

## PUBLIC RECORD

### SECTION A - COMPANY STRUCTURE AND OPERATIONS

#### A-1 Identity and communication

Please nominate a person within your company who can be contacted for the purposes of this investigation:

**Financial Centre:** UPM (China) Co., Ltd.

**Name:** Sami Lava

**Position in the company:** Legal Counsel, APAC

**Address:** F23, Tower 2, Grand Gateway, No. 3, Hongqiao Rd., Shanghai, China

**Telephone:** +86-21-64485560

**Facsimile number:** +86-21-64485512

**E-mail address of contact person:** [sami.latva@upm.com](mailto:sami.latva@upm.com)

**Factory:** UPM (China) Co., Ltd.

**Address:** No.2, Xing Ye Rd., Changshu Economic and Technology Development Zone, Jiangsu Province, China

**Telephone:** +86-21-64485560

**Facsimile number:** +86-21-64485512

**E-mail address of contact person:** [sami.latva@upm.com](mailto:sami.latva@upm.com)

**Exporter:** UPM Asia Pacific Pte Ltd

**350 Orchard Road**

**# 15.05.06 Shaw House**

**Singapore 238868**

#### 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:** John Cosgrave. Minter Ellison Lawyers

**Address:** Level 3, 25 National Circuit, Forrest, Canberra, Australian Capital Territory, 2603

**Telephone:** +61 2 6225 3781

**Facsimile/Telex number:** +61 2 6225 1781

**E-mail address of contact person:** [john.cosgrave@minterellison.com](mailto:john.cosgrave@minterellison.com)

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

## PUBLIC RECORD

### 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.

There are three limited liability companies involved in the production and sale of the GUC. UPM (China) Co., Ltd. ("UPM-China") is a manufacturing company incorporated in Jiangsu Province, China. UPM-China manufactures the GUC for sale in China and is a contract manufacturer of the GUC for export to countries in Asia and the Middle East including Australia.

UPM Asia Pacific Pte Ltd ("UPM-AP") is a Singapore based company that purchases and provides major imported manufacturing inputs to its wholly owned subsidiary UPM-China for the production of the GUC that it exports to the markets mentioned above. UPM-Kymmene Pty Ltd (UPM-Aus) is the UPM sales company in Australia operating as a commission agent representing UPM-AP, in Australia and New Zealand.

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).

Please see Confidential Appendix 1 illustrating the relationships between the UPM group of companies.

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

Please see major shareholder details in Appendix 2.

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

Not applicable

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

Please see Confidential Appendix 1.

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

Yes,

[Redacted text]

[Confidential allocation details]



## PUBLIC RECORD

Details of these charges during the period of investigation are set out in Confidential Appendix 3.

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

UPM-China manufactures and sells domestically various paper, paper board and other paper products; In addition, pursuant to a contract manufacturing agreement it processes raw materials to provide UPM-AP with finished paper products for export.

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.

Please see A-3.1 above

For all export sales UPM-AP purchases and retains ownership of all major production inputs and delivers them to UPM-China for processing into finished paper products. UPM-China charges its parent company a processing fee. Under these contract processing arrangements, all raw materials imported into China for the production of export goods and the finished goods that are exported are tax and duty free. UPM China invoices the processing fee to UPM-AP after manufacture and export of the products. Please see processing fee details in Confidential Appendix 4.

Please see the contract manufacturing details and agreements covering the investigation period in Confidential Appendix 5 (a), Confidential Appendix 5 (b) and Confidential Appendix 5 (c) and Confidential Appendix 5 (d).

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

Please see Organisation charts in Confidential Appendix 6 (a) and Confidential Appendix 6 (b).

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

No annual report is produced.

Please see UPM-China brochures in Appendix 7.

### A-4 General accounting/administration information

1. Indicate your accounting period.

## PUBLIC RECORD

UPM applies 1<sup>st</sup> January – 31<sup>st</sup> December fiscal year for the accounting period.

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

[Confidential location of financial records]

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;

Please see Chart of accounts for UPM-China in Confidential Appendix 8.

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

Please see Confidential Appendix 9 (a) and Confidential Appendix 9 (b) for Audited statements for 2014 and 2015

[English translations of audited statements, Confidential Appendix 9 (a) and (b) will be forwarded to the Commission shortly]

- 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.

Please see Confidential Appendix 10 for Financial Statements.

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.

Not Applicable

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

No

6. Describe:

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



## PUBLIC RECORD

- 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);

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[Confidential Accounting Policies]

- 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);

[REDACTED]

## PUBLIC RECORD

[REDACTED]

[REDACTED]

[Confidential cost allocation practices]

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

[REDACTED]

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

[REDACTED]

- valuation and revaluation methods for fixed assets;

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



## PUBLIC RECORD

[Redacted]

[Redacted]

[Confidential Valuation Practices]

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

[Redacted]

[Confidential depreciation details]

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

[Redacted]

[Confidential treatment of foreign exchange details]

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

[Redacted]

[Confidential treatment of foreign exchange movements]

- inclusion of general expenses and/or interest;

[Redacted]

[Confidential accounting details]

- provisions for bad or doubtful debts;

[Redacted]

## PUBLIC RECORD

[redacted]  
[confidential accounting treatment of bad debts]

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

[redacted]  
[Confidential accounting treatment of idle equipment]

- costs of plant closure;

We have not had any experience of plant closure

- restructuring costs;

No restructuring costs during the investigation period.

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

[redacted]  
[Confidential accounting treatment of scrap materials]

- effects of inflation on financial statement information.

Inflation will not impact financial statement directly: if the effect is significant, it will be referred to in the disclosure.

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.

No change

## A-5 Income statement

Complete the spreadsheet '**Income statement**' in the **Exporter Questionnaire spreadsheets – copy paper** workbook.

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



## **PUBLIC RECORD**

You will note that the spreadsheet 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.

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

**Please see the spreadsheet 'Income statement' in the Exporter Questionnaire spreadsheets – copy paper workbook.**

### **A-6 Sales**

Complete the spreadsheet '**Turnover**' in the **Exporter Questionnaire spreadsheets – copy paper** workbook.

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

This requires you to 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.

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

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

**Please see the spreadsheet 'Turnover' in the Exporter Questionnaire spreadsheets – copy paper workbook.**

## PUBLIC RECORD

### SECTION B - SALES TO AUSTRALIA (EXPORT PRICE)

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

Customer	Address	Contact Name	Contact Number
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

[Confidential Customer Details]

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

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

[REDACTED]

[REDACTED]

[Confidential delivery terms and details]

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

Please see response to A-3 1 above.

An agency commission, which compensates for both pre and post exportation expenses, is paid to UPM-Aus on a per tonne basis. Details of commission rates are contained in Confidential Appendix 12.

- (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.

Please see response to A-3 8 above.

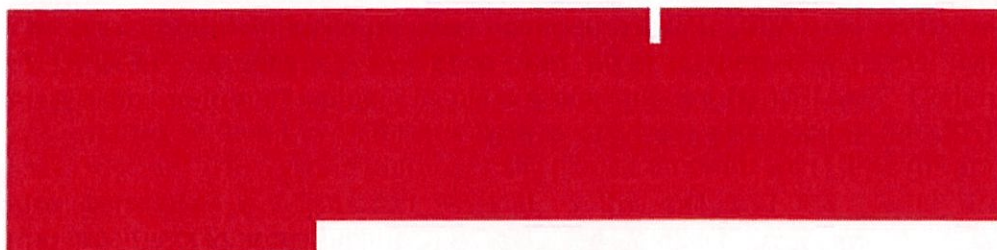
- (d) Describe any agency or distributor agreements or other contracts entered into in relation to the Australian market (supply copy of the agreement if possible).



## PUBLIC RECORD

UPM-Aus represents UPM-AP as a commission agent. Please see the agency agreement 2015 in Confidential Appendix 12.

- (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.



- (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).

None of the UPM companies in the supply chain are related to any of the Australian customers. Financial arrangements with Australian customers are addressed in B-6 below.

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

Please see Confidential Appendix 13, for forward orders.

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

No

### **B-4 Australian sales data**

Complete the 'Australian sales' spreadsheet in the **Exporter Questionnaire spreadsheets – copy paper** workbook.

This data should be provided on a transaction by transaction basis.

## PUBLIC RECORD

The below table provides some explanation of the data requested in the Australian sales spreadsheet.

Please see the '**Australian sales**' spreadsheet in the **Exporter Questionnaire spreadsheets – copy paper** workbook.

- 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.

Additional columns have been added to account for export VAT costs and costs associated with [REDACTED]. [Confidential additional cost details]

- 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.

In the investigation period UPM-AP had rebate agreements with the following customers;

[REDACTED]

[REDACTED]

[REDACTED]

All rebate amounts have been listed in the '**Australian sales**' spreadsheet in the **Exporter Questionnaire spreadsheets – copy paper** workbook.

- 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.

There are no credited amounts other than those listed in the '**Australian sales**' spreadsheet in the **Exporter Questionnaire spreadsheets – copy paper** workbook.



**PUBLIC RECORD**

**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:

	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]

[Confidential additional cost details]

Additional columns have been added

**B-9** Select two shipments, in different quarters of the investigation period, and provide a complete set of all of the documentation related to the export sale. For example:

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

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

The following Australian orders have been selected;

\_\_\_\_\_

Please see Confidential Appendix 14 (a) for order [REDACTED] documentation and Confidential Appendix 14 (b) for order [REDACTED] documentation.

[Confidential order details]

## PUBLIC RECORD

### 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.

[Confidential goods details]

- 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).

[Confidential goods details]

- C-3** If you sell like goods on the domestic market, for each type of the goods 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 the domestic goods (ie. the like goods – see explanation in glossary) are not identical to goods exported to Australia.

An example of how this information can be presented is provided in the below table.

Please see the spreadsheet ‘**Like Goods**’ in the **Exporter Questionnaire spreadsheets – copy paper** workbook.

- 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.

[Confidential goods details]



**PUBLIC RECORD**

## SECTION D - DOMESTIC SALES

**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.

In its domestic market, UPM-China distributes the products through its regional sales offices (i.e. Shanghai, Beijing, Guangzhou, Wuhan) to independent customers.

The following distributor agreements and contracts are selected. Please see Confidential Appendix 15 (a) for [REDACTED] and confidential appendix 15 (2) [REDACTED] [Confidential customer details]

UPM-China is the producer and supplier and issues invoices to customers. Regional sales offices within the company play a coordination role in negotiating the key terms of the sales contract. Distributors purchase the paper from the company and use their own distribution networks to sell the product.

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

No.

**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.

[Confidential pricing operations details]

[Confidential pricing process details]

## PUBLIC RECORD

[Redacted]

[Redacted] . [Confidential pricing details]

[Redacted] Please see UPM list price  
in Confidential Appendix 16.

### D-4 Domestic sales data

Complete the '**Domestic sales**' spreadsheet in the **Exporter Questionnaire spreadsheets – copy paper** workbook.

This data should be provided on a transaction by transaction basis.

The below table provides some explanation of the data requested in the Domestic sales spreadsheet.

Please see the '**Domestic sales**' spreadsheet in the **Exporter Questionnaire spreadsheets – copy paper** workbook

- 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.

Additional columns have been added

- D-6** For each type of commission, discount, rebate, allowance paid to any party that are influenced by the 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.

Please specify all forms of rebate (include volume-based, expense reimbursement, promotional support,), the detail basis (i.e. price-based and/or volume based, reimbursement, part of global volume rebate structure), and the country in which it was paid

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.



## PUBLIC RECORD

[REDACTED]

[Confidential]

rebate details]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[ Confidential discount details]

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

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

The following distributor agreements and contracts in the domestic market are selected. Please see Confidential Appendix 17 (a) for [REDACTED] and Confidential Appendix 17 (b) [REDACTED]  
[Confidential customer details]

Please see the warehouse and delivery service contracts in Confidential Appendix 18 (a), Confidential Appendix 18 (b), Confidential Appendix 18 (c), Confidential Appendix 18 (d), Confidential Appendix 18 (e) and Confidential Appendix 18 (f).

## 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.

[Confidential inland transport details]

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

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

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

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

[Confidential handling charge details]

#### 3. Credit



## PUBLIC RECORD

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.

The monthly central bank rate was:

Jan-Feb: 5.6%  
Mar-Apr: 5.35%  
May-Jun: 5.1%  
Jul-Aug: 4.85%  
Sep-Oct: 4.6%  
Nov-Dec: 4.35%

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.

Not applicable.

### 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**'.

[Redacted]

[Redacted]

[Redacted]

[Confidential packing details]

### 5. Commissions

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

## PUBLIC RECORD

- 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.

UPM-AP pays an agency commission to UPM-Aus [REDACTED]

[REDACTED] [Confidential Commission details]

### 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.

Not applicable.

### 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.

No other factors apart from those referred to in B-5 above.

### 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.

[REDACTED] [Currency Conversion details]



## **PUBLIC RECORD**

### **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.

There are no physical differences between products supplied to domestic and export markets. UPM supplies standard global products.

#### **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.

UPM China's domestic sales of A-4 Copy Paper bear a VAT cost of 17% on the cost of imported materials used in the production process. Those domestic sales also bear a Customs duty on imported materials.

By contrast imported materials used in the production of A-4 Copy Paper for export are exempt from both the 17% VAT and the applicable Customs Duty.

## PUBLIC RECORD

Summaries of the relevant Chinese domestic law can be found at Confidential Appendix 19 (a) (highlighted in yellow), Confidential Appendix 19 (c) and Confidential Appendix 19 (c).

[Redacted]

[Redacted]

[Redacted]

[Confidential VAT and Customs Duty details]

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;

Not applicable

Substitution drawback systems



## **PUBLIC RECORD**

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.

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;

## PUBLIC RECORD

- 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.

Not applicable

#### 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.

The monthly central bank rate for this period is set out in E-1.3 above

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

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

1. Calculate an accounts receivable turnover ratio

---

<sup>1</sup> Under an open account system, following payment the balance of the amount owing is carried into the next period. Payment amounts may vary from one period to the next, with the result that the amount owing varies.



## PUBLIC RECORD

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

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

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

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

Domestic turnover ratio [REDACTED] times; AU turnover ratio [REDACTED] times;

### 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.

Domestic DSO [REDACTED] days; AU DSO [REDACTED] days;

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

### 5. Transportation

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

[REDACTED]

[Confidential Inland Transport details]

Please see the details of Warehouse, Road transport and Waterway agreements in Confidential Appendix 18 (a), Confidential Appendix 18 (b) and Confidential Appendix 18 (c):.

### 6. Handling, loading and ancillary expenses

## PUBLIC RECORD

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.

Ledger account [REDACTED] applies to handling costs [REDACTED]  
[REDACTED] [Confidential handling cost details]

### 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**".

Refer to E-1 (4) above for packing method-

[REDACTED]  
[REDACTED] [Confidential packing cost details]

### 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.

No commissions [REDACTED]  
[REDACTED] [Domestic cost details]

### 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.

Not applicable

### 10. Other factors



## PUBLIC RECORD

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.

Warehousing costs are identified in D-4.

Marketing costs are identified in Spreadsheets Domestic and Export CTMS

### 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.

## **PUBLIC RECORD**

### **SECTION F - EXPORT SALES TO COUNTRIES OTHER THAN AUSTRALIA (THIRD COUNTRY SALES)**

#### **F-1 Third country sales data**

Complete the 'Third country' spreadsheet in the **Exporter Questionnaire spreadsheets – copy paper** workbook.

This data should be provided on a summary basis.

The below table provides some explanation of the data requested in the Third country spreadsheet.

Please see the 'Third country' spreadsheet in the **Exporter Questionnaire spreadsheets – copy paper** workbook.

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

Delivery terms for some third country sales differ from **DDP EXW** terms to Australia



## PUBLIC RECORD

### SECTION G - COSTING INFORMATION AND CONSTRUCTED VALUE

#### 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.

Please see the production process flowchart in confidential appendix 22.

#### G-2. Production capacity data

Complete the 'Production' spreadsheet in the **Exporter Questionnaire spreadsheets – copy paper** workbook.

Please see "Production" spreadsheet in the **Exporter Questionnaire spreadsheets – copy paper** workbook.

#### 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.

[Redacted]  
[Confidential]  
management accounting details]

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.

No, Standard costs are not used in our company.

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

No significant variances occurred

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

Please see Confidential Appendix 23 for a list of profit centres.

## PUBLIC RECORD

- [Confidential cost allocation methods]

- [redacted] [confidential production cost details]

- No production costs are valued differently

- No start-up operations in relation to the goods under consideration.

- 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.<sup>2</sup>

Complete the 'Domestic CTMS' spreadsheet in the **Exporter Questionnaire spreadsheets – copy paper workbook**.

- Please provide the actual unit cost to make and sell **separately for 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.

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



## PUBLIC RECORD

- 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.
- Provide the information broken down into fixed and variable costs, and indicate the % total cost represented by fixed costs.
- If you are unable to supply this information in this format, please contact the case officer for this investigation at the address shown on the cover of this questionnaire.
- Please specify unit of currency.
- 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.
- 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.
- Supply your Bill of Materials **separately for each model/type** (identified in section C) of the like goods sold on the domestic market.

Please see the 'Domestic CTMS' spreadsheet in the **Exporter Questionnaire spreadsheets – copy paper workbook**.

### 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.

Complete the 'Australian CTMS' spreadsheet in the **Exporter Questionnaire spreadsheets – copy paper workbook**.

- Please provide the actual unit cost to make and sell **separately for each model/type** (identified in section C) of the goods sold to Australia.
- Provide this cost data for each quarter over the investigation period. If your company calculates costs monthly, provide monthly costs.
- Indicate the source of cost information (account numbers etc) and/or methods used to allocate cost to the goods. Provide documentation and worksheets supporting your calculations.
- Provide the information broken down into fixed and variable costs, and indicate the % total cost represented by fixed costs.

## PUBLIC RECORD

- If you are unable to supply this information in this format, please contact the case officer for this investigation at the address shown on the cover of this questionnaire.
- Please specify unit of currency.
- 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.
- 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.
- 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.
- Supply your Bill of Materials **separately for each model/type** (identified in section C) of the like goods sold on the domestic market.

Please see the 'Australian CTMS' spreadsheet in the **Exporter Questionnaire spreadsheets – copy paper workbook**.

### G-6 Major raw material costs

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

#### Pulp

For these major inputs:

- identify materials sourced in-house and from associated entities;  
**No pulp is purchased from associated entities in 2015**
- identify the supplier; and

[Redacted supplier information]

[Confidential supplier information]

- 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).

[Redacted valuation details]

[Confidential raw material valuation details]



## PUBLIC RECORD

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.

Not Applicable.

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 (e.g. pulp) you should provide detailed information on the full costs of production of that input.**

## PUBLIC RECORD

### SECTION H – PARTICULAR MARKET SITUATION

#### PART H-1 GENERAL INFORMATION

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

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

- a) reporting requirements;

UPM-China is required to perform tax reporting periodically to China state and local tax bureau based on China tax legislation requirements. In addition, UPM-China is also required to submit various statistics reports to China government authorities periodically for government statistics purposes.

- b) payment of taxes;

UPM-China pays Value added tax, Corporate income tax, Individual income tax, Business tax, Surtaxes, Urban and township land use tax, Real estate tax, Stamp duty to China tax bureau.

- c) senior management representation within your business; -

There are no Chinese government officials involved in the management of UPM;

- d) supervision by the State-owned Assets Supervision and Administration Commission (SASAC) or a body under the control of SASAC. –

UPM is a foreign owned enterprise and there is no supervision by or interaction with SASAC;

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

There is no such negotiation with or approval by the GOC; all decisions are reached independently by UPM management.

- f) licensing; -

Applications for business licences, environmental approvals and other routine licenses are made according to the PRC laws

- g) restrictions on land use;



## PUBLIC RECORD

UPM's factory site is to be used for manufacturing purpose and there are the usual restrictions relating to environmental protection of such matters as soil and underground water.

h) provision of loans;

None

i) provision of grants, awards or other funds.

GOC provided certain grants and awards to UPM-China mainly for environmental protection related input and new investment. Please refer to the "Grants" tab in the **Exporter Questionnaire spreadsheets – copy paper** workbook for details.

### 2. Business structure, ownership and management

a) Indicate whether your company is a state-owned or state-invested enterprise (SIE) (refer to the Glossary of Terms for definition).

UPM companies are neither state owned nor SIEs.

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.

The board of directors of each company (except UPM-Kymmene Oyj, listed parent company located in Helsinki, Finland) are listed below:

China UPM (China) Co., Ltd

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

Singapore UPM Asia Pacific Pte Ltd.

[REDACTED]  
[REDACTED]  
[REDACTED]

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 Government of China (at any level, from any agency, party, or otherwise associated entity, including SASAC)?

No

## PUBLIC RECORD

If so, identify the individuals, their role on that Board and their affiliation with the Government of China.

Not Applicable.

- 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.

No.

- 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 Government of China? If so, identify any relevant government department(s) they are affiliated with.

No.

- 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 Government of China;
- employees of your business;
- foreign investors; or
- other (please specify).

Please see confidential appendix 1.

All companies are legal entities within the UPM group owned by the ultimate parent company UPM-Kymmene Oyj.

UPM-Kymmene Oyj is a publicly listed company on Helsinki stock exchange and has some foreign investors.

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

None.

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

None.

- 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.



## PUBLIC RECORD

No.

- 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.

UPM-Kymmene Oyj is listed on Omx-Nasdaq Helsinki stock exchange, the rules of which will apply in addition to Finnish securities market act.

- k) Provide the monthly trading volume and average monthly trading price of your listed security between 1 January 2015 and 31 December 2015.

Please see upm.com. Please note that UPM-Kymmene Oyj is a company with turnover of 10 billion EUR. The share price is not affected by the actions of its subsidiaries in connection with the Australian market as it represents a negligible portion of the total business of UPM group.

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

UPM's paper business in China belongs to UPM's Paper Asia business area. Business Area is headed by the Executive vice president, based in Shanghai.

Executive Vice President of Paper Asia is heading the management team of the Business area. Each management team member has its own responsibility area in which they can take the respective measures.

Ultimately the decisions are taken by Executive Vice President of the business area.

There is no involvement by the GOC

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

No.

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

The pricing decisions are taken in the sales management team headed by Vice President, Sales, [REDACTED]

### 3. Licensing

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

Please refer to the confidential appendix 24 (a) and confidential appendix 24 (b).

- b) Identify the Government of China departments or offices responsible for issuing the license(s).

## PUBLIC RECORD

State Administration of Industry and Commerce (or its local counterpart)

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

The company submits the incorporation application form, approval letter and certificate, Articles of Association, appointment letter of board members and etc. to the State Administration of Industry and Commerce (or its local counterpart) and the business license will be issued accordingly.

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

Normally, the following approvals shall be obtained before business licence:

- 1) Project approval from National Development & Reform Committee (or its local counterpart);
- 2) Environment Impact Assessment Approval from Ministry of Environmental Protection (or its local counterpart);
- 3) Work Safety Approval from Work Safety Supervision Bureau (or its local counterpart);
- 4) Commercial Approval from Ministry of Commerce (or its local counterpart).

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

There is a specific business scope approved on the Business Licence and all the business activities shall be conducted within the approved business scope.

The business scope can be expanded according to the review and approval from the State Administration of Industry and Commerce (or its local counterpart).

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

The possible sanctions are: warning; confiscation of illegal gains; 3 times monetary fine of the illegal sales revenue; suspension of business; business licence revoking.

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

To conduct the manufacturing, sales, trading, import/export the approved products; to provide the relevant service attached to the approved products; to conduct other supplementary business or services according to the business scope.



## PUBLIC RECORD

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

Under the following circumstances, the business license may be revoked by the issuing authority (State Administration of Industry and Commerce or its local counterpart): i) fraud in the incorporation application and seriously violated the laws; ii) stop the business in a consecutive 6 months without a proper permission; iii) fake, borrowing, change the business licence and seriously violated the laws; iv) conduct illegal business and seriously violated the laws.

#### 4. Decision-making, planning and reporting

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

UPM Board of Directors decides about the investment, what kind of assets we will have, which will define the main product categories.

Paper Asia Business Area Board and Paper Asia Management Team decides how much of each product category we plan to produce and where we place our development focus

CSU Mill Management Team decides how the goods are produced and based on which inputs, Product steering board (PSB) decides the actual products being produced and especially new developments.

Fine APAC sales Management Team decides about the product, market mix and price in practice for Fine APAC.

The GOC has no involvement in the decision making, planning and reporting

- (i) what goods are produced;

The main product groups are defined already, when the capacity investment is being planned. Actual products and the mix of different products being produced is based on market conditions (supply and demand), profitability of each potential product group, our possible competitive advantages based on our capabilities, etc.

Fine, specialty and release paper are produced in UPM Changshu Mill. Fine paper includes wood-free coated and uncoated printing and writing papers, and wood-free copy paper.

Specialty paper includes wood-free uncoated kraft paper and wood-free uncoated sollum paper (polyethylene coated base paper). Release paper is used as base paper for silicone-coated label paper

The GOC has no involvement in what goods are produced.



## PUBLIC RECORD

### (ii) how the goods are produced;

Goods are produced basically in the process of planning, sourcing, making and delivering.

Planning includes long-term planning and short-term planning, routine production planning. In long-term planning, production-line investment are planned according to market investigation and company strategy, which determine the production infrastructure in coming 3 to 5 years.

Short-term planning sets up the coming year sales plan according to production capability and sales strategy. Routine production planning plans the monthly, weekly and daily production details according to the actual and estimated orders collected from customers. Production line produces goods according to the routine production planning details. There are other rolling planning activities to adjust and follow up the market and production changes.

Sourcing contracts suppliers with estimated material volume calculated from short-term planning figures and or historical data in mainly yearly basis. Actual materials are supplied by supplier based on actual orders sent from sourcing department based on stock level, lead time and consumption in production line.

Making is the actual production process to convert raw material into final product according to routine production planning details. In this process, safety, environment protection, employee health are taken care of by operation management team, and product quality shall be ensured to meet quality specifications promised to customers. Highest production efficiency is sought continuously and cost shall be controlled well.

UPM Changshu mill gets water from own water treatment plant, power from own power plant, treat waste water in own effluent plant.

Delivering is to organize internal and external resources to transport goods to customer named places in the right time and right volume. Third party carrier is contracted to provide transportation service.

The production process is supported by other functions like human resource, finance, supply chain, maintenance and so on.

The GOC has no involvement in how the goods are produced.

### (iii) how levels of inputs such as raw materials, labour and energy are set and secured;

We order key input raw material based on sales and production forecasts, as well as existing stock level, delivery lead time and etc.

We have long term contracts with our partners for key input raw materials, instead of spot buy.



## PUBLIC RECORD

We keep certain level of safety stock for raw material and also have alternative suppliers to mitigate some risks.

The GOC has no involvement in setting and securing levels of inputs

- (iv) how the use of your outputs, such as how your product mix is determined; and

The use of output is determined based on our long term strategy, which is based on profitability and growth prospects of each market and product category. Our product mix is being determined by these strategic fundamentals (profitability and growth).

The GOC has no involvement in the use of outputs.

- (v) how your business' profit is distributed, etc., is determined.

UPM Shareholder Meeting decides how business profit is distributed.

- b) Provide a description of any Government of China input into the decision-making process respecting your manufacture, marketing and sale of copy paper.

GOC is not involved in any way in UPM's decision making.

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

There is no involvement by the GOC except for the licenses granted to UPM to conduct a business.

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

Please refer to the confidential appendix 25

- e) 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.-

The 12th and 13th Five-Year Plans of Changshu Municipality and Jiangsu Province are only available in Chinese. Please see Appendix 26 (a), Appendix 26 (b), Appendix 26 (c) and Appendix 26 (d). Official English translation of these plans by Changshu or Jiangsu government departments are not available; UPM has no English or Finnish translation of these documents because they are of no relevance to the operations of the company.

## PUBLIC RECORD

- 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 Government of China (including the National Development and Reform Commission).

We have an internal 3 year long term plan that is submitted to the UPM group strategy team. This plan is not submitted to, or reviewed or approved by the GOC

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

Please refer to the confidential appendix 27 (a), confidential appendix 27 (b) and confidential appendix 27 (c).

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

Please refer to the attachment appendix 28.

### 5. Financial and investment activities

- a) How is your business debt funded? Provide a list of all major lenders.

There was no debt in 2015. Previous debts were in 2004 and 2012 and were repaid before 2013.

- b) What is the rate of interest paid by your business on all debt instruments over the last 5 years?

There were total 6 USD repayments made from year 2011 to 2013 for syndicate bank loan agreement dated in June 2004 (rate 4.23%).

- c) Has your business benefited from any concessional interest rates for your loans/debts in the last 5 years? If so, provide details.

Company has not enjoyed any concessional interest rates in past years.

- d) Has your business raised any capital using issuance of shares, preferential shares, rights issue, bonds, warrants, debentures, sub-ordinate loans or any other debt and/or equity instruments in the last 5 years? If so:

- i. explain what instruments were used;

[REDACTED]



## PUBLIC RECORD

[Redacted]

[Redacted]

[Confidential historical financing details]

- ii. identify the type (e.g government guarantee) and provider of the security; and

[Redacted]

[Confidential financing details]

- iii. explain the reasons for raising the capital.

[Redacted]

{Confidential financing details}

- e) Does your business have policies on how cash reserves are to be invested? If so, provide details.

[Redacted]

[Confidential cash reserves investment policies]

- f) Has your business invested in either government or non-government debt securities (such as bonds, quasi-government bonds)? If so provide details (e.g. type of instrument, amount invested and the expected rate of return).

No

## PART H-2 GOVERNMENT OF CHINA MEASURES IN THE PULP AND PAPER SECTOR

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

## PUBLIC RECORD

1. Are there any other Government of China opinions, directives, decrees, promulgations, measures, etc. concerning the pulp and paper industry/sector that were put in place or operating during the investigation period; for example but not limited to, the Twelfth Five-Year Plan of Paper Industry of the National Development and Reform Commission, Ministry of Industry and Information Technology, and the State Forestry Administration?

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

There is one guiding document for foreign invested enterprises investing in China, that is what Chinese central government issues, the "Catalogue for the Guidance of Foreign Investment Industries" specifying industries as encouraged, restricted and prohibited for foreign investments appendix 29 (a) and appendix 29 (d). It was amended in 2015, and the Chinese version of 2015 edition of this catalogue with its official English translation is attached.

Please note that paper industry is not listed on the 2015 edition of the catalogue.

Please see appendix 29 (c) for The Paper Industry 12th Five-Year Plan in Chinese and appendix 29 (d) for the unofficial English version.

2. Provide information concerning the name of any Government of China departments, bureaus or agencies responsible for the administration of all Government of China measures concerning the copy paper 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 copy paper sector;  
National Development and Reform Commission (NDRC), Ministry of Industry and Information Technology (MIIT);
- ✓ market entry criteria for the copy paper industry sector;  
Ministry of Commerce (MOFCOM), State Administration of Industry and Commerce (SAIC);
- ✓ environmental enforcement for the copy paper industry sector;  
Ministry of Environmental Protection (MOEP);
- ✓ management of land utilization;  
Ministry of Land and Resources (MLR);
- the China Banking Regulatory Commission for the copy paper industry sector;  
Ministry of Finance (MOF), People's Bank of China (PBOC), China Banking Regulatory Commission (CBRC), and China Securities Regulatory Commission (CSRC);
- investigation and inspection of new copy paper expansion facilities;  
NDRC, MOEP, SAIC, Ministry of Water Resources (MWR);



## PUBLIC RECORD

- the section in the National Development and Reform Commission that is responsible for the copy paper industry sector; and  
**Industry Department of NDRC**
  - import licensing for raw materials relating to copy paper manufacture.  
**General Administration of Customs (GAC)**
3. Describe any role your company plays in the development of government's industrial plans and/or policies at all levels of government, including the Papermaking Industry Development 12th Five-Year Plan. For example, does your company provide information for, or request inclusion in, any plans, policies, or measures?

China Paper Association (CPA) has invited leading paper companies including UPM to provide suggestions to the 12th and 13th Five-Year Plans of China paper industry in regards to upgrading on raw material structure, product, technology and environmental performance; UPM has also been invited to join standardization discussion to share leading standardization criteria in Europe to lead China paper industry forward.

4. Does your company provide information relating to assessments of the implementation of the plan, policy or measure?

No.

5. Has the Government of China designated your company and/or industry as "pillar," "encouraged," "honorable," or any other designation? If so, please answer the following questions.

In recognition of UPM's leading environmental practice, a series of environmental awards have been given to UPM Changshu Paper Mill. These include "China State Environmentally Friendly Enterprises" in 2005 awarded by the former State Environmental Protection Administration which is now the MOEP. And UPM Changshu Paper Mill has been awarded by local Jiangsu and Changshu authorities as "Green Enterprise" in Environmental Credit Evaluation many times since 1998 onwards up to now.

- a) Explain the purpose of these designations, the criteria for receiving any such designation, and the benefits or obligations that arise from each such designation.

These environmental awards are to encourage all enterprises to have good environmental performance for a better environment in China. They are handled and evaluated by government agencies internally based on the company's environmental performance, therefore, we were not informed of the criteria and procedure. UPM has taken these awards as an honour for company image promotion purposes only. There are no other benefits from these awards.

## PUBLIC RECORD

- b) Is there any connection between these designations and five-year plans or other industrial and/or economic policies or administrative measures?

No.

- c) Please describe any instances in which your company cited Government of China plans, policies, or measures as support for receiving the financing that you report.

None.

### 6. Twelfth Five-Year Plan for Paper Industry

The Commission is aware of the State Forestry Administration's Papermaking Industry Development 12th Five-Year Plan (2011 to 2015) which includes an overarching strategy for the Chinese paper industry and designates that industry as 'strategic' (i.e. encouraged). The following questions relate to that policy.

- a) Explain in detail how the policy and any updates regarding the policy were communicated to your company.

All the information related to 12th Five-Year Plan of China Paper Industry are disclosed towards all industry stakeholders at conferences or seminars organised by China Paper Association (CPA). Please see appendix 29 (a) and appendix 29 (b).

- b) Identify the government department, association, or company official that communicated this policy or any related measures, to your company as well as the government office or association and the names of the officials who are responsible for the administration of this policy.

China Paper Association (CPA)

- c) Explain in detail the information that has been provided to you from official and unofficial channels concerning action to be taken by your company in relation to the policy.

None

- d) Do you have designated officials that have provided direction to your company regarding the Government of China's measures and how to proceed with your current project or future plans within the scope of the policy?

No

- e) Explain in detail if there are additional directives or measures from the Government of China that have been communicated to your company, since the inception of the policy.



## PUBLIC RECORD

No

- f) Explain in detail whether the policy has ever impacted your company's investment plans. This may include reference to specific measures considered or taken by your company to address issues and/or objectives raised by the policy. Such items may include but are not limited to items such as project approval process, credit and loans (including discounted interest payments), the environment, the scale of production, energy use, raw material inputs etc.

No

- g) Explain the ongoing mechanism used by the Government of China to measure your company's compliance with the policy directives and/or guidelines.

Not Applicable

- h) Are review and approval decisions regarding investments in the copy paper sector made by the central government or are they delegated to the regional or provincial level?

It depends on "Catalogue for the Guidance of Foreign Investment Industries" for industrial sectors and also the total investment volume.

- i) Describe the role of the National Development and Reform Commission in terms of communicating, implementing and overseeing policies governing the copy paper sector, including but not limited to, China's Papermaking Industry Development 12th Five-Year Plan.

NDRC is only responsible for those wholly foreign owned investment projects at or above USD 300 million based on encouraged, restricted and prohibited ones as defined in "Catalogue for the Guidance of Foreign Investment Industries", which are required to be approved at the central government level.

### 7. Other government approvals

The below questions address the approvals that are necessary from various Government of China agencies, including the National Development and Reform Commission, in order to continue or initiate copy paper investments.

- a) Explain whether your company has undertaken an approval process through the Government of China for any pulp and paper investments in the last 10 years.

Yes, [REDACTED]  
[Confidential project details]

- b) Explain whether any applicable investments received the necessary approval and if so, provide documentation confirming this approval.

## PUBLIC RECORD

[Redacted]  
[Confidential Approval details]

- c) If your investment was not approved, provide the reasons given for the refusal.

Not Applicable.

- d) Describe the process your company has to follow to obtain these approvals.

[Redacted]  
[Confidential process details]

- e) Provide a translated copy of the application form along with the original Chinese version.

Please see confidential appendix 30 (a), confidential appendix 30 (b), confidential appendix 30 (c), for [Redacted]

- 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.

[Redacted]  
[Confidential communication details]

### 8. The restructure of the pulp and paper industry in China

The Commission is aware of the Government of China's key "Development Goals" relating to the pulp and paper industry in China, including the elimination of outdated capacity. The following questions relate to these goals:

- a) Explain in detail if there were any directives, measures, or incentives from the Government of China that have been communicated to your business since the inception of these development goals? For example, closing certain plants or consolidating certain operations.

None



## **PUBLIC RECORD**

- b) Identify the Government department, association or company official that communicated these guidelines or any related measures to your business.

**Not Applicable**

- c) Identify the Government department, association or company and names of officials who are responsible for the administration of these development goals.

**Not Applicable**

- 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.

**Not Applicable**

- e) Explain any on-going mechanism used by the Government of China to measure your business compliance with the policy directives and/or guidelines.

**Not Applicable**

## PUBLIC RECORD

### PART H-3 THE COPY PAPER SECTOR

The information requested in this part will assist in providing a better understanding of the Government of China measures and your business' sales and production of A4 copy paper.

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

#### 1. Taxation

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

Export VAT was payable. Please see section B.5 above.

- b) What was the VAT rebate applicable to copy paper exports during the investigation period?

No VAT rebate applicable to copy paper export. Under similar arrangements to the Australian Tradex scheme, UPM does not pay Customs Duty and VAT on imported raw materials that are destined to be used in the manufacture of goods for export. It does of course pay import Customs duty and VAT on imported materials that are used by UPM-China in manufacturing for the Chinese domestic market.

- c) Have there been any changes to the value-added tax rebate applicable to copy paper exports in the last 5 years? If yes, provide:

- i. a detailed chronological history of the value-added tax rebate rates;
- ii. products affected;
- iii. the effective dates of the rate changes;
- iv. fully translated copies of any Government of China notices regarding these changes, including the relevant appendices.

Not Applicable

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

No

#### 2. Sales terms

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

Regional Sales Director



## PUBLIC RECORD

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

[REDACTED] There is no input from the GOC

[Pricing meeting details]

- c) Does your business coordinate the selling prices or supply of copy paper with other domestic producers or any Government of China departments? If so, provide details.

No.

- d) Explain whether your business provides information or data to the Government of China, other government officials or commercial/industry organisations, including those outside of China, which report on the pulp and paper sector.

Please see response to H-1.1.a) above

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

No.

### 3. Industry associations

- a) Is your business a member of any business associations? If so, explain your business' relationship with the association and the involvement of the Government of China with the associations.

UPM has been invited by China Paper Association (CPA), China Technical Association of Paper Industry (CTAPI), and China Pulp and Paper Industry Chamber of Commerce (CPICC) to become a member company;

UPM's relationship with these associations is to attend their annual conferences or meetings, and to learn update and to be briefed on Chinese government's policies with potential impact on pulp and paper industry development in China;

On the other hand, CPA has invited leading paper companies including UPM to provide suggestions to the 12th and 13th Five-Year Plans of China paper industry in regards to upgrading on raw material structure, product, technology and environmental performance;

UPM is not involved in any activities with Government of China concerning pulp and paper industry development.

## PUBLIC RECORD

- 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 Government of China concerning the pulp and paper industry.

All UPM's memberships at CPA, CTAPI and CPICC are voluntary; As explained above, these associations organise annual meetings to brief all industrial stakeholders including UPM on Chinese government's policies with potential impact on pulp and paper industry development in China;

These associations would be asked by Chinese government departments like NDRC and MOEP to provide input for policies related to pulp and paper industry, such as Paper Industry 12th Five-Year Plan. Regarding the Paper Industry 13th Five-Year Plan as being informed by CPA, they are assigned by NDRC to take the leading role in making the draft;

These industrial organizations would also collect opinion and feedback from companies like UPM regarding standardization, or policies published on official government website soliciting public opinions, which are relevant to paper industry.

#### 4. Other industry associations

- a) Is your business a member of any other industry associations? If so, explain your business' relationship with the association and the involvement of the Government of China with the association.

No.

- b) If your business is a member of another 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 Government of China concerning the pulp and paper industry.

Not Applicable

#### 5. Statistics submission/recording

- a) Indicate if your business makes submissions<sup>3</sup> 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.

Yes. Please refer to the confidential appendix 31.

---

<sup>3</sup> For example, monthly data relating to sales, production and costs.



## PUBLIC RECORD

- b) Provide a recent example of a submission that has been made to the Bureau of Statistics and/or any other government organisation. For example, monthly data relating to sales, production and costs.

Please refer to confidential appendix 32, by UPM-China for Dec 2015.

- c) Do the organisations approve or assess your submission? If yes, provide a detailed explanation.

No. The submissions are just required to be submitted for statistics purposes.

- d) Do the organisations provide feedback on your submission? If yes, provide a detailed explanation.

Yes. China statistics Bureau would ask about the reasons if big difference noted in the data submitted compared to previous periods. This is also for their statistics purposes to understand the industry changes.

### 6. Manufacturing inputs

- a) Is there a price difference in purchase price for raw materials between your suppliers?

Yes.

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

No.

- c) If your supplier is based outside China, what import duty rate is applied on the raw materials?

Import duty rate

Pulp 0%, Starch 6%, Polymer 6.5%, Latex 7.5%, Silica 6.5%

- 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?

No.

### 7. 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.

Not Applicable

## PUBLIC RECORD

### 8. Copy paper production/output during the investigation period –

- a) Is any part of your production of copy paper 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.

There is a Discharge Standard of Water Pollutants for Pulp and Paper Industry "GB3544-2008" for China Pulp and Paper Industry. Please refer to confidential appendix 33. This standard is compulsory for all pulp and paper making companies in China.

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

It is fully applicable to our business because it is compulsory for environmental protection.

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

It is applicable to China market. UPM fully observes the National standard of "GB3544-2008" for environmental protection. UPM has been awarded "China Environmental Friendly Enterprise" for our environmental and social responsibility performance.

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

There is no other restrictions to the sales of copy paper from Government.

- e) Provide a list of all your domestic customers of the goods, include the location (city and province) of the customer and indicate whether each customer is an SIE.

Please refer to confidential appendix 34.

- f) Are there any restrictions and/or conditions in relation to the quality or quantity of the production of the goods placed upon your business? If so, provide details.-

There is a China national quality standard "GBT 24988-2010" of copy paper. Please find the confidential appendix 35 (a). This quality standard is recommended but not compulsory for China market only. We apply UPM own company quality standard "Q/320581DVE003" confidential appendix 35 (b) which is basically in line with China national quality standard, except CIE whiteness.

- g) Does your business require an export licence? If so, provide details.



## PUBLIC RECORD

No.

- h) Are the goods sold by your business subject to any export restrictions and/or limits during the previous 5 year? If so, provide details.

No.

- i) Provide details regarding any other restrictions (e.g., geographic/regional, downstream, end use) placed upon your business on the sale of the goods-

There are no other restrictions.

- j) Have there been any changes to your production capacity of the goods over the last 5 years? If so, provide details.

[Confidential production capacity details]

### 9. 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 Government of China during the investigation period.

No.

- b) Explain whether your business has been subjected to any direct or indirect price guidance or controls by the Government of China during the investigation period, with respect to raw material inputs.

No.

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

No.

- d) Describe in detail how the selling price of the goods is determined. In particular, provide details of any restrictions, limitations, or other considerations imposed on your business.

No restrictions, limitations or other considerations are imposed on our business.

[Confidential price setting procedures]

- e) Which organisation/business entity do you consider as the price leader of the goods?

## PUBLIC RECORD

We do not consider any organisation or business entity as the price leader of the goods.

- f) Does your business have a pricing committee in respect of the goods? If so provide the names and positions of all members of the Committee.-

No Pricing Committee.

[Confidential price setting procedures]

- g) How often does the pricing committee meet to discuss selling prices of the goods? Provide the minutes or any other relevant documents of all meetings of the pricing committee during the investigation period.

No Pricing Committee.

[Confidential price setting procedures]

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

- i) If you have production facilities of the goods in more than one region and/or province, are the laws and regulations in each region the same with respect to pricing of the goods? If not, provide details on the differences.

Not Applicable

### 10. Adding capacity and/or joint ventures

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

Please see Part H-2.7

- 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.

Not Applicable

### 11. Raw material purchases

- a) Provide a detailed listing of you raw material purchases (e.g. logs, woodchip, pulp, or chemicals) by completing the Raw Material Purchases tab of the attached spreadsheet).

Please see the 'Raw Material spreadsheet in the Exporter Questionnaire spreadsheets – copy paper workbook.



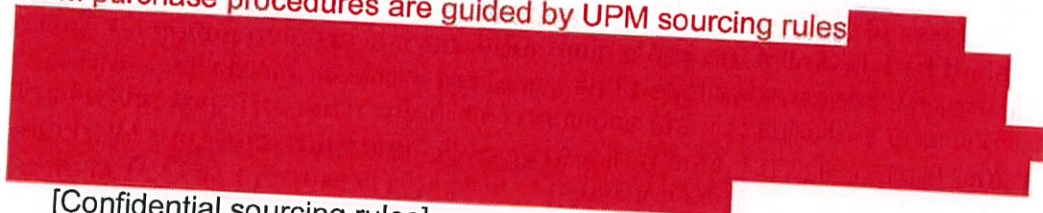
## PUBLIC RECORD

- b) Do you have more than one supplier of the raw materials? If so, provide an explanation of the reasons of price differences between these suppliers? Are any of the suppliers related or affiliated with you? Are any of the suppliers SOEs (wholly or partially owned)?

Yes, we do normally have more than one supplier of the raw materials. The main reason is from sourcing strategy to secure supply and not to limit the source to a sole supplier. No supplier in the list is related or affiliated with UPM. No supplier in the list is an SOE.

- c) Describe in detail your business' purchase procedures of the raw materials and the considerations in selecting a supplier. If it is by tenders, provide details of the criterions/conditions.

UPM purchase procedures are guided by UPM sourcing rules



[Confidential sourcing rules]

- d) If any of your raw materials for the copy paper are imported by your business, or related businesses :
- i. Provide details including a description of the raw material imported, the supplier and country of origin.

[ Confidential raw material sourcing details]

- ii. Explain the process required to import the raw materials (e.g. obtaining an import licence, import declarations).

We have business licence for raw materials declarations authority only, it is no need import licence.

- iii. Provide details of any conditions to importing the raw materials (e.g. customs and/or quarantine).

When raw material is imported, the authority will focus on the documentation inline with the goods, i.e. goods description, weight, and quarantine will more focus on whether the goods come from certain infectious disease area,

- iv. Are you eligible for a duty drawback? If so, provide details.

No

## PUBLIC RECORD

### SECTION I - COUNTERVAILING (SUBSIDISATION)

#### INVESTIGATED PROGRAMS

The following are programs that the Commission is currently investigating:

Program Number	Program Name	Program Type
1	Policy Loans to the Paper Industry	Preferential lending
2	Provision of Calcium Carbonate for less than adequate remuneration	Provision of goods
3	Provision of Caustic Soda for less than adequate remuneration	Provision of goods
4	Provision of Titanium Dioxide for less than adequate remuneration	Provision of goods
5	Provision of Coal for less than adequate remuneration	Provision of goods
6	VAT rebates relating to raw materials	Tariff & VAT
7	Preferential Income Tax Program for High or New Technology Enterprises	Income Tax
8	Preferential Income Tax Program for Comprehensive Utilisation Entitling Enterprise	Income Tax
9	Tax Allowance for Special Equipment for Water and Energy-Saving Purchased by Enterprises	Income Tax
10	VAT and Import Tariff Exemptions for Imported Equipment	Tariff & VAT
11	VAT Rebates on FIE Purchases of Chinese Made Equipment	Tariff & VAT
12	Subsidies for Energy Efficiency and Environmental Protection	Grant
13	Support Fund for Environmental Protection Project - Rizaho City	Grant
14	Support Fund for Environmental Protection Input	Grant
15	Support Fund for Environmental Protection Project	Grant
16	City Bonus for Export Activity from Finance Bureau	Grant

Please answer the questions within parts I-1 to I-4 in relation to these programs.



## PUBLIC RECORD

### PART I-1 PREFERENTIAL LENDING:

#### Program 1: Policy Loans to the Paper Industry

It has been alleged that preferential lending or 'policy loans' from Chinese policy banks or state-owned commercial banks (SOCBs) may be providing a benefit to Chinese pulp and paper manufacturers.

UPM-China has never obtained any preferential lending or policy loans from any banks. Therefore, all questions below in Program 1 of PART I-1 are not applicable to UPM-China.

1. Report all financing to your company that was outstanding at any point in the past 25 years, regardless of whether you consider the financing to have been provided under this program. Submit the information requested in the Loans tab within the attached Excel spreadsheet. Ensure that you report all forms of financing outstanding during the POI, not only traditional loans. This includes, but is not limited to, interest expenses on bank promissory notes, invoice discounting, and factoring of accounts receivable. If your company did not make interest payments on the financing during the POI (e.g., factoring of accounts receivable), then identify the specific terms of the financing (e.g., the discount rate associated with the factoring).

Not Applicable.

2. Please describe the qualification and approval process that your company had to undertake to qualify for these loans.

Not Applicable.

3. What eligibility criteria did your company have to meet in order to qualify for this lending program?

Not Applicable.

4. Was eligibility contingent upon export performance or on the use of domestic goods over imported goods? If not:

- a) was eligibility limited to certain sectors and/or regions?
- b) was eligibility limited in any way? If so, describe the criteria involved.
- c) can all firms which meet the eligibility criteria benefit from this aid or does the bank exercise discretion?
- d) was eligibility met by performance requirements such as, but not limited to, production targets, export earnings and the requirement to use Chinese productive inputs?

Not Applicable.

## PUBLIC RECORD

5. Please provide supporting documentation to evidence your company's receipt of these loans including the loan application, the loan contract, approval copies of the loans received, relevant extracts from your accounting records and supporting information that the rates and repayments established under the loan contract have been paid.

Not Applicable.

6. Please estimate the amounts of the benefit your company has received over the life of the loan under this lending program. You can do this by comparing the interest payments made to the interest payments that would have been paid if the loan was provided at the market rate.

Not Applicable.

### PART I-1 GOODS PROVIDED FOR LESS THAN ADEQUATE REMUNERATION

#### Programs 2, 3, 4 and 5: Provision of Calcium Carbonate, Caustic Soda, Coal, and Titanium Dioxide for Less Than Adequate Remuneration

The Commission has received information that the copy paper industry in China may receive, for less than adequate remuneration, goods and services including the provision of calcium carbonate, caustic soda, coal, and titanium dioxide.

1. Did your business or any company/entity related to your business receive any benefit under the following programs during the review period (1 April 2013 to 31 March 2014):

- Program 2: Provision of calcium carbonate
- Program 3: Provision of caustic soda
- Program 4: Provision of coal
- Program 5: Provision of titanium dioxide

No.

2. Does your company purchase any of the above goods from SOEs?

[REDACTED] [Confidential purchase details]

3. Complete the Raw Material Purchases tab (in the attached Excel file), including a contact name and address, of all your suppliers of the goods listed in question 1 above. Indicate whether each supplier is a SOE.

Please refer to the **Raw Material Purchases** tab in the **Exporter Questionnaire spreadsheets – copy paper workbook**

4. Describe the costs (fees and charges) associated with these programs. In particular, any fixed charges and variable charges related to supply of the good/service.



## PUBLIC RECORD

None

5. During the review period, did your business receive any discount to normally available prices of the goods listed in question 1 above. If so, please provide details.

No.

### PART I-2 PREFERENTIAL INCOME TAX PROGRAMS

1. Did your business or any company/entity related to your business receive any benefit<sup>4</sup> under the following income tax programs identified below during the investigation period (1 January 2015 to 31 December 2015)?

**Program 7:** Preferential Income Tax Program for High or New Technology Enterprises

The only benefit is an increase in after tax profit.

**Program 8:** Preferential Income Tax Program for Comprehensive Utilisation Entitling Enterprise

No.

**Program 9:** Tax Allowance for Special Equipment for Water and Energy-Saving Purchased by Enterprises

No.

2. It is our understanding that the general tax rate for enterprises in China from 1 July 2010 was 25%. Confirm whether this is correct and if not, please identify the general tax rate for enterprises in China from 1 July 2010, indicating any changes in the taxation rate over the period July 2010 – December 2015.

The general tax rate for enterprises in China is 25% from 1 July 2010.

3. If your business currently pays corporate income tax at a rate less than 25% (or whatever the rate of general tax is as discussed above) , or paid at a rate less than that during the investigation period, please indicate whether the reduced rate relates to any of the preferential income tax programs identified above.

[Redacted] [Confidential CIT payment details]

4. If the income tax rate of less than the general rate does not relate to any of the programs identified above, please provide an explanation for the reduced income tax rate and answer the questions in Part I-1 above in relation to the income tax rate reduction.

Not Applicable.

<sup>4</sup> Refer to the Glossary of Terms for a definition of benefit in this context.

## PUBLIC RECORD

For **each program** that you have identified above answer the following.

5. Provide complete details of the amount received, including whether it was received in total or in instalments.

[REDACTED]

[CIT application details]

6. Indicate which goods you produced that benefited from the program (e.g. the program may have benefited all production, or only certain products that have undergone research and development).

Program 7, if applicable, does not benefit any products. It simply reduces the CIT for any qualifying legal entity.

7. Describe the application and approval procedures for obtaining a benefit under the program.

[REDACTED]

[Confidential CIT procedures]

8. Where applicable, provide copies of the application form or other documentation used to apply for the program, all attachments and all contractual agreements entered into between your business and the Government of China in relation to the program.

[REDACTED]

Please see confidential appendix 36 (a), confidential appendix 36 (b) and confidential appendix 36 (c) for preferential CIT rate for UPM-China for year 2014 below for your information. [Confidential CIT application information]

9. Outline the fees charged to, or expenses incurred by your business for purposes of receiving the program.

Fees and expenses incurred by UPM-China for the purposes of receiving Program 7:

[REDACTED]



## PUBLIC RECORD

[REDACTED]

[Confidential fee and expense information]

10. Outline the eligibility criteria your business had to meet in order to receive benefits under this program.

The following criteria are all required to be met by UPM-China to be eligible for Program 7:

[REDACTED]

[Confidential eligibility criteria]

11. State whether your eligibility for the program was conditional on one or more of the following criteria:

a) whether or not your business exports or has increased its exports;

No

b) the use of domestic rather than imported inputs;

No

c) the industry to which your business belongs; or

No

d) the region in which your business is located.

No

12. If the preferential CIT tax rate was provided in relation to a specific activity or project of your entity, please identify the activity and provide supporting documentation.

The preferential CIT tax rate under Program 7 is not provided in relation to a specific activity or project of UPM-China.

## PUBLIC RECORD

13. What records does your business keep regarding each of the benefits received under this program? Provide copies of any records kept in relation to the program.

Please see confidential appendix (a) and confidential appendix 37 (b). Approval for preferential CIT rate for year 2015 is not available yet. Please see confidential appendix 37 (c) for the approval for year 2014.

14. Indicate where benefits under this program can be found in your accounting system (i.e., specify the ledgers or journals) and financial statements.

The benefit would only be reflected in "income tax payable" account and "income tax expense" in Income Statement of UPM-China.

15. To your knowledge, does the program still operate or has it been terminated?

Program 7 is still effective now based on prevailing China tax legislation. For UPM-China, the high technology enterprise certificate is valid [REDACTED]

[REDACTED] [Confidential details on duration of program]

16. If the program has been terminated, please provide details (when, why). When is the last date that your business could apply for or claim benefits under the program? When is the last date that your business could receive benefits under the program?

Not Applicable.

17. If the program terminated has been substituted for by another program, identify the program and answer all the questions in Part I-2 in relation to this programme.

Not Applicable.

18. For each taxation year from 2012 to 2015, complete the "Income Tax " spreadsheet in the **Exporter Questionnaire spreadsheets – A4 copy paper** workbook.

Please refer to the "Income Tax" tab in the **Exporter Questionnaire spreadsheets – copy paper** workbook.

19. Provide a copy, bearing the official stamp of the appropriate level of the Government of China of all

- corporate income tax acknowledgement form(s) and the income tax return(s) that your company filed for the 2012, 2013, 2014 and 2015 tax years; and

Please refer to the "Income Tax" tab in the **Exporter Questionnaire spreadsheets – copy paper** workbook.



## PUBLIC RECORD

Please find attached annual corporate income tax returns submitted and acknowledgements received in China online filing system for 2012 to 2014 for your reference.

- income tax instalment payment receipts, and all applicable income tax forms and schedules for the 2012, 2013, 2014 and 2015 tax years.

Please see confidential appendix 38 (a) and confidential appendix 38 (b).  
[Confidential CIT lodgement details]

**Note: If your company did not file an income tax return in any of the tax years indicated, provide an explanation stating the reasons why you were exempt from filing such a return and the applicable section[s] of the Income Tax Act under which you were exempt from doing so.**

### PART I-3      **TARIFF AND VAT EXEMPTIONS ON IMPORTED MATERIALS AND EQUIPMENTS**

It is our understanding that certain enterprises in China are eligible for exemption from the payment of import duty and import VAT on imported inputs, technologies and machinery, for example.

**Program 6:** VAT rebates relating to raw materials

**Program 10:** VAT and Import Tariff Exemptions for Imported Equipment

**Program 11:** VAT Rebates on FIE Purchases of Chinese Made Equipment

If your business or any company/entity related to your business received benefits under any such programs, including the above, during the period **1 January 2015 to 31 December 2015**, please answer the following questions.

1. Please complete the **VAT & Tariff Programs** tab in the supplied Excel spreadsheet.

UPM did not receive any rebates under Program 6 or 11 and did not receive any exemptions in relation to imported equipment.

Details of UPM's access to VAT and Duty exemptions on imported materials used in the production of goods for export under a GOC scheme similar to Australia's Tradex scheme are set out in section E-2.2 above and related appendices. No subsidy is involved because of the operation of Article XVI of GATT 1994 (Note to Article XVI) and the provisions of Articles I, II and III of the SCM Agreement

## **PUBLIC RECORD**

2. Provide complete details, in the **VAT and Tariff Transactions** tab of the attached Excel spreadsheet, involving the amount of the VAT refund received, including whether the refund was received in a lump sum or multiple instalments.

**Not Applicable**

3. Describe the application and approval procedures for obtaining a benefit under the program.

**Not Applicable**

4. Where applicable, provide copies of the application form or other documentation used to apply for the program, all attachments and all contractual agreements entered into between your business and the Government of China in relation to the program.

**Not Applicable**

5. Outline the fees charged to, or expenses incurred by your business for purposes of receiving the program.

**Not Applicable**

6. Outline the eligibility criteria your business had to meet in order to receive benefits under this program.

**Not Applicable**

7. State whether your eligibility for the program was conditional on one or more of the following criteria:

- a) whether or not your business exports or has increased its exports;
- b) the use of domestic rather than imported inputs;
- c) the industry to which your business belongs; or
- d) the region in which your business is located.

**Not Applicable**

8. If the benefit was provided in relation to a specific activity or project of your entity, please identify the activity and provide supporting documentation.

**Not Applicable**

9. What records does your business keep regarding each of the benefits received under this program? Provide copies of any records kept in relation to the program.

**Not Applicable**

10. Indicate where benefits under this program can be found in your accounting system (i.e., specify the ledgers or journals) and financial statements.



## PUBLIC RECORD

Not Applicable

11. To your knowledge, does the program still operate or has it been terminated?

Not Applicable

12. If the program has been terminated, please provide details (when, why). When is the last date that your business could apply for or claim benefits under the program? When is the last date that your business could receive benefits under the program?

Not Applicable

13. If the program terminated has been substituted for by another program, identify the program.

Not Applicable

14. Were the materials and/or equipment that were entitled to a refund of VAT used in the production of the goods during the investigation period? If yes, provide the following information:

- (a) type of inputs;
- (b) cost of inputs;
- (c) quantity of inputs; and
- (d) amount of VAT refunded.

Not Applicable

15. Has your company received exemption from payment of or refunds of import duty and import VAT for imported material inputs at any time that were used in the production of the goods during the investigation period? If yes, provide the following information:

- (a) description of imported product;
- (b) country of origin;
- (c) quantity of imported product;
- (d) purchase price;
- (e) terms of purchase (e.g. FOB, CIF);
- (f) ocean freight;
- (g) value for duty of imported product;
- (h) regular rate of taxes and duties;
- (i) concessionary rate of taxes and duties;
- (j) amount of duties and taxes normally applicable;
- (k) amount of duties and taxes paid;
- (l) amount of duties and taxes exempt;
- (m) date of importation;
- (n) tariff classification number;
- (o) customs entry number; and
- (p) application fee.

## **PUBLIC RECORD**

**Not Applicable**

16. Explain if (and how) the Government of China determines which imported inputs are consumed by your business in the production of the subject goods and in what amounts, and the amount of duty paid or payable on the inputs (including any allowance for waste).

**Not Applicable**

17. Explain how the Government of China determined the percentage rate of duty exemption.

Please note that goods consumed in the production of exported goods (inputs) include:

- (a) goods incorporated into the exported goods; and
- (b) energy, fuel, oil and catalysts that are used or consumed in the production of the exported goods.

**Not Applicable**

18. Provide a representative sample of copies of import entry documents (for example: bill of entry, invoice from supplier, etc.) for each type of importation covering duty-exempt inputs and duty-paid inputs imported for use in the manufacturing of the subject goods.

**Not Applicable**

19. In addition to the import entry documents, also provide copies, if applicable, of any applications submitted to and/or approval document received from the Government of China relating to the exemption from the payment of import duty and import VAT on imported inputs and in relation to the VAT that is refunded on the exportation of the subject goods.

**Not Applicable**

20. Provide copies of reports and audits by the Government of China authority responsible for administering the duty rebate or duty drawback scheme with respect to the verification of the importation and use of inputs and the remittance or drawback of the related duty paid or payable.

**Not Applicable**

### **PART I-4 GRANTS:**

It is the Commission's understanding that the Government of China may be providing grants to enterprises in China including the following programs identified above:

**Program 12:** Subsidies for Energy Efficiency and Environmental Protection



## PUBLIC RECORD

**Program 13:** Support Fund for Environmental Protection Project - Rizaho City

**Program 14:** Support Fund for Environmental Protection Input

**Program 15:** Support Fund for Environmental Protection Project

**Program 16:** City Bonus for Export Activity from Finance Bureau

1. Did your business or any company/entity related to your business receive any benefit under the above programs during the period 1 January 2015 to 31 December 2015?

Yes.

2. Did your business receive benefits under any other grant (including awards, prizes, funds) program during the period **1 January 2015 to 31 December 2015**?

Yes.

For each program identified in your answer to I-2.1 and I-2.2 above, answer the following, as well as completing the **Grants** tab in the attached Excel workbook.

3. Provide complete details involving the amount of the grant received, including whether the grant was received in a lump sum or multiple instalments.

Please refer to the "**Grants**" tab in the **Exporter Questionnaire spreadsheets – copy paper** workbook for details.

4. Indicate which goods you produced that benefited from the program (e.g. the program may have benefited all production, or only certain products that have undergone research and development).

Please refer to the "**Grants**" tab in the **Exporter Questionnaire spreadsheets – copy paper** workbook for details.

5. Describe the application and approval procedures for obtaining a benefit under the program.

Please refer to the "**Grants**" tab in the **Exporter Questionnaire spreadsheets – copy paper** workbook for details.

6. Where applicable, provide copies of the application form or other documentation used to apply for the program, all attachments and all contractual agreements entered into between your business and the Government of China in relation to the program.

Please refer to the "**Grants**" tab in the **Exporter Questionnaire spreadsheets – copy paper** workbook for details.

7. Outline the fees charged to, or expenses incurred by your business for purposes of receiving the program.

## **PUBLIC RECORD**

Please refer to the **"Grants"** tab in the **Exporter Questionnaire spreadsheets – copy paper** workbook for details.

8. Outline the eligibility criteria your business had to meet in order to receive benefits under this program.

Please refer to the **"Grants"** tab in the **Exporter Questionnaire spreadsheets – copy paper** workbook for details.

9. State whether your eligibility for the program was conditional on one or more of the following criteria:

- a) whether or not your business exports or has increased its exports;
- b) the use of domestic rather than imported inputs;
- c) the industry to which your business belongs; or
- d) the region in which your business is located.

Please refer to the **"Grants"** tab in the **Exporter Questionnaire spreadsheets – copy paper** workbook for details.

10. If the benefit was provided in relation to a specific activity or project of your entity, please identify the activity and provide supporting documentation.

Please refer to the **"Grants"** tab in the **Exporter Questionnaire spreadsheets – copy paper** workbook for details.

11. What records does your business keep regarding each of the benefits received under this program? Provide copies of any records kept in relation to the program.

Please refer to the **"Grants"** tab in the **Exporter Questionnaire spreadsheets – copy paper** workbook for details.

12. Indicate where benefits under this program can be found in your accounting system (i.e., specify the ledgers or journals) and financial statements.

Please refer to the **"Grants"** tab in the **Exporter Questionnaire spreadsheets – copy paper** workbook for details.

13. To your knowledge, does the program still operate or has it been terminated?

Please refer to the **"Grants"** tab in the **Exporter Questionnaire spreadsheets – copy paper** workbook for details.

14. If the program has been terminated, please provide details (when, why). When is the last date that your business could apply for or claim benefits under the program? When is the last date that your business could receive benefits under the program?



## PUBLIC RECORD

Please refer to the **"Grants"** tab in the **Exporter Questionnaire spreadsheets – copy paper** workbook for details.

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

15. Identify the body responsible for administering the grant.

Please refer to the **"Grants"** tab in the **Exporter Questionnaire spreadsheets – copy paper** workbook for details.

16. Identify the date of approval of the grant and the date the grant was received.

Please refer to the **"Grants"** tab in the **Exporter Questionnaire spreadsheets – copy paper** workbook for details.

17. Indicate where the grant was accounted for on your business' financial statements.

Please refer to the **"Grants"** tab in the **Exporter Questionnaire spreadsheets – copy paper** workbook for details.

### PART I-5 ANY OTHER PROGRAMS

If the Government of China, any of its agencies or any other authorised body has provided any other benefit<sup>5</sup> under any other assistance programs to your entity not previously addressed, identify the program(s).

This may have included:

- the provision of grants, awards or prizes;
- the provision of goods or services at a reduced price (e.g. electricity, gas, water, raw materials (including, for example, certain chemicals), transport);
- the reduction of tax payable including income tax and VAT;
- reduction in land use fees;
- loans from Policy Banks at below-market rates; or
- any other form of assistance

**UPM Kymmene has not received benefits from any other Programs**

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

1. Please complete the **Other Programs** tab of the attached Excel spreadsheet.

**Not Applicable.**

<sup>5</sup> Refer to the Glossary of Terms for a definition of benefit in this context.

## **PUBLIC RECORD**

2. Indicate which goods you produced that benefited from the program (e.g. the program may have benefited all production, or only certain products that have undergone research and development).

**Not Applicable.**

3. Describe the application and approval procedures for obtaining a benefit under the program.

**Not Applicable.**

4. Where applicable, provide copies of the application form or other documentation used to apply for the program, all attachments and all contractual agreements entered into between your business and the Government of China in relation to the program.

**Not Applicable.**

5. Outline the fees charged to, or expenses incurred by your business for purposes of receiving the program.

**Not Applicable.**

6. Outline the eligibility criteria your business had to meet in order to receive benefits under this program.

**Not Applicable.**

7. State whether your eligibility for the program was conditional on one or more of the following criteria:

- a) whether or not your business exports or has increased its exports;
- b) the use of domestic rather than imported inputs;
- c) the industry to which your business belongs; or
- d) the region in which your business is located.

**Not Applicable.**

8. If the benefit was provided in relation to a specific activity or project of your entity, please identify the activity and provide supporting documentation.

**Not Applicable.**

9. What records does your business keep regarding each of the benefits received under this program? Provide copies of any records kept in relation to the program.

**Not Applicable.**



## **PUBLIC RECORD**

10. Indicate where benefits under this program can be found in your accounting system (i.e., specify the ledgers or journals) and financial statements.

**Not Applicable.**

11. To your knowledge, does the program still operate or has it been terminated?

**Not Applicable.**

12. If the program has been terminated, please provide details (when, why). When is the last date that your business could apply for or claim benefits under the program? When is the last date that your business could receive benefits under the program?

**Not Applicable.**

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

**Not Applicable.**

## PUBLIC RECORD

### SECTION J - EXPORTER'S DECLARATION

☒ I hereby declare that UPM Asia Pacific Pte 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.

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

**Name** : Sami Latva

**Signature** : ..... 

**Position in**

**Company** : Group Legal Counsel

**Date** : 19<sup>th</sup> May 2016



## PUBLIC RECORD

### SECTION K - CHECKLIST

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

Section	Please tick if you have responded to all questions
Section A – general information	✓
Section B – export price	✓
Section C – like goods	✓
Section D – domestic price	✓
Section E – fair comparison	✓
Section F – exports to third countries	✓
Section G – costing information	✓
Section H – particular market situation	✓
Section I – countervailing (subsidisation)	✓
Section J - declaration	✓

Electronic Data	Please tick if you have provided spreadsheet
<b>INCOME STATEMENT</b>	✓
<b>TURNOVER</b> – sales summary	✓
<b>AUSTRALIAN SALES</b> – list of sales to Australia	✓
<b>DOMESTIC SALES</b> – list of all domestic sales of like goods	✓
<b>LIKE GOODS</b>	✓
<b>THIRD COUNTRY</b> – third country sales	✓
<b>PRODUCTION</b> – production figures	✓
<b>DOMESTIC CTMS</b> – costs of goods sold domestically	✓
<b>AUSTRALIAN CTMS</b> – costs of goods sold to Australia	✓
<b>INCOME TAX</b> – tax paid by your business for tax years 2011 to 2013	✓
<b>RAW MATERIAL PURCHASES</b> - data for integrate manufacturers - all raw materials purchased during the investigation	✓
<b>ELECTRICITY</b> – data for all electricity purchased during the investigation period	✓
<b>VAT AND TARIFF</b> – data for VAT and Tariff exemptions	✓

## PUBLIC RECORD

<b>APPENDICES – All confidential with the exception of Appendix 2, 7, 19(a), 19(b), 26(a), (b) (c) &amp;(d), 29(a), (b), (c),&amp; (d) and 35(a).</b>	
1. Organisation Chart	
2. Major Shareholders	
3. Global Service Charge	
4. Processing fee –Jan-Dec 2015	
5. (a) Contract Manufacturing Agreement	
5. (b) Contract Manufacturing Agreement	
5. (c) Contract Manufacturing Agreement	
5. (d) Contract Manufacturing Description	
6. (a) UPM Paper Asia Organisation Chart	
6. (b) UPM Paper Asia Sales Organisation Chart	
7. Changshu mill brochure	
8. Chart of Account	
9. (a) Audit Reports 2014	
9. (a) Audit Reports 2015	
10. Financial Statement	
11. Fixed Assets-Useful life list	
12. Agency Agt. btw UPM-Aus & UPM-AP 2015	
13. Forward Orders	
14.(a) Documentation for order	
14.(b) Documentation for order	
15. (a) Distributor agreements -	
15. (b) Distributor agreements -	
16. Domestic Price list	
17. (a) Documentation for order	
17. (b) Documentation for order	
18. (a) Regional warehouse and delivery service contract	
18. (b) Regional warehouse and delivery service contract	
18. (c) Shipping service contract	
18. (d) Regional warehouse and delivery service contract - English	
18. (e) Regional warehouse and delivery service contract - English	
18. (f) Shipping service contract - English	
19. (a) Chinese Domestic Laws – Customs Duty	
19. (b) Customs Law of the People's Republic of China	
19. (c) Customs duty filing for Dec 2015	
20. Domestic Customs Duty for 2015	
21. Import VAT on imported materials for domestic sales for 2015	
22. Production Process	
23. Cost Accounting System	
24. (a) UPM China Business License	
24. (b) UPM China Business License - English Translation	



## PUBLIC RECORD

25. UPM China Government Reporting Summary	
26. (a) Jangsu Province 5 year plan 12th	
26. (b) Jangsu Province 5 year plan 13th	
26. (c) Changshu City 5 year plan 12th	
26. (d) Changshu City 5 year plan 13th	
27. (a) UPM APAC shareholder resolutions 2015	
27. (b) UPM APAC shareholder resolutions 2015 part 2	
27. (c) BR Minutes December 2015	
28. Minutes Fine APAC Sales MT Meeting	
29. (a) FDI guideline translation	
29. (b) Foreign Investment Enterprise Industry Guidance 2015	
29. (c) The Paper Industry 12th Five-Year Plan	
29. (d) The Paper Industry 12th Five-Year Plan - English	
30. (a) MOEP Approval	
30. (b) NDRC Approval	
30. (c) Water Resource Approval	
31. UPM China Statistic Reporting / Submission Summary	
32. UPM China Statistic Reporting Examples for Dec. 2015	
33. Discharge Standard of Water Pollutants for Pulp and Paper Industry	
34. Domestic A4 Customers	
35. (a) China national quality standard "GBT 24988-2010"	
35. (b) UPM quality standard "Q/320581DVE003	
36. (a) Preferential CIT details 2014	
36. (b) Preferential CIT details 2014	
36. (c) Preferential CIT details 2014	
37. (a) High technology enterprise certificate	
37. (b) Approval for preferential CIT rate for quarterly provisional CIT filing for 2015	
37. (c) Approval for preferential CIT rate for year 2014	
38. (a) Income Tax Information	
38. (b) Income Tax Returns and acknowledgments	

