



Australian Government
Anti-Dumping Commission

Exporter Questionnaire

Product: Certain aluminium extrusions
From: The People's Republic of China
Review period: 1 April 2013 to 31 March 2014
Response due by: 18 August 2014
Contact officer: Mick Kenna

Phone : +61 2 6275 6544
Fax : +61 2 6275 6990

E-mail: operations4@adcommission.gov.au

Anti-dumping Commission's website: www.adcommission.gov.au

Return completed questionnaire to: Anti-Dumping Commission
5 Constitution Avenue
Canberra ACT 2601
AUSTRALIA

Attention: Director Operations 4

TABLE OF CONTENTS

TABLE OF CONTENTS	2
SECTION A – COMPANY STRUCTURE AND OPERATIONS.....	3
A-1 Identity and communication.....	3
A-2 Representative of the company for the purpose of the assessment.....	3
A-3 Company information	3
A-4 General accounting/administration information	6
A-5 Income statement.....	10
A-6 Sales	10
SECTION B – SALES TO AUSTRALIA (EXPORT PRICE).....	11
SECTION C – EXPORTED GOODS & LIKE GOODS	15
SECTION E – FAIR COMPARISON	17
E-1 Costs associated with export sales	17
E-3 Duplication.....	21
SECTION F – EXPORT SALES TO COUNTRIES OTHER THAN AUSTRALIA (THIRD COUNTRY SALES).....	22
SECTION G – COSTING INFORMATION AND CONSTRUCTED VALUE..	23
G-1. Production process and capacity.....	23
G-2. Cost accounting practices	24
G-3 Cost to make and sell on domestic market.....	25
G-4 Cost to make and sell goods under consideration (exported to Australia)	25
SECTION J – EXPORTER/PRODUCER’S DECLARATION.....	27
SECTION K - CHECKLIST.....	28
APPENDIX – GLOSSARY OF TERMS.....	29

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 business who can be contacted for the purposes of this assessment:

Head Office:

Name: Ms Bonnie Ng

Position in the company: Executive Director

Name: Ms Betty Wong

Position in the company: Senior Finance Manager

Address: Tangerine Garden, Guangshan Road, Licheng Town, Zengcheng City, Guangdong Province, 511300, PRC

Telephone: (853) 2871 7031 (English or Chinese) or (86) 20 8263 1030 (Chinese only)

Facsimile number: (853) 2871 7003 or (86) 20 8266-3183 (Chinese Only)

E-mail address of contact person: bonnie.ng@palum.com,
betty.wong@palum.com

A-2 Representative of the company for the purpose of the assessment

If you wish to appoint a representative to assist you in this investigation, provide the following details:

Name: Mr John Bracic – J.Bracic & Associates Pty Ltd

Address: PO Box 3026, Manuka ACT 2603

Telephone: +61 (0)499 056 729

Facsimile/Telex number: N/A

E-mail address of contact person: john@jbracic.com.au

Note that in nominating a representative, the Commission will assume that confidential material relating to your business 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?

OPAL (Macao Commercial Offshore) Limited (OPAL)

OPAL - Non-confidential version - 4

What kind of entity is your business? Is it a sole proprietorship, a partnership, a limited liability company, a joint venture, a state-owned enterprise (SOE) (refer to this questionnaire's glossary for a definition of an SOE) or some other type of enterprise?

Please provide details of any other business names that you use to export and/or sell goods.

OPAL is a limited liability company and a wholly owned subsidiary of PanASia Enterprises Group Limited.

2. Who are the owners and/or principal shareholders of your business?

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 business.

OPAL is a wholly foreign owned subsidiary of PanAsia Enterprises Group Limited.

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

OPAL is a wholly foreign owned subsidiary of PanAsia Enterprises Group Limited.

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

PanAsia Enterprises Group Limited is wholly owned by PanAsialum Holdings Company Limited.

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

Please refer to Confidential attachment [A-3.5]. The corporate structure chart is treated as confidential because some detailed private ownership is stated therein, and disclosure of which could damage the interests of the investors.

6. Are any management fees/corporate allocations charged to your business by your parent or related company. If so please explain details of the nature and amount of the charges.

There are no management fees/ corporate allocations charged to the Company.

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

OPAL - Non-confidential version - 5

OPAL is the export trading intermediary on behalf of products manufactured by PanAsia China.

8. Does your business perform all of the following functions in relation to the goods under consideration:

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

If your business does not perform all of these functions, please provide names and addresses of the companies which perform each function:

OPAL is involved in the sale and export of goods to Australia and other export markets. It does not manufacture or sell goods on the Chinese domestic market.

9. Provide your business' internal organisation chart. Describe the functions performed by each group within the organisation. Include details of the senior management of your business, explaining the role of each member of your senior management team.

Please refer to Confidential attachment [A-3.9].

The Accountants area is responsible for the finance functions of the Company. The Clerks from sales department are responsible for receiving orders from overseas customers, placing orders on PanAsia China for production; arranging inland and overseas freight, insurance and handling, invoicing overseas customers and paying PanAsia China.

10. Provide a list of your business' Board of Directors.

Please refer to Confidential attachment [A-3.10]

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

PanAsia China does not prepare an annual report as it is not a publicly listed company. The 2013 Annual Report for [confidential name of ultimate holding company] Limited is at Confidential Attachment [A-3.11].

12. Are any of your company's operations in a Special Economic Area, Economic and Technical Development Zone, Bonded Zone, Export Processing Zone, High Technology Industrial Development Zone, the Western Regions, or any other similarly designated area?

No.

13. If your answer to question A-3.12 above is 'yes':

OPAL - Non-confidential version - 6

- advise if any benefits (e.g. grants, reduced liabilities on commercial interest rates, etc) from the Government of China (GOC) (including central, provincial, municipal, county or any other level of government) accrue to your company because of being located in such an area;
- please explain the nature of the operations, identify the specific zone(s) [or other area(s)] and provide a brief overview of all of the benefits of operating within the specified zone(s) or area(s).

Not applicable.

14. Provide details of all transactions between your company and all related parties. For example:

- Supplying/selling completed or partially completed products.
- Supplying/selling raw materials.
- Performing management functions (including any financial functions).
- Processing (including toll processing) of any raw materials, intermediary or completed products.
- Trading in products/materials supplied by related parties.

OPAL performs the sales and export function of products manufactured by PanAsia China. It purchases goods at ex-works and makes all necessary arrangements for the goods to be transported to the ultimate export customers.

A-4 General accounting/administration information

1. Indicate your accounting period.

The accounting period is from October 1 to September 30.

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

Base M, 13/F., The Macau Square, Avenida do Infante D. Henrique No. 43-53A, Macau

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 investigation.

These documents should relate to:

OPAL - Non-confidential version - 7

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

Please refer to Confidential attachment [A-4.3.1&2] – Audited Financial Statements

Please refer to Confidential attachment [A-4.3.3] – Chart of Accounts

Please refer to Confidential attachment [A-4.3.4] – Internal financial statements for six months ended 31 March 2014

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

Not applicable.

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

No, the financial statements are prepared under Macao Commercial Code and Financial Reporting Standards.

6. Describe the significant accounting policies that govern your business' system of accounting, in particular:

- the method of valuation for raw material, work-in-process, and finished goods inventories (e.g. last in first out –LIFO, first in first out- FIFO, weighted average);
- costing methods, including the method (e.g. by tonnes, units, revenue, direct costs etc) of allocating costs shared with other goods or processes (such as front office cost, infrastructure cost etc);

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the [confidential inventory costing method]. The cost of inventories are stated at purchase cost.

Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

- valuation methods for damaged or sub-standard goods generated at the various stages of production;
- valuation methods for scrap, by products, or joint products;

Not applicable

- valuation and revaluation methods for fixed assets;

Property, plant and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly

OPAL - Non-confidential version - 8

attributable to the acquisition of the items.

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

Depreciation is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

- Furniture and fixtures: [Confidential] years
- Office equipment: [Confidential] years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. These are included in the income statement.

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

Exchange gains and losses resulting from foreign currency transactions or translation of balance sheet items are expensed or recognised as incurred during the period or at the end of the period respectively.

- inclusion of general expenses and/or interest;

Interest expenses are expensed as incurred and not capitalised in inventory or fixed assets.

- provisions for bad or doubtful debts;

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payment are considered as indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the provision is recognised in the income statement within 'administrative expenses'. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against "administrative expenses" in the income statement.

- expenses for idle equipment and/or plant shut-downs;
- costs of plant closure;
- restructuring costs;

OPAL - Non-confidential version - 9

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

Not applicable

- effects of inflation on financial statement information.

Since the balances shown on the financial statement are at fair value, effect of inflation already taken care of.

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

There is no change in accounting methods used by the Company over the last two years.

A-5 Income statement

Please fill in the following table. It requires information concerning all products produced and for the goods subject to measures. You should explain how costs have been allocated.

Prepare this information in the attached spreadsheet named "**Income statement**".

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

Please refer to Confidential attachment [A-5] – Income Statement.

A-6 Sales

State your business' net turnover (after returns and all discounts), and free of duties and taxes. Use the currency in which your accounts are kept, in the following format:

Prepare this information in the attached spreadsheet named "**Turnover**".

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

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

Please refer to Confidential attachment [A-6] – Turnover.

SECTION B – SALES TO AUSTRALIA (EXPORT PRICE)

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

*You should report prices of **all GUC shipped** to Australia during the Assessment 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 Assessment period.*

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

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

Please refer to Confidential attachment [B-1].

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.

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.

[Confidential description of OPAL's operational procedures, disclosure of which can cause OPAL to be less competitive in the market.]

- (b) 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.

OPAL - Non-confidential version - 12

PanAsia China sells its goods to OPAL at [Confidential delivery terms]. OPAL sells the goods on a [Confidential delivery terms] basis to its Australian customers.

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

Not applicable

- (d) 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.

Customers from overseas markets send their orders to OPAL, and OPAL then orders from PA China. During the period of review, OPAL invoiced the customers at the [Confidential pricing information].

[Confidential pricing information].

Australian customers pay the invoice amount to OPAL by telegraphic transfer according to the sales terms agreed.

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

OPAL is not related to any of its Australian customers and did not give any free goods, rebates or promotional subsidies to its Australian customers.

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

Total forward orders of goods under consideration are approximately [Confidential quantity and value], with scheduled shipping date in [Confidential date].

- 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.

[Confidential customer trade level and pricing policies supplied.] This information is treated as confidential as disclosure of which can cause OPAL to be less competitive in the market.

- B-4** Complete the attached named “**Australian sales**” listing all *shipments* (i.e. *transaction by transaction*) to Australia of the goods under consideration in the importation period. You must provide this list in electronic format. Include the following export related information:

OPAL - Non-confidential version - 13

Please refer to Confidential attachment [B-4] – Australian Sales.

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

Please refer to Confidential attachment [B-4] – Australian Sales.

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

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

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

Not applicable.

- 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.

Please refer to Confidential attachment [B-4] – Australian Sales.

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

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)

Not applicable.

- B-9** Select two shipments, in different quarters of the importation 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;

OPAL - Non-confidential version - 14

- 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.

Please refer to Confidential Attachment [B-9].

SECTION C – EXPORTED GOODS & LIKE GOODS

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

During the review period, OPAL exported the goods to Australia in different alloy type, temper, size and surface finishing as follows:

1. Finish – [Confidential product information];
2. Alloy type - [Confidential product information];
3. Temper - [Confidential product information]

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

Please refer to Confidential attachment [B-4] – Australian Sales.

- C-3** If you sell like goods on the domestic market, for each model/type that your business has exported to Australia during the assessment period, list the most comparable model(s) sold domestically and provide a detailed explanation of the differences where those goods sold domestically (i.e. the like goods – see explanation in glossary) are not identical to the goods exported to Australia.

Provide your response to this question in the attached spreadsheet named “**Like Goods**” detailing as follows:

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

Please refer to Confidential attachment [C-3] – Like goods.

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

Not applicable

SECTION E – FAIR COMPARISON

Section B sought information about the export prices to Australia and Section D sought information about prices on your domestic market for like goods (i.e. the normal value).

Where the normal value and the export price are not comparable adjustments may be made. This section informs you of the fair comparison principle and asks you to quantify the amount of any adjustment.

As prices are being compared, the purpose of the adjustments is to eliminate factors that have unequally modified the prices to be compared.

To be able to quantify the level of any adjustment it will usually be necessary to examine cost differences between sales in different markets. The Commission must be satisfied that those costs are likely to have influenced price. In practice, this means that the expense item for which an adjustment is claimed should have a close nexus to the sale. For example, the cost is incurred because of the sale, or because the cost is related to the sale terms and conditions.

Conversely, where there is not a direct relationship between the expense item and the sale a greater burden is placed upon the claimant to demonstrate that prices have been affected, or are likely to have been affected, by the expense item. In the absence of such evidence the Commission may disallow the adjustment.

Where possible, the adjustment should be based upon actual costs incurred when making the relevant sales. However, if such specific expense information is unavailable cost allocations may be considered. In this case, the party making the adjustment claim must demonstrate that the allocation method reasonably estimates costs incurred.

A party seeking an adjustment has the obligation to substantiate the claim by relevant evidence that would allow a full analysis of the circumstances, and the accounting data, relating to the claim.

The investigation must be completed within strict time limits therefore you must supply information concerning claims for adjustments in a timely manner. Where an exporter has knowledge of the material substantiating an adjustment claim that material is to be available at the time of the verification visit. The Commission will not consider new claims made after the verification visit.

E-1 Costs associated with export sales

(These cost adjustments will relate to your responses made at question B-4, 'Australian Sales')

1. Transportation

Explain how you have quantified the amount of inland transportation associated with the export sale ("**Inland transportation costs**").
Identify the general ledger account where the expense is located.

OPAL - Non-confidential version - 18

If the amount has been determined from contractual arrangements, not from an account item, provide details and evidence of payment.

The expenses are included in [confidential accounting information] in the financial statements of OPAL. The amount of inland transportation associated with the export sales stated in electronic spreadsheet marked "Australian Sales" are based on monthly total transportation costs and allocated to each item based on sales quantity.

2. Handling, loading and ancillary expenses

List all charges that are included in the export price and explain how they have been quantified ("**Handling, loading & ancillary expenses**").

Identify the general ledger account where the expenses are located.

If the amounts have been determined using actual observations, not from a relevant account item, provide details.

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

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

The handling and wharfage charges are included in [confidential accounting information] i in the financial statements of OPAL. As the amount of terminal handling and wharfage charges cannot be separated out from the transportation costs, thus it is not separately shown in the electronic spreadsheet marked "Australian Sales".

Bank charges are included in [confidential accounting information] in the financial statement of OPAL.

3. Credit

The cost of extending credit on export sales is not included in the amounts quantified at question B4. However, the Commission will examine whether a credit adjustment is warranted and determine the amount. Provide applicable interest rates over each month of the assessment period.

Explain the nature of the interest rates most applicable to these export sales e.g., short term borrowing in the currency concerned.

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

OPAL - Non-confidential version - 19

Credit terms granted to OPAL customers generally range from [confidential credit period] days.

The interest rate on export sales shown below is the actual monthly average interest rate OPAL has paid on short term bank borrowings:

Apr-13	[Confidential interest rate]
May-13	[Confidential interest rate]
Jun-13	[Confidential interest rate]
Jul-13	[Confidential interest rate]
Aug-13	[Confidential interest rate]
Sep-13	[Confidential interest rate]
Oct-13	[Confidential interest rate]
Nov-13	[Confidential interest rate]
Dec-13	[Confidential interest rate]
Jan-14	[Confidential interest rate]
Feb-14	[Confidential interest rate]
Mar-14	[Confidential interest rate]

4. Packing costs

List material and labour costs associated with packing the export product.

Describe how the packing method differs from sales on the domestic market, for each model.

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

Not applicable

5. Commissions

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

- provide a description; and
- explain the terms and conditions that must be met.

Report the amount in the sales listing in question B-4 under the column headed "**Commissions**".

Identify the general ledger account where the expense is located.

Not applicable

6. Warranties, guarantees, and after sales services

List the costs incurred associated with warranties, guarantees and after sales services.

OPAL - Non-confidential version - 20

Show relevant sales contracts and how you calculated the expenses (“**Warranty & guarantee expenses**” and “**Technical assistance & other services**”), including the basis of any allocations. Include a record of expenses incurred. Technical services include costs for the service, repair, or consultation. Where these expenses are closely related to the sales in question, an adjustment will be considered.

Identify the ledger account where the expense is located.

Not applicable

7. Other factors

There may be other factors for which an adjustment is required if the costs affect price comparability – these are identified in the column headed “**Other factors**”. For example, other variable or fixed selling expenses, including salesmen’s salaries, salesmen’s travel expenses, advertising and promotion, samples and entertainment expenses.

Your consideration of questions asked at Section G, concerning domestic and export costs, would have alerted you to such other factors.

Adjustment for difference in weight – Theoretical vs actual

For goods exported to Australia, PanAsia China invoices OPAL and OPAL subsequently invoices its Australian customers, the theoretical weight of the exported goods. This theoretical weight relates to tolerances permitted in producing the goods and taking into account the dimensions, thickness and weight of the specific extruded profile. In most cases, the tolerance will allow for +/- [Confidential tolerance level]% of the total weight.

For goods exported to Australia during the review period, the theoretical weight shown on the invoices was on average [Confidential weight difference]% greater than the actual weight of the goods. For domestic sales, all customers are invoiced the actual weight of the goods sold.

To take account of the different reporting weights between export and domestic sales, OPAL submits that the appropriate volume to be used in calculating the monthly weighted average normal values is the actual export weight.

8. Currency conversions

In comparing export and domestic prices a currency conversion is required. Fluctuations in exchange rates can only be taken into account when there has been a ‘sustained’ movement during the period of investigation (see article 2.4.1 of the WTO Agreement). The purpose is to allow exporters 60 days to adjust export prices to reflect ‘sustained’ movements. Such a claim requires detailed information on exchange movements in your country over a long period that includes the assessment period.

E-3 Duplication

In calculating the amount of the adjustments you must ensure that there is no duplication.

For example:

- adjustments for level of trade, quantity or other discounts may overlap, or
- calculation of the amount of the difference for level of trade may be based upon selling expenses such as salesperson's salaries, promotion expenses, commissions, and travel expenses.

Separate adjustment items must avoid duplication.

An adjustment for quantities may not be granted unless the effect on prices for quantity differences is identified and separated from the effect on prices for level of trade differences.

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

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

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

F-1 Using the column names and column descriptions below provide a summary of your export sales to countries other than Australia.

Supply this information in the attached spreadsheet file named “**Third Country**”

[Please refer to Confidential attachment \[F-1\] – Third country sales](#)

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

[Not aware of any.](#)

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 GUC - i.e. 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 (GUC) 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 (e.g. 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 assessment 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 GUC. Provide a flowchart of the process. Include details of all products manufactured using the same production facilities as those used for the GUC. Also specify all scrap or by-products that result from producing the GUC.

Provide information about your business' total production in the below table.

Provide this information in the attached spreadsheet named "**Production**".

[Not applicable](#)

G-2. 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.

The audited financial statements based on [confidential data]. .

2. Is your business' 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 (i.e. differences between standard and actual production costs) have been allocated to the goods - and describe how those variances have been allocated.

OPAL uses the [confidential costing data].

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

OPAL does not produce the GUC, and no unusual cost variances occurred.

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

OPAL does not produce the GUC, and costs are based on the purchase cost from PanAsia China.

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

OPAL does not produce the goods, and costs are based on the purchase cost from PanAsia China. Other costs such as selling, administration and finance costs are allocated to each unit by weight.

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

OPAL does not produce the GUC, and costs are based on the purchase cost from PanAsia China.

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

OPAL does not produce the GUC, and costs are based on the purchase cost from PanAsia China.

8. State whether your business 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.

Not applicable

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

Not applicable

G-3 Cost to make and sell on domestic market

This information is relevant to testing whether domestic sales are in the ordinary course of trade.¹

1. Please provide (in the format shown in the table below) the actual unit cost to make and sell each model/type (identified in Section C) of the like goods sold on the domestic market. Provide this cost data for each quarter over the assessment period. If your business calculates costs monthly, provide monthly costs.
2. Indicate the source of cost information (account numbers etc) and/or methods used to allocate cost to the goods. Provide documentation and worksheets supporting your calculations.

Prepare this information in the attached spreadsheet named "**Domestic CTMS**".

Not applicable

G-4 Cost to make and sell goods under consideration (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.

Prepare this information in the attached spreadsheet named "**Australian CTMS**".

Please refer to Confidential attachment [G-4] – Australian CTMS.

- G-5** 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.

OPAL does not produce the GUC or sell on the domestic market. Please refer to separate response from PanAsia China

¹ 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.

- G-6** 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.

There is no difference noted.

- G-7** In calculating the unit cost to make and sell, provide an explanation if the allocation method used (e.g. number, or weight etc) to determine the unit cost differs from the prior practice of your business.

No change to prior practice

- G-8** 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 (e.g. market prices, transfer prices, or actual cost of production).

Where the major input is produced by an associate of your business 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.

If the major input is purchased or supplied from an integrated production process you should provide detailed information on the full costs of production of that input.

Not applicable

SECTION J – EXPORTER/PRODUCER’S DECLARATION

I hereby declare that OPAL (Macao Commercial Offshore) Limited (company) did, during the assessment period 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.

or

I hereby declare that.....(company) did, during the assessment period, produce the goods under consideration which were exported to Australia by another company and have completed the attached questionnaire and, having made due inquiry, certify that the information contained in this submission is complete and correct to the best of my knowledge and belief.

Name : Bonnie Po Ling NG

Signature :

**Position in
Company : Executive director**

Date : 12 August 2014

SECTION K - CHECKLIST

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

Section	Please tick if you have responded to all questions
Section A – General information	<input checked="" type="checkbox"/>
Section B – Export price	<input checked="" type="checkbox"/>
Section C – Like goods	<input checked="" type="checkbox"/>
Section D – Domestic price	N/A
Section E – Fair comparison	<input checked="" type="checkbox"/>
Section F – Exports to third countries	<input checked="" type="checkbox"/>
Section G – Costing information	<input checked="" type="checkbox"/>
Section H – Particular Market Situation	N/A
Section I – Countervailing	N/A
Section J – Declaration	<input checked="" type="checkbox"/>

Electronic Data	Please tick if you have provided spreadsheet
INCOME STATEMENT	<input checked="" type="checkbox"/>
TURNOVER – sales summary	<input checked="" type="checkbox"/>
AUSTRALIAN SALES – list of sales to Australia	<input checked="" type="checkbox"/>
LIKE GOODS – comparison between goods sold domestically and exported to Australia.	<input checked="" type="checkbox"/>
DOMESTIC SALES – list of all domestic sales of like goods	<input type="checkbox"/> - N/A
THIRD COUNTRY – third country sales	<input checked="" type="checkbox"/>
PRODUCTION – production figures	<input type="checkbox"/> - N/A
DOMESTIC CTMS – costs of goods sold domestically	<input type="checkbox"/> - N/A
AUSTRALIAN CTMS – costs of goods sold to Australia	<input checked="" type="checkbox"/>
INCOME TAX – income tax paid, exempted or refunded	<input type="checkbox"/> - N/A
ALUMINIUM PURCHASES – average aluminium raw material purchase prices	<input type="checkbox"/> - N/A

APPENDIX – GLOSSARY OF TERMS

This glossary is intended to provide you with a basic understanding of technical terms that appear in the questionnaire.

Adjustments

To enable a fair comparison between the export price and the normal value Australian legislation provides for the adjustment of the domestic price paid for like goods. Adjustments are made to account for sales occurring at different times, specification differences, and differences in the terms or circumstances of the sales. The adjustment to the normal value may be upward or downward. Areas where you believe an adjustment is necessary should be identified. Section E of the questionnaire refers.

Examples of adjustments that may be made include: *sales occurring at different times* (it is sometimes necessary to compare domestic and export sales made at different times - in these circumstances an adjustment may be made to reflect price movements during that time); *specification differences*; *packaging*; *taxes*; *level of trade*; *advertising*; *servicing/warranty*; *inland freight*; *warehousing*; *export charges*; *credit terms*; *duty drawback*; *commissions*.

Adjustments may also be required where the normal value is based upon costs to make and sell.

Arms length

Sales are not considered to be at "arms length" on your domestic market if there is any consideration payable for the goods other than their price, or there is an association between the buyer and the seller which affects the price, or there will be a reimbursement, compensation or benefit for, or in respect of, the price.

Review period

A period defined by the Commission over which exportations of the goods are examined.

Associated Companies

Persons shall be deemed to be associates of each other if, and only if:

(a) both being natural persons:

(i) they are connected by a blood relationship or by marriage or by adoption; or

(ii) one of them is an officer or director of a body corporate controlled, directly or indirectly, by the other;

(b) both being bodies corporate:

OPAL - Non-confidential version - 30

- (i) both of them are controlled, directly or indirectly, by a third person (whether or not a body corporate); or
 - (ii) both of them together control, directly or indirectly, a third body corporate; or
 - (iii) the same person (whether or not a body corporate) is in a position to cast, or control the casting of, 5% or more of the maximum number of votes that might be cast at a general meeting of each of them; or
- (c) one of them, being a body corporate, is, directly or indirectly, controlled by the other (whether or not a body corporate); or
- (d) one of them, being a natural person, is an employee, officer or director of the other (whether or not a body corporate); or
- (e) they are members of the same partnership.

Constructed value

In cases where domestic prices paid for the goods under consideration in the country of export cannot be used for the determination of normal value, i.e. when there are no or insufficient sales or where such sales were not made in the ordinary course of trade, normal value may be based on a constructed value. Constructed value is calculated on the basis of the cost of production of the goods under consideration plus a reasonable amount for selling, general and administration costs, and for profits, that are associated with sales on the domestic market of the country of export.

Cost of production/manufacturing

The cost of production or manufacture consists of all manufacturing costs associated with the goods. It is the sum of direct materials, direct labour and factory overheads.

Cost to make and sell

The cost to make and sell is the sum of the cost of production or manufacture, and the selling, general and administration costs associated with the sale of those goods.

Country of origin

The country in which the last significant process in the manufacture or production of the goods was performed.

Date of sale

The Commission will normally use the invoice date as recorded in the exporter or producer's records. Another date may be used if this better reflects the material terms of sale. The questionnaire directs attention to matching data sets of domestic and export sales where some other date is used, as well as matching cost information.

Direct labour cost

Direct labour is categorised as a variable cost, ie. the value varies with the level of production.

Dumping

Dumping occurs when the products of one country are exported to another country at a price less than their normal value.

Dumping margin

Where the export price is less than the normal value the dumping margin is the amount of the difference. It can be expressed as a value or as a percentage of the export price.

Export price

The export price of the goods is usually the price paid or payable to the exporter in arms length transactions, in most instances calculated at the Free on Board (FOB) level.

Exporting country

The country of export is normally the country of origin from which the goods are shipped. The country of export may be an intermediate country, except where the products are merely transhipped through that country, or the products concerned are not produced in that country, and there is no comparable price in that country.

Factory overheads

Factory overheads consist of variable costs e.g. power, supplies, indirect labour and fixed costs e.g. factory rent, factory insurance, factory depreciation etc.

Financial Contribution

There is a "financial contribution" by a government where:

- (a) a government practice involves a direct transfer of funds (grants, loans, and equity infusion), potential direct transfer of funds or liabilities (e.g. loan guarantees);
- (b) government revenue that is otherwise foregone or not collected (e.g. fiscal incentives such as tax credits);
- (c) the government provides goods or services, other than general governmental infrastructure, or purchases goods; or

(d) a government makes payments to a funding mechanism, or entrusts or directs a private body to carry out one or more of the type of functions illustrated in (a) to (c) above which would normally be vested in the government and the practice, in no real sense, differs from practices normally followed by the government.

Government of China (GOC)

Any level of Chinese government, including central, provincial, municipal, county or any other level of government.

Goods subject to measures

The goods that are the subject of a dumping duty notice and a countervailing duty notice.

Incoterms

The following abbreviations are commonly used (comment is provided concerning costs that are normally borne by the seller):

EXW	ex works (the seller's minimum obligation as costs relate to goods being made available at the sellers premises)
FCA	free carrier (main carriage not paid by seller. Pay costs until such time that the goods have been delivered at the named point into custody of a carrier named by the seller. Customs formalities, taxes etc paid if required)
FAS	free alongside ship (main carriage not paid by seller. Deliver the goods alongside the ship)
FOB	free on board (main carriage not paid by seller. Deliver the goods on board, provide export clearance if required, pay loading costs to the point the goods have passed the ship's rail, pay customs formalities, taxes etc payable upon exportation)
CFR	cost and freight (main carriage paid by seller. Pay all costs until delivered as well as freight, loading and unloading, pay customs formalities, taxes etc payable upon exportation)
CIF	cost, insurance and freight (main carriage paid by seller. Pay all costs as under CFR as well as marine insurance) the terms CFR and CIF are only used where goods are carried by sea or waterway transport
CPT	carriage paid to
CIP	carriage and insurance paid to the terms CPT and CIP are used as alternatives to CFR and CIF where the goods are carried by air, road, rail etc
DAF	delivered at frontier (goods carried by rail or road and cleared for export at the named place at the frontier. Pay costs until delivered at the frontier plus any discharge costs incurred to place the goods at the customer's disposal)
DES	delivered ex ship (goods made available to the buyer on board the ship uncleared for import at the named port of destination. Pay all costs incurred in placed at the disposal of the buyer, pay customs formalities, taxes etc payable upon exportation, and where necessary for transit through another country)

DDU	delivered duty unpaid (Pay all costs for carriage to the agreed point, pay customs formalities, taxes etc payable upon exportation, and where necessary for transit through another country)
DDP	delivered duty paid (goods made available at the named place in the country of importation – all risks and costs being incurred by the seller including duties, taxes etc incurred upon importation)

Like goods

Like goods are goods sold on the domestic market of the country of export (or to a third country) that are identical in all respects to the goods under consideration or that, although not alike in all respects have characteristics closely resembling those of the goods under consideration. The term 'like goods' also refers to the goods produced by the Australian industry allegedly being injured by dumped imports.

Normal value

Australian legislation sets out several ways to assess "normal value".

The preferred method is to use the price paid for like goods sold for domestic consumption in the country of export. Usually, these sales are made by you, but there may be circumstances where it is appropriate to use sales made by other sellers on the domestic market.

Sale prices must be at arms length and in the ordinary course of trade. In the absence of relevant or suitable domestic sales, the normal value may be determined by constructing a price based upon all costs to make and sell the goods. Profit may also be included if the sales on the domestic market are profitable. Alternatively the normal value may be ascertained using the price paid for like goods sold in the ordinary course of trade at arms length to customers in a country other than Australia, however this option is rarely used.

Finally, when a normal value cannot be ascertained by any of the above methods, or if no information is provided, the Commission will determine the normal value by considering all the relevant information, including the applicant's information. This allows the applicant's information to be used where sufficient information has not been furnished or is not available.

Ordinary course of trade

Testing for "ordinary course of trade" includes a comparison of the selling price and the unit cost to make and sell for the same period. If sales in respect of a substantial quantity of goods over an extended period of time, usually 12 months, do not recover all costs and these losses are not likely to be recovered within a reasonable period of time, (again usually 12 months) then the sales are regarded as being not in the ordinary course of trade.

There may be circumstances where it is appropriate to use a period other than 12 months in assessing whether sales are in the ordinary course of trade.

Unprofitable sales are to be taken to have occurred in substantial quantities during an extended period where the unprofitable sales amount to 20% or more of the total volume of sales of the goods by the exporter over the period. An extended period of time is usually taken to be a period not less than 12 months. Where unprofitable sales are rejected, normal value is based upon remaining profitable sales provided they occur in sufficient number. Where all sales have been made at a loss, or profitable sales are insufficient, the normal value may be constructed from costs to make and sell.

Primary Aluminium

Raw material inputs of aluminium (including billets and ingots).

Related Parties

See "Associated Companies" above.

Selling, general and administration expenses (SG&A)

The selling, general and administration expenses includes all selling, distribution, general and administration expenses including finance costs that would be incurred if the goods were sold for domestic consumption in the country of export. The amounts are determined in each case using all the available information and may include expenses incurred in:

- . domestic sales of like goods;
- . sale of goods of the same general category by the exporter; or
- . sales in the industry in the country of export.

The expenses must, however, reflect the selling, general and administration costs of the goods. Administrative and selling expenses include: director's fees, management salaries and benefits, office salaries and benefits, office supplies, insurance, promotion, entertainment, depreciation and corporate overheads.

State Owned Enterprises (SOE)

For the purposes of this questionnaire, SOE refers to any company or enterprise that is operating under the direct or indirect control or influence of the GOC (as defined above). This includes any company which is effectively controlled by the GOC through laws, orders, regulations, directives or other similar mechanisms; or is operating in a partnership or joint venture capacity with the GOC; or whose shares, whether or not they are publicly traded, are wholly or majority owned by the GOC.

Subsidy

In relation to goods that are exported to Australia, means:

- (a) a financial contribution:

OPAL - Non-confidential version - 35

- (1) by a government of the country or export or country of origin of those goods; or
- (2) by a public body of that country or of which government is a member; or
- (3) by a private body entrusted or directed by that government or public body to carry out a governmental function;

that is made in connection with the production, manufacture or export of those goods and that involves:

- (4) a direct transfer of funds from that government or body to the enterprise by whom the goods are produced, manufactured or exported; or
- (5) a direct transfer of funds from that government or body to that enterprise contingent upon particular circumstances occurring; or
- (6) the acceptance of liabilities, whether actual or potential, of that enterprise by that government body; or
- (7) the forgoing, or non-collection, of revenue (other than an allowable exemption or remission) due to that government or body by that enterprise; or
- (8) the provision by that government or body of goods or services to that enterprise otherwise than in the course of providing normal infrastructure; or
- (9) the purchase by that government or body of goods provided by that enterprise; or

- (b) any form of income or price support as referred to in Article XVI of the General Agreement Tariffs and Trade 1994, that is received from such a government or body;

if that financial contribution or income or price support confers a benefit in relation to those goods.

OPAL - List of Attachments to Questionnaire

Confidential A-3.5 – Group corporate structure (same document as PanAsia China)

Confidential A-3.9 – Internal organisation chart of OPAL

Confidential A-3.10 – List of Board of Directors

Confidential A-3.11 – Copy of most recent Annual Report (same Annual Report as PanAsia China)

Confidential A-4.1&2 – Financial statements for two most recently completed financial years

Confidential A-4.3.3 – Chart of Accounts

Confidential A-4.3.4 – Internal financial statements for six month period ended 31 March 2014

Confidential B-1 – Contact details of Australian customers

Confidential B-9 – Source documentation (commercial invoice, purchase order, inland transportation, ocean freight) for 2 export transactions between OPAL and Australian customers.

Spreadsheet files:

Confidential Excel - A5 Income Statement

Confidential Excel - A6 Turnover

Confidential Excel - B4 Exports to Australia

Confidential Excel - C3 Like Goods

Confidential Excel - F1-Third Country

Confidential Excel - G4 Exports CTMS