



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

**Anti-Dumping
Commission**

**EXPORTER QUESTIONNAIRE –DEEP DRAWN
STAINLESS STEEL SINKS**

PRODUCT CONCERNED: DEEP DRAWN STAINLESS STEEL
SINKS

IMPORTATION PERIOD: 26 MARCH 2017 TO 25 SEPTEMBER 2017

RESPONSE DUE BY: **15 DECEMBER 2016**

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Please note that as this questionnaire is in relation to a duty assessment, a non-confidential version of the reply to this questionnaire is NOT required.

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ABBREVIATIONS

the Act	the <i>Customs Act 1901</i>
CTMS	cost to make and sell
the Commission	the Anti-Dumping Commission
the Commissioner	the Anti-Dumping Commissioner
the goods	the goods the subject of the application (deep draw stainless steel sinks)
the importation period	26 March 2017to 25 September2017
SCEA	Shengzhou Chunyi Electrical Appliances Co. Ltd.

GLOSSARY OF TERMS

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

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.

Arm's length

Sales are not considered to be at "arm's 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.

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:

- (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 in the country of export cannot be used for the determination of normal value, ie. 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 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 (CTMS)

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.

Enterprise

"Enterprise" includes a group of enterprises, an industry and/or a group of industries.

Export price

The export price of the goods is usually the price paid or payable to the exporter in arm's 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 eg. power, supplies, indirect labour and fixed costs eg. factory rent, factory insurance, factory depreciation etc.

Goods under consideration (the goods)

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

Incoterms

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

EXW	ex works (the seller's minimum obligation as costs relate to goods being made available at the sellers premises)
FCA	free carrier (main carriage not paid by seller. Pay costs until such time that the goods have been delivered at the named point into custody of a carrier named by the seller. The Commission 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)

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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)

Importation period

A six-month period defined by legislation over which importations of the goods are assessed for final dumping duty and/or countervailing duty liability.

Like goods

Like goods are goods sold on the domestic market of the country of export (or to a third country) that are identical in all respects to the goods or that, although not alike in all respects have characteristics closely resembling those of the goods.

The term 'like goods' also refers to the goods produced by the Australian industry allegedly being injured by dumped imports.

Normal value

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

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

Sale prices must be at arm's 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 arm's 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.

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

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

Selling, general and administration expenses (SG&A)

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

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

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

BACKGROUND AND GENERAL INSTRUCTIONS

1. BACKGROUND

Following an application by Milena Australia Pty Ltd (Milena) the Anti-Dumping Commission (the Commission) has initiated a duty assessment for deep drawn stainless steel sinks (“the goods”) imported from Shengzhou Chunyi Electrical Appliances Co. Ltd (SCEA) during the period 26 March 2017 to 25 September 2017.

2. THE GOODS UNDER CONSIDERATION (THE GOODS)

Description

The goods that are the subject of this application (“the goods”) are deep draw stainless steel sinks:

The goods subject of the application (“the goods”) are deep drawn stainless steel sinks with a single deep drawn bowl having a volume of between 7 and 70 litres (inclusive), or multiple drawn bowls having a combined volume of between 12 and 70 litres (inclusive), with or without integrated drain boards, whether finished or unfinished, regardless of type of finish, gauge, or grade of stainless steel and whether or not including accessories.

The applicant provided further details as follows:

For the purposes of the definition of the goods, the term “deep drawn” refers to a manufacturing process using metal forming technology to produce a smooth basin with seamless, smooth, and rounded corners. Deep drawn stainless steel sinks are available in various shapes and configurations and may be described in a number of ways including flush mount, top mount, or undermount (to indicate the attachment relative to the countertop). Stainless steel sinks with multiple deep drawn bowls that are joined through a welding operation to form one unit are covered by the scope of the investigations. “Finished or unfinished” refers to whether or not the imported goods have been surface treated to their intended final “finish” for sale. Typically, finishes include brushed or polished.

Deep drawn stainless steel sinks are covered by the scope of the investigation whether or not they are sold in conjunction with accessories such as mounting clips, fasteners, seals, sound-deadening pads, faucets (whether attached or unattached), strainers, strainer sets, rinsing baskets, bottom grids, or other accessories.

Excluded from the definition of the goods the subject of this application are stainless steel sinks with fabricated bowls. Fabricated bowls do not have seamless corners, but rather are made by notching and bending the stainless steel, and then welding and finishing the vertical corners to form the bowls. Stainless steel sinks with fabricated bowls may sometimes be referred to as “fabricated sinks”.

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Deep drawn stainless steel sinks are commonly used in residential and non-residential installations including in kitchens, bathrooms, utility and laundry rooms. When used in the context of bathrooms, deep drawn stainless steel sinks may there be referred to, for marketing purposes, as “wash basins”. As noted above, deep drawn stainless steel sinks may, or may not, have a single (or multiple) integrated drain board that forms part of the sink structure, designed to direct water into the sink bowl.

Tariff classification

Goods subject to measures should be classified using the tariff sub-heading and associated statistical codes as follows.

Tariff Subheading	Statistical Codes
7324.10.00	52

3. WHY YOU HAVE BEEN ASKED TO FILL OUT THIS QUESTIONNAIRE?

Milena, an importer of “the goods” has identified you as an exporter of “the goods” to Australia as part of their duty assessment application.

Consequently, the Commission has forwarded you this questionnaire and the associated spreadsheet ‘*deep draw stainless steel sinks Exporter Questionnaire – accompanying spreadsheet*’ to provide you with the opportunity to participate and cooperate with its duty assessment.

The Commission will use information provided by you as the exporter to determine the normal values and export prices of the goods over the importation period.

4. WHAT HAPPENS IF YOU DO NOT RESPOND TO THIS QUESTIONNAIRE?

You do not have to complete the questionnaire. However, if you do not respond the Commission may be required to terminate the duty assessment.

5. IF YOU DECIDE TO RESPOND

Should you choose to provide a response to this questionnaire please note that, unlike other processes conducted by the Anti-Dumping Commission, there is no public record of a duty assessment, therefore a non-confidential version of your questionnaire response is not required. All information provided to the Commission in confidence will be treated accordingly.

Declaration

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

Consultants/parties acting on your behalf

If you intend to have another party acting on your behalf please advise the Commission of the relevant details.

The Commission will generally require written authorisation from exporters and manufacturers for any party acting on its behalf.

6. DUE DATE FOR RESPONSE

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

There is a statutory time limit imposed for the duty assessment. The Commission may not be able to consider submissions received after the due date if to do so would prevent meeting the statutory reporting requirements.

The Commission would encourage you to make contact with the Case Manager (see contact details on front cover) if you need any assistance in completing the questionnaire.

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

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

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

The Commission may consider granting a small extension of time for lodgement of your submission if you provide a sufficient reason as outlined above.

You may lodge your response by mailing it to the address for lodgement shown on the front cover of this questionnaire, with data requested in electronic format on an included CD-ROM or USB (see point 10 below).

Alternatively you are welcome to lodge your response by email. The email address for lodgement is shown on the front cover of this questionnaire.

7. VERIFICATION OF THE INFORMATION THAT YOU SUPPLY

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

Once the information you have provided is verified, the Commission can rely on that information in forming its conclusions in relation to the duty assessment.

Verification visits may take several days.

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

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

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

8. 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 importation period. |
| Section C | A list of goods sold on the domestic market of the country of export (like goods) that may be compared to 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. This may be particularly relevant if you have not exported to Australia in significant volumes in more recent times. |
| Section G | Costs to make and sell, for exports to Australia and for the domestic market. |
| Section H | Countervailing (Subsidisation) |
| Section I | Your declaration |
| Section J | Submission checklist |

9. 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.
- All documents and source material submitted in response to this questionnaire, including financial statements, must be translated into English.
- Answer questions in the order presented in the questionnaire. Please ensure that information submitted conforms to the requested format and is clearly labelled. Please repeat the question to which you are responding and place your answer below it.

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- Identify source documents and advise where they are kept. During on-site verification you should be prepared to substantiate all the information you have submitted. Every part of the response should be traceable to company documents that are used in the ordinary course of business.
- You should retain all work sheets used in answering the questionnaire, in particular those linking the information supplied with management and accounting records. This will help to verify the information.
- Clearly identify all units of measurement and currencies used. Apply the same measurement consistently throughout your response to the questionnaire.

10. INSTRUCTIONS ON PROVIDING ELECTRONIC DATA

- It is important that, where requested, information is submitted in electronic format on a CD-ROM or USB.
- Alternatively electronic data can be submitted directly by email to the email address shown on the front cover of this questionnaire.
- The data must be created as spreadsheet files, preferably in Microsoft Excel, 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 duty assessment Case Manager as soon as possible.
- Responses to questions should be as accurate and complete as possible, and attach all relevant supporting documents, even where not specifically requested in this questionnaire.

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

11. FURTHER INFORMATION

Before you respond to the questionnaire you should read all the documentation that included with this questionnaire.

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

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

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 company who can be contacted for the purposes of this duty assessment:

Head office: [Shengzhou Chunyi Electrical Appliances Co., Ltd.](#)

Name: Sophia Lee
Position in the company: Oversea Sales Supervisor
Address: Xiashitou Sanjie Town, Shengzhou City, Zhejiang 312452, China
Telephone: +86-575-8308 7351
Facsimile number: +86-575-8383 0008
E-mail address of contact person: sophia@all-kitchens.com

Factory: [Shengzhou Chunyi Electrical Appliances Co., Ltd.](#)

Address: Xiashitou Sanjie Town, Shengzhou City, Zhejiang 312452, China
Telephone: +86-575-8308 7351
Facsimile number: +86-575-8383 0008
E-mail address of contact person: tree@all-kitchens.com

A-2 REPRESENTATIVE OF THE COMPANY FOR THE PURPOSE OF DUTY ASSESSMENT

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

Name:
Organisation:
Position:
Address:
Telephone:
Facsimile/Telex number:
E-mail address of contact person:

Note that in nominating a representative, the Commission will assume that confidential material relating to your company in this duty assessment may be freely released to, or discussed with, that representative. [No, we didn't appoint any representative to assist us.](#)

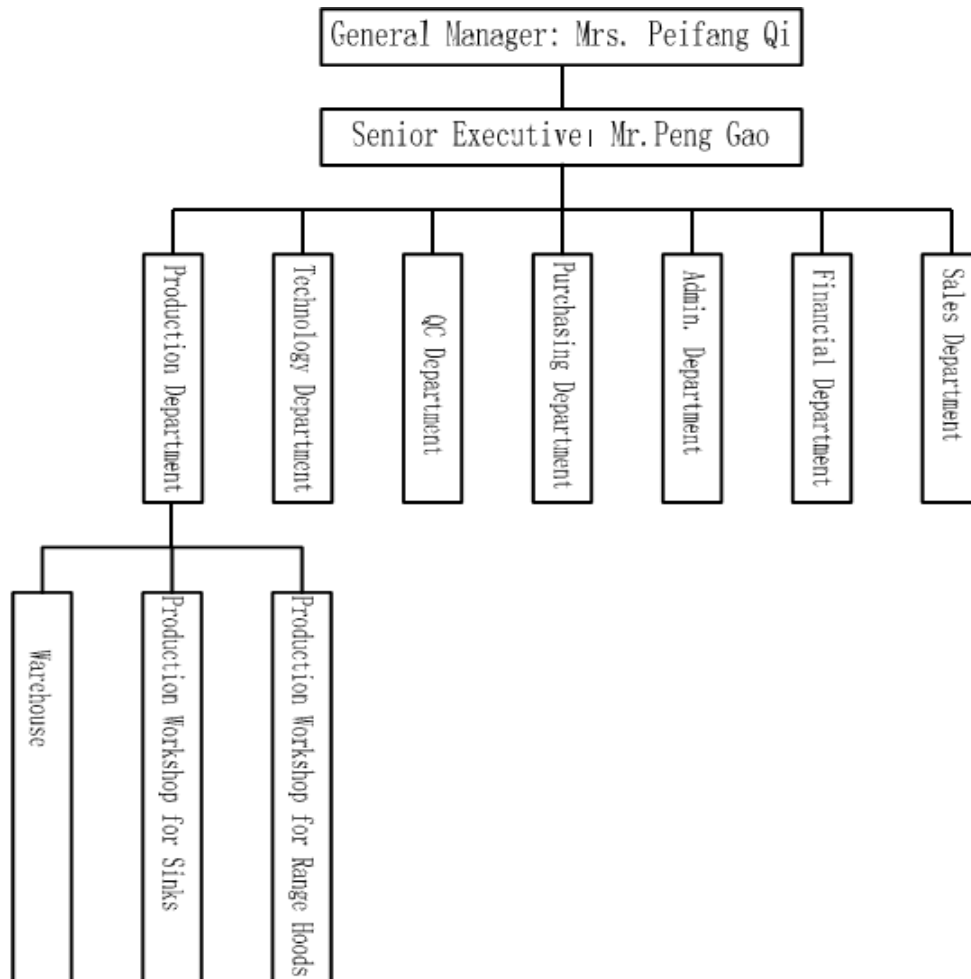
A-3 COMPANY INFORMATION

1. What is the legal name of your business? What kind of entity is it (eg. company, partnership, sole trader)? Please provide details of any other business names that you use to export and/or sell goods. [The legal name of company is Shengzhou Chunyi Electrical Appliances Co., Ltd.\(SCEA\) The entity is Private company.](#)

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2. Who are the owners and/or principal shareholders? Provide details of shareholding percentages for joint owners and/or principal shareholders. (List all shareholders able to cast, or control the casting of, 5% or more of the maximum amount of votes that could be cast at a general meeting of your company). [The owner of SCEA is Mrs. Peifang Qi who is the 100% shareholder.](#)
3. If your company is a subsidiary of another company list the principal shareholders of that company. [No, because SCEA is an independent company, we are neither the parent company nor subsidiary of another company.](#)
4. If your parent company is a subsidiary of another company, list the principal shareholders of that company. [No, explained question 3.](#)
5. Provide a diagram showing all associated or affiliated companies and your company's place within that corporate structure. [Mrs. Peifang Qi who is the 100% shareholder.](#)
6. Are any management fees/corporate allocations charged to your company by your parent or related company. [No.](#)
7. Describe the nature of your company's business. Explain whether you are a producer or manufacturer, distributor, trading company, etc. [SCEA is a manufacturer, we specialize in kitchen sinks, range hood and laundry tubs. SCEA don't sell any of laundry tubs into the local Chinese market, and any other countries neither, which are exclusively made for Austmate with their tooling, therefore, there is no sales data. For local market and other countries, we sell kitchen sinks and range hood, those products are not relevant to our case.](#)
8. If your business does not perform all of the following functions in relation to goods, then please provide names and addresses of the companies which perform each function:
 - produce or manufacture
 - sell in the domestic market
 - export to Australia, and
 - export to countries other than Australia.[Explained question 7](#)
9. Provide your company's internal organisation chart. Describe the functions performed by each group within the organisation.

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10. Provide a list of your business' Board of Directors, Managing Director (or CEO) and Senior Executives. [Managing Director: Mrs. Peifang Qi, Senior Executives: Mr. Peng Gao.](#)
11. Provide a copy of your most recent annual report together with any relevant brochures or pamphlets on your business activities. [Please see the attached E-catalogue.](#)
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? [No.](#)
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 (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).
14. Provide details of all transactions between your company and all related parties. For example:

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

A-4 GENERAL ACCOUNTING/ADMINISTRATION INFORMATION

1. Indicate your accounting period. [During 01st Jan 2014 – 30th Sep 2017](#)
2. Indicate the address where the financial records are held. [Financial Department of SECA, located in Shengzhou City, Zhejiang, China.](#)
3. Provide the following financial documents for the two most recently completed financial years plus all subsequent monthly, quarterly or half yearly statements:

- chart of accounts;

Accounting structure:		资产类	Assets
		负债类	Liabilities
		权益类	Owners equity
		成本类	Cost
		损益类	Profit and Loss

- 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.

[Please see the attached monthly income statements April 2017 to September 2017.](#)

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 overall.

3. 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. [Please see the attached unaudited 2014yr report, 2015yr report and 2016yr report.](#)
4. Do your accounting practices differ in any way from the generally accepted accounting principles in your country? If so, provide details. [Same.](#)
5. Describe:

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

- the method of valuation for raw material, work-in-process, and finished goods inventories (eg last in first out –LIFO, first in first out- FIFO, weighted average); [Weighted average](#)
- costing methods, including the method (eg by tonnes, units, revenue, direct costs etc.) of allocating costs shared with other goods or

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processes (such as front office cost, infrastructure cost etc.); **by units, divided into range hood and stainless steel sink.**

- valuation methods for damaged or sub-standard goods generated at the various stages of production; **According to the 8% of damage rate allocate into the costs of production.**
- valuation methods for scrap, by products, or joint products; **The scrap is not much, we usually according to the actual selling price credited to income, also be calculated with 2% of scrap rate.**
- valuation and revaluation methods for fixed assets; **We have not fixed assets, because we are renting them from other company. The monthly rent is RMB44,480.00**
- average useful life for each class of production equipment and depreciation method and rate used for each; **All of our production equipments are rented, so it can be neglected.**
- treatment of foreign exchange gains and losses arising from transactions; **Cash accounting method.**
- treatment of foreign exchange gains/losses arising from the translation of balance sheet items; **If the foreign exchange gains, we'll offset financial expenses, on the contrary, if the exchange losses, we'll directly included in the financial costs.**
- inclusion of general expenses and/or interest; **Because our company have not loans, so we don't have to pay interest.**
- provisions for bad or doubtful debts, and treatment thereof in your accounts; **Cancels after verification the law directly, because our company was founded three years, has not happened any bad debts yet.**
- expenses for idle equipment and/or plant shut-downs; **No idle equipment, if plant shut-downs, we will pay the employees' basic living allowances.**
- costs of plant closure; **1)pay the employee double salary 2) pay various taxes 3)pay all suppliers trade payable, the amount is larger.**
- restructuring costs; **So far, no restructuring plan.**
- by-products and scrap materials resulting from your company's production process; and **Our company only have two production line: Deep draw stainless steel sinks and range hood, no by-products. Offcut and scrap materials are sold directly to the lower producers or waste steel acquisition person. At last, we accounted for at actual amount incurred.**
- effects of inflation on financial statement information. **Generally, inflation will correspondingly increase production costs and decrease profits. However, our company is according to order quantity to purchase raw material, so the production costs are close to the current cost. Because there's no impact for us, so we didn't mention in the financial statement.**

6. In the event that any of the accounting methods used by your company have changed over the last two years provide an explanation of the changes, the date of change, and the reasons for it. **No, keeping unchanged.**

A-5 INCOME STATEMENT

Complete the spreadsheet entitled '**Income statement**' within the *deep drawn stainless steel sinks Exporter Questionnaire – accompanying spreadsheet* provided alongside this questionnaire.

PUBLIC RECORD

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

Explain how costs have been allocated between all products and the goods within these calculations. *No, we according to the actual recipients of materials and labour, summarize classified to sink product, and then according to remit total amount divided by a variety of products from the sum of the norm cost allocation rate to calculate the total cost of the each model.*

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

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

A-6 SALES

Complete the spreadsheet entitled '**Turnover**' within the *deep drawn stainless steel sinks Exporter Questionnaire – accompanying spreadsheet* provided alongside this questionnaire.

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

In completing the sheet, use the currency in which your accounts are kept.

This information will be used to verify the cost allocations to the goods in Section G.

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

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 another level (e.g. ex-factory).

*You should report prices of **all goods shipped to Australia during the importation 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 explanation 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 importation period.*

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

- name; [AUSTMATE INTERNATIONAL PTY LTD](#)
- address; [8-38 CORPORATE BOULEARD, BAYSWATER, VIC 3153, AUSTRALIA](#)
- contact name and phone/fax number where known; and [Mr. Ming Li](#) / Tel: [+61 4 2677 9899](#) Fax: [+61 3 9806 0886](#)
- trade level (for example: distributor, wholesaler, retailer, end user, original equipment). [Distributor/Importer](#)

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

- Describe how the goods are sent to each customer in Australia, including a diagram if required. [By sea in container.](#)
- 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. [AUSTMATE is distributor, who is responsible for importation of tubs, MILENA is wholesaler, who is responsible to sell tubs to their clients, and no commission been paid.](#)
- Explain who retains ownership of the goods at each stage of the distribution chain. In the case of delivered duty paid (DDP) sales, explain who retains ownership when the goods enter Australia. [Milena retains ownership of the goods at each stage.](#)
- Describe any agency or distributor agreements or other contracts entered into in relation to the Australian market (supply copy of the agreement if possible). [Please see the attached agency agreement.](#)

PUBLIC RECORD

- (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. Normally MILENA gives the order to our agent (AUSTMATE), and make deposit payment to our agent. Then our agent gives us order, we make contract, after that, our agent makes deposit payment. When we receive the payment, we start to make production. After finishing production, we deliver goods and send agent the copy of bill of lading, invoice and other documents, and the agent send the copy of bill of lading, invoice and other documents to MILENA. Then MILENA makes balance payment, and the agent pay the balance. We then release the goods by telex release when we receive the balance.
- (f) State whether your firm is related to any of its Australian customers. Give details of any financial or other arrangements (eg free goods, rebates, or promotional subsidies) with the customers in Australia (including parties representing either your firm or the customers). I hereby that my firm didn't give any financial or other arrangements to relevant customers in Australia, except sample by free.
- (g) Details of the forward orders of the goods (include quantities, values and scheduled shipping dates). No forward orders are or have been supplied by Milena. In 2014, our order from MILENA is 10,493 units, but in 2015, our order from MILENA is 5,440 units, it dropped more than 50% due to Anti-dumping levy.

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. No, our selling prices vary is not according to the distribution channel, mainly affected by steel raw material and exchange rate.

B-4 Complete the spreadsheet entitled '**Australian sales**' within the *deep drawn stainless steel sinks Exporter Questionnaire – accompanying spreadsheet* provided alongside this questionnaire.

This spreadsheet is to list **all** shipments (i.e. transaction by transaction) to Australia **of the goods** (do not include non-goods items) that were imported by Milena in the importation period.

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

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

Column heading	Explanation
Customer name	names of your customers
Level of trade	the level of trade of your customers in Australia
Model	commercial model/grade or type

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Number of bowls	the number of bowls of the sink sold, for example single bowl, 1 and ½ bowls, double bowl, etc.
Drainer boards	If the sink includes one or more drainer boards, identify the number of these
Finish	sink surface finish e.g. polished, brushed, unfinished
Brand name	If the sink is sold under a particular brand name, identify this
Product tier	In the application, the Australian industry identified that sinks may be classified into entry-level, mid or top-range sinks, which is relative to their pricing. Identify if the sink sold is considered entry-level, mid or top-range product.
Accessories included	If the sink is sold with 'accessories' other than the sink and drainer board itself, identify which accessories are included (e.g. strainer, etc.)
Product code	Code used in your records for the model/grade/type identified. Explain the product codes in your submission.
Invoice number	invoice number
Invoice date	invoice date
Date of sale	Refer to the explanation at the beginning of this section. If you consider that a date <i>other than</i> the invoice date best establishes the material terms of sale, report that date. For example, order confirmation, contract, or purchase order date.
Order number	If applicable, show order confirmation, contract or purchase order number if you have shown a date other than invoice date as being the date of sale.
Shipping terms	Delivery terms eg. CIF, C&F, FOB, DDP (in accordance with Incoterms)
Payment terms	Agreed payment terms eg. 60 days=60 etc.
Quantity	Quantity in units shown on the invoice. Show basis eg kg.
Gross invoice value	Gross invoice value shown on invoice <i>in the currency of sale, excluding taxes.</i>
Discounts on the invoice	If applicable, the amount of any discount deducted on the invoice on each transaction. If a % discount applies show that % discount applying in another column.
Other charges	Any other charges, or price reductions, that affect the net invoice value. Insert additional columns and provide a description.
Invoice currency	the currency used on the invoice
Exchange rate	Indicate the exchange rate used to convert the currency of the sale to the currency used in your accounting system
Net invoice value in the currency of the exporting country	the net invoice value expressed in your domestic currency as it is entered in your accounting system
Rebates or other allowances	the amount of any deferred rebates or allowances paid to the importer in the currency of sale
Quantity discounts	the actual amount of quantity discounts not deducted from the invoice. Show a separate column for each type of quantity discount.
Ocean freight**	the actual amount of ocean freight incurred on each export shipment listed.

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

Notes

*All of these costs are further explained in section E-1.

** FOB export price and Ocean Freight:

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

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

Freight allocations must be checked for consistency.

- B-5** If there are any other costs, charges or expenses incurred in respect of the exports listed above which have not been identified in the table above, add a column within the 'Australian sales' spreadsheet (see "other factors" in question B-4) for each item, and provide a description of each item. For example, other selling expenses (direct or indirect) incurred in relation to the export sales to Australia. **No.**

PUBLIC RECORD

B-6 For each type of discount, rebate, or allowance offered on export sales to Australia:

- provide a description; and
- explain the terms and conditions that must be met by the importer to obtain the discount.

Where the amounts of these discounts, rebates etc. are not identified on the sales invoice, explain how you calculated the amount shown in your response to question B4. If they vary by customer or level provide an explanation. [No](#).

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. [No](#).

B-8 If the delivery terms make you responsible for arrival of the goods at an agreed point within Australia (eg. 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	The Commissionbrokers, port and other costs incurred (itemise)

[No responsible for arrival of the goods at an agreed point within Australia.](#)

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.

[Please see the attached details of Australia sales.](#)

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

B-10 Are your export sales of imperial or metric product (or both)? Does your selling price differ based on whether the product sold is imperial or metric product? [Metric product.](#)

SECTION C–EXPORTED GOODS& LIKE GOODS

- C-1** Fully describe all of the goods you have exported to Australia during the importation period. Include specification details and any technical and illustrative material that may be helpful in identifying, or classifying, the exported goods. [The tooling for the laundry tubs CT-45,CT-32,BT-45 and BT-32 is paid by Austmate, so they are only exported to Australia. All laundry tubs are made by deep drawn process without any weld part. The material is 304 stainless steel, the thickness is 0.8mm, the depth is 265mm, the finishing of laundry tubs is polished & silvered.](#)
- 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). [CT-45, CT-32, BT-32&BT-32NB.](#)
- C-3** If you sell like goods (see explanation in glossary) on the domestic market, for each model/type that your company has exported to Australia during the importation period, list the most comparable model(s) sold domestically and provide a detailed explanation of the differences where those goods sold domestically (ie. the like goods) are not identical to the goods exported to Australia. [We never sell any of our laundry tubs into the local Chinese market, and any other countries neither, which are exclusively made for Austmate with their tooling. For domestic market, we do OEM business and sell inventory, the sale quantity is less, no more than 1,000pcs per year.](#)

This should be done by completing the spreadsheet entitled ‘**Like goods**’ within the *deep drawn stainless steel sinks in Australia Exporter Questionnaire – accompanying spreadsheet* provided alongside this questionnaire, detailing as follows:

EXPORTED MODEL	DOMESTIC MODEL	IDENTICAL?	DIFFERENCES
Product code of each model of the goods exported to Australia CT-45, CT-32, BT-32&BT-32NB	Product code of comparable model sold on the domestic market of the country of export 8152	If goods are identical indicate “YES”. Otherwise “NO” 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 The tooling for the laundry tubs CT-45,CT-32 and BT-32 is paid by Austmate, so they are only exported to Australia didn’t sell domestically. Moreover, the tooling of 8152 is belong to customer’s (KETA).

PUBLIC RECORD

- C-4** Please provide any technical and illustrative material that may be helpful in identifying or classifying the goods that your company sells on the domestic market. [The raw material is 304 grade stainless steel and CR Coil. Please see the attached 304ss test certificate.](#)

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 of like goods to the goods 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 Manager **before** completing the questionnaire.*

If the Case Manager agrees that it is not possible to obtain a complete listing he or she will consider a method for sampling that meets the Commission requirements. If agreement cannot be reached as to the appropriate method the Commission may not visit your company.

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

If you do not have any domestic sales of like goods you must contact the Case Manager 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; **We didn't set up a department of domestic trade, and we only do OEM. Normally, the customer initiative to find SCEA cooperation by themselves.**
- information concerning the functions/activities performed by each party in the distribution chain; and **We do OEM for KETA who is middleman, who is responsible to sell sinks to their clients, and no commission been paid.**
- 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. **No.**

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. **No, our selling prices vary is not according to the distribution channel, mainly affected by steel raw material.**

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 **Unit price=Unit cost to make and sell + profit and tax. Normally the buyer give us order, we make contract, after that, the buyer make deposit payment. When we receive the payment, we start to make production. After finishing production, we inform the buyer to make balance payment. When we received the balance, we deliver goods to their named place.**

PUBLIC RECORD

- whether price includes the cost of delivery to customer. **No, we offered price based on Ex-factory, the customer bear the delivery cost.**

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

D-4 Complete the spreadsheet entitled '**Domestic sales**' within the *deep drawn stainless steel sinks in Australia Exporter Questionnaire – accompanying spreadsheet* provided alongside this questionnaire.

This spreadsheet is to list **all domestic sales of like goods** (i.e. transaction by transaction) in the importation period (do not include non-goods items).

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

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

Column Heading	Explanation
Customer name	names of your customers. If an English version of the name is not easily produced from your automated systems show a customer code number and in a separate table list each code and name.
Level of trade	the level of trade of your domestic customer
Model	commercial model/grade or type of the goods
Number of bowls	the number of bowls of the sink sold, for example single bowl, 1 and ½ bowls, double bowl, etc.
Drainer boards	If the sink includes one or more drainer boards, identify the number of these
Finish	sink surface finish e.g. polished, brushed, unfinished
Brand name	If the sink is sold under a particular brand name, identify this
Product tier	In the application, the Australian industry identified that sinks may be classified into entry-level, mid or top-range sinks, which is relative to their pricing. Identify if the sink sold is considered entry-level, mid or top-range product.
Accessories included	If the sink is sold with 'accessories' other than the sink and drainer board itself, identify which accessories are included (e.g. strainer, etc.)
Product code	code used in your records for the model/grade/type of the goods identified. Explain the product codes in your submission.
Invoice number	invoice number
Invoice date	invoice date
Date of sale	refer to the explanation at the beginning of this section. If you consider that a date <i>other than</i> the invoice date best establishes the material terms of sale and should be used, report that date. For example, order confirmation, contract, or purchase order date.
Order number	show order confirmation, contract or purchase order

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	number if you have shown a date other than invoice date as being the date of sale.
Delivery terms	eg ex-factory, free on truck, delivered into store
Payment terms	payment terms agreed with the customer eg. 60 days=60 etc.
Quantity	quantity in units shown on the invoice eg kg.
Gross Invoice value	gross value shown on invoice <i>in the currency of sale</i> , net of taxes.
Discounts on the Invoice	the amount of any discount deducted on the invoice on each transaction. If a % discount applies show that % discount applying in another column.
Other charges	any other charges, or price reductions, that affect the net invoice value. Insert additional columns and provide description.
Net invoice value in the currency of the exporting country	the net invoice value expressed in your domestic currency as recorded in your accounting system
Rebates or other Allowances	the actual amount of any deferred rebates or allowances in the currency of sale
Quantity discounts	the actual amount of quantity discounts not deducted from the invoice. Show a separate column for each type of quantity discount.
Packing*	packing expenses
Inland transportation Costs*	amount of inland transportation costs included in the selling price.
Handling, loading And ancillary Expenses*	handling, loading & ancillary expenses.
Warranty & Guarantee expenses*	warranty & guarantee expenses
Technical assistance & other services*	expenses for after sale services such as technical assistance or installation costs.
Commissions*	commissions paid. If more than one type is paid insert additional columns of data.
Other factors*	any other costs, charges or expenses incurred in relation to the domestic sales (include additional columns as required). See question D5.

Notes

Costs marked with * are explained in section E-2.

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. **NO**

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

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- 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. [NO](#)

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. [NO](#)

D-7 Select two domestic sales, in different quarters of the importation 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

[Please see the attached docs of domestic sales.](#)

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

D-8 Are your domestic sales of imperial or metric product (or both)? Does your selling price differ based on whether the product sold is imperial or metric product? [Metric product.](#)

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 (ie. 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 duty assessment 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. If the amount has been determined from contractual arrangements, not from an account item, provide details and evidence of payment. [According to the actual trailer fee from SCEA's factory \(Shengzhou\) to Ningbo port.](#)

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. [According to the actual expenditure. The expenses are located Ningbo Customs and Port area.](#)

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.

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 importation period. Explain the nature of the interest rates most applicable to these export sales eg, short term borrowing in the currency concerned. [No, we have not any credit.](#)

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.

4. Packing costs

List material and labour costs associated with packing the export 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**'. [Normally, we packed 5pcs laundry tubs into one carton to Australia, then use small foam to protect 4 corners of each sink. On the domestic market, we use single packing that one sink including plastic bag, foam, strainer, strainer pipe, clips, seal tape and cut-out packed in one carton.](#)

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.

No, we have never paid any commissions to anyone who in relation to the export sales to Australia.

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.

6. 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. No costs occurred during this period 26 Mar 2017 to 25 Sep 2017.

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. Accounting for 1% of each sales amount.

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 importation period (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 importation period. Normally we fixed our price for a period of time, but when the exchange rate fluctuate more than 3%, we shall adjust our price accordingly.

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.

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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. [Except the design and unit weight are difference, others like quality, chemical composition, structure are the same.](#)

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 (ie. 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. [The unit weight is difference between each model.](#)

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 [Only export to Australia or third Country, we will receive drawback. If we sale goods in domestic market, we cannot get any drawback. Because we have not record of export declaration from Ningbo Custom and bank documentation showing proof of payment. In addition, export business in our company is 98%, even we sales to domestic, not more than 5%. At last, the VAT rate in China is 17%, the drawback of sink is 9%, in this way only part of the value-added tax get exempt.](#)
- 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.

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; [Please see the attached copy of authorising duty remission.](#)

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- the amount of the duties and taxes refunded upon *exportation* and an explanation how the amounts were calculated and apportioned to the exported goods; *In fact, the drawback only refund value-added tax. Because value-added tax belongs to the turnover tax, and it's unrelated with income of products, so we don't calculate to the each product.*
- 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; *We have never purchased any imported materials.*

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.

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:

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- a detailed description of each sales activity performed in selling to your domestic customers (for example sales personnel, travel, advertising, entertainment etc.); *We have not set up a department of domestic trade, so without any travel, advertising and entertainment costs. Usually, the client find us directly and ask us to do OEM for them.*
- the cost of carrying out these activities in respect of like goods; *Yes*
- for each activity, whether your firm carries out the same activity when selling to importers in Australia; *Without any travel, advertising and entertainment costs*
- an explanation as to why you consider that you are entitled to a level of trade adjustment. *According to the buyer's annual purchase quantity.*

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. *No discount for anyone.*

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. *No credit*

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
- 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 importation period. *No*

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. *No*

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 system,¹ the average credit period may be determined as follows:

1. *Calculate an accounts receivable turnover ratio*

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.

PUBLIC RECORD

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.

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. *We sales like goods to clients are based on Ex-factory, no responsible for inland transportation costs.*

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. *No. we sales goods based on Ex-factory.*

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**”. *Normally, we send single packing to final user, include plastic bag, foam and carton. However, like 8152 model, we use pallet packing as customer’s requirement, without carton.*

8. Commissions

For any commissions paid in relation to the domestic sales:

- provide a description

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- 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. [No any commissions.](#)

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. [No costs occurred during this period.](#)

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; [On-demand production, unprepared inventory.](#)
- *warehousing expense*: an expense incurred at the distribution point; [No expense occurred at the distribution point, because we sale goods based on Ex-factory.](#)
- *royalty and patent fees*: describe each payment as a result of production or sale, including the key terms of the agreement; [No](#)
- *advertising*; and [No fee occurred during this period.](#)
- *bad debt.* [No](#)

E-3 **DUPLICATION**

In calculating the amount of the adjustments you must ensure that there is no duplication. [Yes, I’m sure.](#)

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.

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.

SECTION F - EXPORT SALES TO COUNTRIES OTHER THAN AUSTRALIA

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 Complete the spreadsheet entitled '**Third country sales**' within the *deep drawn stainless steel sinks Exporter Questionnaire – accompanying spreadsheet* provided alongside this questionnaire.

This spreadsheet is to list **all export sales of like goods** (i.e. transaction by transaction) to countries other than Australia in the importation period (do not include non-goods items).

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

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

Column heading	Explanation
Country	Name of the country that you exported like goods to over the importation period.
Number of customers	The number of different customers that your company has sold like goods to in the third country over the importation period.
Level of trade	The level of trade that you export like goods to in the third country.
Quantity	Indicate quantity, in units, exported to the third country over the importation period.
Unit of quantity	Show unit of quantity eg kg
Value of sales	Show net sales value to all customers in third country over the importation period
Currency	Currency in which you have expressed data in column SALES
Payment terms	Typical payment terms with customer(s) in the country eg. 60 days=60 etc.
Shipment terms	Typical shipment terms to customers in the third country eg CIF, FOB, ex-factory, DDP etc.

F-2 Please identify any differences in sales to third countries which may affect their comparison to export sales to Australia. *The tooling, design, depth and function are difference between laundry tubs and kitchen sinks. We sell kitchen sinks to third countries, those products are totally different from laundry tubs that we exported to Australia, which are custom made for Australia market.*

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 goods - ie. 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 (goods) 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 (eg. 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)*

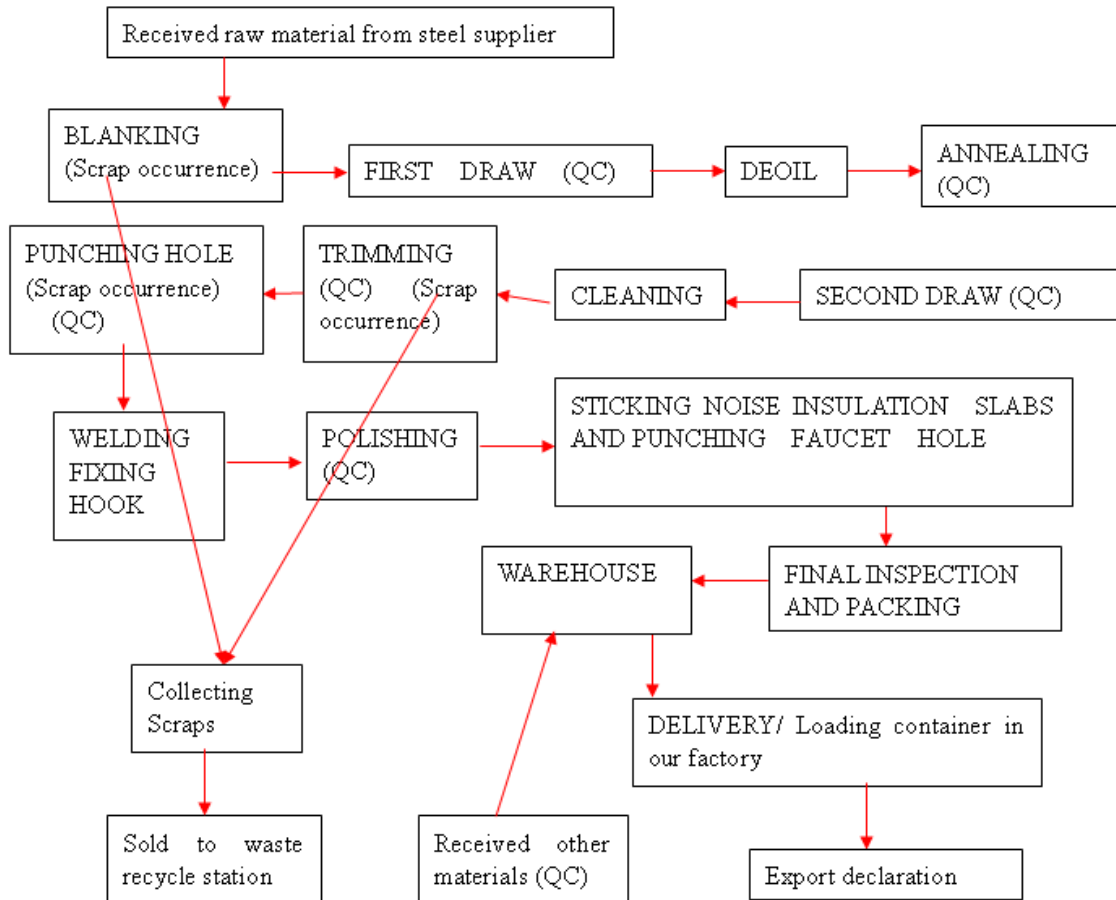
you must provide cost data over the same period as these sales even if doing so means that such cost data predates the commencement of the importation period.

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

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



Our company only have two production line: Deep draw stainless steel sinks and range hood, no by-products. Two production line use different facilities. Otherwise, our scrap is not much, so offcut and scrap materials are sold directly to the lower producers or waste steel acquisition person. At last, we accounted for at actual amount incurred.

If your company manufactures/produces the steel raw material used to manufacture the goods, describe this process and provide a flowchart of this production process. **No, my company is not a steel raw material manufacturer. We always purchase steel raw material from local Chinese market.**

- Complete the spreadsheet entitled '**Production**' within the *deep drawn stainless steel sinks Exporter Questionnaire – accompanying spreadsheet* provided alongside this questionnaire.

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

- Explain whether you produce the goods and like goods (for domestic sale and export to third countries) to imperial and/or metric measurements. **Metric**
- If your company manufactures/produces steel materials that are used in the production of *deep drawn stainless steel sinks*, does your company also make sales of these steel materials? **No**

G-2. COST ACCOUNTING PRACTICES

PUBLIC RECORD

1. Outline the management accounting system that you maintain and explain how that cost accounting information is reconciled to your audited financial statements. Management accounting separated from traditional accounting system of the use of financial accounting, statistics and other relevant data arrangement, calculation, comparison and analysis and produce a series of information, satisfy the business enterprise internal management personnel at all levels in the planning, decision-making and control information needs of the economic activities, etc. Management accounting and financial accounting of two branch of accounting, accounting information released respectively responsible for the external, internal, and at the same time, also has the close connection between cost accounting as a subsystem of the accounting information system, record, measure and report relevant departments of the cost of a number of information, this information is to provide financial and accounting information, and as follows: management accounting information.

Methods of financial accounting. According to the cost data of cost forecast, cost decision-making, cost control, cost assessment content, is to provide basis for decision-making for the enterprise internal management authorities as well as to the internal staff performance evaluation, clearly belongs to the category of management accounting. Therefore, the whole cost accounting is belong to financial accounting and cost accounting system.
2. Is your company's 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 (ie. differences between standard and actual production costs) have been allocated to the goods- and describe how those variances have been allocated. Yes, based on standard costs, the difference in rate allocated to each products.
3. Provide details of any significant or unusual cost variances that occurred during the importation period. Due to the range hoods order get less during importation period, the fixed cost and manufacturing cost of sinks are increased.
4. Describe the profit/cost centres in your company's cost accounting system. Set the cost standard in advance, then compared with actual cost, analyse the reason, make the budget cost and actual cost approach to minimum differences. The advantage of profit /cost centre is the effective control of the production cost, make profits remain unchanged.
5. For each profit/cost centre describe in detail the methods that your company normally uses to allocate costs to the goods. 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. Category costing method.

PUBLIC RECORD

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

For example:

Order number: 2017N1 during Apr to Jun 2017

Requisitions materials:

Debit: Production costs /sink /materials	240,742.85
Debit: Production costs /rangehood /materials	21,574.97
Credit: Raw material /stainless steel plate	262,317.82

Labour cost:

Debit: Production costs/sink /labour	96,934.40
Debit: Production costs/ rangehood /labour	30,000.00
Credit: Wages payable	126,934.40

Requisitions consumables:

Debit: Production costs/sink/supplementary materials	24,754.71
Debit: Production costs/ rangehood/ supplementary materials	691.27
Credit: Raw material/ supplementary materials	25,445.98

Manufacturing costs:

Debit: Production costs/ sink /manufacturing costs	32,398.64
Credit: Manufacturing costs	32,398.64

(Manufacturing costs are allocated according to the product direct labor costs)

Outward processing of annealing:

Debit: Production costs/sink/annealing costs	21,679.91
Credit: Accounts payable/ provisional estimate storage	21,679.91

Product storage: 3362pcs of sinks

Debit: Inventory/sink	375,340.86
Credit: Production costs/sink/materials	195,573.20
Credit: Production costs /sink/labour	96,934.40
Credit: Production costs /sink/supplementary materials	24,754.71
Credit: Production costs /sink/annealing costs	21,679.91
Credit: Production costs /sink/manufacturing costs	32,398.64

Each sink model in storage in May:

CT-45:515PCS, BT-32:990PCS, CT-32:885PCS

1012:105PCS,1027:205PCS, DRAIN:500PCS, 8152:192PCS,

Total storage: 3362 PCS

Model	Qty(pcs)	Raw material	Labour	Manufacturing costs	Packing and supplementary materials	Annealing costs	Total
CT-45	515	29,153.13	12,351.26	5,166.79	4,396.04	5,422.95	56,490.17
BT-32	990	40,095.94	22,762.61	9,522.08	8,236.80	5,923.08	86,540.51
CT-32	885	36,307.77	19,172.71	8,020.35	7,288.88	5,846.15	76,635.86
TOTAL	2,360	105,556.84	54,286.58	22,709.22	19,921.72	17,192.18	219,666.54

Actually raw materials were used for 2017N1 order is RMB105,556.84, please see the list below:

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Model	QTY(pcs)	Unit quota	Standard Quota	Allocation rate	Actual Amount
CT-45	515	92.22	47,493.30	0.61383674	29,153.13
BT-32	990	65.98	65,320.20	0.61383674	40,095.94
CT-32	885	69.18	59,148.90	0.61383674	36,307.77
TOTAL	2360		171,962.40		125,250.20

Wages and manufacturing cost allocation in May as follows:

Wages: RMB96,934.40 , Manufacturing cost:32,398.64

Model	QTY (pcs)	Unit quota	Standard quota	Wages allocation rate	Actual Wages Amount	Manufacturing allocation rate	Actual Manufacturing cost
CT-45	515	14.77	7,606.55	1.62	12,351.26	0.42	5,166.79
BT-32	990	14.16	14,018.40	1.62	22,762.61	0.42	9,522.08
CT-32	885	13.81	11,807.55	1.62	19172.71	0.42	8,020.35
1012	105	22.01	2,311.05	1.62	3,752.61	0.42	1,569.79
1027	205	28.34	5,809.70	1.62	9,433.60	0.42	3,946.27
Drain	500	24	12,000.00	1.62	19,485.20		Because of the simple process does not count.
8152	192	32	6,144.00	1.62	9,976.42	0.42	4,173.36
TOTAL	3,770		59,697.25		96,934.40		32,398.64

6.

7. List and explain all production costs incurred by your company which are valued differently for cost accounting purposes than for financial accounting purposes. The production costs of our sinks are including direct materials, direct labour, manufacturing costs, supplementary materials and annealing costs. The purpose to cost accounting and cost control, make the company to reduce costs increase benefits.

8. State whether your company engaged in any start-up operations in relation to the goods. Describe in detail the start-up operation giving dates (actual or projected) of each stage of the start-up operation. When we received deposit, we start to operation. The production planner according to the order quantity, accounting and budgeting how many materials do we need, and then place order to the supplier, when all materials were arrived our plant, the workers start to make production.

For example: 2017N1 order

We received deposit on 17th March, 2017 --> Salesman make production order to factory on that day (Accountant audit) --> Purchase department as per order quantity and inventory quantity to purchase corresponding number of materials during 19-29th, March – Raw materials were arrived our plant on 26th March, we start to blanking and first draw--> We sent out half-finished of first draw to annealing processing centre on 5th April --> After taking back , we start second draw processing on 8th April --> cleaning, trimming and punching hole on 15th April --> start polishing on 17th April--> Inspection and repairing during 23-30th April--> complete packing to warehousing during 1-6th May --> arrange shipment and loading container during 6 to 15th May.

9. State the total cost of the start-up operation and the way that your company has treated the costs of the start-up operation in its accounting records. Category costing method. Total production costs of our sinks are including direct materials, direct labour, manufacturing costs, supplementary materials and annealing costs.

G-3 COST TO MAKE AND SELL ON DOMESTIC MARKET

PUBLIC RECORD

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

1. Complete the spreadsheet entitled '**Domestic CTMS**' within the *deep drawn stainless steel sinks Exporter Questionnaire – accompanying spreadsheet* provided alongside this questionnaire.

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

In doing so, provide 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 importation period. If your company calculates costs monthly, provide monthly costs.

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.

If you are unable to supply this information in this format, please contact the Case Manager for this duty assessment at the address shown on the cover of this questionnaire.

Please specify unit of currency.

G-4 COST TO MAKE AND SELL GOODS UNDER CONSIDERATION (GOODS EXPORTED TO AUSTRALIA)

Complete the spreadsheet entitled '**Australian CTMS**' within the *deep drawn stainless steel sinks Exporter Questionnaire – accompanying spreadsheet* provided alongside this questionnaire.

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

In doing so, provide 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 importation period. If your company calculates costs monthly, provide monthly costs.

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.

If you are unable to supply this information in this format, please contact the Case Manager for this duty assessment at the address shown on the cover of this questionnaire.

Please specify unit of currency.

² The Commission applies the tests set out in s.269TAA 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.

PUBLIC RECORD

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

- 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. [Due to there's no sales data of laundry tubs for domestic market, How can we compare them?](#)
- 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. [The cost method adopt product classification method. According to the product categories collect the production cost. Calculate the total cost of all kinds of products first, and then according to certain standard to distinguish each varieties and specifications of the product, Finally calculated total cost and unit cost of each variety and specification.](#)
- G-7** In calculating the unit cost to make and sell, provide an explanation if the allocation method used (eg number, or weight etc.) to determine the unit cost differs from the prior practice of your company. [Number](#)
- G-8** List major raw material costs, which individually account for 10% or more of the total production cost. [Main raw material costs account for 60-65% of the total production cost. Please see the spreadsheet entitled 'Australian CTMS'.](#)

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 (eg market prices, transfer prices, or actual cost of production).

Where the major input is produced by an associate of your company 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 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.

SECTION H - COUNTERVAILING (SUBSIDISATION)

The applicant alleges that producers in China of deep drawn stainless steel sinks have benefited from a number of subsidies granted by the Government of China (meaning any level of government – refer to the Glossary of Terms for further information), and that these subsidies are countervailable.

INVESTIGATED PROGRAMS

The following are subsidy programs the Commission found to be countervailable in relation to deep drawn stainless steel sinks exported from china:

Program Number	Program Name	Program Type
Program 1	Raw Materials Provided by the Government at Less than Fair Market Value	Provision of goods
Program 2	Research & Development (R&D) Assistance Grant	Grant
Program 3	Grants for Export Activities	Grant
Program 4	Allowance to pay loan interest	Grant
Program 5	International Market Fund for Export Companies	Grant
Program 6	International Market Fund for Small and Medium-sized Export Companies	Grant
Program 8	Tax preference available to companies that operate at a small profit	Income Tax
Program 9	Award to top ten tax payer	Grant
Program 10	Assistance to take part in overseas trade fairs	Grant
Program 11	Grant for management certification	Grant
Program 12	Grant for certification of product patents	Grant
Program 13	Grant for inventions, utility models and designs	Grant
Program 14	Grant for international marketing	Grant
Program 15	Subsidy to electronic commerce	Grant

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Program Number	Program Name	Program Type
Program 16	Grant for overseas advertising and trademark registration	Grant
Program 17	Grant for overseas marketing or study	Grant
Program 18	Gaolan Port Subsidy	Grant
Program 19	Information development subsidy	Grant
Program 20	Foreign Trade Exhibition Activity Fund	Grant
Program 21	Zhuhai Technology Reform & Renovation Fund	Grant
Program 22	Zhuhai Support the Strong Enterprise Interests Subsidy	Grant
Program 23	Zhuhai Research & Development Assistance Fund	Grant
Program 24	Preferential Tax Policies for High and New Technology Enterprises	Income Tax

Please answer the questions within parts H-1 to H-8 in relation to these programs.

**PART H-1 PREFERENTIAL INCOME TAX PROGRAMS
(PROGRAMS 8 AND 24)**

1. Did your business or any company/entity related to your business receive any benefit³ under the above preferential income tax programs during the period 1 January to 31 December 2016? **Yes, we share the tax preference to company that operate at a small profit of Program 8 during this period.**

2. It is our understanding that the general tax rate for enterprises in China from 1 July 2010 was 25%. Confirm whether this is correct and if not, please identify the general tax rate for enterprises in China from 1 July 2010, indicating any changes in the taxation rate over the period July 2010 – December 2016. **Sorry, I'm not sure this is correct or not. Since 2014 year, if the profit for the year is no more than RMB200,000 of small companies, the income tax can be halved by 10%. While SECA is a small company.**

3. 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 investigation period, please indicate whether the reduced rate relates to any of the preferential income tax programs identified above. **Yes, according to Program 8**

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

PUBLIC RECORD

4. 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 H-1 above in relation to the income tax rate reduction. [No, see the explanation 1](#)

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

5. Provide complete details of the amount of the benefit received, including whether it was received in total or in instalments. [The income tax of my business was be halved by 10%.](#)
6. Indicate which goods you produced that benefited from the program (e.g. the program may have benefited all production or only certain products that have undergone research and development). [We produced deep dawn stainless steel sinks and rangehood were benefited from program 8. We didn't receive any benefit of program 24, because we are not belongs High and New Technology Enterprises.](#)
7. Describe the application and approval procedures for obtaining a benefit under the program. [We fill in the application material on the national tax website. As long as qualified can through approval.](#)
8. Where applicable, provide copies of the application form or other documentation used to apply for the program, all attachments and all contractual agreements entered into between your business and the Government of China in relation to the program.
<http://www.chinatax.gov.cn/n810341/n810755/c1804263/content.html>
9. Outline the fees charged to, or expenses incurred by your business for purposes of receiving the program. [No](#)
10. Outline the eligibility criteria your business had to meet in order to receive benefits under this program. [We are a small company and the profit for the year is no more than RMB200,000.](#)
11. State whether your eligibility for the program was conditional on one or more of the following criteria:
 - a) whether or not your business exports or has increased its exports; [we export goods](#)
 - b) the use of domestic rather than imported inputs; [use of domestic](#)
 - c) the industry to which your business belongs; or [we belong industry of Kitchenware](#)
 - d) the region in which your business is located. [My business is located Shengzhou City, Zhejiang Province.](#)
12. If the benefit was provided in relation to a specific activity or project of your entity, please identify the activity and provide supporting documentation.
13. What records does your business keep regarding each of the benefits received under this program? Provide copies of any records kept in relation to the program. [According to financial report.](#)
14. Indicate where benefits under this program can be found in your accounting system (i.e., specify the ledgers or journals) and financial statements. [Income tax](#)

PUBLIC RECORD

15. To your knowledge, does the program still operate or has it been terminated?
[The program still operate.](#)
16. 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? [NO](#)
- If the program terminated has been substituted for by another program, identify the program and answer all the questions in Part H-1 in relation to this programme. [NO](#)
17. For each taxation year from 2014 to 2016, complete the "Income Tax" spreadsheet in the **Exporter Questionnaire spreadsheets – sinks** workbook.
18. Provide a copy, bearing the official stamp of the appropriate level of the Government of China of all
- corporate income tax acknowledgement form(s) and the income tax return(s) that your company filed for the 2014, 2015 and 2016 tax years; and
 - income tax instalment payment receipts, and all applicable income tax forms and schedules for the 2014, 2015 and 2016 tax years.

[Please see the attached income tax returns and payment receipt for 2014, 2015 and 2016 year.](#)

Note: If your company did not file an income tax return in any of the tax years indicated, 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.

PART H-2 GRANTS (PROGRAMS 2, 3, 4, 5, 6, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22 AND 23)

1. Did your business or any company/entity related to your business receive any benefit under the above programs during the period **1 January to 31 December 2016**? [No, I hereby that my company or any company related to my business didn't receive any benefits under the above programs during this period.](#)
2. Did your business receive benefits under any other grant (including awards, prizes, funds) program during the period 1 January to 31 December 2016? [No, I hereby that my business didn't receive benefits under any other grant program during this period.](#)

For each program identified in your answer to H-2.1 and H-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.
[No](#)
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). [No](#)

PUBLIC RECORD

5. Describe the application and approval procedures for obtaining a benefit under the program. **No**
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 Government of China in relation to the program. **No**
7. Outline the fees charged to, or expenses incurred by your business for purposes of receiving the program. **No**
8. Outline the eligibility criteria your business had to meet in order to receive benefits under this program. **No**
9. State whether your eligibility for the program was conditional on one or more of the following criteria: **No**
 - 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.
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. **No**
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. **No**
12. Indicate where benefits under this program can be found in your accounting system (i.e., specify the ledgers or journals) and financial statements. **No**
13. To your knowledge, does the program still operate or has it been terminated? **I have no idea.**
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? **No**

If the program terminated has been substituted for by another program, identify the program and answer all the questions in Part H-1 in relation to this programme.
15. Identify the body responsible for administering the grant. **No**
16. Identify the date of approval of the grant and the date the grant was received. **No**
17. Indicate where the grant was accounted for on your business' financial statements. **No**

PART H-3 PROVISION OF COLD-ROLLED STAINLESS STEEL (PROGRAM 1)

PUBLIC RECORD

The applicant claims that public bodies (in the form of state-owned or invested enterprises (SIEs)) are supplying cold-rolled stainless steel, directly or indirectly, to manufacturers of deep drawn stainless steel sinks at less than fair value.

In this questionnaire, the term cold-rolled stainless steel refers to both coil or sheets.

The term SIE 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 period **1 January to 31 December 2016**? **No, I hereby that our business or any company related to our business didn't receive any benefit under the above program 1 during this period.**
2. Does your business purchase any goods/services from SIEs, e.g., raw materials (including cold-rolled stainless steel), energy, water, other utilities, etc.? **No, I hereby that our business have never purchased any goods / services from SIEs.**
3. Provide a list, including a contact name and address, of all your suppliers of cold-rolled stainless steel. Indicate whether the supplier is a SIE.
A) Zhejiang Guangda Stainless Steel Co., Ltd. Hangzhou Hengda Stainless Steel Co., Ltd Add.:17KM of 01 Province Road Hangzhoulinping, Zhejiang, China Tel:0571-86158301 Mr. Hongwei Gao
B) Daming Hangzhou Processing Center (Hangzhou Wanzhou Metal Products Co.,Ltd.) Add:No.8,Kenhui Street 5,Hongken Farm, Xiaoshan Economical Development Zone, Hangzhou, Zhejiang, China TEL:0571-82858356 Mr. Hong
4. Complete the '**Steel purchases**' spreadsheet in the **Exporter Questionnaire spreadsheets – sinks**.

Provide this data on a **transaction-by-transaction basis, for all purchases of cold-rolled stainless steel** during the period **1 January to 31 December 2016**. This data should be provided for all purchases, not only those of Chinese origin (i.e. include imported materials as well).

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

5. Did your business receive any reduction/reduced price for the purchase of these goods/services during the investigation period? If so, describe the eligibility criteria that your business had to meet in order to qualify for any reduction in the price paid for the goods/services. **No, because we purchase steel on transaction-by-transaction, so the price is according to actual market price.**
6. Provide copies of all contractual agreements that detail the obligations of the SIE and your business with reference to the granting and receipt of the assistance/benefits. **No**

PUBLIC RECORD

7. If your business purchased imported cold-rolled stainless steel, 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. **Our company have never purchased any imported cold-rolled stainless steel.**

PART H-4 ANY OTHER PROGRAMS

If the Government of China, any of its agencies or any other authorised body has provided any other benefit⁴ 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, zinc), transport);
- the reduction of tax payable including income tax and VAT;
- reduction in land use fees;
- loans from Policy Banks at below-market rates; or
- any other form of assistance.

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). **No**
2. Describe the application and approval procedures for obtaining a benefit under the program. **No**
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 Government of China in relation to the program. **No**
4. Outline the fees charged to, or expenses incurred by your business for purposes of receiving the program. **No**
5. Outline the eligibility criteria your business had to meet in order to receive benefits under this program. **No**
6. State whether your eligibility for the program was conditional on one or more of the following criteria: **No**
 - a) whether or not your business exports or has increased its exports;
 - b) the use of domestic rather than imported inputs;
 - c) the industry to which your business belongs; or
 - d) the region in which your business is located.
7. If the benefit was provided in relation to a specific activity or project of your entity, please identify the activity and provide supporting documentation. **No**

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

PUBLIC RECORD

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. **No**
9. Indicate where benefits under this program can be found in your accounting system (i.e., specify the ledgers or journals) and financial statements. **No**
10. To your knowledge, does the program still operate or has it been terminated? **Still operate.**
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? **No**

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

SECTION I – EXPORTER/PRODUCER’S DECLARATION

I hereby declare that..... [Shengzhou Chunyi Electrical Appliances Co., Ltd.](#).....(company) did, during the importation period export the goods and have completed the attached questionnaire and, having made due inquiry, certify that the information contained in this submission is complete and correct to the best of my knowledge and belief.

or

I hereby declare that..... [Shengzhou Chunyi Electrical Appliances Co., Ltd.](#).....(company) did, during the importation period, produce the goods which were exported to Australia by another company and have completed the attached questionnaire and, having made due inquiry, certify that the information contained in this submission is complete and correct to the best of my knowledge and belief.

Name :..... [Sophia Lee](#).....

Signature :..... .....
(Company Representative)

Position in Company :... [Oversea Sales](#).....

Date :..... [1 Dec 2017](#).....

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 type="checkbox"/> X
Section B – export price	<input type="checkbox"/> X
Section C – like goods	<input type="checkbox"/> X
Section D – domestic price	<input type="checkbox"/> X
Section E – fair comparison	<input type="checkbox"/> X
Section F – exports to third countries	<input type="checkbox"/> X
Section G – costing information	<input type="checkbox"/> X
Section H – countervailing	<input type="checkbox"/> X
Section I – declaration	<input type="checkbox"/> X

Electronic Data	Please tick if you have provided spreadsheet
INCOME STATEMENT	<input type="checkbox"/> X
TURNOVER – sales summary	<input type="checkbox"/> X
AUSTRALIAN SALES – list of sales to Australia	<input type="checkbox"/> X
LIKE GOODS – comparison between export and domestic goods sold	<input type="checkbox"/> X
DOMESTIC SALES – list of all domestic sales of like goods	<input type="checkbox"/> X
THIRD COUNTRY – third country sales	<input type="checkbox"/> X
PRODUCTION – production figures	<input type="checkbox"/> X
DOMESTIC CTMS – cost to make and sell domestic goods	<input type="checkbox"/> X
AUSTRALIAN CTMS – cost to make and sell goods sold to Australia	<input type="checkbox"/> X