



Australian Government  
Department of Industry,  
Innovation and Science

Anti-Dumping  
Commission

## Exporter Questionnaire



|   |   |
|---|---|
| <b>Product:</b>                           | Quicklime   |
| <b>From:</b>                              | Thailand  |
| <b>Period of investigation:</b>           | 1 January 2015 to 31 December 2015  |
| <b>Response due by:</b>                   | 25 May 2016   |
|   | <b>Important note:</b> The Commissioner will reject all requests for a longer period to provide a response to this exporter questionnaire received after this date. Extensions requested before this date will <i>only</i> be agreed to where necessary and reasonable. |
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| <b>Anti-Dumping Commission website:</b>   | <a href="http://www.adcommission.gov.au">www.adcommission.gov.au</a>  |
| <b>Return completed questionnaire to:</b> | <a href="mailto:operations2@adcommission.gov.au">operations2@adcommission.gov.au</a><br>or<br>Anti-Dumping Commission<br>GPO Box 1632<br>Melbourne<br>Victoria 3000<br>Australia<br>Attention: Director Operations 2  |

## GOODS UNDER CONSIDERATION

The goods under consideration (the goods) ie the goods exported to Australia, allegedly at dumped prices are:

*The imported product the subject of this application is quicklime.*

The applicants provide the following additional information:

*Quicklime is also known as Calcium Oxide as this is the dominant chemical composition of quicklime (CaO). Other common names to describe this product include Burnt Lime and Unslaked Lime. Quicklime is a white to grey, caustic, crystalline solid at room temperature.*

### **Tariff classification**

The goods are currently classified to tariff subheadings 2522.10.00 (statistical code 26) of Schedule 3 to the *Customs Tariff Act 1995*.

These goods are not subject to any customs duty.

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## 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 investigation:

*Head Office:*

|                                   |   |
|-----------------------------------|---|
| Name:                             | Adisak Lowjun   |
| Position in the company:          | Chief Executive Officer   |
| Address:                          | 195/11-12 Lake Rajada Office Complex 2<br>10 <sup>th</sup> – 11 <sup>th</sup> Floor<br>Rajadapisek Road<br>Klongtoey<br>Bangkok 10110<br>Thailand |
| Telephone:                        | +66 2 6619734   |
| Facsimile number:                 | +66 2 2609176   |
| E-mail address of contact person: | adisakl@chememan.com  |

*Factory:*

|                                   |   |
|-----------------------------------|---|
| Name:                             | Suwat Tunlayadechanont  |
| Position in the company:          | Deputy Chief Executive Officer  |
| Address:                          | 33/1 Moo 11<br>Nongkontee-Huaysanjao Road<br>Huaypawai<br>Prabuddhabaht<br>Saraburi 18120<br>Thailand |
| Telephone:                        | +66 3 6360004   |
| Facsimile number:                 | +66 3 6360008   |
| E-mail address of contact person: | suwatt@chememan.com   |

## A-2 Representative of the company for the purpose of investigation

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

|  |   |
|--|---|
| Name:  | Daniel Moulis   |
| Address:   | 6/2 Brindabella Circuit<br>Brindabella Business Park<br>Canberra International Airport<br>ACT 2609<br>Australia |
| Telephone:   | +61 2 6163 1000   |
| Facsimile/telex number:  | +61 2 6162 0606   |
| E-mail address of contact person:  | daniel.moulis@moulislegal.com   |
| Please communicate with Mr Moulis in the first instance in relation to all matters involving this EQ response and the investigation generally. |   |

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

## A-3 Company information

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

The company name is Chememan Company Limited ("CMM-TH"). CMM-TH is incorporated as a private limited company in Thailand. There is no other business name used by the company.

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 shareholders of CMM-TH and their capacities are as follows:

[CONFIDENTIAL TEXT DELETED – company shareholders]

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

**In Thailand, a parent company is one that owns 50% or more of the shareholding.**  
**[CONFIDENTIAL TEXT DELETED – company shareholders]**

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

**Not applicable.**

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

**Please see Attachment 1 – Corporate Structure and Affiliation [CONFIDENTIAL ATTACHMENT].**  
**[CONFIDENTIAL TEXT DELETED – related companies]**

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

**[CONFIDENTIAL TEXT DELETED – inter-company arrangements]**

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

**CMM-TH is a processor and seller of limestone, quicklime and hydrated lime products.**  
**CMM-TH owns a limestone quarry and operates a limestone crushing and dressing plant. Limestone products themselves are sold in domestic and export markets, and limestone is also consumed internally in the production of quicklime.**  
**CMM-TH operates [CONFIDENTIAL TEXT DELETED – production details] quicklime kilns.**  
**In 2013 CMM-TH established its own hydrate plant for the manufacture and sale of hydrated lime products to domestic and international customers.**

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

- produce or manufacture

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

**CMM-TH performs all of the above functions.**

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

**CMM-TH's organization chart as applicable to the investigation period is provided at Attachment 2 – Organisation Chart [CONFIDENTIAL ATTACHMENT].**

**The responsibilities of the divisions were as follows:**

**[CONFIDENTIAL TEXT DELETED – internal company organisation]**

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

**CMM-TH is not a public company and does not prepare an annual report of this nature. See Attachment 3 - Company Brochure.**

#### **A-4 General accounting/administration information**

1. Indicate your accounting period.

**The accounting period of CMM-TH is January to December.**

2. Indicate the address where the company's financial records are held.

**The current and recent financial records of CMM-TH are mainly kept at its head office and factory. Original documents are warehoused in a separate location and are not accessible immediately.**

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

- chart of accounts;
- 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 consideration.

These documents should relate to:

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

**The chart of accounts of CMM-TH is provided in Attachment 4 – Chart of Accounts**

[CONFIDENTIAL ATTACHMENT].

Attachments 5 and 6 contain the 2014 audited unconsolidated and the 2015 audited consolidated and unconsolidated financial statements respectively [CONFIDENTIAL ATTACHMENTS].

Relevant internal financial report for the investigation period is provided in Attachment 7 – Internal Financial Report. [CONFIDENTIAL ATTACHMENT]

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

CMM-TH is legally required to have its accounts audited.

The audited financial statements of CMM-TH are provided at Attachments 5 and 6 [CONFIDENTIAL ATTACHMENT].

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

CMM-TH's accounting practices are in accordance with generally accepted accounting principles in Thailand.

6. Describe:

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

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

Raw material, WIP, and finished goods inventories are valued at actual, weighted average cost.

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

The costs of each production process (limestone mining and crushing plant, limestone dressing plant, quicklime kilns, and quicklime grinding) are allocated to the output products [CONFIDENTIAL TEXT DELETED – internal accounting principle].

- valuation methods for damaged or sub-standard goods generated at the various stages of production;

Not applicable, there are no damaged or sub-standard goods generated in the production.

- valuation methods for scrap, by products, or joint products;

Mixed soil from limestone crushing plant is considered a by-product and is assigned cost [CONFIDENTIAL TEXT DELETED – internal accounting principle]. Sales of mixed soil are recorded as “other income”.



Lime dust is also considered a by-product of the quicklime production process. Lime dust is not assigned a cost. Sales of lime dust are recorded as "other income".

- valuation and revaluation methods for fixed assets;

Fixed assets are stated at cost less accumulated depreciation and allowance for loss on impairment of assets, if any.

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

[CONFIDENTIAL TEXT DELETED – production details] are depreciated using the productive output method (ie, a fixed rate per tonne of output produced). The remaining machinery and equipment is depreciated using straight-line method over the useful life of 5 to 20 years, depending on the nature of the asset.

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

Upon settlement of foreign currency transactions, any foreign exchange gain or loss determined by the difference between the transaction rate and the payment rate is captured in the profit and loss statement as realised foreign exchange gain/loss.

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

Assets and liabilities denominated in foreign currency are marked to market using the exchange rate announced by [CONFIDENTIAL TEXT DELETED – supplier identity] (a primary lender of CMM-TH) at the end of each month. The foreign exchange gain or loss determined by the difference between the transaction rate and month-end exchange rate are captured in the profit and loss statement as unrealised foreign exchange gain/loss. Unrealised foreign exchange gain/loss is reversed at the beginning of the following month.

- inclusion of general expenses and/or interest;

Import expenses, related transportation, and interest during construction are capitalised into acquisition cost of the underlying fixed assets before such fixed assets are depreciated. Import expenses and related transportation of imported current assets are capitalised into landed cost of inventory.

- provisions for bad or doubtful debts;

Accounts receivable are stated at their net realisable values. Allowance for doubtful accounts is provided for the estimated losses that may incur in collection receivables, based on collection experiences and analysis of debt aging.

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

If assets are temporarily idled or shut-down because of repairs and maintenance, CMM-TH continues to apply all depreciation charges, except in the case of the lime kilns [CONFIDENTIAL TEXT DELETED – production details] machine.

- costs of plant closure;

Not applicable during the investigation period.

- restructuring costs;

**Not applicable during the investigation period.**

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

**Overburden (mixed soil) from limestone crushing plant is assigned cost [CONFIDENTIAL TEXT DELETED – internal accounting principle]. Sales of these by-products are recorded as “other income”.**

- effects of inflation on financial statement information.

**Inflation in Thailand has been low historically and remained low throughout 2015. Inflation therefore had no significant effect on CMM-TH's financial statement information.**

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

**During 2015, CMM-TH adopted Thai accounting standards for income tax and employee benefits [CONFIDENTIAL TEXT DELETED – corporate planning].**

## A-5 Income statement

Please fill in the following table. It requires information concerning all products produced and for the goods under consideration (*'goods under consideration'* (the goods) is defined in the Glossary of Terms in the appendix to this form). You should explain how costs have been allocated.

|  | Most recent completed financial year (specify) |                           | Investigation period |                           |
|--|--|---------------------------|----------------------|---------------------------|
|  | All products                                   | Goods Under Consideration | All products         | Goods Under Consideration |
| <b>Gross Sales (1)</b>                   |  |                           |                      |                           |
| Sales returns, rebates and discounts (2) |  |                           |                      |                           |
| <b>Net Sales (3=1-2)</b>                 |  |                           |                      |                           |
| Raw materials (4)                        |  |                           |                      |                           |
| Direct Labour (5)                        |  |                           |                      |                           |
| Depreciation (6)                         |  |                           |                      |                           |
| Manufacturing overheads (7)              |  |                           |                      |                           |

|  |  |  |  |  |
|--|--|--|--|--|
| Other operating expenses (8)                                   |  |  |  |  |
| <b>Total cost to make (9=4+5+6+7+8)</b>                        |  |  |  |  |
| <b>OPERATING INCOME (10=3-9)</b>                               |  |  |  |  |
| Selling expenses (11)  |  |  |  |  |
| Administrative & general expenses (12)                         |  |  |  |  |
| Financial expenses (13)  |  |  |  |  |
| <b>SG&amp;A expenses (14)=(11+12+13)</b>                       |  |  |  |  |
| <b>INCOME FROM NORMAL ACTIVITIES (15)=(10-14)</b>              |  |  |  |  |
| Interest income (16)   |  |  |  |  |
| Interest expense (enter as negative) (17)                      |  |  |  |  |
| Extraordinary gains and losses – enter losses as negative (18) |  |  |  |  |
| Abnormal gains and losses – enter losses as negative (19)      |  |  |  |  |
| <b>PROFIT BEFORE TAX (20)=(15+16+17+18+19)</b>                 |  |  |  |  |
| Tax (21)   |  |  |  |  |
| <b>NET PROFIT (22)=(20-21)</b>                                 |  |  |  |  |

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.

Prepare this information on a spreadsheet named "**Income statement**".

*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.*

**The requested data is provided in Attachment 8 - Income Statement worksheet.  
[CONFIDENTIAL ATTACHMENT]**

**A-6 Sales**

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

|  | Most recent completed financial year (specify) |       | Investigation period |       |
|--|--|-------|----------------------|-------|
|  | Volume   | Value | Volume               | Value |
| Total company turnover ( <b>all products</b> )   |  |       |                      |       |
| Domestic market  |  |       |                      |       |
| Exports to Australia   |  |       |                      |       |
| Exports to Other Countries   |  |       |                      |       |
| Turnover of the nearest business unit, for which financial statements are prepared, which includes the goods under consideration |  |       |                      |       |
| Domestic market  |  |       |                      |       |
| Exports to Australia   |  |       |                      |       |
| Exports to Other Countries   |  |       |                      |       |
| Turnover of the <b>goods under consideration</b>   |  |       |                      |       |
| Domestic market  |  |       |                      |       |
| Exports to Australia   |  |       |                      |       |
| Exports to Other Countries   |  |       |                      |       |

Prepare this information in a spreadsheet named "TURNOVER".

*This information will be used to verify the cost allocations to the goods under consideration 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.*

**The requested data is provided in Attachment 8 – Turnover worksheet. [CONFIDENTIAL ATTACHMENT]**

## SECTION B

### SALES TO AUSTRALIA (EXPORT PRICE)

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

*You should report prices of **all** goods under consideration (the goods) **shipped** to Australia during the investigation period.*

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

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

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

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

| CMM-TH's Australian customers in the investigation period were as follows: |         |              |     |     |                |
|--|---------|--------------|-----|-----|----------------|
| Customer   | Address | Contact Name | Tel | Fax | Level of Trade |
| [CONFIDENTIAL TEXT DELETED – customer details]                             |         |              |     |     |                |

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

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

|  |
|--|
| <p><b>For all direct sales of goods by CMM-TH to all Australian customers during 2015, CMM-TH [CONFIDENTIAL TEXT DELETED – trading terms]</b></p> <p><b>Please see Attachment 9 – Export Sales and Distribution chart. [CONFIDENTIAL ATTACHMENT]</b></p> |
|--|

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

Please refer to the response to immediately above question. [CONFIDENTIAL TEXT DELETED – commercial arrangements]

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

All shipments to Australia were made on [CONFIDENTIAL TEXT DELETED – trading terms]. Under this INCOTERM ownership of the goods passes [CONFIDENTIAL TEXT DELETED – trading terms]

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

[CONFIDENTIAL TEXT DELETED – commercial arrangements]

- (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.

Prices for sales to Australian customers are based on CMM-TH corporate decisions regarding exchange risk, production cost, freight and other movement costs, cash flow and market considerations, and on the negotiations with and the information received from the customers concerned.

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

CMM-TH is affiliated with CMM-AU. As at the end of the investigation period [CONFIDENTIAL TEXT DELETED – commercial arrangements]. There are no other “financial or other arrangements” as mentioned.

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

The requested data is provided in Attachment 11 – Forward Orders. [CONFIDENTIAL ATTACHMENT]

- 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.

During the investigation period Australian export sales by CMM-TH were [CONFIDENTIAL TEXT DELETED – commercial arrangements] level of trade.

- B-4** Prepare a spreadsheet named “Australian sales” listing all shipments (i.e. transaction by transaction) to Australia of the goods under consideration in the

investigation period. You must provide this list in electronic format. Include the following export related information:

| Column heading   | Explanation   |
|--|---|
| Customer name  | names of your customers   |
| Level of trade   | the level of trade of your customers in Australia   |
| Model/grade/type   | commercial model/grade or type  |
| Product code   | code used in your records for the model/grade/type identified. Explain the product codes in your submission.  |
| Quicklime content  | the percentage of calcium oxide in the product  |
| Invoice number   | invoice number  |
| Invoice date   | invoice date  |
| Date of sale   | refer to the explanation at the beginning of this section. If you consider that a date <i>other than</i> the invoice date best establishes the material terms of sale, report that date. For example, order confirmation, contract, or purchase order date. |
| Order number   | if applicable, show order confirmation, contract or purchase order number if you have shown a date other than invoice date as being the date of sale.   |
| Shipping terms   | delivery terms e.g. CIF, C&F, FOB, DDP (in accordance with Incoterms)   |
| Payment terms  | agreed payment terms e.g. 60 days=60 etc  |
| Quantity   | quantity in units shown on the invoice. Show basis e.g. kg.   |
| Gross invoice value  | gross invoice value shown on invoice <i>in the currency of sale, excluding taxes</i> .  |
| Discounts 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   | the amount of any deferred rebates or allowances paid to the importer in  |

|   |  |
|---|--|
| allowances                              | 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.  |
| 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*                          | <b>any other</b> costs, charges or expenses incurred in relation to the exports to Australia (include additional columns as required). See question B5.  |

\*\* FOB export price and Ocean Freight:

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

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

Freight allocations must be checked for consistency.

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

**The requested data is provided in Attachment 8 - Australian Sales worksheet.  
[CONFIDENTIAL ATTACHMENT]**



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

**CMM-TH is not aware of any other export cost incurred.**

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

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

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

**[CONFIDENTIAL TEXT DELETED – commercial arrangements]**

- 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.

**[CONFIDENTIAL TEXT DELETED – commercial arrangements]**

- B-8** If the delivery terms make you responsible for arrival of the goods at an agreed point within Australia (e.g. delivered duty paid), insert additional columns in the spreadsheet for all other costs incurred. For example:

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

**All shipments by CMM-TH were made [CONFIDENTIAL TEXT DELETED – trading terms]**

- B-9** Select two shipments, in different quarters of the investigation period, and

provide a complete set of all of the documentation related to the export sale.  
For example:

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

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

**The requested documents are provided in Attachments 12 and 13 – Export Sales documents. [CONFIDENTIAL ATTACHMENTS]**

## SECTION C EXPORTED GOODS & LIKE GOODS

At this point CMM-TH wishes to state that it does not accept the proposition that its quicklime is “like” the quicklime produced by the applicant. The base material from which CMM-TH’s quicklime is produced is rock, not shell-sand like that of the applicant. The chemical composition of CMM-TH’s quicklime is different. These differences give CMM-TH’s customers a non-price based incentive to purchase Chememan brand quicklime.

It is also noted that given the “shell sand” nature of the Australian industry applicant’s resource it does not and cannot produce quicklime in *lump* or *aggregate* forms. On that basis alone it is requested that those forms of quicklime should be excluded from the scope of this investigation.

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

Goods exported to Australia during the investigation period were [CONFIDENTIAL TEXT DELETED – details of goods exported]

Attachments 14 and 15 - Certificates of Analysis [CONFIDENTIAL ATTACHMENTS] show chemical properties and physical size of [CONFIDENTIAL TEXT DELETED – details of goods exported] quicklime (examples of Australian sales).

- C-2** List each type of goods exported to Australia (these types should cover all types listed in spreadsheet “**Australian sales**” – see section B of this questionnaire).

Please see question C-1 above together with the details in the Attachment 8 - Australian Sales and Domestic Sales worksheets [CONFIDENTIAL ATTACHMENT].

The ERP product code reported under the field “Product Code” is organized as follows:  
[CONFIDENTIAL TEXT DELETED – details of goods exported and internal product codes]

Almost all goods exported to Australia were packed in [CONFIDENTIAL TEXT DELETED – details of goods exported]

- C-3** If you sell like goods on the domestic market, for each type that your company has exported to Australia during the investigation 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 – see explanation in glossary) are not identical to goods exported to Australia.

| EXPORTED TYPE   | DOMESTIC TYPE   | IDENTICAL?  | DIFFERENCES  |
|---|---|---|--|
| Product code of each model of the goods exported to Australia                       | Product code of comparable model sold on the domestic market of the country of export | If goods are identical indicate "YES". Otherwise "NO" | Where the good exported to Australia is not identical to the like goods, describe the specification differences. If it is impractical to detail specification differences in this table refer to documents which outline differences |
| [CONFIDENTIAL TEXT DELETED – details of goods exported and goods sold domestically] |   |   |  |

|               |  |
|---------------|--|
| <b>Notes:</b> |  |
| <b>1</b>      | Regarding the quicklime [CONFIDENTIAL TEXT DELETED – details of goods]:<br>(a) [CONFIDENTIAL TEXT DELETED – details of goods exported]<br>(b) [CONFIDENTIAL TEXT DELETED – details of domestic goods]<br>(c) [CONFIDENTIAL TEXT DELETED – comparisons of export and domestic goods indicating details of goods]  |
| <b>2</b>      | Regarding the quicklime [CONFIDENTIAL TEXT DELETED – details of goods]:<br>(a) CaO concentration of 90% is CMM-TH's "standard" domestic market concentration. Two factors impact on the ability to achieve such a concentration. The first is the quality of the resource to start with. The second is the production process in the kiln. [CONFIDENTIAL TEXT DELETED – product and market details] The market specification in Thailand is "available CaO" rather than "total CaO". See Attachment 18 - Chememan standard specification [CONFIDENTIAL ATTACHMENT].<br>(b) In the Australian market, CaO concentration of 90% in Australia is typically quoted as a "total CaO" specification. Total CaO of 90% usually equates to +/- 85% available CaO. CMM-TH maintains that the calcium content of shell sand is less than that of a good limestone rock resource. [CONFIDENTIAL TEXT DELETED – production details] only if the starting CaO concentration is at a high level. Shell sand has a higher level of impurities such as magnesium, silica and Fe <sub>2</sub> O <sub>3</sub> . High impurity means lower CaO content and therefore lower available CaO. |
| <b>3</b>      | Lastly, CMM-TH notes that packing differences as shown on the table are not relevantly product specification differences.  |

**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.

Attachments 16 and 17 – Certificates of Analysis [CONFIDENTIAL ATTACHMENTS] show chemical properties and physical size of [CONFIDENTIAL TEXT DELETED –

details of domestic goods] quicklime (examples of domestic sales).

## SECTION D DOMESTIC SALES

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

*All domestic sales made during the investigation period must be listed transaction by transaction. If there is an extraordinarily large volume of sales data and you are unable to provide the complete listing electronically you **must** contact the case officer **before** completing the questionnaire. If the case officer agrees that it is not possible to obtain a complete listing he or she will consider a method for sampling that meets the Commission 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 investigation 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 investigation period.*

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

### D-1 Provide:

- a detailed description of your distribution channels to domestic customers, including a diagram if appropriate;

CMM-TH has [CONFIDENTIAL TEXT DELETED – customer and marketing details]. They are typified by small order size, selling effort, packing variety, and admin/logistics complexity.

[CONFIDENTIAL TEXT DELETED – commercial arrangements]

- information concerning the functions/activities performed by each party in the distribution chain; and

CMM-TH negotiates and agrees the price with the customers. Sales are in a variety of forms in terms of packing, credit terms and delivery terms. CMM-TH makes sales [CONFIDENTIAL TEXT DELETED – trading terms]. For delivered sales, CMM-TH may utilise [CONFIDENTIAL TEXT DELETED – commercial arrangements re freight].

- a copy of any agency or distributor agreements, or contracts entered into.

[CONFIDENTIAL TEXT DELETED – commercial arrangements]

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.

[CONFIDENTIAL TEXT DELETED – customer details]

- 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.

Price would vary depending on the distribution channel. [CONFIDENTIAL TEXT DELETED – commercial arrangements]

- 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

CMM-TH negotiates and agrees to the terms of sales with all of its domestic customers.

For certain customers, price is agreed on [CONFIDENTIAL TEXT DELETED – trading terms]

For some customers, CMM-TH entered into [CONFIDENTIAL TEXT DELETED – commercial arrangements]

For other customers, CMM-TH may not enter into formal sales agreements with them but the parties nevertheless may agree to [CONFIDENTIAL TEXT DELETED – commercial arrangements]. These arrangements are usually made by means of sales quotation issued by CMM-TH and accepted by the customers.

CMM-TH makes sales on [CONFIDENTIAL TEXT DELETED – trading terms].

Most domestic sales [CONFIDENTIAL TEXT DELETED – commercial arrangements] sales to some customers are made on [CONFIDENTIAL TEXT DELETED – trading terms].

- whether price includes the cost of delivery to customer.

Invoice price includes the cost of delivery if CMM-TH sold the goods on delivered basis.

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

[CONFIDENTIAL TEXT DELETED – internal price setting]

- D-4** Prepare a spreadsheet named “**domestic sales**” listing **all** sales of like goods made during the investigation period. The listing must be provided on a CD-ROM. Include all of the following information.

| 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/grade/type   | commercial model/grade or type of the goods  |
| Product code   | code used in your records for the model/grade/type of the goods identified. Explain the product codes in your submission.  |
| Quicklime content  | the percentage of calcium oxide in the product   |
| 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 number if you have shown a date other than invoice date as being the date of sale.   |
| Delivery terms   | e.g. ex-factory, free on truck, delivered into store   |
| Payment terms  | payment terms agreed with the customer e.g. 60 days=60 etc   |
| Quantity   | quantity in units shown on the invoice e.g. 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 and   | warranty & guarantee expenses  |



|  |   |
|--|---|
| guarantee expenses*                      |   |
| Technical assistance and 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*                           | <b>any other</b> costs, charges or expenses incurred in relation to the domestic sales (include additional columns as required). See question D5. |

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

**The requested data is provided in Attachment 8 - Domestic Sales worksheet. [CONFIDENTIAL ATTACHMENT]**

- 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.

**CMM-TH has separately identified some indirect selling expenses as being “domestic” or “export” for allocation purposes. The different indirect selling expenses per MT are reflected in the Australian CTMS and Domestic CTMS worksheets.**

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

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

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

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

**[CONFIDENTIAL TEXT DELETED – commercial arrangements]**

**For other sales adjustments, please note the following regarding the fields [CONFIDENTIAL TEXT DELETED – internal accounting principle] in the Attachment 8 - Domestic Sales worksheet [CONFIDENTIAL ATTACHMENT]:**

**[CONFIDENTIAL TEXT DELETED – commercial arrangements with individual customers]**

- D-7** Select two domestic sales, in different quarters of the investigation period, that are at the same level of trade as the export sales. Provide a complete set of

documentation for those two sales. (Include, for example, purchase order, order acceptance, commercial invoice, discounts or rebates applicable, credit/debit notes, long or short term contract of sale, inland freight contract, bank documentation showing proof of payment.)

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

**The requested documents are provided in Attachments 19 and 20 – Domestic Sales documents [CONFIDENTIAL ATTACHMENTS].**

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

### **E-1 Costs associated with export sales**

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

#### **1. Transportation**

*Explain how you have quantified the amount of inland transportation associated with the export sale ("**Inland transportation costs**"). Identify the general ledger account where the expense is located. If the amount has been determined from contractual arrangements, not from an account item, provide*

details and evidence of payment.

In the field "Inland transportation" in question B-4 above CMM-TH reported trucking cost of delivering quicklime in bags from its factory to Container Freight Station near container port.

CMM-TH reviewed the actual expenses incurred for each export shipment and reported the expenses under this field. Inland transportation expenses incurred on export sales are captured in the GL [CONFIDENTIAL TEXT DELETED – number] Truck Transportation - Outsource (QL product). Ocean freight expense incurred are in the GL [CONFIDENTIAL TEXT DELETED – number] Freight.

## 2. Handling, loading and ancillary expenses

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

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

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

In the field "Handling and other" in question B-4 above CMM-TH reported [CONFIDENTIAL TEXT DELETED – commercial arrangements]

CMM-TH reviewed the actual expenses incurred for each export shipment and reported the expenses under this field. Handling expenses are captured in the following GL accounts:

[CONFIDENTIAL TEXT DELETED – internal accounting principles]

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

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

[CONFIDENTIAL TEXT DELETED – commercial arrangements] The averaged Baht short-term interest rate is provided at Attachment 21 – Short Term Interest Rate [CONFIDENTIAL ATTACHMENT].

#### 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’**.

In its normal course of business, CMM-TH calculates the packing costs by packing product code. Packing costs consist of [CONFIDENTIAL TEXT DELETED – identification of costs].

[CONFIDENTIAL TEXT DELETED – identification of costs and methodology]

#### 5. Commissions

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

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

Report the amount in the sales listing in question B-4 under the column headed **“Commissions”**. Identify the general ledger account where the expense is located.

[CONFIDENTIAL TEXT DELETED – commercial arrangements]

#### 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.

[CONFIDENTIAL TEXT DELETED – commercial arrangements]

#### 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.

Please refer to response to question D-5.

**8. Currency conversions**

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

**No sustained currency movement of the type referred to was evident over the investigation period.**

**E-2 Costs associated with domestic sales**

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

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

**1. Physical characteristics**

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

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

The adjustment is based upon actual physical differences in the goods being compared and upon the manufacturing cost data. Identify the physical differences between each model. State the source of your data.

**See CMM-TH response to C-3 above.**

**2. Import charges and indirect taxes**

If exports to Australia:

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

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

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

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

In substantiating the drawback claim the following information is required:

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

#### Substitution drawback systems

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

If such a scheme operates in the country of export adjustments can also be made for the drawback payable on the substituted domestic materials, provided the total amount of the drawback does not exceed the total duty paid.

**All prices and costs have been reported on VAT exclusive basis. [CONFIDENTIAL TEXT DELETED – commercial arrangements]**

### **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.

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

The information needs to establish that there are real trade level differences, not merely nominal differences. Real trade level differences are characterised

by a consistent pattern of price differences between the levels and by a difference in functions performed. If there is no real trade level differences all sales are treated as being at the same level of trade.

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

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

This requires the following information:

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

or

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

**CMM-TH maintains that in the case of a domestic sales-based normal value there would need to be a level of trade adjustment applied. [CONFIDENTIAL TEXT DELETED – commercial arrangements]**

#### 4. Credit

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

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

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

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

Where there is no fixed credit period agreed at the time of sale the period of credit is determined on the facts available. For example, where payment is made using an open account system<sup>1</sup>, the average credit period may be determined as follows:

1. *Calculate an accounts receivable turnover ratio*

This ratio equals the total credit sales divided by average accounts receivable.

(It is a measure of how many times the average receivables balance is converted into cash during the year).

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

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

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

2. *Calculate the average credit period*

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

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

[CONFIDENTIAL TEXT DELETED – commercial arrangements]

The averaged Baht short-term interest rate is provided at Attachment 21 – Short Term Interest Rate [CONFIDENTIAL ATTACHMENT].

*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

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<sup>1</sup> 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.

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.

**CMM-TH reported as follows:**

[CONFIDENTIAL TEXT DELETED – commercial arrangements]

Inland transportation expenses incurred on domestic sales are captured in the GL [CONFIDENTIAL TEXT DELETED – number] Truck Transportation -Outsource (QL product) and [CONFIDENTIAL TEXT DELETED – number] Truck Transportation-Logistic (Selling EXP).

## 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.

**CMM-TH reported as follows:**

- [CONFIDENTIAL TEXT DELETED – commercial arrangements]

Handling expenses incurred on domestic sales are captured in the GL [CONFIDENTIAL TEXT DELETED – number]4 Lift on/off and GL [CONFIDENTIAL TEXT DELETED – number] Barge/Lighter Transportation and [CONFIDENTIAL TEXT DELETED – number] Logistics Expenses – Other.

## 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**”.

Please refer to question E-1(4).

## 8. Commissions

For any commissions paid in relation to the domestic sales:

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

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

[CONFIDENTIAL TEXT DELETED – commercial arrangements]

## 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.

[CONFIDENTIAL TEXT DELETED – commercial arrangements]

#### 10. Other factors

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

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

Please refer to response to question D-5 relating to selling expenses.

CMM-TH reserves the right to present any additional adjustment claims as may be identified up to the time of the close of the verification.

### E-3 Duplication

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

For example:

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

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.

CMM-TH is not aware of any duplication in the adjustments presented.

## SECTION F

### EXPORT SALES TO COUNTRIES OTHER THAN AUSTRALIA (THIRD COUNTRY SALES)

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

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

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

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

Supply this information in spreadsheet file named "Third country".

**The requested data is reported in Attachment 8 - Third Country worksheet [CONFIDENTIAL ATTACHMENT].**

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

**Prices in sales to different markets and to different customers in those markets vary depending on market circumstances, terms of trade (including freight terms), mix of**

customers, volume, etc. It is not possible to identify and account for all differences in sales to third countries that would affect their comparison with export sales to Australia.

It is anticipated that normal value determination for comparison with export prices to Australia can be undertaken on the basis of the information provided in this EQ response without reference to third country export sales.

## SECTION G

### COSTING INFORMATION AND CONSTRUCTED VALUE

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

- *testing the profitability of sales of like goods on the domestic market;*
- *determining a constructed normal value of the goods under consideration (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 (the 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 (e.g. non-operating expenses not included elsewhere) associated with the goods.*

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

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

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

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

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

#### G-1. Production process and capacity

1. Describe the production process for the 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.

**The production process and facilities of CMM-TH are as follows:**

- (a) **Tabkwang limestone quarry and crushing plant - [CONFIDENTIAL TEXT DELETED – production details]**
- (b) **Prabuddhabaht kilns, hammer mill and grinding mill [CONFIDENTIAL TEXT DELETED – production details]**
- (c) **Kangkoi kilns and [CONFIDENTIAL TEXT DELETED – production details]**
- (d) **Rayong hydrated lime production facility - [CONFIDENTIAL TEXT DELETED – production details]**

- (e) Scrap/by-products - no "scrap" is generated in the production processes. As previously mentioned, two by-products are generated in the production of quicklime, namely mixed soil and lime dust.

**G-2. Provide information about your company's total production in the following table:**

|  | PREVIOUS<br>FINANCIAL YEAR | MOST RECENT<br>FINANCIAL YEAR | INVESTIGATION<br>PERIOD |
|--|----------------------------|-------------------------------|-------------------------|
| A – Production capacity<br>(e.g. kg, tonnes)*        |                            |                               |                         |
| B – Actual production in<br>volume (e.g. kg, tonnes) |                            |                               |                         |
| C – Capacity utilisation (%)<br>(B/A x 100)          |                            |                               |                         |

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

Provide this information on a spreadsheet named "**Production**".

**CMM-TH has provided the requested information in Attachment 8 – Production worksheet [CONFIDENTIAL ATTACHMENT].**

**G-3. Cost accounting practices**

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

**CMM-TH calculated the cost of production for each of the following processes:**

- TK limestone mining and crushing plant – [CONFIDENTIAL TEXT DELETED – production details/internal accounting]**
- PBB factory including quicklime kilns, hammer and grinding mills – [CONFIDENTIAL TEXT DELETED – production details/internal accounting]**
- KK factory including quicklime kilns, hammer mill– [CONFIDENTIAL TEXT DELETED – production details/internal accounting]**

**The costing is undertaken as follows:**

- First, CMM-TH calculates [CONFIDENTIAL TEXT DELETED – internal accounting].**
- [CONFIDENTIAL TEXT DELETED – product details/internal accounting]**
- At each process, CMM-TH calculates [CONFIDENTIAL TEXT DELETED – internal accounting]**

- 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.

CMM-TH calculated [CONFIDENTIAL TEXT DELETED – internal accounting]

For the purposes of this response, CMM-TH reported [CONFIDENTIAL TEXT DELETED – internal accounting]

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

The production cost of quicklime [CONFIDENTIAL TEXT DELETED – degree] run-time of machinery and the actual cost of energy. [CONFIDENTIAL TEXT DELETED – internal accounting]. CMM-TH captured and reported [CONFIDENTIAL TEXT DELETED – internal accounting]

- 4 Describe the profit/cost centres in your company's cost accounting system.

Please see Attachment 23 – Profit/Cost Centres [CONFIDENTIAL ATTACHMENT].

- 5 For each profit/cost centre describe in detail the methods that your company normally uses to allocate costs to the goods under consideration. 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.

- (a) Direct cost centres - as discussed above, the direct cost centers for all products include:  
[CONFIDENTIAL TEXT DELETED – internal accounting]  
Expenses incurred and related to the above direct cost centres are charged directly to each of these cost centres. Common expenses [CONFIDENTIAL TEXT DELETED – internal accounting] which cannot be directly attributed to these direct cost centres are allocated to them.
- (b) Allocation of common expenses at PBB Factory - [CONFIDENTIAL TEXT DELETED – internal accounting]
- (c) Allocation of common expenses at KK - [CONFIDENTIAL TEXT DELETED – internal accounting]

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

In its normal course of business, CMM-TH calculated [CONFIDENTIAL TEXT DELETED – product details/internal accounting]

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

CMM-TH costing accounting is an integrated part of its financial accounting system. [CONFIDENTIAL TEXT DELETED – internal accounting] is used to value cost of goods sold and cost of ending inventory of each month.



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

There was no start-up operation during the IP. [CONFIDENTIAL TEXT DELETED – production details]

- 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.

See response to G-3.8 above.

#### G-4 Cost to make and sell on domestic market

*This information is relevant to testing whether domestic sales are in the ordinary course of trade.<sup>2</sup>*

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

CMM-TH provides actual unit cost to make and sell in Baht/MT [CONFIDENTIAL TEXT DELETED – product details] during the investigation period, by quarter, in Attachment 8 - Domestic CTMS worksheet [CONFIDENTIAL ATTACHMENT].

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

---

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

|  | Quarter X | Quarter X | Quarter X | Quarter X |
|--|-----------|-----------|-----------|-----------|
| <b>Like Domestic Model/Type –<br/>from spreadsheet LIKE GOOD<br/>(section C-3)</b> |           |           |           |           |
| Material Costs <sup>1</sup>  |           |           |           |           |
| Direct Labour  |           |           |           |           |
| Manufacturing Overheads  |           |           |           |           |
| Other Costs <sup>2</sup>   |           |           |           |           |
| <b>Total Cost to Make</b>  |           |           |           |           |
| Selling Costs  |           |           |           |           |
| Administration Costs   |           |           |           |           |
| Financial Costs  |           |           |           |           |
| Delivery Expenses <sup>3</sup>   |           |           |           |           |
| Other Costs <sup>3</sup>   |           |           |           |           |
| <b>Unit Cost to Make and Sell</b>  |           |           |           |           |

Prepare this information in a spreadsheet named "**Domestic CTMS**".

<sup>1</sup> Identify each cost separately. Include indirect material costs as a separate item only if not included in manufacturing overheads. Please clearly specify the source of energy (e.g. natural gas) and the price.

<sup>2</sup> Relating to costs of production only; identify each cost separately.

<sup>3</sup> Identify each cost separately. Please ensure non-operating expenses **that relate to the goods under consideration** are included. Where gains/losses due to foreign currency exchange are incurred, please provide detail of the amounts separately for transaction and translation gains/losses.

*Provide this information for each quarter (or month if your company calculates costs on a monthly basis) over the period of the investigation.*

*Provide the information broken down into fixed and variable costs, and indicate the % total cost represented by fixed costs.*

*If you are unable to supply this information in this format, please contact the case officer for this investigation at the address shown on the cover of this questionnaire.*

*Please specify unit of currency.*

- |     |   |
|-----|---|
| (a) | The "Cost to Make" of [CONFIDENTIAL TEXT DELETED – product details] in the Domestic CTM worksheet was taken from the actual cost of manufacturing (excluding packing cost) of these models maintained in the normal course of business. |
| (b) | Packing cost of the same product varies significantly whether the product is shipped in bulk or in different types of bags. CMM-TH also reported packing cost for each domestic and export sale under the field "Packing cost".         |

|  |   |
|--|---|
| Presenting cost to make, excluding packing, in the Domestic CTMS and Australian CTMS worksheets eliminates the cost difference due to packing in otherwise the same product. |   |
| (c)  | CMM-TH made the following adjustments to the reported cost to make in order to derive the cost to make and sell.<br>[CONFIDENTIAL TEXT DELETED – internal accounting] |

### G-5 Cost to make and sell goods under consideration (goods exported to Australia)

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

|   | Quarter X | Quarter X | Quarter X | Quarter X |
|---|-----------|-----------|-----------|-----------|
| <b>Model/Type exported to Australia – from spreadsheet LIKEGOOD</b> |           |           |           |           |
| Material Costs <sup>1</sup>   |           |           |           |           |
| Direct Labour   |           |           |           |           |
| Manufacturing Overheads   |           |           |           |           |
| Other Costs <sup>2</sup>  |           |           |           |           |
| <b>Total Cost to Make</b>   |           |           |           |           |
| Selling Costs   |           |           |           |           |
| Administration Costs  |           |           |           |           |
| Financial Costs   |           |           |           |           |
| Delivery Expenses <sup>3</sup>                                      |           |           |           |           |
| Other Costs <sup>3</sup>  |           |           |           |           |
| <b>Unit Cost to Make and Sell</b>                                   |           |           |           |           |

Prepare this information in a spreadsheet named "**Australian CTMS**".

<sup>1</sup> Identify each cost separately. Include indirect material costs as a separate item only if not included in manufacturing overheads. Please clearly specify the source of energy (e.g. natural gas) and the price.

<sup>2</sup> Relating to costs of production only; identify each cost separately.

<sup>3</sup> Identify each cost separately. Please ensure non-operating expenses **that relate to the goods** are included. Where gains/losses due to foreign currency exchange are incurred, please provide detail of the amounts separately for transaction and translation gains/losses.

*Provide this information for each quarter (or month if your company calculates costs on a monthly basis) over the period of the investigation.*

Provide the information broken down into fixed and variable costs, and indicate the % total cost represented by fixed costs.

If you are unable to supply this information in this format, please contact the case officer for this investigation at the address shown on the cover of this questionnaire.

Please specify unit of currency.

CMM-TH provides actual unit cost to make and sell in Baht/MT of [CONFIDENTIAL TEXT DELETED – product details] during the investigation period, by quarter, in Attachment 8 - Australian CTMS worksheet [CONFIDENTIAL ATTACHMENT].

- 1 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.

[CONFIDENTIAL TEXT DELETED – product details]

Please refer to Section C and Section E-2 for comparison and cost details.

- 2 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.

As discussed above, the reported cost to make was taken from the actual cost of manufacturing (excluding packing cost) of these models maintained in the normal course of business.

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

Please refer to the discussion in G-4(2) above.

## G-6 Major raw material costs

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

The raw materials and other inputs comprising more than 10% of the total production cost are:

[CONFIDENTIAL TEXT DELETED – production details]

For these major inputs:

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

- |     |   |
|-----|---|
| (a) | [CONFIDENTIAL TEXT DELETED – information about associated entities]   |
| (b) | The suppliers and basis of valuing the major inputs are as follows:<br>[CONFIDENTIAL TEXT DELETED – production details] |

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

**Important note: If the major input is sourced as part of an integrated production process you should provide detailed information on the full costs of production of that input.**

|   |
|---|
| [CONFIDENTIAL TEXT DELETED – information about associated entities] |
|---|

**SECTION H**  
**EXPORTER'S DECLARATION**



I hereby declare that Chememan Company Limited (company) did, during the period of investigation export the goods under consideration and have completed the attached questionnaire and, having made due inquiry, certify that the information contained in this submission is complete and correct to the best of my knowledge and belief.



I hereby declare that ..... (company) did not, during the period of investigation, export the goods under consideration and therefore have not completed the attached questionnaire.

**Name:**

.....

**Signature:**

.....

**Position in Company:**

.....

## SECTION I CHECKLIST

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

| Section                                | Please tick if you have responded to all questions |
|--|--|
| Section A – general information        | <input checked="" type="checkbox"/>                |
| Section B – export price               | <input checked="" type="checkbox"/>                |
| Section C – like goods                 | <input checked="" type="checkbox"/>                |
| Section D – domestic price             | <input checked="" type="checkbox"/>                |
| Section E – fair comparison            | <input checked="" type="checkbox"/>                |
| Section F – exports to third countries | <input checked="" type="checkbox"/>                |
| Section G – costing information        | <input checked="" type="checkbox"/>                |
| Section H – declaration                | <input checked="" type="checkbox"/>                |

| Electronic Data  | Please tick if you have provided spreadsheet |
|--|--|
| <b>INCOME STATEMENT</b>  | <input checked="" type="checkbox"/>          |
| <b>TURNOVER</b> – sales summary                                  | <input checked="" type="checkbox"/>          |
| <b>AUSTRALIAN SALES</b> – list of sales to Australia             | <input checked="" type="checkbox"/>          |
| <b>DOMESTIC SALES</b> – list of all domestic sales of like goods | <input checked="" type="checkbox"/>          |
| <b>THIRD COUNTRY</b> – third country sales                       | <input checked="" type="checkbox"/>          |
| <b>PRODUCTION</b> – production figures                           | <input checked="" type="checkbox"/>          |
| <b>DOMESTIC COSTS</b> – costs of goods sold domestically         | <input checked="" type="checkbox"/>          |
| <b>AUSTRALIAN COSTS</b> – costs of goods sold to Australia       | <input checked="" type="checkbox"/>          |

## LIST OF ATTACHMENTS

| No. | Description   | Confidential/Non-confidential |
|-----|---|-------------------------------|
| 1   | Corporate Structure and Affiliation   | Confidential                  |
| 2   | Organisation Chart  | Confidential                  |
| 3   | Company Brochure  | Non-Confidential              |
| 4   | Chart of Accounts   | Confidential                  |
| 5   | CMM-TH 2014 audited financial statements                                    | Confidential                  |
| 6   | CMM-TH 2015 audited financial statements                                    | Confidential                  |
| 7   | Internal Financial Report   | Confidential                  |
| 8   | Exporter Questionnaire worksheets   | Confidential                  |
| 9   | Export Sales and Distribution Chart   | Confidential                  |
| 10  | [CONFIDENTIAL TEXT DELETED – commercial arrangements]                       | Confidential                  |
| 11  | Forward Orders  | Confidential                  |
| 12  | Export Sales documents sample 1   | Confidential                  |
| 13  | Export Sales documents sample 2   | Confidential                  |
| 14  | Certificate of Analysis [CONFIDENTIAL TEXT DELETED – exported product type] | Confidential                  |
| 15  | Certificate of Analysis [CONFIDENTIAL TEXT DELETED – exported product type] | Confidential                  |
| 16  | Certificate of Analysis [CONFIDENTIAL TEXT DELETED – domestic product type] | Confidential                  |
| 17  | Certificate of Analysis [CONFIDENTIAL TEXT DELETED – domestic product type] | Confidential                  |
| 18  | Chememan standard specification   | Confidential                  |
| 19  | Domestic Sales documents – sample 1   | Confidential                  |
| 20  | Domestic Sales documents – sample 2   | Confidential                  |
| 21  | Short Term Interest Rate  | Confidential                  |
| 22  | Profit/Cost Centres   | Confidential                  |





# HUMAN Chemical

**Asia's Leader in the Lime Industry**

[www.chememan.com](http://www.chememan.com)

A special publication of the **Bangkok Post**





Steel



Gold



Copper



Aluminium



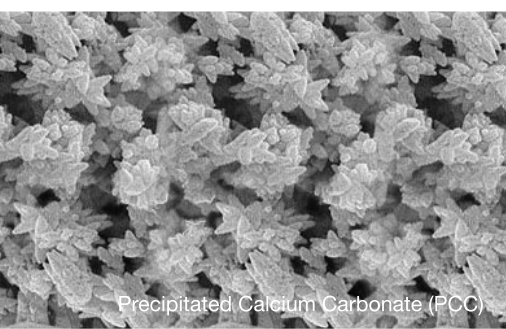
Nickel



Uranium



Pulp & Paper



Precipitated Calcium Carbonate (PCC)



Sugar



Human Chemical = Chemicals for Mankind



Desalination Plant



Flue Gas Treatment



Specialty Fiber Glass



Food Additives



Bioplastics



Glass & Bottles



Animal Feed



Agriculture



Construction Materials



# Chememan: Asia's leader in the lime industry

Founded in 2003 by a group of professionals with proven track records of achievements in industrial development, Chememan's business model encompasses creating a mineral and chemical company that transforms natural resources into basic chemicals, specialty chemicals, and synthetic products.

Chememan's current operations serve markets in Asia, Australia and Africa. Throughout the years, the company has been well

recognised as a leader in the lime industry in Asia. In order to strengthen its position, Chememan continues to expand both horizontally and vertically to various locations in Thailand, as well as in other countries, ultimately to become a leading player in the global lime industry. As a fully integrated lime and lime-related producer, Chememan targets to reach annual production capacity of 1 million MT by 2017, which would place it among the top 10 lime producers in the world.

## Chememan team



Human resources has by far been Chememan's greatest asset. The company is fortunate to have personnel who are deeply passionate about their work. They deploy their experience, skills, and enthusiasm to ensure that customers' satisfaction and expectations are met. As part of its people strategy, Chememan embraces trust, teamwork, diversity, and affiliation with its team and ensures that its people and the company mutually benefit from the relationship. Chememan believes that its people are the key engine that drives the company forward toward its goals.



## Where we operate

### THAILAND

#### Tubkwang, Saraburi

With current mineable reserves of 70 million MT, Chememan's quarry at Tubkwang provides a large volume of reliable and consistently high-quality chemical-grade limestone for quicklime production. At the quarry, Chememan also has a limestone crushing plant with an annual production capacity of 2 million MT.

#### Kangkoi, Saraburi

Chememan's mineral dressing plant at Kangkoi produces different grades and sizes of limestone powder with an annual capacity of over 120,000 MT. The limestone is precisely milled to meet each customer's requirements.

Currently, Chememan operates two quicklime kilns at Kangkoi, equipped with state-of-the-art technology, with a combined annual production capacity of over 150,000 MT. With its close proximity to Tubkwang quarry, the company has expansion projects planned for this site with an expected annual quicklime production capacity of 500,000 MT.

#### Prabuddhabaht, Saraburi

The plant at Prabuddhabaht hosts two gas-firing vertical shaft kilns with an annual quicklime production capacity of 350,000 MT, making it the largest plant of its kind in Southeast Asia. The site currently hosts large silos and warehouses with grinding mills, making it the company's most well equipped production facility serving the export market.

#### Rayong

With growing demand, Chememan at Rayong was recently established to manufacture hydrated lime products to serve domestic as well as international customers. The plant currently has an annual production capacity of over 70,000 MT and is located in Amata City Industrial Estate, only 35 km away from Laem Chabang Port, which provides logistics efficiency for the company's export sales. Provided with this advantage, the company has planned for the second phase of operations with

the same production capacity to commence sometime between 2015 and 2016.

### OVERSEAS

#### Australia (Chememan Australia Pty Ltd)

To serve markets in a strategic location, Chememan Australia Pty Ltd was established as a subsidiary in Henderson to be the group's first distribution center located in Western Australia. This distribution center will strengthen and improve supply chain efficiency for customers.

#### Vietnam (Northman Company Limited)

Located in Haiphong, a port city of Vietnam, Northman Co., Ltd. originally served as a trading company involved in the import/export of lime products. Apart from its trading business, Northman is now actively involved in quicklime processing activities. The company plans to start-up its processing plant in 2014.

#### Singapore (Chememan International Pte. Ltd.)

Chememan International Pte. Ltd. is a trading company involved in the import/export of quicklime and related products. Owing to its excellent location, Chememan International has enhanced sea-going logistics management for customers and Chememan Group as a whole.

### FUTURE OPERATIONS

In addition to today's operations, Chememan aims to expand its production base in Thailand's neighbouring countries, Laos, Myanmar, Malaysia, Indonesia and others, as well as building distribution centre networks in India and Africa, which would enable it to efficiently and effectively serve markets on three continents. With its passion to grow, Chememan firmly believes that this business approach is a giant step forward to becoming one of the top 10 players in the world.

## Our products and applications

Though not many people are accustomed to lime, it has been an essential commodity in the world for a very long time. In the distant past, lime was used primarily in construction to plaster the pyramids at Giza, the Parthenon in ancient Greece and many other historic sites throughout civilisation. Science and technology breakthroughs, however, have made lime and lime related products extensively used in a wide range of industries for many different applications, including mining and heavy industrial, agricultural, environmental and even as raw materials for consumer products we see and use in our daily lives.

Lime production begins with extraction of **chemical grade limestone (CaCO<sub>3</sub>)** from quarries or mines. Selected limestone is then heated at high temperature in the calcination process, where, through chemical reaction, it transforms into

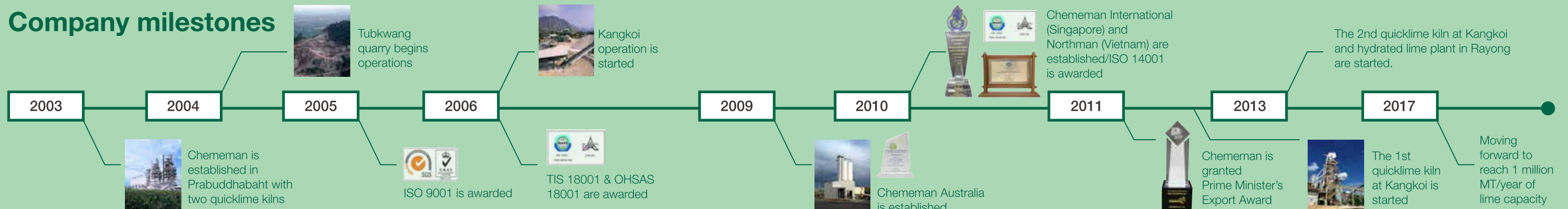
**quicklime (CaO)**. Quicklime can then further be processed into **hydrated lime (Ca(OH)<sub>2</sub>)** through a hydration process.

It is not too difficult to see that our lives and lime are intertwined. If we pay attention, we would see that lime is involved everywhere we go, in the air we breathe, in the food we eat, and in the homes we live in. It is so fundamentally rooted that we probably cannot go a day without interacting with any objects or substances directly or indirectly produced by manufacturing processes requiring lime and lime-related products. From the moment we wake up in the morning, we find ourselves in a house made of concrete blocks, steel, glass, wiring with copper, etc. We grab our breakfast sweetened by sugar and may see a cup of coffee made from biodegradable materials. We travel to work in car made from steel and aluminium, perform our daily



work using lots of paper and other stationery and dress up in gold for the evening. We complete many other activities which to a greater or lesser degree bring us into contact with materials made with or produced with lime or lime-related products. It is beyond imagination how we as human beings could live without it. Therefore, Chememan believes that the phrase "**Human Chemical**" is the perfect definition of lime and the lime-related products it offers.

## Company milestones





Where there is change, there is also opportunity



What the world will look like 30 years from now is a very big question. It is predicted that by 2040 the world population will reach 9 billion people with rising expectations. Around 70% of the population will move into cities to look for a better quality of life. Global hunger for food, water and energy will reach crisis proportions, where many will live in extreme

poverty and undernourished. The concern is not about how we will live our lives in the next 30 years but what we all can do today to cope with the change that has already started taking shape.

Based on the outlook, we shall see a changed world shifting toward cleaner energy sources, an environmental-friendly production

process, plus fuel-efficient vehicles, appliances and buildings – all undoubtedly impacting our lives. New, robust technology will continuously be explored to expand economic prosperity and help support sustainable of energy.

This outlook has drawn responses from corporates like Chememan. As a company that takes its business and the community seriously for the long run, Chememan has to keep pace with changing environmental priorities. Chememan believes that it has been moving in the right direction. Many of its products are not only building blocks of modern industry but help protect and regain our natural environment. No matter how the world will develop, lime and lime-related products will continue to play a vital role to enhance the well-being of people in the world.

To Chememan, change always means an opportunity to be better. Chememan has become expert in what it does and steps forward to do business on a global scale. With the evolution of energy and technology, Chememan continuously looks ahead to effectively adapt to a new challenge and to scale it up to be at the forefront in enabling higher living standards and creating better lifestyles for all people.

Our promise

Since its inception, Chememan has gained trust from all stakeholders in delivering the right products and excellent services. Today, the company has become the undisputed regional leader in the lime industry and enjoys a high level of recognition among world-class customers; many of which have developed into the company’s long-term partners. Chememan believes that its success has not come only from its high quality limestone supply, clean fuel and manufacturing expertise, but is also attributed to engaging the passion of its people and promoting continuous improvement as its corporate philosophy, together with being committed to the communities where it operates.

With great concern for the environment, Chememan employs the best available production techniques to improve efficiency and ensure sustainability of natural resources as much as possible. The company also contributes to local communities that are homes to its production sites by being



actively involved in supporting social and environmental programs to strengthen the communities and attempting to enrich the lives of people in every possible way. Because Chememan believes that synergy between the company, its people, and the community is one of its key success factors.

Chememan is committed to creating

a safe, enjoyable and pleasant working environment and making sure its people at all levels have the opportunity to learn and grow with the company in the long run. Chememan has confidence in its people’s abilities and enthusiasm, and will continue to recruit talented candidates to be part of its great team.







# Asia's Leader in the Lime Industry



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