



## EXPORTER QUESTIONNAIRE

### deep drawn stainless steel sinks EXPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA

Period of Investigation: 1 JANUARY – 31 DECEMBER 2013

Response due by: **8 MAY 2014**

#### CASE CONTACT

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Anti-Dumping  
Commission website: [www.adcommission.gov.au](http://www.adcommission.gov.au)

#### RETURN OF QUESTIONNAIRE DETAILS

By mail  
(on CD-ROM or USB): Attn: Director, Operations 2  
Anti-Dumping Commission  
5 Constitution Ave  
CANBERRA ACT 2601

By email: [operations2@adcommission.gov.au](mailto:operations2@adcommission.gov.au)

**SECTION A - COMPANY STRUCTURE AND OPERATIONS**

This section requests information relating to company details and financial reports.

**A-1 Identity and communication**

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

*Head Office:*

Name:	<b>Roy He</b>
Position in the company:	<b>Export Marketing Manager</b>
Address:	<b>318 Yinglang Industrial Zone, Shaping Town, Heshan City, Guangdong Province, China 529700</b>
Telephone:	<b>+86-750-8415023</b>
Facsimile number:	<b>+86-750-8415268</b>
E-mail address of contact person:	<b>roy.he@franke.com</b>

*Factory:*

Address:	<b>318 Yinglang Industrial Zone, Shaping Town, Heshan City, Guangdong Province, China 529700</b>
Telephone:	<b>+86-750-8415023</b>
Facsimile number:	<b>+86-750-8415268</b>
E-mail address of contact person:	<b>roy.he@franke.com</b>

**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:	<b>Ren Yongzhong</b>
Address:	<b>12/F, Tower B, Focus Place, No.19 Financial Street, Xicheng District, Beijing, P.R. China 100033</b>
Telephone:	<b>+86-10-52682974</b>
Facsimile/Telex number:	<b>+86-10-52682999</b>
E-mail address of contact person:	<b>renyz@dehenglaw.com</b>

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

### **A-3 Company information**

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

**[Answer]**

**The legal name of the business is Franke (China) Kitchen System Co., Ltd (herein after referred to as Franke (China) or the company). The business type is a foreign invested, limited liability company. Its main responsibility is the production of the goods. The business names used to export and/or sell goods is Franke (China) Kitchen System Co., Ltd. Please refer to Exhibit A-3.1 Business License of Franke (China)**[confidential]**.**

2. Who are the owners and/or principal shareholders? Provide details of shareholding percentages for joint owners and/or principal shareholders. (List all shareholders able to cast, or control the casting of, 5% or more of the maximum amount of votes that could be cast at a general meeting of your company).

**[Answer]**

**Franke (China) Kitchen System is a 100% wholly-owned subsidiary of **[Confidential information of parent company]**.**

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

**[Answer]**

****[Confidential information of parent company]**, however whose names and respective shareholding percentage are not disclosed. As Franke Group is headquartered in Switzerland, the Group structure is complicated, the shareholding information is not available to Chinese subsidiaries.**

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

**[Answer]**

**This question is not applicable.**

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

**[Answer]**

**Please refer to Exhibit A-3.5 Affiliated Corporate Structure**[confidential]**.**

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

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[Answer]

**Yes. Some management fees has been allocated to Franke(China) by its parent company.**

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

[Answer]

**Franke (China) Kitchen System is a producer of the product concerned.**

8. If your business does not perform all of the following functions in relation to the goods under consideration, then please provide names and addresses of the companies which perform each function:
- produce or manufacture
  - sell in the domestic market
  - export to Australia, and
  - export to countries other than Australia.

[Answer]

**Franke (China) Kitchen System performs [company's responsibilities].**

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

[Answer]

**Please refer to Exhibit A-3.9 Organisation Chart of Franke (China) [confidential].**

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

[Answer]

**There is no annual report or brochures available. For any information please visit official web <http://www.franke.com/content/frankegroup/main/en/home.html>**

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

1. Indicate your accounting period.

[Answer]

**The accounting period is from 1 January to 31 December of each calendar year.**

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

[Answer]

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**The financial records are held at the same address of Franke (China). The address is 318 Yinglang Industrial Zone, Shaping Town, Heshan City, Guangdong Province, China 529700.**

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

- chart of accounts;
- audited consolidated and unconsolidated financial statements (including all footnotes and the auditor's opinion);
- internal financial statements, income statements (profit and loss reports), or management accounts, that are prepared and maintained in the normal course of business for the goods under consideration.

These documents should relate to:

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

**[Answer]**

**Please refer to Exhibit A-4.3.1 Chart of Accounts of Franke (China) [confidential] and Exhibit A-4.3.2 Franke (China) Audit Report 2012 & 2013 [confidential].**

**The company does not have any internal financial statements, income statements or management accounts.**

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

**[Answer]**

**As the Audit Report has been provided, this question is not applicable.**

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

**[Answer]**

**The accounting practice of the company is consisted with Chinese Accounting Standard.**

6. Describe:

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

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- 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);

**[Answer]**

**The inventory cost includes purchase cost, process cost and other cost.**

**The costs of purchased products are recorded by the actual cost.**

**The weighted average method is used for the valuation for finished goods inventories. The raw material purchase cost and other costs such as direct labour shall be allocated between finished goods and work in process.**

- 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);

**[Answer]**

**The standard cost is used to record the cost of each product model in the MFG system, then each month the different cost between standard cost and actual cost shall be revised by issuing the monthly financial report to the head of the finance department.**

**The actual cost is also recorded in the MFG system only a total value while the standard cost could be broken down to Bill of Material.**

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

**[Answer]**

**The damaged or sub-standard goods shall be sold and the income shall be recorded under other business profit.**

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

**[Answer]**

**The scrap shall be sold and the income shall be recorded under other business profit. There is no by products or joint products.**

- valuation and revaluation methods for fixed assets;

**[Answer]**

**The straight line method is used for the revaluation for fixed assets.**

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

**[Answer]**

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**Straight-line method is used for the depreciation of production equipment. The rate and service life of the fixed assets and production equipment is listed below:**

	Estimated Useful Life	Estimated Residual Rate	Depreciation Rate
Plant and Buildings	20 years	0%	5%
Production Equipment	10 years	0%	10%
Electronic Device/ Equipment and Furniture	3-5 years	0%	20%-33%
Transportation Equipment	5 years	0%	20%
Production Molds	5 years	0%	20%

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

**[Answer]**

**The foreign exchange gains and losses shall be recorded in the financial expenses.**

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

**[Answer]**

**As all the transactions are recorded in RMB, this question is not applicable.**

- inclusion of general expenses and/or interest;

**[Answer]**

**For the second class accounts included under general expenses and interest please refer to the chart of accounts.[\[Confidential information regarding to the chart of accounts\]](#).**

**The general expenses and interest are included in the management expenses and financial expenses of the Profit Statement.**

- provisions for bad or doubtful debts;

**[Answer]**

**The provisions for bad or doubtful debts are based on the risk of the receipt of individual payment.**

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

**[Answer]**

**There is no expenses for idle equipment and/or plant shut-downs. This question is not applicable.**

- costs of plant closure;

**[Answer]**

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**There is no cost of plant closure. This question is not applicable.**

- restructuring costs;

**[Answer]**

**There is no restructuring cost. This question is not applicable.**

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

**[Answer]**

**There is no by-products and the scrap materials shall be sold. The income shall be recorded in other business profit.**

- effects of inflation on financial statement information.

**[Answer]**

**There is no significant inflation during the POI. This question is not applicable.**

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

**[Answer]**

**There is no change of accounting methods over the last two years.**

### **A-5 Income statement**

Complete the spreadsheet '**Income statement**' in the **Exporter Questionnaire spreadsheets – sinks** 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.*

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.*

**[Answer]**

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Please refer to the separately filed worksheet Exhibit A-5 "Income Statement" [confidential].  
The cost allocations is according to the revenue.

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### A-6 Sales

Complete the spreadsheet 'Turnover' in the *Exporter Questionnaire spreadsheets* – *sinks* 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.*

**[Answer]**

**Please refer to the separately filed worksheet Exhibit A-6 "Turnover"**  
**[confidential].**

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

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

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

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

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

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

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

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

[Answer]

**The Australian Customer's information is as below:**

[Confidential information concerning with Australian customer]

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

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

[Answer]

Please refer to Exhibit B-2(a) Australian Sales Diagram [confidential].

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

[Answer]

[Confidential information regarding to the incoterms]. When the goods is produced, [confidential information regarding to companies responsibilities] informs its

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Australian client-[Clients name]. [confidential information regarding to trade process].

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

[Answer]

According to the [Confidential information regarding to the incoterms], [confidential information regarding to trade process].

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

[Answer]

**This question is not applicable. Franke does not have any agency or distributor agreements or other contracts entered into in relation to the Australian market.**

- (e) Explain in detail the process by which you negotiate price, receive orders, deliver, invoice and receive payment. If export prices are based on price lists supply copies of those lists.

[Answer]

[Confidential information regarding to the price determinations].

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

[Answer]

**The company does not relate to any of its Australian customers.**

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

[Answer]

**For the details of the orders, please refer to the purchase order provided in the sales documents. The scheduled shipping dates is around 17 days.**

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

[Answer]

**The company has [number of customers] in Australia and the selling prices does not vary according to the distribution channel.**

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**B-4 Australian sales data**

Complete the ‘**Australian sales**’ spreadsheet in the **Exporter Questionnaire spreadsheets – sinks** workbook.

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

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

<b>Column heading</b>	<b>Explanation</b>
Customer name	names of your customers
Level of trade	the level of trade of your customers in Australia
Model	commercial model/grade or type
Number of bowls	the number of bowls of the sink sold, for example single bowl, 1 and ½ bowls, double bowl, etc.
Drainer boards	If the sink includes one or more drainer boards, identify the number of these
Finish	sink surface finish e.g. polished, brushed, unfinished
Brand name	If the sink is sold under a particular brand name, identify this
Product tier	In the application, the Australian industry identified that sinks may be classified into entry-level, mid or top-range sinks, which is relative to their pricing. Identify if the sink sold is considered entry-level, mid or top-range product.
Accessories included	If the sink is sold with ‘accessories’ other than the sink and drainer board itself, identify which accessories are included (e.g. strainer, etc)
Product code	Code used in your records for the model/grade/type identified. Explain the product codes in your submission.
Invoice number	invoice number
Invoice date	invoice date
Date of sale	Refer to the explanation at the beginning of this section. If you consider that a date <i>other than</i> the invoice date best establishes the material terms of sale, report that date. For example, order confirmation, contract, or purchase order date.
Order number	If applicable, show order confirmation, contract or purchase order number if you have shown a date other than invoice date as being the date of sale.
Shipping terms	Delivery terms eg. CIF, C&F, FOB, DDP (in accordance with Incoterms)
Payment terms	Agreed payment terms eg. 60 days=60 etc
Quantity	Quantity in units shown on the invoice. Show basis eg kg.
Gross invoice value	Gross invoice value shown on invoice <i>in the currency of sale, excluding taxes.</i>
Discounts on the invoice	If applicable, the amount of any discount deducted on the invoice on each transaction. If a % discount applies show that % discount applying in another column.
Other charges	Any other charges, or price reductions, that affect the net invoice value. Insert additional columns and provide a description.
Invoice currency	the currency used on the invoice
Exchange rate	Indicate the exchange rate used to convert the currency of the sale to the currency used in your accounting system
Net invoice value in the currency of the exporting country	the net invoice value expressed in your domestic currency as it is entered in your accounting system
Rebates or other allowances	the amount of any deferred rebates or allowances paid to the importer in the currency of sale
Quantity discounts	the actual amount of quantity discounts not deducted from the invoice. Show a separate column for each type of quantity discount.

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Ocean freight**	the actual amount of ocean freight incurred on each export shipment listed.
Marine insurance	Amount of marine insurance
FOB export price**	the free on board price at the port of shipment.
Packing*	Packing expenses
Inland transportation costs*	inland transportation costs included in the selling price. For export sales this is the inland freight from factory to port in the country of export.
Handling, loading & ancillary expenses*	handling, loading & ancillary expenses. For example, terminal handling, export inspection, wharfage & other port charges, container tax, document fees & customs brokers fees, clearance fees, bank charges, letter of credit fees, & other ancillary charges incurred in the exporting country.
Warranty & guarantee expenses*	warranty & guarantee expenses
Technical assistance & other services*	expenses for after sale services, such as technical assistance or installation costs.
Commissions*	Commissions paid. If more than one type is paid insert additional columns of data. Indicate in your response to question B2 whether the commission is a pre or post exportation expense having regard to the date of sale.
Other factors*	<b>any other</b> costs, charges or expenses incurred in relation to the exports to Australia (include additional columns as required). See question B5.

\*\* FOB export price and Ocean Freight:

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

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

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

**[Answer]**

Please refer to the worksheet Exhibit B-4 “Export to Franke Asia” [confidential].

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

**[Answer]**

**There is no any other costs, charges or expenses incurred in respect of the export listed.**

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

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

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

**[Answer]**

**There is no discount, rebate, allowance offered on export sales to Australia.**

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

**[Answer]**

**There is no credit notes offered to Australian customers.**

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

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

**[Answer]**

**[Confidential information regarding to incoterms]. So there is no other expenses happened within Australia shall be afforded by Franke(China).**

**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.

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[Answer]

Please refer to Exhibit B-9 Australian Export Sales Documents [confidential].

**SECTION C - EXPORTED GOODS & LIKE GOODS**

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

**[Answer]**

The description of the goods is consisted with the product description of the investigation. For a full description for all the goods exported to Australia, please refer to Exhibit C-1 Export Sinks Quotation for PRKS 2012 [confidential]. For the year 2013, the same quotations applies on without amendments.

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

**[Answer]**

For all the products sold to Australia, please refer to **Exhibit Australian Sales** contained in [company’s name] response.

**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.

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

**[Answer]**

The product exported to Australia has no comparable modles in the domestic market. There are diversity in the size of the sinks, the accessories included and the packing requirements.

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

**[Answer]**

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Please refer to the Exhibit C-4 Domestic Sales Quotation [confidential] for illustrations.

## SECTION D - DOMESTIC SALES

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

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

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

*If, in response to question B4 (Sales to Australia, Export Price), you have reported that the date of sale is not the invoice date and you consider that this alternative date should be used when comparing domestic and export prices –*

- *you **must** provide information on domestic selling prices for a matching period - even if doing so means that such domestic sales data predates the commencement of the investigation period.*
- *If you do not have any domestic sales of like goods you must contact the case officer who will explain the information the Commission requires for determining a normal value using alternative methods.*

**D-1** Provide:

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

**[Answer]**

Please refer to Exhibit D-1 Domestic Sales Diagram [**confidential**].

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

**[Answer]**

Franke(China) is responsible [**company's responsibility**].

The client is responsible for [**company's responsibility**].

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

**[Answer]**

Please refer to Distributor Agreements contained in Exhibit D-7 Domestic Sales Documents.

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

[Answer]

There is [number of customers] associated customers in the domestic market-[company's names]. There is no associated price between them. Please refer to Exhibit D-4 Domestic Sales [confidential].

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

[Answer]

[confidential information regarding to the selling prices].

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

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

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

[Answer]

[confidential information regarding to the determination of prices].

### **D-4 Domestic sales data**

Complete the 'Domestic sales' spreadsheet in the *Exporter Questionnaire spreadsheets – sinks* 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.

<b>Column heading</b>	<b>Explanation</b>
Customer name	names of your customers. If an English version of the name is not easily produced from your automated systems show a customer code number and in a separate table list each code and name.
Level of trade	the level of trade of your domestic customer
Model	commercial model/grade or type of the goods
Number of bowls	the number of bowls of the sink sold, for example single bowl, 1 and ½ bowls, double bowl, etc.
Drainer boards	If the sink includes one or more drainer boards, identify the number of these
Finish	sink surface finish e.g. polished, brushed, unfinished
Brand name	If the sink is sold under a particular brand name, identify this

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Product tier	In the application, the Australian industry identified that sinks may be classified into entry-level, mid or top-range sinks, which is relative to their pricing. Identify if the sink sold is considered entry-level, mid or top-range product.
Accessories included	If the sink is sold with 'accessories' other than the sink and drainer board itself, identify which accessories are included (e.g. strainer, etc)
Product code	code used in your records for the model/grade/type of the goods identified. Explain the product codes in your submission.
Invoice number	invoice number
Invoice date	invoice date
Date of sale	refer to the explanation at the beginning of this section. If you consider that a date <i>other than</i> the invoice date best establishes the material terms of sale and should be used, report that date. For example, order confirmation, contract, or purchase order date.
Order number	show order confirmation, contract or purchase order number if you have shown a date other than invoice date as being the date of sale.
Delivery terms	eg ex factory, free on truck, delivered into store
Payment terms	payment terms agreed with the customer eg. 60 days=60 etc
Quantity	quantity in units shown on the invoice eg kg.
Gross Invoice value	gross value shown on invoice <i>in the currency of sale</i> , net of taxes.
Discounts on the Invoice	the amount of any discount deducted on the invoice on each transaction. If a % discount applies show that % discount applying in another column.
Other charges	any other charges, or price reductions, that affect the net invoice value. Insert additional columns and provide description.
Net invoice value in the currency of the exporting country	the net invoice value expressed in your domestic currency as recorded in your accounting system
Rebates or other Allowances	the actual amount of any deferred rebates or allowances in the currency of sale
Quantity discounts	the actual amount of quantity discounts not deducted from the invoice. Show a separate column for each type of quantity discount.
Packing*	packing expenses
Inland transportation Costs*	amount of inland transportation costs included in the selling price.
Handling, loading And ancillary Expenses*	handling, loading & ancillary expenses.
Warranty & Guarantee expenses*	warranty & guarantee expenses
Technical assistance & other services*	expenses for after sale services such as technical assistance or installation costs.
Commissions*	commissions paid. If more than one type is paid insert additional columns of data.
Other factors*	<b>any other</b> costs, charges or expenses incurred in relation to the domestic sales (include additional columns as required). See question D5.

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

### [Answer]

Please refer to Exhibit D-4 Domestic Sales [confidential].

**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.

**PUBLIC RECORD**

**[Answer]**

**There is no other factors should be listed in D-4.**

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

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

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

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

**[Answer]**

**[confidential information regarding to the rebates/discounts/commission/allowance].**

**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.

**[Answer]**

Please refer to Exhibit D-7 Domestic Sales Documents **[confidential]**.

**SECTION E - FAIR COMPARISON**

*As we responded in Section C, there is no identical or like goods sold in the domestic market, compared to the product Model/type exported to Australia. So Franke(China)'s domestic sales are not appropriate to be regarded as the Normal value.*

*This part is not applicable to Franke(China).*

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

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

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

**F-1 Third country sales data**

Complete the ‘Third country’ spreadsheet in the **Exporter Questionnaire spreadsheets – sinks** 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.

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

**[Answer]**

Please refer to **Exhibit F-1 Third Country Sales [confidential]**.

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

**[Answer]**

The product difference between the goods sold to Australia and third countries mainly lays at the size of the sink and the accessories.

## SECTION G - COSTING INFORMATION AND CONSTRUCTED VALUE

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

- *testing the profitability of sales of like goods on the domestic market;*
- *determining a constructed normal value of the goods under consideration (the goods) - ie of the goods exported to Australia; and*
- *making certain adjustments to the normal value.*

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

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

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

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

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

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

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

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

**[Answer]**

**Please refer to Exhibit G-1 Production Process [confidential]. The scraps are offcuts resulted from certain Production Process.**

## **G-2. Production capacity data**

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

[Answer]

Please refer to Exhibit G-2 Production [confidential].

## **G-3. Cost accounting practices**

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

[Answer]

[Accounting information of the company].

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

[Answer]

[Accounting information of the company].

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

[Answer]

**There is no unusual cost variances occurred during the investigation period. This question is not applicable.**

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

[Answer]

[Confidential accounting information of the company].

5. For each profit/cost centre describe in detail the methods that your company normally uses to allocate costs to the goods under consideration. In particular specify how, and over what period, expenses are amortised or depreciated, and how allowances are made for capital expenditures and other development costs.

[Answer]

Please refer to the answer of G-3.2.

## PUBLIC RECORD

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

**[Answer]**

**[Confidential accounting information of the company].**

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

**[Answer]**

**This question is not applicable as there is no difference between the cost valued for cost accounting purposes and financial accounting purposes.**

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

**[Answer]**

**The company does not engaged in any start-up operations in relation to the goods concerned. This question is not applicalbe.**

- 9 State the total cost of the start-up operation and the way that your company has treated the costs of the start-up operation it its accounting records.

**[Answer]**

**This question is 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>1</sup>*

Complete the 'Domestic CTMS' spreadsheet in the **Exporter Questionnaire spreadsheets – sinks** 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.
- 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.

**[Answer]**

Please refer to **Exhibit G-4 Domestic CTMS** **[confidential]**.

**Franke(China) has made minor amendments to the table, and provided the cost of all the Models/types sold on the domestic market. We have communicated with Ms.Stone and already get the permission.**

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<sup>1</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

[Confidential accounting information of the company].

### 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 – sinks** 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.
- 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.

[Answer]

Please refer to **Exhibit G-5 Australian CTMS** [confidential].  
[Confidential accounting information of the company].

## G-6 Major raw material costs

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

For these major inputs:

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

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

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

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

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

[Answer]

Please refer to Exhibit I-3.4 Steel Purchase [[confidential](#)]

## SECTION H – PARTICULAR MARKET SITUATION

*The applicants claim that a ‘market situation’ exists in respect of deep drawn stainless steel sinks from China due to government influence on both the prices of the goods and the major raw material inputs (cold-rolled stainless steel) used in the manufacture of the goods.*

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

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

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

*Through this questionnaire, the Commission is providing producers/exporters of the subject goods in China the opportunity to supply evidence that the sector under investigation is operating under market conditions. In examining the matter, the Commission will also send questionnaires to the Government of China and continue to examine information available from third-party sources.*

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

There are three parts to this section:

- PART H-1 - Requests information concerning the organisation of your company and the Government of China’s involvement in the business of your company.
- PART H-2 - Requests information concerning the Government of China’s measures with respect to the steel industry in China.
- PART H-3 - Requests information concerning the deep drawn stainless steel sinks sector in the region where your company is located.

### **PART H-1 GENERAL INFORMATION**

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

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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;
- b) payment of taxes;
- c) senior management representation within your business;
- d) supervision by the State-owned Assets Supervision and Administration Commission (SASAC) or a body under the control of SASAC.
- e) approval/negotiation of business decisions (e.g. investment decisions, management decisions, pricing decisions, production decisions, sales decisions);
- f) licensing;
- g) restrictions on land use;
- h) provision of loans; or
- i) provision of grants, awards or other funds.

**[Answer]**

**Please refer to the responses to the questions below.**

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).

**[Answer]**

**Franke(China) established in accordance with the Law of the People's Republic of China on Wholly Foreign-Owned Enterprises by [confidential information of holding company].**

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

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

**[Answer]**

**PUBLIC RECORD**

Franke is a 100% wholly-owned subsidiary of [confidential information of holding company] According to the Articles of Association, the investor [confidential information of holding company] is the organ of power of the company. The Board of Directors shall be accountable to the the Investor. Please refer to the Exhibit H-1.2(b) The Members of the Board of Directors [confidential].

For the related companies of Franke, Please refer to Exhibit A-3.5 Associated Corporate Structure.

- 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)?

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

**[Answer]**

**Franke(China) is a 100% wholly-owned subsidiary of [confidential information of holding company] So None of any members of Franke(China)'s (and/or all other entities Franke(China) is related to) Board of Directors representatives, employees are affiliated with the Government of China (at any level, from any agency, party, or otherwise associated entity, including SASAC).**

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

**[Answer]**

**As explained above, None of Franke(China)'s members of (and/or all other entities Franke(China) is related to) Board of Directors or Investor have a representative from the Chinese Communist Party (CCP).**

- 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.

**[Answer]**

**As explained above, None of Franke(China)'s members of (and/or all other entities Franke is related to) Board of Directors or Investor are appointed, managed or recommended by the Government of China.**

- f) Indicate who owns what percentage of all shares in your business and identify whether they are:

## PUBLIC RECORD

- an affiliate, representative, agency or otherwise representative of the Government of China;
- employees of your business;
- foreign investors; or
- other (please specify).

[Answer]

**As explained above, Franke(China) is a 100% wholly-owned subsidiary of [confidential information of holding company]. All shares of Franke are owned by Foreign investors.**

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

[Answer]

**There were No changes in the ownership structure of Franke(China) during POI.**

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

[Answer]

**As explained above, This question is not applicable.**

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

[Answer]

**There are No such requirements in law and in practice to have government representation at any level of Franke(China).**

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

[Answer]

**Not applicable. Franke(China) is not a public-traded company.**

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

[Answer]

## PUBLIC RECORD

According to the Articles of Association, The The Investor shall have the right to determine the remuneration, welfare and benefits and other matters with respect to the members of directors and supervisor. The Board of Directors shall determines the term of office, duties, remuneration, welfare and benefits and other matters with respect to the General Manager, the Financial Director and other officers of the company and shall have the right to dismiss any and all of above officers.

- l) 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.

**[Answer]**

**Not applicable. None of Franke(China)'s senior managers hold positions in any Government of China departments or organisations, associations or Chambers of Commerce.**

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

**[Answer]**

**[confidential information regarding to the price policy].**

### **3. Licensing**

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

**[Answer]**

**Please refer to the Exhibit A-3.1 Business Liscence of Franke(China).**

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

**[Answer]**

**Franke(China)'s business liscence was issued by Jianmen City Administration for Industry and Commerce.**

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

**[Answer]**

**According to the *Rules for the Implementation of the Law of the People's Republic of China on Foreign-Capital Enterprises*, the following steps shall be followed:**

## **PUBLIC RECORD**

**Firstly, A foreign investor shall, prior to the filing of an application for the establishment of a foreign-capital enterprise, submit a report to the local people's government at the place where the proposed enterprise is to be established. The report shall include:the aim of the establishment of the proposed enterprise; the scope and scale of business operation; the products to be produced; the technology and equipment to be adopted and used; the area of land to be used; the conditions and quantities of water, electricity, coal, coal gas and other forms of energy resources required; and the requirement of public facilities. The local government shall within 30 days after receiving the report submitted by the foreign investor, give a reply in writing to the said foreign investor.**

**Secondly,In case that a foreign investor wishes to establish a foreign-capital enterprise, an application shall be submitted to the examining and approving organ through the local people's government, together with the following documents:**

- (1) the written application for the establishment of a foreign-capital enterprise;**
- (2) a feasibility study report;**
- (3) the articles of association of the foreign-capital enterprise;**
- (4) the name-list of the legal representatives (or the candidates for members of the board of directors) of the foreign-capital enterprise;**
- (5) the legal certifying documents and the credit position certifying documents of the foreign investor;**
- (6) the written reply given by the local people's government, where the enterprise is to be established;**
- (7) an inventory of goods and materials needed to be imported;**
- (8) other documents that are required to be submitted.**

**The examining and approving organ shall, within 90 days after receiving all the required documents with respect to an application for the establishment of foreign-capital enterprise, make a decision whether to approve or disapprove the application.**

**Finally, After the approval of the application for the establishment of a foreign-capital enterprise by the examining and approving organ, the foreign investor shall, within 30 days after receiving the certificate of approval, file an application with the local administrative department for industry and commerce for registration, and obtain a business licence.**

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

**[Answer]**

## **PUBLIC RECORD**

**According to the *Rules for the Implementation of the Law of the People's Republic of China on Foreign-Capital Enterprises*, Application for the establishment of a foreign-capital enterprise shall not be approved if the proposed enterprise would involve one of the following circumstances:**

- (1) injury to China's sovereignty or to social and public interests;**
- (2) impairment of China's national security;**
- (3) violation of Chinese laws and regulations;**
- (4) incompatibility with the requirements of China's national economic development; or**
- (5) possible creation of environmental pollution.**

**No other requirements or conditions that must be met in order to obtain the license(s).**

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

**[Answer]**

**According to the *Rules for the Implementation of the Law of the People's Republic of China on Foreign-Capital Enterprises*, A foreign-capital enterprise shall make its own managerial decisions within the approved scope of business operations and shall not be subject to intervention.**

**No other restrictions imposed on the operations of Franke(China) by the business license(s).**

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

**[Answer]**

**According to *Regulations of the People's Republic of China on Administration of Registration of Companies*, A company which is engaged in business activities beyond the business scope as approved to register shall be ordered to remedy the wrongs by the company registration authority, and it may also be subject to a fine of at least RMB 10,000 and no more than RMB 100,000.**

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

**[Answer]**

**A foreign-capital enterprise shall make its own managerial decisions within the approved scope of business operations and shall not be subject to intervention.**

**No other benefits conferred to Franke(China) under the business license.**

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

**[Answer]**

## **PUBLIC RECORD**

Pursuant to relevant provisions of *Company Law* and the *Regulations of the People's Republic of China on Administration of Company Registration*, the business license will be withdrawn under the following circumstances:

i) A company which, when registering, falsely reports its registered capital and has obtained registration of company shall be ordered to remedy the situation and fined at least five per cent and no more than fifteen per cent of the amount of the registered capital falsely reported by the company registration authority. If the case is serious, the company's registration shall be cancelled and the business license withdrawn.

ii) A company which, when registering, presents false documents or employs other deceptions and has obtained registration of company shall be ordered to remedy the situation and fined by the company registration authority. If the case is serious, the company's registration shall be cancelled and the business license withdrawn.

iii) A company which, without justification, fails to commence business more than six months after establishment or ceases to do business for more than six consecutive months after commencing business shall have its business license cancelled by the company registration authority.

iv) Where the organ in charge of company registration decides to alter, write off the registration or revoke its decision on alteration registration; where the relevant company refuses to submit or fails to submit its Business License, the organ in charge of company registration shall announce to cancel the company's business license.

v) If a company fails to go through the prescribed procedures for registering changes, the company registration organ shall order it to go through the procedures within a prescribed limit of time. If it has failed to do so within the prescribed time limit, a fine of anywhere from more than RMB 10,000.00 to less than RMB 100,000.00 shall be imposed. In case that the business scope to be changed is subject to the approval according to laws, administrative regulations and other orders of the State Council, but the company conducts the operation without such approvals, if the case is serious, its business license shall be revoked.

vi) If a company refuses annual checking according to regulations, the company registration organ shall impose a fine of anywhere from more than RMB 10,000.00 to less than RMB 100,000.00 and order it to accept annual checking within the prescribed time limit. If it still refuses to accept annual checking within the prescribed time limit, its business license shall be revoked. If a company is found to have concealed facts in its annual checking or resorted to deception the company registration organ shall impose a fine of anywhere from more than RMB 10,000.00 to less than RMB 100,000.00 and order it to correct within the prescribed time limit. If the case is very serious, its business license shall be revoked.

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vii) If a company is found to have forged, altered, rented out, lent or transferred its business license, the company registration organ shall impose a fine of anywhere from more than RMB 10,000.00 to less than RMB 100,000.00. If the case is very serious, its business license shall be revoked.

viii) Where any company takes advantage of its name to engage in any serious illegal act that may injure the state security or social public interest, its Business License shall be revoked.

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

- a) Provide a description of your business' decision-making structure in general and in respect of steel products. This should identify the persons or bodies primarily responsible for deciding:
- (i) what goods are produced;
  - (ii) how the goods are produced;
  - (iii) how levels of inputs such as raw materials, labour and energy are set and secured;
  - (iv) how the use of your outputs, such as how your product mix is determined; and
  - (v) how your business' profit is distributed, etc., is determined.

**[Answer]**

**The decision-making with respect of above matters shall be mainly in accordance with Articles of Association, Investor's decision, and decision of the Board of Directors.**

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

**[Answer]**

**Not Applicable. No Government of China input into the decision-making process respecting the manufacture, marketing and sale of sink products.**

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

**[Answer]**

**Not Applicable. No Government of China input into the decision-making process respecting the manufacture, marketing and sale of sink products.**

- 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.

## PUBLIC RECORD

[Answer]

**There are no specific report that must be submitted to the Government of China periodically by Franke(China).**

- 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.

[Answer]

**Franke is not aware of any Provincial/City Five Year Plans in Guangdong Province and Jiangmen City.**

- 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).

[Answer]

**Franke never develops any five-year plans or similar planning documents**

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

[Answer]

**Please refer to Exhibit H-1.4(g) Board Resolution of Franke [confidential].**

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

[Answer]

**Franke(China) does not have copies of the notes to company meetings where pricing decision on sink products have been made over POI. According to the usual practice in the pricing decision, Firstly, the sales department shall put forward the models needed by customers and propose the prices according to the market situation, then, Financial department shall calculate the costs and gross profits, and decide to accept or refuse the proposed prices by sales department.**

## **PART H-2 GOVERNMENT OF CHINA MEASURES IN THE STEEL SECTOR**

The information requested in this part will allow for a better understanding of the Government of China's measures in respect of steel 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 steel industry/sector that were put in place or operating during the investigation period?

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

**[Answer]**

**Franke(China) is not aware of the Steel and Iron Industry Development Policy. As a foreign-invested company, Franke(China) has no knowledge of the contents of the policy and any other influences in the upstream steel industry.**

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 steel 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 steel industry sector;
- market entry criteria for the steel industry sector;
- environmental enforcement for the steel industry sector;
- management of land utilization;
- the China Banking Regulatory Commission for the steel industry sector;
- investigation and inspection of new steel expansion facilities;
- the section in the National Development and Reform Commission that is responsible for the steel industry sector; and
- import licensing for iron ore, steel and other steel raw materials.

**[Answer]**

**Franke(China) has no knowledge concerning the name of any Government of China departments, bureaus or agencies responsible for the administration of all Government of China measures concerning the steel industry in Guangdong Province, Jiangmen City.**

3. **National Steel Policy**

the Commission is aware of the 2005 *National Steel Policy* (also referred to as the Steel and Iron Industry Development Policy, as well as by several other titles). The following questions relate to that policy.

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

**[Answer]**

## **PUBLIC RECORD**

**Franke(China) is not aware of the Steel and Iron Industry Development Policy. As a sink manufacturer of foreign-invested company, Franke(China) has no knowledge of the contents of this policy and any other influences in the upstream steel industry. Franke(China) has never been informed of the said policy by other entities.**

- c) 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.

**[Answer]**

**Franke(China) has never been informed of the said policy by other entities.**

- d) 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.

**[Answer]**

**Franke(China), as a sink manufacturer, has no knowledge of the contents of this policy and any other influences in the upstream steel industry. Franke(China) has never been informed of the said policy by other entities.**

- e) 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?

**[Answer]**

**Franke(China) has never been informed of the said policy by other entities.**

- f) 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.

**[Answer]**

**Franke(China) has never been informed of the said policy or any other directives or measures by other entities.**

- g) 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.

## PUBLIC RECORD

[Answer]

**Franke Group has been a leading sink manufacturer over century of years in Swiss. As china has been a big market for kitchenware, Franke Group established the Plant in 1994 in Heshan, Jiangmen, China. Franke's investment here in China has never been impacted by China' steel policy.**

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

[Answer]

**Ever since establishment, Franke(China) has never been aware of such ongoing mechanism.**

- i) The policy includes directives and/or guidelines that permit authorities to limit the supply of water, power, land and bank loans etc. to steel producers, which do not meet the objectives of the policy.
- Explain in detail whether your company's expansion or investment plans have ever been or may be impacted by these criteria.
  - Explain the procedure to be followed by a steel company in making a request for approval of a steel investment for an existing steel enterprise or new steel enterprise.
  - Identify any Government of China bodies at the regional or provincial level that have the responsibility to grant the approval, or refuse approval regarding an investment in the steel sector.
  - Are review and approval decisions regarding investments in the steel sector made by the central government or are they delegated to the regional or provincial level?

[Answer]

**According to Franke(China)'s understanding, the National Steel Policy is related to the upstream steel manufacturers. Franke(China), as a sink manufacturer, which is a total different industry from steel industry, has no knowledge of the contents of this policy and any other influences in the upstream steel industry.**

**Since establishment, Franke(China) has not experienced expansion, so Franke(China) is not aware of above review and approval proceedings.**

- j) Describe the role of the National Development and Reform Commission in terms of communicating, implementing and overseeing policies governing the steel sector, including but not limited to, China's National Steel Policy.

[Answer]

## **PUBLIC RECORD**

**After doing some reseach of the steel industry policy, Franke(China) is aware of , that the National Development and Reform Commission is the supervision organ to implement the policy and has the right to review and approve the application of the investment of steel makers.**

#### **4. 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 steel investments.

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

[Answer]

**As explained in response to H-1.3 the procedures in applying for the business license. Franke(China), as a foreign investor shall, prior to the filing of an application for the establishment of a foreign-capital enterprise, submit a report to the local government where the proposed enterprise is to be established. The local government shall within 30 days after receiving the report submitted by the foreign investor, give a reply in writing to the said foreign investor.**

**After getting the written reply from the local government, an application shall be submitted to the examining and approving organ through the local government.**

**Then, the examining and approving organ shall, within 90 days after receiving all the required documents with respect to an application for the establishment of foreign-capital enterprise, make a decision whether to approve or disapprove the application.**

**Finally, After the approval of the application for the establishment of a foreign-capital enterprise, the foreign investor shall, within 30 days after receiving the certificate of approval, file an application with the relevant administrative department for industry and commerce for registration, and obtain a business licence.**

**However, the above mentioned approval process was related to the establishment of a foreign-invested company, NOT related to steel investment, let alone sink industry.**

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

[Answer]

**As explained above, This question is not applicable.**

## PUBLIC RECORD

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

**[Answer]**

**As explained above, This question is not applicable.**

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

**[Answer]**

**As explained above, This question is not applicable.**

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

**[Answer]**

**As explained above, This question is not applicable.**

- f) Identify the office that sent communication of these requirements to your company along with the office address, contact names, phone numbers and fax numbers.

**[Answer]**

**As explained above, This question is not applicable.**

### **5. Steel industry rationalisation**

The below questions address the efforts of the Government of China to rationalise the steel industry sector in China through a combination of closures and consolidations of steel making assets.

- a) Describe to what extent, if any, your company has been directed, encouraged or requested to merge or consolidate operations with one or several other steel in China either by the National Development and Reform Commission or any other entities.

**[Answer]**

**This question is not applicable to Franke(China). Franke(China) has NEVER been directed, encouraged or requested to merge or consolidate operations with one or several other steel makers in China either by the National Development and Reform Commission or any other entities.**

- b) Describe to what extent, if any, a facility owned by your company has ever been identified by the Government of China as a candidate for closure within the next two years.

**[Answer]**

**This question is not applicable to Franke(China). Franke(China) has NEVER been identified by the Government of China as a candidate for closure within the next two years.**

**PART H-3 THE DEEP DRAWN STAINLESS STEEL SINKS 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 deep drawn stainless steel sinks.

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

**1. Export quotas and licensing**

- a) Are deep drawn stainless steel sinks sold by your company subject to any export quotas?

If so, explain why deep drawn stainless steel sinks are subject to quotas and the method by which the quotas are allocated.

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

**[Answer]**

**This question is not applicable. The product concerned of Franke(China) has NEVER been subject to export quotas.**

- b) If deep drawn stainless steel sinks are not presently subject to export quotas, indicate if quotas existed during the investigation period and when and why they were removed.

**[Answer]**

**This question is not applicable.**

- c) Identify which Government of China agency legislates and monitors any such quotas.

**[Answer]**

**This question is not applicable.**

- d) Has the Government of China set any targets or limits regarding the quantity of deep drawn stainless steel sinks that you may sell on the domestic or export markets? If so, provide details.

**[Answer]**

**This question is not applicable.**

- e) Are there any export licence requirements for deep drawn stainless steel sinks? If so, provide details.

**[Answer]**

**This question is not applicable. There are no export licence requirements for deep drawn stainless steel sink.**

## **2. Taxation**

- a) Were there any export taxes on the exports of deep drawn stainless steel sinks during the investigation period?

**[Answer]**

**The VAT taxes were imposed on the exports of deep drawn stainless steel sinks during the investigation period.**

- b) What was the VAT rebate applicable to deep drawn stainless steel sinks exports during the investigation period?

**[Answer]**

**The VAT rebate applicable to deep drawn stainless steel sinks exports during the investigation period was 9%.**

- c) Have there been any changes to the value-added tax rebate applicable to steel 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.

**[Answer]**

**There have been No changes to the value-added tax rebate applicable to sink exports in the last 5 years.**

- d) Are you aware of any tax changes being planned that would impact the deep drawn stainless steel sinks sector?

**[Answer]**

## PUBLIC RECORD

**Franke(China) is not aware of any tax changes being planned that would impact the deep drawn stainless steel sinks sector.**

### 3. Sales terms

- a) Identify the person who authorises the sales terms, prices and other contract provisions for the sale of deep drawn stainless steel sinks by your business.

**[Answer]**

**According to the usual practice in the pricing decision, [confidential information concerning with price policy].**

**The sales terms and other contract provisions are decided by the sales department.**

- b) Explain how the selling prices of deep drawn stainless steel sinks 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.

**[Answer]**

**Please refer to the answer to previous question. There are no government involvement in price decision.**

- c) Does your business coordinate the selling prices or supply of deep drawn stainless steel sinks with other domestic steel and steel product producers, any Government of China departments, or the China Iron and Steel Association? If so, provide details.

**[Answer]**

**Not applicable. There are no such prices coordinations.**

- d) Explain whether your business provides deep drawn stainless steel sinks price information/data to the Government of China, the China Iron and Steel Association (CISA), other government officials or commercial/industry organisations, including those outside of China, which report on the steel sector.

**[Answer]**

**Not applicable.**

- e) Explain whether your business provides deep drawn stainless steel sinks price data to any other person at the provincial, regional or special economic zone level of government.

**[Answer]**

**Not applicable.**

**4. Involvement with CISA**

- a) Is your business a member of CISA or regional Iron & Steel Associations? If so, explain your business' relationship with the association and the involvement of the Government of China with the CISA.

**[Answer]**

**Franke(China) is not a member of CISA or regional Iron & Steel Associations.**

- b) If your business is a member of the CISA, indicate whether this membership is voluntary or compulsory. Explain the functions that the CISA provides for your business. Explain in detail the role of the CISA with respect to the directives as provided by the Government of China concerning the steel industry.

**[Answer]**

**Not applicable.**

**5. 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.

**[Answer]**

**Franke(China) is not a member of any other industry associations.**

- 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 steel industry.

**[Answer]**

**Not applicable.**

**6. Statistics submission/recording**

- a) Indicate if your business makes submissions<sup>2</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.

**[Answer]**

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<sup>2</sup> For example, monthly data relating to sales, production and costs.

**No, Franke was not required to make submissions to the Bureau of Statistics.**

- 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.

**[Answer]**

**Not applicable.**

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

**[Answer]**

**Not applicable.**

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

**[Answer]**

**Not applicable.**

## **7. Raw material supply**

- a) Is there a price difference in purchase price for raw materials (i.e. cold-rolled stainless steel or any other raw material) between your suppliers?

**[Answer]**

**Yes. There is price difference in raw materials purchase price of different suppliers.**

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

**[Answer]**

**No. The price difference is related to the quality of the raw materials and our special requirements, not related to whether the supplier is SIEs or non-SIEs.**

*Note: the applicant alleges that producers in China of deep drawn stainless steel sinks have benefited from the provision of cold-rolled stainless steel by the Government of China at less than fair market value (see Program 1 in Section I of this questionnaire).*

*Further questions regarding cold-rolled stainless steel supply and pricing are asked in Section I of this questionnaire. Your responses to these questions*

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*are relevant to the assessment of whether a market situation exists. Ensure responses to these questions are complete.*

### 8. Regional differences

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

**[Answer]**

**Not applicable. Franke(China) has only one production facility in Heshan city.**

### 9. Deep drawn stainless steel sinks production/output during the investigation period

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

**[Answer]**

**Not applicable. Franke(China)'s production of deep drawn stainless steel sink is not subject to any national/regional industrial policy or guidance.**

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

**[Answer]**

**Not applicable.**

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

**[Answer]**

**Not applicable.**

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

**[Answer]**

**Not applicable.**

### 10. Sales price during the investigation period

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- 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, with respect to domestic steel prices.

**[Answer]**

**Not applicable. No such price guidance or controls.**

- 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 (i.e. iron ore, coal, billet, cold-rolled stainless steel, etc.).

**[Answer]**

**Not applicable. No such price guidance or controls.**

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

**[Answer]**

**Not applicable. No such price guidance or controls.**

### **11. 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.

**[Answer]**

**Not applicable. Franke(China) is not aware of such approval process on adding capacity and/or joint ventures.**

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

**[Answer]**

**Not applicable. Franke(China) has not experienced adding capacity and/or joint ventures.**

**SECTION I - COUNTERVAILING (SUBSIDISATION)**

*The applicant alleges that producers in China of deep drawn stainless steel sinks have benefited from a number of subsidies granted by the Government of China (meaning any level of government – refer to the Glossary of Terms for further information), and that these subsidies are countervailable.*

**INVESTIGATED PROGRAMS**

The following are programs that the Commission is currently investigating:

<b>Program Number</b>	<b>Program Name</b>	<b>Program Type</b>
Program 1	Raw Materials Provided by the Government at Less than Fair Market Value	Provision of goods
Program 2	Research & Development (R&D) Assistance Grant	Grant
Program 3	Grants for Export Activities	Grant
Program 4	Allowance to pay loan interest	Grant
Program 5	International Market Fund for Export Companies	Grant
Program 6	International Market Fund for Small and Medium-sized Export Companies	Grant
Program 7	Reduced tax rate for productive FIEs scheduled to operate for a period not less than 10 years	Income Tax
Program 8	Tax preference available to companies that operate at a small profit	Income Tax

Please answer the questions within parts I-1 to I-3 in relation to these programs.

**PUBLIC RECORD**

**PART I-1 PREFERENTIAL INCOME TAX PROGRAMS (PROGRAMS 7 AND 8)**

1. Did your business or any company/entity related to your business receive any benefit<sup>3</sup> under the following two programs during the investigation period (1 January to 31 December 2013):
  - **Program 7** - Reduced tax rate for productive FIEs scheduled to operate for a period not less than 10 years
  - **Program 8** - Tax preference available to companies that operate at a small profit

**[Answer]**

**Not applicable. Franke has not received any benefit regarding to the above two programs during POI.**

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 2103.

**[Answer]**

**Yes. The ongoing general tax rate for enterprises in China is 25%.**

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.

**[Answer]**

**Franke(China)'s income tax rate is 25%.**

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.

**[Answer]**

**Not applicable.**

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

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

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<sup>3</sup> Refer to the Glossary of Terms for a definition of benefit in this context.

**PUBLIC RECORD**

**[Answer]**

**Not applicable.**

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).

**[Answer]**

**Not applicable.**

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

**[Answer]**

**Not applicable.**

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.

**[Answer]**

**Not applicable.**

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

**[Answer]**

**Not applicable.**

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

**[Answer]**

**Not applicable.**

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;
  - 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.

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[Answer]

**Not applicable.**

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

[Answer]

**Not applicable.**

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.

[Answer]

**Not applicable.**

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

[Answer]

**Not applicable.**

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

[Answer]

**Not applicable.**

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?

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.

[Answer]

**Not applicable.**

17. For each taxation year from 2011 to 2013, complete the "Income Tax" spreadsheet in the *Exporter Questionnaire spreadsheets – sinks* workbook.

[Answer]

## PUBLIC RECORD

Please refer to the spreadsheet Exhibit I-1.17 Income Tax [confidential].

18. 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 2011, 2012 and 2013 tax years; and
  - income tax instalment payment receipts, and all applicable income tax forms and schedules for the 2011, 2012 and 2013 tax years.

[Answer]

Please refer to the Exhibit I-1.18 Income Tax Returns for 2011,2012 [confidential]. The income tax returns for 2013 is not available at the moments.

*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-2 GRANTS (PROGRAMS 2, 3, 4, 5 AND 6)

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

- **Program 2** - Research & Development (R&D) Assistance Grant
  - **Program 3** - Grants for Export Activities
  - **Program 4** - Allowance to pay loan interest
  - **Program 5** - International Market Fund for Export Companies
  - **Program 6** - International Market Fund for Small and Medium-sized Export Companies
1. Did your business or any company/entity related to your business receive any benefit under the above programs during the period **1 January to 31 December 2013**?

[Answer]

**Not applicable. Franke(China) has not received any benefit regarding to the above mentioned programs during POI.**

2. Did your business receive benefits under any other grant (including awards, prizes, funds) program during the period 1 January to 31 December 2013?

[Answer]

**Not applicable. Franke(China) has not received any benefit regarding to the above mentioned programs during POI.**

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For each program identified in your answer to I-2.1 and I-2.2 above, answer the following.

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

**[Answer]**

**Not Applicable.**

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).

**[Answer]**

**Not Applicable.**

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

**[Answer]**

**Not Applicable.**

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.

**[Answer]**

**Not Applicable.**

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

**[Answer]**

**Not Applicable.**

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

**[Answer]**

**Not Applicable.**

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

## PUBLIC RECORD

- 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.

**[Answer]**

**Not Applicable.**

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.

**[Answer]**

**Not Applicable.**

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.

**[Answer]**

**Not Applicable.**

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

**[Answer]**

**Not Applicable.**

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

**[Answer]**

**Not Applicable.**

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?

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.

**[Answer]**

**Not Applicable.**

15. Identify the body responsible for administering the grant.

**[Answer]**

**Not Applicable.**

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

**[Answer]**

**Not Applicable.**

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

**[Answer]**

**Not Applicable.**

**PART I-3      PROVISION OF COLD-ROLLED STAINLESS STEEL  
(PROGRAM 1)**

The applicant claims that public bodies (in the form of state-owned or invested enterprises (SIEs)) are supplying cold-rolled stainless steel, directly or indirectly, to manufacturers of deep drawn stainless steel sinks at less than fair value.

In this questionnaire, the term cold-rolled stainless steel refers to both coil or sheets.

The term SIE is defined in the glossary of this questionnaire.

In relation to this program, provide the following information.

1. Did your business or any company/entity related to your business receive any benefit under the above program during the period **1 January to 31 December 2013**.

**[Answer]**

**Not applicable. Franke(China) has not received any benefit regarding to the above mentioned programs during POI.**

2. Does your business purchase any goods/services from SIEs, e.g., raw materials (including cold-rolled stainless steel), energy, water, other utilities, etc?

**[Answer]**

**Please refer to the response to Question I-3.4.**

## PUBLIC RECORD

3. Provide a list, including a contact name and address, of all your suppliers of cold-rolled stainless steel. Indicate whether the supplier is a SIE.

**[Answer]**

Please refer to **Exhibit I-3.3 List of Stainless Steel Suppliers' Contacts** [confidential].

4. Complete the 'Steel purchases' spreadsheet in the *Exporter Questionnaire spreadsheets – sinks*.

Provide this data on a **transaction-by-transaction basis, for all purchases of cold-rolled stainless steel** during the period **1 January to 31 December 2013**. This data should be provided for all purchases, not only those of Chinese origin (i.e. include imported materials as well).

Please add more space for additional suppliers and categories of product as required.

**[Answer]**

Please refer to the **Exhibit I-3.4 Steel Purchases** [confidential]

5. Did your business receive any reduction/reduced price for the purchase of these goods/services during the investigation period? If so, describe the eligibility criteria that your business had to meet in order to qualify for any reduction in the price paid for the goods/services.

**[Answer]**

**Franke(China) did not received any reduction/reduced price for the purchase of these goods/services during the investigation period.**

6. Provide copies of all contractual agreements that detail the obligations of the SIE and your business with reference to the granting and receipt of the assistance/benefits.

**[Answer]**

**Not Applicable. No such agreements.**

7. If your business purchased imported cold-rolled stainless steel, explain the reason/s for your business' decision to purchase imported over domestic raw materials, including the key factors affecting the decision such as price, availability etc.

**[Answer]**

**Yes, Franke(China) purchased small volume of stainless steel with special Micro-decor surface treatment from Itlay during POI. The other stainless steel are purchased domestically. The key factor affecting the decision of purchasing imported is the special surface requirements.**

**PART I-4 ANY OTHER PROGRAMS**

If the Government of China, any of its agencies or any other authorised body has provided any other benefit<sup>4</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, raw materials (including, for example, zinc), 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.

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

1. 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).

**[Answer]**

**Not applicable. Franke(China) has not received any other benefit under any other assistance programs.**

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

**[Answer]**

**Not Applicable.**

3. 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.

**[Answer]**

**Not Applicable.**

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

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

## PUBLIC RECORD

[Answer]

**Not Applicable.**

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

[Answer]

**Not Applicable.**

6. 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.

[Answer]

**Not Applicable.**

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

[Answer]

**Not Applicable.**

8. 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.

[Answer]

**Not Applicable.**

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

[Answer]

**Not Applicable.**

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

[Answer]

**Not Applicable.**

**PUBLIC RECORD**

11. 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?

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.

**[Answer]**

**Not Applicable.**

**SECTION J - EXPORTER'S DECLARATION**

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

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 : .....Roy...He.....

Signature : .....Roy He.....

Position in Company : .....Export Marketing Manager.....

Date : .....14, April, 2014.....

## SECTION K - CHECKLIST

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

<b>Section</b>	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	✓

<b>Electronic Data</b>	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>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>STEEL PURCHASES</b> – data for all cold-rolled stainless steel purchased during the investigation period	✓