



Exporter Questionnaire (The People's Republic of China)

Product: Aluminium extrusions

From: The People's Republic of China by Guangdong Jiangsheng Aluminium Co., Ltd and Guangdong Zhongya Aluminium Company Ltd; and the Kingdom of Thailand

Period of Investigation: 1 October 2016 to 30 September 2017

Response due by: 27 November 2017

Important note: The timeliness of your response is important. Please refer below for more information.

Investigation case manager: Tim King

Phone: + 61 3 8539 2447

Fax: +61 3 8539 2499

E-mail: Investigations3@adcommission.gov.au

Anti-Dumping Commission website: www.adcommission.gov.au

**Return completed
questionnaire to:**

investigations3@adcommission.gov.au

OR

Anti-Dumping Commission
GPO Box 2013
Canberra ACT 2601
Australia

Attention: Director Investigations 3

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: **Guangdong Zhongya Aluminium Company Limited**
Name: **Harvey OU**
Position in the company: **General Manager**
Address: **Asia Aluminium Industrial City, New and High-Tech Industrial
Development Zone, Zhaoqing, Guangdong, P.R. China**
Telephone: **(86 758) 3626 821**
Facsimile number: **(86 758) 3626 809**
E-mail address of contact person: harveyou@zhongya-alum.com

Factory: **Guangdong Zhongya Aluminium Company Limited**
Address: **Asia Aluminium Industrial City, New and High-Tech Industrial
Development Zone, Zhaoqing, Guangdong, P.R. China**
Telephone: **(86 758) 3626 821**
Facsimile number: **(86 758) 3626 809**
E-mail address of contact person: harveyou@zhongya-alum.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: **Frank Zhang**
Dowway & Partners
Address: **Room 601, Scitech Tower, No. 22 Jianguomenwai Avenue,
Beijing, China 100004**
Telephone: **(86 10) 6514 2061**
Facsimile number: **(86 10) 6512 5216**
E-mail address of contact person: zhangjun@dowway.com.cn

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.

Answer: The legal name of company is Guangdong Zhongya Aluminium Company Limited (hereinafter called “Guangdong Zhongya or the Company”). It is a limited liability company (or wholly foreign owned enterprise). Zhongya has no other business name.

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Please refer to **Exhibit A-3-1: Business License of Guangdong Zhongya.**

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).

Answer: The shareholders of Guangdong Zhongya are:

[] .

They both are registered in Hong Kong.

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

Answer: The shareholders of [] are: []. The shareholders of Zhongya HK are: []. Trust deed has been made between the shareholders of [] that [] is the beneficial owner of the shares in []. In addition, [] who are the shareholders of [] are the sons of [] who are the shareholders of [].

Please refer to **Exhibit A-3-3: Declaration of Trust.**

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

Answer: Not applicable since all the shareholders of the parent companies are individuals.

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

Answer: Please refer to **Exhibit A-3-5: External Affiliation Structure.**

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

Answer: Not applicable since no management fees/corporate allocations is charged to our business by parent or related companies.

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

Answer: Guangdong Zhongya is a producer of aluminium extrusions with different finishes. In addition, Guangdong Zhongya sells the products in domestic market and exports through its affiliated trading company in Hong Kong, i.e. Zhongya HK.

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:

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

Answer: Guangdong Zhongya produces the goods under consideration and sells in the domestic market.

In terms of the overseas markets, Guangdong Zhongya sells the goods through its affiliated Zhongya HK to Australia or countries other than Australia.

The contact information of Zhongya HK is as follows:

[

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For the sales between Guangdong Zhongya and Zhongya HK, Guangdong Zhongya may use an unaffiliated domestic trading company, [] as a broker, to assist the Chinese customs declaration matters.

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

Answer: Please refer to Exhibit A-3-9: Internal Organization Chart.

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

Answer: Please refer to Exhibit A-3-10: Audited Reports for 2015 and 2016 with English translation.

A-4 General accounting/administration information

1. Indicate your accounting period.

Answer: The accounting period is from January 1 to December 31.

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

Answer: The financial records of Guangdong Zhongya are held at the company's address.

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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.

Answer: Please refer to Exhibit A-3-10: Audited financial statements for 2015 and 2016 and subsequent quarterly statements; Exhibit A-4-3: Chart of Accounts.

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.

Answer: Not applicable since the audited financial statements are provided as request.

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

Answer: Not applicable since it is no any difference between the financial practice of the Company and the generally accepted accounting principles of China.

6. Describe:

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

- the method of valuation for raw material, work-in-process, and finished goods inventories (eg last in first out –LIFO, first in first out- FIFO, weighted average);
- 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);
- valuation methods for damaged or sub-standard goods generated at the various stages of production;
- valuation methods for scrap, by products, or joint products;
- valuation and revaluation methods for fixed assets;

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- average useful life for each class of production equipment and depreciation method and rate used for each;
- treatment of foreign exchange gains and losses arising from transactions;
- treatment of foreign exchange gains/losses arising from the translation of balance sheet items;
- inclusion of general expenses and/or interest;
- provisions for bad or doubtful debts;
- expenses for idle equipment and/or plant shut-downs;
- costs of plant closure;
- restructuring costs;
- by-products and scrap materials resulting from your company's production process; and
- effects of inflation on financial statement information.

Answer: The significant accounting policies of Guangdong Zhongya are described in the audited financial statements. Please refer to Exhibit A-3-10: Audited Financial Statements for 2015 and 2016.

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.

Answer: There has been no material change to accounting policies in recent years.

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.

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

Answer: Please refer to Exhibit A-5: Income Statement.

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:

Prepare this information in a spreadsheet named "TURNOVER".

Answer: Please refer to Exhibit A-6: Turnover.

**SECTION B
SALES TO AUSTRALIA (EXPORT PRICE)**

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

*You should report prices of **all** 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:

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

Answer: Please refer to Exhibit B-1 Australian Customers.

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.

Answer: For all the Australian sales, Guangdong Zhongya directly delivers the goods to Australian ports designated by Zhongya HK.

(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.

Answer: Please refer to the answer to the question above. Generally, Zhongya HK signs contracts or makes order confirmation in relation to Australian sales; Guangdong Zhongya engages in the production of the goods and delivered the goods under the directions of Zhongya HK.

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- (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.

Answer: The party who holds the original bill of lading possesses the ownership of the goods. There were no DDP sales for Australian sales in the Review.

- (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).

Answer: No agency or distributor agreements exist.

- (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.

Answer: First of all, Zhongya HK gets to know Australian customers via various ways. Please refer to Exhibit B-1: Australian Customers.

About price negotiation, it is a little different among customers.

[

] Then they place orders to Guangdong Zhongya to confirm the sales terms.

[

] then the customers place the orders to Zhongya HK in accordance with their demands indicating the relevant contract number and confirm the other terms such as quantity and delivery date.

We have no price list.

Guangdong Zhongya arranges the production of goods according to the orders they received or passed by Zhongya HK and delivers the finished goods to Australian customers according to the delivery terms agreed by the customers and Zhongya HK.

[

]

[

]

- (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).

Answer: Guangdong Zhongya is not related to and has no financial or other arrangements with any of its Australian customers.

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

Answer: There are no such forward orders of the goods under consideration.

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.

Answer: Prices are negotiated between Zhongya HK and Australian customers according to the market situation and do vary as a result of that, but the prices don't have consistent and distinct differences between wholesalers or end-users.

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:

Answer: Please refer to Exhibit B-4: Australian sales.

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.

Answer: All of any other costs, charges or expenses incurred in relation to the export sales to Australia have been identified in the above Exhibit B-4: Australian sales.

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.

Answer: There are no discount, rebate, allowance offered on export sales to Australia.

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

Answer: Zhongya HK issued credit notes occasionally to Australian customers, and Zhongya HK issued debit notes occasionally to Australian customers as well. Since the payments by the Australian customers are on the rolling basis, it is very difficult for us to identify the credit notes or debit notes to the specific transaction. Therefore, we report the total credit notes amount and total debit notes amount during the investigation period for each of our Australian customers below:

For DARLEY ALUMINIUM TRADING PTY LTD
 Total Credit Note Amount: []
 Total Debit Note Amount: []
 Total difference amount:[] for credits

For Abra Aluminium PTY Ltd
 Total Credit Note Amount: []
 Total Debit Note Amount: []
 Total difference amount: [] for debits

We suggest that the Commission might use the total difference between the credit notes and debit notes to allocate it to the entire Australian sales for each of the customers above. For Darley, the credit amount of [] should be allocated to the entire sales to Darley in the investigation period (unit price should be deducted according to the credit unit amount by the allocation); For Abra, the debit amount of [] should be allocated to the entire sales to Abra in the investigation period (the unit price should be added according to the debit unit amount by the allocation).

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

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

Answer: Neither Guangdong Zhongya nor Zhongya HK is responsible for the arrival of the goods within Australia.

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;

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- 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.

Answer: Please refer to Exhibit B-9: Australian Sales Documents.

SECTION C EXPORTED GOODS & LIKE GOODS

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.

Answer: Guangdong Zhongya exported the goods under consideration to Australia, via its related company Zhongya HK, during the period of investigation.

For all aluminium extrusions exported to Australia, the International Alloy Designation System (IADS) alloy code for aluminium used in manufacture were 6063 and the aluminium heat temper grade were T5.

Aluminium extrusions exported to Australia were for different uses, e.g. building materials, industrial materials. But the aluminium extrusion finish can be classified into the following types: mill finished, anodized and coated. Some types of products for domestic market are not sold to Australian market,; please refer to the answer in C-3 below.

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).

Answer: Please refer to the answer in QC-3 below.

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
[]	[]	Yes	N/A
[]	[]	Yes	N/A
[]	[]	Yes	N/A
Non	[]	N/A	N/A
Non	[]	N/A	N/A

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.

Answer: Domestic sales include aluminium extrusions of [] finish, which was not exported to Australian market during the period of investigation.

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;
- 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.

Answer: In domestic market, customers place purchase orders to Guangdong Zhongya usually by fax. After receiving orders from customers, Guangdong Zhongya will arrange production accordingly. All the sales in domestic market are made ex works (“EXW”). Invoice is issued by Guangdong Zhongya after payment is made. Payment is made either by cash on delivery or is prepaid.

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.

Answer: Guangdong Zhongya sells the good to its domestic customers directly and the distribution channel is the same for all the domestic customers, no matter whether it is a wholesaler or end-user. Prices are negotiated according to the market situation and

do vary as a result of that but don't have consistent and distinct differences in prices between wholesalers or end-users.

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.

Answer: Regarding the way that Guangdong Zhongya sets the price, receives orders ,makes delivery, issues invoice and receives payment, please refer to the answer to question D-1 above. As discussed in question D-1, all the sales in domestic market were made under EXW, the cost of delivery is not included in the price. Guangdong Zhongya has no price list.

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.

Answer: Please refer to Exhibit D-4: Domestic Sales.

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.

Answer: All the costs incurred in respect of the domestic sales have been identified in Exhibit D-4: Domestic Sales.

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.

Answer: Guangdong Zhongya does not offer discount, rebate, or allowance to customers in domestic market.

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,

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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.

Answer: Please refer to Exhibit D-7: Domestic Sales Documents.

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.

Answer: As to the transportation of the exported goods, firstly we use our own vehicles to transport them to the ports in Guangdong after they are finished; then the goods are loaded and shipped to Hong Kong port; finally, the goods are transferred to another vessel and shipped to the foreign customers.

3. 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.

Answer: Please refer to Exhibit B-4: Australian sales. All the export transaction to Australia are under FOB term.

4. 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.

Answer: Not applicable.

5. Packing costs

For packing costs, please:

- 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;
- Specify whether container stillages are used;
- If stillages are used, specify if they are returned to the exporter; and ensure that any costs associated with using stillages are reported in packing costs.

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

Answer: There is no difference between the packing cost of goods exported to Australia and that of those sold in domestic market.

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.

Answer: Guangdong Zhongya does not offer commissions to Australian customers.

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.

Answer: No warranty or guarantee is offered, and no technical or other services are provided.

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.

Answer: There are no other factors for which an adjustment is required.

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.

Answer: The amount of transactions in US dollar during the investigation period was converted into CNY at exchange rate of the first day of each month.

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.

Answer: No physical differences are claimed.

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.

Answer: Not applicable since no such adjustment is claimed.

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.

Answer: Guangdong Zhongya has not claimed adjustment concerning different level of trade.

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 borrowing's 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 system¹, the average credit period may be determined as follows:

1. *Calculate an accounts receivable turnover ratio*

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

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

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

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

2. *Calculate the average credit period*

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

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

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

Answer: Not applicable.

5. Transportation

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.

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.

Answer: Guangdong Zhongya does not afford any transportation fee in domestic market because all sales in domestic market during the investigation period were made under EXW term

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.

Answer: Not applicable.

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**”.

Answer: Please refer to the answer in 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.

Answer: Guangdong Zhongya does not offer any commissions to customers in domestic market.

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.

Answer: No warranty or guarantee is offered, and no technical or other services are provided.

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*.

Answer: There are no other factors for which an adjustment is required.

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.

Answer: There is no duplication.

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 eg 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 eg. 60 days=60 etc
Shipment terms	Typical shipment terms to customers in the third country eg CIF, FOB, ex-factory, DDP etc.

Supply this information in spreadsheet file named “Third country”

Answer: Please refer to Exhibit F-1: Third Country Sales.

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

Answer: There are no differences in sales to third countries that may affect the comparison to sales to Australia.

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 (eg. non-operating expenses not included elsewhere) associated with the goods.

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

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

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

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

Answer: Please refer to Exhibit G-1: Flowchart of Process.

There are no by-products, the scrap resulting from producing the GUC is reused in the production.

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

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

Answer: Please refer to Exhibit G-2: Production.

G-3. 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.

Answer: The management accounting system and cost accounting of Guangdong Zhongya is the same. In addition, Guangdong Zhongya adopts actual cost system which is in accordance with the generally accepted accounting principles in China and the audited financial statements can be worked out directly based on the cost accounting information.

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

Answer: As mentioned above, Guangdong Zhongya does not use standard cost accounting system.

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

Answer: Not applicable.

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

Answer: We regard the entire factory as one profit/cost centre in our business cost accounting system.

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.

Answer: For direct cost, we attribute it to the goods directly; for overhead and direct labour we allocate it to goods based on the production. There are no capital expenditures. Cost amortisation is in accordance with the generally accepted accounting principles in China.

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

Answer: Guangdong Zhongya's cost accounting system records production costs to the level of models of the goods. The models are [].

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

Answer: There are no production costs incurred by Guangdong Zhongya which are valued differently for cost accounting purposes than for financial accounting purposes.

- 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.

Answer: Not applicable.

- 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.

Answer: Not applicable.

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.²

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

Answer: Please refer to Exhibit G-4-1: Domestic CTMS.

- 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.

Answer: Please refer to Exhibit G-4: Domestic CTMS.

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.

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

Answer: Please refer to Exhibit G-5: Australian CTMS.

- 2 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.

Answer: There is no cost difference between goods exported to Australia and that of goods sold in domestic market.

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.

- 3 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.

Answer: There are no such differences.

- 4 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.

Answer: There are no such differences.

G-6 Major raw material costs

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

For these major inputs:

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

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

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

The term associate is defined in section 269TAA of the *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.

Answer: Aluminium ingot is the only major raw material which accounts for 10% or more. For the supplier information, please refer to Exhibit H-4: Aluminium Purchases, all of the aluminium ingots of Guangdong Zhongya were purchased from private suppliers during the investigation period and all the prices are normal market prices. For major materials in the cost of production, please refer to Exhibit G-4: Domestic CTMS.

SECTION H – PARTICULAR MARKET SITUATION

Capral in their application alleges that the market situation identified in prior investigations, reviews and inquiries for aluminium extrusions in relation to China, continues in 2016/2017.

This investigation will investigate whether there is a situation within the domestic Chinese aluminium extrusions market that renders sales within that market unsuitable for determining normal values under s.269TAC(1) of the Customs Act (i.e. that a ‘particular market situation’ exists in that market).

Information requested in this section will assist the Commission in its assessment.

The existence of a ‘market situation’ could affect the Commission’s approach to calculating normal value within its dumping assessment.

In broad terms, it is generally the case that the normal value of the goods is the price paid for like goods sold for home consumption in the country of export. One of the exceptions to using domestic selling prices for this purpose provides that the domestic selling prices are not an appropriate basis for normal value if the Minister is satisfied that a situation in the market has rendered domestic selling prices unsuitable for establishing normal values (i.e. a ‘particular market situation’ exists).

One of these situations may be where the domestic selling prices in the country of export have been materially affected by government influence rendering those prices unsuitable for use in establishing normal values.

Through this questionnaire, the Commission is providing producers/exporters of the subject goods in China the opportunity to supply evidence that the sector under investigation is operating under competitive market conditions.

It may be necessary for the Commission to request additional information following receipt and review of your response.

There are three parts to this section:

- PART H-1 - Requests information concerning the organisation of your company and the Government of China’s (GOC’s) involvement in the business of your company.
- PART H-2 - Requests information concerning the GOC’s measures with respect to the aluminium industry in China.
- PART H-3 - Requests information concerning the aluminium extrusions sector in the region where your company is located.
- PART H-4 - Requests information concerning your company’s aluminium raw material purchases.

PART H-1 General information

The information requested in this part will provide an overview of your corporate organisation and the GOC's involvement in your business. In addition to your response to each of the questions, all necessary supporting documentation is requested.

1. Specific questions are asked throughout this questionnaire in relation to the GOC's interaction with your businesses.

However, please generally describe all interaction that your business has with the GOC at all levels, including (but not limited to):

- a) reporting requirements;

Answer: No other reporting requirements to GOC except the taxation matters.

- b) payment of taxes;

Answer: According to the tax regulation, any company registered in P.R.China should report tax return periodically to GOC taxation authority.

- c) senior management representation within your business;

Answer: Guangdong Zhongya decides all the management members by Board of Directors. GOC never involves in our management selection and has no any representation in our company.

- d) approval/negotiation of business decisions (e.g. investment decisions, management decisions, pricing decisions, production decisions, sales decisions);

Answer: Guangdong Zhongya makes all our business decisions by our own without any GOC approval.

- e) licensing;

Answer: Business license is the basic requirement for doing business in China. The State Administration for Industry and Commerce of PRC has decided to cease, as of March 1, 2014, the annual inspection of business license for limited liability companies, joint-stock limited companies, unincorporated enterprise legal persons, partnership enterprises, sole proprietorship enterprises and their branches, enterprises from foreign countries (regions) that engage in business operations in China.

- f) restrictions on land use;

Answer: Guangdong Zhongya purchased the land use for the factory facilities, the restriction on the land use is the land can be used only for industrial project construction purpose. In other words, the land can be only used to build factory for production and sales of the products itself produced.

- g) provision of loans; or

Answer: GOC never involves in bank loan matters in Guangdong Zhongya's daily operation.

- h) provision of grants, awards or other funds.

Answer: Guangdong Zhongya received a few grants from GOC due to environmental protection or the energy saving technology reform during the investigation period. The purpose of such grants is to encourage enterprises to strengthen environmental protection, but GOC has no any interference with company's business operation in this regard.

2. Business structure, ownership and management

- a) Indicate whether your company is an Sate owned Enterprise (SOE) (refer to the Glossary of Terms for definition).

Answer: Not applicable since Guangdong Zhongya is a private and solely HongKong investment owned company.

- b) List the Board of Directors and Board of Shareholders of your business and all other entities/businesses your business is related to.

Indicate the names of common directors and officers between yours and related businesses, where applicable.

Answer: Please refer to Exhibit H-2: Board of Directors.

- c) Are any members of your business' (and/or all other entities your business is related to) Board of Directors or Board of Shareholders representatives, employees, or otherwise affiliated with the GOC (at any level, from any agency, party, or otherwise associated entity, including State-Owned Assets Supervision and Administration Commission (SASAC)?

If so, identify the individuals, their role on that Board and their affiliation with the GOC.

Answer: Not applicable. Because none of the members of our company' Board of Directors, Board of Shareholders or our employees isaffiliated with GOC or any GOC agencies. .

- d) Does your business' (and/or all other entities your business is related to) Board of Directors or Board of Shareholders have a representative from the Chinese Communist Party (CCP)? If so, identify their name and title and indicate their position at the board level.

Answer: Not applicable because our company's Board of Directors or Board of Shareholders has no any representative from the CCP. Our Board of Directors are all Hong Kong Citizens, our two shareholders are the companies registered in HongKong.

- e) Are any members of your business' (and/or all other entities your business is related to) Board of Directors or Board of Shareholders appointed, managed or recommended by the GOC? If so, identify the government department(s) they represent.

Answer: Not applicable because none of the members of our company's Board of Directors or Board of Shareholders is appointed, managed or recommended by the GOC.

- f) Indicate who owns what percentage of all shares in your business and identify whether they are:
- an affiliate, representative, agency or otherwise representative of the GOC;
 - employees of your business;
 - foreign investors; or
 - other (please specify).

Answer: The shareholders of Guangdong Zhongya are:

[

]. They both are registered in Hong Kong.

- g) Provide the details of any significant changes in the ownership structure of your business during the investigation period.

Answer: There is no change in the ownership structure of Guangdong Zhongya during the investigation period

- h) Identify any positions within your business that are appointments or designated to act on behalf of GOC authorities.

Answer: Not applicable because there is no such a position within our business that are appointed or designated to act on behalf of GOC authorities

- i) Explain whether there are requirements in law and in practice to have government representation at any level of your business. If there is such a requirement, explain the role of government representatives appointed to any level of your business.

Answer: Not applicable because there are no requirements in law or in practice to have government representation at any level of our business.

- j) If your business is a publicly-traded company, what are the rules regarding the issuance of shares by your business? Identify any stock exchanges on which your business is listed.

Answer: Not applicable because Guangdong Zhongya is not a publicly-traded company.

- k) Provide the monthly trading volume and average monthly trading price of your listed security between 1 October 2016 to 30 September 2017.

Answer: Not applicable because Guangdong Zhongya is not a publicly-traded company.

- l) Who has the ability to reward fire or discipline your business' senior managers?

Answer: The Board of Directors of Guangdong Zhongya has the right to reward, fire or discipline the senior managers.

- m) Do any of your company's senior managers hold positions in any GOC departments or organisations, associations or Chambers of Commerce? If so describe the nature of these positions.

Answer: Not applicable because none of Guangdong Zhongya's senior managers hold positions in any government departments or organizations, associations or Chambers of Commerce.

- n) Provide the names and positions of your company's pricing committee.

Answer: Not applicable since Guangdong Zhongya has no pricing committee.

3. Licencing

- a) Provide a copy of your business licence(s).

Answer: Please refer to Exhibit A-3-1: Business License of Guangdong Zhongya.

- b) Identify the GOC departments or offices responsible for issuing the licence(s).

Answer: The government department responsible for issuing the license is the Administration Bureau for Industry and Commerce of Zhaoqing City.

- c) Describe the procedures involved in applying for the licence(s).

Answer: As to applying for the license, firstly, pre-approval of the company name to be registered in the license is needed; secondly, certification of approval is needed as Guangdong Zhongya is Hongkong investment enterprise; thirdly, apply to the Administration Bureau for Industry and Commerce for the registration with the certification of approval, a completed application form, articles of association and capital verification report. The authority will examine whether the documents are complete to decide whether to issue the license.

- d) Describe any requirements or conditions that must be met in order to obtain the licence(s).

Answer: According to Article 23 of Company Law of the P.R.C, the following conditions shall be fulfilled for the incorporation of a limited liability company:

(1) the number of shareholders shall conform to the statutory number; (2) the capital contributions of the shareholders shall reach the amount stipulated by articles of association; (3) the shareholders shall have jointly formulated the articles of association of the company; (4) the company shall have a name and an organizational structure established in compliance with the requirements for a limited liability company; and (5) the company shall have a domicile.

- e) Describe and explain any restrictions imposed on your business by the business licence(s).

Answer: Guangdong Zhongya should operate within the business scope specified in the business license.

- f) Describe any sanctions imposed on your business if you act outside the scope of your business licence(s).

Answer: In accordance with Regulations of the People 's Republic of China for Controlling the Registration of Enterprises as Legal Persons, company may be penalized by warning, fine, confiscation of illegal earnings, suspension of business for consideration or withholding or revoking the Business License for Enterprise as a Legal Person.

- g) Describe and explain any rights or benefits conferred to your business under the licence(s).

Answer: As answered above that Guangdong Zhongya has the rights to operate within the business scope under the business licence, other than that, we have no any additional rights or benefits in our business operation.

- h) Describe the circumstances under which your business licence(s) can be revoked, and who has the authority to revoke the licence(s).

Answer: In accordance with Article 29 of Regulations of the People's Republic of China for Controlling the Registration of Enterprises as Legal Persons, the registration authority may revoke the license: (1) concealing the true situation and resorting to deception in the course of registration or starting operations before the approval of its registration; (2) altering major items in the registration without permission or engaging in business operations beyond the scope of business as approved in registration; (3) failing to cancel registration according to the rules; (4) forging, altering, leasing, lending, transferring, selling or reproducing the Business License for Enterprise as a Legal Person or its duplicates without permission; (5) withdrawing or transferring capital, concealing assets or dodging liabilities; (6) engaging in illegal business operations.

4. Decision-making, planning and reporting

- a) Provide a description of your business' decision-making structure in general and in respect of aluminium products. This should identify the persons or bodies primarily responsible for deciding:

- (i) what goods are produced;

- (ii) how the goods are produced;
- (iii) how levels of inputs such as raw materials, labour and energy are set and secured;
- (iv) how the use of your outputs, such as how your product mix is determined; and
- (v) how your business' profit is distributed

Answer: Board of Directors make decisions on important matters concerning Guangdong Zhongya, such as the development directions, profit distribution, product mix, etc. Department managers decide specific matters, such as how the goods are produced, what levels of inputs are set and secured, etc., the General Manager supervises all the department managers

- b) Provide a description of any GOC input into the decision-making process about your manufacture, marketing and sale of aluminium products.

Answer: Not applicable because there is no government offices/agencies involved, either directly or indirectly, in our decision-making about the manufacture, sale or purchase of aluminium extrusions products.

- c) Provide a list of all government departments/offices that are involved, either directly or indirectly, in your manufacture, sale or purchase of aluminium products.

Answer: Not applicable.

- d) List and describe all reports that must be submitted to the GOC periodically by your company, and identify the government department/office where each report is filed.

Answer: As we answered above, that Guangdong Zhongya should report tax return periodically to GOC taxation authority according to the tax regulation. The specific GOC tax office is Zhaoqing Hi-Tech Industrial Development Zone Office of State Administration Taxation.

- e) If not previously provided, provide a copy of the last two Provincial/City Five Year Plans (including the appendices) for the province/city in which your business is located, whichever is applicable. The copies should be fully translated including the appendices, along with the original Chinese version.

Answer: Not applicable since Guangdong Zhongya has no source to get such document.

- f) Does your business develop any five-year plans or similar planning documents? If so, provide copies of these plans and advise whether these plans have been submitted, reviewed or approved by the GOC (including the National Development and Reform Commission).

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Answer: Not applicable since Guangdong Zhongya has no any five-year plans or similar planning documents.

- g) Provide copies of the minutes of your Board of Directors and Board of Shareholders meetings over the investigation period.

Answer: Please refer to Exhibit H-1-4: Minutes of Board of Directors which was occurred in the investigation period.

- h) Provide copies of the notes to company meetings where **pricing decisions** on aluminium products have been made over the investigation period.

Answer: Not applicable since Guangdong Zhongya has no such meetings.

PART H-2 GOC measures in the aluminium sector

The information requested in this part will allow for a better understanding of the GOC's measures in respect of aluminium in China. In addition to your response to each of the questions, all necessary supporting documentation is requested.

1. Were there any GOC opinions, directives, decrees, promulgations, measures, etc. concerning the aluminium industry/sector that were put in place or operating during the investigation period?

If yes, please provide a copy of that documentation and a translation as well. Also provide documentation concerning the GOC or any association of the GOC's notification of the measures concerning aluminium to your company over the investigation period.

Answer: Guangdong Zhongya has no information about whether there was any GOC opinions, directives, decrees, promulgations, measures, etc. concerning the aluminium industry/sector that were put in place or operating during the investigation period

2. Provide information concerning the name of any GOC departments, bureaus or agencies responsible for the administration of all GOC measures concerning the aluminium industry in the regions, provinces or special economic zones where your company is located.

Ensure that your response includes contact information regarding the following areas:

- industrial policy and guidance on the aluminium industry sector;
- market entry criteria for the aluminium industry sector;
- environmental enforcement for the aluminium industry sector;
- management of land utilisation;
- the China Banking Regulatory Commission for the aluminium industry sector;
- investigation and inspection of new aluminium expansion facilities;
- the section in the National Development and Reform Commission that is responsible for the aluminium industry sector; and
- import licensing for aluminium and other aluminium raw materials.

Answer: To the best knowledge of Guangdong Zhongya, there is no such a specific GOC agency responsible for the administration of all GOC measures concerning the aluminium industry in the New and High-Tech Industrial Development Zone where our company is located.

3. **Other government approvals**

The following questions address the approvals that are necessary from various GOC agencies, including the National Development and Reform Commission, in order to continue or initiate aluminium investments.

- a) Explain whether your company has undertaken an approval process through the GOC for any aluminium or aluminium related investments in the last 10 years.
- b) Explain whether any applicable investments received the necessary approval and if so, provide documentation confirming this approval.
- c) If your investment was not approved, provide the reasons given for the refusal.
- d) Describe the process your company has to follow to obtain these approvals.
- e) Provide a translated copy of the application form along with the original Chinese version.
- f) Identify the office that sent communication of these requirements to your company along with the office address, contact names, phone numbers and fax numbers.

Answer: Not applicable.

4. The restructure of the aluminium industry in China

The Commission is aware of the GOC's *Guidelines on tackling severe overcapacity problem*. The following questions relate to these guidelines:

- a) Explain in detail if there were any directives or measures from the GOC that have been communicated to your business since the inception of these guidelines?
- b) Identify the Government department, association or company official that communicated these guidelines or any related measures to your business.
- c) Identify the Government department, association or company and names of officials who are responsible for the administration of these guidelines.
- d) Explain in detail how these guidelines have or might impact on your business. This may include reference to specific measures considered or taken by your business. Such items may include but are not limited to items such as project approval process, credit and loans terms (including any preferential interest rates), the environmental issues, discounted rate of energy and raw materials (aluminium, pre-alloyed product etc).
- e) Explain any on-going mechanism used by the GOC to measure your business compliance with the policy directives and/or guidelines.

Answer: Not applicable.

PART H-3 The aluminium extrusions sector

The information requested in this part will assist in providing a better understanding of the GOC measures and your business' sales and production of aluminium extrusions.

In addition to your narrative response to each of the questions, all necessary supporting documentation is requested.

1. Export quotas and licensing

- a) Are aluminium extrusions sold by your company subject to any export quotas?

If so, explain why aluminium extrusions are subject to quotas and the method by which the quotas are allocated.

Does this process involve any GOC participation in determining the selling prices of the goods? If so, explain.

- b) If Aluminium extrusions are not presently subject to export quotas, indicate if quotas existed during the investigation period and when and why they were removed.
- c) Identify the GOC agency which legislates and monitors any such quotas.
- d) Has the GOC set any targets or limits regarding the quantity of aluminium extrusions that you may sell on the domestic or export markets? If so, provide details.
- e) Are there any export licence requirements for aluminium extrusions? If so, provide details.

Answer: There are no export quotas in relation to exports of aluminium extrusions.

2. Taxation

- a) Were there any export taxes on the exports of aluminium extrusions during the investigation period?

Answer: There are no export taxes in relation to exports of aluminium extrusions.

- b) What was the value-added tax (VAT) rebate applicable to Aluminium extrusions exports during the investigation period?

Answer: During investigation period, the rate of VAT rebate applicable to Aluminium extrusions is 13%.

- c) Have there been any changes to the VAT rebate applicable to aluminium exports in the last 5 years? If yes, provide:
- i. a detailed chronological history of the VAT rebate rates;
 - ii. products affected;
 - iii. the effective dates of the rate changes;
 - iv. fully translated copies of any GOC notices regarding these changes, including the relevant appendices.

Answer: There is no change to the VAT rebate applicable to aluminium exports in the last 5 years.

- d) Are you aware of any tax changes being planned that would impact the aluminium extrusions sector?

Answer: We have no information regarding any tax change planned that would impact the aluminium extrusions sector.

3. Sales terms

- a) Identify the person who authorises the sales terms, prices and other contract provisions for the sale of aluminium extrusions by your business.

Answer: [] of Zhongya HK is mainly responsible for export sales while [], the factory general manager, is mainly responsible for domestic sales.

- b) Explain how the selling prices of aluminium extrusions by your business are determined, including any GOC involvement in your business' pricing decisions, and indicate if the goods are subject to GOC direct or indirect pricing or government guidance pricing.

Answer: Selling prices of aluminium extrusions are determined through equal negotiation between the seller and buyer. Specifically, the selling price includes two parts, the price for aluminium ingots and the price for processing. Price for processing is relatively fixed and Guangdong Zhongya quotes on this and receive confirmation from customers. As to price for aluminium ingots, price publicized by London Metal Exchange (LME) and Foshan Lingtong Information Co., Ltd are references for both the seller and buyer to determine the price of aluminium extrusions for export sales and domestic sales respectively.

There is no any government involvement in our business' pricing decisions and the goods are not subject to government direct or indirect pricing or government guidance pricing.

- c) Does your business coordinate the selling prices or supply of aluminium extrusions with other domestic aluminium and aluminium product producers, any GOC departments, or the China Iron and Aluminium Association? If so, provide details.

Answer: Not applicable since Guangdong Zhongya does not coordinate the selling prices or supply of aluminium extrusions with other domestic aluminium and aluminium product producers, any GOC departments, or the China Iron and Aluminium Association.

- d) Explain whether your business provides aluminium extrusions price information/data to the GOC, other government officials or commercial/industry organisations, including those outside of China, which report on the aluminium sector.

Answer: Not applicable since Guangdong Zhongya doesn't provide aluminium extrusions price information/data to the GOC, other government officials or

commercial/industry organisations, including those outside of China, which report on the aluminium sector.

- e) Explain whether your business provides aluminium extrusions price data to any other person at the provincial, regional or special economic zone level of government.

Answer: Not applicable since Guangdong Zhongya doesn't provide aluminium extrusions price information/data to any other person at the provincial, regional or special economic zone level of government.

5. Industry associations

- a) Is your business a member of any industry associations? If so, explain your business' relationship with the association/s and the involvement of the GOC with the association/s.
- b) If your business is a member of an industry association, indicate whether this membership is voluntary or compulsory. Explain the functions that the association provides for your business. Explain in detail the role of the association with respect to the directives as provided by the GOC concerning the aluminium industry.

Answer: Guangdong Zhongya is not a member of any aluminium extrusions or aluminium fabricators industry associations.

6. Statistics submission/recording

- a) Indicate if your business makes submissions³ to the Chinese Bureau of Statistics and/or any other government organisation. If yes, explain the purpose of these submissions and the type of information submitted.
- b) Provide a recent example of a submission that has been made to the Chinese Bureau of Statistics and/or any other government organisation. For example, monthly data relating to sales, production and costs.
- c) Do the organisations approve or assess your submission? If yes, provide a detailed explanation.
- d) Do the organisations provide feedback on your submission? If yes, provide a detailed explanation.

Answer: Guangdong Zhongya doesn't make submissions to the Bureau of Statistics or any other government organization.

7. Manufacturing inputs

³For example, monthly data relating to sales, production and costs.

- a) Is there a price difference in purchase price for raw materials (i.e. aluminium or other raw material) between your suppliers?

Answer: Price difference exists between our suppliers because of the market price is fluctuating.

- b) Is there a price difference between purchase price of raw materials from SOEs and non-SOEs? Provide explanation.

Note: Further questions regarding primary aluminium supply and pricing are asked in Section I of this questionnaire. Your responses to these questions are relevant to the assessment of whether a market situation exists. Please ensure responses to these questions are complete.

Answer: Not applicable because the major raw material aluminium ingots are all purchased from private suppliers.

- c) If your supplier is based outside China, what import duty rate is applied on the raw materials (i.e. aluminium or other raw material)?

Answer: Not applicable because our suppliers of raw materials are all Chinese companies.

- d) Does your business benefit from any concession on the purchase of any utility services (e.g. electricity, gas,,etc) ? If so explain the nature and the amount of the concession?

Answer: Not applicable since Guangdong Zhongya has no business benefit from any concession on the purchase of any utility services.

8. Regional differences

- a) If you have production facilities in more than one region/province, are the laws and regulations in each region the same with respect to pricing? Provide details on any regional differences.

Answer: Not applicable since Guangdong Zhongya just has one production facility in Zhaoqing City

9. Aluminium extrusions production/output during the investigation period

- a) Is any part of your production of aluminium extrusions subject to any national/regional industrial policy or guidance? If so, provide details including a background of the policy/guidance and explain any restriction imposed by the policy/guidance.

Answer: None of our production of aluminium extrusions is subject to any national/regional industrial policy or guidance.

- b) To what extent are any of the policies/guidelines identified in a) applicable to your business?

Answer: Not applicable.

- c) Where applicable, how did your business respond to the policies/guidelines?

Answer: Not applicable.

- d) Provide details regarding any other restrictions (e.g., geographic/regional, downstream, use, etc.) to the sale of aluminium extrusions that may be imposed by the GOC.

Answer: Not applicable.

10. Sales price during the investigation period

- a) Explain whether your business has been subjected to any direct or indirect price guidance or controls by the GOC during the investigation period, with respect to domestic aluminium prices.

Answer: Guangdong Zhongya has not been subjected to any direct or indirect price guidance or controls by the GOC at any time including the period of investigation, with respect to domestic aluminium extrusions prices.

- b) Explain whether your business has been subjected to any direct or indirect price guidance or controls by the GOC during the investigation period, with respect to raw material inputs (i.e. aluminium, etc.).

Answer: Guangdong Zhongya has not been subjected to any direct or indirect price guidance or controls by the GOC at any time including the period of investigation, with respect to aluminium raw material inputs.

- c) Explain whether your business has encountered any price guidance or controls established by regional, provincial or special economic zone officials and/or organisations.

Answer: Guangdong Zhongya has not encountered any price guidance or controls established by regional, provincial or special economic zone officials or organizations.

11. Adding capacity and/or joint ventures

- a) Provide a detailed explanation with respect to the government approval process for adding capacity and/or joint ventures in relation to your business.

Answer: There is no need to obtain any government approval for adding capacity. If there will be a new joint venture, it is a kind of new investment, it should go through the legal process of registration with the relative government agencies. Guangdong Zhongya didn't add any capacity or joint venture during the investigation period.

- b) Does the government have the right to request modifications in the terms of adding capacity and/or joint ventures? If yes, provide a detailed explanation.

Answer: The government has no right to request modifications in the terms of adding capacity and/or joint ventures without Guangdong Zhongya's permission in our business as long as we operate under the laws.

PART H-4 Aluminium Raw Material Purchases

Please provide a line by line of list of all aluminium raw material purchases during the investigation period (1 July 2016 to 30 September 2017). Prepare this information in a spreadsheet named "**H-4 Aluminium Purchases**"

Answer: Please refer to Exhibit H-4: Aluminium Purchases. We would emphasize that all the aluminium raw materials purchased by Guangdong Zhongya during the investigation period were all from private suppliers. We also noted that the investigation period for this case is from 1 October 2016 to 30 September 2017. Guangdong Zhongya also confirms that we purchased aluminium raw material (aluminium ingots) from private suppliers dated back to 1 July 2016 as the question indicated above.

Exhibit List

(Investigation Period:1 October 2016 to 30 September 2017)

Se.#	Exhibit Number	Exhibit Name	Status
1	A-3-1	Business License of Guangdong Zhongya	Public
2	A-3-3	Declaration of Trust	Confidential
3	A-3-5	External Affiliation Structure	Confidential
4	A-3-9	Internal Organization Chart	Confidential
5	A-3-10	Audited financial statements for 2015 and 2016 and subsequent quarterly statements	Confidential
6	A-4-3	Chart of Accounts	Confidential
7	A-5	Income Statement	Confidential
8	A-6	Turnover	Confidential
9	B-1	Australian Customers	Confidential
10	B-4	Australian sales	Confidential
11	B-9	Australian Sales Documents	Confidential
12	D-4	Domestic Sales	Confidential
13	D-7	Domestic Sales Documents	Confidential
14	F-1	Third Country Sales	Confidential
15	G-1	Flowchart of Process	Confidential
16	G-2	Production	Confidential
17	G-4	Domestic CTMS	Confidential
18	G-5	Australian CTMS	Confidential
19	H-2	Board of Directors	Confidential
20	H-1-4	Minutes of Board of Directors	Confidential
21	H-4	Aluminium Purchases	Confidential
22	I-1	EXPORTER'S DECLARATION	Public



广东中亚铝业有限公司

GUANGDONG ZHONGYA ALUMINUM CO., LTD

I hereby declare that. **Guangdong Zhongya Aluminium Company Limited** 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 : Harvey Ou

Signature: _____

Position : General Manager

Company: Guangdong Zhongya Aluminium Company Limited

Date : 2017-12-4



Tel: 0758-3626888 | Fax: 0758-3626810

广东省肇庆市大旺高新技术产业开发区
(亚铝工业城侧) 邮编: 526238

Asia aluminum street East, New and High-tech
development zone, Dawang Sihui district,
Zhaoqing. Postal code: 526238