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Received 8 September 2014

QUESTIONNAIRE RESPONSE

of

**PACIFIC PIPE PUBLIC CO.
LTD.**

in relation to

**HOLLOW STRUCTURAL
SECTIONS (HSS)**

from

THAILAND

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: **Pacific Pipe Public Co., Ltd. (Prapadaeng)**

Name: **Miss Sunisa Kwanbunbumphen**
Position in the company: **Business Relations Director**
Address: **298, 298/2 Suksawad Road, Amphur Prasamutjedee, Samutprakarn, Thailand 10290**
Telephone: **[66 2] 679-9059**
Facsimile number: **[66 2] 679-9207**
E-mail address of contact person: **sunisa@pacificpipe.co.th**

Branch Office: **Pacific Pipe Public Co., Ltd. (Lumpini Office)**

Name: **Miss Sunisa Kwanbunbumphen**
Position in the company: **Business Relations Director**
Address: **1168/89 30th Floor, Lumpini Tower, Rama IV Road, Sathorn, Bangkok, Thailand 10120**
Telephone: **[66 2] 679-9059**
Facsimile number: **[66 2] 679-9207**
E-mail address of contact person: **sunisa@pacificpipe.co.th**

Factory:

1. Prapadaeng Plant

Address: **298, 298/2 Suksawad Road, Amphur Prasamutjedee, Samutprakarn, Thailand 10290**
Position: **Production Department**
Telephone: **[66 2] 816-2701, 816-2211, 816-2199**
Facsimile number: **[66 2] 463-9277, 816-2210**
E-mail address of contact person: **sunisa@pacificpipe.co.th**

2. Mahachai Plant 1

Address: **1/112 Samutsakorn Industrial Estate, Moo 2, Rama II Road, Tambon Tasai, Amphur Mueng, Samutsakorn, Thailand 74000**
Position: **Galvanized Steel Pipes Plant, Production Department**
Telephone: **[66 34] 490-139-41**
Facsimile number: **[66 34] 490-090**
E-mail address of contact person: **sunisa@pacificpipe.co.th**

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3. Mahachai Plant 2

Address: **1/97 Samutsakorn Industrial Estate, Moo 2, Rama II Road, Tambon Tasai, Amphur Mueng, Samutsakorn, Thailand 74000**

Position: **Production Department**

Telephone: **[66 34] 490-139-41**

Facsimile number: **[66 34] 490-090**

E-mail address of contact person: **sunisa@pacificpipe.co.th**

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: **Roger D Simpson**
Organisation: **Roger D Simpson & Associates Pty Ltd**
Position: **Consultant**
Address: **Level 1.2 Mercantile Dock,
Port Adelaide SA 5015, Australia**
Telephone: **61 8 8447 3699**
Facsimile: **61 8 8447 2661**
E-mail: **roger@panpac.biz**

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 (eg. company, partnership, sole trader)? Please provide details of any other business names that you use to export and/or sell goods.

Legal Name of Business : Pacific Pipe Public Co., Ltd.

Form of Business : Public 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).

List of major shareholders as of December 27th, 2013

| Name of shareholders | No.of Share | % |
|---|--------------------|--------------|
| 1.Tang Mong Seng Holding Company Limited | 257,762,500 | 39.05 |
| Lekapjpanich Group | 241,454,500 | 36.58 |
| Mrs. Pranee Koowuttayakorn | 13,832,300 | 2.10 |

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| | | |
|---|--------------------|--------------|
| 2. Thai NVDR Company Limited | 25,998,200 | 3.94 |
| 3. Mr. Nantawat Sathirachaiyawit | 5,000,000 | 0.76 |
| 4. Mr. Chuvit Jittarasakul | 3,434,000 | 0.52 |
| 5. Miss Viriya Ampornnapakul | 3,400,000 | 0.52 |
| 6. Mr. Peter Eric Dennis | 3,310,600 | 0.50 |
| 7. Miss Sunisa Kwanbunbumphen | 3,150,000 | 0.48 |
| 8. Mr. Chaikut Chardsakulasak | 2,301,400 | 0.35 |
| 9. Mr. Anurak Bhunsawang | 2,072,000 | 0.31 |
| 10. Mr. Bunjong Yuthong | 2,000,000 | 0.30 |
| Total | 563,715,500 | 85.41 |

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

The principal shareholders of parent company are in the table as follows;

List of major shareholders of group of Tang Mong Seng Holding Co., Ltd. and its founders as of December 27th, 2013

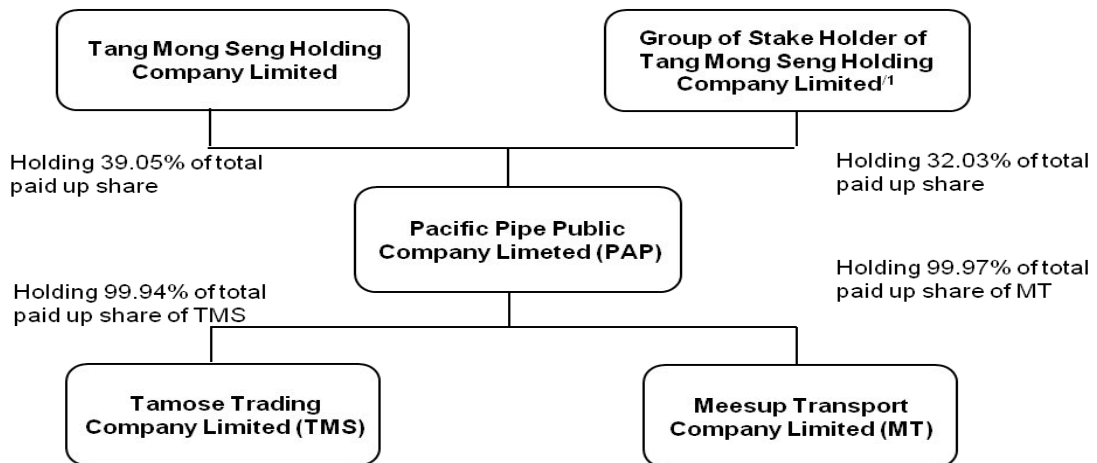
| Name of shareholders | No.of Share | % |
|---------------------------------------|--------------------|--------------|
| 1. Mr.Somchai Leakapojpanich | 54,199,000 | 8.21 |
| 2. Mr.Vichai Lekapojpanich | 49,528,000 | 7.50 |
| 3. Mrs. Sumon Lekapojpanich | 33,750,000 | 5.11 |
| 4. Mr. Prayoon Lekapojpanich | 20,450,000 | 3.10 |
| 5. Mrs. Sukanya Lekapojpanich | 17,902,500 | 2.71 |
| 6. Mrs. Sasidhon Lekapojpanich | 17,812,500 | 2.70 |
| 7. Mrs. Sumalee Lekapojpanich | 17,812,500 | 2.70 |
| 8. Miss Wareeya Lekapojpanich | 15,000,000 | 2.27 |
| 9. Miss Wanalee Lekapojpanich | 15,000,000 | 2.27 |
| 10. Mrs Pranee Koowuttayakorn | 13,832,300 | 2.10 |
| Total | 255,286,800 | 38.68 |

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

N/A

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

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

No

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

Pacific Pipe Public Co., Ltd. is a manufacturer and distributor

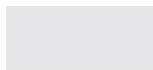
8. If your business does not perform all of the following functions in relation to GUC, then please provide names and addresses of the companies which perform each function:

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

N/A

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



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

| Name | Position |
|----------------------------------|---|
| 1. Pol. Gen. Wichean Potephosree | Chairman |
| 2. Mr.Somchai Lekapojpanich | Vice Chairman and Chief Executive Officer |
| 3. Miss Viriya Ampornapakul | Director, President and the Company Secretary |
| 4. Mr.Somkiat Jitvutthichod | Independent Director and Chairman of Audit Committee |
| 5. Mr.Surin Wanpensakul | Independent Director, Director of Audit Committee and Chairman of Remuneration Nomination and Corporate Committee |
| 6. Mr.Kriengkri Rukkulchon | Independent Director and Director of Remuneration Nomination and Corporate Committee |
| 7. Dr.Somchai Hanhiran | Independent Director and Director of Remuneration Nomination and Corporate Committee |
| 8. Miss Piyanus Chaikajornwat | Independent Director, Director of Audit Committee |
| 9. Mr. Charin Hansuebsai | Independent Director |
| 10. MissSunisa Kwanbunbumphen | Executive Director |
| 11. Miss Thitima Vattanasakdakul | Executive Director |
| Total | |

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

Copy of 2013 Annual Report enclosed

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

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

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Pacific Pipe uses the sales' staff of related company Tamose Trading Co Ltd to sell "standard" pipe in domestic market and pays Tamose a commission (■%) for these services. For the export market, Pacific Pipe is responsible for sales activities and staff of Tamose Trading are used for export document processing, for which Pacific Pipe pays Tamose Trading a commission (■%).

A-4 General accounting/administration information

1. Indicate your accounting period.

1 January to 31 December

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

**1168/74, 30th Fl. Lumpini Tower,
Rama IV Rd., Tungmahamek, Sathorn,
Bangkok, Thailand 10120**

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

- chart of accounts;

Please see attachment A-4

- audited consolidated and unconsolidated financial statements (including all footnotes and the auditor's opinion);

Please see attachment A-4

- 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 GUC.

These documents should relate to:

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

N/A. There are no internal financial statements, income statements or management accounts for the GUC separately.

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

N/A.

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

Pacific Pipe's accounting practices do not differ from the 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 (eg last in first out –LIFO, first in first out- FIFO, weighted average);

████████████████████

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

Actual costs are used. The cost of each plant in each month will be allocated to finished goods produced in each plant by ██████████

████████████████████ **The Company has 3 production plants. This means that all finished goods made from the same plant in the same month will have equal unit production cost.**

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

No value for damaged or sub-standard goods because the production cost is allocated to only good products

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

As for damaged goods.

- valuation and revaluation methods for fixed assets;

The Company records fixed assets by ██████████ **and reviews the valuation to ensure that there is no unused fixed assets every year.**

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

Please refer to note no. 5.6 to the 2013 financial statements.

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

The Company records foreign transaction by using BOT (Bank of Thailand) rate. The foreign exchange gains and losses arising

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from recording by BOT rate and paid transaction by Bank rate. If net gain, it is reported in financial statements as income. If net loss it is recorded as an expense.

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

The Company revalues the foreign exchange gains/losses on balance sheet items every quarter by using BOT (Bank of Thailand) rate. It is reported in financial statements as for transactions above.

- inclusion of general expenses and/or interest;

The Company records general expenses as “Expenses” in financial statements. The Company records interest as “Finance costs” in financial statements.

- provisions for bad or doubtful debts;

According to the Company’s policy, provision for long outstanding accounts receivable over ■ days but less than ■ days is set to be ■% and for that over ■ days is set to be ■% of accounts receivable balance. Reviewing provisions for bad or doubtful debts every quarter, the credit manager comments the revised percentage of provision to accounting department case by case. For example, the customer agreed to pay by instalment.

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

N/A.

- costs of plant closure;

N/A.

- restructuring costs;

N/A.

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

As for damaged goods.

- effects of inflation on financial statement information.

N/A.

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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.

N/A.

A-5 Income statement

Complete the spreadsheet entitled '**Income statement**' within the *HSS Exporter Questionnaire – THAILAND – accompanying spreadsheet* provided alongside this questionnaire.

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

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

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

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

Please refer to attachment A-5

A-6 Sales

Complete the spreadsheet entitled '**Turnover**' within the *HSS Exporter Questionnaire – THAILAND – accompanying spreadsheet* provided alongside this questionnaire.

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

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

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

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

Please refer to attachment A-6.

SECTION B – SALES TO AUSTRALIA (EXPORT PRICE)

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

Export prices are usually assessed at FOB point, but the Commission may also compare prices at another level (e.g. ex factory).

*You should report prices of **all GUC 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 explanation in question B4 below) and;*
- an alternative date should be used when comparing export and domestic prices*

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

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

Name: [REDACTED]

Address: [REDACTED]
[REDACTED]

Contact name and phone/fax number where known;

[REDACTED]
[REDACTED]
[REDACTED]

Trade level (for example: distributor, wholesaler, retailer, end user, original equipment).: [REDACTED]

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

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

To [REDACTED] according to [REDACTED] instruction.

- (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.

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[REDACTED]

Please refer to section A-3.12 concerning commission payable to Tamose Trading in respect of export sales.

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

According to the incoterm of the sale to [REDACTED], ownership passes from Pacific Pipe to [REDACTED]

- (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).

Pacific Pipe does not have any agency or distribution agreements with any company in Australia.

- (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.

- [REDACTED] send the request for quotation. We make the quotation to them which [REDACTED] either accepts or we enter into price negotiation.

- When both of us agree on prices, [REDACTED] place their orders. We issue the Proforma Invoice and send to [REDACTED] to confirm orders [REDACTED]
[REDACTED] There are no price lists.

- [REDACTED] will contact the shipping company and the shipping company will release the shipping schedule to us. After we receive the shipping schedule we arrange shipment according to that schedule.

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

Pacific pipe is not related to its [REDACTED]

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

Please refer to Attachment B-2(g).

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

No, [REDACTED]

- B-4** Complete the spreadsheet entitled ‘**Australian sales**’ within the *HSS Exporter Questionnaire – THAILAND – accompanying spreadsheet* provided alongside this questionnaire.

Please refer to attachment B-4.

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

N/A

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

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

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

There are no discounts, rebates or allowance.

- 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.

N/A

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

N/A

- 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:

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- 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 GUC from factory to Australia, including inland freight contract;
- marine insurance expenses; and
- letter of credit, and bank documentation, proving payment.

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

Please refer to attachment B-9.

SECTION C – EXPORTED GOODS AND LIKE GOODS

- C-1** Fully describe all of the GUC 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.

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

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

As above.

- C-3** If you sell like goods on the domestic market, for each model/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 the GUC exported to Australia.

This should be done by completing the spreadsheet entitled ‘**Like goods**’ within the *HSS Exporter Questionnaire – THAILAND – accompanying spreadsheet* provided alongside this questionnaire, detailing as follows:

Please refer to attachment C-3.

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

Product brochure enclosed.

SECTION D – DOMESTIC SALES

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

*All domestic sales **of like goods to the GUC** 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 Manager **before** completing the questionnaire.*

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

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

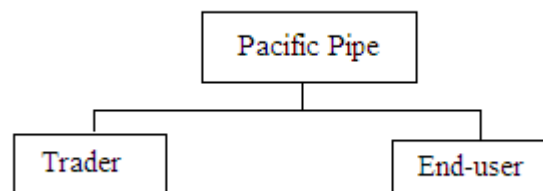
*If, in response to question B4 (Sales to Australia, Export Price), you have reported that the date of sale is not the invoice date and you consider that this alternative date should be used when comparing domestic and export prices you **must** provide information on domestic selling prices for a matching 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 Manager who will explain the information the Commission requires for determining a normal value using alternative methods.

D-1 Provide:

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

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



Note: *There are no agency or distribution contracts with customers.*

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

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Prices do not vary according to distribution channel.

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

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

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

- (a) **Price:** By negotiation based on [REDACTED]
Orders: By phone, fax or email.
Delivery: By truck to customer from Pacific Pipe warehouses or domestic distribution centres.
Invoice: Issued at the time of delivery.
Payment: [REDACTED] according to the terms of the sale.
Terms: Vary from [REDACTED]
- (b) **Price includes the cost of delivery to customers in the Bangkok area. Customers pay separately for delivery to outside the Bangkok area and (delivered) prices are discounted accordingly for deliveries >1mt.**
- (c) **Sales are not in accordance with price lists.**

D-4 Complete the spreadsheet entitled ‘**Domestic sales**’ within the *HSS Exporter Questionnaire – THAILAND – accompanying spreadsheet* provided alongside this questionnaire.

Please refer to attachment D-4

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.

N/A

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.

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Related company Tamose Trading is paid a █% commission in respect of the sales reported in attachment D-4. Section A-3.12 also refers.

There are no rebates. The only discount is that given to customers who separately pay delivery costs. The rate of this discount is THB █/kg.

Amounts reported in attachment D-4 include credit note adjustments.

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.

Please refer to attachment D-7

SECTION E – FAIR COMPARISON

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

Actual amounts paid for delivery from factory to port.
GL account: 61410121

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.

Actual amounts paid for all expenses in getting the goods to FAS port of shipment, ie –

(a) Origin certificate

GL account: 6150200

(b) Customs’ clearance, B/L issue, gate entry fee, Shipping fee, port charge, wharf handling charge.

GL account: 61519900

(c) Inland insurance from factory to Port.

GL account: 61410200

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 eg, 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.

Payment terms are as reported in attachment B-4.

The average short-term borrowing rate for the IP is % pa.

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**’.

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There is no adjustment for packing as packing is the same for domestic sales and exports to Australia, ie [REDACTED] There are no separate costings for domestic and export packing.

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.

Please refer to section A-3.12 concerning the [REDACTED] % commission paid to Tamose Trading.

GL account: 61210300

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.

N/A

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.

N/A

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.

N/A

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 (ie. an amount for selling general and administrative costs (S G & A) plus profit).

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

N/A

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 GUC), 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.

Pacific Pipe receives drawback of import duty paid on imported HRC inherent in HSS exported. This drawback of import duty is included in accounting records as other income and taken into account in determining export prices to Australia and other countries. It is not taken into account in determining domestic prices and therefore affects fair comparison of export prices to Australia and domestic prices. The average rate of import duty drawback during the IP was THB [REDACTED]/kg.

In its AD review of Pacific Pipe, the US Department of Commerce made an upward adjustment to Pacific Pipe’s export price for duty drawback to enable its fair comparison with its domestic price.

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.

The level of trade of Pacific Pipe's domestic customers are trader (distributor) and end-user, whereas its [REDACTED] Australian customer, [REDACTED] is a [REDACTED] who on-sells to [REDACTED]. This different level of trade of domestic customers and Australian customer affects the fair comparison of export and domestic prices because Pacific Pipe incurs marketing expenses in selling into the domestic market whereas these marketing expenses in relation to Australian sales are borne by [REDACTED].

The account claimed for this normal value adjustment is THB [REDACTED]/kg, which is the [REDACTED].

This claimed adjustment is consistent with that applied by the Commission in its dumping margin calculation for Thai exporter SYS in the HRS investigation.

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.

Payment terms are as reported in attachment D-4.

The average short-term borrowing rate for the IP is [REDACTED] % pa.

5. Transportation

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

The inland transport amount included in those domestic sales which are "delivered" is the average inland transportation cost incurred in such sales during the IP, ie THB [REDACTED]/kg.

GL account code: 6141020, 61410600.

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.

Pacific Pipe operates two distribution centres (Bang Na and Ladlumkaew) to service the domestic market only. The costs reported in attachment D-4 are based on the average actual unit costs of operating these centres during the IP (THB ■■■/kg).

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 section 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.

Please refer to section D-6 concerning the ■% commission payable to Tamose Trading GL account: 61210300

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.

N/A

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;

¹

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

- *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*.

N/A

E-3 Other possible adjustment factors

- HRC purchases

Please refer to attachment E-3.

- Theoretical/actual weights

Please refer to attachment E-3.

SECTION F – THIRD COUNTRY EXPORTS

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

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

- F-1** Complete the spreadsheet entitled ‘**Third country sales**’ within the *HSS Exporter Questionnaire – THAILAND – accompanying spreadsheet* provided alongside this questionnaire.

Please refer to attachment F-1

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

Physical characteristics, quantities, payment terms.

SECTION G – COSTS AND CONSTRUCTED NORMAL VALUE

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

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

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

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

Please refer to the enclosed product brochure (page 4/5).

2. Complete the spreadsheet entitled ‘**Production**’ within the *HSS Exporter Questionnaire – THAILAND – accompanying spreadsheet* provided alongside this questionnaire.

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

Please refer to attachment G-1.

G-2. Cost accounting practices

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

There is no management accounting system separate from the financial accounting system. The Company uses the [REDACTED] accounting system for both costs and financial accounting.

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

No, the Company uses actual cost.

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

N/A.

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

Please refer to attachment G-2.

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

As described in section A-4 (5), the Company allocates costs incurred for all products by [REDACTED] Therefore, there is no different allocation of costs [REDACTED] between the GUC and other products.

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

[REDACTED]

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

N/A

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

No start-up operations in relation to GUC (or other products).

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.

N/A

G-3 Cost to make and sell on domestic market

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

Complete the spreadsheet entitled ‘**Domestic CTMS**’ within the *HSS Exporter Questionnaire – THAILAND – accompanying spreadsheet* provided alongside this questionnaire.

Please refer to attachment G-3.

G-4 Cost to make and sell GUC (Australian exports)

Complete the spreadsheet entitled ‘**Australian CTMS**’ within the *HSS Exporter Questionnaire – THAILAND – accompanying spreadsheet* provided alongside this questionnaire.

Please refer to attachment G-4.

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

N/A

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

N/A

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

N/A

G-8 Major raw material costs:

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

For these major inputs:

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

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- identify materials sourced in-house and from associated entities;
- identify the supplier; and

HRC is the only raw material which accounts for 10% or more of production cost. Please refer to attachment E-3 for supply details. All HRC suppliers [REDACTED]

- show the basis of valuing the major raw materials in the costs of production you have shown for the GUC (eg market prices, transfer prices, or actual cost of production).

[REDACTED]

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

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

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

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

SECTION H - EXPORTER/PRODUCER'S DECLARATION

I hereby declare that Pacific Pipe Public Co. Ltd. did, during the period of investigation export the GUC and have completed the attached questionnaire and, having made due inquiry, certify that the information contained in this submission is complete and correct to the best of my knowledge and belief.

Name : Roger D Simpson

Signature : 

**Position in
Company : Consultant**

Date : 5 . 9 . 14

SECTION J - CHECKLIST

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

| Section | Please tick if you have responded to all questions |
|---|---|
| Section A – general information | ✓ |
| Section B – export price | ✓ |
| Section C – like goods | ✓ |
| Section D – domestic price | ✓ |
| Section E – fair comparison | ✓ |
| Section F – exports to third countries | ✓ |
| Section G – costing information | ✓ |
| Section H – declaration | ✓ |

| Electronic Data | Please tick if you have provided spreadsheet |
|--|---|
| INCOME STATEMENT | ✓ |
| TURNOVER – sales summary | ✓ |
| AUSTRALIAN SALES – list of sales to Australia | ✓ |
| DOMESTIC SALES – list of all domestic sales of like goods | ✓ |
| THIRD COUNTRY – third country sales | ✓ |
| PRODUCTION – production figures | ✓ |
| DOMESTIC COSTS – costs of goods sold domestically | ✓ |
| AUSTRALIAN COSTS – costs of goods sold to Australia | ✓ |

LIST OF ATTACHMENTS AND ENCLOSURES

Attachments

| | |
|-----|--|
| A-4 | Financial documents (Confidential) |
| A-5 | Income statement (Confidential) |
| A-6 | Turnover (Confidential) |
| B-2 | Forward orders (Confidential) |
| B-4 | Australian sales (Confidential) |
| B-9 | Export documents (Confidential) |
| C-3 | Like goods (Confidential) |
| D-4 | Domestic sales (Confidential) |
| D-7 | Domestic sale documents (Confidential) |
| E-3 | <ul style="list-style-type: none">• HRC purchases (Confidential)• Theoretical/actual weights (Confidential) |
| F-1 | Third country sales (Confidential) |
| G-1 | Production (Confidential) |
| G-2 | Cost centres (Confidential) |
| G-3 | CTMS – Domestic sales of like goods (Confidential) |
| G-4 | CTMS – Exports to Australia (Confidential) |

Enclosures

2013 Annual Report

Product brochure

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