



**Public record version**

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**By email:**

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The Director  
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Dear Director

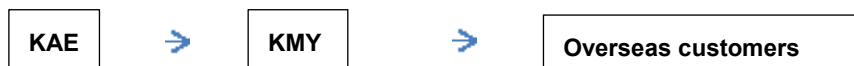
**Clarification of certain issues with respect to export channels for Kam Kiu - aluminium extrusions exported from the People's Republic of China**

As you know, we act for Tai Shan City Kam Kiu Aluminium Extrusion Co., Ltd (**KAE**) and its related entities.

We refer to AD Notice 2015/125, and to Review ADC 392, concerning the anti-dumping measures imposed on aluminium extrusions exported from the People's Republic of China.

We are instructed to write to you in relation to a planned change by KAE in relation to its export channel, by which the goods subject to measures are sold to Australia.

Currently, KAE exports its products to overseas customers, including customers in Australia, through Kam Kiu Aluminium Product Sdn. Bhd. (**KMY**), a Malaysian registered offshore company. KMY shares, with KAE, the same ultimate shareholder, Kam Kiu International Holdings Limited (**KIH**). The channel can be depicted as follows:



KAE is now planning to replace KMY, in this process, with another affiliated company, Kam Kiu (Hong Kong) Limited (**KHK**), a company incorporated and operated in Hong Kong since 2001, for all future exports from China to Australia and other foreign markets. KHK and KAE are both wholly owned subsidiaries of the same ultimate shareholder, KIH.

After the replacement, the sales channel of Kam Kiu group will be changed to:



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The proposed change is intended to take effect on 1 January 2018. After the change, KMY will become dormant, and it is not expected that there will be any period during which KMY and KHK are both involved in sales to Australia.

While there is no fundamental difference between the business models of KHK and KMY, we are instructed that the proposed change is triggered by the difficulty of managing the Malaysian company remotely (with no office in Malaysia), whereas the Kam Kiu group has staff and offices in Hong Kong.

After the change, staff who presently undertake work for KMY will be employed by KHK.

The changes proposed are summarized in the table below:

	Prior to change - KMY	After the change - KHK
<b>Sales will be booked</b>	KMY	KHK
<b>Price decision</b>	International Sales Vice President	Unchanged
<b>Employees</b>	Staff under KMY: <ul style="list-style-type: none"><li>• [Confidential – staff names]</li></ul>	Those staff under KMY will be employed under KHK upon restructuring

In our view, the changes are nothing more than an internal corporate restructure within the Kam Kiu group, and should not result in any differences at all, for the purposes of the calculation of the dumping margins that apply in relation to goods exported to Australia by KAE. However, our clients were keen to bring the proposed changes to the Commission's attention, so that they could be appropriately reflected in the Commission's description of the processes by which KAE's goods will be exported to Australia.

Yours faithfully

**Corrs Chambers Westgarth**



**Andrew Korbelt**  
Partner

**Zhong Lun Law Firm**



**LIU Jianwei**  
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