturer.

It may not be possible to compare export prices and domestic prices at the same level of trade. Where relevant sales of like goods at the next level of trade must be used to determine normal values an adjustment for the difference in level of trade may be required where it is shown that the difference affects price comparability.

The information needs to establish that there are real trade level differences, not merely nominal differences. Real trade level differences are characterised by a consistent pattern of price differences between the levels and by a difference in functions performed. If there is no real trade level differences all sales are treated as being at the same level of trade.

A real difference in level of trade (may be adjusted for using either of the following methods:

- (a) *costs arising from different functions*: the amount of the costs, expenses etc incurred by the seller in domestic sales of the like goods resulting from activities that would not be performed were the domestic sales made at the same level as that of the importer.

This requires the following information:

- a detailed description of each sales activity performed in selling to your domestic customers (for example sales personnel, travel, advertising, entertainment etc);
- the cost of carrying out these activities in respect of like goods;
- for each activity, whether your firm carries out the same activity when selling to importers in Australia;
- an explanation as to why you consider that you are entitled to a level of trade adjustment.

or

- (b) *level discount*: the amount of the discount granted to purchasers who are at the same level of trade as the importer in Australia. This is determined by an examination of price differences between the two levels of trade in the exporter's domestic market, for example sales of like goods by other vendors or sales of the same general category of goods by the exporter. For this method to be used it is important that a clear pattern of pricing be established for the differing trade levels. Such pattern is demonstrated by a general availability of the discounts to the level - isolated instances would not establish a pattern of availability.

Reply: Please refer to Confidential attachment D-4 – Domestic sales.

4. Credit

The cost of extending credit on domestic sales is not included in the amounts quantified at question D-4. However, the Commission will examine whether a credit adjustment is warranted and determine the amount. An adjustment for credit is to be made even if funds are not borrowed to finance the accounts receivable.

The interest rate on domestic sales in order of preference is:

- the rate, or average of rates, applying on actual short term borrowings by the company; or

Non-confidential version - 33

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

Provide the applicable interest rate over each month of the assessment period.

If your accounts receivable shows that the average number of collection days differs from the payment terms shown in the sales listing, and if domestic prices are influenced by this longer or shorter period, calculate the average number of collection days.

Where there is no fixed credit period agreed at the time of sale the period of credit is determined on the facts available. For example, where payment is made using an open account system¹, the average credit period may be determined as follows:

1) Calculate an accounts receivable turnover ratio

This ratio equals the total credit sales divided by average accounts receivable. (It is a measure of how many times the average receivables balance is converted into cash during the year).

In calculating the accounts receivable turnover ratio, credit sales should be used in the numerator whenever the amount is available from the financial statements. Otherwise net sales revenue may be used in the numerator.

An average accounts receivable over the year is used in the denominator. This may be calculated by:

- using opening accounts receivable at beginning of period plus closing accounts receivable at end of period divided by 2, or
- Total monthly receivables divided by 12.

2) Calculate the average credit period

The average credit period equals 365 divided by the accounts receivable turnover ratio determined above at 1.

The resulting average credit period should be tested against randomly selected transactions to support the approximation.

Reply: The cost of credit has been calculated and included in [Confidential attachment D-4] using the following formula:

¹ Under an open account system, following payment the balance of the amount owing is carried into the next period. Payment amounts may vary from one period to the next, with the result that the amount owing varies.

Non-confidential version - 34

$$= ((\text{Net invoice value} * (1 + [\text{confidential interest rate}] \%)) * \text{no of days credit} / 365).$$

The interest rate used is $[\text{confidential interest rate}] \%$ per annum.

The following items are identified in the amounts quantified at question D-4:

5. Transportation

Explain how you have quantified the amount of inland transportation associated with the domestic sales (“**Inland transportation Costs**”). Identify the general ledger account where the expense is located. If the amount has been determined from contractual arrangements, not from an account item, provide details and evidence of payment.

Reply: Monthly transportation expenses are recorded in selling expenses of PanAsia China’s general ledger. Monthly transportation expenses are divided by total delivered domestic sales quantity (weight in kg) and allocated to each item based on the weight.

6. Handling, loading and ancillary expenses

List all charges that are included in the domestic price and explain how they have been quantified (“**Handling, loading and ancillary Expenses**”). Identify the general ledger account where the expense is located. If the amounts have been determined using actual observations, not from a relevant account item, provide details.

Reply: These items are included in the transportation expenses.

7. Packing

List material and labour costs associated with packing the domestically sold product. Describe how the packing method differs from sales on the domestic market, for each model. Report the amount in the listing in the column headed “**Packing**”.

Reply:
[Confidential allocation method of packing costs to export and domestic goods.]

8. Commissions

For any commissions paid in relation to the domestic sales:

- provide a description
- explain the terms and conditions that must be met.

Report the amount in the sales listing under the column headed “**Commissions**”. Identify the general ledger account where the expense is located.

Reply:

[Confidential commission policy.] This information is treated as confidential as it is part of the pricing policy and sales strategy that disclosure of which can cause damages to PanAsia China's business.

9. Warranties, guarantees, and after sales services

List the costs incurred. Show relevant sales contracts. Show how you calculated the expenses (“**Warranty & Guarantee expenses**” and “**Technical assistance & other services**”), including the basis of any allocations. Include a record of expenses incurred. Technical services include costs for the service, repair, or consultation. Where these expenses are closely related to the sales in question, an adjustment will be considered. Identify the ledger account where the expense is located.

Reply:

[Confidential product warranty policy]. This information is treated as confidential as it is part of the pricing policy and sales strategy that disclosure of which can cause damages to PanAsia China's business.

10. Other factors

There may be other factors for which an adjustment is required if the costs affect price comparability – these are identified in the column headed “**Other factors**”. List the factors and show how each has been quantified in per unit terms. For example:

- *Inventory carrying cost*: describe how the products are stored prior to sale and show data relating to the average length of time in inventory. Indicate the interest rate used;
- *warehousing expense*: an expense incurred at the distribution point;
- *Royalty and patent fees*: describe each payment as a result of production or sale, including the key terms of the agreement;
- *Advertising*; and
- *Bad debt*.

Reply: Nil

E-3 Duplication

In calculating the amount of the adjustments you must ensure that there is no duplication.

For example:

- adjustments for level of trade, quantity or other discounts may overlap, or
- calculation of the amount of the difference for level of trade may be based upon selling expenses such as salesperson's salaries, promotion expenses, commissions, and travel expenses.

Non-confidential version - 36

Separate adjustment items must avoid duplication.

An adjustment for quantities may not be granted unless the effect on prices for quantity differences is identified and separated from the effect on prices for level of trade differences.

Reply: No duplication is noted.

SECTION F – EXPORT SALES TO COUNTRIES OTHER THAN AUSTRALIA (THIRD COUNTRY SALES)

Your response to this part of the questionnaire may be used by the Commission to select sales to a third country that may be suitable for comparison with exports to Australia.

Sales to third countries may be used as the basis for normal value in certain circumstances. The Commission may seek more detailed information on particular third country sales where such sales are likely to be used as the basis for determining normal value.

F-1 Using the column names and column descriptions below provide a summary of your export sales to countries other than Australia.

Supply this information in the attached spreadsheet file named “**Third Country**”

[Reply: Not applicable as PanAsia China does not make any export sales.](#)

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

[Reply: Not applicable as PanAsia China does not make any export sales.](#)

SECTION G – COSTING INFORMATION AND CONSTRUCTED VALUE

The information that you supply in response to this section of the questionnaire will be used for various purposes including:

- testing the profitability of sales of like goods on the domestic market;*
- determining a constructed normal value of the GUC - i.e. of the goods exported to Australia; and*
- making certain adjustments to the normal value.*

You will need to provide the cost of production of both the exported goods (GUC) and for the like goods sold on the domestic market. You will also need to provide the selling, general, and administration costs relating to goods sold on the domestic market; the finance expenses; and any other expenses (e.g. non-operating expenses not included elsewhere) associated with the goods.

In your response please include a worksheet showing how the selling, general, and administration expenses; the finance expenses; and any other expenses have been calculated.

If, in response to question B4 (Sales to Australia, Export Price) you:

- reported that the date of sale is not the invoice date and consider that this alternative date should be used when comparing domestic and export prices, and*
- provided information on domestic selling prices for a matching period as required in the introduction to Section D (Domestic Sales)*

you must provide cost data over the same period as these sales even if doing so means that such cost data predates the commencement of the assessment period.

At any verification meeting you must be prepared to reconcile the costs shown to the accounting records used to prepare the financial statements.

G-1. Production process and capacity

1. 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 GUC. Also specify all scrap or by-products that result from producing the GUC.

Provide information about your business' total production in the below table.

Provide this information in the attached spreadsheet named "**Production**".

[Reply: Please refer to Confidential attachment \[G-1.1\] – Production and Diagram and Confidential attachment \[G1-1\] – Production.](#)

	Previous completed financial year (please specify)	Most recent completed financial year (specify)	Assessment period: 1 April 2014 to 31 March 2015
A – Production capacity (e.g. kg, tonnes)*			
B – Actual production in volume (e.g. kg, tonnes)			
C – Capacity utilisation (%) (B/A x 100)			

Notes

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

G-2. Cost accounting practices

1. Outline the management accounting system that you maintain and explain how that cost accounting information is reconciled to your audited financial statements.

Reply: The audited financial statements are based on the [confidential data].

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

Reply: PanAsia China uses [confidential domestic pricing data].

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

Reply: As the cost is based on [confidential domestic pricing data].

4. Describe the profit/cost centres in your business' cost accounting system.

Reply: Cost is allocated based on the [confidential domestic pricing data].

5. For each profit/cost centre describe in detail the methods that your business normally uses to allocate costs to the goods under investigation. In particular specify how, and over what period, expenses are amortised or depreciated, and how allowances are made for capital expenditures and other development costs.

Reply: The Company allocates its expenses and cost to each product based on [confidential domestic pricing data]. The cost of goods sold [confidential domestic pricing data].

Non-confidential version - 40

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

Reply: [Confidential accounting information].

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

Reply: [Confidential domestic pricing data].

8. State whether your business engaged in any start-up operations in relation to the goods under consideration. Describe in detail the start-up operation giving dates (actual or projected) of each stage of the start-up operation.

Reply: Not applicable as there was no start-up operation during the investigation period.

9. State the total cost of the start-up operation and the way that your business has treated the costs of the start-up operation in its accounting records.

Reply: Not applicable as there was no start-up operation during the investigation period.

G-3 Cost to make and sell on domestic market

This information is relevant to testing whether domestic sales are in the ordinary course of trade.²

1. Please provide (in the format shown in the table below) the actual unit cost to make and sell each model/type (identified in Section C) of the like goods sold on the domestic market. Provide this cost data for each quarter over the assessment period. If your business calculates costs monthly, provide monthly costs.

Reply: Please refer to Confidential attachment [G-3] – Domestic cost to make and sell.

2. Indicate the source of cost information (account numbers etc) and/or methods used to allocate cost to the goods. Provide documentation and worksheets supporting your calculations.

Prepare this information in the attached spreadsheet named "**Domestic CTMS**".

Reply: Please refer to Confidential attachment [G-3] – Domestic cost to make and sell.

² The Commission applies the tests set out in s.269TAAD of the *Customs Act 1901* to determine whether goods are in ordinary course of trade. These provisions reflect the WTO Anti-Dumping Agreement – see Article 2.2.1.

G-4 Cost to make and sell goods under consideration (exported to Australia)

The information is relevant to calculating the normal values based on costs. It is also relevant to calculating certain adjustments to the normal value.

Prepare this information in the attached spreadsheet named "**Australian CTMS**".

Reply: Please refer to Confidential attachment [G-4] – Export cost to make and sell

G-5 Where there are cost differences between goods sold to the domestic market and those sold for export, give reasons and supporting evidence for these differences.

Reply: There are no differences between goods sold to the domestic market and those sold to OPAL and Pan Asia (Nanyang), [confidential – cost information].

G-6 Give details and an explanation of any significant differences between the costs shown, and the costs as normally determined in accordance with your general accounting system. Reference should be made to any differences arising from movements in inventory levels and variances arising under standard costing methods.

Reply: The primary difference between the costs shown at attachments G-3 and G-4 and the costs as reported in the financial statements, are the costs [confidential pricing data.]

G-7 In calculating the unit cost to make and sell, provide an explanation if the allocation method used (e.g. number, or weight etc) to determine the unit cost differs from the prior practice of your business.

Reply: The allocation is based on [confidential pricing data.]

G-8 Major raw material costs

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

Reply: The only major raw material cost which individually account for more than 10% of the total production cost is aluminium ingot.

For these major inputs:

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

Non-confidential version - 42

Where the major input is produced by an associate of your business The Commission will compare your purchase price to a normal market price. If the associate provides information on the cost of production for that input such cost data may also be considered.

Normal market price is taken to be the price normally available in the market (having regard to market size, whether the input is normally purchased at 'spot prices' or under long term contracts etc).

The term associate is defined in section 269TAA of the Customs Act. Included in that definition are companies controlled by the same parent company (a company that controls 5% or more of the shares of another is taken to be an associated company); companies controlled by the other company; and companies having the same person in the board of directors.

If the major input is purchased or supplied from an integrated production process you should provide detailed information on the full costs of production of that input.

Reply: None of the aluminium ingot purchased by PanAsia China was sourced in-house or from associated entities. The basis of valuing aluminium ingot is the[confidential pricing data.]

SECTION H – COUNTERVAILING

Following the original investigation the Commission found that producers in China of aluminium extrusions 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

In the recent Review of Measures investigation into aluminium extrusions (Review 248) conducted by the Anti-Dumping Commission, the following subsidy programs were investigated:

Program Number	Program Name	Program Type
1	Preferential tax policies for FIEs in the coastal economic open areas and economic and technological development zones	Tax
2	One-time Awards to Enterprises Whose Products Qualify for 'Well-Known Trademarks of China' and 'Famous Brands of China'	Grant
3	Provincial Scientific Development Plan Fund	Grant
4	Export Brand Development Fund	Grant
5	Matching Funds for International Market Development for SMEs	Grant
6	Superstar Enterprise Grant	Grant
7	Research & Development (R&D) Assistance Grant	Grant
8	Patent Award of Guangdong Province	Grant
9	Training Program for Rural Surplus Labour Force Transfer Employment	Grant
10	Preferential Tax Policies for FIEs – Reduced Tax Rate for Productive FIE's scheduled to operate for a period of not less than 10 years	Tax
15	Aluminium provided at less than adequate remuneration	LTAR
16	Preferential tax policies for FIEs established in Special Economic Zones (excluding Shanghai Pudong area)	Tax
17	Preferential tax policies for FIEs established in Pudong area of Shanghai	Tax
18	Preferential tax policies in the Western Regions	Tax

Non-confidential version - 44

Program Number	Program Name	Program Type
21	Tariff and VAT Exemptions on Imported Materials and Equipment	Tax
26	Innovative Experimental Enterprise Grant	Grant
29	Special Support Fund for Non-State-Owned Enterprises	Grant
32	Venture Investment Fund of Hi-Tech Industry	Grant
35	Grants for Encouraging the Establishment of Headquarters and Regional Headquarters with Foreign Investment	Grant
44	Preferential lending programs – loans from Chinese policy banks and state owned commercial banks	Loans
45	Provision of land use rights for less than adequate remuneration	LTAR
46	Provision of electricity for less than adequate remuneration	LTAR
47	Preferential tax policies for high and new technology enterprises	Tax
48	Provincial Government of Guangdong tax offset for R&D	Tax
49	Exemption from city construction tax and education tax for FIEs	Tax
50	Refund of land-use tax for firms located in the Zhaoqing New and High Tech Industrial Development Zone (ZHTDZ)	Tax
51	Fund for SME bank-enterprise cooperation projects	Grant
52	Special fund for science and technology in Guangdong	Grant
53	Provincial fund for fiscal and technological innovation	Grant
54	Provincial loan discount special fund for SMEs	Grant
55	Export rebate for mechanic, electronic, high tech products	Grant
56	PGOG special fund for energy saving technology reform	Grant
57	PGOG science and technology bureau project fund	Grant
58	Development assistance grants from the ZHTDZ	Grant
59	Provision of water for less than adequate remuneration	LTAR
60	Provision of natural gas for less than adequate remuneration	LTAR
61	Provision of heavy oil for less than adequate remuneration	LTAR
62	Currency undervaluation	

Please answer the questions within parts I-1 to I-9 in relation to these programs.

PART I-1 Preferential income tax programs (programs 10, 16, 17, 18, 47, 48, 49, 50)

1. Did your business or any company/entity related to your business receive any benefit³ under the following preferential income tax programs during the inquiry period (1 April 2014 to 31 March 2015).

Reply: No.

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

Reply: Correct. The general tax rate for enterprises in China is 25%.

3. Provide a copy, bearing the official stamp of the appropriate level of the GOC, of all corporate income tax acknowledgement form(s) and the income tax return(s) that your company filed for the last three completed financial years.

Note: If your company did not file an income tax return in the last three financial years, 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.

Reply: Please refer to Confidential attachment [I-1.3] for PanAsia China's annual income tax returns for years 2012 to 2014.

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

Reply: Not applicable as PanAsia China pays corporate income tax at a rate of 25%.

5. 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 and answer the questions in Part I-1 above in relation to the income tax rate reduction.

Reply: Not applicable.

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

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

³ Refer to the Glossary of Terms for a definition of benefit in this context.

Non-confidential version - 46

Reply: Not applicable.

7. Indicate which goods you produced that benefited from the program (e.g. the program may have benefited all production or only certain products).

Reply: Not applicable.

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

Reply: Not applicable.

9. 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.

Reply: Not applicable.

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

Reply: Not applicable.

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

Reply: Not applicable.

12. 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.

Reply: Not applicable.

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

Reply: Not applicable.

14. 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.

Reply: Not applicable.

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

Reply: Not applicable.

Non-confidential version - 47

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

Reply: Not applicable.

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

Reply: Not applicable.

18. For each of your last three completed taxation years, complete the table as described below.

Prepare this information in the attached spreadsheet named "**Income Tax**" included as part of the *Exporter Questionnaire accompanying spreadsheet* provided with this questionnaire.

Reply: Please refer to Confidential attachment [I-1.18].

PART I-2 Grants and preferential policies (Programs 2, 3, 4, 5, 6, 7, 8, 9, 26, 29, 32, 35)

1. Did your business or any company/entity related to your business receive any benefit under the above programs during the period **1 January 2012 to 31 March 2015**?

Reply: No.

2. Did your business receive benefits under any other grant (including awards, prizes, funds) program during the period **1 January 2012 to 31 March 2015**?

Reply:

PanAsia China has received "Processing trade special fund" of RMB66,000 and "Trade insurance support fund" of RMB395,700 from the GOC;

For each program identified in your answer to I-2.1 and I-2.2 above, answer the following.

3. Provide complete details involving the amount of the grant received, including whether the grant was received in a lump sum or multiple instalments.
Reply: The Processing trade special fund and Trade insurance support fund were received in a lump sum.
4. Indicate which goods you produced that benefited from the program (e.g. the program may have benefited all production or only certain products that have undergone research and development).
Reply: The grant was for PanAsia China in general, not specific to any goods that it produced.
5. Describe the application and approval procedures for obtaining a benefit under the program.
Reply: Not applicable.
6. Where applicable, provide copies of the application form or other documentation used to apply for the program, all attachments and all contractual agreements entered into between your business and the GOC in relation to the program.
Reply: Please refer to Confidential attachment I-2.6a&b for the application form on "Trade insurance support fund". No application form is required for the remaining grant.
7. Outline the fees charged to, or expenses incurred by your business for purposes of receiving the program.
Reply: PanAsia China did not incur expenses for purpose of receiving the "Processing trade special fund". PanAsia China incurred insurance expenses for purpose of receiving the "Trade insurance support fund".

Non-confidential version - 49

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

Reply:

“Processing Trade Special Fund” – PanAsia China is a processing trade enterprise

“Trade insurance support fund” – PanAsia China has incurred expenses on trade insurance.

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

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

Reply: No

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

Reply: The benefit is not in relation to a specific activity or project.

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

Reply: Please refer to Confidential attachment I-2.11 for copies of the bank advices on receipt of the benefits.

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

Reply: These benefits are recorded as “Subsidy income” in PanAsia China’s ledger.

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

Reply: To our knowledge, the programs are still in operation.

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

Reply: Not applicable

15. Identify the body responsible for administering the grant.

Reply:

Non-confidential version - 50

Processing Trade Special Fund and Trade insurance support fund:
Guangdong Provincial Department of Commerce

16. Identify the date of approval of the grant and the date the grant was received.

Reply: We do not have information on the date of approval, below are dates the grant were received:

<u>Date of receipt</u>	<u>Nature</u>	<u>Amount received (RMB)</u>
4/18/2014	2013 Processing Trade Special Fund	36,000
10/29/2014	Trade insurance Support Fund	122,600
11/24/2014	2014 Processing Trade Special Fund	30,000
12/17/2014	Trade insurance Support Fund	273,100

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

Reply: Yes, the grants were recorded in PanAsia China's financial statements.

PART I-3 Tariff and VAT Exemptions on Imported Materials and Equipment

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

If your business or any company/entity related to your business received benefits under any such program during the period **1 April 2014 to 31 March 2015**, please answer the following questions.

1. Provide complete details involving the exemption of tariff and import VAT received, for any imported technologies and equipment.
[Reply: Not applicable as PanAsia did not receive such exemptions.](#)
2. Provide complete details involving the amount of the VAT refund received, including whether the refund was received in a lump sum or multiple instalments. Prepare this information in the attached spreadsheet named "**VAT and Tariff**" included as part of the *Exporter Questionnaire accompanying spreadsheet* provided alongside this questionnaire.
[Reply: Not applicable as PanAsia did not receive such exemptions.](#)
3. Describe the application and approval procedures for obtaining a benefit under these programs.
[Reply: Not applicable as PanAsia did not receive such exemptions.](#)
4. Where applicable, provide copies of the application form or other documentation used to apply for these programs, all attachments and all contractual agreements entered into between your business and the GOC in relation to the program.
[Reply: Not applicable as PanAsia did not receive such exemptions.](#)
5. Outline the fees charged to, or expenses incurred by your business for purposes of receiving these programs.
[Reply: Not applicable as PanAsia did not receive such exemptions.](#)
6. Outline the eligibility criteria your business had to meet in order to receive benefits under these programs.
[Reply: Not applicable as PanAsia did not receive such exemptions.](#)
7. State whether your eligibility for these programs 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.[Reply: Not applicable as PanAsia did not receive such exemptions.](#)

Non-confidential version - 52

8. If the benefit was provided in relation to a specific activity or project of your entity, please identify the activity and provide supporting documentation.
Reply: Not applicable as PanAsia did not receive such exemptions.
9. What records does your business keep regarding each of the benefits received under these programs? Provide copies of any records kept in relation to the program.
Reply: Not applicable as PanAsia did not receive such exemptions.
10. Indicate where benefits under these programs can be found in your accounting system (i.e., specify the ledgers or journals) and financial statements.
Reply: Not applicable as PanAsia did not receive such exemptions.
11. To your knowledge, do these programs still operate or have they been terminated?
Reply: Not applicable as PanAsia did not receive such exemptions.
12. If these programs have 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?
Reply: Not applicable as PanAsia did not receive such exemptions.
13. If any of these programs have been terminated and is being substituted for by another program, identify the program and answer all the questions in Part I-1 in relation to this programme.
Reply: Not applicable as PanAsia did not receive such exemptions.
14. 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.

Reply: Not applicable as PanAsia did not receive such exemptions.

Has your company received exemption from payment, or refunds of import duty and import VAT, for imported material inputs including technologies and equipments

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 (f.o.b., c.i.f., etc);

Non-confidential version - 53

- (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.

Reply: Not applicable as PanAsia did not receive such exemptions.

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

Reply: Not applicable as PanAsia did not receive such exemptions.

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

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

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

Reply: Not applicable as PanAsia did not receive such exemptions.

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

Reply: Not applicable as PanAsia did not receive such exemptions.

18. 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.

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.

Reply: Not applicable as PanAsia did not receive such exemptions.

PART I-4 Aluminium provided by government at less than fair market value (Program 15)

In Review 248, the Anti-Dumping Commission has preliminarily found that public bodies (in the form of state-owned enterprises (SOEs)) were supplying aluminium, directly or indirectly, to manufacturers of aluminium extrusions at less than fair value. Aluminium is defined as all forms of aluminium, whether in pure form or alloyed.

The term SOE is defined in the glossary of this questionnaire.

In relation to this program, provide the following information.

1. Did your business or any company/entity related to your business receive any benefit under the above program during the inquiry period 1 April 2014 to 31 March 2015?

[Reply: No. As per the findings of the original investigation by the Anti-Dumping Commission, the purchase price of primary aluminium sourced in China by PanAsia China was greater than the corresponding LME price. Therefore, no benefit has been received by PanAsia China.](#)

2. Does your business purchase primary aluminium from SOEs?

[Reply: No.](#)

3. Provide a list, including a contact name and address, of all your suppliers of aluminium. Indicate whether the supplier is a SOE and whether they supply pure aluminium, aluminium alloy, or both.

[Reply: Please refer to Confidential attachment \[I-4.3\] for contact details of aluminium suppliers.](#)

4. Provide a listing showing the purchase price of aluminium from each supplier during each month of the inquiry period.

Prepare this information in the attached spreadsheet named "**Aluminium Purchases**" included as part of the *Exporter Questionnaire – CHINA – accompanying spreadsheet* provided alongside this questionnaire.

Please add more space for additional suppliers and aluminium categories as required.

[Reply: Please refer to Confidential attachment \[I-4\] – Aluminium purchases](#)

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

Non-confidential version - 55

Reply: PanAsia China did not receive any reduction/reduced price for purchase of these goods/services.

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

Reply: Not applicable.

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

Reply: No and not applicable.

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

Reply: Not applicable.

PART I-6 Preferential loans

It has been alleged that preferential lending or 'policy loans' from Chinese policy banks or state-owned commercial banks (SOCBs) may be providing a benefit to Chinese aluminium extrusion manufacturers.

1. Please provide details of any loans your company has received from Policy banks and SOCBs since 1 January 2006. In doing so please provide information on each loan as follows:
 - Date of loan
 - Amount of loan
 - Currency of loan
 - Name and Address of Bank.
 - Period of loan
 - Purpose of loan. Identify if the loan was for the purchase of capital equipment. If so please identify the effective life of the purchased equipment that you use for accounting purposes.
 - Interest Rate of loan
 - Type of loan (Fixed /Variable?).
 - Repayment schedule. If variable or a fixed rate loan with differing repayment schedules please provide full and complete details on payment terms and how periodic interest repayment terms are calculated.
 - Details of any loan variations or debt forgiveness.

Reply: Please refer to Confidential attachment [I-6.1].

2. For each loan identified please indicate which loans were provided at less than market rate to enact or enable the government of China's policy to support the growth and development of the aluminium industry. Provide the interest rate for the loan that would have been available to your company if your company had not received the less than market rate loan.

Reply: The loans were provided at [confidential rates].

3. Please describe the qualification and approval process that your company had to undertake to qualify for these loans.

Reply: [Confidential loan application procedures].

4. What eligibility criteria did you company have to meet in order to qualify for this lending program?

Reply: [Confidential criteria].

5. Was eligibility contingent upon export performance or on the use of domestic goods over imported goods? If not:

Non-confidential version - 57

- was eligibility limited to certain sectors and/or regions?
- was eligibility limited in any way? If so, describe the criteria involved.
- can all firms which meet the eligibility criteria benefit from this aid or does the bank exercise discretion?
- was eligibility met by performance requirements such as, but not limited to, production targets, export earnings and the requirement to use Chinese productive inputs?

Reply: Not applicable.

6. Please provide supporting documentation to evidence your company's receipt of these loans including the loan application, the loan contract, approval copies of the loans received, relevant extracts from your accounting records and supporting information that the rates and repayments established under the loan contract have been paid.

Reply: Please refer to Confidential attachment [I-6.6a&b] for a copy of the loan agreements.

7. Please estimate the amounts of the benefit your company has received over the life of the loan under this lending program. You can do this by comparing the interest payments made to the interest payments that would have been paid if the loan was provided at the market rate.

Reply: [Confidential terms and rates of loans].

PART I-7 Provision of goods programs – Provision of land use rights, electricity, water, natural gas and heavy oil at less than adequate remuneration

1. Did your business or any company/entity related to your business receive any benefit⁴ under the following programs during the inquiry period (1 April 2014 to 31 March 2015):

- Program 45: Provision of land use rights
- Program 46: Provision of electricity
- Program 59: Provision of water
- Program 60: Provision of natural gas
- Program 61: Provision of heavy oil

Reply: PanAsia China did not receive any benefits under these programs.

2. Does your company purchase any of the above goods from SOEs?

Reply:

For utilities, Zengcheng City Water Company (增城市自来水公司) and Zengcheng Guangzhou Electricity Company (广东电网公司广州增城供电局) supplies water and electricity to PanAsia China respectively.

Zengcheng City Water Company is partly owned by China Water Affairs Group Limited, a listed company listed in Hong Kong Stock Exchange and Guangdong Nanfeng Group Company Limited (广东南峰集团有限公司).

PanAsia does not have information of the shareholding of its natural gas supplier, heavy oil supplier and Zengcheng Guangzhou Electricity Company.

3. Provide a list, including a contact name and address, of all your suppliers of the goods listed in question 1 above. Indicate whether each supplier is a SOE.

Reply: Please refer to Confidential attachment [I-7.3] for average purchase prices of electricity, water, gas, heavy oil.

4. Describe the costs (fees and charges) associated with these programs. In particular, any fixed charges and variable charges related to supply of the good/service.

Reply: PanAsia China did not receive any benefits under these programs, and PanAsia did not pay any fees or charges related to these programs.

⁴ Refer to the Glossary of Terms for a definition of benefit in this context.

Non-confidential version - 59

5. Provide a schedule showing the average purchase price of each good from each supplier during each month of the investigation period. .

Reply: Please refer to Confidential attachment [I-7.3&5] for average purchase prices of electricity, water, gas, heavy oil

6. During the inquiry period, did your business receive any discount to normally available prices of the goods listed in question 1 above. If so, please provide details.

Reply: PanAsia did not receive any discount to normally available prices of the goods listed in question 1 above.

PART I-8 Any other programs

If the GOC, any of its agencies or any other public body or authorised body has provided any other benefit⁵ under any other assistance programs to your entity not previously addressed, identify the program(s).

This may have included:

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

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

1. 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).

Reply: Not applicable.

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

Reply: Not applicable.

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.

Reply: Not applicable.

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

Reply: Not applicable.

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

Reply: Not applicable.

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

⁵ Refer to the Glossary of Terms for a definition of benefit in this context.

Non-confidential version - 61

- 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.

Reply: Not applicable.

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.

Reply: Not applicable.

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.

Reply: Not applicable.

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

Reply: Not applicable.

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

Reply: Not applicable.

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

Reply: Not applicable.

SECTION I – EXPORTER/PRODUCER’S DECLARATION

I hereby declare that.....(company)
did, during the assessment period export the goods under consideration
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 PanAsia Aluminium (China) Limited (company)
did, during the assessment period, produce the goods under
consideration 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 : Vincent Wai

Signature :

**Position in
Company : Chief Financial Officer**

Date : 27 July 2015

SECTION J - CHECKLIST

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

Section	Please tick if you have responded to all questions
Section A – General information	<input checked="" type="checkbox"/>
Section B – Export price	<input checked="" type="checkbox"/>
Section C – Like goods	<input checked="" type="checkbox"/>
Section D – Domestic price	<input checked="" type="checkbox"/>
Section E – Fair comparison	<input checked="" type="checkbox"/>
Section F – Exports to third countries	<input checked="" type="checkbox"/>
Section G – Costing information	<input checked="" type="checkbox"/>
Section H – Countervailing	<input checked="" type="checkbox"/>
Section I – Declaration	<input checked="" type="checkbox"/>

Electronic Data	Please tick if you have provided spreadsheet
INCOME STATEMENT	<input checked="" type="checkbox"/>
TURNOVER – sales summary	<input checked="" type="checkbox"/>
AUSTRALIAN SALES – list of sales to Australia	<input type="checkbox"/> - not applicable
LIKE GOODS – comparison between goods sold domestically and exported to Australia.	<input checked="" type="checkbox"/>
DOMESTIC SALES – list of all domestic sales of like goods	<input checked="" type="checkbox"/>
THIRD COUNTRY – third country sales	<input type="checkbox"/> - not applicable
PRODUCTION – production figures	<input checked="" type="checkbox"/>
DOMESTIC CTMS – costs of goods sold domestically	<input checked="" type="checkbox"/>
AUSTRALIAN CTMS – costs of goods sold to Australia	<input checked="" type="checkbox"/>
INCOME TAX – income tax paid, exempted or refunded	<input checked="" type="checkbox"/>
ALUMINIUM PURCHASES – average aluminium raw material purchase prices	<input checked="" type="checkbox"/>

APPENDIX – GLOSSARY OF TERMS

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

Adjustments

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

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

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

Arms length

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

Inquiry period

A period defined by the Commission over which exportations of the goods are examined (in this instance 1 April 2014 to 31 March 2015).

Associated Companies

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

(a) both being natural persons:

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

(b) both being bodies corporate:

Non-confidential version - 65

- (i) both of them are controlled, directly or indirectly, by a third person (whether or not a body corporate); or
 - (ii) both of them together control, directly or indirectly, a third body corporate; or
 - (iii) the same person (whether or not a body corporate) is in a position to cast, or control the casting of, 5% or more of the maximum number of votes that might be cast at a general meeting of each of them; or
- (c) one of them, being a body corporate, is, directly or indirectly, controlled by the other (whether or not a body corporate); or
- (d) one of them, being a natural person, is an employee, officer or director of the other (whether or not a body corporate); or
- (e) they are members of the same partnership.

Constructed value

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

Cost of production/manufacturing

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

Cost to make and sell

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

Country of origin

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

Date of sale

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

Direct labour cost

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

Dumping

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

Dumping margin

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

Export price

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

Exporting country

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

Factory overheads

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

Financial Contribution

There is a "financial contribution" by a government where:

- (a) a government practice involves a direct transfer of funds (grants, loans, and equity infusion), potential direct transfer of funds or liabilities (e.g. loan guarantees);
- (b) government revenue that is otherwise foregone or not collected (e.g. fiscal incentives such as tax credits);
- (c) the government provides goods or services, other than general governmental infrastructure, or purchases goods; or
- (d) a government makes payments to a funding mechanism, or entrusts or directs a private body to carry out one or more of the type of functions illustrated in (a) to (c) above which would normally be vested in the government and the practice, in no real sense, differs from practices normally followed by the government.

Government of China (GOC)

Any level of Chinese government, including central, provincial, municipal, county or any other level of government.

Goods subject to measures

The goods that are the subject of a dumping duty notice and a countervailing duty notice.

Incoterms

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

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

DDP delivered duty paid (goods made available at the named place in the country of importation – all risks and costs being incurred by the seller including duties, taxes etc incurred upon importation)

Like goods

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

Normal value

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

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

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

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

Ordinary course of trade

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

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

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

Primary Aluminium

Raw material inputs of aluminium (including billets and ingots).

Related Parties

See "Associated Companies" above.

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.

State Owned Enterprises (SOE)

For the purposes of this questionnaire, SOE refers to any company or enterprise that is operating under the direct or indirect control or influence of the GOC (as defined above). This includes any company which is effectively controlled by the GOC through laws, orders, regulations, directives or other similar mechanisms; or is operating in a partnership or joint venture capacity with the GOC; or whose shares, whether or not they are publicly traded, are wholly or majority owned by the GOC.

Subsidy

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

- (a) a financial contribution:

Non-confidential version - 70

- (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
- (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.