



## 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

Case Manager: MS ANDREA STONE

Phone: +61 2 6275 6173

E-mail: [operations2@adcommission.gov.au](mailto:operations2@adcommission.gov.au)

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 Asia Sourcing Limited (herein after referred to as Asia Sourcing or the company). The business type is a limited liability company. The main responsibility is a trading company. The business names used to export and/or sell goods is Franke Asia Sourcing Limited. Please refer to Exhibit A-3.1 Business Registrations and Annual Return of Asia Sourcing[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 Asia Sourcing Limited is a 100% wholly-owned subsidiary of [holding company's name].**

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

**[Answer]**

**[Holding company's name] are individuals, 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 Franke(China)'s affiliated corporate structure.**

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

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[Answer]

**No. There is no management fees/corporate allocations charged to the company by parent company or related company.**

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

[Answer]

**Franke Asia Sourcing Limited is a trading company related to Franke (China) responsible for export sales.**

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]

**[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 Asia Sourcing [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 April to next 31 March. However, the audit report issued by KPMG is consisting with the calendar year.**

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

## PUBLIC RECORD

[Answer]

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 Asia Sourcing [confidential] and Exhibit A-4.3.2 Asia Sourcing 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 Hong Kong Accounting Standards.

6. Describe:

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

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

**[Answer]**

**This question is not applicable to Asia Sourcing. [inventory practice of the company].**

- 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]**

**This question is not applicable to Asia Sourcing.**

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

**[Answer]**

**This question is not applicable to Asia Sourcing.**

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

**[Answer]**

**This question is not applicable to Asia Sourcing.**

- valuation and revaluation methods for fixed assets;

**[Answer]**

**This question is not applicable to Asia Sourcing.**

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

**[Answer]**

**This question is not applicable to Asia Sourcing.**

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

**[Answer]**

## PUBLIC RECORD

**[Confidential information regarding to accounting practice].**

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

**[Answer]**

**[Confidential information regarding to accounting practice]. This question is not applicable.**

- inclusion of general expenses and/or interest;

**[Answer]**

**This question is not applicable to Aisa Sourcing. [Confidential information regarding to accounting practice].**

- provisions for bad or doubtful debts;

**[Answer]**

**This question is not applicable to Asia Sourcing. Please refer to the answer to this question provided by Franke(China)**

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

**[Answer]**

**This question is not applicable.**

- costs of plant closure;

**[Answer]**

**This question is not applicable.**

- restructuring costs;

**[Answer]**

**This question is not applicable.**

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

**[Answer]**

**This question is not applicable.**

- effects of inflation on financial statement information.

**[Answer]**

**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]**

**[Confidential information regarding to accounting practice].**

## **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]**

Please refer to **Exhibit A-5 Income Statement** **[confidential]**.

## **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.*



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[Answer]

Please refer to 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]**

**Please refer to Franke(China)'s answer to this question.**

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

- Describe how the goods are sent to each customer in Australia, including a diagram if required.
- 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.
- 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.
- Describe any agency or distributor agreements or other contracts entered into in relation to the Australian market (supply copy of the agreement if possible).

## PUBLIC RECORD

- (e) Explain in detail the process by which you negotiate price, receive orders, deliver, invoice and receive payment. If export prices are based on price lists supply copies of those lists.
- (f) State whether your firm is related to any of its Australian customers. Give details of any financial or other arrangements (eg free goods, rebates, or promotional subsidies) with the customers in Australia (including parties representing either your firm or the customers).
- (g) Details of the forward orders of the goods under consideration (include quantities, values and scheduled shipping dates).

### [Answer]

Please refer to Franke(China)'s answer to this question.

**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]

Please refer to Franke(China)'s answer to this question.

### **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.

Column heading	Explanation
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

## PUBLIC RECORD

	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.
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:

## PUBLIC RECORD

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 Australia”[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]**

**Please refer to Franke(China)’s answer to this question.**

**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]**

**Please refer to Franke(China)’s answer to this question.**

**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]**

**Please refer to Franke(China)’s answer to this question.**

## PUBLIC RECORD

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

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]**

**Please refer to Franke(China)'s answer to this question.**

**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.

**[Answer]**

**Please refer to Franke(China)'s answer to this question.**

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

**Notes:**

**All the related information has already provided in the responses to Questionnaire of Franke (China) Kitchen System Co., Ltd.**

- 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.
- 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).
- 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

- 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.

## SECTION D - DOMESTIC SALES

**Notes:**

**There is no domestic sales performed by Franke Asia Sourcing Limited. This section is not applicable.**

## 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 Asia Sourcing.*



**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]**

Please refer to Franke(China)’s answer to this question.

## SECTION G - COSTING INFORMATION AND CONSTRUCTED VALUE

Notes:

[\[confidential information regarding to company's responsibilities\]](#).

## SECTION H – PARTICULAR MARKET SITUATION

Notes:

This part is not applicable to Franke Asia Sourcing Limited, as it is a Hong Kong registered company.

## SECTION I - COUNTERVAILING (SUBSIDISATION)

Notes:

This part is not applicable to Franke Asia Sourcing Limited, as Hong Kong registered company is not subject to Government of China's subsidies, if there is any.

**SECTION J - EXPORTER'S DECLARATION**

I hereby declare that...Franke Asia Sourcing Limited..... (company) 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 : .....*Ruy 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	N/A
Section E – fair comparison	√
Section F – exports to third countries	√
Section G – costing information	N/A
Section H – particular market situation	N/A
Section I – countervailing (subsidisation)	N/A
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	N/A
<b>THIRD COUNTRY</b> – third country sales	√
<b>PRODUCTION</b> – production figures	N/A
<b>DOMESTIC CTMS</b> – costs of goods sold domestically	N/A
<b>AUSTRALIAN CTMS</b> – costs of goods sold to Australia	N/A
<b>INCOME TAX</b> – tax paid by your business for tax years 2011 to 2013	N/A
<b>STEEL PURCHASES</b> – data for all cold-rolled stainless steel purchased during the investigation period	N/A