

# **EXPORTER QUESTIONNAIRE RESPONSE**

Non confidential version

*of*

**GOLD HUASHENG PAPER (SUZHOU INDUSTRIAL PARK) CO LTD (“GHS”)**

**Gold East Trading (Hong Kong) Co.Ltd**

*in relation to*

## **COPY PAPER**

*from*

## **THE PEOPLES REPUBLIC OF CHINA**

## 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:* **Gold Hua Sheng Paper (Suzhou Industrial Park) Co., Ltd. (GHS)**

Name: *Ms. Eva Tang*

Position: *Deputy Head of Inte'l trade Department*

Address: *No. 2 Jin Sheng Road*

*Sheng Pu District*

*Suzhou Industrial Park*

*Jiangsu*

*Peoples Republic of China*

Telephone: *86 512 6283 2843*

Facsimile: *86 512 6281 7139*

E-mail: [tangyi\\_ghs@app.com.cn](mailto:tangyi_ghs@app.com.cn)

*Production Factory:*

Address: *No. 2 Jin Sheng Road*

*Sheng Pu District*

*Suzhou Industrial Park*

*Jiangsu*

*Peoples Republic of China*

Telephone: *86 512 6283 2843*

Facsimile: *86 512 6281 7139*

E-mail: [tangyi\\_ghs@app.com.cn](mailto:tangyi_ghs@app.com.cn)

#### 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: Mr. LAN Xiong of Beijing B&H Associates**

**Address: RM.1205 Beiguang Plaza, No.23 Huangsi Street, Beijing, China**

**Telephone: (8610) 8223-0597**

**Mobile Phone: (86) 139-115-19500**

**Facsimile/Telex number: (8610) 8223-0598**

**E-mail address of contact person: lx@bohenglaw.com**

See attached letter of authority.

#### A-3 Company information

1. What is the legal name of your business? What kind of entity is it (e.g. company,

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

**Answer: Gold Hua Sheng Paper (Suzhou Industrial Park) Co., Ltd. (“GHS”) is a company limited by shares, and GHS does not use any other business names to export and/or sell goods. GHS is a producer of the goods under consideration, and exported GUC through Gold East Trading (Hongkong) Co., Ltd. in the IP.**

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: GHS is**

[  
].  
*[The deleted confidential information contained GHS’s shareholders and their respective percentage of shares.]*

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

**Answer: GHS is [percentage] owned by and thus a subsidiary company of [company A]. And [company A] did not be involved in the production and sales of the goods under consideration.**  
*[The deleted confidential information is related to GHS’ parent company name and percentage shares.]*

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

**Answer: [Company A] is [percentage] owned by and a subsidiary of [Company B], and [company B] is [owned by Company C]. And those parent companies were for investment activities and did not involved in the production or sales of the subject merchandise in any event.**  
*[The deleted confidential information is related to GHS’ parent company name, and the parent company’s shareholder.]*

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-1 for corporate structure diagram which manifests all the associated and affiliated companies. [This confidential exhibit contained the company affiliations and companies name and percentage of shares respectively.]**

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

**Answer: Not applicable, as there are no management fees/corporate allocations charged by its parent or related company.**

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

**Answer: GHS is a producer, and export GUC through GEHK, including sales to Australia market.**

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

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

**Answer: GHS produced and exported GUC via GEHK in the exports to Australia or other countries under the "import processing arrangement".**

**And GHS produced and sold the base paper (large size) but did not produce GUC for the domestic market in the IP.**

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

**Answer: Please refer to Exhibit A-2 for GHS internal organization chart. [This Exhibit contained the company confidential internal company organization chart]**

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

**Answer: GHS is a non-public listed company and does not publish an "annual report". Please refer to Exhibit A-3 for GHS's product brochure.**

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

1. Indicate your accounting period.

**Answer: January 1<sup>st</sup> to December 31<sup>st</sup>, per annum**

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

**Answer: The financial records are held in the place of Head office and the company address as indicated in A-1.**

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;

**Answer:** Please refer to Exhibit A-4 for GHS's chart of accounts. *[This chart of accounts contained company confidential information.]*

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

**Answer:** Please refer to Exhibit A-5 for GHS's 2012 audited financial statements and unaudited quarterly financial statements in POI at Exhibit A-6. *[Those two exhibits contained the company confidential financial statements]*

- internal financial statements, income statements (profit and loss reports), or management accounts, that are prepared and maintained in the normal course of business for the goods under investigation.  
These documents should relate to:
  - the division or section/s of your business responsible for the production and sale of the goods under investigation, and
  - the company.

**Answer:** Please refer to Exhibit A-6 for the quarterly financial statements for GHS during the POI. And we did not have division or sectors financial statements in the normal business of trade.

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

**Answer:** Not applicable. See preceding response.

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, as GHS' accounting practices are in accordance with the generally accepted accounting principles. See Auditor's Reports at Exhibit A-5.

6. Describe:

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

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

**Answer:** GHS used monthly weighted average method in valuation for raw materials and finished goods inventory.

- costing methods, including the method (e.g. by tonnes, units, revenue, direct costs etc) of allocating costs shared with other goods or processes

(such as front office cost, infrastructure cost etc);

**Answer:** GHS captured or calculated the costs at each production stage in consistent with its actual consumption basis. And it would allocate those shared applicable costs (if applicable) on production output at MT and the applicable ratio as determined at relevant workshop or production stage.

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

**Answer:** Damaged or sub-standard goods are valued as like normal production methodology on MT basis but with a lower ratio. .

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

**Answer:** Scrap copy paper is valued at [percentage]% of short fibre price for recycled use in the production. And scrap copy paper is valued at open market prices for sale.  
*[The confidential information is related to the company internal scrap valuation method.]*

- valuation and revaluation methods for fixed assets;

**Answer:** GHS values the fixed assets according to the actual cost incurred.

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

–

**Answer:** GHS uses straight-line method in depreciation. Please refer to the following chart for the useful life and depreciation rate for each class of fixed assets.

Category	Useful life (year)	Residual rate %	Depreciation rate %
Building	20	[	
Machinery & Equipment	25		
Vehicles	5		
Office Equipment	5		]

*[The deleted confidential information is related to fixed assets' residual rates and depreciation rates]*

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

**Answer:** Foreign exchange gains and losses arising from transactions are recorded in financial expenses account.

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

**Answer:** GHS's account is booked in RMB, and foreign exchange gains and losses are only accounted when the actual payment is received.

- inclusion of general expenses and/or interest;

**Answer:** General expenses include expenses not directly associated with transactions, such as office staff salary, travel expenses, insurance, office expenses, etc. Interest income and interest cost are all recorded in financial expenses account.

- provisions for bad or doubtful debts;

**Answer:** Generally, Bad debt provisions are calculated using account age methods the following chart.

Account Age	Proportion for account receivable%	Proportion for other receivables%
Within 1 year (1year included)	[	
<i>within 1 year with litigation</i>		
<i>1-2 years without litigation</i>		
<i>1-2 years with litigation</i>		
<i>over 2 years</i>		]

*[The deleted confidential information is related to bad debt provision method and percentages.]*

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

**Answer:** Not applicable, no such cost during POI.

- costs of plant closure;

**Answer:** Not applicable, no such cost during POI.

- restructuring costs;

**Answer:** Not applicable, no such cost during POI.

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

**Answer:** GSP Sold scrap materials at market prices.

- effects of inflation on financial statement information.

**Answer:** Not applicable.

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 is no material change to accounting policies over the last two years.

## **A-5 Income statement**

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

**Answer:** Exhibit A-7(GHS) is the Income Statements completed in the prescribed format, and these spreadsheets are also provided in electronic format. *[This confidential Exhibit contained the company internal financial figures as requested]*

## **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:

**Answer:** Exhibit A-8(GHS) are the turnover spreadsheets completed in the prescribed format, and these spreadsheets are also provided in electronic format. *[This exhibit contained the company confidential turnover figures]*



## **SECTION B**

### **SALES TO AUSTRALIA (EXPORT PRICE)**

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

**Answer:** During POI, GHS only had one Australian customer, whose contact information is as below:

**Name:** [  
**Address:**  
**Contact:**  
**Telephone:**  
**Facsimile:**  
**Trade level:** ]

*[The confidential information is related to the Australian customer's name and contact information.]*

**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:** GHS exported the GUC through GEHK in import processing arrangement as illustrated below. See blow GEHK contact:

**Export Sales channel:** Gold East Trading (Hong Kong) Co., Ltd.  
("GEHK")  
**Address:** Unit 501-504A, 5/F., Empire Centre, 68 Mody Road,  
Tsimshatsui, Kowloon, Hong Kong  
**Telephone:** +852-2733 0488  
**Facsimile:** +852-2732 2202

All foreign customers contact GHS sales directly. [

- 1)
- 2)
- 3)
- 4)
- 5)
- 6)
- 7)
- 8)
- 9)

]

*[The deleted confidential information is related to GHS's Australian export sales process and intra company arrangement, including internal production and sales process in the*

*normal business of operation.]*

**For the detailed process see Exhibit B-1 for Australian Sales flowchart.**

- (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: See the preceding response, GHS exported the GUC via GEHK by import processing arrangement. And there were only one Australian customer, who is a distributor in Australian Market.**

**In addition to the import processing arrangement as indicated, [ ] as based at Australia approach and look for potential customers in the normal business, and charged certain commission for sales achieved. Once the potential customers contacted GHS, the negotiations would be happened between the customers and GHS directly until the orders as placed with GEHK.**

***[The confidential information is related to the name of an Australian company.]***

- (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: GHS sells goods to the Australian customers on [sales term] basis, and the ownerships of the goods are transferred upon loading into the vessel at the port of exit in China.**

***[The confidential information is related to the sales term.]***

- (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: Not applicable, as neither GHS nor GEHK have any agency or distributor agreement with Australian customers.**

- (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: After the customer approached or contacted GHS, the prices negotiation would be conducted [ ] *[Price negotiation process]*, taking into the consideration of raw materials costs and/or competitors' pricing information. GHS [ ] for export sales in the normal business of operations.**

***[The deleted confidential information is related to sales price negotiation arrangement in the normal business of operation, including whether the company have a price list.]***

- (f) State whether your firm is related to any of its Australian customers. Give details of any financial or other arrangements (e.g. free goods,

rebates, or promotional subsidies) with the customers in Australia (including parties representing either your firm or the customers).

**Answer:** GHS and GEHK are not related to any Australian customers in any way.

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

**Answer:** Not applicable, as GHS does not issue the forward order in the normal course of business.

**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:** Not applicable, as GHS only has one Australian customer during POI which was at trade level of distributor.

**B-4** Prepare a spreadsheet named “**Australian sales**” listing all *shipments (ie. 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:** Exhibit B-2 is the spreadsheet of Australian sales, and this spreadsheet is also provided electronically. As GHS export GUC to Australia via GEHK, we only reported GEHK’s all Australian sales transaction by transaction, and we reported transaction based expenses as incurred. *[This confidential exhibit contained detailed transaction basis information.]*

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

**Answer:** Not applicable.

**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:** Not applicable, as GHS did not offer any discount, rebate or

**allowance in Australian sales during the investigation period.**

**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:** **Not applicable, as GHS did not issue credit notes to Australian customers.**

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

**Answer:** **Not applicable, as GHS is not responsible for arrival of the goods at an agreed point 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;
- 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. Customs will select additional shipments for payment verification at the time of the visit.

**Answer:** **Please refer to Exhibit B-3 for two sets of Australian exporting sales documentations during POI. *[This confidential Exhibit contained the company sales documents for the selected two transactions.]***

## 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:** The GUC exported by GHS are uncoated white paper of a type used for writing, printing or other graphic purposes, in the nominal basis weight range of 70 or 80 gsm and cut to sheets of metric sizes A4 (210mm x 297mm) and A3 (297mm x 420mm). There were four models as produced and sold in the IP.

Name of GUC	Size of copy paper	gram
Copy paper A3-70	A3(420*297)	70
Copy paper A3-80	A3(420*297)	80
Copy paper A4-70	A4(210*297)	70
Copy paper A4-80	A4(210*297)	80

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

**Answer:** Please see the answer to question C-1. The models referred above have covered all models listed in spreadsheet “**Australian Sales**”.

**C-3** If you sell like goods on the domestic market, for each model/type that your company has exported to Australia during the investigation period, list the most comparable model(s) sold domestically;

- and provide a detailed explanation of the differences where those goods sold domestically (ie. the like goods – see explanation in glossary) are not identical to the goods exported to Australia.

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

			documents which outline differences
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**Answer:** Not applicable, there were no GUC sales in the domestic market by GHS in the IP.

However, GHS did have sales to third countries via GEHK. They were representative and same nature of trade as sales to Australia. We reported the most representative sales to New Zealand in the IP for this purpose.

<b>EXPORTED MODEL (Australia)</b>	<b>Exported MODEL(third countries)</b>	<b>IDENTICAL?</b>	<b>DIFFERENCES</b>
A3-70	A3-70	Identical	
A3-80	A3-80	Identical	
A4-70	A4-70	Identical	
A4-80	A4-80	Identical	

**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:** Please refer to Exhibit A-3 for GHS's brochure.

## **SECTION D DOMESTIC SALES**

**Answer:** GHS did not produce and sell GUC or like goods in the domestic market, we submitted this section is not applicable, for the reason that GHS could not provide comparable domestic sales of GUC or like goods for this purpose, unless otherwise as instructed by the Authority.

GHS produced and exported GUC under the particular import processing arrangement between GHS and GEHK, those exported GUC were most comparable, we provided the representative third country sale for this purpose at Exhibit F-2, since they were most representative and applied the same nature of trade and level of distribution, and thus the normal value could be based on this representative third country sales in accordance with the act under this particular circumstances in this proceeding. See section F.

**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.

**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.

**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.

**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 computer disk. Include all of the following information.

**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.

**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.

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



## SECTION E FAIR COMPARISON

### 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:** Sales terms for Australian sales are on [ ] basis, the company would be responsible for transportation from the factory to the Australian port, we reported its applicable ocean freight, marine insurance, inland freight on each transaction basis in the Exhibit B-2 database.

*[The deleted confidential information is related to the sales term.]*

#### 2. Handling, loading and ancillary expenses

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

**Answer:** The company would be responsible for handling, loading expense at the port of exit, and thus we reported in Exhibit B-2 on each transaction.

#### 3. Credit

The cost of extending credit on export sales is not included in the amounts quantified at question B4. However, Customs will examine whether a credit adjustment is warranted and determine the amount. Provide applicable interest rates over each month of the investigation period. Explain the nature of the interest rates most applicable to these export sales e.g., short term borrowing in the currency concerned.

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

**Answer:** As shown in the Australian Spreadsheet, GEHK generally have payment term for [ ] after B/L, and certain credit expense was calculated as below: Invoice amount x [ ]/365 x interest rate as applicable. And GEHK reported its applicable

short term interest rate as [ ] for this purpose as consistent with its interest rate in the normal business of operation.

*[The deleted confidential information is related to the payment term and/or days of payment after bill of lading, and the applicable interest rate for the company in the POI.]*

#### 4. Packing costs

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

**Answer:** The GUC is generally packed in [ ]. Material costs associated with packing have been reported in Australian CTMS and the labour costs associated have been included in "direct labour" in Australian CTMS. And there were no substantial difference in the packing costs in Australian sales.

*[The deleted confidential information is related to the company normal packing method of GUC.]*

#### 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:** We reported the applicable commission in the Australian Sales database.

#### 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:** Not applicable, there were no such costs as incurred in the normal business of operation.

#### 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:** *Not applicable.*

**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:** Not applicable.

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

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

**1. Physical characteristics**

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

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

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

**Answer:** Not applicable.

**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 please provide **full** details about the operation of the scheme as well as providing the information requested above.

**Answer: Not applicable.**

### **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: Not applicable**

#### **4. Credit**

The cost of extending credit on domestic sales is not included in the amounts quantified at question D-4. However, Customs 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 system, 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.

**Answer: Not applicable.**

**5. Transportation**

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

**Answer: Not applicable**

**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: Not applicable**

**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: Not applicable.**

**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: Not applicable.**

**10. Other factors**

*Other factors which affect price comparability and for which adjustment is necessary are:*

**Answer: Not applicable.**

**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.

*There is no duplication of adjustment claims.*

**Answer: Noted.**



## SECTION F

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

*Your response to this part of the questionnaire may be used by Customs 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. Customs 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.

**Answer:** A list of sales of the GUC to countries other than Australia during the investigation period is included as Exhibit F-1 (GEHK). *[This confidential exhibit contained the summary of 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 were no such substantial differences in sales to third countries for the same products.

**Since there were no domestic sales of GUC or like goods in the IP by GHS, and a normal value cannot be ascertained by the methods mentioned in s.269TAC(1), then the normal value could be determined under s.269TAC(2)(c) or s.269TAC(2)(d). Neither method is given precedence. However, in this investigation, the method under s.269 TAC(2)(d) would be more appropriate than s.269TAC(2)(c), since the third country sales were representative as sold at substantial quantities and at arm length transactions, with the same nature of trade, level of distribution.**

**Paragraph 269TAC(2)(d) and subsection 269TAC(3) provide:**

*“(2) (d) if the Minister directs that this paragraph applies - the price determined by the Minister to be the price paid or payable for like goods sold in the ordinary course of trade in arms-length transactions for exportation from the country of export to a third country determined by the Minister to be an appropriate third country, other than any amount determined by the Minister to be a reimbursement of the kind referred to in subsection 269TAA(1A) in respect of any such transactions.”*

*“(3) The price determined under paragraph (2)(d) is a price that the Minister determines, having regard to the quantity of like goods sold as described in paragraph (2)(d) at that price, is representative of the price paid in such sales.”*

**In considering whether a third country is an appropriate third country for the purposes of s.269TAC(2)(d), Customs and Border Protection may have regard to the following matters, as provided by s.269TAC(5C):**

*a) whether the volume of trade by the exporter to the selected third country is similar to the volume of trade between the exporter and Australia; and*

*b) whether the nature of trade between the exporter and the third country is similar to that that occurs between the exporter and Australia.*

**For this purpose, we reported the largest third country sales (sales to [a third country name]) at Exhibit F-2 on each transaction basis in consistent with the Australian Sales format, together with their individual expenses as incurred, as we understand that they were most representative in sales volume and at the same nature of trade as Australian sales, i.e. under the same import processing arrangement between GHS and GEHK, and also the same level of distribution, as indicated in the section B. [This confidential Exhibit contained sales to the third country transaction based information in the similar format as Australian Sales]**

**Therefore, we submitted that this third country sale is highly representative and appropriate as the basis for the normal value calculation for the purpose of this investigation at this circumstance in accordance with the Act, and this representative third country sales were sold at substantial quantities, i.e. more than [percentage]%, at a profit in the IP.**

## SECTION G

### COSTING INFORMATION AND CONSTRUCTED VALUE

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

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

**Answer:** Please refer to Exhibit G-1 for production flowchart for GHS, Basically the GHS produced from pulp as provided by GEHK into GUC for the export market. *[This confidential Exhibit contained the company internal production chart.]*

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

**Answer:** Please refer to Exhibit G-2 for Production spreadsheet by GHS. *[This confidential Exhibit contained the company internal production figures].*

#### 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 company maintains a highly integrated computerized ERP software system, i.e. [ ], in its normal production record or cost accounting. [

.]

*[The deleted confidential information is related to the company accounting or management software and explanation of the software process by GHS.]*

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:** Not applicable. [

]

***[The deleted confidential information is related to the valuation method of cost used by GHS.]***

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

**Answer: There was no significant or unusual cost variances occurred during investigation period.**

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

**Answer: There were [ ] by each company, that is, the company had [ ] in the normal business of operation.**  
***[The deleted confidential information is related to the profit centre in the company's 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 investigation. In particular specify how, and over what period, expenses are amortised or depreciated, and how allowances are made for capital expenditures and other development costs.

**Answer: Not applicable, as GHS [ ].However, the company calculated the cost of production on [ ] basis, and then flowed into the finished goods and cost of goods sold in the financial statements.**  
***[The deleted confidential information is related to how GHS calculate the cost of production in the normal business of operation.]***

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

**Answer: Generally, GHS calculates the cost by [ ], and transferred the cost as calculated into [ ]. that is, there may be [ ] in the normal business of accounting.**  
***[The deleted confidential information is related to GHS' normal cost accounting method with different products.]***

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: Not applicable, the company does [ ].**  
***[The deleted confidential information is related to GHS' normal cost accounting method.]***

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, as the company [ ] engage in any start-up operations in relation to the GUC during the investigation period.**

*[The deleted confidential information is related to whether the company involved in start-up operation.]*

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, as the company [ ] engage in any start-up operations in relation to the GUC during the investigation period.**

*[The deleted confidential information is related to whether the company had the start-up operation.]*

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

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

**Answer: Not applicable, there were no GUC domestic sales in the IP.**

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: Not applicable.**

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

**Answer: Please refer to Exhibit G-4 for Export CTMS spreadsheet, which was applied to Australian sales and third country sales, since they were the same physical characteristics and the same costs as recorded by the company. And unit cost was reported based on MT basis in consistent with its accounting books.**

**GHS only produced GUC for export sales in the IP [**

**].** *[The deleted confidential information is related to the company internal cost*

*accounting methods.]*

As for Unit CTS calculation, we allocated the applicable SG&A by the GUC sales in POI, and derived a unit SG&A for this purpose. Since it involved GHS and GEHK in the sales to Australian, we separately reported their unit SG&A for both companies in this Exhibit.

We understand this CTMS would be applied to Australian sales and third country sales, and those costs were reported at ex factory level. *[This confidential exhibit contained the detailed CTMS as recorded by the company]*

1Where 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:** The Cost to make was captured on [ ] in its normal cost accounting by GHS, and the GUC were assigned [ ] in the company normal cost accounting, and thus the same costs were recorded for a given month; and thus we [ ] as per their normal cost accounting.

*[The deleted confidential information is related to the normal cost accounting practices by the company.]*

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

**Answer:** Not applicable, we reported the cost as per their normal cost accounting.

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

**Answer:** Not applicable. We reported the unit cost as per the company normal cost accounting.

#### **G-6** Major raw material costs

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

**Answer:** In the GHS GUC production, pulp is the major input as purchased by GEHK from diversified suppliers, as indicated in preceding response.

For these major inputs:

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

**Answer:** A list of main suppliers is provided at Exhibit G-4, as purchased by GEHK. Those purchase prices were based on market prices, regardless of whether from unaffiliated or affiliated entities, and those purchase prices from affiliated parties were at the similar level as purchased from unaffiliated entities. *[This confidential Exhibit contained the company purchase entity and other business information.]*

## SECTION H EXPORTER/PRODUCER'S DECLARATION

I hereby declare that Gold Hua Sheng Paper (Suzhou Industrial Park) Co Ltd did, during the period of investigation export the goods under consideration and have completed the attached questionnaire and, having made due inquiry, certify that the information contained in this submission is complete and correct to the best of my knowledge and belief.

Name: Ms. Eva Tang

Signature: 

Position in  
Company: Deputy Head of Inte'l trade Department

Date: 25 November 2013



## **LIST OF EXHIBITS**

### **GHS**

Exhibit A-1	Corporate Structure Diagram (CONFIDENTIAL)
Exhibit A-2	GHS's Internal Organization Chart (CONFIDENTIAL)
Exhibit A-3	Product Brochure (PUBLIC)
Exhibit A-4	GHS's Chart of Accounts (CONFIDENTIAL)
Exhibit A-5	GHS's 2012 Audited Financial Statements and Unaudited Quarterly Financial Statements (CONFIDENTIAL)
Exhibit A-6	GHS's Quarterly Financial Statements during POI (CONFIDENTIAL)
Exhibit A-7	GHS's Income Statement Spreadsheet (CONFIDENTIAL)
Exhibit A-8	GHS's Turnover Spreadsheet (CONFIDENTIAL)
Exhibit B-1	Australian Sales Flowchart (CONFIDENTIAL)
Exhibit B-2	Australian Sales Spreadsheet (CONFIDENTIAL)
Exhibit B-3	Sample Australian Sales Documentation Package (CONFIDENTIAL)
Exhibit E-1	Libor Rate as Applicable in the IP (PUBLIC)
Exhibit F-1	GEHK's Third Country Spreadsheet (CONFIDENTIAL)
Exhibit F-2	Sales to New Zealand Spreadsheet (CONFIDENTIAL)
Exhibit G-1	GHS's Production Flowchart (CONFIDENTIAL)
Exhibit G-2	GHS's Production Spreadsheet (CONFIDENTIAL)
Exhibit G-3	Export CTMS Spreadsheet (CONFIDENTIAL)
Exhibit G-4	List of Raw Materials Suppliers (CONFIDENTIAL)

November 29, 2013

The Director  
Operations 2  
Anti-Dumping Commission  
Customs House  
5 Constitution Avenue  
Canberra ACT 2601  
[operations2@adcommission.gov.au](mailto:operations2@adcommission.gov.au)  
+61 2 6275 6888

## Letter of Authority

Dear Sir / Madam,

**Re: Anti Dumping Notice 2013/79  
Copy Paper from the People's Republic of China**

Gold Huansheng Paper (Suzhou Industrial Park) Co., Ltd and Gold East Trading (HONG KONG) Co., Ltd, the producer and exporter from China in the above mentioned investigation, and we confirmed our willingness to participate and will provide full cooperation in this proceeding.

Please be advised that we will be providing to our advisor, Beijing B&H Associates, confidential information required to complete the Exporter Questionnaires in relation to the above referenced dumping investigation. We will be happy to cooperate and provide any relevant information requested in this proceeding.

Mr. Lan Xiong and other advisors of Beijing B&H Associates are duly authorized to represent us in these matters, and to complete and lodge the questionnaires, and any other supporting correspondence, and participate in above-mentioned proceeding on behalf of our company. And all communications or correspondence could be directed to the contact as follows:

Mr. Lan Xiong  
Telephone: +8610-8223-0597  
Mobile Phone: +86-139-115-19500

Fascimile: +8610-8223-0598

Email: lx@bohenglaw.com

And we will also be happy to receive a visit by the commission, should that be considered necessary, to allow verification of the information provided by us during these investigations. Please give us sufficient notice if you intend to visit so we can ensure that the relevant staffs are available to meet with you.

Yours faithfully,



Signed by Tang Yi

The deputy director of export sales department  
Gold Huasheng Paper (Suzhou Industrial Park) Co., Ltd  
No.2 Jinsheng Road, Shengpu, Suzhou Industrial Park,  
Suzhou City, Jiangsu 215126,  
P.R. China

## **Exhibit A-1**

### **Corporate Structure Diagram**

**Exhibit A-1 is corporate structure diagram in response of A-3.5 of Section A. It lists GHS's all related companies information. This information is considered by GHS to be proprietary information and its release could compromise GHS's competitive position in the market place.**

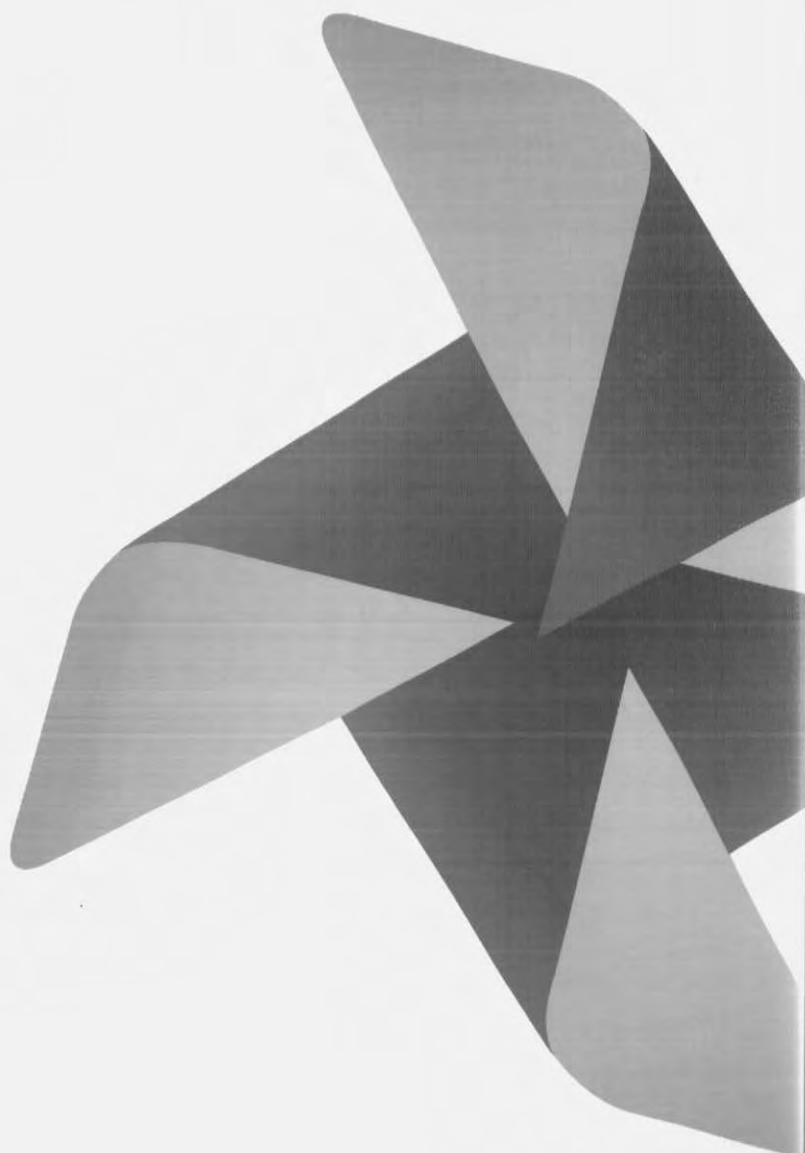
## **Exhibit A-2**

### **GHS's Internal Organization Chart**

Exhibit A-2 is GHS's internal organization chart in response of A-3.9 of Section A. It lists GHS's all internal divisions and departments. This information is considered by GHS to be proprietary information and its release could compromise GHS's competitive position in the market place.

## **Exhibit A-3**

### **Product Brochure**



China's  
Largest Supplier  
Of Various  
Paper Products



Gold HuaSheng Paper(Suzhou Industrial Park)Co.,Ltd. was established in May 1996, with a total investment of 1.4 billion USD by Asia Pulp and Paper, which making it one of the largest paper mill in China. It occupies 260 hectares of Suzhou industrial park. GHS is blessed with a beautiful landscape, convenient traffic, company with more than 3,000 people strong workforce. GHS is located in China's most bustling triangle area of Jiangsu-Zhejiang-Shanghai, further enhanced by the many water channels and well constructed roads to service the industrial area. GHS also boasts a privately owned coal power plant, making the mill self sufficient and also a private harbor area for raw materials transportation. As of current, GHS' production capacity is 650,000MT. GHS's products includes carbonless paper, office paper, uncoated and coated woodfree paper, which have achieved international standard relying on excellent personnel and most advanced research and development.

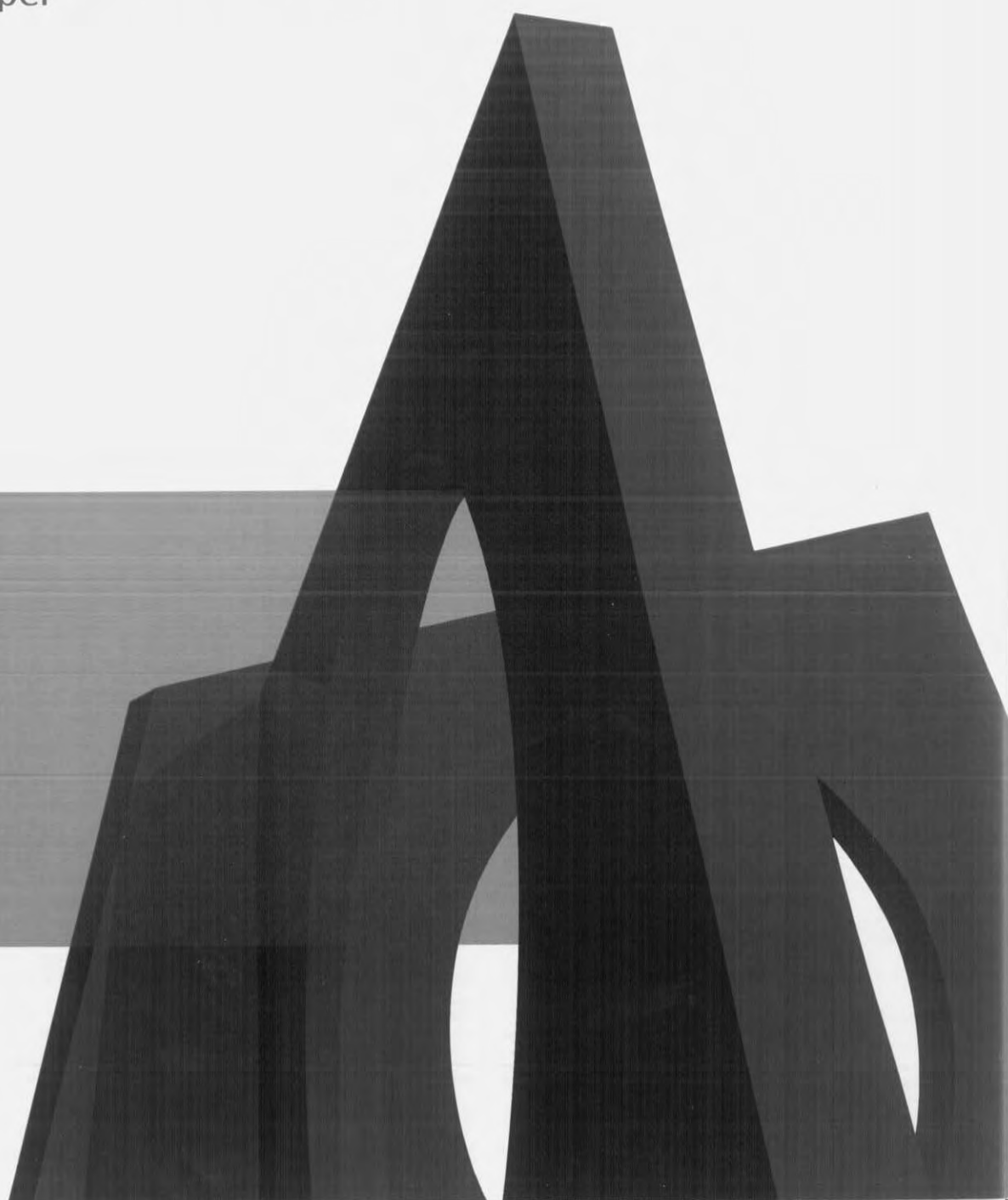
While still maintaining its responsibility to the environment, over the period 10 years, GHS has already become one of the centers of Asia's paper industry and the largest paper mill with the widest range of paper products in China. GHS has already transformed the traditional Chinese paper mill to one of China's most advanced facility.

To provide quality assurance to our worldwide customers, GHS has implemented a technologically advanced and complete solution using ABB, Distributed Control System (DCS), Quality Control System (QCS) and detailed inspection process to ensure that every sheet or roll of paper is up to customer's expectation. Further, the performance of our paper is continuously tested and improved using ISO standard and certified testing equipment. As a result of this, GHS in July 2000 has obtained ISO9001 quality management certification and is continuously pursuing excellence in paper technology and development. Currently, the research and development team is equipped with a library, an integrated IT system and an international standard laboratory facility to support the nurturing of both professional and newly recruited talents. Additionally, to continuously improve manufacturing process, cooperative efforts are made with top universities in China as well as research centers for chemical processing. Throughout all these, we aim to provide our customers imported quality paper with the best value in the market. To fulfill our ambition to replace imported paper and service the China market, we have arranged our product line up to suit customers' demand, most notable and well accepted brands include Impression, Record and Nevia. To ensure each customer is satisfied with our service, GHS emphasizes every employee should do their best to solve every problem to deal professionally in every conversation and to look after their customers' needs everyday.

Upon entering company facility, you are welcome with well organized roads lush greenery, clean and tidy environment and while still able to see the bustling activity of a paper manufacturing mill. Being an international firm, GHS is actively undertaking environment conservation and energy saving projects. Using PDCA circulating management system, GHS promotes the use of environmentally safe chemicals energy conservation policies both in the production as well as the office area, and thus is finally awarded with ISO14001 Environmental Management System Certificate as well as PEFC chain of Custody. Corporate culture is the most important strength of the company, GHS believes in people as its foundation to create a harmonious environment to nurture and develop young talents for the future developments of the company. Under the guidance of APP Group, GHS using its advanced paper making facility excellent person and strong supporting business channels has been making significant contributions to both the country as well as achieving international recognition worldwide.

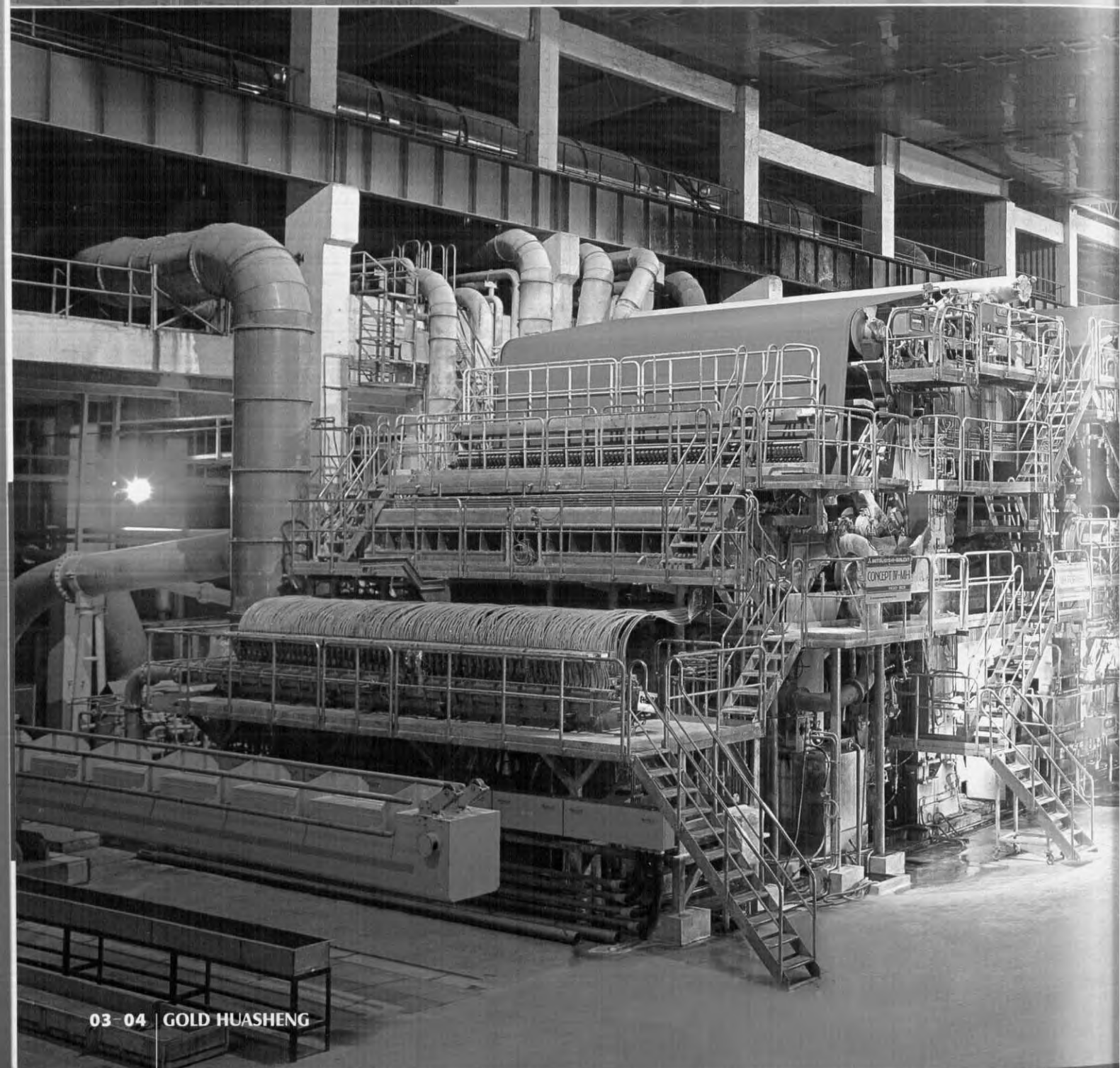


We believe in the "Green Economy "  
We use technology and innovation to  
meticulously produce every  
sheet of paper

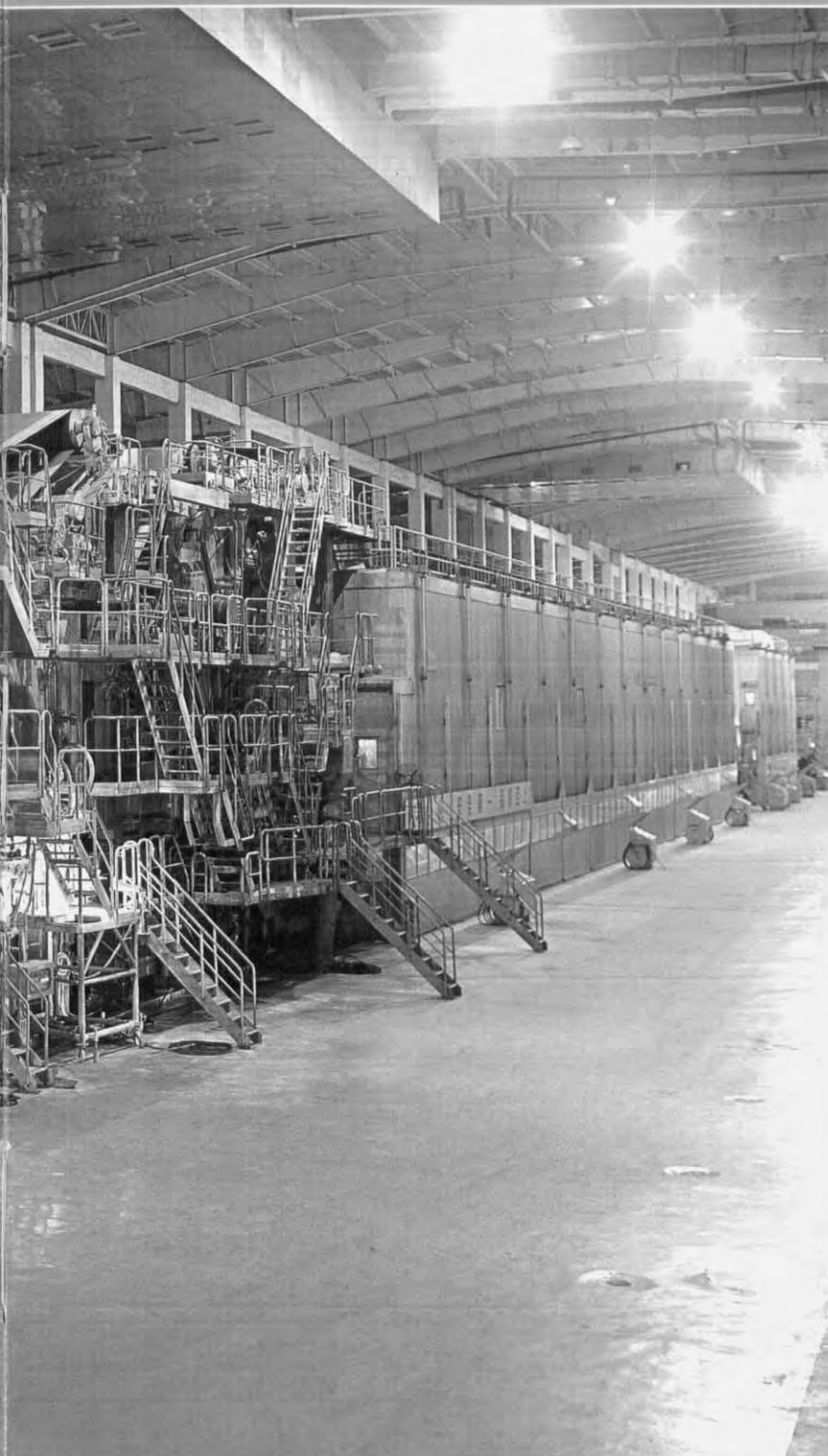


# Paper Machine >

# PM1

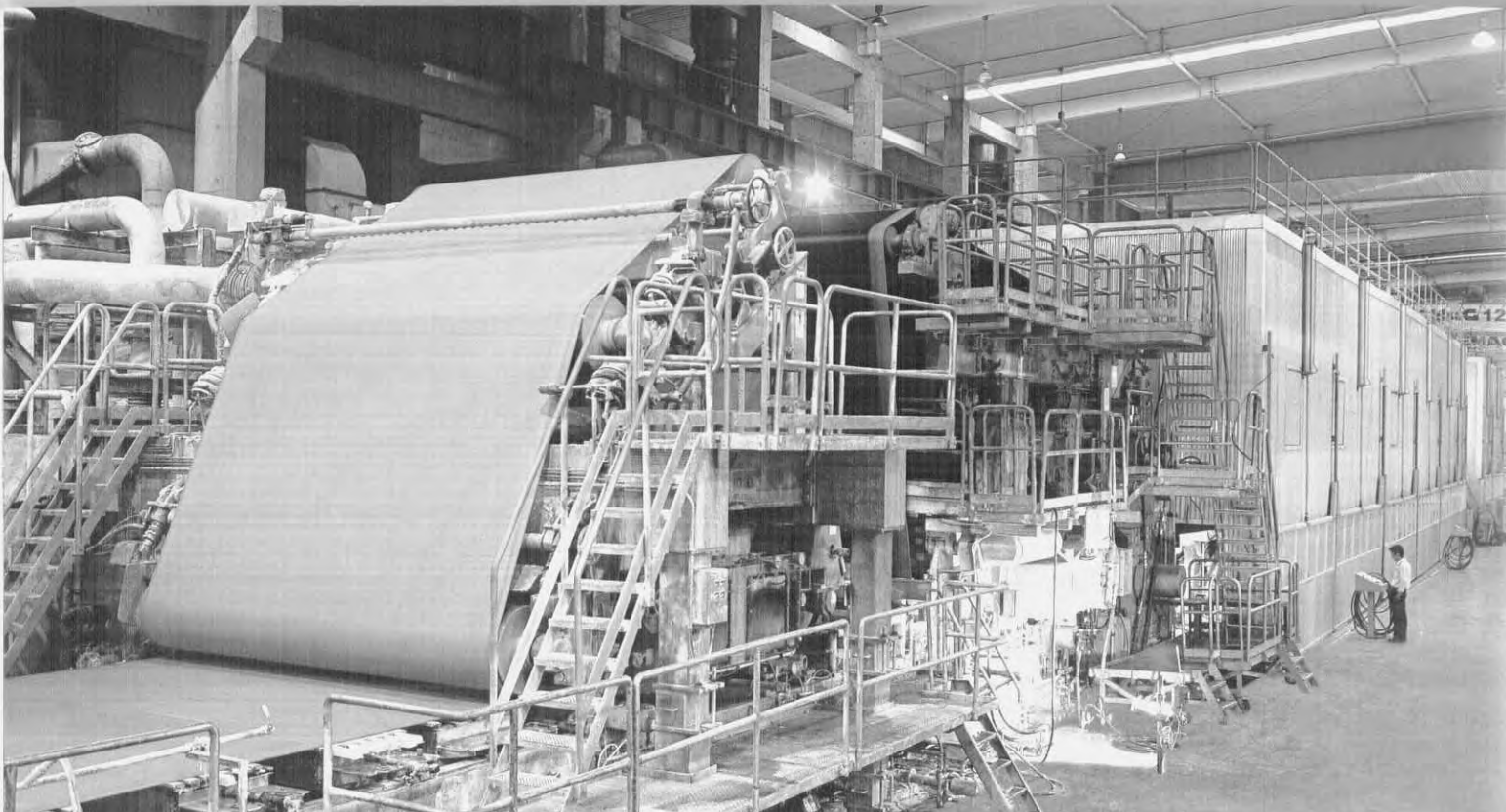


# PM1



<b>Primary Products</b>	Carbonless Base Paper
	Uncoated Woodfree Paper (White)
	Photocopy Paper
<b>Supplier</b>	MHI (Japan)
<b>Capacity</b>	1050 Tons / 24hrs
<b>Operation Speed</b>	1500m / min, Max
<b>Basis Weight</b>	25-120g/m <sup>2</sup>
<b>Wire Width</b>	8000mm
<b>Web Width</b>	7360mm





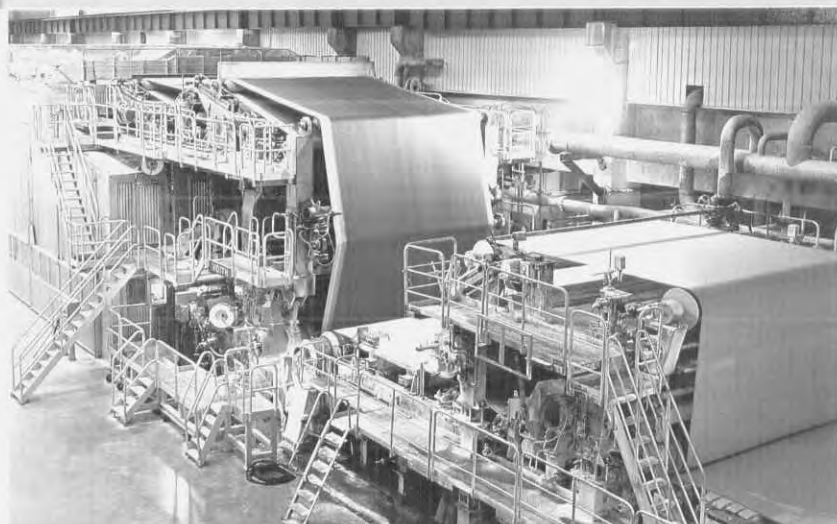
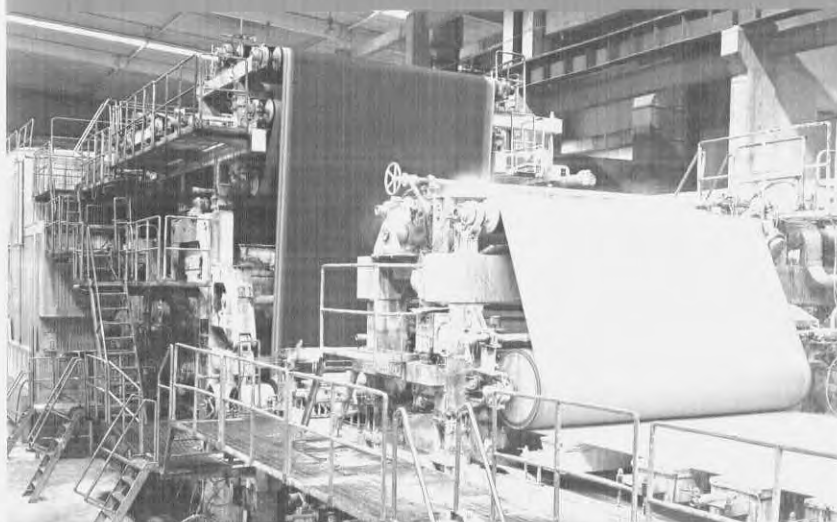
## Paper Machine >

# PM2

Primary Products	Premium Ivory Paper Speciality Woodfree Paper
Supplier	ESCHER WYSS (Germany)
Capacity	200 Tons / 24hrs
Operation Speed	800m / min, Max
Basis Weight	40-100g/m <sup>2</sup>
Wire Width	3700mm
Web Width	3250mm

<b>Primary Products</b>	Art Board Base Paper
<b>Supplier</b>	VOITH (Germany) KUFFERATH (Germany)
<b>Capacity</b>	350 Tons / 24hrs
<b>Operation Speed</b>	500m / min, Max
<b>Basis Weight</b>	120-300g/m <sup>2</sup>
<b>Wire Width</b>	3760mm
<b>Web Width</b>	3300mm

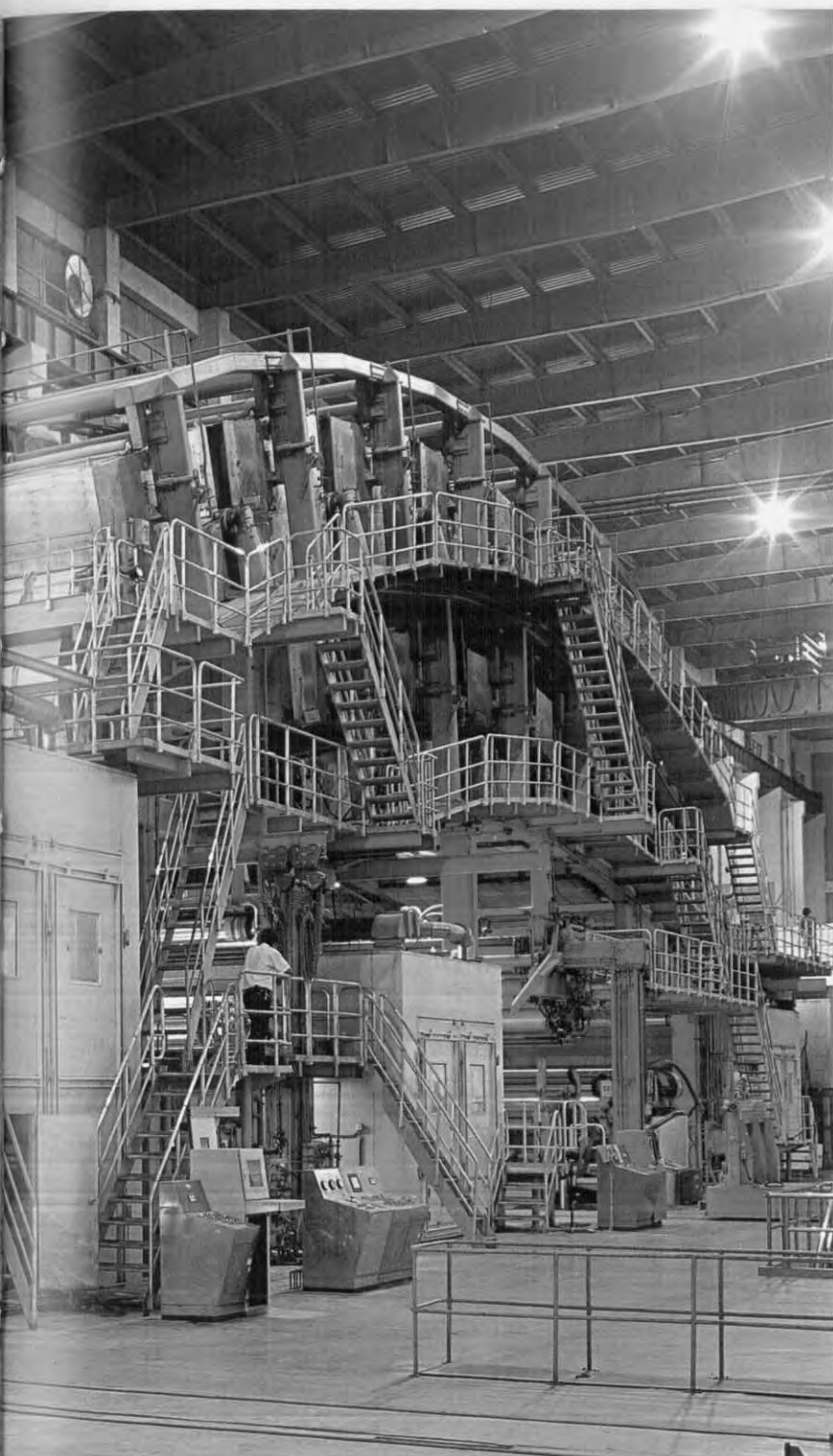
# PM3



<b>Primary Products</b>	Carbonless Base Paper Thermal Base Paper
<b>Supplier</b>	IHI (Japan) VOITH (Germany)
<b>Capacity</b>	360 Tons / 24hrs
<b>Operation Speed</b>	1100m / min, Max
<b>Basis Weight</b>	40-120g/m <sup>2</sup>
<b>Wire Width</b>	4175mm
<b>Web Width</b>	3600mm



## Coating Machine >



<b>Primary Products</b>	Carbonless Paper
	Self-Contained Carbonless
<b>Coating Method</b>	DF Coating, Four Coating Nips
<b>Supplier</b>	IHI (Japan)
<b>Capacity</b>	315 Tons / 24hrs
<b>Operation Speed</b>	1200m / min, Max
<b>Basis Weight</b>	40-125g/m <sup>2</sup>
<b>Web Width</b>	3650mm (Normal 3560mm)

NCR

Carbonless  
Coater





## Coating Machine >

Primary Products	Carbonless Paper
Coating Method	Air knife, Two Coating Nips
Supplier	Shashi light Ind.Machinery Co.,ltd.
Capacity	40 Tons / 24hrs
Operation Speed	400m / min, Max
Basis Weight	38-60g/m <sup>2</sup>
Web Width	1880 mm (Normal 1780 mm)

## EMS Coater



<b>Primary Products</b>	Thermal Paper
<b>Coating Method</b>	Rod Type, Two Coating Nips Plus one Back Coater
<b>Supplier</b>	IHI ( Japan ) Shashi light Ind.Machinery Co.,Ltd.
<b>Capacity</b>	70 Tons / 24hrs
<b>Operation Speed</b>	620m / min, Max
<b>Basis Weight</b>	54-162g/m <sup>2</sup>
<b>Web Width</b>	2260mm ( Normal 1780 mm )

# Thermal Coater



<b>Primary Products</b>	Art Board
<b>Coating Method</b>	Blade Type, Four Coating Nips
<b>Supplier</b>	BELOIT-WALMSLEY (England)
<b>Capacity</b>	400 Tons / 24hrs
<b>Operation Speed</b>	1000m / min, Max
<b>Basis Weight</b>	200-350g/m <sup>2</sup>
<b>Web Width</b>	3300mm ( Normal 3250 mm )



OMC

## Paper Products >

# Uncoated Woodfree Paper

Brand	Record/ Impression Lux		
Color	White / Cream / Ivory / Natural White / Super Ivory		
Basis Weight (g/m²)	60-270		
Size	Reel	160 - 2500mm	241 / 381mm
	Sheet	420 x 530 - 1420 x 1420mm	
Characteristics	Virgin pulp / Smooth finish / Acid free / Excellent runnability / Outstanding printability		
Application	Art books / Direct mail / Letterheads / Instruction manuals / Paper bag / Greeting cards / Folders / Invitation cards / Envelopes / Post cards		



# Coated Woodfree Paper



Brand	Nireus/Nevia Plus /Nevia
Type	Gloss / Matt / Silk
Basis Weight (g/m <sup>2</sup> )	200 - 350
Size	Reel 175 - 1800mm
	Sheet 420 x 530 - 1420 x 1420mm
Characteristics	High surface gloss, smoothness and brightness / Excellent runnability
Application	Book and magazine cover / Advertising material
	/ Annual reports / Brochures / Catalogues
	/ Postcards



*Nireus* **NEVIA** *Plus* **NEVIA**

## Paper Products >

# Carbonless Paper



<b>Brand</b>	Impression plus / Super Image
<b>Image</b>	Blue / Black
<b>Color</b>	White / Pink / Yellow / Blue / Green
<b>Basis Weight (g/m<sup>2</sup>)</b>	CB 55 / 60 / 80 CFB 50 / 60 CF 55 / 60 / 80 / 125 / 170 SCCB 52 / 56 / 60
<b>Size</b>	Reel 160 - 1940mm 241 / 381mm Sheet 420 x 530 - 1420 x 1420mm
<b>Characteristics</b>	Virgin pulp / Clear image / Aging-resistant
<b>Application</b>	Continuous & Multi-ply forms / Register forms / Sales books / Invoices





# Thermal Paper

Brand	Record		
Image	Black		
Type	Fax / Pos / Printing / Label		
Basis Weight (g/m <sup>2</sup> )	Fax	55 / 58 / 62 / 65	
	Pos	62 / 65	
	Printing	55 / 58 / 65	
	Label	77	
Size	Reel	241 - 1780mm	
Characteristics	Excellent runnability / Low maintenance cost		
Application	Food label / Entry ticket / Point of sale		



## Paper Products >

## Digital Coated Paper



<b>Brand</b>	Digital Nevia
<b>Type</b>	Gloss/Matt/Silk
<b>Basis Weight (g/m<sup>2</sup>)</b>	190/200/210/216/230/250/270/300/350
<b>Size</b>	Sheet 210x297 - 364x521mm Other Size is available upon request
<b>Characteristics</b>	High surface gloss, smoothness and brightness / High dimensional stability/Outstanding heat resistance
<b>Application</b>	Books / Brochures / Business card / Catalogues Commercials / Calendars



**DIGITAL NEVIA**  
Digital Coated Paper

# Premium Digital Uncoated Paper

<b>Brand</b>	Impression Nevia
<b>Basis Weight (g/m<sup>2</sup>)</b>	80/90/100/120
<b>Size</b>	Sheet 210x297 297x420 320x450mm Other Size is available upon request
<b>Characteristics</b>	High smoothness and brightness with surface treatment / Trouble-free runnability on color copier and digital offset / Vivid and crisp color image
<b>Application</b>	Business plan / Presentation materials Pattern design / Brochures

**Kodak**

NEXPRESS Digital  
Production Color Presses  
QUALIFIED SUBSTRATE



**IMPRESSION**  
**NEVIA**  
Premium Digital Uncoated Paper

## Inkjet Paper

<b>Brand</b>	Preprint Nevia
<b>Basis Weight (g/m<sup>2</sup>)</b>	80/90/100/120
<b>Size</b>	Reel 200-600mm Sheet 210x297 - 364x521mm Other Size is available upon request
<b>Characteristics</b>	High brightness with contrast and sharpness of color image / Trouble-free runnability on inkjet machine / Fast drying time / Excellent dimensional stability
<b>Application</b>	Banking Statements / Utility bills / Inkjet plotter / Commercial printing



**PREPRINT**  
**NEVIA**  
Inkjet Paper



## Utilities >



### **Docks:**

large, self-owned docks with capacity to off load up to 2000 tons of coal and 300 tons of ash per day. Coal transport capacity: 400 tons per hour.

### **Power Plant:**

Large, self-owned power plant with high pressure coal-fired boilers and 2 turbine generators. Power generation capacity: 100MW. An additional boiler and generator were added in 2006 and scheduled to be online in 2008. Increased power generation capacity: 80MW.

### **Automated Warehouse:**

Fully-automated warehouse storage system. Maximum capacity: 14,000 tons.



## QC and R&D



With a team of top technological professionals, GHS continues in its path of innovative product development and efficient corporate management. GHS has acquired fully-automated capsulation systems and other cutting edge technologies. With ABB's DCS control system, quality control and monitoring systems, GHS is able to fully monitor the production process in order to guarantee the quality of its product.



The high capacity waste-water treatment plant is but one of the many investments GHS has made to ensure the sustainable growth of both the company and the community. GHS is fully committed to the protection of the environment and to fulfill its responsibility in the "Green Circle".



### Waste water

Mill owned water treatment system. Waste water treatment is rain and waste water separated. All pretreated waste water produced during paper production is being disposed as a whole into Wu Song River. Waste water treatment facility is able to treat 30 thousand metric tons of water.

There is also an inbuilt water reuse system Gold Hua Sheng paper built this water reuse system project in 2009 August 7th. The total investment was 3.4 million Yuan and took 6 months to finish the project. After the finalization of the project, the total emission of COD per year is 214 metric ton. The new increased water rotation volume is 2560 thousand cubic. Successfully lowered the usage of clear water and reduced the emission of SS (Floating debris in water) by 1120 thousand metric tons/year.

### Waste Gas

Recycling carbon dioxide from waste gas and using them in production of light weighted carbon carbonate. In 2004, the company invested in a project of producing 110 thousand metric tons of light weight carbon carbonate. This project successfully reacted carbon dioxide and calcium oxide in a furnace and after fine selection it produced light weight carbon carbonate. This process reduced greenhouse effect substance "Carbon Dioxide". It also fully utilized the remaining heat of the furnace. After statistics research, this project has reduced carbon dioxide emission by 48 thousand metric tons per year, reducing 111 metric ton of carbon sulfur per year.

### Solid Waste

Upgrade smudge treatment method and changing waste into gold. By increasing smudge treatment facilities and decreasing smudge water percentage from 73% till 60% and below. Hence the volume and mass of the smudge will also decrease by 30%. In the end, it will be incinerated to produce heat and the carbon carbonate could be used as raw material to get rid of sulfur within the furnace. This could reduce solid waste disposal and also reduce usage amount of carbon carbonate and coal's consumption, reducing the cycle of solid waste production in the mill. The project is estimated of 2,200 thousands Yuan investment, but this project could help save 3,200 thousands Yuan in return. At the same time, working with waste water treatment and incinerating smudge produced from the mill has reduced smudge by 8,700 metric tons per year.

## Environmental Protection & Social Responsibilics



# Sales Distribution Network



## SALES & DISTRIBUTION NETWORK

Branch Offices	Cities	Office Tel.	Fax
USA& SA	Los Angeles	(1) 7146876648	(1) 7147800598
Canada	Brampton	(905) 4502100	(905) 4509906
Brazil	Sao Paulo	(55) 1130783838	(55) 1135830056
France	Paris	(33) 178091556	(33) 149240086
Italy	Padova	(39) 04986971	(39) 0498697212
Spain	Barcelona	(34) 934960634	(34) 934960628
United Kingdom	Herts	(44) 1707376959	(44) 1707372727
Australia	Melbourne	(61) 388093333	(61) 388093300
Hongkong	Hongkong	(852) 27330488	(852) 27322202
Korea	Seoul	(82) 25010790/2	(82) 25014187
India	Gurgaon	(91) 1244297070	(91) 1244297079
Japan	Tokyo	(81) 352171255	(81) 352171264
Jordan	Amman	(962) 65603756	(962) 65691977
Malaysia	Subang jaya	(60) 380249988	(60) 380230966
Philippine	Makati	(63) 28401366	(63) 28401394
Singapore	Singapore	(65) 67350100	(65) 67372802
Taiwan	Taipei Hsien	(886) 222997691	(886) 222997677
Thailand	Bangkok	(66) 26177696/7	(66) 26177698
UAE	Dubai	(971) 42243224	(971) 42221446
Vietnam	Hanoi	(84) 439747310	(84) 439747311
	Ho Chi Minh	(84) 438219461	(84) 438219463
South Africa	Johannesburg	(27) 118815597	(27) 118815611
Austria	Vienna	(43) 1587218213	(43) 1587218214



GOLD HUASHENG PAPER(SUZHOU INDUSTRIAL PARK)CO.,LTD.  
No.2 Jinsheng Road,Shengpu,Suzhou Industrial Park,  
Suzhou,Jiangsu 215126,P.R.China  
Tel:86-512-6283 6666  
Fax:86-512-6282 2312 6283 2076  
800Toll-free Hot-Line: 8008282009

## **Exhibit A-4**

### **GHS's Chart of Accounts**

Exhibit A-4 is GHS's chart of accounts in response of A-4.3 of Section A. It lists GHS's all accounting codes. This information is considered by GHS to be proprietary information and its release could compromise GHS's competitive position in the market place.

## **Exhibit A-5**

### **GHS's 2012 Audited Financial Statements and Unaudited Quarterly Financial Statements**

Exhibit A-5 is GHS's financial statements in response of A-4.3 of Section A. It contains GHS's financial and accounting data. This information is considered by GHS to be proprietary information and its release could compromise GHS's competitive position in the market place.



## **Exhibit A-6**

### **GHS's Quarterly Financial Statements during POI**

**Exhibit A-6 is GHS's financial statements in response of A-4.3 of Section A. It contains GHS's financial and accounting data. This information is considered by GHS to be proprietary information and its release could compromise GHS's competitive position in the market place.**



## **Exhibit A-7**

### **GHS's Income Statement Spreadsheet**

**Exhibit A-7 is GHS's income statement spreadsheet in response of A-5 of Section A. It contains GHS's financial and accounting data. This information is considered by GHS to be proprietary information and its release could compromise GHS's competitive position in the market place.**

## **Exhibit A-8**

### **GHS's Turnover Spreadsheet**

**Exhibit A-8 is GHS's turnover spreadsheet in response of A-6 of Section A. It contains GHS's financial and accounting data. This information is considered by GHS to be proprietary information and its release could compromise GHS's competitive position in the market place.**

## **Exhibit B-1**

### **Australian Sales Flowchart**

**Exhibit B-1 is Australian sales flowchart in response of B-2 of Section B. It contains Australian sales process and procedures. This information is considered by GHS to be proprietary information and its release could compromise GHS's competitive position in the market place.**

## **Exhibit B-2**

### **Australian Sales Spreadsheet**

**Exhibit B-2 is Australian sales spreadsheet in response of B-4 of Section B. It contains Australian sales prices and clients' information. This information is considered by GHS to be proprietary information and its release could compromise GHS's competitive position in the market place.**

## **Exhibit B-3**

# **Sample Australian Sales Documentation Package**

**Exhibit B-3 is Australian sales sample documents in response of B-9 of Section B. It contains Australian sales prices and client's information. This information is considered by GHS to be proprietary information and its release could compromise GHS's competitive position in the market place.**

## **Exhibit E-1**

### **Libor Rate as Applicable in the IP**

## Exhibit E-1 Libor Rate as Applicable in the IP

<http://www.global-rates.com/interest-rates/libor/american-dollar/2013.aspx>

US Dollar LIBOR interest rates 2013, all maturities					
Maturity / rate 2013	first	last	high	low	average
USD LIBOR - overnight	0.166 %	0.106 %	0.167 %	0.100 %	0.133 %
USD LIBOR - 1 week	0.191 %	0.130 %	0.191 %	0.126 %	0.159 %
USD LIBOR - 2 weeks	0.199 %	0.171 %	0.199 %	0.171 %	0.184 %
USD LIBOR - 1 month	0.208 %	0.168 %	0.208 %	0.168 %	0.191 %
USD LIBOR - 2 months	0.252 %	0.208 %	0.252 %	0.207 %	0.232 %
<b>USD LIBOR - 3 months</b>	<b>0.305 %</b>	<b>0.237 %</b>	<b>0.305 %</b>	<b>0.236 %</b>	<b>0.270 %</b>
<b>USD LIBOR - 4 months</b>	<b>0.362 %</b>	<b>0.317 %</b>	<b>0.362 %</b>	<b>0.316 %</b>	<b>0.335 %</b>
USD LIBOR - 5 months	0.433 %	0.367 %	0.433 %	0.366 %	0.393 %
USD LIBOR - 6 months	0.506 %	0.351 %	0.506 %	0.351 %	0.417 %
USD LIBOR - 7 months	0.574 %	0.467 %	0.574 %	0.465 %	0.511 %
USD LIBOR - 8 months	0.628 %	0.512 %	0.628 %	0.508 %	0.558 %
USD LIBOR - 9 months	0.684 %	0.551 %	0.684 %	0.547 %	0.601 %
USD LIBOR - 10 months	0.735 %	0.590 %	0.735 %	0.588 %	0.646 %
USD LIBOR - 11 months	0.786 %	0.639 %	0.786 %	0.633 %	0.694 %
USD LIBOR - 12 months	0.842 %	0.585 %	0.842 %	0.584 %	0.696 %

<http://www.global-rates.com/interest-rates/libor/american-dollar/2012.aspx>

US Dollar LIBOR interest rates 2012, all maturities					
Maturity / rate 2012	first	last	high	low	average
USD LIBOR - overnight	0.149 %	0.168 %	0.170 %	0.139 %	0.153 %
USD LIBOR - 1 week	0.208 %	0.193 %	0.208 %	0.177 %	0.189 %
USD LIBOR - 2 weeks	0.243 %	0.200 %	0.243 %	0.192 %	0.211 %
USD LIBOR - 1 month	0.295 %	0.209 %	0.296 %	0.207 %	0.236 %
USD LIBOR - 2 months	0.428 %	0.254 %	0.429 %	0.253 %	0.328 %
<b>USD LIBOR - 3 months</b>	<b>0.582 %</b>	<b>0.306 %</b>	<b>0.582 %</b>	<b>0.306 %</b>	<b>0.430 %</b>
<b>USD LIBOR - 4 months</b>	<b>0.658 %</b>	<b>0.363 %</b>	<b>0.659 %</b>	<b>0.361 %</b>	<b>0.521 %</b>
USD LIBOR - 5 months	0.729 %	0.435 %	0.729 %	0.433 %	0.603 %
USD LIBOR - 6 months	0.811 %	0.508 %	0.812 %	0.508 %	0.687 %
USD LIBOR - 7 months	0.864 %	0.576 %	0.865 %	0.573 %	0.747 %
USD LIBOR - 8 months	0.915 %	0.631 %	0.915 %	0.629 %	0.798 %
USD LIBOR - 9 months	0.966 %	0.686 %	0.968 %	0.686 %	0.850 %
USD LIBOR - 10 months	1.017 %	0.737 %	1.018 %	0.737 %	0.903 %
USD LIBOR - 11 months	1.071 %	0.788 %	1.072 %	0.786 %	0.956 %
USD LIBOR - 12 months	1.130 %	0.844 %	1.130 %	0.842 %	1.013 %

Averaged libor for 3 month	0.350%
Averaged libor for 4 month	0.428%

## **Exhibit F-1**

### **GEHK's Third Country Spreadsheet**

**Exhibit F-1 is third country spreadsheet in response of F-1 of Section F. It contains sales revenue and related data. This information is considered by GHS to be proprietary information and its release could compromise GHS's competitive position in the market place.**



## **Exhibit F-2**

### **Sales to New Zealand Spreadsheet**

Exhibit F-2 is sales to New Zealand spreadsheet in response of F-2 of Section F. It contains sales prices and client's information. This information is considered by GHS to be proprietary information and its release could compromise GHS's competitive position in the market place.

# **Exhibit G-1**

## **GHS's Production Flowchart**

**Exhibit G-1 is production flowchart in response of G-1 of Section G. It contains production process and related information. This information is considered by GHS to be proprietary information and its release could compromise GHS's competitive position in the market place.**

## **Exhibit G-2**

### **GHS's Production Spreadsheet**

**Exhibit G-2 is production spreadsheet in response of G-2 of Section G. It contains production output data. This information is considered by GHS to be proprietary information and its release could compromise GHS's competitive position in the market place.**

## **Exhibit G-3**

### **Export CTMS Spreadsheet**

**Exhibit G-3 is CTMS spreadsheet in response of G-5 of Section G. It contains cost and financial data. This information is considered by GHS to be proprietary information and its release could compromise GHS's competitive position in the market place.**

## **Exhibit G-4**

### **List of Raw Materials Suppliers**

**Exhibit G-4 is list of suppliers in response of G-6 of Section G. It contains raw material purchase price and supplier's information. This information is considered by GHS to be proprietary information and its release could compromise GHS's competitive position in the market place.**